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September 6, 2016

Dear IMET Liquidating Trust Participant:

IMET PARTICIPANT UPDATE
SEPTEMBER 6, 2016

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

Sale of Point Cypress Property

On August 10, 2016, the Overall Receiver sold the vacant parcel of land located on Point Cypress Drive in Orlando, Florida for a sales price of $505,000. After payment of sale-related costs and expenses, including, but not limited to, closing costs, real estate taxes, title insurance, recording fees and broker's commissions, the Overall Receiver received $434,134.29 from the sale.

Sale of Kilgore Property

On August 10, 2016, the Overall Receiver sold Nikesh Patel's residence located at 9120 Kilgore, Orlando, Florida (the "Kilgore Property") for a sales price of $1,900,000. After payment of sale-related costs and expenses, including, but not limited to, closing costs, real estate taxes, title insurance, recording fees and broker's commissions, the Overall Receiver received $1,709,574.63 from the sale. The Overall Receiver previously paid $997,444.25 to satisfy a mortgage on the Kilgore Property pursuant to a court order.

IMET Claim Against USDA

On August 31, 2016, IMET and other Investors filed a lawsuit against the USDA in the United States District Court for the Northern District of Florida (Case No. 1:16-cv-00294-MW-GRJ) seeking damages incurred as a result of the USDA's negligence in approving First Farmers Financial, LLC and Nikesh Patel as lenders (the "Investor USDA Claim"). This lawsuit was initially filed in the United States District Court for the Northern District of Illinois, and was dismissed voluntarily in order to complete pursuit of administrative remedies prior to refiling.

Overall Receiver's Proposed Plan of Distribution, USDA Issues and IRS Issues

On June 10, 2016, the Overall Receiver filed a motion to set a hearing on his proposed Plan of Distribution. On August 12, 2016, the Overall Receiver filed his Proposed First Amended Plan of Distribution ("Plan"), which contained minor revisions to the original filing. The Plan sets forth the Overall Receiver's proposal for distributing receivership assets to holders of allowed claims in accordance with applicable priorities of allowed claims.

On July 21, 2016, the Overall Receiver submitted a formal request to the IRS that the IRS subordinate its potential tax claim in favor of the direct investor-victims in the FFF fraud (the "Investors"). The IRS has not yet responded to this submission.

The USDA's claim for $105 million filed on January 28, 2016 is still unresolved. Approximately $96.5 million of the USDA's claim relates to a contingent contribution claim of the USDA, whereby the USDA is asserting that in the event that the USDA is found liable to the Investors from the Investor USDA Claim, the USDA should be able to proceed with a contribution claim against the overall receivership estate (the "Contribution Claim").

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The USDA is asserting that its Contribution Claim is entitled to priority over the Investor claims pursuant to 31 U.S.C. Section 3713 (the "Federal Priority Statute") which provides priority to certain government claims and may impose personal liability against receivers and others who satisfy other claims in advance of government claims. The Overall Receiver has indicated that he cannot make a distribution to the Investors until the USDA's Contribution Claim is adjudicated because he may be personally liable for a distribution in derogation of the Federal Priority Statute.

On July 22, 2016, IMET and other Investors filed written objections to the priority status of the USDA's Contribution Claim. On July 27, 2016, IMET and other Investors also filed written objections to the Plan to the extent that it may afford priority status to the Contribution Claim. The USDA and the Overall Receiver filed written responses to these objections. Based on the recently refiled Investor USDA Claim, IMET believes there is no basis for the USDA's Contribution Claim. Therefore, IMET and the Investors are seeking to have the Contribution Claim denied or subordinated to the Investor claims in the Plan.

The Court set a hearing to consider approval of the Plan as well as IMET and other Investors' objection to the USDA Contribution Claim on September 7, 2016 at 1:30 p.m.

Assets Currently Held by Overall Receiver

As of August 30, 2016, the Overall Receiver is holding approximately $75.6 million. As set forth above, the Overall Receiver has stated he will not make any distributions to the Investors until a resolution is reached (or the court has ruled) regarding the USDA and IRS claims as the Overall Receiver may have personal liability under the Federal Priority Statute if he makes a distribution in derogation of the claims of the United States. IMET continues to vigorously advocate for the Overall Receiver to expeditiously distribute funds to the Investors and for the denial or subordination of the USDA Contribution Claim in order to permit such distribution.

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).