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Douglas L. Lutz, Trustee for the Liquidation of Donahue Securities, Inc. (appointed pursuant to SIPC motion)

Frost Brown Todd Completes Successful Liquidation of Securities Firm

Frost Brown Todd began the process of closing the liquidation case In re Donahue Securities, Inc. (1) This case began in March of 2001 when the SEC brought an action to have a receiver appointed for Steven G. Donahue, Donahue Securities, Inc., and S.G. Donahue and Company. Because Donahue Securities, Inc. was a registered broker/dealer, the Securities Investor Protection Corporation ("SIPC") (2) entered the case and filed an application to liquidate Donahue Securities, Inc. pursuant to the Securities Investor Protection Act of 1970 ("SIPA"). Pursuant to SIPA, at the request of SIPC, the United States Bankruptcy Court for the Southern District of Ohio appointed Douglas Tripp as Trustee for the Liquidation and approved the appointment of Frost Brown Todd as counsel for the Liquidator. Subsequently, when Mr. Tripp withdrew from the firm, Doug Lutz, a Member of Frost Brown Todd, was appointed his successor.

Over the period of six years, the Trustee, with the assistance of the firm, accomplished the orderly liquidation of the company, including the processing of approximately 30,000 claims, repaying all securities customers of the firm over \$4 million in misappropriated funds. When the Final Report is approved by the Court, the case will be effectively ended. During the course of the liquidation, the Trustee conducted, as required by the statute, an extensive investigation into the causes of the failure of the company and the responsibility therefore. In addition to conducting the investigation and reporting the findings to the Court, the Trustee and his counsel assisted the United States Attorney's Office in the prosecution of Mr. Donahue, resulting in his receiving a sentence from the United States District Court of approximately three years. No other

individuals were charged criminally in connection with the failure.

The Trustee also instituted several related cases against the firm's public accountants, some employees, an insurer, and a bank. That litigation is now terminated.

(1) No. 01-1027 (S.D. Ohio 2007).

(2) 15 U.S.C. § 78aaa, et seq.

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