

CAUSE NO. D-1-GV-10-000454

STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
	§	
v.	§	
	§	
RETIREMENT VALUE, LLC,	§	
RICHARD H. "DICK" GRAY, HILL	§	
COUNTRY FUNDING, LLC, a	§	
Texas Limited Liability Company,	§	
HILL COUNTRY FUNDING, a Nevada	§	TRAVIS COUNTY, TEXAS
Limited Liability Company, and	§	
WENDY ROGERS,	§	
	§	
Defendants,	§	
	§	
AND	§	
	§	
KIESLING, PORTER, KIESLING, &	§	
FREE, P.C.,	§	
	§	
Relief Defendant.	§	126 th JUDICIAL DISTRICT

**NINTH APPLICATION FOR FEES
BY THE RECEIVER AND RECEIVER'S COUNSEL**

Eduardo S. Espinosa, court-appointed temporary receiver for Retirement Value, LLC, files his ninth application for fees incurred by the Receiver and his counsel, K&L Gates, LLP covering the month of November 2011.

BACKGROUND

To assist the Receiver in the performance of these duties, the Agreed TI authorizes the Receiver to "to hire employees, contractors, consultants, accountants, attorneys, legal assistants, or other assistants under terms to be determined by the Receiver, whose services in the sole discretion of the Receiver, are necessary for an efficient and accurate administration of the receivership estate." Agreed TI at 14, ¶8. To that end, the Receiver has retained the law firm of

K&L Gates, LLP to represent him in connection with this case, to assist him in the performance of his duties and to prosecute or defend litigation on behalf of Retirement Value.¹

By its Order Regarding the First Application for Fees by the Receiver and Receiver's Counsel entered on October 26, 2010 (the "Fees Order"), the Court modified the basis by which the Receiver and his counsel are paid. Pursuant to the Fees Order, the Receiver shall charge an hourly rate of \$320 per hour and the Receiver's counsel shall discount its rates by 9.5% from its then current hourly rates in effect as of the time services are rendered beginning on August 1, 2010. Fees Order at 2. Moreover, the Receiver and his counsel are to submit to the Court and to the parties of record their request for payment of fees. If no party of record files an objection to the request for payment within ten days from the filing of the request for payment, then the Receiver shall pay the amount of the request from funds he holds in the receivership estate. Any objection must state with specificity the particular items of the Receiver's request to which the objection is made. If an objection is made, the Receiver shall not pay the contested portion of the invoice until a hearing has been held on the objection, but the Receiver may pay the portions of the request to which no objection is made. *Id.*

APPLICATION FOR PROFESSIONAL FEES

By this Application, the Receiver seeks approval from the Court to pay from the assets of the Receivership the fees incurred by the Receiver and his counsel, K&L Gates, LLP, for services rendered during the month of November 2011. The Receiver has incurred fees of \$31,072.00 during the period covered by this Application. He has retained the legal services of K&L Gates, which has incurred fees of \$68,430.33 for the month covered by this Application.

¹ The Receiver has also retained other professionals to assist him. An application to pay the fees of those professionals is the subject of a separate application.

Affidavit of Eduardo S. Espinosa (“Espinosa Affid.”) at ¶¶10-11 (attached as Exhibit 1). While substantial, these fees were both reasonable and necessary.

The fees charged by the Receiver and his counsel represent a discount of 24.61% from the usual and customary fees charged by K&L Gates. As a general matter, the charge for the services provided by K&L Gates is determined by multiplying the total number of hours worked by each timekeeper by that timekeeper’s billing rate. *Id.* at ¶6. In this case, the billing rate of each timekeeper was discounted from the usual and customary rates charged by K&L Gates. The Receiver is charging \$320/hour, which represents a 30% discount from his usual and customary rate of \$455/hour. In addition, K&L Gates has discounted its rates by 9.5% and further discounted its bills by approximately \$12,194. In the aggregate the discounts and write-offs associated with this Fee Application amount to \$32,485.79. Espinosa Affid at ¶6. The chart below summarizes the fees charged and the discounts applied.

Invoice Summary	
Services Rendered in:	November
Fees Requested	
Matter .00001	\$99,160.24
Bankruptcy	\$0.00
Matter .00003	\$342.09
Total	\$99,502.33
Receiver Incurred	\$44,180.50
Receiver Billed	\$31,072.00
Receiver adj	(\$13,108.50)
KLG Incurred	\$87,807.62
KLG Billed	\$68,430.33
KLG (9.5%) adj.	(\$7,183.29)
Write-offs	(\$12,194.00)
Total Adj	(\$32,485.79)

I. What Have We Accomplished During This Period

During the period covered by this Application, the Receiver and his counsel devoted substantial attention to the prosecution of claims by the estate, to the refinement of a plan that is

anticipated to repay the investors 100% of the amount invested and analyzing and validating the viability of alternative plans that have been and are being proposed. The significant tasks during this time period include, without limitation:

- Maintaining investor communications, including responding to inquiries regarding this matter, the class settlement with Kiesling, Porter, Kiesling & Free, and the Receiver's Report;
- Attending to the preservation of the estates' assets, including coordination of various accounting matters, funds management, and payment of premiums;
- Engaging in discussions with various capital sources regarding potential transactions by which to increase the portfolio's returns, reduce its risk and accelerate distributions to the investors;
- Conducting and responding to due diligence inquiries regarding the potential transactions discussed above;
- Analyzing regulatory issues associated with the alternative transactions and their potential structures;
- Responding to inquiries from federal, state, county and municipal taxing and law enforcement authorities;
- Coordinate the agenda and scheduling order adopted at the early November status conference that laid out the case progression for the remainder of 2011 and the first quarter of 2012;
- Submitting a proposed 90 day budget regarding anticipated legal expenses;
- Marshalling the settlements with Dick Gray, resulting in the return of cash and property worth about \$650,000 to the Retirement Value and Hill Country Funding Estates and securing post-approval performance pursuant thereto;
- Addressing the partition of Gray's settlement with the Hill Country Funding receiver and extrapolating a global allocation for defendants common to both estates;
- Responding to various motions by defendants, intervenors and third parties; including without limitation, Hill Country Funding objections to the estate's settlement with Richard H. Gray;
- Coordinating and supervising the prosecution of third party claims with the estate's contingency fee counsel; and

- Defending the estate against the Bejcek Intervenors' Motion to reconsider the Court's earlier decision to treat the Bejceks (and, by extension, other similarly situated investors) on the same basis as the other investors;
- Preparing for and defending the Receiver's depositions in connection with the pending motions for summary judgment as to whether the instrument sold by Retirement Value was a security; and
- Successfully arguing at the hearing on the State's and Receiver's motions for summary judgment that the instrument sold by Retirement Value was a security;

The Receiver initially undertook to investigate the business of Retirement Value, to collect the assets readily available to it and to put in place interim measures to protect the value of those assets. That work is complete. The Receiver is currently working on two major initiatives. The first initiative is to develop and execute upon a long-term plan for the portfolio of insurance policies that maximizes the value of those policies. The second initiative is to resolve and collect upon the substantial claims that the estate has against various parties.

The key variable to the estate's success and ultimately restitution to the investors is the performance of Retirement Value's portfolio of insurance policies. Maximization of the value of the portfolio depends upon the expected cash flow to and from the policies (premiums paid and benefits received) and the portfolio's structure. The Receiver has developed a plan of distribution and a plan for maximizing the value of the portfolio. Based on his research and the results of the actuarial analysis prepared by his consultants, the Receiver believes that the best course of action is to consolidate the portfolio so that all claimants share in all of the assets of the estate and to hold the insurance policies until a substantial number of the policies have matured.²

In May 2011, the Receiver prepared a report describing the findings of the actuaries and discussing his recommended plan to maximize the value of Retirement Value's assets. He also

² The Receiver's view may change depending upon the progress of the discussions that are ongoing with various capital sources discussed below.

