

Michael D. Napoli
Texas Bar No. 14803400
James H. Billingsley
Texas State Bar No. 00787084
Daniel I. Morenoff
Texas State Bar No. 24032760
Artoush Varshosaz
Texas Bar No. 24066234
K&L GATES LLP
1717 Main Street, Suite 2800
Dallas, Texas 75201
(214) 939-5500
Telecopy: (214) 939-5849

COUNSEL FOR THE RECEIVER

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:

**RETIREMENT VALUE, LLC,

DEBTOR.**

§
§
§
§
§

Case No. 11-35165-7

Involuntary Chapter 11

FIRST NOTICE OF EXPENDITURES

Eduardo S. Espinosa, in his capacity as the State Court Receiver (the “Receiver”) for Retirement Value, LLC (the “Alleged Debtor”) appointed by the District Court of Travis County, Texas for the 126th Judicial District (the “State Court”) in *Texas v. Retirement Value, LLC, Richard H. “Dick” Gray, and Bruce Collins, and Keisling, Porter, Kiesling & Free, P.C., Relief Defendant*, Cause No. D-1-GV-10-000454 (the “Receivership Action”) hereby files his First Notice of Expenditures in accordance with this Court’s oral Order of August 22, 2011.

THE COURT’S ORDER

On August 22, 2011, the Court heard the Petitioners Emergency Motion to Appoint Interim Chapter 7 Trustee and the Receiver’s Expedited Motion for Order Excusing Receiver from Section 543 Obligations and, in the Alternative, for Abstention. At the hearing, the Court approved a budget for the Receiver through the end of September 2011 and ordered that the

Receiver file with the Court a report on all expenditures every ten business days. Although no written order has been entered, it has been ten business days since August 22. Accordingly, the Receiver is submitting the following report.

REPORT

The Court has approved an interim budget for the Receiver in the amount of \$598,110.54 through September 2011 as follows:

	Sep-11
Premiums	\$583,071.62
3606 Comal	
Insurance (6 mo term)	\$ 3,150.00
Utilities & Maintenance	\$ 500.00
Misc ordinary course exp.	\$ 500.00
ASG (05-07/2011)	<u>\$ 10,888.92</u>
	\$598,110.54

This Report covers the time period from August 22, 2011 through September 6, 2011. During this time period, the Receiver has paid \$399,003.12 to various insurance companies for the payment of quarterly premiums due on certain life insurance policies owned by the Alleged Debtor. The payments were made through an escrow account maintained by the Receiver's portfolio servicer, Asset Servicing Group. The details of these payments are shown on the attached Exhibit A.

The Receiver has made no other payments during the time period of this Report.

DATE: September 6, 2011

Respectfully submitted,

By: /s/ Daniel I. Morenoff

Michael D. Napoli
Texas Bar No. 14803400
James H. Billingsley
Texas Bar No. 00787084
Daniel I. Morenoff
Texas Bar No. 24032760
Artoush Varshosaz
Texas Bar No. 24066234

K&L GATES LLP
1717 Main Street, Suite 2800
Dallas, Texas 75201
(214) 939-5500
(214) 939-5849 (Telecopier)
Michael.Napoli@klgates.com
James.Billingsley@klgates.com
Dan.Morenoff@klgates.com
Artoush.Varshosaz@klgates.com

COUNSEL FOR THE RECEIVER

CERTIFICATE OF SERVICE

I certify that on September 6, 2011, a true and correct copy of the attached Answer was served via email through the Bankruptcy Court's Electronic Case Filing System on those parties that have consented to such service and via first class U.S. Mail upon the parties listed below.

U.S. Trustee
1100 Commerce Street, Room 976
Dallas, TX 75242-1496

Gerrit M. Pronske
Melanie Pearce Goolsby
Pronske & Patel, P.C.
2200 Ross Avenue, Suite 5350
Dallas, TX 75201

By: /s/ Daniel I. Morenoff
Daniel I. Morenoff

Ins. Co.	Policy #	Due Date	Amount Paid
AXA Equitable Life Insurance Company	Redacted 0000	9/8/2011	58,327.00
Aviva Life and Annuity Company	Redacted 7180	9/28/2011	53,781.00
AXA Equitable Life Insurance Company	Redacted 0000	9/22/2011	17,420.00
Lincoln Benefit Life Company	Redacted 3361	9/19/2011	21,465.00
Lincoln National Life Insurance Company	Redacted 5008	9/21/2011	20,260.00
Lincoln National Life Insurance Company	Redacted 3177	9/2/2011	9,320.00
MetLife Investors USA Insurance Company	Redacted 0USU	9/26/2011	11,818.12
Lincoln Benefit Life Company	Redacted 9771	9/19/2011	18,584.00
ING/Security Life of Denver Insurance Company	Redacted 7201	9/28/2011	47,722.00
American General Life Insurance Company	Redacted 573L	9/11/2011	15,443.00
Massachusetts Mutual Life Insurance Company	Redacted 1860	9/14/2011	14,183.00
AXA Equitable Life Insurance Company	Redacted 0000	9/7/2011	37,865.00
Lincoln National Life Insurance Company	Redacted 4183	9/14/2011	19,165.00
Pacific Life Insurance Company	Redacted 5680	9/13/2011	11,700.00
Pacific Life Insurance Company	Redacted 5980	9/13/2011	41,950.00
Total			399,003.12