

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

STATE OF TEXAS,

Plaintiff,

v.

RETIREMENT VALUE, LLC,
RICHARD H. "DICK" GRAY, HILL
COUNTRY FUNDING, LLC, a
Texas Limited Liability Company,
HILL COUNTRY FUNDING, a Nevada
Limited Liability Company, and
WENDY ROGERS,

Defendants,

AND

KIESLING, PORTER, KIESLING, &
FREE, P.C.,

Relief Defendant.

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

126th JUDICIAL DISTRICT

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

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

BACKGROUND

On May 5, 2010, the State of Texas filed this suit against Retirement Value, Richard H. Gray and Bruce Collins alleging that they had perpetrated a \$60 million securities fraud and seeking temporary and permanent injunctive relief, restitution for the losses suffered by investors, penalties and other monetary relief. On that date, the Court entered an order appointing Eduardo S. Espinosa of K&L Gates, LLP as Receiver. The State subsequently amended its suit to include Wendy Rogers as a defendant, and to seek a receivership over two additional entities affiliated with the defendants.

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. *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 October 1, 2010 through October 31, 2010. The Receiver has incurred fees of \$30,400 during the period covered by this Application. He has retained the legal services of K&L Gates, which has incurred fees of \$82,971.99 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 20.41% 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 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 \$10,870.94. Espinosa Affid at ¶7.

The chart below summarizes the fees charged and the discounts applied.

Invoice Summary		Invoice Date November ²
Billed		
Matter .00001		\$112,452.50
Matter .00003		\$919.49
Total		113,371.99
	Rate	
Receiver Incurred	\$420.00	\$39,900.00
Receiver Billed	\$320.00	\$30,400.00
Receiver adj	(\$100.00)	(\$9,500.00)
KLG Incurred	various	\$102,552.70
KLG Billed	various	\$82,971.99
KLG adj.	(9.5%)	(\$8,709.77)
Write-offs		(\$10,870.94)
Total Adj		(\$29,080.71)

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 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-

² The invoice is usually billed the month after the services were rendered, e.g., the November invoice reflects work performed in October.

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 18 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 \$919 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.³ 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.⁴

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

³ 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.

⁴ 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.

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).⁵ 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 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

⁵ 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.

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 20% 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>

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 \$185,127.59 per month for the first six month, and as evidenced by total fees requested for the month of October 2010 of \$113,371.99, continue to trend downward. The fees requested are approximately \$54,000 less than Retirement Value's monthly payroll costs and \$292,000 less than Retirement Value's average monthly expenses in 2010.⁶ Moreover, October's fees of \$113,371.99 represent a significant decline from the approximately \$199,500 per month average over the receivership's first five 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.

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.

⁶ 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.

Respectfully submitted,



Michael D. Napoli
State Bar No. 14803400
K&L Gates LLP
1717 Main Street, Suite 2800
Dallas, Texas 75201
214.939.5500
214.939.5849 (telecopy)
michael.napoli@klgates.com

Mary Schaerdel Dietz
State Bar No. 03741500
K&L Gates LLP
111 Congress Ave., Suite 900
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 on this the 30th day of November 2010:

Jack Hohengarten
Charles McDonald
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

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

Sam Rosen
Shannon, Gracey, Ratliff & Miller
777 Main Street, Suite 3800
Fort Worth, Texas 76102



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 Third 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 2289642, and 2290113, respectively (the "Invoices"). The Invoices detail the services performed, from October 1, 2010 through October 31, 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 20% 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 \$10,871. The chart below summarizes the discounts applied.

<u>Invoice Summary</u>		<u>Invoice Date</u>
		<u>November¹</u>
Billed		
Matter .00001		\$112,452.50
Matter .00003		<u>\$919.49</u>
Total		<u>113,371.99</u>
	<i>Rate</i>	
Receiver Incurred	\$420.00	\$39,900.00
Receiver Billed	\$320.00	<u>\$30,400.00</u>
Receiver adj	(\$100.00)	(\$9,500.00)
KLG Incurred	various	\$102,552.70
KLG Billed	various	\$82,971.99
KLG adj.	(9.5%)	(\$8,709.77)
Write-offs		(\$10,870.94)
Total Adj		<u>(\$29,080.71)</u>

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 November invoice reflects work performed in October.

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 \$30,400.00. The amount billed for my counsel's professional services through October 31, 2010 is \$82,971.99. 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 October 1, 2010 through October 31, 2010 are reasonable.

12. I have reviewed K&L' Gates' invoices for services rendered from October 1, 2010 through October 31, 2010. Based on my experience and knowledge of this matter, the

work performed by my staff from October 1, 2010 through October 31, 2010 was reasonable and necessary to properly allow me to fulfill my duties and responsibilities in this case.

