

**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 AUGUST 17, 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 July 13, 2010 Status Conference before this Court, the Trustee, with the assistance of his professionals, has accomplished the following:

- a) Held the continued § 341 meeting of creditors at the Akron City Center Hotel.
- b) Had discussions with federal authorities regarding disposition of vehicles seized from Timothy Durham (with the government retaining RM Auctions to handle the sale but indicating that all proceeds will go to the estate); the government and RM auctions have set two vehicles for auction in Pebble Beach in August.
- c) Met with the Ohio Division of Securities and KPMG to review information regarding Fair Finance and its related entities.
- d) Met with the Securities and Exchange Commission regarding a review of pertinent information.
- e) Received electronic copies of information seized by the federal government; began loading those documents onto computers for searching.



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f) Requested information on bank accounts turned over by Fair Holdings, Inc. and DC Investments to the estate per the assignment agreements with those entities.

g) Entered into negotiations with some politicians who received contributions from Mr. Durham for the return of those funds; sent out additional requests for return of funds based upon information discovered after the Trustee's requests were made public.

h) Took possession of a shipment of the artwork assigned to the estate by Mr. Durham.

i) Continued to negotiate with the management of CLST.

j) Prepared for the filing of avoidance claims.

k) Served written discovery upon counsel for Daniel Laikin in the adversary proceeding against him.

l) Negotiated the assignment of obligations owing to Mr. Durham and Diamond Investments – the Trustee is in the process of finalizing those agreements.

m) Completed agreements in principal to sell the property at each of Fair's locations to the respective landlord, or abandoning said property.

n) Continued to investigate the organizational structure of entities owned and controlled by common owners of Debtor.

o) Continued investigation regarding assets and claims against insiders.

p) Obtained mortgages on property owned by Durham; negotiated an agreement in principal to place a mortgage on property owned by Cochran, subject to finalizing the form of the agreement.

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

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

- a) Continue to cooperate with government agencies.
- b) 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.
- c) 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.
- d) Address issues regarding State of Massachusetts license revocation action.
- e) Continue to work with Taft Stettinius & Hollister toward resolving issues in connection with turnover of work files and fees.
- f) Continue discovery in Laikin adversary proceeding.
- g) Continue to follow up with Fortress Investments LLC regarding estate's potential equity in accounts.
- h) Monitor status of proceedings or sale of Laikin properties.
- i) Continue investigation and commence additional proceedings to recover assets, including avoidance claims under chapter 5 of the Bankruptcy Code.
- j) Investigate and quantify claims for monies owing to the estate by entities that obtained loans and other advances from the Fair entities.
- k) Investigate and assert claims, if any, against Debtor's insurance.
- l) 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.
- m) Follow up regarding the potential sale of accounts owned by the Debtor.

n) Complete review of documents in possession of Federal Bureau of Investigation now that access to those records has been restored.

o) File additional motions, as necessary, regarding disposition of Debtor's contracts and leases.

Date: August 16, 2010

Respectfully submitted,

/s/ Brian A. Bash

Brian A. Bash, Trustee (0000134)

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## **CERTIFICATE OF SERVICE**

A copy of the foregoing has been served via ECF or regular, U.S. Mail, on August 16, 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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