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The following constitutes the ruling of the court and has the force and effect therein described.

Henry G. C. Fanning
United States Bankruptcy Judge

Signed October 04, 2011

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

In re:

RETIREMENT VALUE, LLC,

Debtor.

§
§ **CASE NO. 11-35165-SGJ-7**
§
§ **INVOLUNTARY CHAPTER 7**
§ **PROCEEDING**
§

ABSTENTION ORDER

On September 27, 2011, the Court held an evidentiary hearing in this involuntary bankruptcy case (the “Involuntary”). At the conclusion of the September 27, 2011 hearing, the Court considered the following motions: (1) filed by Richard Stafford, Frank Marlow, Yvonne Staley, and Hugh Dunn (together, the “Petitioners”): (i) Emergency Motion for Appointment of Chapter 7 Trustee [Docket No. 2]; as amended by (ii) the Amended Emergency Motion for Appointment of Interim Trustee filed by the Petitioners [Docket No.22] (the “Trustee Motion”); and (iii) the Petitioning Creditors’ Motion to Convert Case to Chapter 11 (the “Conversion Motion”) [Docket No. 45]; and (2) filed by Eduardo S. Espinosa, in his capacity as the State Court Receiver (the “Receiver”) for Retirement Value, LLC (the “Alleged Debtor”) appointed by

the District Court of Travis County, Texas for the 126th Judicial District (the “State Court”) in *Texas v. Retirement Value, LLC, Richard H. “Dick” Gray, and Bruce Collins, and Keisling, Porter & Free, P.C., Relief Defendant*, Cause No. D-1-GV-10-000454 (the “Receivership Action”): (i) the continued Expedited Motion for Interim and Final Relief Pursuant to 11 U.S.C. § 543(d) from Turnover of Property, or, Alternatively, for Abstention Pursuant to 11 U.S.C. § 305(a) [Docket No. 17] (the “Excusing Motion”); (ii) the Motion to Abstain or Dismiss [Docket No. 30] (the “Abstention Motion”); (iii) Motion to Require Posting of Bond [Docket No. 32] (the “Bond Motion”); and (iv) Motion, in the Alternative, to Transfer Venue [Docket No. 33] (the “Transfer Motion” and, with the Trustee Motion, the Conversion Motion, the Excusing Motion, and the Bond Motion, the “Abated Motions”). Earlier, on August 22, 2011, the Court had held another evidentiary hearing related to some of the Abated Motions, at the conclusion of which it had granted one of those motions in part, and continued the rest until the September 27, 2011 hearing.

After considering the evidence introduced at the August 22, 2011 and September 27, 2011 hearings and the positions of the parties appearing, the Court has found that granting the Abstention Motion as set out below is in the best interest of all the parties. The Court has further found that such abstention is appropriate as it demonstrates the proper respect for state law and the State of Texas’s regulatory system that comity requires in our federal system. Furthermore, the Court has found both that: (i) the extensive efforts of the Receiver, the State Court, and the other parties to the Receivership Action over the fifteen (15) months preceding the petition date for the Involuntary should not be wasted; and (ii) allowing the Receivership Action to go forward at this time provides the interested parties a better opportunity to let the interested

parties to assert and recover on allowed claims as soon as possible, without unnecessarily incurring administrative expenses. It is therefore:

ORDERED that the Abstention Motion is hereby **GRANTED** and that all proceedings in this Involuntary are hereby suspended pursuant to Bankruptcy Code § 305(a). It is further

ORDERED that the Court's suspension of the Involuntary is based on and contingent upon the Receiver's agreement to ask the State Court to enter a new scheduling order governing its consideration of a plan of distribution in the Receivership Action that will: (i) set a new hearing date for consideration of the Receiver's proposed plan of distribution in the Receivership Action; (ii) set a deadline for the Alleged Debtor's investor-victims and other creditors to object to the Receiver's proposed plan with the State Court and to propose alternative plans for consideration by the State Court; (iii) allow any of the Alleged Debtor's investor-victims or other creditors timely filing an objection to participate in the State Court's hearing on the Receiver's proposed plan of distribution; and (iv) require the Receiver to provide additional notice of the proposed plan of distribution and of the scheduling order. It is further

ORDERED that the Excusing Motion is hereby **GRANTED** and the Receiver is hereby excused pursuant to Bankruptcy Code § 543(d) from compliance with the requirements of Bankruptcy Code §§ 543(a)-(c). The Court imposes no restrictions on the Receiver's activities, including his exercise of control over the Alleged Debtor's estate, his direction of the litigation of claims held by the Alleged Debtor, and his use of the Alleged Debtor's assets. This decretal paragraph supersedes the Court's prior, oral imposition of restrictions on the Receiver's activities, including: (i) the Court's authorization of the Receiver to spend the Alleged Debtor's funds only consistent with the budget for expenses approved by the Court at its August 22, 2011

hearing in the Involuntary; and (ii) the Court's requirement that the Receiver provide notice to the Court and to parties of his compliance with that budget. It is further

ORDERED that the automatic stay pursuant to the Bankruptcy Code shall no longer be in effect. It is further

ORDERED that except as set out above, consideration of all pending motions is hereby abated, but that the pending motions are not denied. It is further

ORDERED that the Court shall hold a status conference in the Involuntary on January 12, 2012 at 9:30 a.m. prevailing Central Time (the "Status Conference"). The Court shall exercise no jurisdiction over the Involuntary, the Alleged Debtor, or its estate until the Status Conference. Expressly, the Court shall set no hearings in the Involuntary to consider any existing matters in the Involuntary or matters newly raised until the Status Conference is held. It is further

ORDERED that, at the Status Conference, the Court shall consider whether the Involuntary should be dismissed, the suspension continued, or the Involuntary activated for the purpose of setting hearing dates for the further consideration of the Abated Motions and for trial. It is further

ORDERED that, on or before January 2, 2012, parties shall file with the Court notices of their positions concerning whether the Involuntary should be further abated or dismissed at the Status Conference. It is further

ORDERED that, on or before January 2, 2012, parties shall file witness and exhibit lists, if any, for the Status Conference. It is further

ORDERED that this Order is effective immediately upon entry.

END OF ORDER

Submitted by:

K&L GATES LLP

By: /s/ Daniel I. Morenoff

Michael D. Napoli

State Bar No. 14803400

James H. Billingsley

State Bar No. 00787084

Daniel I. Morenoff

State Bar No. 24032760

Artoush Varshosaz

State Bar No. 24066234

1717 Main Street, Suite 2800

Dallas, Texas 75201

Telephone: 214-939-5500

Facsimile: 214-939-5849

COUNSEL FOR THE RECEIVER