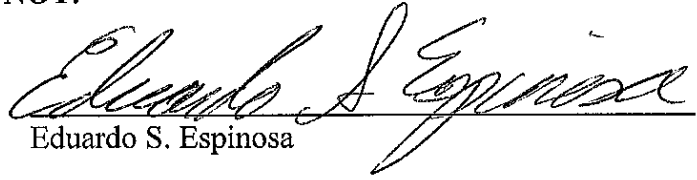
13. In addition, the Receiver's fees are less than Retirement Value's operating expenses for the four months preceding the receivership. This is significant because the Receiver is tasked with preserving Retirement Value's assets for the benefit of the investors, which requires, among other things, that 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.

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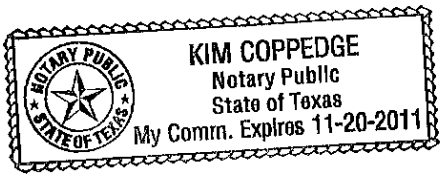
Retirement Value's expenses average approximately \$405,000 per month for the months preceding the receivership. In contrast, the fees sought by the Receiver and his counsel since the receivership's inception have averaged \$185,127.59 per month, and as evidenced by total fees requested for the month of October 2010 of \$113,371.99, continue to trend downward. The fees requested are approximately \$54,000 less than Retirement Value's monthly payroll costs and \$292,000 less than Retirement Value's average monthly expenses in 2010. Moreover, October's fees of \$113,371.99 represent a significant decline from the approximately \$199,500 per month average over the receivership's first five months.

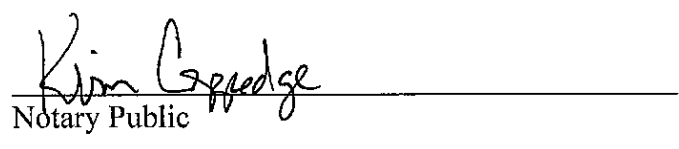
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FURTHER AFFIANT SAYETH NOT.


Eduardo S. Espinosa

SUBSCRIBED AND SWORN TO BEFORE ME this 30th day of November 2010.




Notary Public

My Commission Expires: 11-20-2011

Exhibit A
Invoice 2289642

**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

November 11, 2010
 Invoice: 2289642
 Matter Desc.: David & Elizabeth Gray
 Client/Matter #: 1203981.00003

This statement covers fees for legal services rendered and expenses incurred for your account during the period ending 10/31/2010. Detailed information regarding these fees and expenses is attached.

Current Charges:

Fees	919.49
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Total Current Charges	\$919.49
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UNPAID INVOICES AS OF 11/11/2010

Invoice Date	Invoice Number	Unpaid Amount
10/14/10	2273827	1,111.36
10/14/10	2274674	299.70

TOTAL UNPAID INVOICE(S):	1,411.06
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TOTAL DUE	\$2,330.55
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PAYMENT FOR "CURRENT AMOUNT" IS DUE IN FULL ON OR BEFORE DECEMBER 11, 2010

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: 2289642

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 2289642

**PRIVILEGED AND CONFIDENTIAL
 DO NOT DISCLOSE**

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

November 11, 2010
 Invoice: 2289642

FOR PROFESSIONAL SERVICES RECORDED AS OF 10/31/10:

Matter: 1203981.00003

Matter Description: David & Elizabeth Gray

Date	Attorney	Hours	Amount	Description
10/11/10	Napoli, M. D.	0.30	135.75	Review return of process by Secretary of State; attention to fling returns; confer with K Dietel re answer date
10/18/10	Napoli, M. D.	0.20	90.50	Review answer by Defendants
10/22/10	Dietel, K.	0.20	69.69	Review Defendants' discovery requests to Plaintiff; calendar response deadline regarding same
10/22/10	Napoli, M. D.	0.30	135.75	Review discovery from Defendants
10/27/10	Dietel, K.	0.40	139.37	Confer with M. Napoli regarding discovery requests to Defendants; review petition and prepare to draft discovery requests
10/29/10	Dietel, K.	1.00	348.43	Prepare discovery requests to Defendants
TOTAL HOURS				2.40
TOTAL FOR SERVICES				\$919.49

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Napoli, M. D.	0.80	452.50	362.00
Dietel, K.	1.60	348.43	557.49
Total for All Timekeepers	2.40	\$383.12	\$919.49

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

Page: 2
November 11, 2010
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INVOICE TOTAL

	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
Prior Outstanding Balance Due	1,111.36	299.70	1,411.06
Current Charges	919.49	0.00	919.49
Net Balance	2,030.85	299.70	2,330.55

TOTAL BALANCE DUE THIS MATTER \$2,330.55

PAYMENT DUE IN FULL ON OR BEFORE DECEMBER 11, 2010

Exhibit B
Invoice 2290113



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

Tax ID No. 25 0921018

r 214.939.5500

www.klgates.com

**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

November 17, 2010
Invoice: 2290113
Matter Desc.: State of Texas vs Retirement Value
LLC, et. al.
Client/Matter #: 1203981.00001

This statement covers fees for legal services rendered and expenses incurred for your account during the period ending 10/31/2010. Detailed information regarding these fees and expenses is attached.

