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May 29, 2015

Dear IMET Liquidating Trust Participant:

Participant Update—May 29, 2015

The following updates IMET's Participant Update of April 24, 2015 concerning the First Farmers Financial ("FFF") Repo B matter and the related recovery efforts.

Sale of Five Hotel Properties:

As you may recall, the Nanosky Receiver is overseeing the marketing and sale of five hotel properties for the benefit of the investors in the FFF Repo B. One of the hotels is fully operational (the Doubletree by Hilton in Orlando, Florida), two of the hotels are close to completion (the Crowne Plaza in Lake Buena Vista, Florida and the Crowne Plaza in Saddlebrook, New Jersey) and two of the hotels need substantial work (the Renaissance in Orlando, Florida and the Four Points Sheraton in Peoria, Illinois).

The Nanosky Receiver is engaged in a national and international marketing effort to attempt to obtain the highest value for these properties. In this regard, on May 4, 2015, the Nanosky Receiver entered into an exclusive listing agreement with D & C Hospitality Investments, LLC d/b/a HREC Investment Advisors ("HREC"), a major national real estate broker specializing in the hospitality and lodging industry to assist with the marketing and sale of the five hotel properties. In addition, on May 5, 2015, the Nanosky Receiver engaged Auction.com to conduct a public auction and to further assist with national and international marketing efforts related to the five hotel properties. HREC and Auction.com are engaging in a jointly implemented broad marketing campaign designed to attract a large and diverse population of potential buyers from institutional to non-institutional investors as well as from international groups and groups local to each market. The goal is to generate as much competition as possible for each of the hotel properties, which would drive up the bidding and price for the properties.

HREC and Auction.com have already begun extensive marketing and public relations activities with respect to the hotels. The sale has already received significant press coverage, including articles in numerous on line and print publications and other newspapers. HREC and Auction.com have prepared a flyer related to the sale of the hotels and are in the process of completing unique websites for each of the hotels. Ads will be placed in the *Wall Street Journal* at various times prior to the auction to generate more interest. The auction date has been set for July 20-22, 2015.

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IMET considers the extensive public marketing efforts and planned auction process to be a very favorable development and actively promoted this process. As you may recall, on April 23, 2015, the Court entered an order modifying the November 10, 2014 receivership order. Under the November 10, 2014 receivership order, Pennant directed and controlled the sale process related to the hotels (and other property) and Pennant was pursuing a certain private sale transaction which did not have the benefit of (nor transparency of) a public marketing and sale process. Under the April 23, 2015 Order, Pennant's control was removed and an Overall Receiver, Patrick Cavanaugh, was appointed. While the Nanosky Receiver is responsible for the day-to-day activities related to the operation and sale of hotel properties, the Overall Receiver (and not Pennant) has oversight responsibility for the hotel properties.

Overall Receiver's Inventory to Court on Non-Real Estate Assets

On May 22, 2015, the Overall Receiver filed his Initial Report of Inventory as of April 23, 2015 (the "Inventory"). The Inventory describes in detail all of the assets which are part of the Overall Receivership Estate. The Inventory does not include a market value for the assets in the Overall Receivership Estate, as the Overall Receiver is still attempting to ascertain this value. The Overall Receivership Estate does not include the real estate assets, including the five hotels and other commercial and residential real estate, which are part of the Nanosky Receivership Estate.

The Inventory filed by Mr. Cavanaugh includes the following assets which are being held for the benefit of the investors in the FFF Repo B:

Cash Assets: $284,004. This cash is from the payments received by the Receiver on various loans described below.

USDA Guaranteed Loans: The Overall Receiver holds the non-guaranteed portions of four USDA loans obtained from FFF. Two of the USDA loans are current and two of the USDA loans are past due. The total principal value of the four loans is $2,765,790. The Overall Receiver has been in contact with the USDA and the borrowers concerning these loans, is collecting the interest payments on the current loans, and is considering restructuring the loans which are not current. The Overall Receiver is also considering the most expeditious way to maximize the value and monetize these loans for the benefit of the FFF Repo B investors.

