

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

JAMES SETTLEMENT SERVICES,  
 LLC, ET AL.,

Third Party Defendants.

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

126<sup>th</sup> JUDICIAL DISTRICT

**NOTICE OF FILING OF RECEIVER'S MAY 31, 2014 REPORT**

Eduardo S. Espinosa, court appointed receiver for Retirement Value, LLC, hereby provides notice that he is filing the attached Report of Eduardo S. Espinosa, receiver for Retirement Value, LLC as of May 31, 2014.

In the Report the Receiver discusses the status of the estate as of the end of the fourth full year of the receivership. The Report includes a discussion of (i) cash and insurance policies held by the estate, (ii) resolution of the estates' claims against third parties; and (iii) distributions that have been made as well as those projected to be made to the investors.

The Report has been served on all parties to this case and posted to the Receiver's website ([www.rvllcreceivership.com](http://www.rvllcreceivership.com)). In an effort to save costs, the Receiver will not mail a copy of the Report to the more than 1,000 known investors. Instead, the Receiver will notify the

investors that the Report has been filed and ask that the investors download a copy from the website. The Receiver will mail a copy of the Report upon request to investors who are unable to access it on the website.

Respectfully submitted,

By: 

Michael D. Napoli  
State Bar No. 14803400

COX SMITH MATTHEWS INCORPORATED  
1201 Elm Street, Suite 3300  
Dallas, Texas 75200  
(214) 698-7837  
(214) 698-7899 (Fax)  
mnapoli@coxsmith.com

Mary Schaerdel Dietz  
State Bar No. 03741500  
COX SMITH MATTHEWS INCORPORATED  
111 Congress Avenue, Suite 2800  
Austin, Texas 78701  
(512) 703-6300  
(512) 703-6399 (Fax)  
mdietz@coxsmith.com

COUNSEL FOR THE COURT APPOINTED RECEIVER OF  
RETIREMENT VALUE, LLC

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been forwarded to all counsel of record herein by:

- ☒ U.S. Mail, First Class (as to Lanahan, D'Agostino and Milks only)
- ☐ Certified Mail (return receipt requested)
- ☐ Facsimile
- ☐ Federal Express Delivery
- ☐ Hand Delivery
- ☒ Electronic Service

on this the 8<sup>th</sup> day of July, 2014.

<p>Jack Hohengarten Susan Millsapps TEXAS ATTORNEY GENERAL Financial and Tax Litigation Division 300 W. 15<sup>th</sup> Street, Sixth Floor Austin, Texas 78711-2548 (512) 475-3503 (512) 477-2348 fax <a href="mailto:jack.hohengarten@texasattorneygeneral.gov">jack.hohengarten@texasattorneygeneral.gov</a> <a href="mailto:susan.millsapps@texasattorneygeneral.gov">susan.millsapps@texasattorneygeneral.gov</a> COUNSEL FOR THE STATE OF TEXAS</p>	<p>Michael Napoli COX SMITH MATTHEWS INC. 1201 Elm Street, Suite 3300 Dallas, Texas 75270 (214) 698-7800 (214) 698-7899 fax <a href="mailto:mnapoli@coxsmith.com">mnapoli@coxsmith.com</a></p> <p>Mark Schaerdel Dietz COX SMITH MATTHEWS INC. 111 Congress Avenue, Suite 2800 Austin, Texas 78701 (512) 703-6300 (512) 703-6399 fax <a href="mailto:mdietz@coxsmith.com">mdietz@coxsmith.com</a> COUNSEL FOR RV RECEIVER</p>
<p>R. James George Jr. John W. Thomas John R. McConnell GEORGE BROTHERS KINCAID &amp; HORTON, LLP 114 W Seventh, Suite 1100 Austin, Texas 78701-3015 (512) 495-1400 (512) 499-0094 fax <a href="mailto:rjgeorge@gbkh.com">rjgeorge@gbkh.com</a> <a href="mailto:jthomas@gbkh.com">jthomas@gbkh.com</a> <a href="mailto:jmcconnell@gbkh.com">jmcconnell@gbkh.com</a> COUNSEL FOR RV RECEIVERS</p>	<p>Isabelle M. Antongiorgi TAYLOR DUNHAM, LLP 301 Congress Avenue, Suite 1050 Austin, Texas 78701 (512) 473-2257 (512) 478-4409 fax <a href="mailto:iantongiorgi@taylordunham.com">iantongiorgi@taylordunham.com</a> COUNSEL FOR HCF RECEIVER</p>