Current Charges:

Fees 112,452.50

Total Current Charges \$112,452.50

UNPAID INVOICES AS OF 11/17/2010

Invoice Date	Invoice Number	Unpaid Amount
09/16/10	2255980	160,491.94
10/14/10	2273826	135,282.95
11/12/10	2290112	3,699.24

TOTAL UNPAID INVOICE(S): 299,474.13

TOTAL DUE \$411,926.63

PAYMENT FOR "CURRENT AMOUNT" IS DUE IN FULL ON OR BEFORE DECEMBER 17, 2010

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: 2290113

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 2290113

**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

November 17, 2010
 Invoice: 2290113

FOR PROFESSIONAL SERVICES RECORDED AS OF 10/31/10:

Matter: 1203981.00001

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

Date	Attorney	Hours	Amount	Description
10/1/10	Brown, A. G.	3.20	579.20	Conduct and respond to telephone inquiries from investors; conduct research regarding investments in order to respond to investor questions regarding their individual accounts; draft responses to investor requests for information
10/1/10	Espinosa, E. S.	5.70	1,824.00	Correspond with A. Brown regarding HCF premium payments; consult with P. Dennis regarding account data; consult with C. Budner regarding scope of authorization to negotiate fees; consult with B. Powell and M. Dietz on expert testimony; review COOK DB update from ASG; provide M. Dietz with background information on Fee App; submit Defendant Gray's draw to GCU; telephone conference with [REDACTED] regarding (i) conversions and ROTH IRA's (ii) IRA Southwest client and accounts
10/1/10	Napoli, M. D.	1.50	678.75	Teleconference with A Goldate re [REDACTED] research re [REDACTED] knowledge of TDI proceeding; research re [REDACTED]
10/4/10	Brown, A. G.	1.80	325.80	Conduct and respond to telephone inquiries from investors; conduct research regarding investments in order to respond to investor questions regarding their individual accounts; draft responses to investor requests for information; revise spreadsheet regarding licensee commissions and sales
10/4/10	Dietz, M.S.	3.50	1,773.80	Telephone conference with M. Napoli and E.

Date	Attorney	Hours	Amount	Description
10/4/10	Espinosa, E. S.	6.00	1,920.00	Espinosa; review application; research other firm's attorney fees; review documents (TI Order-Application). Consult with B. Rose regarding 10/1/10 wire; speak with Wells Fargo CEO support regarding wire delay; call S. Adams and W. Giles regarding wire restrictions; transfer fund between WF accounts - premium transfers; correspond with P. Dennis @ BKD regarding accounting entries and unrecorded wires; deposit B. Collins' check at Chase; consult with M. Dietz regarding Fee App., Initial Report, TRO, TI; review ISC billing; working session with M. Napoli regarding Licensees, Fee App. hearing, etc.
10/4/10	Halter, J.A.	1.90	885.55	Analyze and draft summary regarding e-DAT project review and efficiency analysis in preparation for court hearing on reasonableness of fee affidavit; conference with E. Espinosa regarding same
10/4/10	Napoli, M. D.	7.50	3,393.75	Prepare for hearing on fee application; confer with E Espinosa and M Dietz re hearing and Dietz testimony; revise [REDACTED] complaint and correspondence to H Ackels; teleconference with H Ackels; teleconferences with G Weisbart; teleconference with K Kennedy
10/4/10	Sanchez, J. R.	2.50	339.38	Prepare documents for production.
10/5/10	Brown, A. G.	1.00	181.00	Conduct and respond to telephone inquiries from investors; conduct research regarding investments in order to respond to investor questions regarding their individual accounts; draft responses to investor requests for information; revise spreadsheet regarding licensee commissions and sales
10/5/10	Dietz, M.S.	6.50	3,294.20	Prepare for hearing; attend hearing; conference with Ed Espinosa and Mike Napoli regarding hearing preparation; set hearing.
10/5/10	Espinosa, E. S.	8.00	2,560.00	Round trip to Austin (N/C 5.5 hrs); consult with M. Dietz and M. Napoli; meet with G. Weisbart, M. Napoli and M. Dietz regarding proposed agreement Hearing on receivers' fee application; meeting W. G. Weisbart post-hearing; meet with K. Kennedy, C. McDonald and A. Goldate post-hearing; consult with M. Napoli and M. Dietz regarding hearing
10/5/10	Napoli, M. D.	8.00	3,620.00	Travel to Austin (N/C 2.0); prepare for hearing on fee application; witness preparation with M

