

**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 JANUARY 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 December 14, 2010 Status Conference before this Court, the Trustee, with the assistance of his professionals, has accomplished the following:

- a) Finished reviewing information from Fortress Credit Corp. regarding its transaction with Fair Finance in 2008, and certain information provided to the Trustee by the Department of Justice.
- b) Obtained and began to review a subset of the work papers of Fair Finance's auditors; continued to review communications of representatives of Fair.
- c) Entered into negotiations with several of the debtors of the Debtor, Fair Holdings or DC Investments, and began preparing complaints to recover obligations owing to the estate. The Trustee intends to begin filing complaints shortly.
- d) Reached a compromise agreement in the *Isen* litigation whereby the bidder will pay the Trustee the full amount of his bid plus the buyer's premium; drafted and filed a motion with the court to approve that compromise.



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- e) Continued to prepare for proceedings in the *Hart* litigation and explore potential settlements.
- f) In the *Laikin* litigation, produced documents to the defendant and issued subpoenas to accounting firms and brokers.
- g) Reviewed status, issues and options in connection with pending state court litigation and contacted plaintiff's counsel regarding possible resolution of issues.
- h) Continued to negotiate and resolve discovery issues in the Laikin and McKibben litigation.
- i) Continued negotiations with political donees regarding return of contributions.
- j) Continued to work with RM Auctions, and with bank holding first lien on Duesenberg pledged to Trustee, regarding arrangements and preparation for sale on January 20 and 21.
- k) Negotiated insurance issues related to vehicles and artwork.
- l) Continued to investigate, and develop strategy and approach regarding, 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.
- m) Continued to review Debtor's records.
- n) Continued to analyze, investigate and develop Trustee's claims.
- o) Filed a supplemental disclosure to the Trustee's Motion to Retain RM Auctions regarding debts owed to the estate by an affiliate of RM.
- p) Continued prosecution of pending adversary proceedings, including filing motions for summary judgment in the *Brevet* litigation.

q) Researched issues relevant to pending adversary proceedings and administration of Debtor's estate.

r) Reviewed financial information provided by accountants.

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 on behalf of the estate, and to analyze and recover from collateral of value to the estate.

2) Continue to negotiate for consensual turnover of assets from entities owing obligations to the Debtor, and to file lawsuits when prudent.

3) Continue review of records and analysis and development of claims.

4) Continue discovery and administration of 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) 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) Issue requests for documents and examinations pursuant to Rule 2004.

12) Send additional demand letters and pursue additional obligations owing to the estate.

Date: January 14, 2011

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 January 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.

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## Manual Notice List

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