

## Trustee's Newsletter #5

Monday, 07 April 2008

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March Newsletter

April 8, 2008

Dear  
Victims and Other Interested Parties,

Since  
my last newsletter a number of things have occurred moving this case forward.

First,  
and most importantly, on Tuesday, March 18 Mr. Okun was indicted, arrested and charged with mail fraud, bulk cash smuggling and making false statements. Further he was charged with defrauding clients of \$132,000,000. As of this writing, Mr. Okun is still incarcerated and no date for the bail hearing has been set. When and if I'm notified that such a date has been set, I will post the website the time and location for the bail hearing.

Shortly  
before being arrested, Mr. and Mrs. Okun traveled to West Palm Beach and negotiated and received \$280,000 loan from a pawnshop, pledging certain jewelry items. We became aware of that transaction and immediately brought a suit and obtained a preliminary order "freezing" all of the jewelry items. That order is now permanent and turns all of the jewelry items over to us in exchange for the \$280,000 and further requiring the turnover of the proceeds of the loan to us from the recipients. We have already been successful in recovering approximately \$230,000 of the funds that were given to the Okun's by the pawnshop.

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recipients. We have already been successful in recovering approximately \$230,000 of the funds that were given to the Okun's by the pawnshop.

Subsequent to Mr. Okun's incarceration, we have received from Mr. Okun's wife, Simone Bolani additional jewelry that had not been pawned. At this point, we have not determined the total value of all of the jewelry but have good reason to believe that it is in excess of \$500,000. When the jewelry is in our possession we will move forward with an orderly liquidation of these items.

On the litigation front, we have been making solid progress in implementing our action plan going forward. We have retained the Washington, D.C. law firm of Gilbert and Randolph who specialize in insurance recovery matters to work with Golenbock, Eiseman to evaluate our overall position in those matters. This firm has a strong background in complex insurance recovery matters.

Without getting into all the detail at this time, suffice it to say that we are evaluating potential litigation with a number of parties; however, as I'm certain you all can appreciate, litigation is very expensive and we need to pick and choose our contests carefully.

In the real estate area, we have retained KPMG/Keen Realty who has a strong background in liquidation of real estate in bankruptcy situations to market the Salina Central Mall property. They have begun circulating information on the Salina Central Mall to prospective purchasers and would like to be in a position to bring that property to a sale by mid-summer if satisfactory pricing can be achieved. We have also commenced the process of extricating the estate from certain real properties that have no meaningful liquidation value for recovery.

Lastly,  
we had a hearing on April 8th to sell substantially all of the remaining  
&ldquo;toys&rdquo;. A &ldquo;bulk&rdquo; sale is anticipated and this should yield the highest net dollars  
for the estate. I would anticipate that  
our net proceeds will exceed \$1.1 million. The court is inclined to accept the  
proposed sale and we should have the sale completed within 10 days.

By handling  
these assets in a bulk sale, we will greatly reduce administrative expenses. As  
you can all appreciate, one of my sincere objectives is to make sure that any  
expenses that we incur produce results well in excess of the fees and expenses  
incurred.

I do  
thank you for your continued support and realize that, for most, this is an  
unusual experience and hopefully one you will never have to endure again.

The1031Tax  
Group, LLC

Gerard A. McHale, Jr.

Chapter  
11 Bankruptcy Trustee