Date	Attorney	Hours	Amount	Description
				Dietz; meet with G Weisbart; prepare draft of agreed order; attend hearing on fee application and status conference; confer with M Dietz; E Espinosa, G Weisbart and K Kennedy; confer with K Kennedy; e-mail correspondence re SIS receiver; travel to Dallas (N/C 3.5)
10/5/10	Sanchez, J. R.	1.50	225.00	Continue preparing documents for production.
10/6/10	Brown, A. G.	3.20	579.20	Conduct and respond to telephone inquiries from investors; conduct research regarding investments in order to respond to investor questions regarding their individual accounts; draft responses to investor requests for information; revise spreadsheet regarding licensee commissions and sales
10/6/10	Cunningham, E.	0.00	No Charge	Brief review of ██████████' wage claim.
10/6/10	Dietel, K.	2.50	871.08	Review and analyze state securities laws regarding definition of security; update spreadsheet of active licensees regarding same
10/6/10	Dietz, M.S.	1.00	506.80	Telephone conference with Barry Bishop; revise orders; telephone conference with Mike Napoli and Ed Espinosa; telephone message to Geoff Weisbart.
10/6/10	Espinosa, E. S.	4.10	1,312.00	Correspond with K. Kennedy regarding FINRA & NTM 09-42; review BKD Tax engagement and correspond with T. Lovelace regarding same; consult with M. Dietz and M. Napoli regarding B. Bishop; consult with ██████████ regarding R. H. Gray, ██████████
10/6/10	Napoli, M. D.	5.50	2,488.75	review draft orders; consult with E. Cunningham regarding ██████████ Wage Claim
10/6/10	Quinn, M. J.	1.50	780.57	Prepare order on fee application; teleconference with E Espinosa and M Dietz; e-mail correspondence with P Fitzgerald re Harrison litigation; e-mail correspondence with A Garcia re Harrison litigation; teleconference with P Fitzgerald re Harrison litigation; analysis of claims against ██████████
10/6/10	Quinn, M. J.	1.50	780.57	Review and analyze receiver's initial report in preparation for potential actions in ██████████ to recover funds from licensees; related correspondence with M. Napoli
10/7/10	Brown, A. G.	3.20	579.20	Conduct and respond to telephone inquiries from investors; conduct research regarding investments in order to respond to investor questions regarding their individual accounts; draft responses to investor requests for information; revise spreadsheet regarding

Date	Attorney	Hours	Amount	Description
10/7/10	Dietz, M.S.	0.30	152.04	licensee commissions and sales Telephone conference with Geoff Weisbart regarding entry of order; email to E. Espinosa.
10/7/10	Espinosa, E. S.	5.70	1,824.00	Correspond with Chase Bank and B. Bishop regarding Roger's October expense; review October Life Settlement Report; correspond with ASG regarding ██████████'s HIPAA; review correspondence from S. Nassen at Coit; correspond with M. Dietz regarding B. Bishop, D. Gray and the App Hearing; review August time entries; consult with J. Dotson regarding expenses; consult with M. Napoli regarding D. Grey, ██████████ and Licensees
10/7/10	Napoli, M. D.	6.50	2,941.25	E-mail correspondence with A Garcia; analysis of claims against ██████████ e-mail correspondence with B Bishop, A Garcia and P Fitzgerald re Harrison suit; confer with E Espinosa re claims against out of state licensees; research claims against ██████████ ██████████; teleconference with M Dietz; review e-mail re G Weisbart;
10/8/10	Brown, A. G.	3.00	543.00	Conduct and respond to telephone inquiry from ██████████; conduct and respond to e-mail inquiries from ██████████ and ██████████; conduct research regarding beneficiary of ██████████ investment; telephone conference with E. Espinosa regarding response to investor ██████████ email; revise spreadsheet regarding licensee commissions and sales ██████████ update investors files with incoming documentation
10/8/10	Espinosa, E. S.	5.10	1,632.00	Review additional August entries; correspond with ██████████; review A. Brown's correspondence regarding ██████████ demand letter, reconcile discrepancies regarding ██████████ ██████████; consult with G. Quinones re website expertise; call ██████████ (investor); correspond with C. Budner and M. Hadaway regarding billing discount (n/c 0.3); telephone conference with L. Edwards regarding 707 Walnut; review L. Edwards' bio, PMP Website
10/8/10	Napoli, M. D.	5.70	2,579.25	Research re ██████████; consideration of claims against ██████████; analysis of latest LE reports from ISC; prepare fee app for non-KLG professionals; prepare fee app for KLG

Date	Attorney	Hours	Amount	Description
10/11/10	Brown, A. G.	1.90	343.90	Conduct and respond to e-mail inquiries from [REDACTED]; revise spreadsheet regarding licensee commissions and sales in [REDACTED] conduct research regarding [REDACTED] licensee sales
10/11/10	Cunningham, E.	0.60	146.61	Draft response to [REDACTED]' wage claim; review file for personnel information.
10/11/10	Espinosa, E. S.	3.00	960.00	Correspond with B. Rose regarding COO/COB; review [REDACTED] holdings; correspond with G. Quinones regarding Website; review October e-Dat billing; review ASG fraud services; review BKD Engagement (TAX); telephone conference with Pam at ASG regarding Prudential IRA; consult with M. Napoli regarding ASG services and TX OAG inquiry regarding [REDACTED] (n/c 0.3)
10/11/10	Napoli, M. D.	7.00	3,167.50	Research re [REDACTED] and [REDACTED] prepare [REDACTED] demand letter; teleconference with [REDACTED] of SECO Investigations; prepare memo for Vuchsas re [REDACTED] teleconference with K Kennedy & C McDonald; prepare email re ASG; prepare memo re [REDACTED]
10/12/10	Brown, A. G.	2.40	434.40	Conduct and respond to telephone inquiries from [REDACTED], [REDACTED] and [REDACTED]; telephone conference with M. Napoli and E. Espinosa regarding spreadsheet of licensee commissions and sales in [REDACTED] conduct research regarding [REDACTED] sales; review and revise spreadsheets for [REDACTED] sales in preparation for processing demand letters
10/12/10	Cunningham, E.	0.20	48.87	Finalize letter to TWC in response to [REDACTED] wage claim.
10/12/10	Espinosa, E. S.	6.10	1,952.00	Telephone conference with [REDACTED] (investor) regarding Provident IRA; telephone conference with [REDACTED] at Chase regarding W. Rogers' draw; correspond with J. Donaldson at Gen. Fed. C.U.; consult with M. Quinn regarding [REDACTED] Licensee; telephone conference with [REDACTED] regarding [REDACTED] [REDACTED] consult with E. Cunningham regarding [REDACTED]' position; finalize review of BKD Tax engagement and correspondence; review SECO Group engagement; review e-Dat invoice for Sept. entries; consult with M. Napoli and A. Brown regarding reconciliation of Sale

