

On May 28, 2010, the Court entered a temporary injunction (the “Agreed TI”) against Gray and Retirement Value and continued the Receiver’s appointment. In the Agreed TI, the Court directed and authorized the Receiver to, among other things:

- (a) to take possession of and preserve all books, records and assets of Retirement Value and all assets derived from the operations of Retirement Value;
- (b) to attempt to effect fair restitution to the investor-victims; and
- (c) to assist the State in its investigation of the Defendants and others.

The temporary injunction and the receivership will remain in place until the end of the trial of this matter, which is currently scheduled for February 28, 2011.

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

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.

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.² *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 the time period from November 1, 2010 through November 30, 2010. The Receiver has incurred fees of \$34,240 during the period covered by this Application. He has retained the legal services of K&L Gates, which has incurred fees of \$79,648.80 for the period covered by this Application. Affidavit of Eduardo S. Espinosa (“Espinosa Affid.”) at ¶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 19% 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.

² Pursuant to the Court’s Order regarding the Receiver’s Second Fee Application entered on December 10, 2010, the Receiver and his counsel are to begin billing by task on work performed after the entry of the order. Because the work underlying this Application pre-dates the December 10 Order, the Receiver and his counsel have presented their bill in its usual and customary form.

The Receiver is charging \$320/hour, which represents a 24% discount from his usual and customary rate of \$420/hour. In addition, K&L Gates has discounted its rates by 9.5% and further discounted its bills by approximately \$7,039.59. Espinosa Affid at ¶7. The chart below summarizes the fees charged and the discounts applied.

Invoice Summary		Invoice Date
		December ³
Billed		
Matter .00001		\$105,615.90
Matter .00003		\$8,272.90
Total		113,888.80
	<i>Rate</i>	
Receiver Incurred	\$420.00	\$44,940.00
Receiver Billed	\$320.00	\$34,240.00
Receiver adj	(\$100.00)	(\$10,700.00)
KLG Incurred	various	\$95,592.31
KLG Billed	various	\$79,648.80
KLG adj.	(9.5%)	(\$8,360.92)
Write-offs		(\$7,039.59)
Total Adj		(\$26,100.51)

The reasonableness of the fees incurred by the Receiver and his counsel should be examined in light of the challenges faced by the estate, the work necessary to administer the estate and the accomplishments of the Receiver to date. The estate is large, with significant money, assets and claims against it. It is also complicated to administer. As a result, the Receiver has been required to expend significant time and resources to identify, collect and preserve assets and to determine who is owed money by the estate and against whom the estate may have significant and valuable claims. These efforts have born significant fruit, with substantial recoveries already received by the estate.

The work by the Receiver and his counsel has entered into a new phase. Initially, the Receiver undertook to investigate the business of Retirement Value, to collect the assets readily

³ The invoice is usually billed the month after the services were rendered, e.g., the December invoice reflects work performed in November.

available to it and to put in place interim measures to protect the value of those assets. That work is largely complete. Over the last two months and continuing in future months, the Receiver is working on two major initiatives. The first 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 is to resolve and collect upon the substantial claims that the estate has against various parties. Both initiatives are under way.

The key variable to the success of the estate and ultimately the restitution paid to the investors is the performance of portfolio of insurance policies owned by Retirement Value. Maximization of the value of the portfolio depends upon the expected cash flow to and from the policies (premiums paid and benefits received) as well as on the structure of the portfolio itself.

To determine the expected cash flow from the portfolio, the Receiver, with the assistance of the estate's portfolio servicer, ASG, is in the process of obtaining updated life expectancy calculations for each of the insureds. In order to have the best possible life expectancy calculations, we have requested that each of the insureds consent to the doctors releasing medical information to us. Although each insured is contractually obligated to provide updated medical information and to execute the consents necessary for their doctors to release that information to us, a number of insureds have delayed returning the consents to us and, in a few cases, outright refused to return the consents. This lack of cooperation has hampered our efforts to obtain new life expectancy calculations and has required additional work by ASG, the Receiver and his counsel. To date, we have obtained new life expectancy calculations for 22 of the 44 insureds. As the new life expectancy calculations are received, we are forwarding them to Lewis & Ellis, the estate's actuarial consultants, to prepare cash flow projections for each policy and the portfolio as a whole.

The Receiver and his counsel have also been working to determine the best way to structure of the portfolio so that the Receiver can maximize the assets available for distribution and distribute them in a legally appropriate and equitable manner. Based on his research and the results of the new life expectancy certificates available so far, 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. He sought permission from the Court to do so. The Receiver's proposal is not without controversy and additional litigation before the Court will be necessary to determine the appropriate structure of the portfolio and the most equitable method of distributing assets to the claimants. The Receiver is engaged in ongoing discussions with various groups of investors regarding this issue.

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 application includes approximately \$8,273 in fees that were incurred by Receiver's counsel in that matter. In addition, the Receiver has been engaged in negotiations with various other parties, including some licensees, towards the settlement of the estate's claims against them. Further, the Receiver has begun to make demand upon the various licensees who sold investments in the Resale Life Insurance Policy Program. If the various negotiations currently in progress are not concluded in the near future, the Receiver will file additional suits 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 is engaging in negotiations with those against whom the estate has claims rather than immediately filing suit.

Moreover, the Receiver is concentrating his initial efforts on claims that are either the most likely to succeed or which provide for the largest potential recovery.

In addition to the work on the two initiatives discussed above, the Receiver and his counsel have been engaged in various other matters for the estate. For example, the Receiver is defending the estate against a claim for sexual harassment brought by a former employee of Retirement Value. In addition, the Receiver has had to respond to litigation filed by certain investors against the Defendants and others in Dallas.

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.⁴ 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.⁵

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

⁴ The Receiver will pay the fees requested in this application from the Estate's operating accounts which do not include accounts denominated in the names of the individual defendants or HCF, or the funds set aside for the payment of premiums.

⁵ 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.

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).⁶ These factors support the award of the requested fees.

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 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

⁶ 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.

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 24% 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 ¶7. 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 ¶9.

