December 7, 2016
Dear IMET Liquidating Trust Participant:

IMET PARTICIPANT UPDATE

The following is to update you on certain developments relating to the First Farmers Financial repo matter.

Update on Criminal Proceedings Against Nikesh Patel and Timothy Fisher
On December 6, 2016, Nikesh Patel pled guilty to five counts of wire fraud. The hearing took place before the Honorable Charles Kocoras in federal district court in Chicago. The conviction on each of the five counts of wire fraud carries a maximum sentence of twenty years in prison and a penalty of $250,000 (or double the amount of the gain to Mr. Patel or double the amount of the loss to the victims). The sentencing hearing for Mr. Patel is set for April 6, 2017 at 9:45 a.m. at the United States District Court for the Northern District of Illinois, 219 S. Dearborn Street, Chicago, Courtroom 2325.

On November 17, 2016, Timothy Fisher pled guilty to one count of money laundering. The hearing took place before the Honorable Charles Kocoras in federal district court in Chicago. The conviction on this single count of money laundering carries a maximum sentence of ten years in prison and a maximum fine of $900,000. The sentencing hearing for Mr. Fisher is set for May 4, 2017 at 9:45 a.m. at the United States District Court for the Northern District of Illinois, 219 S. Dearborn Street, Chicago, Courtroom 2325.

At the sentencing hearings for both Mr. Patel and Mr. Fisher, victims of their fraud, including IMET and its participants, may be permitted to make statements regarding the impact of their crimes. If you would like to make such a victim impact statement at the sentencing hearings of Mr. Patel and/or Mr. Fisher, please contact Felice D. Weller, the Victim Witness Coordinator for the United States Attorney's Office at 312-886-4196 or Patrick King Jr., the Assistant United States Attorney handling the prosecutions at 312-353-5300.

Update on Overall Receivership Cash on Hand and Status of Distributions
As of December 6, 2016, the Overall Receiver had a cash balance on hand of $75,217,000. This amount is for the benefit of all of the investor Distribution Participants, including IMET, as well as the general unsecured creditors. The total amount of claims against the Overall Receivership Estate (excluding governmental claims) to whom distributions are to be made total $174,914,674 (consisting of claims of $174,773,674 by the investor Distribution Participants and claims of $141,000 by general unsecured creditors).

As previously reported, distributions by the Overall Receiver cannot be made until the Overall Receiver resolves potential priority claims of the USDA and the IRS. The Overall Receiver continues to work on resolving these claims.

Update on USDA Litigation
On August 31, 2016, IMET and six other direct investors victimized by the First Farmers Financial fraud filed a lawsuit against the USDA in the United States District Court for the Northern District of Florida (Case No. 16-cv-00292). IMET and the other investors alleged that the USDA was negligent, among other things, in approving First Farmers Financial as a certified lender under the USDA’s Business and Industry Guaranteed Loan Program. On December 5, 2016, the USDA filed a Motion to Dismiss asserting, among other things, that the Court lacks subject matter jurisdiction to hear the claim, that the complaint fails to state a claim upon which relief can be granted and/or improper venue. We expect the Court to resolve the pending Motion to Dismiss in early 2017.

Should you have any questions, don’t hesitate to call Sofia Anastopoulos at IMET or IMET’s outside counsel, Randall Lending of Vedder Price (312-609-7500).

Sincerely,
Christy Powell, Chairman