Date	Attorney	Hours	Amount	Description
				force and Ringtail date for Licensee sales in [REDACTED]; correspond with A. Crullen regarding "burn-rate" dates; consult with J. Binlon regarding Records inventory, transport, and storage
10/12/10	Napoli, M. D.	6.50	2,941.25	Revise contract for Seco engagement; prepare [REDACTED] memo; review e-DAT bill; confer with E Espinosa re [REDACTED] and [REDACTED]; e-mail correspondence with A Brown re status of FL and CA lists; teleconference with M Quinn re CA licensees; teleconference with A Brown and E Espinosa re Licensee sales and demand letters; analysis of intervenors holdings for meeting re motion to aggregate;
10/12/10	Quinn, M. J.	1.50	780.57	Review draft demand letter for licensees; conference call with M. Napoli and E. Espinosa; review related materials
10/13/10	Brown, A. G.	1.80	325.80	Conduct and respond to telephone inquiries from Investor [REDACTED] and licensee [REDACTED]; review and revise spreadsheet for [REDACTED] licensee and finalized demand letter and prepare for attorney signature
10/13/10	Dotson, J. R.	0.00	No Charge	E-mails from/to Eddy Espinosa re: coordination of inventorying and transferring Retirement Value records to Dallas office
10/13/10	Espinosa, E. S.	2.30	736.00	Correspond with L. Edwards regarding 707 Walnut; telephone conference with S. Adams at Wells Fargo; consult with M. Napoli regarding [REDACTED], [REDACTED] ISC's LEs burn-rate summary and materials
10/13/10	Jo, S. S.	4.50	997.79	Review [REDACTED] sales lists for recordation of participant, amount and commissions paid to [REDACTED]
10/13/10	Napoli, M. D.	7.00	3,167.50	Prepare [REDACTED] memo; prepare for investor meeting; research re [REDACTED]; confer with E Espinosa re preparation for [REDACTED] settlement conference; confer with E Espinosa re investor meeting and presentation; assign [REDACTED] project to S Jo; teleconference with K Kennedy; teleconference with J Vaschus; confer with E Espinosa re [REDACTED] and motion to consolidate; prepare for [REDACTED] settlement conference
10/14/10	Boyer, A. L.	0.30	119.46	Review letter; finalize; execute for transmission
10/14/10	Brown, A. G.	1.90	343.90	Conduct and respond to e-mail inquiry from investor [REDACTED]; review and revise spreadsheet for [REDACTED] licensees; conduct

Date	Attorney	Hours	Amount	Description
10/14/10	Dietz, M.S.	0.50	253.40	research regarding ██████ licensee sales Telephone conference with Geoff Weisbart and Barry Bishop regarding order and hearing.; letter to all regarding hearing.
10/14/10	Dotson, J. R.	0.00	No Charge	E-mails from/to Joe Binion re: coordination of inventorying and transferring Retirement Value records to Dallas office; Teleconference with E Espinosa and Joe Binion re: same
10/14/10	Espinosa, E. S.	2.30	736.00	Consult with J. Dotson and J. Binion, and M. Napoli regarding coordination of document storage; correspond with J. Winebrenner at Chase regarding Roger's insurance expense; review invoices for Sept. entries
10/14/10	Jo, S. S.	2.20	487.81	Review ██████ sales lists for recordation of participant, amount and commissions paid to ██████
10/14/10	Napoli, M. D.	3.00	1,357.50	Teleconference with E Espinosa and J Binion re building; work on demand letters; e-mail correspondence with Weisbart's office re meeting; redact September invoice (n/c 0.5); prepare for meeting with Intervenor; prepare ██████ memo
10/15/10	Brown, A. G.	1.00	181.00	Review and revise spreadsheet for ██████ licensees; conduct research regarding ██████ licensee sales
10/15/10	Dotson, J. R.	0.00	No Charge	Conference call with Joe Binion re: coordination of trip to Retirement Value offices on Monday and locksmith issues re: moving documents to Dallas office
10/15/10	Espinosa, E. S.	0.70	224.00	Meeting with M.Dietz and M.Napoli re B.Bishop and G.Weisbart
10/15/10	Jo, S. S.	1.20	266.08	Review ██████ sales list for spreadsheet input
10/15/10	Napoli, M. D.	1.00	452.50	Redact October invoice (n/c 0.5); revise premium burn analysis and prepare for Intervenor meeting; teleconference with ██████, E Espinosa
10/16/10	Dietz, M.S.	1.00	506.80	Conference with E. Espinosa and M. Napoli regarding status and strategy; email from and to B. Bishop regarding order/hearing.
10/18/10	Dotson, J. R.	1.70	523.09	Meeting with Joe Binion at Retirement Value offices re: transferring files to Dallas office; providing J Binion office and file tour re: same; picking up some items to immediately send to Dallas via interoffice; travel to/from New Braunfels for same (N/C 1.5); e-mail to E Espinosa re: quick books software; e-mail to