(i) prepared a formal plan of distribution and posted it for comment and (ii) filed a motion with the Court to approve his plan. The Receiver's plan anticipates a return to the investor-victims of approximately 100% of their investment plus or minus 20%, over the life of the portfolio. In addition, the plan provides for a distribution of approximately 10% of the investor-victims initial investment upon completion of a proof of claim process. The Court was set to consider the plan of distribution on August 15 but was preempted by the filing of the involuntary bankruptcy.

While he was preparing his plan of distribution, the Receiver was also engaged in discussions (in person, in writing and by telephone) with several capital sources regarding alternative strategies for monetizing the portfolio for the benefit of the investors.³ The capital sources ranged from private individuals, investment banking firms and a mutual fund advisor. Several different groups have entered into non-disclosure agreements with the Receiver to facilitate discussions and a data room has been created so that potential capital sources can conduct due diligence. The Receiver also consulted with the Intervenor's about certain of these options. The Receiver is still in the process of evaluating proposals; only one of which has advanced sufficiently far to merit serious consideration at this time. Before he will recommend an alternative plan of distribution, the Receiver must be convinced that the alternative will provide more money, less risk or faster payments to the investors – preferably all three – than his proposed plan. The Court has ordered the Receiver propose a plan of distribution by January 3, 2012.

The Receiver and his counsel are also working to collect on claims owed to the estate. The Receiver has filed suit against David and Elizabeth Gray (former owners of Retirement Value) to recover the substantial sums of money paid to them by Retirement Value. This

³ As of August 2011, none of these discussions had progressed far enough to be considered a viable option and none presented any basis for delaying consideration of the Receiver's plan.

application includes approximately \$342 in fees that were incurred by Receiver's counsel in that matter. In addition, the Receiver engaged in negotiations with various other parties, including some licensees, towards the settlement of the estate's claims against them and made demand upon the various licensees who sold investments in the RSLIP. George & Brothers, LLP, on behalf of the Receivership, has filed suit against licensees and others to collect amounts owed to the estate.

Because of the expense and risk inherent in litigation, the Receiver is taking a deliberate approach towards the claims of the estate. As a general matter, the Receiver has attempted to engage in negotiations with those against whom the estate has claims rather than immediately filing suit. Moreover, the Receiver concentrated his initial efforts on claims that are either the most likely to succeed or which provide for the largest potential recovery, including engaging in mediation with certain parties. This tactic has resulted in considerable success leading to settlements with Bruce Collins (reached without filing suit), Kiesling Porter (also reached without filing suit) and Dick Gray (reached before trial) worth some \$1.7 million. After consultation with the State and the Intervenors, we have decided to retain contingency fee counsel to prosecute claims against the licensees.

The Receiver has retained the law firm of George & Brothers, LLP, on a contingency fee basis, to prosecute claims against the licensees.⁴ In August 2011, George & Brothers filed suit against more than 50 licensees and others owing money to the estate. In addition, it has begun to send demand letters to the remaining licensees and others in an effort to collect additional amounts on behalf of the estate. Licensees failing to respond to the demand letters will likely be

⁴ The Receiver will pay reimbursable expenses up to \$50,000 out of pocket and any additional expenses will be paid out of any recovery from the licensees.

joined in the suit. Attorneys at K&L Gates will continue to assist George & Brothers and to supervise their work in this matter.

II. What Work Remains to Be Done

While a substantial portion of the Receiver's work has been completed, work remains to be done. At this point, our work can be divided into three categories: (i) litigation of claims by the estate against third parties; (ii) resolution of claims against the estate, and (iii) investigation and development of options to the plan that the Receiver proposed in May of 2011.

The litigation of claims by the estate has been largely outsourced to contingency fee counsel. K&L Gates will continue to have a role in these matters. The Receiver is the plaintiff in these claims and the firm will assist him in supervising the contingency fee lawyers. In addition, lawyers at K&L Gates will continue to assist the contingency fee lawyers in developing the case. As the case progresses and contingency fee counsel develop the institutional knowledge that K&L Gates already possess, we anticipate that the need for assistance from K&L Gates will be minimal.

The resolution of claims against the estate relates mainly to the finalization of the plan of distribution and to the determination of the claims held by various persons against the estate. As discussed above, various groups of investors and others are engaged in disputes with the Receiver (which really means the other investors) over the proper manner in which to divide the estates assets among the investors. Although the various groups are differently situated, each wants the same thing – to have their claims treated preferentially to those of the other investors. Moreover, the Receiver believes that certain investors, most notably those investors who are also licensees, should recover less than they would otherwise be due because they have already received money from Retirement Value. We anticipate that those investors may well disagree

with our position. In addition, given the state of Retirement Value's records, we anticipate that there are claimants whom we have not identified and some claimants whose claims may be larger than our records currently reflect. Resolution of these issues will require further litigation before the court.

We have been approached by a number of people and companies who have proposed various strategies for monetizing the portfolio to provide money to be distributed to the investors. Most of these have declined to move forward after seeing the Receiver's plan which provided greater returns than they were promising. Several remain, however. Two of these have progressed to the point where we anticipated receiving definitive proposals. Our discussions with one of these has progressed to the point where terms and conditions that would support the Receiver's recommendation are being negotiated. The other has failed to deliver a substantive proposal in a timely manner that would enable any adequate vetting. Any proposal we receive will require extensive vetting. The Receiver will need to analyze the economics of the proposal (including modeling the insurance policies to be included), conduct a legal, tax and regulatory analysis of the proposed transaction,⁵ and perform due diligence on the various parties who would be involved in the proposal on a go-forward basis. In addition, any alternative to the plan would require the drafting and negotiation of transaction documents as well as a new order implementing the plan. We have filed a budget discussing the costs related to these tasks in greater detail.

⁵ Because of there are more than 900 investors and the primary assets involved are policies of life insurance, every proposal that has been proposed presents significant tax and securities law issues.

ARGUMENT

The Receiver's administrative costs, including his fee and that of his counsel, are to be paid out of the funds and other assets of the estate. These costs are considered costs of court and have priority over all other claims against the estate. *Jordan v. Burbach*, 330 S.W.2d 249 (Tex. Civ. App. – El Paso 1959, writ ref'd n.r.e.); *also* TEX. CIV. PRAC. & REM. CODE §64.051. The Court should consider the reasonableness of the fees requested by both the Receiver and counsel.⁶

In evaluating the reasonableness of the fees, the Court should consider the following factors: (1) the time and labor involved, the novelty and difficulty of the questions involved, and the skill required to perform the legal services properly; (2) the likelihood that the acceptance of the particular employment will preclude other employment by the lawyer; (3) the fee customarily charged in the locality for similar legal services; (4) the amount involved and the results obtained; (5) the time limitations imposed by the client or the circumstances; (6) the nature and length of the professional relationship with the client; (7) the experience, reputation, and ability of the lawyer or lawyers performing the services; and (8) whether the fee is fixed or contingent on results obtained or uncertainty of collection before the legal services have been rendered. *Arthur Andersen & Co. v. Perry Equip. Corp.*, 945 S.W.2d 812, 818 (Tex. 1997).⁷ These factors support the award of the requested fees.

⁶ The Receiver has not acted as his own counsel; therefore all of his time is billed at his "Receiver" rate as opposed to a higher rate for his services as an attorney. *Espinosa Affid.* at ¶4.

⁷ Certain older cases have described the factors used to consider the reasonableness of a receiver's fee using slightly different terminology. *See Taylor v. Taylor*, 91 S.W.2d 394, 397-98 (Tex. Civ. App. – Amarillo 1936, no writ). However, the factors used by these cases incorporate all of the same considerations set out in the *Arthur Anderson* factors. In order to simplify this application, the Receiver has used the *Arthur Anderson* framework to discuss the reasonableness of his fees and those of his counsel.

Time, labor, skill & complexity. By its nature, a receivership proceeding is unique and complicated. As discussed above, this receivership is particularly complicated due to its size, the assets involved, the poor record keeping of Retirement Value and the sheer number of people involved (900 investors, 1,000 licensees, 18 insurance companies and several banks). To properly administer the estate requires a high degree of skill and diligence. Moreover, the Receiver and his counsel have had to devote significant time to this matter. The exact time expended and work performed by the Receiver and his counsel are shown on the invoices attached to the Espinosa Affidavit. In addition, the Receiver's Initial Report and his April 2011 Report and these fee applications previously filed with the Court summarizes the work of the Receiver and his counsel.