<p>Geoffrey D. Weisbart Mia A. Storm WEISBART SPRINGER HAYES LLP 212 Lavaca Street, Suite 200 Austin, Texas 78701 (512) 652-5780 (512) 682-2074 fax <a href="mailto:gweisbart@wshllp.com">gweisbart@wshllp.com</a> <a href="mailto:mstorm@wshllp.com">mstorm@wshllp.com</a> COUNSEL FOR THE CAIN INTERVENORS</p>	<p>Alberto T. Garcia III GARCIA &amp; MARTINEZ, LLP 5211 W. Mile 17 ½ Road Edinburg, Texas 78541 (956) 380-3700 (956) 380-3703 fax <a href="mailto:albert@garmtzlaw.com">albert@garmtzlaw.com</a> <a href="mailto:yoli@garmtzlaw.com">yoli@garmtzlaw.com</a> COUNSEL FOR THE HARRISON INTERVENORS</p>
<p>Bogdan Rentea RENTEA &amp; ASSOCIATES 1002 Rio Grande Street Austin, Texas 78701 (512) 472-6291 (512) 472-6278 <a href="mailto:brente@rentelaw.com">brente@rentelaw.com</a> <a href="mailto:nleake@rentelaw.com">nleake@rentelaw.com</a> COUNSEL FOR WENDY ROGERS AND THIRD PARTY DEFENDANTS COLEMAN, GALLAGHER, FEEKEN, GALLAGHER FINANCIAL, CASTELLANO, CERVENKA, GLOBAL DIRECT, SHIELDS, MARCO LOPEZ, REID THORBURN, THORBURN TRUST, YOUNG, CREATIVE WEALTH DESIGNS, CHADWICK, WOODS, DAVIDSON, SECURED FINANCIAL STRATEGIES, LLC, AND THORBURN FINANCIAL SERVICES</p>	<p>Meagan Martin STANDLY AND HAMILTON, LLP 325 N. St. Paul, Suite 3300 Dallas, Texas 75201 (214) 234-7900 (214) 234-7300 fax <a href="mailto:mmartin@standlyhamilton.com">mmartin@standlyhamilton.com</a> COUNSEL FOR HCC INVESTOR INTERVENORS</p>
<p>Daniel R. Richards Tonia L. Lucio Clark Richards RICHARDS RODRIGUEZ &amp; SKEITH, LLP 816 Congress Avenue, Suite 1200 Austin, Texas 78701 (512) 476-0005 (512) 476-1513 fax <a href="mailto:drichards@rrsfirm.com">drichards@rrsfirm.com</a> <a href="mailto:tlucio@rrsfirm.com">tlucio@rrsfirm.com</a> <a href="mailto:erichards@rrsfirm.com">erichards@rrsfirm.com</a> ATTORNEYS FOR BAKER INTERVENORS</p>	<p>Paul Trahan Cristina C. Longoria NORTON ROSE FULBRIGHT 98 San Jacinto Boulevard, Suite 1100 Austin, Texas 78701-4255 (512) 474-5201 (512) 536-4598 fax <a href="mailto:paul.trahan@nortonrosefulbright.com">paul.trahan@nortonrosefulbright.com</a> <a href="mailto:cristina.longoria@nortonrosefulbright.com">cristina.longoria@nortonrosefulbright.com</a>  COUNSEL FOR WELLS FARGO THIRD PARTY DEFENDANTS AND WHITNEY GILES</p>
<p>Michael W. O'Donnell NORTON ROSE FULBRIGHT 300 Convent Street, Suite 2100 San Antonio, Texas 78205-3792 (210) 224-5575 (210) 273-7205 fax <a href="mailto:mike@donnell@nortonrosefulbright.com">mike@donnell@nortonrosefulbright.com</a> COUNSEL FOR WELLS FARGO THIRD PARTY DEFENDANTS AND WHITNEY GILES</p>	<p>Richard H. Gray Catherine Gray 301 Main Plaza, #349 New Braunfels, Texas 78130 (210) 392-3550 <a href="mailto:legalfoodfight@yahoo.com">legalfoodfight@yahoo.com</a> PRO SE DEFENDANTS</p>

<p>Milton G. Hammond  LAW OFFICE OF MILTON G. HAMMOND  6406 La Manga Drive  Dallas, Texas 75248  (214) 642-0881  (972) 782-4540 fax  <a href="mailto:mghammondlaw@gmail.com">mghammondlaw@gmail.com</a>  COUNSEL FOR THE MARLOW INTERVENORS AND THIRD PARTY DEFENDANTS BESTE, HOSKINS AND KNOX</p>	<p>Alexander S. Roig  ALLEN &amp; ROIG, LLP  3003 N.W. Loop 410  San Antonio, Texas 78230  (210) 377-2529  (210) 240-1346 fax  <a href="mailto:allenroig@sbcglobal.net">allenroig@sbcglobal.net</a>  <b>COUNSEL FOR THIRD PARTY DEFENDANTS SEAN OF TEXAS ESTATE PLANNING SERVICES, WILLIAM EVANS, RICHARD EVANS AND DON WISSNER</b></p>
<p>Robert L. Wright  ROBERT L. WRIGHT, P.C.  612 Eighth Avenue  Fort Worth, Texas 76104  (817) 850-0082  (817) 870-9101 fax  <a href="mailto:rlwright@rlwpc.com">rlwright@rlwpc.com</a>  COUNSEL FOR THIRD PARTY DEFENDANTS POE, RICE, SENIOR RETIREMENT PLANNERS, PACHACEK, CORNETT, PC&amp;S, NICHE INVESTMENTS, SANSING, LIGHTHOUSE, NG, FRANCO, ALTERNATIVE SOLUTIONS INSURANCE, CHICK, WESTON, SKIJUS, AND MARK SMITH</p>	<p>David R. Clouston  Christopher R. Richie  Leslye E. Moseley  SESSIONS FISHMAN NATHAN &amp; ISRAEL LLC  900 Jackson Street, Suite 440  Dallas, Texas 75202  (214) 741-3001  (214) 741-3051 fax  <a href="mailto:dclouston@sessions-law.biz">dclouston@sessions-law.biz</a>  <a href="mailto:crichie@sessions-law.biz">crichie@sessions-law.biz</a>  <a href="mailto:lmoseley@sessions-law.biz">lmoseley@sessions-law.biz</a>  COUNSEL FOR THIRD PARTY DEFENDANTS LEVIN AND SCHROEDER</p>
<p>Merritt N. Spencer  STRASBURGER &amp; PRICE, LLP  720 Brazos Street, Suite 700  Austin, Texas 78701-2974  (512) 499-3600  (512) 499-3660 fax  <a href="mailto:merritt.spencer@strasburger.com">merritt.spencer@strasburger.com</a>  ATTORNEYS FOR THIRD PARTY DEFENDANT PEARLE</p>	<p>Todd A. Marquardt  MARQUARDT LAW FIRM  11919 Jones Maltsberger  San Antonio, Texas 78216  (210) 320-8800  (210) 247-9396 fax  <a href="mailto:todd@marquardtlawfirm.com">todd@marquardtlawfirm.com</a>  COUNSEL FOR THIRD PARTY DEFENDANT JAMES STRIZAK</p>
<p>Gary J. Lenahan  P.O. Box 1685  Pineville, West Virginia 24874-1685  PRO SE</p>	<p>Andrew D'Agostino  Harvest Planning, LLC  41 Brook Street  West Sayville, New York 11796  PRO SE</p>
<p>Billy W. Sparkman  12101 Jones Butler Rd.  College Station, Texas 78745  <a href="mailto:bwsparkman@gmail.com">bwsparkman@gmail.com</a>  PRO SE</p>	<p>Jeff Mejia  2609 Gabrianna Court  Columbia, Missouri 65203  (913) 208-4884  <a href="mailto:jeffmejia@yahoo.com">jeffmejia@yahoo.com</a>  PRO SE</p>

