

**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 MAY 10, 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 April 12, 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 has filed complaints to avoid fraudulent transfers against political committees that received contributions from Timothy Durham. The Trustee is presently negotiating with those political committees and others, and believes he is close to settlement on a number of these claims.

b) The Trustee has filed a motion for leave to file an amended complaint in the *FCS Advisors* adversary proceeding.

c) The Trustee has served subpoenas upon National Lampoon, Elizabeth McClure, Timothy Durham, Gary Sallee, JP Morgan Chase, Peachin Schwartz & Weingardt, PC, and conducted an examination of Dana Osler and Henri Najem. The Trustee is in the process of reviewing documents received in response to subpoenas.

d) The Trustee's forensic accountant has continued to reconstruct the financial statements of the Debtor in accordance with generally accepted accounting principles.

e) The Trustee has continued to pursue ongoing litigation, such as the *Complaint for Substantive Consolidation*.

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<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 majority of the Trustee's professionals' time has been spent investigating, identifying and developing 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) Sending additional demand letters and pursuing additional obligations owing to the estate.

4) Reviewing and responding to the motion for relief from stay filed by the Debtors' Directors' and Officers' insurance policy.

5) Negotiating the potential sale of United Trailers, Obsidian's only operating subsidiary, on whose assets the Trustee holds a second lien.

Date: May 9, 2011

Respectfully submitted,

/s/ Brian A. Bash

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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 May 9, 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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