Preclusion of other employment. K&L Gates has not had to decline any representation solely because of its services in this case. However, because of the magnitude of the effort required, the Receiver and certain individual K&L Gates professionals working on this matter have been largely precluded from working on other matters.

Customary fees. An attorney's usual and customary fees are presumed to be reasonable. TEX. CIV. PRAC. & REM. CODE § 38.003. The fees charged by K&L in this case are the usual and customary fees that it charges to and collects from its clients for the services of the attorneys and other professionals working on this matter, except that the Receiver is charging 30% less than his usual and customary rate and K&L Gates is charging 9.5% less than its usual and customary rates on all other timekeepers. Espinosa Affid. at ¶6. Further, the court may take judicial notice of customary fees and of the contents of the case file without further evidence. TEX. CIV. PRAC. & REM. CODE § 38.004.

Every year, K&L Gates undertakes an analysis of the markets in which it operates in order to determine the appropriate fees to charge for its professionals based on the fees charged by its competitors and peer firms. The goal of this analysis is to set rates for each professional at the median rate for professionals at peer firms in similar practices areas and similar experience. Accordingly, the rates charged by K&L Gates in this matter are well within the norm for firms of its type in Texas. Espinosa Affid. at ¶8.

1. *Amount involved and results obtained.* The amount involved in this matter, measured either by the \$77 million invested by the investors or the over \$35 million of estate assets administered by the Receiver, is very large. During the Receiver's 17 months on the job, the Receiver has actively managed the affairs of the Alleged Debtor and discharged his State-Court imposed duties. All told, the Receiver has brought nearly \$14 million into the estate over the course of the Receivership Action.⁸ He has filed a plan of distributions that promises to repay investors between 80% and 120% (\$62.5 million to \$92.5 million) of their investment, including an immediate 10% or \$7.7 million.

Time limitations. Time is of the essence in a receivership. This is particularly true in the initial stages. The efforts undertaken in this case to recover assets, investigate the facts and preserve the portfolio of policies were conducted on an expedited basis.

The nature and length of the professional relationship. This factor cuts no particular way. However, neither the Receiver nor his counsel has any particular relationship with any of

⁸ These recoveries include (i) \$1.25 million secreted by the principals of the Alleged Debtor into Special Acquisitions, Inc.; (ii) \$560,000 and 8 policies of insurance worth about \$1.4 million collected from James Settlement Services; (iii) \$124,000 in cash and \$195,000 in debt-reduction from a settlement with Bruce Collins; (iv) \$710,000 in a settlement with Kiesling Porter; (v) \$600,000 in assets from a settlement with Dick and Catherine Gray (this settlement was approved by the State Court on August 15 at a hearing that was postponed due to the filing of the Involuntary Petition); (vi) \$10,117,534 collected from Pacific Life on the PLI140 policy, which was initially disputed by Pacific Life; and (vii) \$34,564 in recovered state franchise taxes.

the parties involved in this matter. Nor is there any possibility of a future relationship with the estate. By their nature, receiverships are a one-time event. As a result, no discount would normally be appropriate. Nevertheless, K&L Gates has provided a discount of 24.61% off of the fees it would normally charge for the work performed during this time period.

Experience, reputation, and ability of the professionals. K&L Gates is one of the world's premier law firms. It comprises nearly 2,000 lawyers who practice in 40 offices located on four continents. K&L Gates represents leading global corporations, growth and middle-market companies, capital markets participants and entrepreneurs in every major industry group as well as public sector entities, educational institutions, philanthropic organizations and individuals.

Whether the fee is fixed or contingent. The fees of the Receiver and his counsel are based on upon their hourly rates with a substantial discount. However, the payment of fees depends upon the approval of the court and the availability of assets in the estate – something which could not be known at the time the engagement was accepted and which remain uncertain.

Additionally, the Receiver is tasked with preserving Retirement Value's assets for the benefit of the investors, which requires, among other things, that the Receiver perpetuate certain aspects of Retirement Value's operations. By April 2010, Retirement Value was subject to the TSSB's cease-and-desist order which curtailed the sell side of its operations, effectively providing a benchmark for its administration expenses. By comparison, the Receiver's fees are significantly less than Retirement Value's April 2010 benchmark. The table below reflects the efficiencies recognized by the Receiver in administering the estate's assets, as compared to Retirement Value.

	Retirement Value (April 2010)	Receiver's Average Monthly Fees (Application Period)	Average Efficiencies Recognized
<i>Expenses</i>			
Payroll	161,598.27		
Other Expenses	<u>107,384.87</u>		
<i>Total Expenses</i>	<u>\$268,983.14</u>	<u>\$ 99,502.33</u>	<u>\$169,480.81</u>

The fees requested for services rendered in the month covered by this Application are \$169,480.81 less than Retirement Value's expenses in April 2010. Moreover, the fees requested in this application are 25% less than the average monthly fees in all preceding fee applications.

The Receiver anticipates that his fees and the fees of his counsel will fluctuate over the coming months but continue to trend downward. The amount of fees incurred will depend primarily on the attractiveness of alternatives to the plan and the degree of due diligence efforts undertaken that are necessary and appropriate in order to recommend that such alternative strategy be implemented. It will also depend upon other circumstances beyond the control of the Receiver such as the filing of claims against Retirement Value by investors or non-investor claimants as well as the cooperation of the Defendants. The more the Defendants and others cooperate with the Receiver, the lower the fees incurred by the Receiver and his counsel will be. The converse is also true.

The fees incurred during November 2011 are generally consistent with the budget submitted on November 11, 2011. The primary expense drivers were, as anticipated, the due diligence associated with alternative plans of distribution and litigation expenses. In November, we had two hearings and a deposition which disproportionately contributed to the legal expenses, but overall expenses came in as expected for the period.

Based on the size and complexity of the estate, the difficulties of administering it, the efforts expended and the results obtained, the fees requested by the Receiver and his counsel are reasonable and necessary.

ACCORDINGLY, the Receiver requests that this Application be granted in its entirety and that he be authorized to pay the fees requested by him and his counsel from the funds available to the estate.

Respectfully submitted,



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ATTORNEYS FOR THE COURT-APPOINTED
RECEIVER OF RETIREMENT VALUE, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above pleading has been served on the following, via certified mail, return receipt requested and e-mail on this the 19th day of December 2011:

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Michael D. Napoli

federal securities laws. Since entering private practice in 1998, I have been counsel to multiple defendants in similar proceedings. I am familiar with the reasonable and customary fees charged by attorneys in this type of matter.

3. I am making this Affidavit in support of the Ninth Application for Fees by the Receiver and Receiver's Counsel (the "Application").

4. Pursuant to the Court's Order of May 5, 2010 and the Agreed Temporary Injunction Order of May 28, 2010 (the "Agreed TI"), I have employed professionals necessary "for an efficient and accurate administration of the receivership estate." To this goal, I have retained the law firm of K&L Gates to represent me in connection with my duties and responsibilities as Receiver and have utilized a number of K&L Gates lawyers and paralegals to assist me therewith. I have not acted as my own counsel.

5. Attached to this Affidavit as Exhibits A and B are redacted copies of K&L Gates' invoices 2499219 and 2496347, respectively (the "Invoices"). The Invoices detail the services performed, during the month of November, 2011, by: (a) myself as Receiver; and (b) K&L Gates as Receiver's counsel. At the end of each Invoice is a Timekeeper Summary that lists the professional staff that billed time to this matter during the relevant time period, the number of hours billed and their respective rates.

6. As a general matter, the charge for the services provided by K&L Gates is determined by multiplying the total number of hours worked by each timekeeper by that timekeeper's billing rate.

The fees charged by the Receiver and his counsel represent a discount of approximately 24.61% from the usual and customary fees charged by K&L Gates. In this case, the billing rate of each timekeeper was discounted from the usual and customary rates charged by K&L Gates.