Mike Ahlers 9501 Console Drive, Suite 100 San Antonio, Texas 78229 <a href="mailto:mikeahlers.marketing@gmail.com">mikeahlers.marketing@gmail.com</a> PRO SE	Benjamin Milks Milks & Milks 3718 45 <sup>th</sup> Street East Bradenton, Florida 34208 <a href="mailto:benjaminmilks@milksandmilks.net">benjaminmilks@milksandmilks.net</a> PRO SE
Carl Galant Nicholas P. Laurent MCGINNIS LOCHRIDGE & KILGORE, LLP 600 Congress Avenue, Suite 2100 Austin, Texas 78701 (512) 495-6000 (512) 495-6093 fax <a href="mailto:cgalant@mcginnislaw.com">cgalant@mcginnislaw.com</a> <a href="mailto:nlaurent@mcginnislaw.com">nlaurent@mcginnislaw.com</a> COUNSEL FOR THIRD PARTY DEFENDANTS RON JAMES, DON JAMES, AND JAMES SETTLEMENT SERVICES	



Michael D. Napoli

4165514.1

**REPORT**  
**OF**  
**EDUARDO S. ESPINOSA,**  
**RECEIVER**  
**FOR**  
**RETIREMENT VALUE, LLC**

**As of**  
**May 31, 2014**

**State of Texas v. Retirement Value, LLC, et al.**  
**Cause Number D-1-GV-10-000454**  
**126<sup>th</sup> District Court of Travis County, Texas,**

This report updates the investors, the Court and the public as to the Receivership's status as of the end of May 2014, the fourth full year of the Receivership. This report supplements the Receiver's reports of July 28, 2010, April 30, 2011, December 31, 2011 and May 31, 2013 and should be read in conjunction with those reports.

## **I. The Plan of Distribution**

The estate is operating under the Plan of Distribution approved by the Court in July of 2012. The Plan calls for the Receiver to hold the insurance policies until they mature using the proceeds of earlier maturing policies to fund the payment of premiums. As funds in excess of the required premium reserves become available, the Receiver will make interim distributions to the investors. The Receiver and his actuaries will periodically re-evaluate the portfolio to determine the reserve levels that need to be maintained and whether there is excess cash available for distribution.

### **A. Current actuarial projections**

At the Receiver's request, Lewis & Ellis prepared the most recent actuarial analysis in October 2013 for the purpose of determining whether the Receiver could make an additional distribution.<sup>1</sup> As of October 2013, Lewis & Ellis determined that the portfolio would likely generate between \$44.9 million and \$78.6 million in cash after paying premiums and taxes on the proceeds of the policies. The median outcome was \$62.5 million. This means that most of the proceeds of the policies will be used to pay premiums and taxes. Lewis & Ellis also determined that as of October 2013, a reserve of \$14.6 million would suffice to meet the premium obligation in 97.5% of the foreseeable scenarios.

---

<sup>1</sup> A copy of this analysis is attached to the Receiver's Motion to Authorize a Supplemental Distribution (12/10/2013), which may be found on the Receiver's website.



Adding the cash held by the estate to the money that the portfolio is anticipated to generate gives the total amount that the Receiver anticipates being able to distribute to the investors. When added to the \$17.9 million in cash then held by the estate, the anticipated total distributable amount ranges between \$62.8 million and \$96.5 million with a median of \$80.4 million as of October 2013.<sup>2</sup> We anticipate that it will take twenty or more years for the portfolio to fully mature and to repay the investors, if possible.

The estate has already distributed \$8.5 million to the investors. This means that we anticipate total distributions to the investors to range from \$68.3 million to \$102.0 million with a median of \$85.9 million. The Retirement Value investors' likely recovery ranges from \$64.9 million (84.9%) to \$96.8 million (126.7%) with a median of \$81.5 million (106.7%). The HCF investors' likely recovery ranges from \$3.5 million (87.8%) to \$5.2 million (131.0%) with a median of \$4.4 million (110.3%).

The current projections are based on the best information available to the Receiver and depend heavily on the accuracy of the life expectancy calculations used by the actuaries and on the continued willingness of the insurance companies to honor the policies. Currently, the Receiver has life expectancy calculations prepared in 2010 and 2011 by ISC and calculations prepared in 2012 by AVS. Recent news reports indicate that several of the major LE providers have announced that newer models may lead to longer LE calculations for certain persons. This situation is evolving and the exact impact is unknown. If, as happened in 2008, current life expectancy calculations are found to be systemically short, then the overall recovery will be reduced as the policies will actually take longer than anticipated to mature. Due to the cost and difficulty of obtaining updated health information on the insureds, we do not anticipate obtaining

---

<sup>2</sup> The \$3 million distribution in February 2014 was paid out of the \$17.9 million in cash held by the estate as of October 2013.

additional LEs in 2014. Thus, at this point, we do not know how the newer LE models will affect the portfolio. We believe, however, that the estate has sufficient funds to pay premiums because we have reserved based on scenarios that assume that the policies will mature more slowly than currently anticipated.

