

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

In re:)	Case No. 10-50494
)	
FAIR FINANCE COMPANY)	Chapter 7
)	
Debtor.)	Chief Judge Pat E. Morgenstern-Clarren
)	

Status Report

Brian A. Bash, the Chapter 7 Trustee for Fair Finance Company, hereby submits this report on the status of the pending adversary proceedings and this Chapter 7 case in accordance with this Court’s Order (Dkt. No. 1681). Since the general status conference on March 5, 2015, the Trustee has recovered approximately \$38 million for the benefit of the estate. The estate’s money market fund has a current balance of \$39.9 million. Those recoveries include \$35 million received from the settlement of the *Fortress* litigation, more than \$1.3 million received towards the settlement of the *Laikin* litigation, approximately \$650,000 received in settlement of the Head litigation, \$364,000 received from the trustee for Alternate Billing Corporation, more than \$200,000 received in dividends on CLST stock, approximately \$100,000 turned over by KeyBank and over \$30,000 recovered from a DW Leasing bank account.

A. Pending Litigation

The following are the pending cases that the Trustee is pursuing:

1. *Bash v. Textron Financial Corp.* (Adv. Pro. No. 12-5101).¹ The Trustee appealed the District Court’s order dismissing his claims against Textron to the Sixth Circuit on August 7, 2015. The Trustee’s claims in the Complaint include claims for the recovery of \$316,547,781 in fraudulent transfers. The parties participated in mediation through the Sixth Circuit’s Mediation Office but were unable to reach a settlement. The Trustee’s Brief is due on November 20, 2015, Textron’s Brief is due on December 21, 2015, and the Trustee’s Reply Brief will be due seventeen days after Textron’s Brief is filed.

2. *Bash v. Kaffen* (Adv. Pro. No. 12-5149). The Trustee has reached a \$60,000 settlement in this case and filed a Motion to Approve Compromise.

3. *National Lampoon v. Durham*. The Trustee intervened in this case, which is pending as number 13-cv-1094 in the United States District Court for the

¹ Unless otherwise indicated, all citations refer to the bankruptcy court docket rather than any district court docket.



105049415102800000000001

Southern District of Indiana. The settlement of the Trustee's California action against National Lampoon may moot some or all of the claims in this action. The Trustee is working with all parties in an attempt to facilitate a resolution of this case.

4. *Bash v. Williams Trusts* (Adv. Pro. No. 14-1169). The Trustee reached a settlement with the trust defendants and went to trial against the individual defendants in October 2015. The matter is currently under consideration by the Court.
5. *Bash v. Beeson Aesthetic Surgery Institute, LLC et. al.* (Adv. Pro. No. 15-01180). This litigation seeks to recover approximately \$1.6 million in back-rent obligations from a plastic surgery practice pursuant to leases that were assigned to the Trustee. The Defendants have not yet answered the Complaint.

B. Other Assets

1. **Laikin Residence.** The Trustee maintains a first-position deed of trust on the Malibu, California residence of Daniel Laikin and his wife to secure repayment of approximately \$2.2 million due on December 17, 2015 under the Trustee's settlement agreement with Mr. Laikin. This property had a taxable value of approximately \$4.67 million in 2013.
2. **Fair Finance Headquarters.** The Debtor's former headquarters on Market Street in Akron has an estimated value of \$200,000.
3. **Texas Real Estate.** The Trustee has retained a real estate agent to sell a free-standing home located in Gun Barrel City, Texas. The tax-assessed value is \$324,010 as of 2013, although the house has been uninhabited for several years.
4. **Stock in National Lampoon.** In addition to a judgment against National Lampoon for \$3 million, the Trustee has obtained an assignment of Tim Durham's stock in National Lampoon. The Trustee has a significant ownership interest in National Lampoon, but the nature and extent of that interest is disputed because National Lampoon questions whether Durham was entitled to certain of the shares he assigned to the Trustee. This matter may be resolved as part of the *National Lampoon v. Durham* case. National Lampoon stock currently has little face value, as it is delisted (on the "pink sheets"), but there have been numerous expressions of interest in acquiring the brand, and the Trustee's diligence suggests that the stock ultimately may yield some value.
5. **Stock in CLST.** The Trustee holds Fair Finance Company's 1,969,077 shares of common stock in CLST, plus approximately 774,000 shares assigned by Timothy Durham, and approximately 737,000 shares assigned by Diamond Investments. In March, the Trustee received most of the proceeds of a ten-cent per share distribution on CLST's shares, totaling approximately \$220,000. The

Trustee expects to receive the remaining funds, totaling approximately \$120,000, as part of a settlement of CLST's claim against the estate that has been submitted for court approval. CLST is in the process of liquidating and may produce additional value in the form of dividends.