Date	Attorney	Hours	Amount	Description
10/18/10	Espinosa, E. S.	6.50	2,080.00	Eddy Espinosa re: items initially brought back for immediate transfer to Dallas office; teleconference with Eddy Espinosa re: same; Teleconference with J Binion re: same Consult with M. Napoli in preparation for meeting; meet with G. Weisbart and his clients regarding Motion to Consolidate and case update; telephone conference with J. Binion and J. Dotson regarding 707 Walnut; review D. Grays' Answers
10/18/10	Napoli, M. D.	6.50	2,941.25	Prepare for and attend meeting with investors; confer with E Espinosa re meeting and consolidation of portfolio; prepare [REDACTED] memo
10/18/10	Quinn, M. J.	1.50	780.57	Review research in support of claims against licensees
10/19/10	Brown, A. G.	1.20	217.20	Conduct and respond to telephone inquiry from investor [REDACTED]; draft letter enclosing documentation to [REDACTED]; conduct research regarding [REDACTED] licensee sales and update spreadsheet regarding same in preparation for issuance of demand letters
10/19/10	Dietz, M.S.	0.00	No Charge	Email to Barry Bishop, et al. - review email; review invoices; conference with Mike Napoli.
10/19/10	Dotson, J. R.	0.00	No Charge	E-mails from/to Joe Binion and Michael Napoli re: status of transfer of Retirement Value documents to Dallas offices
10/19/10	Espinosa, E. S.	4.30	1,376.00	T/C with [REDACTED] (investor) re his conversation with [REDACTED] Review, revise and finalize Sept and October invoice; Teleconference with J.Hohengartner, C.McDonald, K.Kennedy, J.Rotunda, A.Goldate & M.Napoli re counsel's transition and strategic matters; Consult with L.Edwards, J.Binion & J.Dotson re 707 N.Walnut; T/C with L.Sparks & M.Napoli re Hill Country Funding (n/c 0.3).
10/19/10	Napoli, M. D.	4.50	2,036.25	Research re premium shortfall issue; teleconference with M Dietz; redact invoices; prepare memo to B Bishop re invoices; e-mail correspondence with B Bishop re Rogers accounts; teleconference with K Kennedy, J. Hohengarten, C McDonald, J Rotunda and A Goldate; consider [REDACTED] issues re [REDACTED] suit; teleconference with L Sparks; teleconference with J Vuchsas re [REDACTED] investigation; e-mail correspondence re Bebel fee application; analysis of investor ownership percentage; review status report on health update and new

Date	Attorney	Hours	Amount	Description
10/20/10	Brown, A. G.	1.80	325.80	LEs Conduct and respond to telephone inquiry from investor ██████ and agent ██████; conduct research regarding ██████ licensee sales; finalize sales data for spreadsheet for ██████ licensees
10/20/10	Cunningham, E.	0.40	97.74	Telephone conference with the Texas Workforce Commission regarding R. Gray's unemployment claim; draft e-mail to E. Espinosa and M. Napoli regarding the same.
10/20/10	Dotson, J. R.	0.00	No Charge	Receipt and consideration of e-mails from Joe Binion re: status of moving documents from RV offices to Dallas office
10/20/10	Espinosa, E. S.	4.50	1,440.00	Consult with M.Napoli re ██████ correspondence & Roger's tax submission; Correspond with ASG re invoicing; Consult w/ E.Cunningham re D.Grany's TWC unemployment claims; Consult w. J.Binion re 707 N. Walnut; Review Roger's Nov expense request and submit same to Chase for processing, correspond with BKD re invoicing;
10/20/10	Napoli, M. D.	5.00	2,262.50	Research and prepare memo re premium shortfall
10/20/10	Quinn, M. J.	1.80	936.68	Review and analyze research to support demand letters to licensees; review and revise draft demand letter
10/21/10	Brown, A. G.	1.00	181.00	Conduct and respond to telephone inquiry from investor ██████; conduct research for documentation regarding ██████ and update client index
10/21/10	Cunningham, E.	1.00	244.35	Telephone conferences with Texas Workforce Commission regarding R. Gray's unemployment claim; draft e-mails to E. Espinosa and M. Napoli regarding the same.
10/21/10	Dietz, M.S.	1.70	861.56	Telephone conference with Barry Bisop regarding order; conference with Mike Napoli regarding update; update order; circulate order for signature; email from G. Weisbart regarding order and objection timeline; email to and telephone conference with G. Weisbart regarding same.
10/21/10	Espinosa, E. S.	4.20	1,344.00	Consult with B.Collins regarding RV037; telephone conference with J. Swanson, P. Maule, K. Hinkle and M. Napoli regarding policy scrub, expense and relative value; consult with E. Cunningham and M. Napoli regarding unemployment benefits; review Conestoga Form