To date, the insurance companies against whom the estate has made claims – Pacific Life and AXA – have paid the claims. However, Pacific Life initially refused to pay the PLI140 claim for \$10 million and agreed to pay only after discussions between their counsel and the Receiver's counsel. While we are confident that the insurance companies would ultimately be required to pay claims on the policies, litigation is uncertain. A substantial delay in payment or worse a denial of payment would substantially affect the money available to distribute to investors. Again, our conservative reserve strategy should provide some protection against delayed or disputed insurance claims.

## **B. Distributions**

The Receiver has distributed \$5.5 million to the investors. In October 2012, the Receiver made an Initial Distribution of \$5.5 million distribution to the investors, which occurred in October 2012. The Retirement Value investors received 94.7% (or \$5,197,150.44) and the HCF investors received 5.3% (or \$278,756.13) of the Initial Distribution.<sup>3</sup> In February 2014, the Receiver made an interim distribution of \$3.0 million. The Retirement Value investors received \$2,846,604.34 and the HCF investors received \$153,395.66.<sup>4</sup>

---

<sup>3</sup> The actual amount is slightly less than \$5.5 million due to amounts that were initially reserved for disputed claims. Most of these disputes were resolved in the estate's favor.

<sup>4</sup> The Plan of Distribution calls for 94.7% to be paid pro rata to the Retirement Value Investors and 5.3% to be paid pro rata to the HCF Investors. Subsequent to the adoption of the Plan, David Gray assigned his claim of \$144,500 against HCF to the RV Receiver. Mr. Gray's claims represented a 0.186% participation in the estate which was accordingly reallocated amongst the Retirement Value investors. Thus, the current division under the Plan is 94.89% to the Retirement Value investors and 5.11% to the HCF investors.

When another distribution will be made and how much it may be, depends largely upon the maturities that occur in the portfolio. Each maturity will not necessarily result in a distribution. Distributions can be made only when the cash held by the Receiver exceeds the amount he is required to keep in reserve to pay premiums and other expenses.

### **C. Claims against the estate**

Generally, the Plan divides the various persons with claims against the estate into three classes – investors, non-investor creditors and equity holders.

All told, the approved investor claims total about \$86.4 million divided between Retirement Value investors and Hill Country Funding investors.<sup>5</sup> The investors will be paid in full before the non-investor creditors are paid, if at all. Following the two distributions totaling \$8.5 million, \$71.9 million in investor claims remain outstanding: \$68.4 million payable to Retirement Value investors, and \$3.5 million payable to HCF investors. The most recent Claim Schedule may be found on the Receiver's website.

There are approximately \$270,000 in approved non-investor claims against the estate.<sup>6</sup> There are also \$500,000 in unapproved non-investor claims. Because the non-investor claims are unlikely to be paid, the Receiver has not yet undertaken to resolve these claims.

In the highly unlikely event that the investor claims and non-investor creditor claims are paid in full, the Plan provides that any assets remaining would be distributed to the equity holders of Retirement Value and Hill Country Funding. However, because of settlements between the Receivers and the owners of the two companies, any residual assets will be distributed equally among the investors and non-investor creditors.

---

<sup>5</sup> The gross investor claims of \$81.6 million were reduced by \$1.2 million under the Plan to account for settlements with licensees and money previously received by investors and their families.

<sup>6</sup> The Receiver recently agreed to a judgment of \$150,000 in favor of Tracy Moss in order to resolve her claim for employment discrimination which was pending in New Jersey.

## **D. Assets of the estate**

### **1. Insurance Policies**

The life insurance policies owned by Retirement Value and Hill Country Funding constitute one of the estate's primary assets. The estate's portfolio currently consists of 51 life insurance policies insuring the lives of 44 individuals with an aggregate face value of \$129.1 million. The Retirement Value estate consisted of 46 policies insuring the lives of 42 individuals with an aggregate face value of \$122.3 million.<sup>7</sup> The Hill Country Funding portfolio consisted of five policies insuring the lives of two individuals with an aggregate face value of \$6.75 million. The combined portfolio had a market value of \$8.7 million in 2013.<sup>8</sup> Because he does not plan to sell the policies, the Receiver did not obtain an appraisal of the portfolio in 2014.

To date, only two of the insureds have died. The first insured, policy PLI140-111109-DM, died in 2010. After a dispute with the insurance company, the Receiver received the full \$10 million in policy proceeds plus an additional \$100,000 in interest. The second insured, policies PLI930-102009-HM and ALA597-110209-HM, died in 2013. The Receiver has received the full \$2.5 million due on those policies.

### **2. Cash**

On May 31, 2013, the estate had \$17.1 million in cash. The Receiver has since: (i) distributed \$3.0 million to the investors; (ii) paid expenses, including \$4.5 million in premiums; (iii) collected \$7.3 million from the maturity of PLI930-102009-HM; and (iv) collected on

---

<sup>7</sup> The portfolio originally consisted of 49 policies insuring the lives of 44 individuals with an aggregate face value of \$134.8 million. Two of the insureds have died causing three policies totaling \$12.5 million in face value to mature. The merger with the Hill Country Funding receivership added five policies insuring the lives of two individuals with an aggregate face value of \$6.5 million.

