



IMET PARTICIPANT UPDATE

MAY 7, 2018

Christy Powell
Superintendent of Finance
& Personnel
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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 Timothy Fisher

On April 26, 2018, Judge Charles Kocoras of the United States District Court for the Northern District of Illinois held a sentencing hearing for Timothy Fisher. Fisher previously pled guilty to a single count of money laundering and assisted Nikesh Patel in his fraud by, among other things, preparing false financial statements of First Farmers Financial. After Judge Kocoras heard all of the oral arguments of the counsel, heard an oral statement from Fisher, and considered the other materials submitted to him in connection with the sentencing, he sentenced Fisher to the maximum statutory penalty allowed, 10 years. Judge Kocoras also imposed a restitution order against Fisher of \$27.65 million.

Update on IRS Subordination

Unfortunately, there has not been movement by the IRS on whether it will agree to subordinate its tax claim in favor of the investors. As we have previously advised, because of potential personal liability of the Overall Receiver, the Overall Receiver will not make any distributions until the issue of the IRS's claim is resolved.

Update on Overall Receivership Cash on Hand

As of April 25, 2018, the Overall Receiver had a cash balance on hand of \$80,231,518. IMET is working with the Overall Receiver to ensure that the monies are held in safe and liquid investments with various banks, and that the interest rate being paid on these funds is market interest.

Update on Davenport Ventures Loan

The Overall Receiver has been working out a legitimate loan made by First Farmers Financial referred to as the Davenport Ventures Loan. The SBA guaranteed this loan and as a result the SBA had an approximate \$3.5 million claim against the Overall Receivership Estate related to this loan. On April 18, 2018, the Overall Receiver closed a transaction in which the SBA was paid off entirely and the Overall Receivership Estate netted approximately \$559,000, which represented First Farmer Financials' ten percent interest in the loan. The Overall Receiver also received a \$500,000 payment on February 14, 2018 in connection with a settlement related to this loan. Additionally, through March 2018, the Overall Receiver collected approximately \$650,000 in loan payments related to this loan.

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).

Respectfully,
Christy Powell, Chairman