

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 SEPTEMBER 13, 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 August 16, 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 filed an application to retain local counsel in Philadelphia, and obtained the United States’ consent to a motion unsealing records in Daniel Laikin’s criminal case, which was filed on September 2nd.

b) The Trustee and counsel for various defendants have agreed to key terms for settling National Union’s motion to pay attorney’s fees, the *Substantive Consolidation* adversary proceeding, and parts of the *McKibben* adversary proceeding. The Trustee and counsel for the insureds are in discussion with counsel for National Union regarding potential settlement of the motion to pay attorney’s fees.

c) The Trustee filed an *Amended Complaint* in the *National Lampoon* matter, and will soon file a supplemental affidavit in support of his Motion for the appointment of a receiver and a motion for expedited discovery.

d) The Trustee has received documents in response to his subpoenas to Standard and Poor’s, Textron and Donald Fair.

<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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e) The Trustee deposed Daniel Laikin in the *Laikin* and *McKibben* adversary proceedings, and obtained an order extending the discovery deadlines and permitting him to complete the deposition of Laikin and take the deposition of John Weingardt.

f) The Trustee has obtained orders approving compromises with Joseph Reynolds and A&M Green Properties, has obtained the proceeds of the A&M Green settlement, and sold Mr. Reynolds' Speedster replica at auction for approximately \$40,000.

g) The Trustee has continued to review the contents of the Fair Finance email server.

h) The Trustee has reviewed invoices provided by Blank Rome in connection with its claims to the proceeds of the sale of Daniel Laikin's Los Angeles property and is in discussions with Blank Rome regarding those claims.

i) The Trustee has sold the last remaining pieces of artwork in his possession.

j) The Trustee litigated the Motion of Obsidian Enterprises and other parties to have this Court alter or amend its order determining privilege on Fair's computer servers, including attending hearings and filing a sur-reply.

k) The Trustee has received settlement checks from three political committees, and intends to file motions to compromise those controversies with the Court shortly.

l) The Trustee's professionals have continued to investigate, identify and develop numerous potential claims and causes of action.

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

1) Finalizing terms for a servicing agreement with respect to accounts receivable with an estimated value of more than \$2 million. The Trustee intends to file a motion shortly to approve that servicing agreement, which will enable the Trustee to begin collecting, and potentially sell, the receivables.

2) 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.

3) Taking depositions in Cleveland, Indianapolis, and Los Angeles, and issuing additional requests for documents and examinations pursuant to Rule 2004.

4) Continue the investigation of the claims asserted by Blank Rome and Liberty International to the proceeds of the sale of Daniel Laikin's Los Angeles property.

5) Sending additional demand letters and pursuing additional obligations owing to the estate.

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

Date: September 12, 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 September 12, 2011, on the attached service list.

*/s/ Brian A. Bash*

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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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