

# STATUS UPDATE #12

April 22, 2009

Re: **Louis J. Pearlman, Debtor**  
– **Case No. 6-07-bk-00761-ABB**  
**Trans Continental Airlines, Inc., Debtor**  
– **Case No. 6:07-bk-00762-ABB**  
**United States Bankruptcy Court**  
**Middle District of Florida**  
**Orlando Division**

Dear Investors and Potential Creditors:

This is an interim update to my previous communications, all of which can be viewed at [www.pearlmantranscon.com](http://www.pearlmantranscon.com) – click on **Status Reports**.

## **Assets Recovered**

The Trustee has recovered in total, gross proceeds of approximately \$5 million which includes the sale of real estate, auction proceeds, royalty payments, sales of personal property and automobiles and various settlements. The aggregate cash balance as of March 31, 2009 was approximately \$1.7 million.

## **Complaints Filed**

To date, the Trustee, through counsel, has filed in excess of 650 lawsuits in the Pearlman bankruptcy cases for the recovery of transfers made by Pearlman and his affiliated companies currently in bankruptcy under both federal and state fraudulent transfer and similar laws.

A listing of complaints and their case numbers may be viewed at [www.pearlmantranscon.com](http://www.pearlmantranscon.com) – click on **Complaints Filed**.

The Trustee anticipates that the legal process to bring these complaints to resolution will be prolonged and will depend on the course of the litigation.

Please be advised that, with regard to the complaints filed, the Trustee, his counsel and his professionals cannot provide legal advice. The adversary party should seek independent legal advice and counsel and not look to the trustee or his professionals. The Trustee will consider reasonable settlement proposals which should be submitted through his counsel in writing. If adversaries require additional information, they may leave a message with the Trustee's counsel at 407-423-4000, ext. 28418.

### **Claims Bar Date**

The Claims Bar date of January 30, 2008 has passed and all claims should have been filed by that date.

### **Information Relating to Assets**

If you believe you have information or leads which would be of help to the Trustee to investigate for potential asset recovery, please forward these facts via email to: [Pearlman@kapilaco.com](mailto:Pearlman@kapilaco.com).

\* \* \* \* \*

Yours sincerely,

*Soneet R. Kapila*

Soneet R. Kapila  
Chapter 11 Trustee