Amount involved and results obtained. The amount involved in this matter, measured either by the \$77 million invested by the investors or the \$30+ million value of the estate already seized by the Receiver, is very large. Although involved for only six months, the Receiver has already obtained significant results. He recovered the \$1.2 million that the Defendants attempted to secret, settled with Collins for approximately \$320,000 and resolved the outstanding purchase of policies from James Settlement in a manner favorable to the estate under adverse circumstances.

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 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 19% 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 36 offices located on three 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.

In addition, the Receiver’s fees are less than Retirement Value’s operating expenses for the four months preceding the receivership. This is significant because 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 following table reflects Retirement Value’s expenses for the period of January 1, 2010 through April 30, 2010.

Retirement Value's	January	February	March	April	Average
<i>Expenses</i>					
Payroll	170,140.04	151,665.13	185,159.25	161,598.27	167,140.67
Other Expenses	<u>289,177.90</u>	<u>432,748.48</u>	<u>121,837.00</u>	<u>107,384.87</u>	<u>237,787.06</u>

<i>Total Expenses</i>	<u>459,317.94</u>	<u>584,413.61</u>	<u>306,996.25</u>	<u>268,983.14</u>	<u>404,927.73</u>
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Retirement Value's expenses averaged approximately \$405,000 per month for the months preceding the receivership. In contrast, the fees sought by the Receiver and his counsel since the receivership's inception have averaged \$174,950.62 per month for the first seven month, and as evidenced by total fees requested for the month of December 2010 of \$113,888.80, continue to trend downward. The fees requested are approximately \$53,252 less than Retirement Value's monthly payroll costs and \$291,000 less than Retirement Value's average monthly expenses in 2010.⁷ Moreover, November's fees of \$113,888.80 represent a significant decline from the approximately \$185,128 per month average over the receivership's first six months.

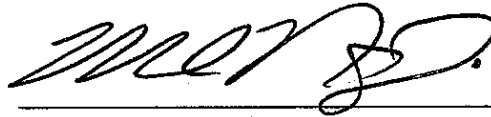
The Receiver anticipates that his fees and the fees of his counsel will fluctuate over the coming months but continue to trend downward. The amount of fees incurred will depend primarily on the Receiver's success in convincing licensees and others who owe money to the estate to pay without requiring recourse to the courts. 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.

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.

⁷ Arguably, Retirement Value's operating expenses for April 2010 may be a better proxy for the effort required to maintain the estate because Retirement Value was not soliciting investments in April due to the cease and desist order imposed by the State Securities Board. Even so, the fees sought for the Receiver and his counsel are nearly 58% less than Retirement Value's April operating expenses.

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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Austin, Texas 78701
512.482.6800
512.482.6859 (telecopy)
mary.dietz@klgates.com

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 14th day of December 2010:

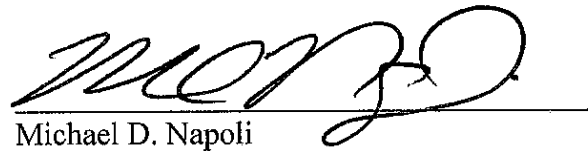
Jack Hohengarten
Office of the Attorney General
Financial Litigation Division
300 W. 15th Street, Sixth Floor
PO Box 12548
Austin, Texas 78711-2548

Christopher B. Bradford
Clark, Thomas & Winters, P.C.
P. O. Box 1148
Austin, Texas 78767

Spencer C. Barasch
Matthew G. Nielsen
Andrews Kurth, LLP
1717 Main Street, Suite 3700
Dallas, Texas 75201

Geoffrey D. Weisbart
Hance Scarborough, LLP
111 Congress Avenue, Suite 500
Austin, Texas 78701

Patrick S. Richter
Shannon, Gracey, Ratliff & Miller, LLP
98 San Jacinto Boulevard, Suite 300
Austin, Texas 78701


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 Fourth 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 Exhibit A, and B, are redacted copies of K&L Gates' invoices 2305595 and 2306601, respectively (the "Invoices"). The Invoices detail the services performed, from November 1, 2010 through November 30, 2010, 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.

7. The fees charged by the Receiver and his counsel represent a discount of approximately 19% 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 24% discount from his usual and customary rate of \$420/hour. In addition, K&L Gates has discounted its rates by 9.5% and further discounted its bills by approximately \$7,039.59. The chart below summarizes the discounts applied.

<u>Invoice Summary</u>	<u>Invoice Date</u> December ¹	
Billed		
Matter .00001		\$105,615.90
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KLK Billed	various	\$79,648.80
KLK adj.	(9.5%)	(\$8,360.92)
Write-offs		(\$7,039.59)
Total Adj		(\$26,100.51)

8. Attached to this Affidavit as Exhibit C are biographies of myself and Michael D. Napoli, the K&L professionals with primary responsibility over this matter. 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.

9. 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

¹ The invoice is usually billed the month after the services were rendered, e.g., the December invoice reflects work performed in November.

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.

10. 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.

11. The amount billed for my services during the time period covered by this application is \$34,240.00. The amount billed for my counsel's professional services through November 30, 2010 is \$79,648.80. 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, 2010 through November 30, 2010 are reasonable.

12. I have reviewed K&L' Gates' invoices for services rendered from November 1, 2010 through November 30, 2010. Based on my experience and knowledge of this matter, the work performed by my staff from November 1, 2010 through November 30, 2010 was

reasonable and necessary to properly allow me to fulfill my duties and responsibilities in this case.


13. In addition, the Receiver's fees are less than Retirement Value's operating expenses for the four months preceding the receivership. This is significant because 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 following table reflects Retirement Value's expenses for the period of January 1, 2010 through April 30, 2010.

Retirement Value's	January	February	March	April	Average
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Retirement Value's expenses average approximately \$405,000 per month for the months preceding the receivership. In contrast, the fees sought by the Receiver and his counsel since the receivership's inception have averaged \$174,950.62 per month, and as evidenced by total fees requested for the month of November 2010 of \$113,888.80, continue to trend downward. The fees requested are approximately \$53,252 less than Retirement Value's monthly payroll costs and \$292,000 less than Retirement Value's average monthly expenses in 2010. Moreover, Novembers fees of \$113,888.80 represent a significant decline from the approximately \$185,127.59 per month average over the receivership's first six months.

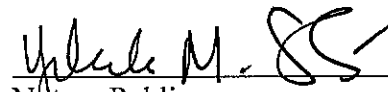
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FURTHER AFFIANT SAYETH NOT.