Conventional Loans: The Overall Receiver holds 9 conventional loans obtained from FFF. The total principal amount of these loans is $20,886,969. While most of these loans appear to be legitimate with real borrowers, two of these loans are with Patel related persons and entities. Most of these loans, however, are in default. The Overall Receiver is reaching out to the borrowers and attempting to ascertain the collateral securing these loans and is considering restructuring the loans which are not current. The Overall Receiver is also considering the most expeditious way to maximize the value and monetize these loans for the benefit of the FFF Repo B investors.

Deposits and Retainers: The Overall Receiver is seeking recovery of certain escrow deposits that FFF made on certain properties. The value of the deposits which appear to be owed to the Overall Receiver in these transactions is $1.3 million. In addition, the Overall Receiver is seeking to recover $750,000 in legal retainers which Defendants paid to certain law firms for representation in various legal proceedings during the period after the FFF fraud was uncovered.

Political and Charitable Contributions: The Overall Receiver is investigating a number of political and charitable contributions which may have been made from the proceeds of the FFF fraud. Such contributions already identified total $185,000, and include contributions to the University of Central Florida, the Florida Republican Party, Securing Orange County's Future, and Rick Scott for Governor.

Miscellaneous Other Assets: The Overall Receiver is investigating a number of other potential assets which may lead to recoveries, including four specific business loans. In addition, it appears that the Patel-related Defendants made a number of equity investments in various businesses which the Overall Receiver is further investigating.

Greenberg Traurig Fee Petition

On May 14, 2015, the law firm of Greenberg Traurig LLP filed a fee petition (the "Fee Petition") in accordance with the provisions of the April 23, 2015 Order. Greenberg Traurig is seeking payment out of the recoveries from either the Nanosky or Overall Receivership Estates of $1,789,474.85 for legal services rendered and related expenses during the period of mid September 2014 through April 30, 2015. This amount includes the $562,761.35 which the Nanosky Receiver paid to Greenberg Traurig at Pennant's request for the period of mid-September 2014 through November 30, 2014, to which IMET previously filed an objection.

As you may recall, Greenberg Traurig was retained by Pennant as counsel for Pennant to assist Pennant in its lawsuit against Nikesh Patel and the other Defendants and to recover assets for the benefit of the investors in the FFF Repo B, including the IMET participants. Greenberg Traurig is seeking to be paid out of the recoveries, claiming that its services benefitted all of the investors.

Under the April 23, 2015 Order, the Overall Receiver is charged with reviewing the Greenberg Traurig Fee Petition and reporting to federal district judge Amy St. Eve concerning his recommendations. IMET plans to prepare an objection to this Fee Petition and plans to share its objection with the Overall Receiver so the Overall Receiver will understand IMET's position concerning the Fee Petition. If necessary, IMET will file a separate objection with the Court concerning the Fee Petition.

The Overall Receiver is in the process of interviewing independent counsel to assist him in reviewing the Fee Petition and to assist him, as needed, in other legal matters. The fees for the Overall Receiver and the Overall Receiver's counsel will be paid out of the recoveries as may be approved by the Court. The Overall Receiver is also considering whether to continue to retain Greenberg Traurig to continue assisting in certain aspects of the recovery efforts.

Under Paragraph 41 of the April 23, 2015 Order, any IMET participant can directly express its views to the Overall Receiver concerning the Fee Petition so long as the IMET participant notifies the Overall Receiver in writing that it desires to provide comments. If any IMET participant wants to see a copy of the Greenberg Traurig Fee Petition or the April 23, 2015 Order, please contact Laura Allen at lallen@investimet.com. As we previously advised, the Overall Receiver can be contacted as follows:

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USDA Claim

The Overall Receiver is considering pursuing an action against the USDA related to the loans purchased by FFF in connection with the Repo B.

We will continue to provide you with regular updates concerning the recoveries of assets for the benefit of the FFF fraud victims and developments in the Pennant lawsuit in which IMET has intervened as additional information becomes available. If anyone has any questions concerning the above or any other matter as it relates to the FFF Repo B, don't hesitate to contact Laura Allen of IMET (815-735-3534) or Randall Lending of Vedder Price (312-609-7564).

Sincerely,

Jerry Ducay, Chairman