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Date	Attorney	Hours	Amount	Description
				D; review App for Prof. Fees, ASG & BKD invoices; consult with L. Edwards and J. Binion regarding 707 Walnut.
10/21/10	Halter, J.A.	0.00	No Charge	Review and respond to inquiry from M. Napoli regarding scope of collection and review issues; follow up regarding same
10/21/10	Napoli, M. D.	6.80	3,077.00	Review checklist for policy review; prepare memo re underfunding of premium accounts; review Conestoga Form D; prepare e-mail to A Goldate re Conestoga; confer with E Espinosa re Gray unemployment; e-mail correspondence with E Cunningham re same; confer with E Espinosa re ASG fee app; teleconferences with ASG re fraud/marketability review and status of updated LEs; review latest LE reports; teleconferences with M Dietz re fee app, motion to consolidate and teleconferences with Weisbart and Bishop; teleconference with M Nielsen re Harrison litigation; preparation of letter to Hohengarten re ██████ claims
10/22/10	Espinosa, E. S.	5.60	1,792.00	Review materials re Kurz's pleadings in the A&O matter; Review ██████ sales and commissions per representative; Consult with M.Napoli in preparation for meeting with ██████ and ██████; Meet with ██████ M.Napoli; Consult with P.Maule re ASG's HIPAA calls to insureds; Export Salesforce Data; Review SECOR report; Review D.Gray's requests for admissions; Consult with M.Napoli re S.Rosen.
10/22/10	Napoli, M. D.	7.50	3,393.75	Prepare for ██████ settlement conference; confer with E Espinosa re same; Attend settlement conference with E Espinosa, ██████ and ██████; confer with E Espinosa re conference; review report from investigator re ██████ review e-mail correspondence re orders on fee app; review and analyze correspondence from S. Rosen re ██████; confer with E Espinosa re response; e-mail correspondence with Rosen's office re documentation and meeting with Rosen;
10/25/10	Boyer, A. L.	0.00	No Charge	Confer with ██████; report discussion to team
10/25/10	Brown, A. G.	1.20	217.20	Conduct and respond to telephone inquiries from ██████ and ██████; conduct research for documentation regarding same and update client index; review incoming documentation

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Date	Attorney	Hours	Amount	Description
10/25/10	Cunningham, E.	0.20	48.87	and update files Telephone conference with Texas Workforce Commission regarding receivership.
10/25/10	Espinosa, E. S.	3.40	1,088.00	Review draft correspondence with A.Goldate; Review correspondence w/ S.Rosen. Review correspondence from A.Boyer re [REDACTED]; Review Lewis & Ellis invoice and correspond with J.Lee re same; Consult with M.Napoli re burn-rate calculations;
10/25/10	Napoli, M. D.	8.00	3,620.00	Finalize application for professionals; prepare memo to A Goldate re [REDACTED] e-mail correspondence with S Rosen; consider issues raised by Rosen; confer with E Espinosa re [REDACTED] intervention; review petition in intervention; e-mail correspondence re petition in intervention; e-mail correspondence with G Weisbart re burn rate analysis; prepare correspondence to A Goldate and J Hohengarten re [REDACTED] e-mail correspondence with M Quinn re [REDACTED] demand letters; analysis of burn rate information from ASG
10/25/10	Quinn, M. J.	0.80	416.30	Revise licensee demand letter; email correspondence with M. Napoli
10/26/10	Boyer, A. L.	0.30	119.46	Review email communication about related transactions and impact on claim; report to team; discuss response to contacts
10/26/10	Brown, A. G.	1.50	271.50	Review and revise spreadsheet in preparation for sending out [REDACTED] Demand letters; draft email regarding process for sending out the letters from the [REDACTED] office; conduct research for documentation regarding [REDACTED] investment and update client index; review incoming documentation and update files
10/26/10	Cunningham, E.	0.00	No Charge	Review [REDACTED] demand letter.
10/26/10	Dietz, M.S.	1.70	861.56	Court appearance regarding entry of agreed order; circulate same; telephone conference with Ed Espinosa and Mike Napoli regarding Barry Bishop request.
10/26/10	Espinosa, E. S.	3.70	1,184.00	Review [REDACTED] and [REDACTED] licensee records re commissions arising out of sale of interests exclusively to affiliates/family members; Consult with M.Dietz and M.Napoli re B.Bishop's request for a "budget." Correspond with J.Lee (L&E); correspond with A.Cullen (ASG) re RV037; Review [REDACTED] demand, correspond with L.Edwards re 707 N. Walnut; transfer funds among Chase accounts.