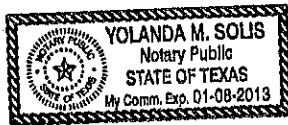


Eduardo S. Espinosa

SUBSCRIBED AND SWORN TO BEFORE ME this 13th day of December 2010.



Notary Public



My Commission Expires: 1-8-13

Exhibit A
Invoice 2305595



K&L Gates LLP
1717 Main Street
Suite 2800
Dallas, TX 75201

Tax ID No. 25 0921018

T 214.939.5500

www.klgates.com

**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 8, 2010
Invoice: 2305595
Matter Desc.: David & Elizabeth Gray
Client/Matter #: 1203981.00003

This statement covers fees for legal services rendered for your account during the period ending 11/30/2010. Detailed information regarding these fees is attached.

Current Charges:

Fees

8,272.90

Total Current Charges

\$8,272.90

PAYMENT FOR "CURRENT AMOUNT" IS DUE IN FULL ON OR BEFORE JANUARY 7, 2011

Please Return a Copy of This Page With Your Payment to the Pittsburgh Office at 210 Sixth Avenue, Pittsburgh, PA 15222-2613 Attn: Accounts Receivable Department or Reference Invoice: 2305595

Payment Can Also be Made by wire to: The Bank of New York Mellon, ABA Routing Number: 043000261, Account # 127-2657, K&L Gates, AIS Account, Reference Invoice 2305595

**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 8, 2010
 Invoice: 2305595

FOR PROFESSIONAL SERVICES RECORDED AS OF 11/30/10:

Matter: 1203981.00003

Matter Description: David & Elizabeth Gray

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/9/10	Dietel, K.	1.30	452.96	Draft discovery requests to Defendants
11/10/10	Dietel, K.	2.00	696.86	Draft discovery requests to Defendants; draft responses to Defendants' discovery requests
11/11/10	Dietel, K.	0.20	69.69	Finalize discovery requests to Defendants; prepare Request for Production of Documents and First Set of Interrogatories for service on Defendants
11/11/10	Napoli, M. D.	0.30	135.75	Review and revise written discovery to David and Elizabeth Gray
11/12/10	Dietel, K.	0.20	69.69	Confer with M. Napoli regarding service of discovery requests and deadlines for Defendants' Responses to Plaintiff's Request for Disclosure; calendar deadline for Defendants' response to Plaintiff's discovery requests
11/16/10	Dietel, K.	4.60	1,602.78	Draft Plaintiff's responses to Defendants' discovery requests; confer with M. Napoli regarding same
11/19/10	Brown, A. G.	1.20	217.20	Conduct research in preparation of Responses to Defendant's Request for Disclosures; review and revise same
11/19/10	Dietel, K.	5.50	1,916.36	Draft Responses to Defendants' discovery requests; confer with M. Napoli regarding same
11/19/10	Espinosa, E. S.	0.50	160.00	Review draft response to D. Gray's interrogatories
11/19/10	Napoli, M. D.	4.00	1,810.00	Revise discovery responses; confer with E Espinosa re same; confer with K Dietel re same
11/21/10	Dietel, K.	1.00	348.43	Revise responses to Defendants' discovery requests; draft e-mail correspondence to E. Espinosa regarding same
11/23/10	Dietel, K.	1.00	348.43	Finalize Plaintiff's Responses to Defendants' discovery requests and prepare same for service

K&L|GATES

Matter: David & Elizabeth Gray
 Client/Matter #: 1203981.00003

Page: 2
 December 8, 2010
 Invoice: 2305595

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/23/10	Espinosa, E. S.	0.40	128.00	Review Receiver's response to Requests for Disclosures, Requests for Production & Request for Admissions.
11/23/10	Napoli, M. D.	0.40	181.00	Revise discovery responses
11/24/10	Napoli, M. D.	0.30	135.75	Revise discovery responses
TOTAL HOURS				22.90
TOTAL FOR SERVICES				\$8,272.90

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Napoli, M. D.	5.00	452.50	2,262.50
Dietel, K.	15.80	348.43	5,505.20
Espinosa, E. S.	0.90	320.00	288.00
Brown, A. G.	1.20	181.00	217.20
Total for All Timekeepers	22.90	\$361.26	\$8,272.90

INVOICE TOTAL

	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
Current Charges	8,272.90	0.00	8,272.90
TOTAL BALANCE DUE THIS INVOICE			\$8,272.90

PAYMENT DUE IN FULL ON OR BEFORE JANUARY 7, 2011

Exhibit B
Invoice 2306601

**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 10, 2010
Invoice: 2306601
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 11/30/2010. Detailed information regarding these fees is attached.

Current Charges:	
Fees	105,615.90
Total Current Charges	\$105,615.90

PAYMENT FOR "CURRENT AMOUNT" IS DUE IN FULL ON OR BEFORE JANUARY 9, 2011

Please Return a Copy of This Page With Your Payment to the Pittsburgh Office at 210 Sixth Avenue, Pittsburgh, PA 15222-2613 Attn: Accounts Receivable Department or Reference Invoice: 2306601

Payment Can Also be Made by wire to: The Bank of New York Mellon, ABA Routing Number: 043000261, Account # 127-2657, K&L Gates, AIS Account, Reference Invoice 2306601

**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 10, 2010
 Invoice: 2306601

FOR PROFESSIONAL SERVICES RECORDED AS OF 11/30/10:

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>
11/1/10	Brown, A. G.	4.50	814.50	Conduct and respond to telephone inquiries from [REDACTED], [REDACTED] er and [REDACTED]; (agent) and e-mail inquiry from [REDACTED]; conduct research for documentation requested and prepare for delivery; review incoming documentation and update files; draft e-mail to M. Napoli regarding calls in response to demand letters; conduct additional research on [REDACTED] and [REDACTED] regarding sales and demand letters; conduct research regarding licensee sales and update spreadsheet regarding same
11/1/10	Cunningham, E.	0.20	48.87	Prepare letter to be sent to [REDACTED] attorney.
11/1/10	Dietz, M.S.	1.40	709.52	Teleconference with M. Napoli and E. Espinosa regarding hearing preparation; telephone message's and emails to Geoff Weisbart; teleconference with G. Weisbart regarding deposition and hearing schedule and hearing.
11/1/10	Espinosa, E. S.	1.50	No Charge	Travel to/from Fort Worth
11/1/10	Espinosa, E. S.	4.50	1,440.00	Consult with M. Dietz & M. Napoli regarding B. Bishop and hearing on balance of balance of Fee App; Review correspondence from [REDACTED] & [REDACTED] Review draft letter to [REDACTED] counsel and consult with M. Napoli & E. Cunningham; Prep for meeting with S. Rosen, Meet with S. Rosen & P. Richter regarding [REDACTED] debrief with M. Napoli

