

JOHN W. KOZYAK

PLAN ADMINISTRATOR FOR
FINANCIAL FEDERATED TITLE & TRUST, INC.
BANKRUPTCY CASE NO. 99-26616-BKC-RBR
AND
RESTITUTION RECEIVER IN U.S. V. BRANDAU, ET AL.
U.S. DISTRICT COURT NO. 99-8125-CR-HURLEY/JOHNSON(S)

2525 PONCE DE LEON, SUITE 900
CORAL GABLES, FLORIDA 33134

November 14, 2007

RE: **Financial Federated Status/Report No. 16**

Dear Victims and Creditors:

I am pleased to enclose another set of distribution checks representing your *pro rata* share of \$2,572,963.51 (2.0%) from the bankruptcy case and \$938,451.54 (0.7 %) from the criminal restitution. If you previously assigned your bankruptcy claims, you will only find the criminal restitution check enclosed. As of this distribution date, we have distributed approximately 24.9%.

Some of you have not cashed past checks that have since become stale and voided as unclaimed funds. If you had unclaimed funds, we included those funds in these distribution checks. Therefore, if you had unclaimed funds from past distributions, the pro-rated share of your distributions for Bankruptcy and Restitution as reflected above may be a higher percentage to include the unclaimed funds, but the total aggregate paid to date of 24.9% remains the same. This is applicable only for those who had unclaimed funds.

The checks I have enclosed will no longer be valid after 90 days, so I urge you to deposit these distribution checks promptly. Please also retain a copy of your checks for your personal accounting needs. We are not able to give you individual account reconciliation, because it is costly and I expect to close this case fairly soon.

I want to update you on certain matters since my last letter dated June 9, 2006:

A. Viaticals: My firm remarketed the 160 remaining viatical policies for a third time and was successful in obtaining a "stalking horse" offer for a final bid of \$1,500,000. On April 25, 2007, the Bankruptcy Court approved the sale of the viatical portfolio. I have effectively transferred and closed on the viatical policies to the new buyers and the sale proceeds from the viatical policies are included in this distribution. I wish the market was stronger for these policies, but I could not just keep holding onto them and paying premiums.

B. Criminal Restitution: As you may recall in my last status letter, the Supreme Court of the United States directed the lower court to re-sentence five defendants (Gary Pierce, Zane



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Balsam, Wanda Tirado, Alan Lewis and Gar Hogan). These defendants were re-sentenced by the Honorable Daniel T.K. Hurley in May and June 2007. All sentences handed down this second time were the same periods, with the exception of Gar Hogan who received 23 years instead of 27 years. A chart of the sentences is posted on my website at www.finfedinfo.com.

These defendants have all filed their second round of appeals, which are in the early stages. I do not expect a ruling from the 11th Circuit Court of Appeals until sometime in early to mid-2008. I suspect these defendants will then seek relief from the U.S. Supreme Court and further delay my ability to distribute the remaining restitution funds. I do not have any control over this delay and am not able to close the case until all appeals are final.

C. Fontana & Linden: You may recall a settlement agreement was entered into by Joseph Fontana, Todd Linden, Card Commerce International ("CCI") and myself as Plan Administrator for payment of \$2,610,000, plus interest over time. During the summer, I agreed to a "discounted payoff amount" in satisfaction of the settlement agreement. I have successfully collected a total of \$2,073,000 and am quite pleased.

I have completed liquidating all known assets and have no pending open litigation matters, except for one small receivable. We have now distributed almost all of the funds available and I have little left to do except wait for the appeals process to conclude. I anticipate making a final distribution and closing the case in 2008. Please remember to visit our website at www.finfedinfo.com for updates. As always, if you have any questions regarding any FinFed matter, please contact Monica Bruce-Ramdath at 305/377-0661 or via email: mb@kttlaw.com. If you have a change of address, please immediately notify Ms. Ramdath in writing. We require all address changes to be made in writing.

I wish you a Happy Thanksgiving.

Very truly yours,


John W. Kozyak

JWK/ycc
Enc.