6. **Default Judgments.** The Trustee is planning to retain a collections firm to pursue certain default judgments on a contingency basis, subject to court approval. An appropriate motion will be filed shortly. The Trustee has considered, and will continue to consider, the sale of judgments on appropriate terms.
7. **United Trailer.** United Expressline has paid off the \$600,000 obligation it agreed to pay the Trustee.
8. **Other Receivables.** The Trustee receives variable payments of several thousand dollars a month from Monterey Financial on account of the debtor's accounts receivable; payments of approximately \$2,900 a month from Midwest Rubber pursuant to a court-approved compromise (approximately \$140,000 remaining), payments of \$1,950 per month from the Guyer / Advanced Medical settlement (approximately \$17,500 remaining), and \$500 a month from Bruce Long (approximately \$6,000 remaining).

Date: October 28, 2015

Respectfully submitted,

/s/ Brian A. Bash

Brian A. Bash, Trustee (0000134)
Baker & Hostetler LLP
PNC Center
1900 East 9th Street, Suite 3200
Cleveland, OH 44114-3482
Telephone: 216.621.0200
Facsimile: 216.696.0740
Email: bbash@bakerlaw.com

CERTIFICATE OF SERVICE

A copy of the foregoing has been served via ECF or regular, U.S. Mail, on October 28, 2015, on the attached service list.

/s/ Brian A. Bash

Brian A. Bash

Trustee in Bankruptcy

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.

- Richard M Bain bain@buckleyking.com, krupa@buckleyking.com
- Stephen M Bales sbales@zieglermetzger.com, dmalloy@zieglermetzger.com
- Brian A Bash bashtrustee@bakerlaw.com, bbash@ecf.epiqsystems.com
- Brian A Bash BBash@bakerlaw.com
- John E. Bator jbator@batorlaw.com, sbator@batorlaw.com
- Alexis Beachdell abeachdell@bakerlaw.com, fairfinancedocket@bakerlaw.com
- Kathryn A. Belfance kb@rlblp.com
- John B. Blanton jblanton@bakerlaw.com
- Thomas J Budd disneydiver@me.com, law@disneydiver.com
- Kelly Burgan kburgan@bakerlaw.com
- Kelly Burgan kburgan@bakerlaw.com
- Patrick W. Carothers pcarothers@leechtishman.com, bankruptcy@leechtishman.com;ghauswirth@leechtishman.com;dtomko@leechtishman.com
- Anthony J. Cespedes ajc1253@yahoo.com
- Michael L. Cioffi cioffi@blankrome.com
- LeGrand L Clark legrand.clark@atg.in.gov, stephanie.patrick@atg.in.gov
- Deborah A. Coleman dacoleman@hahnlaw.com, hlpcr@hahnlaw.com;mcsoulsby@hahnlaw.com;cmbeitel@hahnlaw.com
- Anthony J DeGirolamo ajdlaw@sbcglobal.net, amber_weaver@sbcglobal.net;sedlaw@sbcglobal.net
- Rocco I. Debitetto ridebitetto@hahnlaw.com, cmbeitel@hahnlaw.com
- Duriya Dhinojwala dhinojwala@ccj.com, ddhinojwala@gmail.com
- Michelle DiBartolo-Haglock mdibartolo@ttmlaw.com, mldibartolo@gmail.com
- Breaden M Douthett bdouthett@bakerlaw.com, krossiter@bakerlaw.com;fairfinancedocket@bakerlaw.com
- Breaden M Douthett bdouthett@bakerlaw.com, krossiter@bakerlaw.com;fairfinancedocket@bakerlaw.com
- J Douglas Drushal ddrushal@ccj.com, lehman@ccj.com
- Charles R. Dyas charles.dyas@btlaw.com
- Joseph Esmont jesmont@bakerlaw.com, joe.esmont@gmail.com;fairfinancedocket@bakerlaw.com
- Joseph Esmont jesmont@bakerlaw.com, joe.esmont@gmail.com;fairfinancedocket@bakerlaw.com
- Gregory R Farkas gfarkas@frantzward.com, dlbeatrice@frantzward.com
- Adam Lee Fletcher afletcher@bakerlaw.com
- Dov Frankel dfrankel@taftlaw.com, BHORVATH@TAFTLAW.COM;CLE_Docket_Assist@taftlaw.com
- Leon Friedberg lfriedberg@cpmlaw.com, efilng@cpmlaw.com
- Ronald P. Friedberg rfriedberg@meyersroman.com, vvardon@meyersroman.com
- Marc P Gertz mpgertz@goldman-rosen.com, debm@goldman-rosen.com
- Matthew Gold courts@argopartners.net
- Eric R. Goodman egoodman@bakerlaw.com
- Harry W. Greenfield bankpleadings@bucklaw.com, young@buckleyking.com;toole@buckleyking.com;heberlein@buckleyking.com
- Harry W. Greenfield greenfield@buckleyking.com, young@buckleyking.com;toole@buckleyking.com;heberlein@buckleyking.com
- John J Guy johnguy@neo.rr.com
- John J Guy johnguy@neo.rr.com
- Adam Bradley Hall amps@manleydeas.com
- H Ritchey Hollenbaugh hrh@cpmlaw.com, knocera@cpmlaw.com;slq@cpmlaw.com
- Joseph F. Hutchinson jhutchinson@bakerlaw.com, sssalay@bakerlaw.com;fairfinancedocket@bakerlaw.com
- Steven G Janik steven.janik@janiklaw.com
- Cynthia A Jeffrey bknotice@reimerlaw.com
- Kenneth C Johnson kjohnson@bricker.com, rdelsignore@bricker.com
- Nathaniel R. Jones jones-n@blankrome.com
- Patrick J Keating pkeating@bdblawn.com, sstayer@bdblawn.com
- Scott J. Kelly skelly@mcglinchey.com, jschnick@mcglinchey.com

