



## QUARTERLY PLAN REPORT - 4TH QUARTER 2011 - ENDING 12/31/11

Effective Date: 10/27/2011

Checking Account Balance at Effective Date	\$	407,652
Money Market Account Balance at Effective Date		26,190,431
<b>Cash at Effective Date</b>		<b>26,598,083</b>

### EXPENSES OF THE ESTATE (10/27/2011 THRU 12/31/2011)

LESS Administrative Claims paid	(3,232,747)
LESS expenses relating to Plan administration (includes litigation items)	(316,555)
LESS fees and expenses of Creditors' Designee	(22,500)
LESS fees and expenses of Debtor Designee	-
<b>EXPENSES OF THE ESTATE</b>	<b>(3,571,802)</b>

### INCOME OF THE ESTATE (10/27/2011 THRU 12/31/2011)

PLUS cash proceeds from loan participation	339,891
PLUS cash proceeds from Causes of Action	-
PLUS cash proceeds from Litigation Trust	-
PLUS retainer and unused insurance premium reimbursements	245,083
PLUS interest earned on accounts held by Debtor	18,650
<b>ADDITIONS TO ESTATE CASH</b>	<b>603,625</b>
<b>FREE CASH - SUBTOTAL</b>	<b>\$ 23,629,906</b>

### RESERVES AND OTHER REDUCTIONS TO ESTATE CASH:

Administrative Claims Outstanding	\$ (985,233)
Initial Distribution made 2/14/12	(1,031,807)
Holdback to Administer and Implement Plan <sup>(1)</sup>	(10,097,202)
TOPrS Holdback Reserve Total <sup>(2)</sup>	(5,862,076)
Cash Election Entitlement Segregated Account <sup>(3)</sup>	(91,872)
<b>RESERVES AND OTHER REDUCTIONS TO ESTATE CASH</b>	<b>\$ (18,068,190)</b>
<b>FREE CASH AT 12/31/2011</b>	<b>5,561,716</b>

### EXPENSES ALLOCABLE TO EQUITY ELECTEES ONLY (10/27/2011 THRU 12/31/2011)

LESS miscellaneous business expenses <sup>(4)</sup>	\$ (840,541)
<b>EXPENSES ALLOCABLE TO EQUITY ELECTEES</b>	<b>\$ (840,541)</b>

### INCOME ALLOCABLE TO EQUITY ELECTEES ONLY (10/27/2011 THRU 12/31/2011)

PLUS interest earned and allocable to equity holders and misc. income	\$ 4,458
<b>INCOME ALLOCABLE TO EQUITY ELECTEES</b>	<b>\$ 4,458</b>
<b>NET FREE CASH AT 12/31/2011</b>	<b>4,725,633</b>

<b>Total Cash Balance at 12/31/2011 (All Accounts)</b>	<b>\$ 22,793,824</b>
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- <sup>(1)</sup> An amount determined to be necessary for the implementation and administration of the Plan was established and set aside at the effective date. Moving forward from the effective date the Holdback to Administer and Implement the Plan is reduced by expenses of the estate, which are any expenses relating to the implementation and administration of the Plan. The Administrative Claims do not act to reduce the Holdback to Administer and Implement the Plan as these claims were in place prior to the effective date, were budgeted for separately and are, therefore, not considered Plan implementation expenses.
- <sup>(2)</sup> Once a Final Order is entered in the FDIC Causes of Action adjudicating the parties' respective rights to the disputed tax refunds that are the subject thereof, and once a Final Order is entered adjudicating whether or not any FDIC Non-Priority Claim, is such a Claim is Allowed, is contractually senior to the Allowed TOPrS Unsecured Claims pursuant to the TOPrS Indentures, then the funds in the Holdback Reserve shall be distributed to or for the benefit of various Holders of Allowed TOPrS Unsecured Claims and/or Allowed Other Unsecured Claims in accordance with the terms of such Final Order(s) and the Plan.
- <sup>(3)</sup> A pro-rata portion of "Additions to Free Cash" was deposited into the Cash Election Entitlement Segregated Account ("CEES" account) to be distributed to the TOPrS and General Unsecured Creditors who elected cash. The remainder flows into Net Free Cash. In addition, the amount of administrative claims outstanding is lower than was previously projected. Therefore, additional cash became available for distribution and a pro-rata portion of this adjustment was also deposited into the CEES account.
- <sup>(4)</sup> During the 4th quarter of 2011, the first DRA premium payment was made to the PBGC. That payment represents \$736,250 or 83.4% of the miscellaneous business expenses during Q4 2011.