The Receiver is charging \$320/hour, which represents a 30% discount from his usual and customary rate of \$455/hour. In addition, K&L Gates has discounted its rates by 9.5% and further discounted its bills by approximately \$12,194. In the aggregate the discounts and write-offs associated with this Fee Application amount to \$32,485.79. The chart below summarizes the fees charged and the discounts applied.

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Total Adj	(\$32,485.79)

7. I have personal experience working with every person billing time to this matter, they are each of high quality and their have skills and expertise that are invaluable to assist me in performing my duties and responsibilities in this matter.

8. The hourly rates set forth in the Invoices are set at a level designed to compensate the firm fairly for the work of its staff and to cover fixed and routine overhead expenses. Such rates are normal and customary in this market for legal professionals with the same level of experience and expertise at comparable legal firms in Texas. Each year, K&L Gates undertakes an analysis of the markets in which it operates in order to determine the appropriate fees to charge for its professionals based on the fees charged by its competitors and peer firms. The goal of this analysis is to set rates for each professional at the median rate for professionals at

peer firms in similar practices areas and similar experience. Accordingly, the rates charged by K&L Gates in this matter are well within the norm for firms of its type in Texas.

9. The hourly rates charged are reasonable rates for this case, given: (1) the time and labor involved, the novelty and difficulty of the questions involved, and the skill required to perform the legal services properly; (2) the likelihood that the acceptance of the particular employment will preclude other employment by the K&L Gates professionals; (3) the fee customarily charged in the locality for similar services; (4) the amount involved and the results obtained; (5) the time limitations imposed by the client or the circumstances; (6) the nature and length of the professional relationship with the client; and (7) the experience, reputation, and ability of the professionals performing the services.

10. The amount billed for my services during the period covered by this application is \$31,072.00. The amount billed for my counsel's professional services during the period covered by this application is \$68,430.33. These amounts were calculated by taking the time billed for each task performed in connection with this case multiplied by the discounted hourly rate for the professional or staff member who performed the task. Based on my experience and knowledge of this matter, the fees charged by myself and my team for work from November 1, 2011 through November 30, 2011 are reasonable.

11. I have reviewed K&L Gates' invoices for services rendered from November 1, 2011 through November 30, 2011. Based on my experience and knowledge of this matter, the work performed by my staff from November 1, 2011 through November 30, 2011 was reasonable and necessary to properly allow me to fulfill my duties and responsibilities in this case.

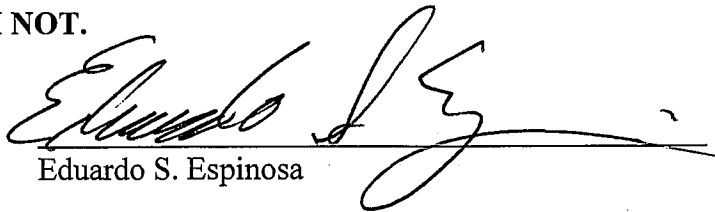
12. In addition, the Receiver is tasked with preserving Retirement Value’s assets for the benefit of the investors, which requires, among other things, that the Receiver perpetuate certain aspects of Retirement Value’s operations. The Receiver’s fees are substantially less than Retirement Value’s operating expenses in April 2010. April 2010 is significant because Retirement Value was already subject to the TSSB’s cease-and-desist order that curtailed the sell side of its operations, effectively providing a benchmark for its administrative expenses. The table below reflects the efficiencies recognized by the Receiver in administering the estate’s assets, as compared to Retirement Value.

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Other Expenses	<u>107,384.87</u>		
<i>Total Expenses</i>	<u>\$268,983.14</u>	\$ 99,502.33	\$169,480.81

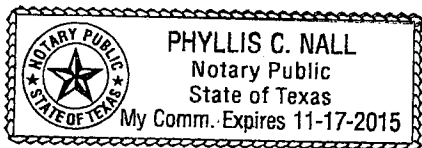
The fees requested for services rendered in the month covered by this Application are \$169,480.81 less than Retirement Value’s expenses in April 2010. Moreover, the fees requested in this application are 25% less than the average monthly fees in all preceding fee applications.

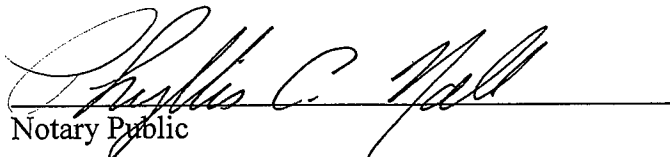
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FURTHER AFFIANT SAYETH NOT.


Eduardo S. Espinosa

SUBSCRIBED AND SWORN TO BEFORE ME this 19th day of December 2011.




Notary Public

My Commission Expires: 11-17-2015

Exhibit A

**PRIVILEGED AND CONFIDENTIAL
DO NOT DISCLOSE**

The Estate of Retirement Value, LLC
c/o Eduardo S. Espinosa, Receiver
1717 Main Street, Suite 2800
Dallas, TX 75201

December 6, 2011
Invoice: 2499219
Matter Desc.: State of Texas vs.
Retirement Value LLC, et. al.
Client/Matter #: 1203981.00001

This statement covers fees for legal services rendered for your account during the period ending 11/30/2011.
Detailed information regarding these fees is attached.

Current Charges:

Fees 99,160.24

Total Current Charges

\$99,160.24

PAYMENT FOR "CURRENT AMOUNT" IS DUE IN FULL ON OR BEFORE JANUARY 5, 2012

Please Return a Copy of This Page With Your Payment to K&L Gates, RCAC, 925 Fourth Avenue, Suite 2900, Seattle, Washington 98104-1158, Reference Invoice: 2499219

Payment Can Also be Made by wire to: US Bank, Private Financial Services, 1420 5th Ave. Suite 2100, Seattle, WA 98101, ABA Routing Number: 125000105, Account # 153557906580, Reference Invoice 2499219

**PRIVILEGED AND CONFIDENTIAL
DO NOT DISCLOSE**

The Estate of Retirement Value, LLC
c/o Eduardo S. Espinosa, Receiver
1717 Main Street, Suite 2800
Dallas, TX 75201

December 6, 2011
Invoice: 2499219

FOR PROFESSIONAL SERVICES RECORDED AS OF 11/30/11:

Matter: 1203981.00001

Matter Description: State of Texas vs. Retirement Value LLC, et. al.

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/1/11	Brown, A. G.	0.40	74.21	Conduct and respond to telephone inquiry of one investor (.1); review and organize pleadings to be loaded to website (.3)
11/1/11	Dietz, M.S.	1.00	533.95	Prepare for conference, conference with Mike Napoli (.1); review filings in preparation for conference (.9).
11/1/11	Espinosa, E. S.	5.10	1,632.00	Telephone conference with P. Siegel at Austin Ventures and M. Napoli regarding Vida Capital (1.0); revise Budget Worksheet and confer with M. Napoli regarding projections, pending items and foreseeable matters (2.1); correspondence with J. Lee regarding Vida due diligence (.2); review correspondence from IRS regarding 1099 payees confer with BKD (.3); review HCF Affidavits (.3); correspond with ASG regarding due diligence (.2); provide background information to C. Meem (.3); review Vida offering materials (.7)
11/1/11	Meer, C. J.	0.80	No Charge	Review of issues relating to investment in Vida fund; conversations with J. Songer and emails with others regarding same
11/1/11	Napoli, M. D.	4.50	2,199.15	Review affidavits filed by HCF Receiver (.4); prepare response to discovery requests by HCF Receiver (1.5); e-mail correspondence with D Young re Vida (.2); working session with E Espinosa re budget and alternative proposals (1.5); e-mail correspondence with J Lee re Vida due diligence (.1); gather documents and confirm data room in response to request by G Pronske for VCH proposal (.3); review Rule 11 agreement and confer with J Thomas re same and settlement proposals (.5)