- John F Kostelnik jkostelnik@frantzward.com, dlbeatrice@frantzward.com
- Stuart A. Laven slaven@cavitch.com
- James Michael Lawniczak jlawniczak@calfee.com
- Trish D. Lazich trish.lazich@ohioattorneygeneral.gov, angelique.seals@ohioattorneygeneral.gov
- Stephen P Leiby sleiby@neolaw.biz, jackie@neolaw.biz
- Scott B. Lepene scott.lepene@thompsonhine.com, docket@thompsonhine.com;Christine.Broz@thompsonhine.com
- Jeffrey M Levinson jml@jml-legal.com
- Patrick T. Lewis plewis@bakerlaw.com, sjeney@bakerlaw.com
- David A Looney David@OhioAttorney.com, davelooney1@gmail.com
- Bruce J.L. Lowe blowe@taftlaw.com, CLE_Docket_Assist@taftlaw.com;SMcKean@taftlaw.com
- Thomas R Lucchesi tlucchesi@bakerlaw.com
- Thomas R Lucchesi tlucchesi@bakerlaw.com
- Crystal L. Maluchnik crystal.maluchnik@janiklaw.com
- Crystal L. Maluchnik crystal.maluchnik@janiklaw.com
- Grant A Mason gamason@millermast.com
- Matthew H Matheney mmatheney@bdbl.com
- Shorain L. McGhee shorain@smcgheelaw.com
- David W. Mellott dmellott@beneschlaw.com
- Tarek E. Mercho tmercho@mercholegal.com
- David P. Meyer dmeyer@dmlaws.com, docket@dmlaws.com
- David Polan Meyer dmeyer@dmlaws.com
- Michael J Moran mike@gibsonmoran.com, moranecf@gmail.com
- Michael J Moran moranecf@yahoo.com, moranecf@gmail.com
- David A Mucklow davidamucklow@yahoo.com
- David A Mucklow davidamucklow@yahoo.com
- Steven J. Mulligan stevenmulligan@cox.net
- Maritza S. Nelson mnelson@bakerlaw.com
- Keith L. O'Korn Keith.o'korn@ohioattorneygeneral.gov
- F. Anthony Paganelli tony@tonypaganelli.com
- Lucas Keith Palmer palmer@ccj.com, ison@ccj.com;aichele@ccj.com
- Mark A Phillips mphillips@beneschlaw.com, docket@beneschlaw.com;lbehra@beneschlaw.com;cgreen@beneschlaw.com
- Mark A Phillips mphillips@beneschlaw.com, docket@beneschlaw.com;lbehra@beneschlaw.com;cgreen@beneschlaw.com
- Larry G. Poulos larry_poulos@yahoo.com
- Kenneth G. Prabucki kprabucki@bakerlaw.com
- Kenneth G. Prabucki kprabucki@bakerlaw.com
- Clinton E. Preslan ndohbky@jbandr.com
- Clinton E. Preslan cpreslan@preslanlaw.com
- David F. Proano dproano@bakerlaw.com, fairfinancedocket@bakerlaw.com
- David F. Proano dproano@bakerlaw.com, fairfinancedocket@bakerlaw.com
- Stephen J Pruneski spruneski@rlblp.com
- Timothy J Richards trichards@frantzward.com, dlbeatrice@frantzward.com
- Mark Riemer mriemer@goldman-rosen.com
- Tim Robinson tim.robinson@dinsmore.com, lisa.geeding@dinsmore.com;susan.sharp@dinsmore.com
- James E Rossow jim@rubin-levin.net, susan@rubin-levin.net
- James E Rossow jim@rubin-levin.net, susan@rubin-levin.net
- Colin P. Sammon colin.sammon@janiklaw.com, Julie.Zakrzewski@Janiklaw.com
- Matthew J. Samsa msamsa@mcdonaldhopkins.com, docket@beneschlaw.com;cgreen@beneschlaw.com
- Richard V. Singleton rsingleton@blankrome.com, kreda@blankrome.com;jhanner@blankrome.com
- Dale S Smith dsmith@frantzward.com, dlbeatrice@frantzward.com
- Sheldon Stein ssteindocs@gmail.com, kristine@ex100.com;sheldon@steintrustee.com;sstein@epiqtrustee.com
- Rachel L. Steinlage rsteinlage@meyersroman.com, jray@meyersroman.com;mnwak@meyersroman.com
- Ray H Stoess raystoess@600westmain.com
- Megan D. Stricker mnvinc@davisyoung.com, gcampbell@davisyoung.com
- Timothy M. Sullivan tim@tmslaw.net, elaine@tmslaw.net;martin@tmslaw.net;Jillian@tmslaw.net
- Jonathan D. Sundheimer jsundheimer@btlaw.com