## **STATUS OF LITIGATION INVOLVING MATERIAL CAUSES OF ACTION**

The Company is currently involved in two related cases pending before Chief Judge Holderman of the United States District Court of the Northern District of Illinois. The cases were transferred to Chief Judge Holderman on March 22, 2012 after the unexpected death of Judge Hibbler. The first case, Corus Bankshares, Inc. v. FDIC, Docket No. 10-5654, is a declaratory judgment action filed by the Company, which asks the Court to declare the Company, and not the FDIC, as the Receiver for Corus Bank, the owner of certain tax refunds that are currently being held in escrow. The amount of tax refunds in dispute is over \$265 million. The FDIC has filed an answer to the Company's complaint, and the parties are currently engaged in fact discovery. The second case, Corus Bankshares, Inc. v. FDIC, Docket No. 11-53, is an appeal of the FDIC's denial of the Company's Proof of Claim the Company submitted in the FDIC's receivership of Corus Bank, N.A., which involves the same tax refunds at issue in Docket No. 10-5654, as described above. The FDIC has also filed an answer to the Company's appeal in this matter, and the parties are currently engaged in fact discovery. The fact discovery period for both cases is scheduled to end on April 30, 2012 and the first status hearing before Judge Holderman is scheduled for April 26, 2012.

The Company is also involved in a contested matter before Judge Hollis of the United States Bankruptcy Court. In this matter, the FDIC has argued that, even if the disputed tax refunds (discussed above) are property of the Company's bankruptcy estate, the majority of other unsecured creditors against the estate (made up primarily of the holders of certain trust originated preferred securities) are contractually subordinated to the claims of the FDIC. Thus, the FDIC contends that any claim it has in the disputed tax refund must be paid in full before any distribution can be made by the estate to the remaining unsecured creditors. The FDIC has filed a motion in support of the position to which the Company has filed an initial response. The following schedule has been set for this matter: (i) close of fact discovery, June 1, 2012; (ii) disclosure of non-rebuttal experts and reports, June 11, 2012; (iii) disclosure of rebuttal experts and reports, July 11, 2012; (iv) supplemental expert reports, July 18, 2012; (v) close of expert discovery, August 8, 2012; (vi) parties exchange exhibits, August 20, 2012; (vii) pre-trial briefs and motions in limine, August 30, 2012; (viii) file exhibits and objections, September 6, 2012; (ix) hearing, September 13-14, 2012.



**LIST OF CREDITORS ELECTING CASH**

Creditor	Claim No.	Claim Amount
JP Morgan Chase (DTC No. 352) Trust II CUSIP 22087PAA2 Eric Oszustowicz 3 Chase Metrotech Center Proxy Department/NY1-H034 Brooklyn, NY 11245-0001	302	\$9,000,000.00
Bank of New York (DTC No. 901) Trust VII CUSIP 220873AA1 Jennifer May 525 William Penn Place Suite 153-0400 Pittsburgh, PA 15259	300	\$5,000,000.00
Embassy & Co. Trust XI c/o US Bank NA PO Box 1787 Milwaukee, WI 53201-1787	299	\$5,000,000.00
Wells Bank NA (DTC No. 2027) Trust XII CUSIP 22087VAA9 Lacey Peterson 733 Marquette Avenue MAC N9306-057 5th Fl Minneapolis, MN 55479	124	\$5,000,000.00
Hare & Co Trust XIII CUSIP 22087W9A9 c/o The Bank of New York 101 Barclay Street, 8th Floor Corporate Trust Administration CDO Unit New York, NY 10286	300	\$18,000,000.00
FEDERAL DEPOSIT INSURANCE CORPORATION WILLIAM B GUTHRIE DLA PIPER LLP (US) 203 N LASALLE ST STE 1900 CHICAGO, IL 60601	499	UNKNOWN
FLORA BOEMI 1100 PEMBRIDGE DR APT 127 LAKE FOREST, IL 60045	257	\$78,509.27
HARRIS, JOEL T MICHAEL E FOX FOX HEFTER SWIBEL LEVIN & CARROLL LLP 200 W MADISON ST, STE 3000 CHICAGO, IL 60606	256	\$573,000.00
MELLON INVESTOR SERVICES LLC 85 CHALLENGER RD RIDGEFIELD PARK, NJ 07660	s96	\$1,327.10
PENSION BENEFIT GUARANTY CORPORATION DEBORAH J BISCO, ATTORNEY OFFICE OF THE CHIEF COUNSEL 1200 K STREET NW SUITE 340 WASHINGTON, DC 20005-4026	216	\$15,000,000.00
SHAPIRO, HARRY L LAW OFFICES OF BRUCE K SHAPIRO 555 SKOKIE BLVD STE 500 NORTHBROOK, IL 60062	52	\$114,000.00
STRUNK, MARVIN R 80 LINDEN AVE GLENCOE, IL 60022	6	\$84,000.00

\$57,850,836.37