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/1/10	Napoli, M. D.	7.00	3,167.50	Prepare second fee application; review update on new LE reports from ASG; finalize response to [REDACTED] demand; teleconference with M Dietz; review responses to [REDACTED]; revise and update burn rate analysis; prepare for and attend meeting with S. Rosen and P Richter; confer with E Espinosa regarding meeting
11/1/10	Napoli, M. D.	1.50	No Charge	Travel to/from Fort Worth
11/1/10	Quinn, M. J.	1.20	624.46	Analysis of issues related [REDACTED]; telephone conference with licensee; prepare table to document communications with licensees; related email correspondence to M. Napoli
11/2/10	Brown, A. G.	1.70	307.70	Conduct and respond to telephone inquiries from J. Owens and R. Neill; conduct research for documentation requested and prepare for delivery; review incoming documentation and update files; draft response to email from [REDACTED]
11/2/10	Dietel, K.	4.50	1,567.94	Draft outline of issues for deposition of R. Gray; draft discovery requests to Defendants
11/2/10	Dietz, M.S.	1.30	658.84	Discuss issues with potential expert for application fee dispute; teleconference with Barry Bishop regarding agreement; Revised proposed order and circulated; conference with M. Napoli and E. Espinosa regarding status.
11/2/10	Espinosa, E. S.	7.60	2,432.00	Review letter from [REDACTED]; Consult with M. Dietz and M. Napoli regarding [REDACTED] and B. Bishop; Working session with M. Napoli prioritizing administrative and litigation tasks for 4Q2010, 1Q2011 and later; Review Sept and October billing statistics and draft of 2nd fee application; Correspond with M. Napoli and B. Bishop regarding source of funds for Fee App #1 & under-reserved premium obligations, and Special Acquisition; Consult with [REDACTED] regarding [REDACTED]; Review of HCF account disbursements and correspond with P. Dennis regarding same.
11/2/10	Napoli, M. D.	8.20	3,710.50	Teleconferences with M Dietz regarding hearing on fee app and hearing on motion to consolidate; prepare agreed order regarding

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/3/10	Brown, A. G.	0.60	108.60	motion to consolidate; review and revise agreed order regarding fee application; e-mail correspondence with B Bishop regarding source of funds and Special Acquisition funds; review responses to demand letters; confer with E Espinosa regarding tasks for year end and Gray deposition; prepare for Gray deposition
11/3/10	Dietel, K.	1.00	348.43	Conduct and respond to telephone inquiry from [REDACTED] and conduct research for documentation requested and prepare for delivery; draft letter enclosing same
11/3/10	Dietz, M.S.	1.20	608.16	Review Interrogatories served by R. Gray and calendar response deadline regarding same; review [REDACTED] request; confer with M. Napoli regarding same
11/3/10	Dietz, M.S.	0.30	No Charge	Circulate and email to all; prepare orders for and presentation to judge; prepare docket call; telephone conference with Barry Bishop regarding orders
11/3/10	Espinosa, E. S.	6.20	1,984.00	Conference with M Napoli regarding Agreed Orders
11/3/10	Napoli, M. D.	6.90	3,122.25	Review email from [REDACTED] regarding receiverships, Hill Country Funding, brief research regarding same; Review email from A. Goldate regarding [REDACTED]; Draft instructions to A. Cullen (ASG) regarding November remittance advice; Correspond with A. Cullen and P. Maule regarding updated medicals; Review Napoli-Bishop correspondence regarding [REDACTED] Review Bishop's Motion for payment of HCF expenses, advise M. Napoli regarding status of AT&T and Wells Fargo Leasing; consult with M. Dietz and M. Napoli regarding finalization and execution of agreed orders; correspond with K. Henderson regarding [REDACTED] updated medical records; monitor email traffic regarding motion to consolidate and funding of under-reserved policies; Review interrogatories
				Teleconference with J Hohengarten; teleconferences with M Dietz regarding agreed orders; e-mail correspondence with B Bishop and P Richter regarding agreed order

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
				on consolidation; analyze Gray response to [REDACTED] allegations; e-mail correspondence with B Bishop regarding [REDACTED] prepare deposition notice; revise agreed order regarding consolidation; prepare affidavit in support of fee app 2; revise fee app 2; review interrogatories from Defendants; review Defendants' motion regarding HCF trade debt; confer with E Espinosa regarding same; teleconference and e-mail communications with P Richter regarding orders; review proposed Rule 11 agreement with Rosen; e-mail correspondence with A Garcia regarding motion to consolidate and Harrison suit; confer with M Dietz and K Dietel regarding [REDACTED];
11/4/10	Brown, A. G.	2.50	452.50	prepare for Gray deposition Conduct and respond to telephone inquiry from investors and conduct research for documentation requested and prepare for delivery; draft letter enclosing same ; update investor files
11/4/10	Cunningham, E.	0.10	24.44	Review wage request for [REDACTED] unemployment claim.
11/4/10	Dietz, M.S.	1.50	No Charge	Court appearance regarding entry of Order; telephone conference with E Espinosa regarding status
11/4/10	Espinosa, E. S.	1.00	No Charge	Reconcile Fee App #1 with final approved order
11/4/10	Espinosa, E. S.	5.20	1,664.00	Review correspondence from W. Rogers; Correspond with Chase bank regarding Roger's request for payment of dwelling insurance premium; Correspond with B. Bishop regarding Roger's November living expenses and property tax payments; Draft correspondence to IRS regarding CP161; Correspond with K. Henderson regarding [REDACTED]
11/4/10	Napoli, M. D.	8.30	3,755.75	Prepare for Grey deposition; teleconference with M Nielsen regarding deposition and meeting with insurers; e-mail correspondence with B Bishop and A Garcia regarding Harrison suit; teleconference with S Rosen regarding deposition and Harrison suit; teleconference with M Dietz;
11/5/10	Brown, A. G.	2.40	434.40	Conduct and respond to telephone inquiries from [REDACTED], [REDACTED] and [REDACTED];