<sup>8</sup> The Retirement Value policies are valued at \$8,240,949 (as of July 2013) and the Hill Country Funding policies are valued at \$525,644 (as of March 2013). A list of the policies is attached as Exhibit A.

numerous settlement agreements (discussed below). As of May 31, 2014, the estate had \$12 million in cash. Cash on hand balances at various times during the estate's life were:

<u>Date</u>	<u>Cash On Hand</u>
May 5, 2010	\$ 25,463,772.69
Dec 31, 2010	\$ 20,802,698.45
Dec 31, 2011	\$ 26,024,739.83
Dec 31, 2012	\$ 15,795,158.64
May 31, 2013	\$ 17,093,602.03
May 31, 2014	\$12,037,987.70

The estate's main use of funds is paying the insurance premiums to keep the policies from lapsing. The portfolio's premiums currently cost the estate about \$4.5 million per year. As policies mature, the premium obligations associated with the maturing policy cease. However, the premiums associated with the remaining policies continue to increase over time. Thus, we are paying slightly more in premiums each year. The table below summarizes the premiums paid by the estate to date.

<u>Time Period</u>	<u>Premium Expense</u>
05/05/2010 – 12/31/2010	\$ 3,285,402.16
01/01/2011 – 12/31/2011	\$ 3,949,753.98
01/01/2012 – 12/31/2012	\$ 4,088,867.02
01/01/2013 – 12/31/2013	\$ 4,141,362.67
01/01/2014 – 12/31/2014 (proj) <sup>9</sup>	\$ 4,656,158.20

## **II. Litigation involving the Estate**

The litigation surrounding Retirement Value, Hill Country Funding and their securities offerings, which has been ongoing for four years, is largely complete. The litigation consists of three parts: (i) the claims by the State of Texas against Retirement Value, Hill Country Funding and persons affiliated with them; (ii) the claims by the combined estates of Retirement Value and

<sup>9</sup> Actual premium expenses for January 1, 2014 through May 31, 2014 were \$2,277,677. Premium expenses for June 1, 2014 through December 31, 2014 are projected to be \$2,378,500.

Hill Country Funding brought by the Receiver, the Special Receiver and the HCF Receiver; and (iii) claims by various persons against Retirement Value, Hill Country Funding or the estate.

**A. The State's claims**

The State sued Retirement Value and Hill Country Funding alleging that they violated the Texas Securities Act by selling unregistered securities by fraudulent means and that they violated the Texas Deceptive Trade Practices Act by engaging in deceptive practices in connection with the sale of investments based on life settlements. In addition, the State sued a number of individuals affiliated with Retirement Value and Hill Country Funding.

The Court found that Retirement Value committed securities fraud. In an order granting the State's motion for partial summary judgment against Retirement Value, the Court held that "Retirement Value engaged in fraud or fraudulent practices in the course of selling unregistered securities and thereby violated section 32(A) of the Texas Securities Act." The Court also ordered Retirement Value to make restitution to the investors in the amount of \$77.6 million. The Court entered a similar order regarding Hill Country Funding.

The Receiver supported the Court's entry of judgment against Retirement Value. A judgment finding that Retirement Value committed securities fraud and ordering restitution has numerous salutary effects for the investors and the estate: (i) it effectively rescinds the security sold by Retirement Value which had imposed negative tax consequences on the investors; (ii) it provides support for those investors who wish to claim a theft loss; and (iii) it causes payment from the Receiver to be treated as a return of capital rather than income for income tax purposes. The judgment also protects the Plan of Distribution against collateral attack. The State's claims against Retirement Value under the DTPA were not part of the summary judgment and remain pending. The Receiver anticipates that the State will drop its remaining claims.

The State settled its claims against Dick Gray, Bruce Collins, Wendy Rogers, Don James, Ron James, James Settlement Services and Mike Beste. These settlements were part of the settlements between the Receiver and the defendants. All payments by the defendants under their settlements have been paid to the estate. As part of these settlements, the Court has entered permanent injunctions against each of these persons. The injunctions generally prohibit the settling defendant from violating the Texas Securities Act and the DTPA in the future.

**B. The Estate's Claims**

**1. Claims by the Receiver**

Pursuant to the authority granted to him and in furtherance of his duties, the Receiver sued a number of parties, including the owners of Retirement Value, James Settlement Services and certain licensees. All of the Receiver's claims have been resolved either by settlement or by judgment of the Court. The various appeals that were pending have all been dismissed.

The Receiver has entered into settlement agreements with numerous persons. Pursuant to settlement agreements approved by the Court, the settling defendants are obligated to pay \$9.6 million dollars to the estate, of which \$9.3 million has been collected. Most of the outstanding \$300,000 is secured by judgments against the individual defendants in amounts that greatly exceed the amounts owed by each under their settlement agreements. The following table<sup>10</sup> summarizes the settlements approved by the Court so far:

<u>Approved Settlements</u>	<u>Gross Amount</u>
Collins, Bruce	322,078.97
Gray, Richard H	623,099.56
James Settlement Services, et al	5,500,000.00
Kiesling Porter Kiesling & Free	710,000.00
Licensees	2,183,887.13

---

<sup>10</sup> A more detailed chart of the settlements is attached as Exhibit B.

<b><u>Approved Settlements</u></b>	<b><u>Gross Amount</u></b>
Rogers, Wendy <sup>11</sup>	<u>182,963.63</u>
<b>Total</b>	<b>9,522,029.29</b>
To Be Funded	<u>(286,487.90)</u>
<b>Collected</b>	<b><u>\$ 9,235,541.39</u></b>

The Receiver has also obtained judgments against the 45 licensees who did not respond to his suit and an additional 26 licensees who disputed the Receiver's claims. These judgments, including pre-judgment interest and attorneys fees, total \$5.9 million.<sup>12</sup> Although full recovery of the amounts due from these licensees under the judgments is unlikely, the Receiver will continue to pursue collection efforts against these licensees. The exact efforts undertaken will depend upon the particular circumstances but will likely include abstracting the judgment to place liens on real property owned by each.

Some of the licensees who are the subject of judgments against them may seek to appeal those judgments. If so, the Receiver will have to defend the appeals and, potentially, may have to engage in further litigation with those defendants. The appeals and any further litigation will be handled by the Receiver's contingency fee counsel. As of the date of this Report, none of the licensees has appealed a judgment against him or her.

