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Sofia Anastopoulos, CFA
Executive Director

Debra A. Zimmerman
Associate Director

IMET PARTICIPANT UPDATE

MAY 18, 2017

Dear IMET Liquidating Trust Participant:

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

Update on Mediation with Pennant Entities

On May 11, 2017, IMET, along with the other direct investors in the First Farmer's Financial Repo B fraud (the "FFF Fraud"), participated in a second mediation with Pennant, Great Banc, and U.S. Fiduciary (collectively the "Pennant Entities"), their counsel, and representatives of the Pennant Entities' Errors & Omissions, Directors and Officers, and Fidelity Bond insurance carriers regarding the investors' claims against the Pennant Entities arising from the FFF Fraud. The mediation took place in Chicago and Jed D. Melnick, Esq. from JAMS (New York) served as the mediator. Counsel for the Department of Labor participated on behalf of certain employee stock ownership plans that made investments in the FFF Repo B through the Salem Short Term Investment Fund, an investment fund affiliated with the Pennant Entities.

At the mediation, the investor parties and the Pennant Entities agreed to settle all claims with mutual releases for the sum of \$10,125,000 to be paid by the Pennant Entities to the investors. Based on IMET's pro rata losses in the FFF Fraud, IMET's share of this recovery is approximately 29% of this settlement amount. Under the terms of the settlement, which still needs to be documented in a formal settlement agreement, IMET and the other investors would not be precluded from making a claim or participating in a future government fund or other restitution vehicle, if any, established for the benefit of victims in the FFF Fraud. It is expected that the Pennant Entities will pay the settlement amount to the investors within 30 days of execution of the formal settlement agreement by all of the necessary parties. IMET's share of the recovery will be put in IMET's Liquidating Trust to be distributed in accordance with the terms of the Liquidating Trust at the direction of the trustees of the Liquidating Trust.

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).