

**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 NOVEMBER 16, 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 October 19, 2010 Status Conference before this Court, the Trustee, with the assistance of his professionals, has accomplished the following:

- a) Received and began reviewing information from Fortress Credit Corp. regarding its transaction with Fair Finance in 2008.
- b) Filed an Emergency Motion and obtained an order authorizing the Trustee to take possession of a 1929 Auburn which was being exhibited at a museum. The Trustee now has possession of that vehicle and all but one of the other vehicles on which the Trustee has a first lien and has provided for their storage.
- c) Filed a motion to expand the scope of Mr. Howard Klein's employment by the estate to include services as an expert witness.
- d) Prepared Complaints against two significant bidders at the Trustee's October 16, 2010 Art Auction for refusing to pay on their high bids.
- e) Responded to discovery propounded upon the Trustee in litigation filed by investors against James Cochran based on alleged misrepresentations made to them personally.



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- f) Analyzed the applicability of the automatic stay in outstanding state court litigation.
- g) Continued to negotiate and resolve discovery issues in the Laikin and McKibben litigation.
- h) Analyzed options in connection with certain stock pledged to Debtor.
- i) Continued negotiations with political donees regarding return of contributions.
- j) 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.
- k) Continued to work with RM Auctions, and with bank holding first lien on Duesenberg pledged to Trustee, regarding arrangements and preparation for sale.
- l) Negotiated insurance issues related to property to be sold.
- m) 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.
- n) Continued to review debtor's records.
- o) Analyzed and investigated potential claims.
- p) 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.
- q) Responded to new notices of foreclosure filed on Mr. Durham's property.

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) Continue discovery in pending adversary proceedings.

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

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

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

8) 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.

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

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

11) Issues discovery requests pursuant to Rule 2004.

12) File motion to retain RM Auctions and prepare for sale of vehicles in January 2011 in Arizona.

13) Send demand letters and file suit on loan obligations owing to the estate than cannot be consensually resolved.

Date: November 15, 2010

Respectfully submitted,

/s/ *Brian A. Bash*

Brian A. Bash, Trustee (0000134)

Kelly S. Burgan (0073649)

Baker & Hostetler LLP

PNC Center

1900 East 9th Street, Suite 3200

Cleveland, OH 44114-3482

Telephone: 216.621.0200

Facsimile: 216.696.0740

Email: BashTrustee@Bakerlaw.com

Email: kburgan@bakerlaw.com

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.

- Brian A Bash bashtrustee@bakerlaw.com, bbash@ecf.epiqsystems.com
- Brian A Bash BBash@bakerlaw.com
- Kelly Burgan kburgan@bakerlaw.com
- Anthony J. Cespedes ajc1253@yahoo.com
- Adam D. Cornett acornett@taftlaw.com, cmillner@taftlaw.com;docket@taftlaw.com
- J Douglas Drushal ddrushal@ccj.com
- Joseph Esmont jesmont@bakerlaw.com, joe.esmont@gmail.com
- Leon Friedberg lfriedberg@cpmlaw.com, rswoager@cpmlaw.com
- H Ritchey Hollenbaugh hrh@cpmlaw.com, rms@cpmlaw.com;slq@cpmlaw.com
- Kimberlie L Huff khuff@taftlaw.com, sschmidt@taftlaw.com
- Cynthia A Jeffrey ecfndoh@reimerlaw.com, RACJ.ecfndoh@yahoo.com
- Stuart A. Laven slaven@beneschlaw.com,
docket@beneschlaw.com;mkrawczyk@beneschlaw.com;lbehra@beneschlaw.com
- Trish D. Lazich trish.lazich@ohioattorneygeneral.gov,
angelique.seals@ohioattorneygeneral.gov
- Scott B. Lepene slepene@beneschlaw.com,
docket@beneschlaw.com;mkrawczyk@beneschlaw.com;lbehra@beneschlaw.com
- Grant A Mason gamason@millermast.com
- Matthew H Matheney mmatheney@frantzward.com,
dlbeatrice@frantzward.com;maguilar@frantzward.com
- Shorain L. McGhee shorain.mcghee@sbcglobal.net
- David Polan Meyer dmeyer@dmlaws.com
- David Polan Meyer dmeyer@dmlaws.com, docket@dmlaws.com
- Michael J Moran moranecf@yahoo.com
- David Mucklow davidamucklow@yahoo.com
- Michael P O'Neil moneil@taftlaw.com,
dwineinger@taftlaw.com;ecfclerk@taftlaw.com
- Mark A Phillips mphilips@beneschlaw.com,
docket@beneschlaw.com;lbehra@beneschlaw.com;cgreen@beneschlaw.com
- Timothy Paul Piatt tppiatt@mgplaborlaw.com
- Clinton E. Preslan ndohbky@jbandr.com
- Stephen J Pruneski spruneski@rlblp.com
- Vance P Truman medinaatty@yahoo.com, medinaatty@gmail.com
- United States Trustee (Registered address)@usdoj.gov
- Nancy A Valentine navalentine@hahnlaw.com, hlpcr@hahnlaw.com
- Wayne County Litigants ddrushal@ccj.com

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).

F Anthony Paganelli
Taft Stettinius & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, IN 46204

Emily S. Donahue
Jackson Walker L.L.P.
901 Main Street, Suite 6000
Dallas, TX 75202

Christine A. Arnold
6005 Twin Lakes Drive
Parma, OH 44219

Charles R. Dyas, Jr.
Barnes & Thornburg LLP
Fifth Third Center
21 East State Street, Suite 1850
Columbus, OH 43215

Leon Friedberg
Dennis J. Concilla
Carl A. Aveni
H. Ritchey Hollenbaugh
Carlile Patchen & Murphy LLP
366 Broad Street
Columbus, OH 43215

Robert Boote
Ballard Shahr LLP
919 North Market Street, 12th Floor
Wilmington, DE 19801-3034

Leslie C Heilman
Ballard Spahr LLP
919 North Market Street, 12th Floor
Wilmington, DE 19801-3034

Michael V. Demczyk
12370 Cleveland Avenue, NW
P.O. Box 867
Uniontown, OH 44685

Michael P. O'Neil
Taft Stettinius & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, IN 46204

Eric W. Sleeper
Barton Barton & Plotkin LLP
420 Lexington Avenue
New York, NY 10170

Gary Sallee
11650 Olivo Road, Suite 1000-333
Fishers, IN 46037

Robert Hanlon
Eileen Hanlon
P.O. Box 42
State Route 43
Mogadore, OH 44260

John McCauley, Esq.
J. Richard Kiefer, Esq.
Bingham McHale LLP
2700 Market Tower
10 West Market Street
Indianapolis, IN 46204

Tobey Daluz
Ballard Spahr LLP
919 North Market Street, 12th Floor
Wilmington, DE 19801-3034

Jay Jaffe
Baker & Daniels LLP
600 E. 96th Street, Suite 600
Indianapolis, IN 46240