

FREQUENTLY ASKED QUESTIONS (“FAQ”)—FAIR FINANCE

Brian Bash, the Trustee appointed in the Fair Finance chapter 7 bankruptcy case has been receiving a large volume of calls from various parties interested in the bankruptcy case. Not surprisingly, the vast majority of calls have come from certificate holders. The Trustee identified over 13,000 certificates as having been issued and estimates that there are approximately 5,000 holders of these certificates.

Many of the calls received have focused on several questions or concerns. Unfortunately, many calls still have not been returned. In an effort to communicate to as many investors as possible and to relieve the tremendous amount of time spent on these calls this FAQ will address most issues raised.

Q. I am a certificate holder. Do I have to send you anything to make certain I am on the list of investors?

A. The Trustee has compiled a list of creditors and certificate holders. A court notice of a first meeting of creditors will be sent to everyone on the list. That notice should provide you with some knowledge that you are included in the case. The Trustee will also be posting regular updates to his website. The address is www.FairFinanceTrustee.com. You will be given notice of the various matters coming before the court by referring to that website. There is public access to computers available at public libraries.

Q. Do I need to file a proof of claim and, if so, when and how do I file my claim?

A. The deadline for filing proofs of claim has not yet been set by the bankruptcy court. When the deadline is set, all certificate holders and other creditors will be sent notice of the deadline for filing claims, along with instructions for where to submit the claims. You do not have to submit your claim now, but you may do so if you choose. If you submit your claim now, you can obtain a copy of the proof of claim form and instructions from the Trustee's website (www.FairFinanceTrustee.com). If you submit a claim now, you do not need to re-submit it after



the notice of the deadline is sent. Re-submitting claims more than once will require the Trustee to file an objection to duplicate claims.

Q. Do I need to retain a lawyer?

A. That is a personal decision each of you must make. Be assured that all claimants similarly situated will be treated the same, whether or not represented by counsel. As described above and on the Trustee's website, there is a proof of claim form that all creditors must file before the deadline, which the Court has not yet set. If you cannot complete the form by yourself, you may want to consult counsel. The form that has to be completed is posted on the website and you are encouraged to review the form to determine if you need any additional help.

Q. My certificate recently matured or will be maturing in the near future. Will I be receiving my scheduled payments?

A. No payments will be made to any certificate holders on the maturity dates.

Q. Will I be receiving any payment on my certificate at any time?

A. The Trustee cannot yet determine whether there will be funds available to make any payments on certificates. If money is available for payments to certificate holders, it is anticipated that all certificate holders that are similarly situated will receive their pro rata share of any distribution that may be made. But in order for the Trustee to make a distribution, the Trustee has to recover assets for the benefit of Fair Finance creditors. The Trustee is currently investigating the quality, amount and nature of assets that he might recover for the benefit of the Fair Finance bankruptcy estate and its creditors. Therefore, there is no certainty of any distribution at this time.

Q. Should I declare a tax loss for my investment?

A. You should consult your accountant regarding any tax loss claims you may want to submit.

Q. I have moved and don't know if you have my new address. What should I do?

A. Once notice of the first meeting of creditors has been sent by the court, you should request that all notices be sent to your new address. You will be able to determine if the court notice was sent by referring to the Trustee's website (www.FairFinanceTrustee.com).

This initial list of questions is by no means exhaustive but does include the vast majority of issues raised by claimants. Additional FAQs will be addressed based on inquiries that the Trustee receives as the case progresses.