## **2. Claims by the Special Receiver**

The Special Receiver, Janet Mortenson, was appointed by the Court to investigate and, if appropriate, to pursue claims against Wells Fargo. After investigating, the Special Receiver filed

---

<sup>11</sup> The settlement between Wendy Rogers and the Receiver was modified to reduce the amount payable by Mrs. Rogers by \$24,240 from \$207,203 to 182,963. Mrs. Rogers was to fund the settlement by selling two homes owned by her. One of the homes was sold but, after a lengthy period, the other was not. The parties agreed to modify their agreement so that Mrs. Rogers was allowed to retain the house in exchange for a cash payment equal to its market value.

<sup>12</sup> A list of the judgments against licensees is attached as Exhibit C.



a claim in arbitration against Wells Fargo. The arbitration panel ruled in favor of Wells Fargo and against the Special Receiver. The Court recently entered an order confirming the arbitration award effectively terminating the Special Receiver's claim.

### **3. Claims by the HCF Receiver**

The HCF Receiver is charged with asserting claims on behalf of the HCF investors. Certain of the claims by the HCF Receiver are shared with the Retirement Value estate. These claims include claims against the bonding companies which issued bonds securing the payment of the HCF insurance policies as well as claims against Dick Gray and others. The HCF Receiver settled his claims against Dick Gray for a small amount of money paid to the estate.

#### **C. Claims against the Estate**

Various non-investor parties have asserted claims against the estate. These claims are categorized as Class 3 claims and are not payable until the investors have been paid in full with interest. As it is unlikely that the Receiver will be able to pay the investors with interest, these claims will probably never be paid. There are about \$270,000 in approved Class 3 claims and approximately \$500,000 in disputed Class 3 claims.

The primary claim against the estate is a claim for employment discrimination asserted by Tracy Moss, a former employee of Retirement Value. She sued Retirement Value and Dick Gray in federal court in New Jersey. The Receiver recently agreed to a \$150,000 judgment in favor of Ms. Moss in order to avoid additional legal expense. The judgment will be treated as a Class 3 claim. Ms. Moss has indicated that she may seek to modify the Plan in order to have her claim treated as well as or better than the investor claims. To date, however, she has not done so. The Receiver will oppose any attempt to change the Plan to favor the claims of a single creditor.

In addition, a number of licensees and others who have been sued by the Receiver asserted counterclaims. The Court entered judgment in favor of the Receiver on all of these claims.

### **III. Going Forward**

Barring attempts to undo or revise the Plan of Distribution, the active phase of the Receivership has ended. The Receiver will concentrate on the following tasks:

- Monitoring the portfolio of life insurance policies;
- Paying premiums and other expenses;
- Making and prosecuting claims for benefits under insurance policies as needed;
- Analyzing the portfolio and the cash reserves to determine when a distribution may be made;
- Collecting on judgments and settlements (including responding to appeals of judgments in his favor);
- Communicating with investors and other creditors indirectly via the website and reports and directly on an individual basis as needed; and
- Reporting to the Court as required.

Issues, which will require the Receiver's attention, will no doubt arise in the future. Depending upon their nature, new issues may require a more active role for the Receiver and his counsel.

### **IV. Conclusion**

The estate is being administered in accordance with the Plan of Distribution. The actuarial model supporting the Plan forecasts that throughout the estate's portfolio's 20+ year anticipated life, the portfolio should yield distributable net cash flow roughly equal to 100% of investor-victims' initial investment, plus or minus 20%. However, because anticipated premium

and tax expenses exceed \$70 million dollars and the estate currently has just \$12 million on hand, investors should not anticipate distributions whenever a mortality occurs. Death benefits from the earlier maturing policies are being used to maintain the premium reserves. Upon the occurrence of one or more mortalities in any calendar year, the Receiver will revisit the actuarial model and reassess the adequacy of the estates' cash reserves. When the estate's cash on hand substantially exceeds its reserve requirements, the Receiver will make additional interim distributions.

In the meantime, the Receiver will continue to maintain the portfolio of policies and collect on the settlements and judgments that he has recovered on behalf of the estate.