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/1/11	Songer, J. H.	1.40	443.45	Review SEC guidance on whether life settlements are considered securities under the 1940 Act; calls with C. Meer to discuss same; attention to email correspondence re same.
11/2/11	Brown, A. G.	0.20	37.11	Conduct and respond to telephone inquiry from one investor
11/2/11	Dietz, M.S.	0.50	266.98	E-mails regarding status conference (.2); prepare for conference (.3).
11/2/11	Espinosa, E. S.	2.30	736.00	Telephone conference with P. Maule, K. Bennegray, K. Hinkel regarding Vida Due Diligence (.5); telephone conference with C. Meers regarding '40 Act issuers (inv. company/qualified buyer) (.5); telephone conference with D. Young regarding same (.5); correspondence with K. Bennegray and C. Meers regarding scheduling (.3); attend to remittance from KPKF (.1); request Vida policy and procedures manual; correspond with C. Meers regarding results of D. Young conversation (.4)
11/2/11	Meer, C. J.	1.30	941.20	Conference call with M. Napoli, E. Espinosa and J. Songer; reach out to get contacts for potential due diligence providers; additional conversations with J. Songer
11/2/11	Napoli, M. D.	3.20	1,563.84	Teleconference with I Antongiorgi (.4); e-mail correspondence with M Hammond (.1); e-mail correspondence with B Rentea (.1); teleconference with C Meer, E Espinosa re Vida fund issues (.5); confer with E Espinosa re scheduling order and status conference (.5); e-mail correspondence with G Weisbart and M Nielsen re KPKF settlement (.1); work on budget (1.0); prepare agenda for hearing (.5)
11/2/11	Songer, J. H.	1.70	538.48	Review Vida documents; call with C. Meer and client to discuss research
11/3/11	Brown, A. G.	1.30	241.19	Conduct and respond to telephone inquiries from two investors (.2); conduct research regarding investor documentation and parties listed (.4); review incoming emails and draft responses to same (.3); draft revised statement for the Case Information Page (.4)
11/3/11	Dietz, M.S.	5.30	2,829.94	Prepare for status conference, meet with M. Napoli; meet with Jim George, Mike Napoli, John Thomas and Ed Espinosa for pre-conference (1.5); hearing/conference (3.5); post status conference follow up with M. Napoli and E. Espinosa (.3).

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/3/11	Espinosa, E. S.	5.30	1,696.00	Telephone conference with K. Hinkle regarding vida due diligence (.4); hearing (2.8); confer with counsel (.2); meeting with J. Mortensen, J. George, J. Thomas, M. Dietz, M. Napoli (1.5); correspond with A. Goldate and P. Dennis regarding Federal Express (.2); Correspond with C. Meer and G. Mais regarding 3rd party due diligence (.2)
11/3/11	Espinosa, E. S.	2.50	No Charge	Travel (2.5)
11/3/11	Meer, C. J.	0.50	No Charge	Conversation with J. Songer regarding research; emails regarding due diligence provider
11/3/11	Napoli, M. D.	5.50	2,687.85	Telephone conference with J Hohengarten re hearing(.4); confer with M Dietz re hearing (.2); review correspondence from licensee counsel (.4); meet with J Thomas, J George, J Mortensen, E Espinosa and M Dietz (1.5); attend status conference (2.8); confer with counsel (.2)
11/3/11	Napoli, M. D.	5.00	No Charge	Travel to Austin (2.5); travel to Dallas (2.5)
11/3/11	Songer, J. H.	2.80	886.90	Research Investment Company Act exceptions that might pertain to Retirement Value LLC; speak with C. Meer regarding same; review current status of Retirement Value LLC
11/4/11	Brown, A. G.	1.00	185.53	Conduct and respond to telephone inquiry from one investor (.2); review incoming documentation and update files (.2); collect documentation to be loaded to website and forward (.3); review incoming documentation and upload court filings (.3)
11/4/11	Dietz, M.S.	1.50	800.93	Prepare Scheduling Order and one page summary (1.4); conference with M. Napoli regarding same (.1); review e-mails regarding same (NC).
11/4/11	Espinosa, E. S.	1.20	384.00	Correspond with BKD regarding utility payments (.1); review Scheduling Order (.4); correspond with G. Quinones regarding IP from Harloff; correspondence with Harloff regarding same (.3); address update to website (.2); review answers filed by Licensees (.2)
11/4/11	Meer, C. J.	0.60	No Charge	Review of memorandum from J. Songer; emails regarding due diligence and memorandum
11/4/11	Napoli, M. D.	1.60	781.92	Teleconference with M Dietz re order (.1); revise order setting schedule (.3); review one page summary of deadlines and hearings (.3); e-mail correspondence with counsel re summary of deadlines and hearings (.1); review answers filed by various third party defendants (.4); revise case information for website (.2);

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<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/7/11	Brown, A. G.	1.20	222.64	Conduct and respond to telephone inquiry of two investors (.2); conduct research regarding investment of R. Hernandez and draft email to E. Espinosa re same (.3); review Cain intervenors objections to Receiver's 7th Application for fees and prepare spreadsheet regarding objections (.7)
11/7/11	Dietz, M.S.	0.10	No Charge	Review e-mails
11/7/11	Dietz, M.S.	0.30	160.19	Set hearings with court coordinator's office
11/7/11	Espinosa, E. S.	3.10	992.00	T/C with D. Young, C. Meers & M. Napoli re '40 act Compliance and the inadvertent investment company (.3); Confer with A. Brown re M. & R. Hernandez' IRA and Provident (.2); T/C w P. Maule @ ASG re A/R, Review 11/4/11 QBB, Correspondence with P. Dennis @ BKD re same (1.1); Review Weisbart's objections to Fee App #7 Correspondence with A. Brown re analysis of same (.5); Various Scheduling emails (.2); Correspondence with C. Meers re Albourne due diligence; (.1) Correspondence with A. Cullen re Policy Binders (.1) Confer with M. Napoli re objections, M. Hammonds filings on behalf of Beste, James, et.al., the conflicts inherent therein (.6).
11/7/11	Meer, C. J.	2.30	1,665.20	Conference call with D. Young, M. Napoli and E. Espinosa (.3); review of Vida PPM; email to M. Napoli and E. Espinosa regarding observations; conversations with J. Songer; review of research
11/7/11	Napoli, M. D.	2.40	1,172.88	Teleconference and e-mail correspondence with I Antongiorgi re briefing schedule for motion to combine estates and motion to sever (.2); e-mail correspondence with J Parsons re one-page summary and briefing schedule (.1); teleconference with C Meer, E Espinosa and D Young re Vida "40 Act issues (.3); e-mail correspondence with M Adams re motion to combine estates (.1); teleconference with J Thomas re argument on motions for summary judgment and Beste answer (.2); teleconference with G Pronske re Beste answer (.1); review Beste and James answers (.2); confer with E Espinosa re Giuffre proposal, Beste proposal and Vida proposal (1.0); Teleconference with G Weisbart re objections to Fee App 7 (.4)
11/7/11	Resti, J. M.	0.40	No Charge	Searched for exemptive letters for Songer
11/7/11	Songer, J. H.	5.00	1,583.75	Research and review 6(c) and 3(2)(b) orders; research 12(g) issue

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/8/11	Brown, A. G.	1.00	185.53	Revise and finalize spreadsheet regarding Cain Intervenor's objections to Receiver's 7th Application for Fees and forward to M. Napoli and E. Espinosa for review (.4); review and revise Case Information statement for Website and forward to webmaster for loading to website (.2); conduct research regarding investor IRA account and documentation (.40)
11/8/11	Dietz, M.S.	0.40	213.58	Update order/deadlines (.1); review objections to Fee Application, telephone conference with B. Rentea regarding same (.2); telephone conference with B. Rentea regarding summary judgment motion (.1).
11/8/11	Espinosa, E. S.	4.50	1,440.00	Telephone conference with C. Meers regarding Section 6(c) exemption from '40 Act (.5); telephone conference with C. Meers regarding scope of due diligence, her conversation with M. Hamer (Albourne) and further concern regarding Section 3 of the '40 Act and 3(c)(7) (1.5); review Cain Intervenor's Objection (.3); review Rentea's Objection, correspondence with BKD regarding O/S A/P (.2); confer with M. Napoli and A. Brown regarding Website updates (.2) telephone conference with T. Dunn regarding Cash Management (.3); review L&E stochastic Model (.4); transfer cash and advise BKD (.2); confer with M. Napoli regarding G. Pronske correspondence/request (.5); review ASG form of due diligence (.4)
11/8/11	Meer, C. J.	1.40	1,013.60	Conversation with M. Hamer regarding Albourne; conversations with R. Rosenblum regarding 1940 Act exemptions; conversations with E. Espinosa regarding Vida documents, due diligence and 1940 Act exemptions
11/8/11	Napoli, M. D.	6.00	2,932.20	Prepare response to HCF Receiver's discovery (2.0); prepare notice of hearing (.2); e-mail correspondence with J Hohengarten (.1); e-mail correspondence with M Nielsen and G Weisbart re KPKF settlement (.2); teleconference with B Rentea re MSJs (.4); review e-mail from G Pronske re Beste due diligence documents needed and non-suit of Beste (.2); confer with E Espinosa re Beste due diligence request and non-suit request (.3); prepare response to Beste due diligence request (.1); review results of stochastic analysis re Vida portfolio (.3); review Rogers objections to Fee App 7 and supporting detail

