

October 23, 2012

Re: Your Investment in Retirement Value LLC, or Hill Country Funding LLC.

Dear \_\_\_\_\_:

We have received numerous inquiries regarding the checks that we recently distributed. The check that you received represents your pro-rata portion of the \$5.5 million dollar initial distribution in this case. The following hopefully addresses the majority of your questions.

**Is this all?** No. There will be additional distributions.

**When will you make additional distributions?** We cannot say at this point in time. That depends largely on the collection of death benefits and recoveries from the Receiver's claims. Proceeds from the death benefits will be used to pay future premiums. When we have more money than we need to pay premiums, we will make additional distributions. We anticipate that the portfolio may take more than 20 years to fully mature, but we will be making distributions along the way.

**How was the \$5.5 million amount determined?** The estate has life insurance policies with an approximate face value of \$131 million. We retained actuaries to determine how much money we needed on hand to ensure that the estate could pay premiums in the future. That amount was \$17.4 million as of August 31, 2012. At that time, we had over \$23 million of cash on hand. Accordingly, we sought authority to distribute the excess \$5.5 million.

**How do I report this for tax purposes?** We cannot provide you with tax advice and must refer you to your tax advisor. For your reference, the Plan of Distribution states that the estate will repay principal first and then interest if there are any distributable assets remaining. Accordingly, the estate is taking the position that until 100% of the approved investor claims have been repaid, these distributions constitute the repayment of principal.

**Can I deposit the check?** Yes. You are not waiving any claims against the estate. This is merely an initial distribution.

**Why is the check made payable to my IRA custodian?** If your investment is through an IRA, Roth IRA, or other investment vehicle; I must make the checks payable to your account custodian. You will need to deposit the check with that custodian. You may redeploy those funds from there, as you and your tax advisors deem appropriate. I encourage you to speak with your tax advisors about distributions, required minimum distributions and rollovers.

**Must I keep using my current IRA custodian?** No. That is a contractual relationship between you and your custodian. It is, however, too late to change custodians for the initial distribution. If you want to change your IRA custodian going forward, you will need to identify a substitute custodian that is willing to assume custody of your investment in RV and your claims against RV. The substitute custodian can then coordinate a transfer of these assets from your current custodian. Once the substitute custodian has assumed custody of these assets, it must notify my office of the transfer and provide me with appropriate documentation, so that we may update our records accordingly.

**How much am I going to get back?** We don't know the exact number. The actuarial models project a return that is roughly equal to the amount that Retirement Value and Hill Country Funding raised. We expect the portfolio will generate between \$64 million and \$98 million dollars, with the most likely outcome being \$82 million.

**Is my claim worth 100%?** In today's dollars, no. You should speak with your tax advisor as to whether you can or wish to adjust the "fair market value" of your investment.

**Where can I find additional information?** Copies of the Receiver's Reports, the Plan of Distribution, the Schedule of Claims and other pertinent information are available on our website at [www.RVLLCReceivership.com](http://www.RVLLCReceivership.com). Please visit the website periodically, as we attempt to update it often and use it as an efficient means of disseminating information to all of the claimants. You may also wish to refer your tax advisor to the website.

Estate of Retirement Value LLC,



By: \_\_\_\_\_

Eduardo Espinosa, Receiver