Policies owned by the Combined Estates of Retirement Value & Hill Country Funding						
Internal Code	Carrier	Face Amount	Midwest Medical LE 50%	Date of MWM LE Certificate	MWM Life Expectancy Date (50%)	Deceased
HCF-JHL305-LS	John Hancock	\$750,000	39	1/16/2008	4/16/2011	
HCF-SLF652-LS	Sun Life Financial	\$500,000	39	1/16/2008	4/16/2011	
HCF-JHL442-LS	John Hancock	\$1,500,000	36	7/9/2008	7/9/2011	
HCF-SLF495-LS	Sun Life Financial	\$1,500,000	36	7/9/2008	7/9/2011	
ANI521-102209-BW	American National	\$1,000,000	35	9/11/2009	8/10/2012	
OML446-031909-RL	Old Mutual Life/Fidelity &	\$2,000,000	40	4/17/2009	8/15/2012	
LBL771-110209-MF	Lincoln Benefit Life	\$2,000,000	35	11/2/2009	10/1/2012	
AGL130-012110-PM	American General Life &	\$2,000,000	33	1/11/2010	10/10/2012	
ING283-031909-AI	ING	\$2,000,000	43	5/28/2009	12/25/2013	
PLI140-111109-DM	Pacific Life	\$10,000,000	38	11/11/2009	1/9/2013	Yes
LFG183-111109-MR	Lincoln Financial	\$5,000,000	40	10/30/2009	2/17/2013	
LFG566-071509-MR	Lincoln Financial	\$4,700,000	43	8/13/2009	1/12/2013	
AGL06L-102009-LM	American General	\$2,500,000	42	9/14/2009	3/14/2013	
WPL982-071509-LB	William Penn Life	\$500,000	44	8/10/2009	4/9/2013	
AVL180-030510-MR	AVIVA Life & Annuity	\$5,000,000	39	2/25/2010	5/26/2013	
HCF-AXA058-PF	AXA Equitable	\$2,500,000	48	5/29/2010	5/28/2013	
AXA597-110209-HM	AXA Equitable	\$1,250,000	46	10/6/2009	8/5/2013	Yes
PLI930-102009-HM	Pacific Life	\$1,250,000	46	10/6/2009	8/5/2013	Yes
LBL165-031909-NL	Lincoln Benefit Life	\$750,000	54	5/16/2009	9/16/2013	
AXA091-012110-PC	AXA Equitable	\$5,000,000	45	12/18/2009	9/16/2013	
LFG782-090409-HO	Lincoln Financial	\$5,000,000	49	8/26/2009	9/24/2013	
SLA534-031909-LC	Sun Life Assurance	\$650,000	54	3/30/2009	9/27/2013	
LFG591-031909-DH	Lincoln Financial	\$1,000,000	55	3/6/2009	10/3/2013	
ING15J-121409-AK	ING	\$1,000,000	57	12/9/2009	11/7/2013	
ANI852-031909-HO	American National	\$5,000,000	53	6/22/2009	11/20/2013	
LFG272-112009-PS	Lincoln Financial	\$1,300,000	48	11/24/2009	11/23/2013	
PLI980-111109-JS	Pacific Life	\$4,000,000	49	10/26/2009	11/24/2013	
PLI680-102909-JS	Pacific Life	\$1,000,000	49	10/26/2009	11/24/2013	
AXA729-112009-SF	AXA Equitable	\$2,000,000	49	11/18/2009	12/17/2013	
ING201-071509-AG	ING	\$5,000,000	55	7/8/2009	2/4/2014	
HLI814-092509-MI	Hartford Life	\$1,500,000	54	9/3/2009	3/3/2014	
TRA281-071509-RJ	Transamerica	\$1,500,000	56	7/15/2009	3/14/2014	
LFG008-102909-RB	Lincoln Financial	\$3,000,000	53	10/15/2009	3/15/2014	
LFG311-031210-HM	Lincoln Financial	\$5,000,000	49	2/18/2010	3/19/2014	
AXA994-011510-BD	AXA Equitable	\$2,100,000	51	12/31/2009	3/31/2014	
ING036-071509-EB	ING	\$3,000,000	57	8/4/2009	5/3/2014	
LFG006-103009-JC	Lincoln Financial	\$2,000,000	56	9/18/2009	5/18/2014	
LFG117-021710-HW	Lincoln Financial	\$2,000,000	52	1/19/2010	5/19/2014	
LFG248-012610-HM	Lincoln Financial	\$3,000,000	52	1/20/2010	5/20/2014	
SLA338-112009-CD	Sun Life Assurance	\$2,000,000	59	10/29/2009	9/27/2014	
MET650-071509-DF	Met Life	\$1,000,000	62	8/7/2009	10/5/2014	
LFG740-071509RL	Lincoln Financial	\$5,000,000	63	7/15/2009	10/13/2014	
AXA826-110509-L	AXA Equitable	\$1,250,000	60	10/23/2009	10/22/2014	
AGL73L-031909-W	American General	\$3,000,000	70	1/12/2009	11/11/2014	
AGL66L-071509-LB	American General	\$750,000	64	7/15/2009	11/12/2014	
AXA335-032410-PS	AXA Equitable	\$3,000,000	57	2/18/2010	11/17/2014	
AXA14J-032409-GJ	AXA Equitable	\$2,000,000	63	9/1/2009	11/30/2014	
LFG117-031909-MC	Lincoln Financial	\$1,500,000	70	2/19/2009	12/19/2014	
AXA861-031909-RM	AXA Equitable	\$4,500,000	69	3/24/2009	12/21/2014	
LBL361-021710-SW	Lincoln Benefit Life	\$2,085,000	60	1/27/2010	1/26/2015	
PLI899-102209-AT	Lafayette Life	\$7,000,000	64	9/29/2009	1/27/2015	
MMI860-071509-ML	Mass Mutual	\$1,500,000	69	7/8/2009	4/6/2015	
LFG081-021710-RC	Lincoln Financial	\$1,250,000	64	12/23/2009	4/22/2015	
LFG735-030510-AS	Lincoln Financial	\$5,000,000	64	2/10/2010	6/10/2015	

**Exhibit B**  
**Settlement Agreements**

<u>Payee</u>	<u>Settlement Amount</u>	<u>Cash</u>	<u>In-Kind</u>	<u>To Be Funded</u>
Settlement				
Collins, Bruce	322,078.97	126,688.95	195,390.02	-
Gray, Richard H	623,099.56	61,000.00	562,099.56	-
James Settlement Services, et al	5,500,000.00	5,500,000.00		-
Kiesling Porter Kiesling & Free	710,000.00	710,000.00		-
Licensees (see Page 2)	2,183,887.13	\$2,090,016.00	\$93,871.13	(286,487.90)
Rogers, Wendy	182,963.63		182,963.63	-
Subtotal	9,522,029.29	8,487,704.95	1,034,324.34	(286,487.90)
(To Be Funded)	(286,487.90)			
Collected	9,235,541.39			
Judgments	9,945,787.85	9,945,787.85	-	(10,079,731.94)
Collected				
<u>Total</u>	<u>28,416,870.63</u>	<u>18,433,492.80</u>	<u>1,034,324.34</u>	<u>(10,366,219.84)</u>