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
				(.2); review analysis of Cain objections to Fee App 7 (.2); teleconference with A Goldate and E Espinosa re investigation and '40 Act issues (.4); revise update to website (0.2); confer with E Espinosa re '40 Act issues (.3); work on response to motion to combine estates (.9)
11/8/11	Rosenblum, R. H.	0.30	No Charge	Conversation with C. Meer regarding 1940 Act and Investment Advisers Act status issues
11/8/11	Songer, J. H.	0.10	No Charge	Speak with C. Meer regarding status
11/9/11	Brown, A. G.	1.00	185.53	Review W. Rogers objections to Receiver's 7th Application for fees and prepare spreadsheet regarding objections (.6); updated pleading files with court filings (.2); draft email regarding differences in objections to fees (.2)
11/9/11	Dietz, M.S.	0.10	No Charge	E-mails regarding objections by Rentea
11/9/11	Espinosa, E. S.	1.80	576.00	Correspond with J. Thomas and M. Napoli regarding discovery (.3); telephone conference with J. Thomas and M. Napoli regarding discover, arbitration and deposition (.8); confer with M. Napoli and S. Korotash regarding 6(c) exemption under the '40 Act (.5); review draft response to G. Pronske (.1); review analysis of Rentea's objections (.1); correspondence with P. Dennis regarding Balance Sheet QBB (.2)
11/9/11	Napoli, M. D.	6.60	3,225.42	Review and consider depo requests and arbitration issues raised by W Rogers (.3); teleconference with J. Thomas (.3); e-mail correspondence and teleconferences with J Thomas and E Espinosa re depositions, special appearances and arbitration issues (1.1); confer with S Korotash re SEC issues (.5); teleconference with J Hohengarten re Rogers discovery and deposition request (.3); teleconference with B Rentea (.2); respond to e-mails re arbitration (.1); revise budget (.3); e-mail correspondence with I Antongiorgi re Gray settlement (.1); review Rogers objections to Fee App 7 (.1); review pro forma from Vida (.5); research re motion to combine estates (3.0)
11/10/11	Brown, A. G.	0.40	74.21	Conduct and respond to telephone inquiry from one investor (.3); draft email enclosing documents relating to investor IRA account (.1)
11/10/11	Espinosa, E. S.	0.20	No Charge	Coordinate 11/21 travel
11/10/11	Espinosa, E. S.	3.50	1,120.00	Correspond with P. Dennis regarding B/S, review B/S and QBB, I/C Accounts and review same (.6); confer with M. Napoli regarding resolving HCF objections to Gray Settlement and inquiry

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/10/11	Napoli, M. D.	5.40	2,638.98	from G. Pronske (.5); telephone conference with S. Crohn regarding due diligence (.7); telephone conference with K. Hinkle regarding ASG proposed (.4); correspond with P. Dennis regarding HCF account and adj entries (.3); Confer re Vida vs. Lewis & Ellis projection comparison (.5); correspondence with Scott Crohn regarding proforma (.3) confer with J. Thomas regarding HCF (.2)
11/11/11	Brown, A. G.	0.40	74.21	Review RV application to become life settlement provider (.2); e-mail correspondence with G Pronske re Beste suit and balance sheet (.1); confer with E Espinosa re balance sheet (.1); teleconference with J Thomas re deposition schedule 0.1); e-mail correspondence with I Antongiorgi re settlement of Gray issues (.1); confer with E Espinosa re same (.3); e-mail correspondence with I Antongiorgi re joint approach to settlement (.2); teleconference with I Antongiorgi re same (.4); review HCF objection to Gray settlement (.2); work on response to motion to combine estates (3.7)
11/11/11	Espinosa, E. S.	3.60	1,152.00	Telephone conference with one investor and draft email response enclosing investment documents
11/11/11	Napoli, M. D.	5.30	2,590.11	Telephone conference with P. Dennis regarding new bookkeeper, adjusting entries and balance sheet (.8); review response to HCF interrogatories (.6); review B Rentea's Motion for Arbitration (.2); telephone conference with J. Lee & at Lewis & Ellis M. Napoli regarding reconciliation with Vida proforma (.7); telephone conference with D. Young, S. Crohn and M. Napoli regarding fund guidelines, need for additional LE's, cash flow option, fee structure and '40 Act concerns (.8); correspondence with C. Meer regarding '40 Act (.1); correspond with J. Thomas and M. Napoli regarding HCF objection (.1); correspond with ASG regarding invoicing (.2); confer with A. Brown regarding PO Box (.1)
				Work on response to motion to combine estates (3.5); teleconference with J Lee and E Espinosa re Vida pro forma and additional analysis (.7); teleconference with S Crohn, D Young and E Espinosa re Vida due diligence (.8); review correspondence with M Nielsen re KPKF settlement (.2); correspond with J Thomas re

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<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/14/11	Brown, A. G.	0.30	55.66	HCF objection (.1) Draft email to web master regarding loading documents to website
11/14/11	Espinosa, E. S.	7.00	2,240.00	Telephone conference with G. Pronske regarding request to Dismiss w/o Prejudice of Beste lawsuit (.5); confer with M. Napoli regarding HCF commingling (.2); review HCF and RV Quickbooks file and draft memo memorializing findings (4.8); correspondence with G. Weisbart regarding M. Kay (.1); telephone conference with M.Kaye regarding alternate plans (.7); correspond with R.Kipp at BKD (.2); review correspondence with G. Quinones and A. Brown regarding website (.2); confer with M. Napoli and J. Thomas regarding HCF/Gray settlement (.3)
11/14/11	Meer, C. J.	2.40	1,737.60	Prepare memorandum for E. Espinosa regarding Vida investment
11/14/11	Napoli, M. D.	8.10	3,958.47	Review latest analysis from L&E (.4); e-mail correspondence with I. Antongiorgi re agreement on settlements (.2); teleconference with J. Thomas re effect of HCF deal on contingency fee agreement (.2); teleconference and e-mail correspondence with I. Antongiorgi and D. Taylor re Vida and motion to combine estates (.4); review policy information re HCF policies (.4); prepare response to motion to combine estates (6.2); e-mail correspondence with A Brown re website update (.1); confer with E Espinosa re Pronske requests (.2)
11/15/11	Dietz, M.S.	0.10	No Charge	Prepare and make docket call announcement
11/15/11	Espinosa, E. S.	2.80	896.00	Finalize HFC/RV memo (.4); telephone conference with R. Kipp re staffing (.5); review Chase correspondence (.2); telephone conference with M. Gandy at FINRA (.8); correspond with DJ. Thomas, M. Napoli and E. Antonio regarding Licensee and Automatic Stays (.2); confer with M. Napoli and S. Korotash (.5); correspond with A. Brown regarding website updates (.2)
11/15/11	Napoli, M. D.	5.60	2,736.72	Review and revise form settlement agreements for licensees (.5); e-mail correspondence with J Thomas re proposal to share settlements HCF Receiver (.1); prepare response to motion to combine estates (4.5); e-mail correspondence and teleconference with J Thomas re effect of bankruptcy of licensee (.5)

