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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: Chapter 11
:
THE CONSUMERS TRUST, Case No. 05 – 60155 (REG)
:
Debtor.
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POST-CONFIRMATION STATUS REPORT

TO: THE HONORABLE ROBERT E. GERBER,
UNITED STATES BANKRUPTCY JUDGE:

The Consumers Trust, the above-captioned debtor and debtor-in-possession (the “Debtor”), hereby files this post-confirmation status report and respectfully represents as follows:

Background

1. On December 5, 2005 (the “Petition Date”), the Debtor filed with this Court a petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). Prior to the Petition Date, the Debtor operated a consumer rebate promotion program in the United States and Canada which involved issuing “Cashable Vouchers” to individuals purchasing a wide variety of consumer products. On October 24, 2007, this Court entered an

order confirming the Debtor's Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code (the "Plan").¹

Progress Toward Consummation of the Plan

A. Distributions to Creditors

2. The Debtor has hired A.B. Data Ltd. ("A.B. Data") to effectuate payments to holders of Allowed Class 2 General Unsecured Claims (primarily holders of cashable voucher claims).

3. In March of 2008, the Debtor, through A.B. Data, made an Interim Distribution by check (the "Distribution Checks") to all holders of Allowed Class 2 General Unsecured Claims for whom the Debtor believed it had a correct address and who had not previously declined to grant the Solicitor Trustees Release. The amount of each Distribution Check equaled approximately 1.5% of the recipient's Allowed Class 2 General Unsecured Claim. The entirety of this Interim Distribution came from the Solicitor Trustee Settlement Proceeds.

4. Since the last post-confirmation status report was filed with the Court, the Debtor's and Committee's professionals have fielded numerous telephone calls, emails and letters from holders of Class 2 General Unsecured Claims providing address updates, spelling corrections and otherwise requesting re-issuance of Distribution Checks. Additionally, returned mail from the March, 2008 Interim Distribution continues to trickle in to Debtor's counsel. Using an assistant (whose time is not billed to the Debtor except where overtime is necessary), Debtor's counsel has continuously updated the distribution list with this new information. Since making the Interim Distribution in March of last year, the Debtor has made six additional

¹ Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Plan.

mailings of Interim Distribution checks to Consumers who have contacted the Debtor to provide a new address, request a re-issuance because of an improperly spelled name, or for similar reasons. The Debtor does not intend to make any additional re-distributions of checks until resolution of the appeal, as discussed below.

B. Enforcement Actions Against Adrian Roman and Others

5. As this Court is aware, the Debtor and the Committee have obtained judgment against, inter alia, Adrian Roman, Justin Roman, Nicholas Roman and Eurofinance, S.A. – each of whom reside in England – in the amount of \$160,000,000 (the “Judgment”). The Debtor’s U.K. counsel filed with the High Court of Justice, Chancery Division, Companies Court, in London (the “High Court”) a recognition application pursuant to the U.K.’s Cross-Border Insolvency Regulations 2006 in order to obtain the High Court’s assistance in enforcing the Judgment. Adrian Roman, Justin Roman and Nicholas Roman opposed the recognition application.

6. The High Court heard argument on May 13, 2009. On July 31, 2009, the High Court rendered its decision recognizing this bankruptcy case under U.K.’s Cross-Border Insolvency Regulations 2006, but ultimately determined that enforcement of the Judgment in the U.K. was not appropriate. In reaching this decision, the High Court found the principal of universalism in bankruptcy (i.e., ensuring a uniform and fair system for distributing the assets of an insolvent estate with assets in more than one jurisdiction as between those who have a claim to them) was unrelated to how, or in what jurisdiction, a claim against third parties is established. The High Court determined that the Judgment went beyond simply enforcing rights between

creditors, but was an in personam judgment against third parties who had not submitted themselves to the jurisdiction of the US Bankruptcy Court.

7. The Debtor and the Official Committee of Unsecured Creditors of The Consumers Trust (the "Committee") ultimately determined to appeal the High Court's decision to the Court of Appeals (Civil Division) in London. Adrian Roman, Justin Roman and Nicholas Roman opposed the appeal. Oral argument before a panel of 3 judges occurred on January 27 and 28, 2010. A copy of the Debtor's skeleton (akin to a brief) is attached hereto. The Court of Appeals reserved decision.

C. Payment of US Trustee Fees and Other Matters

8. The Debtor is working to finalize its quarterly operating reports and will thereafter satisfy all outstanding U.S. Trustee fees.

Notice

9. This status report has been filed with this Court and will be posted on the website maintained by the Committee. Additionally, copies of this Status Report will be served upon (i) the Committee; (ii) the Office of the United States Trustee; and (iii) all parties who have filed notices of appearance in this case.

Future Status Reports

10. The Debtor will file status reports on or about January 15, April 15, July 15 and October 15 of each year until a final decree has been entered. This particular status report was

filed late because the Debtor had nothing new to report since the previous filing in August of last year, and wanted to wait until oral argument on the appeal had been made.

Dated: New York, New York
February 22, 2010

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