Matter: State of Texas vs Retirement Value LLC, et. al.
 Client/Matter #: 1203981.00001

Page: 5
 December 10, 2010
 Invoice: 2306601

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/5/10	Dietel, K.	1.20	No Charge	conduct research for documentation requested and prepare for delivery; update investor files Research regarding scope of interrogatory request for accounting; telephone conference with [REDACTED] regarding [REDACTED]; draft [REDACTED]
11/5/10	Espinosa, E. S.	8.00	2,560.00	Review correspondence from P. Vitek regarding HCF and TBF Financial; Coordinate website updates vis-a-vis Motion to consolidate; Follow up with Chase regarding insurance premiums; Correspond with P. Dennis @ BKD regarding funds activity; Consult with S. Townsend & P. Maule @ ASG regarding status report; Review Roger's Objections to Attorney's Fees; review transfers associated with funding of Special Acquisition and bank records associate therewith; Consult with M. Napoli regarding Receiver's position as Locke's fees and Roger's objection, Special Acquisition, Gray's deposition; Review Gray's Nov 2010 living expense affidavit; correspond with J. Lange & C. Cervantes @ ICB regarding [REDACTED];
11/5/10	Espinosa, E. S.	0.70	No Charge	Review RV billings and advise accounting as to the appropriate allocations associated with the Court's Order (.4); ensure all pre-August outstanding A/R was zeroed out (.3)
11/5/10	Napoli, M. D.	8.20	3,710.50	Prepare for Gray deposition; teleconference with J Hohengarten; teleconference with M Nielsen; e-mail correspondence with J Hohengarten regarding consolidation of Harrison case; review Rule 11 regarding consolidation
11/6/10	Espinosa, E. S.	2.30	736.00	Update Receiver's QB file; reconcile FCBXX32; correspond with P. Dennis regarding same; correspond with ICB regarding loan 5077025; correspond with L. Edwards regarding 707 Walnut
11/8/10	Brown, A. G.	0.60	No Charge	Review incoming documentation and update client files
11/8/10	Dietel, K.	0.10	No Charge	Respond to inquiry from [REDACTED]

Matter: State of Texas vs Retirement Value LLC, et. al.
 Client/Matter #: 1203981.00001

Page: 6
 December 10, 2010
 Invoice: 2306601

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/8/10	Espinosa, E. S.	2.70	864.00	Reconcile D. Gray's draws from Generations C.U.; correspond with J. Donaldson at GCU regarding November living expenses; Correspond with P. Dennis @ BKD regarding same; Coordinate and review web updates with G. Quinones; T/C with P. Maule @ASG regarding medical update request letter, email K. Hendrick et.al. regarding same; Correspond w/ [REDACTED] regarding Burn Rate; Consult with A. Brown regarding TWC resolutions; Review correspondence from C. Cervantes @ 1CB regarding the [REDACTED]
11/8/10	Napoli, M. D.	8.00	3,620.00	Attend Richard Gray deposition; confer with M Nielsen; confer with G Weisbart
11/8/10	Napoli, M. D.	4.50	No Charge	Travel to Austin (2.5); travel to Dallas (2.0)
11/9/10	Brown, A. G.	1.00	181.00	Conduct and respond to telephone inquiry from investor [REDACTED]
11/9/10	Brown, A. G.	1.00	No Charge	Review and organize documents in preparation for filing Second Application for Fees by Receiver w/Exhibit and Receiver's Certification of No Objections to Second Motion for Approval of Retention and payment of Professionals with court and file same
11/9/10	Cunningham, E.	1.70	415.40	Telephone conference with J. Bettersworth regarding letter sent to T. [REDACTED] draft e-mail to M. Napoli and E. Espinosa regarding letter to T. [REDACTED] telephone conference with R. Gray, B. Bishop and M. Napoli regarding [REDACTED] allegations [REDACTED].
11/9/10	Dietel, K.	0.20	No Charge	Review response to Open Records request; review cease and desist order from Texas Banking Commissioner
11/9/10	Espinosa, E. S.	7.40	2,368.00	Consult with C. Cerantes at 1CB regarding 3/5 and 3/8 \$800k transaction; meet with M. Nielsen regarding Thursday's meeting with Barry and S. Schwarz; review Loan 5077025 and forward same to BKD; review update from L. Edwards regarding 707 N. Walnut; correspond with J. Donaldson at GCU regarding Gray November draw; review correspondence regarding [REDACTED]; correspond with W. Rogers and B. Bishop regarding living expense disbursements; consult with M. Napoli regarding Kiesling

Matter: State of Texas vs Retirement Value LLC, et. al.
 Client/Matter #: 1203981.00001