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<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/16/11	Brown, A. G.	0.30	55.66	Respond to telephone inquiry from three investors
11/16/11	Espinosa, E. S.	4.40	1,408.00	Review November Premium Payments, reconcile and correspond with R. Carter at BKD regarding same (.4); Analyze invoice and prepare fee app #8; confer with M. Napoli regarding M. Kaye's opposition to HCF consolidation; confer with A. Brown regarding investor inquiries (2.1); correspond with BKD regarding A/P (.2); review Budget Filing (.2); review Form of Settlement Agreements and comment to J. Thomas (.6); correspond with I. Antongiorgi, J. Thomas and M. Napoli regarding Gray Settlement (.2); working session with M. Napoli regarding HCF commingling (.7)
11/16/11	Napoli, M. D.	6.80	3,323.16	Prepare response to motion to combine estates (5.0); e-mail correspondence with I Antongiorgi re Gray settlement (.2); teleconference with J Thomas re Espinosa deposition and MSJ argument (.5); confer with E Espinosa re transfers between RV and HCF (.4); research re Bejcek reconsideration (.7)
11/17/11	Brown, A. G.	0.40	74.21	Telephone conference with licensee regarding litigation (.3); draft email to M. Napoli re conversation with licensee (.1)
11/17/11	Espinosa, E. S.	4.60	1,472.00	Deposition preparation with Napoli and J. Thomas (2.8); correspond with A.Cullen regarding updated LE's to Meds (.3); telephone conference with R. Carter regarding A/P status to open items; I/C ledger transfers (.7); confer with R. Kipp regarding RV Balance Sheet (.2); confer with M. Napoli, A. Brown, J. Thomas regarding S. Black (investor) (.2) transfer Chase funds (.4)
11/17/11	Napoli, M. D.	7.70	3,762.99	Prepare response to motion to combine (3.8); prepare for hearing on Bejcek reconsideration (.8); prepare E Espinosa for deposition (2.8); e-mail correspondence with G Weisbart re motion to combine estates (.1); review Gray response to HCF objections (.2)
11/18/11	Brown, A. G.	1.50	278.30	Review, organize and prepare Receiver's Eight Application for Fees for filing and file same with court (.5); conduct and respond to telephone inquiry from one investor (.2); review affidavits of HCF investors in preparation of Response to HCF Motion to combine Estates (.8)

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/18/11	Espinosa, E. S.	6.20	1,984.00	Telephone conference with B. Pronske regarding "abatement" of court action (.2); confer with J. Thomas and M. Napoli regarding "abatement" (.4); correspond with A. Cullen at ASG regarding new medicals (.2); telephone conference with utility company regarding billing (.3); email L. Edwards regarding water usage (.1); review revisions to Fee App #8, draft Affidavit and submit for filing (.6) open new bank account at Chase for "settlement funds" (.8); review State response to Rogers Request for Production (.2); telephone conference with R. Carter at BKD, correspond regarding new bank account (.3); review balance sheet, reconcile Underfunded Premiums Account; and Policy Bank Account (2.1); transfer funds from Sub Accounts to base account, reconcile shortfalls and prepare accounting adjustment (.6); confer with M. Napoli regarding deposition preparation
11/18/11	Napoli, M. D.	6.50	3,176.55	Prepare response to motion to combine estates (4.2); teleconferences with E Espinosa and J Thomas re Beste issues (0.5); legal research re definition of security and insurance exclusion (1.8);
11/19/11	Espinosa, E. S.	5.70	1,824.00	Make reconciling entries on QBB and draft memo to BKD regarding same (2.1); prepare Balance Sheet for upload to Data Room, transmit same to G. Pronske (.8); document review and deposition preparation (2.2); correspond with J. Thomas regarding deposition preparation, email R. Carter regarding Generations FCU-L18 (.4); review draft response to HCF's MTW to consolidate (.5)
11/20/11	Espinosa, E. S.	4.20	1,344.00	Deposition preparation; review Killing Life partner, States MSJ, Receiver's MSJ, Rogers deposition, Gray's deposition excerpts
11/21/11	Brown, A. G.	1.80	333.95	Conduct and respond to telephone inquiry from one investor (.3); collect and prepare exhibits to Response to HCF Receiver Motion to Combine Estates (.7); review and finalize same, file with court and serve on parties (.6); update pleading files (.2)
11/21/11	Espinosa, E. S.	2.30	No Charge	Travel to Austin
11/21/11	Espinosa, E. S.	6.20	1,984.00	Working session - deposition preparation with M. Napoli and J. Thomas (2.2); deposition as deponent (3.0); meeting with I. Antongiorgi and J. Thomas regarding HCF, Motion for

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<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
				Consolidation and James defendants (.5); Post-deposition debriefing with M. Napoli and J. Thomas (.5)
11/21/11	Napoli, M. D.	2.00	No Charge	Travel to Austin
11/21/11	Napoli, M. D.	7.90	3,860.73	Attention to Espinosa deposition preparation (2.2); prepare response to motion to combine estates (1.0); teleconference and e-mail correspondence with D Young re Meltzer subpoena (.3); review State's response to Rogers' discovery (.2); teleconference with D Taylor (.1); prepare for 11/22 hearings (2.5); review Intervenor's joinder in response to motion to combine (.1); prepare motion to sever (1.0); Post-deposition debriefing with E Espinosa & J. Thomas (.5)
11/22/11	Brown, A. G.	0.80	148.42	Conduct and respond to telephone inquiry from two investors (.3); review incoming court filings and update pleading files (.3); draft email to M. Napoli re Motion for Leave to File Notice of Intervention (.2)
11/22/11	Espinosa, E. S.	5.20	1,664.00	Prep for hearings (1.2) Hearing re Rogers Objections to HCF Actuaries Fees, Approval of Gray's Settlement , and Becjek's Motion for Reconsideration (2.0) Meeting with D. Taylor, I. Antongiorgi & M. Napoli re consolidation issues (1.0); telephone conference with K. Hinkle @ ASG re due diligence (.4); telephone conference with Dan Young & M. Napoli re due diligence (.6)
11/22/11	Espinosa, E. S.	2.80	No Charge	Travel from Austin to Dallas
11/22/11	Napoli, M. D.	5.90	2,883.33	Teleconference with D Young (.4); prepare order approving Gray settlement (.8); prepare motion to sever (1.0); prepare for hearing on Becjek reconsideration (1.0); attend hearings (1.5); confer with E Espinosa, D Taylor and I Antongiorgi regarding cooperation between estates and resolution of issues between the estates (1.0)
11/22/11	Napoli, M. D.	2.00	No Charge	Travel to Dallas
11/23/11	Espinosa, E. S.	2.10	672.00	Confer with R. Carter re "Premium Shortfall" entries (.8) Correspond with P. Maule @ ASG re uploading Balance Sheet (.2); Correspond with K. Hinkle re Vide Longevity Fund (.3); Various emails re HCF including revised draft of agreement (.6); Confer with M. Napoli re 11/22 hearing (.2)