Date	Attorney	Hours	Amount	Description
10/26/10	Napoli, M. D.	6.50	2,941.25	E-mail correspondence with B Bishop re Harrison litigation; e-mail correspondence with counsel re confidentiality agreement; prepare Rule 11 agreement; teleconference with D Roosien re [REDACTED] review and analyze settlement demand from [REDACTED] analysis of responses to [REDACTED] demand letters; confer with E Espinosa re same; e-mail correspondence with A Boyer re responses to [REDACTED] demand letters; confer with M Dietz re requests by Bishop; prepare letter to J Hohengarten and A Goldate re [REDACTED]
10/27/10	Boyer, A. L.	0.20	79.64	Review response from [REDACTED]; confer with team on response; outline letter to [REDACTED] about fact that it is not in bankruptcy
10/27/10	Brown, A. G.	1.50	271.50	Conduct and respond to telephone inquiries from [REDACTED] and [REDACTED]; conduct research for documentation regarding same; update client index; review incoming documentation and update files
10/27/10	Cunningham, E.	2.50	610.88	Confer with M. Napoli regarding response to [REDACTED] initial demand; review transcript attached to [REDACTED] initial demand; begin drafting response to [REDACTED] initial demand.
10/27/10	Espinosa, E. S.	7.70	2,464.00	Consult with P.Dennis re Wells Fargo statements, October & November premium transfer spreadsheets; Transfer November premiums to Main Account and ASG, respectively; Update spreadsheets accordingly; address online access issues; Provide BKD expense details; T/C with J.Hohengarten & M.Napoli re deposition scheduling and appointment as HCF's receivers; Review Roger's Motion to Release funds; Reconcile disbursements to Rogers; Review [REDACTED] response to [REDACTED] demand letter; Consult with M.Napoli re [REDACTED] demand letter; Review draft letter to J.Hohengarten re [REDACTED] participation;
10/27/10	Napoli, M. D.	6.50	2,941.25	Teleconference iwth J Hohengarten; teleconference with G Weisbart; review Rogers motions to release funds; confer with E Espinosa re same; e-mail correspondence with B Bishop re Harrison suit; confer with E Cunningham re response to [REDACTED] demand; confer with E Espinosa re [REDACTED] demand; prepare e-mail to B Bishop re [REDACTED] demand and allegation; prepare

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Date	Attorney	Hours	Amount	Description
10/29/10	Boyer, A. L.	0.00	No Charge	with A Garcia re Harrison suit and motion to consolidate
10/29/10	Brown, A. G.	1.50	271.50	Confer with team about recent responses Conduct and respond to telephone inquiries from [REDACTED] and [REDACTED]; conduct research for documentation regarding commissions paid and draft email response regarding same; draft email regarding updates to Receivership web site; review incoming documentation and update files
10/29/10	Cunningham, E.	0.00	No Charge	Review revisions to response to T. [REDACTED] demand; confer with M. Napoli regarding the same.
10/29/10	Napoli, M. D.	6.50	2,941.25	Teleconference with A Goldate; e-mail correspondence with G Weisbart re depositions and [REDACTED] audit response; review AGAP PFD and exceptions; review [REDACTED] testimony; confer with E Cunningham re T [REDACTED] prepare Fee Application; teleconference with M Nielsen re settlement discussions; review correspondence from [REDACTED]; research [REDACTED] and [REDACTED] law re licensees;
		TOTAL HOURS		305.50
		TOTAL FOR SERVICES		\$112,452.50

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Boyer, A. L.	1.10	398.20	438.02
Quinn, M. J.	7.90	520.38	4,110.99
Napoli, M. D.	125.20	452.50	56,653.00
Espinosa, E. S.	95.00	320.00	30,400.00
Halter, J.A.	1.90	466.08	885.55
Dietz, M.S.	16.20	506.80	8,210.16
Dietel, K.	2.50	348.43	871.08
Jo, S. S.	7.90	221.73	1,751.68
Cunningham, E.	6.70	244.35	1,637.15
Dotson, J. R.	1.70	307.70	523.09
Brown, A. G.	35.40	181.00	6,407.40
Sanchez, J. R.	2.50	135.75	339.38
Sanchez, J. R.	1.50	150.00	225.00
Total for All Timekeepers	305.50	\$368.09	\$112,452.50

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INVOICE TOTAL

	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
Prior Outstanding Balance Due	295,774.89	3,699.24	299,474.13
Current Charges	112,452.50	0.00	112,452.50
Net Balance	408,227.39	3,699.24	411,926.63

TOTAL BALANCE DUE THIS MATTER **\$411,926.63**

PAYMENT DUE IN FULL ON OR BEFORE DECEMBER 17, 2010

Exhibit C
Biographies



Eduardo S. Espinosa

DALLAS OFFICE

214.939.4906 TEL

212.939.4949 FAX

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



Michael D. Napoli

DALLAS OFFICE

214.939.4927 TEL

214.939.4949 FAX

michael.napoli@kkgates.com

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*)