Page: 7
 December 10, 2010
 Invoice: 2306601

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/9/10	Napoli, M. D.	6.80	3,077.00	meeting, [REDACTED]; review correspondence from [REDACTED]; Prepare certificate of non-objection; finalize fee application; confer with E Espinosa regarding Gray depo; meet with M Nielsen; prepare for Kiesling presentation; interview R. Gray regarding [REDACTED] claim; teleconference with G Weisbart
11/10/10	Cunningham, E.	0.40	97.74	Complete wage verification for T. [REDACTED] draft letter to Pennsylvania unemployment office regarding wage verification.
11/10/10	Espinosa, E. S.	10.20	3,264.00	Outline presentation for KPKF's carrier; prepare powerpoint presentation; reconcile "shortfall"; working session with M. Napoli regarding same; correspond with S. Adams at Wells Fargo, N.B.; review correspondence from Austin regarding Rainmaker; telephone conference with ATT regarding xxx-889
11/10/10	Napoli, M. D.	10.00	4,525.00	Teleconference with M Nielsen; prepare Kiesling presentation; prepare for settlement conference with Kiesling's counsel and insurer
11/10/10	Quinn, M. J.	0.70	364.27	Review status of demand letters and responses from licensees
11/11/10	Brown, A. G.	0.90	162.90	Conduct and respond to telephone inquiries from [REDACTED] of Strasburger Price and [REDACTED] conduct research regarding [REDACTED] inquires; draft email to E. Espinosa and M. Napoli regarding discussion with [REDACTED]; update pleading files
11/11/10	Dietz, M.S.	0.40	No Charge	Telephone conference with M Napoli regarding update and strategy;
11/11/10	Espinosa, E. S.	4.10	1,312.00	Preparation for and meet with KPKF's carrier; telephone conference with [REDACTED]; review correspondence from [REDACTED]; review correspondence from S. Rose; consult with K. Henderson regarding status report; PCL 7140; A. Cullen regarding JSSRV 1236, no lapse Guarantee; correspond with P. Dennis; process A/P run; consult with A. Brown regarding e. Murphy; working session with M. Napoli regarding LE's; maturities, tax applications; B. Bbishop; [REDACTED]
11/11/10	Napoli, M. D.	4.50	2,036.25	Prepare for and attend meeting with counsel and insurer for Kiesling; teleconference with ASG regarding [REDACTED] policy and updated

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/12/10	Brown, A. G.	0.80	144.80	health information; review latest ISC LE certificates; review letters from T Quinlin; e-mail correspondence to G Weisbart regarding same; e-mail correspondence regarding B Bishop; e-mail correspondence with J Gillum regarding hearing dates; confer with M Dietz regarding hearing dates; consider effect of [REDACTED] maturity on portfolio
11/12/10	Cunningham, E.	0.10	No Charge	Conduct and respond to telephone inquiry from J. [REDACTED] and conduct research regarding inquiry; draft email to E. Espinosa and M. Napoli regarding discussion with J. [REDACTED] update files
11/12/10	Espinosa, E. S.	3.80	1,216.00	Review letter received from [REDACTED] counsel. Telephone conference with [REDACTED] regarding request for data; correspond with A. Cullen regarding JSSRV1236; consult with M. Napoli regarding Weisbart's timeframe for objections, [REDACTED] and [REDACTED] telephone conference with Mrs. Deininger at IRS regarding 941 correspondence; review [REDACTED] and [REDACTED] data along with Andrews & Kurth 5/5/10 letter regarding unrecorded wires
11/12/10	Napoli, M. D.	4.50	2,036.25	E-mail correspondence with G Weisbart regarding 2d Fee App; prepare response to Vitek letter regarding TBF Financial/HCF lease; prepare response to [REDACTED] regarding investor [REDACTED]; legal research regarding [REDACTED]; review and consider response to investor communications regarding [REDACTED] and [REDACTED] review [REDACTED] and [REDACTED] client files; consider impact of [REDACTED] on late investors; confer with E Espinosa regarding same; review and consider response to letter from A Karpf regarding T [REDACTED]
11/15/10	Brown, A. G.	1.00	181.00	Review incoming documentation and update files; conduct and respond to telephone inquiry from [REDACTED];
11/15/10	Cunningham, E.	0.40	97.74	Strategize with M. Napoli regarding response to [REDACTED] attorney's letter of November 12; gather correspondence related to [REDACTED] EEOC charge.
11/15/10	Espinosa, E. S.	1.50	480.00	Consult with M. Napoli regarding continuing Gray's deposition, [REDACTED] coverage;

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/15/10	Napoli, M. D.	6.80	3,077.00	correspond with BKD regarding project management; respond to P. Vitek's correspondence regarding TBF Financial Correspondence with M Fellers regarding [REDACTED] insurance; teleconference and correspondence with D Simmons regarding [REDACTED] claim; review [REDACTED] coverage; confer with E Cunningham regarding response to [REDACTED] demand; e-mail correspondence with C Bradford regarding [REDACTED] claim; correspondence with M Quinn regarding [REDACTED]; e-mail correspondence with P Richter and S Rosen regarding [REDACTED] disclosure acknowledgment; research [REDACTED]
11/15/10	Quinn, M. J.	1.40	728.53	[REDACTED] confer with E Espinosa regarding [REDACTED] and [REDACTED] e; review/revise response to P. Vitek regarding TBF Financial lease; analysis of claims against [REDACTED] licensees Telephone conferences and correspondence with licensees in response to demand letters; confer with M. Napoli
11/16/10	Brown, A. G.	0.90	162.90	Conduct and respond to telephone inquiry from investor [REDACTED]; review incoming documentation; update files
11/16/10	Cunningham, E.	0.10	No Charge	Draft e-mail to M. Napoli forwarding correspondence regarding [REDACTED] EEOC claim.
11/16/10	Espinosa, E. S.	6.80	2,176.00	T/C with P. Dennis and R. Kipp regarding RV's books and records, accounting issues, 2009/2010 tax filings & project planning; T/C with [REDACTED] regarding his proposition and data requirements; Consult with M. Napoli regarding inquiries from [REDACTED], [REDACTED] Research [REDACTED] files and funding records; Review response to P. Vitek regarding TBF Financial; Review RV QB files and correspond with BKD regarding deposit entries for [REDACTED]; Review K. Hensley's "pending" reconciliation.
11/16/10	Napoli, M. D.	6.50	2,941.25	Teleconference with M Nielsen regarding Kiesling and escrow; Research Investor [REDACTED] n; e-mail correspondence with A [REDACTED] regarding [REDACTED] and [REDACTED]; teleconference with C Bradford regarding various issues; research [REDACTED]