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<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/23/11	Napoli, M. D.	4.10	2,003.67	Prepare motion to sever (3.5); review Special Receiver's Supplemental Petition (.4); e-mail correspondence with G Weisbart and M Nielsen re KPKF dismissal (.2)
11/25/11	Espinosa, E. S.	1.90	608.00	Transfer all funds to the WF Base account and initiate wire to Chase Savings.
11/28/11	Dietz, M.S.	1.10	587.35	Docket calls, telephone conference with Mike Napoli regarding same (.1); court appearance regarding entry of order and circulate same (1.0).
11/28/11	Espinosa, E. S.	3.10	992.00	Telephone conference with Wells Fargo wire department (.4); telephone conference with W. Giles at Wells Fargo (.4); correspond with R. Carter regarding account transfer (.2); review MTN for Severance (.2); correspond with C. Meer regarding whether receivership may be an Inv. Company (.2); correspond with and telephone conference with A. Cullen regarding JSSRV0010 and no lapse guarantee (.6); review HCF Settlement (.2); review Becjek Order (.1); review Skylatic Offer and correspond with J. Thomas (.2); correspond with J. Thomas regarding Default Judgment and in-kind settlements; confer with M. Napoli regarding same (.6)
11/28/11	Meer, C. J.	0.30	No Charge	Conversations with R. Rosenblum in response to E. Espinosa's email; review of no-action letter
11/28/11	Napoli, M. D.	1.40	684.18	Revise motion to sever (.5); e-mail correspondence to counsel re motion to sever (.1); prepare order denying Becjek motion to reconsider and e-mail same to counsel (.1); e-mail correspondence with J Thomas re settlement and contingency fee (.2); e-mail correspondence with J Hohengarten (.1); confer with E Espinosa re Thomas contingency fee, damage calculation, Vida due diligence and pro forma (.4)
11/28/11	Rosenblum, R. H.	0.50	No Charge	Telephone conference with C. Meer regarding 1940 Act status and related issues
11/29/11	Brown, A. G.	1.50	278.30	Conduct and respond to telephone inquiries from three investors (.6); update client index (.2); conduct research regarding investment of J. Monaghan (.3); review incoming email and respond to same (.1); review Cain Intervenor's objections to Receiver's 8th Application for Fees and prepare spreadsheet regarding same (.3)

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/29/11	Espinosa, E. S.	4.50	1,440.00	Telephone conference with M. Gandy (FINRA) J. Thomas and M. Napoli (.4); telephone conference with J. Lee regarding Model JSSRV0010 (.4); telephone conference with J. Thomas and M. Napoli regarding litigation strategy (.6); confer with C. Meers and R. Rosenblum and M. Napoli regarding 3(c)(1) exception to '40 Act definition of Investment Company and look through aspects of 3(c)(1)(A) (1.0); review proposal from R. Foreman (Licensee) (.2); review safe Estate Plans correspondence (.2); review Weisbarts' objections to Fee App 8 (.1); review deposition transcript (1.2); respond to W. Wandrey's inquiry (investor)(.4)
11/29/11	Meer, C. J.	1.00	724.00	Conference call with M. Napoli, E. Espinosa and R. Rosenblum
11/29/11	Napoli, M. D.	2.50	1,221.75	Teleconference with M Gandy, E Espinosa and J Thomas re broker dealer licensees (.3); teleconference with J Thomas and E Espinosa re settlements, damages and contingency fee calculation (.7); review Vida proformas and actuarial analysis (.5); teleconference with C Meer, R Rosenblum and E Espinosa re Vida 40 Act issues (1.0)
11/29/11	Rosenblum, R. H.	1.00	No Charge	Conference call regarding 1940 Act status issues, and related matters; brief work on same
11/30/11	Brown, A. G.	1.20	222.64	Conduct and respond to telephone inquiry from two investors (.3); update client index (.1); review incoming court filings and update pleading files (.5); review and file Receiver's Joint Motion for Severance with the court and update pleading files (.3)
11/30/11	Espinosa, E. S.	8.80	2,816.00	Correspond with D. Young regarding '40 Act analysis (.2); respond to inquiry from L. Wolfe (investor) (.4); telephone conference with R. Carter regarding structure of Chase Bank account (.3); set up Chase account for wiring, call Chase IT regarding account limitations and reconfigure (1.2); telephone conference with G. Quinones regarding Harloff IP (.4); confer with S. Elrod regarding Warranty Deed for 3606 Comal (.3); telephone conference with L. Edwards regarding "closing" and CLWSC (.4); telephone conference with K. Boos at NB Title (.3); review and execute Division of Recovery Agreement re Common Defendants (.2); correspond with R.

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<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/30/11	Napoli, M. D.	6.20	3,029.94	Taylor (investor) and forward same to A. Brown and R. Carter (.1); correspond with M. Gandy (FINRA) J. Thomas and M. Napoli (.1); review analysis of LFG117 No Lapse Guarantee and correspond with J. Lee and A. Cullen regarding same (.5); summarize Deposition Comments and transmit same to J. Thomas (.4); review B. Rentea's Plea in Abatement, confer with M. Napoli regarding same (.5); review response to MSJ (.4); review Motion for Severance (.2) confer with K. Hinkle and S. Crohn regarding AVS -LES (.2); correspond with Wells Fargo and GFCU regarding release of Gray Account (1.1); analyze HCF and RV Combined Portfolio, draft email to D. Taylor regarding same (1.6)
				Teleconference with M Adams re motion to sever (.1); revise motion to sever (.3); review Espinosa deposition (1.0); e-mail correspondence with R Gray re transfer of property (.2); e-mail correspondence with E Espinosa re finalizing Gray settlement (.1); e-mail correspondence with J Hohengarten re KPKF dismissal (.1); review and analyze plea in abatement (.8); prepare memo to J Thomas, E Espinosa re plea in abatement (.8); review and analyze response to motions for summary judgment (1.0); correspondence with J Thomas, J Hohengarten re response to MSJs (1.0); review amended answers by Rentea clients (.1); review/revise FINRA agreement (.4); confer with E Espinosa re consolidation of estates and offer to HCF (.4)
		TOTAL HOURS		266.00
		TOTAL FOR SERVICES		\$99,160.24

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TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Meer, C. J.	8.40	724.00	6,081.60
Dietz, M.S.	10.10	533.95	5,392.92
Napoli, M. D.	103.20	488.70	50,433.84
Espinosa, E. S.	97.10	320.00	31,072.00
Songer, J. H.	10.90	316.75	3,452.58
Brown, A. G.	14.70	185.53	2,727.30
Total for All Timekeepers	266.00	\$372.78	\$99,160.24

INVOICE TOTAL

	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
Current Charges	99,160.24	0.00	99,160.24
TOTAL BALANCE DUE THIS MATTER			\$99,160.24

PAYMENT DUE IN FULL ON OR BEFORE JANUARY 5, 2012

Exhibit B

**PRIVILEGED AND CONFIDENTIAL
DO NOT DISCLOSE**

The Estate of Retirement Value, LLC
c/o Eddy Espinosa
K&L Gates, LLP
1717 Main Street, Suite 2800
Dallas, TX 75201

December 5, 2011
Invoice: 2496347
Matter Desc.: David & Elizabeth Gray
Client/Matter #: 1203981.00003

This statement covers fees for legal services rendered for your account during the period ending 11/30/2011.
Detailed information regarding these fees is attached.

Current Charges:

Fees	342.09
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Total Current Charges	\$342.09
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PAYMENT FOR "CURRENT AMOUNT" IS DUE IN FULL ON OR BEFORE JANUARY 4, 2012

Please Return a Copy of This Page With Your Payment to K&L Gates, RCAC, 925 Fourth Avenue, Suite 2900, Seattle, Washington 98104-1158, Reference Invoice: 2496347

Payment Can Also be Made by wire to: US Bank, Private Financial Services, 1420 5th Ave. Suite 2100, Seattle, WA 98101, ABA Routing Number: 125000105, Account # 153557906580, Reference Invoice 2496347

**PRIVILEGED AND CONFIDENTIAL
 DO NOT DISCLOSE**

The Estate of Retirement Value, LLC
 c/o Eddy Espinosa
 K&L Gates, LLP
 1717 Main Street, Suite 2800
 Dallas, TX 75201

December 5, 2011
 Invoice: 2496347

FOR PROFESSIONAL SERVICES RECORDED AS OF 11/30/11:

Matter: 1203981.00003

Matter Description: David & Elizabeth Gray

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/10/11	Napoli, M. D.	0.40	195.48	Telephone conference with L York regarding settlement and HCF claim
11/23/11	Napoli, M. D.	0.30	146.61	Review/revise settlement agreement
TOTAL HOURS				0.70
TOTAL FOR SERVICES				\$342.09

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Napoli, M. D.	0.70	488.70	342.09
Total for All Timekeepers	0.70	\$488.70	\$342.09

INVOICE TOTAL

	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
Current Charges	342.09	0.00	342.09
TOTAL BALANCE DUE THIS MATTER			\$342.09

PAYMENT DUE IN FULL ON OR BEFORE JANUARY 4, 2012