- Gregory D Swope gswope@kwgd.com, mhelmick@kwgd.com
- David J. Theising dtheising@harrisonmoberly.com
- Ronald N. Towne rtowne@neolaw.biz, awehener@neolaw.biz
- Vance P Truman medinaatty@yahoo.com
- United States Trustee (Registered address)@usdoj.gov
- Michael S Tucker mtucker@ulmer.com
- Nancy A Valentine navalentine@hahnlaw.com, hlpcr@hahnlaw.com;cmbeitel@hahnlaw.com
- Michael A. VanNiel mvanniel@bakerlaw.com
- Michael A. VanNiel mvanniel@bakerlaw.com
- Thomas C Wagner wagnert@tcwlawyers.com, wagnert@vwlawyers.com
- Daniel Rubin Warren dwarren@bakerlaw.com
- Wayne County Litigants ddrushal@ccj.com
- Nicholas L. White nwhite@bakerlaw.com, fairfinancedocket@bakerlaw.com
- Alicia Raina Whiting-Bozich whiting-bozich@buckleyking.com, heberlein@buckleyking.com
- Robert M Whittington robertwhittington0@gmail.com, G17044@notify.cincompass.com
- Lenore Kleinman ust04 Lenore.Kleinman@usdoj.gov
- Maria D. Giannirakis ust06 maria.d.giannirakis@usdoj.gov

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).

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
41 S. High Street
Suite 3300
Columbus, OH 43215-6104

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

Robert Boote
Ballard Spahr 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

Lenore Kleinman
Office of the United States Trustee
Howard M. Metzenbaum U.S. Courthouse
201 Superior Avenue East, Suite 441
Cleveland, Ohio 44114

Lothar Jung
12962 W. Linden Avenue
Parma, OH 44130-5817

John J. Kuster
Benjamin R. Nagin
Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019

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

Gary Sallee
11650 Olio 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
Faegre Baker Daniels LLP
600 E. 96th Street, Suite 600
Indianapolis, IN 46240

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

Charles Boerner
1848 Ritchie Road
Stow, OH 44224

JM Partners LLC
Attn: John Marshall
6800 Paragon Place, Suite 202
Richmond, VA 23230-1656