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From: timothy durham <tsdurham@msn.com>  
To: <jimc@fairfinance.com>  
Cc:  
Bcc:  
Subject: RE: outbound funds and personnel  
Date: Tue Jul 14 2009 11:07:30 EDT  
Attachments:

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jim

i agree . and if you notice we have cut back alot. and most of the funds that have paid for these items came from the sell of the boat , about 6 cars including 2 duesenbergs . in total i have flushed in about 5 million over the last 18months versus your vette.. these items were purchased from my funds. even though i later secured them to defaulted fair money , they were from my funds.so if i spent 4k on a weekend boat trip or got comped on a vegas trip,then i dont feel bad about it. i will move shannon when lampoon can handle it and we will let tony go when ready. he is handling all the banking relationships on a bid i am selling in canada, all the remianing coach debt , usrr, united, classic etc. all these banks are calling daily about tons of issues. if you can handle that and the whole investor program, let me know. i seriously doubt you have the time . i know for sure i dont.

on 48, i said find somewhere else that is acceptable first.

I am also 2 months behind on everything as well.

i understand that you arent being personal but i have liquidated tons of assets. and am still working hard to do so.

if larry comes thru we should be getting a total of 2.2million in friday.how much do you need to get caught up? tsd

Subject: outbound funds and personnel  
Date: Tue, 14 Jul 2009 10:13:48 -0400  
From: JimC@fairfinance.com  
To: tsdurham@msn.com

As discussed a couple of months ago, I want to be included in what is being paid and what is not going to be paid. Since everything is paid by FFC, I am going to take a more active role. We should have big funds in this week and I think it is important for two people to decide on funding.

Tim, we have been together too long and I feel we can talk hard topics without hurting each others feelings. But, too many dollars have been spent without consideration. I will give you a few examples:

1. I had property taxes due in November of \$12k (still not paid) and could have paid them without any interest if you didn't pay for a condo for \$12k for New Year's Eve.....and you stayed for 2 days,
  2. I auctioned my vette to get funds to pay Naples taxes and found the title was switched to Diamond Sales and had to borrow from an inlaw.....they needed the money had to pay them back but didn't get it for more than a month and they knew the car was sold.....you told me to tell them to wait
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longer.....I gave them \$20k of the \$30k I received (on 6/19/09) and lived on \$10K for the last 25 days.....almost a month.....paying a few bills and keeping lights on.....i don't have cash to go to McDonalds for my kids

3. The extraordinary dinner costs in LA

4. the Yacht Lease birthday party in June.....

5. the Vegas Party in July.....on facebook (btw).....I am sure extraordinary costs coming out of that one.....these costs are ultimately paid by FAIR upstream of funds.....assigned to Obsidian and never paid back

these are just the highlights.....recently, you told me about a jet we could get into.....we still owe Vitesse....when did things get normal around here.....we have a \$1.5 mm lawsuit, owe John Head \$1.5 mm ( and i think a lawsuit is coming here) vendors screaming to get paid and owed over a couple of months ago.....redemptions for the year are upside down and revenue is way off compared to last year.....again, I have to sell this to investors next year.....

Tim, I am not sure you are heeding the signs of a poor economy.....I am working with investors everyday, i am raising capital, and staying with FFC daily operations.....

With the reprieve of funds this week, you should work on clearing the garage of cars, because these funds won't last and we'll be back to the struggling position.....

I owe over \$104k in back property taxes and house payments.....just for openers.....i have \$71k due for IRS taxes, I have \$193K due 12/1/09 for hurricane windows or my insurance will be cancelled on the Naples house and Mortgage company will take over.....

We have to make tough decisions around here.....a few things have to change:

1. Schlichte is off July 31, 2009.....Fair is paying someone for nothing.....if he gets US Rubber done, then we will pay him an August severance
2. Shannon is off payroll 7/31/09.....with this economy, I don't see \$80k being worth it here even tho i really love that girl.....Cheryl does more in one day
3. I am with you on the daily decision of what is going to be paid and what is not.....I am getting with Eliz and Jeff regarding all expenses in back log or coming up.....
4. We are signing with realtor for 48th floor.....even if economy starts to turn around in a year.....this is way too much to justify for a few people.....the extravagance is "no longer".....
5. Since you and I are funding every damn item in all businesses, we are now collaborating on outgoing funds.....

Tim, regarding changes.....if this spin works easier use it; "periodically, we (you & I) switch turns with payables and i decided the above not you.....takes you off the hook with Schlichte and Frantz.....altho like you said maybe Frantz can go to Nat lampoon.

