



# Illinois Metropolitan Investment Fund

Investing together for  
our communities

## IMET PARTICIPANT UPDATE

MARCH 7, 2018

**Christy Powell**  
Superintendent of Finance  
& Personnel  
Geneva Park District  
*Chairman*

**Brian Murphy**  
Village Administrator  
Village of Plainfield  
*Vice Chairman*

**Gary Szott**  
Director of Finance/Treasurer  
Village of Bloomingdale  
*Treasurer*

**John Harrington**  
Director of Finance  
Village of Minooka  
*Secretary*

**Scott Anderson**  
Director of Finance &  
General Services  
Village of Buffalo Grove  
*Trustee*

**Chris Minick**  
Director of Finance  
City of St. Charles  
*Trustee*

**Sofia Anastopoulos, CFA**  
*Executive Director*

**Debra A. Zimmerman**  
*Associate Director*

DEAR IMET LIQUIDATING TRUST PARTICIPANT:

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 March 6, 2018, Judge Charles Kocoras sentenced Nikesh Patel to 25 years in federal prison. As you may recall, Patel was arrested trying to flee the United States to Ecuador in early January 2018. The Assistant United States Attorney handling the prosecution of Patel presented evidence to Judge Kocoras of another fraud that Patel was engaged in while he was out on bond and planning to flee the country. The US Department of Justice is currently considering whether to indict and criminally prosecute Patel for this additional fraud where he allegedly swindled approximately \$6 million from another victim.

At the March 6 sentencing hearing, Judge Kocoras also ordered that Patel make restitution to the First Farmers Financial victims of approximately \$174 million, less monies already paid to victims by Pennant.

The criminal sentencing of Timothy Fisher is set for **March 27, 2018 at 9:45 am** at the United States District Court for the Northern District of Illinois, 219 S. Dearborn Street, Chicago, Courtroom 2325. This sentencing hearing will likely get continued.

As we previously advised, as a victim of Mr. Fisher's fraud, you are encouraged to send a letter which would be considered by Judge Kocoras in his sentencing of Mr. Fisher. The letter should set forth any particular injuries or hardships that you or your particular entity has sustained as a result of the fraud (i.e. specific budgetary constraints, inability to purchase certain assets, postponing the purchase of certain assets, loss of certain services, etc.). The letter should be directed to Judge Charles Kocoras and should reference the criminal case, *USA v. Timothy J. Fisher*, Case No. 16 CR 717. The letter should be sent by **March 20, 2018** to: Janett Castillo, Victim Witness Unit, United States Attorney's Office, Northern District of Illinois, 219 South Dearborn Street, 5th Floor, Chicago, IL 60604. Alternatively, the letter can be sent by e mail to: [usain.victim.witness@usdoj.gov](mailto:usain.victim.witness@usdoj.gov) or by fax to 312-469-6215.

### IRS Claim Subordination Update

The Overall Receiver is still waiting for the IRS to make a definitive decision regarding whether it will subordinate its tax claims in favor of the investors, including IMET. We understand that the IRS is in the process of obtaining internal approvals for such subordination. Hopefully, the criminal restitution order of Judge Kocoras entered on March 6, 2018 related to Nikesh Patel will assist in expediting this process. Judge St. Eve has requested a further update from the Assistant United States Attorney on this issue at the next status hearing set for March 19, 2018 at 9:00 a.m.

### UCF Litigation Update

As we have previously advised, the Overall Receiver is in litigation with the original purchaser of the UCF hotel after that deal did not close. The UCF hotel was later sold to another purchaser. The lawsuit involving the original purchaser concerns who is entitled to the \$1.5 million held in escrow.



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MARCH 7, 2018

The Overall Receiver and the original UCF purchaser have both filed briefs with Judge St. Eve requesting that the funds held in escrow be distributed to them. This briefing awaits a ruling from Judge St. Eve.

**Banes Litigation Update**

The Overall Receiver continues to press forward on its claims against Banes. Discovery is proceeding. A trial date has not yet been set.

**Update on USDA Litigation**

As we previously advised, the United States District Court for the Northern District of Florida dismissed the claims of IMET and other investors against the USDA. IMET and the other investors have appealed this ruling. On January 30, 2018, the Eleventh Circuit Court of Appeals held a mandatory mediation with the USDA, IMET and the other investors. This mediation did not result in any settlement. Accordingly, IMET and the other investors are pressing forward with their appeal.

**Update on Overall Receivership Cash on Hand**

As of February 26, 2018, the Overall Receiver had a cash balance on hand of \$80,229,774. 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. Assuming such priority claims are successfully resolved, IMET's share of the recoveries are approximately 29%.

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).