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/16/10	Quinn, M. J.	0.80	416.30	[REDACTED]; teleconference with K Kennedy regarding Rosen letter; confer with E Espinosa regarding Kiesling and [REDACTED]; finalize letter to Vitek regarding TBF lease; confer with E Cunningham regarding insurance and response to A Karpf Telephone conferences and correspondence from licensees and counsel for licensees; update status chart
11/17/10	Espinosa, E. S.	5.40	1,728.00	Telephone conference with [REDACTED] [REDACTED] regarding her medical condition; consult with M. Napoli regarding BDK document request; [REDACTED]'s document request; consult with P. Riley regarding coordination with D. Kipp; correspond with A. Cullen regarding [REDACTED] data request; consult with A. Brown regarding response to investors; respond to [REDACTED] (investor) inquiry; correspond with L. Spark regarding payroll records from ADP; review ASG maturity reports; correspond with K. Henderson regarding same; correspond with R. Kipp regarding contact information and due diligence; correspond with M. Quinos regarding D. Kozick's representation
11/17/10	Napoli, M. D.	7.20	3,258.00	Research regarding ownership of [REDACTED]; research regarding [REDACTED]; confer with E Espinosa regarding [REDACTED] and status of [REDACTED] policy; review/revise invoice for fee app 3; correspondence with A Goldate regarding investors and RV payroll; review correspondence from investors; factual research regarding tax issues and respond to questions from accountants;
11/17/10	Quinn, M. J.	2.50	1,300.95	Telephone conferences and correspondence with licensees and attorneys for licensees concerning demand letters; research related to [REDACTED] license requirements
11/17/10	Riley, P.	1.70	846.18	Telephone conference with Eddy Espinosa to discuss tax issues related to the Insurance contracts; review the Master Escrow Agreement, a form of the Policy Purchase Agreement and other related materials.
11/18/10	Cunningham, E.	0.10	No Charge	Telephone conference with M. Napoli regarding insurance and response to [REDACTED] counsel.

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/18/10	Espinosa, E. S.	4.80	1,536.00	Consult with P. Dennis regarding Investor Data; review investor list and compile statistical profile of Investment Payments; review Chase alerts regarding A/P; consult with M. Napoli regarding ██████ document request; download WF Statements for BKD
11/18/10	Napoli, M. D.	7.80	3,529.50	Research regarding existence of ██████ ██████ confer with E Espinosa regarding same and planning; confer with E Cunningham regarding ██████ review records regarding T ██████ employment
11/18/10	Riley, P.	0.80	398.20	Review the form of Policy Purchase Agreement and other related materials.
11/19/10	Cunningham, E.	0.10	No Charge	Telephone call to A. Karpf's office regarding T. ██████ charge.
11/19/10	Espinosa, E. S.	5.30	1,696.00	Review Wells Fargo Statements and transmit to P. Dennis; consult with M. Napoli regarding C. Bradford's request for inspection; review Asset Growth's participation as a Selling Licensee as approved to a "Sponsoring Licensee"; correspond with M. Quinn to Mr. Napoli regarding same; correspond with P. Dennis regarding BKD invoice/; review K&L invoice; draft Fee Application #3 to Receivers' Affidavit; correspond with ██████
11/19/10	Napoli, M. D.	4.50	2,036.25	review HIPAA and LE updates Review and consider response to request for inspection from C Bradford; research ██████ records; review responses by ██████; research Asset Growth and Protection; analysis of alleged exemption to registration; confer with E Espinosa regarding same; continue research of ██████ and ██████; confer with E Espinosa regarding same
11/22/10	Cunningham, E.	1.00	244.35	Review e-mails regarding T. ██████ telephone conference with A. Karpf regarding T. ██████ charge and initial demand; telephone conference with M. Napoli regarding conversation with A. Karpf.
11/22/10	Espinosa, E. S.	1.80	576.00	Correspond with ██████ regarding ██████; consult with M. Napoli regarding hearing dates; review Fee Application #3; correspond with chase regarding W. Rogers December expenses; reconcile disbursement

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/22/10	Napoli, M. D.	4.50	2,036.25	Review and revise fee app 3; confer with E Espinosa; teleconference with M Nielsen; e-mail correspondence with C Bradford regarding hearing and deposition dates; confer with E Cunningham regarding discussions with A Karpf; correspondence with J Parsons regarding hearing dates; prepare response to motion to release funds
11/22/10	Quinn, M. J.	0.80	416.30	Telephone conferences and correspondence related to responses from licensees; analysis of related issues
11/23/10	Brown, A. G.	0.70	126.70	Conduct and respond to telephone inquiry from investor [REDACTED]; review incoming documentation; update files
11/23/10	Espinosa, E. S.	6.30	2,016.00	Review draft Fee App #3; Correspond w/ J. Winebrener regarding Rogers disbursements; Review ASG's population of data for [REDACTED] T/C with [REDACTED] regarding same; Consult with M. Quinn & M. Napoli regarding [REDACTED] licensees, claims for [REDACTED] [REDACTED] Review K. Henderson maturities update table; Reconcile Nov billing issues regarding eDat and administrative expense; Correspond with AT&T regarding amount of final claim for all RV accounts; Monitor e-chatter regarding hearing dates and continuation of Gray's deposition, consult with M. Napoli regarding same.
11/23/10	Napoli, M. D.	4.10	1,855.25	Confer with J Hardin regarding Kiesling coverage issues; prepare fee app 3; teleconference with J Hohengarten; e-mail correspondence with A Boyer regarding [REDACTED] licensees; teleconference with M Quinn regarding [REDACTED] licensees; e-mail correspondence with C Bradford regarding Gray and Rogers depositions; e-mail correspondence with P Richter, G Weisbart regarding deposition transcript; review transcript regarding [REDACTED]; review weekly update from ASG; analyze and prepare memo regarding latest ISC LE calculations
11/23/10	Quinn, M. J.	2.80	1,457.06	Analysis of issues related to strategy for negotiating with licensees; conference call with E. Espinosa and M. Napoli;