Ok, cleared my chest here.....Tim, it is business and as friends we can get it done.

love ya brother,

Jim

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From: timothy durham <tsdurham@msn.com>  
To: <jimc@fairfinance.com>  
Cc:  
Bcc:  
Subject: RE: As the world turns  
Date: Tue Jul 14 2009 14:12:27 EDT  
Attachments:

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i have my own money and investmenst and had way before fair. so i have personal expenses and so do you. i dont know what you do and i dont think the office should know what i do. i am tired of my personal business being everyones business. every sees the money i spend but never acctfs for the money i earn or assets i sell. i am examined from one aspect. yes there is money from fair but also flowing in from other sales and investments i originate and money i borrowed from everyone i know. i dont know what the 12k is or what it was for and dont care. if it was on my cc then it was either personal or billed back. just because we get money from fair doesnt make all the money we receive part yours. for example i pulled 150k from another company to help fair make it cellstar payments last month. i have sold various cars etc and it all flowed into the company to make rent payroll , your advances or whatever we needed.

the flows from fair upstream this year have been accrd to rick: January: 140 February: 257 March: 146 April: 100k May: 240k June (150k) July 20k total so far 748 Or 106 a month. of which you average about 44 k a month. the rest went to the office rent and significant legal bills that we pay directly. and some portion of salaries. the rest i have covered from sale of assets borrowings etc.

it is all very confusing if you look at parts of the equation but we do keep it all accounted for. the cash flows from fair back to us has been extreme minimal since january which means that any excess cash we have needed for anything including funds to you has come from me and the sale of my assets. i am not trying to fuck anybody over. never had and never will. they keep track of everything i hope accurately. my bills are as far behind as yours. my taxes are late as well. and i am on the hook personally for all payroll taxes unpaid (around 100k) and for all payroll taxes at lampoon i have not paid --plus all my personal unpaid bills and taxes. i have sold cars and many other assets. i have borrowed hundreds of thousands of dollars from tornek, lucas, cindy landeen and anyone else i could to help make vitesee paymenst, office paymenst etc to greatly minimize the effect on fair and have been scraping to try to keep us all as equally behind as possible. and will keep doing ti you need to focus on larry and the investors. we are minimizing at a quick rate. i will move shannon but right now i am going to have to layoff the remaining employees of lampoon completely as there is no cash coming for a few weeks. also as soon as i can we will transfer tony or terminate him. but i am not going to shoot myself in the foot while i am already working 14hrs a day virtually every day now.

Subject: As the world turns  
Date: Tue, 14 Jul 2009 13:46:56 -0400  
From: JimC@fairfinance.com  
To: tsdurham@msn.com

Ok, we all got to settle down.....Osler just came in my office and ripped my fucking face off. Apparently, he said I told you about all these expenses in the past.....I am dumfounded..... Sanders told me about vegas and shannon's facebook that Pam is privy

too tells a lot of fun things.....other people at bella vita told me about the yacht party and i saw the \$12k on jeff's computer back in the 1st qtr. '09 when he walked out of the room and just made a guess on the dinner expenses.,,,,,,,,,,,,,,the \$12k didn't register until i talked to Sander's a couple of weeks ago.....hell he knew about the new year's eve party.....and I didn't

Now that I realize Liz & jeff pay the bills, I am a little disappointed they all kept it from me.....and as 50/50 partners, you didn't want me to know either.....why? So, then I tell Osler if he were my friend, and I thought he was, he should have told me about unusual payments going out.....he says it was none of my business, well I say it's half my fucking money.....so, i just told him to go fuck himself.....why am I in the dark on money matters?.....

Why are things kept from me when the money is half mine.....I have never done that, I am really hurt

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jim.

From: timothy durham <tsdurham@msn.com>  
To: <jimc@fairfinance.com>  
Cc:  
Bcc:  
Subject: RE: Investments  
Date: Wed Jul 15 2009 22:06:00 EDT  
Attachments:

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and 5 weeks behind on payroll. it can turn but not fro several months. tsd

Subject: RE: Investments  
Date: Wed, 15 Jul 2009 20:35:11 -0400  
From: JimC@fairfinance.com  
To: tsdurham@msn.com

Tim, think about it.....do they really have to go.....or is it do to low Revenue

From: timothy durham [mailto:tsdurham@msn.com]  
Sent: Wed 7/15/2009 5:11 PM  
To: Jim Cochran  
Subject: RE: Investments

no problem. just getting attacked on all fronts and not sure how much longer i can take it. maybe more drugs or alcohol. going to fire half of lampoon tomorrow. but needs to be done. i am worn out. good luckwith larry. tsd

Subject: Investments  
Date: Wed, 15 Jul 2009 18:10:40 -0400  
From: JimC@fairfinance.com  
To: tsdurham@msn.com

Here is my thought being in unchartered waters on who gets what.....I won't ever question a damn thing about what is spent any further. I know your character and it is flawless, and your honesty is second to none when it comes to our relationship it's been great. We have maybe one of our first controversies on my part, ever. We have a great company people would die for.....i do my thing well, you do your thing well.....

Tim, lets move forward.

Hope to talk with you soon.

Jim