

**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 19, 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 September 21, 2010 Status Conference before this Court, the Trustee, with the assistance of his professionals, has accomplished the following:

- a) Advertised the artwork assigned to the estate, both in national publications and in local newspapers in Los Angeles, Indianapolis, and Akron; provided numerous newspaper, radio and television interviews regarding the sale to maximize the number of bidders; and completed the auction of nearly all of the artwork assigned to the estate for a gross aggregate of approximately \$400,000.
- b) Filed a motion to approve the Trustee's proposed compromise with Taft, Stettinius & Hollister over their fees as debtor's counsel and their motion to withdraw.
- c) Issued a Rule 2004 subpoena to Fortress Credit Corp. regarding its transaction with Fair Finance in 2008.
- d) Analyzed and developed approach to discovery issues in the Laikin and McKibben litigation.



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e) Continued to review loan documents, sent demand letters, and filed UCC-1 filing statements with respect to loans made by Fair Finance, Fair Holdings, or DC Investments.

f) Received turnover of the vehicles held by the FBI in Indianapolis, and provided for their storage. The Trustee expects the vehicles held by the FBI in Los Angeles will be moved into storage at the end of this week.

g) Continued to work with RM Auctions, and with bank holding first lien on Duesenberg pledged to Trustee, regarding arrangements and preparation for sale.

h) Continued to investigate 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.

i) Made substantial progress in reviewing debtor's records, including voluminous electronic documents which require the assistance of Vestige, the estate's forensic computer experts.

j) Identified potential significant claims and commenced analysis and investigation thereof.

k) Terminated Debtor's 401(k) plan.

l) Negotiated with banks that hold senior liens senior to Trustee's liens on real property regarding the manner of disposition of that property, with favorable results.

m) Negotiated terms for a sale of the debtor's legal forms and other assets, subject to approval to the court.

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 in property owned by people and entities that owe money to the estate.

2) 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.

3) Continue review of records and analysis of claims.

4) Address issues regarding State of Massachusetts license revocation action.

5) Continue discovery in pending adversary proceedings.

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

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

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

9) 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.

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

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

12) Issues discovery requests pursuant to Rule 2004.

13) File motion to retain RM Auctions and prepare for sale of vehicles.

Date: October 18, 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 October 18, 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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