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/24/10	Boyer, A. L.	0.30	No Charge	correspondence with counsel for licensees
11/24/10	Espinosa, E. S.	4.60	1,472.00	Confer with E. Espinosa and M. Napoli Review revised invoice; review Fee App #3 and Affidavit; consult with A. Bayer and M. Napoli regarding [REDACTED]; consult with M. Napoli regarding S. Risen's correspondence thereto; correspond with [REDACTED] [REDACTED]; review CTW's Notice of Appearance; telephone conference with [REDACTED] [REDACTED] regarding his analysis
11/24/10	Napoli, M. D.	3.50	1,583.75	Review and consider response to correspondence by S Rosen regarding [REDACTED] claim; e-mail correspondence with [REDACTED] regarding depo exhibits; teleconference with A Boyer regarding [REDACTED] licensees; analysis of [REDACTED] and legal research regarding same;
11/24/10	Quinn, M. J.	1.20	624.46	Review and respond to correspondence from counsel for licensees in response to demand letters
11/29/10	Espinosa, E. S.	2.80	896.00	Review BKD invoice for September fees; Review ASG invoice for October services; Review premium remittance advice for Dec premiums; Correspond with A. Cullen regarding LE provider; Correspond with P. Dennis regarding accounting entries for Rogers December living expenses and December premiums; Transfer funds among Wells Fargo accounts and to ASG for Dec premiums; Review [REDACTED] correspondence and provide same to ASG.
11/29/10	Quinn, M. J.	2.20	1,144.84	Telephone conference and correspondence with attorneys representing licensees; research and analysis of related issues; correspondence to M. Napoli and E. Espinosa
11/30/10	Cunningham, E.	0.20	48.87	Draft e-mails to [REDACTED] regarding [REDACTED] [REDACTED].
11/30/10	Dietz, M.S.	1.00	506.80	Review objections to Second Fee Application and telephone conference with E Espinosa and M Napoli regarding same
11/30/10	Espinosa, E. S.	4.80	1,536.00	Correspond with A. Goldate regarding RV's [REDACTED]; Review Roger's amended objection to LLB&L's fee app; Finalize Fee App #3 and submit for filing; T/C with J. Hohengartner & M. Napoli regarding open matters; Review draft

Matter: State of Texas vs Retirement Value LLC, et. al.
 Client/Matter #: 1203981.00001

Page: 14
 December 10, 2010
 Invoice: 2306601

<u>Date</u>	<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>	<u>Description</u>
11/30/10	Napoli, M. D.	4.00	1,810.00	response to S. Rosen's 11/24 letter; Correspond with TWC regarding 2Q2010 filing; Telecon with Santiago regarding same; Review Weisbart's, Bradford's and Rosen's objections to Fee App #2; Consult with M. Napoli and M. Dietz regarding same. Prepare correspondence to S Rosen regarding ██████ claim; teleconference with J Hohengarten; e-mail correspondence with C Bradford regarding depositions and documents; e-mail correspondence with A Goldate regarding ██████; review objections to fee application; confer with E Espinosa; teleconference with E Espinosa and M Dietz; research and analysis regarding ██████
TOTAL HOURS				290.10
TOTAL FOR SERVICES				\$105,615.90

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Quinn, M. J.	13.60	520.38	7,077.17
Dietz, M.S.	4.90	506.80	2,483.32
Riley, P.	2.50	497.75	1,244.38
Napoli, M. D.	121.30	452.50	54,888.25
Dietel, K.	5.50	348.43	1,916.37
Espinosa, E. S.	106.10	320.00	33,952.00
Cunningham, E.	4.00	244.35	977.41
Brown, A. G.	17.00	181.00	3,077.00
Total for All Timekeepers	290.10	\$364.07	\$105,615.90

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Matter: State of Texas vs Retirement Value LLC, et. al.
Client/Matter #: 1203981.00001

Page: 15
December 10, 2010
Invoice: 2306601

INVOICE TOTAL

	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
Current Charges	105,615.90	0.00	105,615.90
TOTAL BALANCE DUE THIS INVOICE			\$105,615.90

PAYMENT DUE IN FULL ON OR BEFORE JANUARY 9, 2011

Exhibit C
Biographies



Eduardo S. Espinosa

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eddy.espinosa@klgates.com

AREAS OF PRACTICE

Mr. Espinosa's practice includes corporate, domestic and international business transactions, mergers & acquisitions, securities and securities enforcement. His practice includes the formation and governance of corporations, partnerships, joint ventures, and limited liability companies; mergers and acquisitions; and the financing of business entities, including private and public offering of securities, project financing, loan transactions, and letters of credit. Mr. Espinosa has advised public companies on their public reporting requirements and has represented various market participants before the U.S. Securities & Exchange Commission in enforcement proceedings. In addition to his domestic practice, Mr. Espinosa has advised foreign and domestic entities on international commercial transactions and foreign investments, including U.S.-Mexico cross-border real estate transactions.

PROFESSIONAL BACKGROUND

Mr. Espinosa advises clients with the benefit of his experience in the government, public and private sectors. Mr. Espinosa began his legal career as an Enforcement Attorney with the Securities and Exchange Commission, where he investigated and prosecuted violations of the federal securities laws. In private practice, Mr. Espinosa has represented clients in a multitude of commercial transactions ranging from the enterprise-wide to the operational levels. In addition, he has served as General Counsel to a multi-million dollar distribution company and Senior Transactional Counsel to a multi-national telecommunications company. Mr. Espinosa complements his legal credentials with a Masters of Business Administration and significant accounting experience. He is also fluent in Spanish.

PROFESSIONAL/CIVIC ACTIVITIES

- Louisiana State Bar
- State Bar of Texas

COURT ADMISSIONS

- Supreme Court of Louisiana
- Supreme Court of Texas
- United States Court for the Northern District of Texas

BAR MEMBERSHIPS

Louisiana
Texas

EDUCATION

J.D., Tulane University School of Law, 1995
M.B.A.; Tulane University, 1995
B.B.A., University of Texas, 1987



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AREAS OF PRACTICE

Mr. Napoli practices commercial and securities litigation. The matters on which Mr. Napoli has recently worked include defense of securities litigation regarding convertible securities on behalf of an investor in small public companies; defense of a director of a public company accused of a breach of fiduciary duty; defense of a brokerage firm in cases involving a Ponzi scheme; prosecution of litigation on behalf of an automotive finance company against the servicer of its loan portfolio; prosecution of patent infringement and antitrust litigation on behalf of vending machine company; and defense of litigation claiming infringement of patents relating to oil field tools.

COURT ADMISSIONS

- U.S. Court of Federal Claims
- U.S. Court of Appeals for the Fifth Circuit
- U.S. District Court, Southern, Northern and Eastern Districts of Texas
- Supreme Court of Texas

BAR MEMBERSHIP

Texas

EDUCATION

J.D., University of Texas, 1991 (with High Honors; Member, *Texas Law Review*; Member, *Order of the Coif*; Member, Chancellors (Grand Chancellor, 1990-1991))

B.A., Baylor University, 1988 (with Honors; *Phi Beta Kappa*)