Unofficial copy Travis Co. District Clerk Velda L Price

## Settlement Agreements

<u>Licensees (SettlementDetail)</u>		<u>Settlement Amount</u>	<u>Cash</u>	<u>In-Kind</u>	<u>To Be Funded</u>
Adkison	Tony	\$10,500.00	\$10,500.00	\$0.00	-
Affinity/Capilli		\$3,261.99	\$3,261.99	\$0.00	-
American Money Group	(Joe Peck)	\$14,659.26	\$14,659.26	\$0.00	-
Anselmo	Richard W	\$2,400.00	\$2,400.00	\$0.00	-
Asset Growth Protection et al		\$50,739.44	\$31,881.91	\$18,857.53	0.00
Ballman	Dan Charles	\$1,750.00	\$1,750.00	\$0.00	-
Banfe	Albert C	\$5,000.00	\$5,000.00	\$0.00	-
Barnard	Dscot,& Valerie (& IGI	\$16,813.60	\$5,000.00	\$11,813.60	-
Bennett	Jason	\$1,625.00	\$1,625.00	\$0.00	-
Black	Susan	\$11,500.00	\$11,500.00	\$0.00	-
Blackman	Patrice H	\$1,500.00	\$0.00	\$1,500.00	-
Boddicker	Collin	\$20,000.00	\$20,000.00	\$0.00	-
Borok	Thomas Louis	\$16,500.00	\$3,000.00	\$13,500.00	-
Brown	Edmond G	\$8,000.00	\$8,000.00	\$0.00	-
Cammack	Tony	\$16,000.00	\$16,000.00	\$0.00	-
Castellano	Michael	\$30,000.00	\$30,000.00	\$0.00	(25,000.00)
Cervenka	Brian	\$50,000.00	\$50,000.00	\$0.00	(35,466.66)
Chadwick	Raymon G. JR	\$30,000.00	\$30,000.00	\$0.00	(24,375.00)
Champion	John	\$24,400.00	\$24,400.00	\$0.00	-
Chock	Leona	\$8,400.00	\$8,400.00	\$0.00	-
Coleman	Ronald	\$33,500.00	\$33,500.00	\$0.00	-
Collins	Sharon L (Peters)	\$5,000.00	\$0.00	\$5,000.00	-
Corbin Iternational		\$2,500.00	\$2,500.00	\$0.00	-
Creative Wealth Design	W.C. Young	\$30,000.00	\$30,000.00	\$0.00	(22,500.00)
Davidson	Wesley	\$10,000.00	\$10,000.00	\$0.00	-
Davis	Jeffrey T	\$27,500.00	\$27,500.00	\$0.00	-
Donnantuoni	Joseph	\$20,000.00	\$20,000.00	\$0.00	-
Eastham	Michael	\$25,000.00	\$25,000.00	\$0.00	(11,000.00)
Feeken	Steve	\$47,500.00	\$47,500.00	\$0.00	(34,531.25)
Francia	Joe	\$2,500.00	\$2,500.00	\$0.00	-
Fox	Leonard	\$4,544.00	\$4,544.00	\$0.00	-
Gallagher Financial	Dc Gallagher	\$250,000.00	\$250,000.00	\$0.00	(50,000.00)
Global 1 Direct	David Shileds	\$25,000.00	\$25,000.00	\$0.00	-
Granite Financial	(John Ranhofer)	\$31,500.00	\$31,500.00	\$0.00	-
Gray	Charles David	\$81,230.83	\$81,230.83	\$0.00	-
Hale	Charles R	\$13,973.48	\$13,973.48	\$0.00	-
Hartman	Kip	\$11,300.00	\$11,300.00	\$0.00	-
Hensley	Sam	\$10,000.00	\$10,000.00	\$0.00	(3,000.00)
Hicks	Edward	\$20,000.00	\$0.00	\$20,000.00	-
Hohweiler	Randa	\$7,000.00	\$0.00	\$7,000.00	-
Holmes	Wayne	\$9,991.29	\$9,991.29	\$0.00	-
Knox	Robert F "Bob"	\$15,000.00	\$15,000.00	\$0.00	-
Lopez	Marc	\$41,200.00	\$41,200.00	\$0.00	(27,149.99)
Lowder	David	\$100.00	\$100.00	\$0.00	-
Mata	David	\$679.00	\$679.00	\$0.00	-
McDermott	Michael	\$750,000.00	\$750,000.00	\$0.00	-
Meaglia	Thomas	\$41,674.88	\$41,674.88	\$0.00	-
Milkie Ferguson		\$25,000.00	\$25,000.00	\$0.00	-
Nates Investments	Stiles, Brook	\$11,000.00	\$0.00	\$11,000.00	-
Ng	Clement	\$20,000.00	\$20,000.00	\$0.00	-
Nick	Paul J	\$10,000.00	\$10,000.00	\$0.00	-
Oliver	Gary	\$15,000.00	\$15,000.00	\$0.00	-
Orr, et al	J.C.	\$17,500.00	\$17,500.00	\$0.00	-
Pinkerton Agency, Inc.		\$2,700.00	\$0.00	\$2,700.00	-
Pope	Ronnie M	\$3,190.00	\$3,190.00	\$0.00	-
Razor Financial, & Ikey	James & Bridey	\$142,620.00	\$142,620.00	\$0.00	(\$53,465.00)
Schwartz	Jeffrey P	\$5,000.00	\$5,000.00	\$0.00	-
Skijus	Stephen	\$17,200.00	\$17,200.00	\$0.00	-
Smith	Mark J	\$6,600.00	\$6,600.00	\$0.00	-
Thornburn	Reid	\$30,000.00	\$30,000.00	\$0.00	-
Tice	William (Justin)	\$5,950.00	\$5,950.00	\$0.00	-
Tow	Justice C.	\$6,184.36	\$3,684.36	\$2,500.00	-
Weston	TC	\$6,200.00	\$6,200.00	\$0.00	-
Woods	Michael	\$20,000.00	\$20,000.00	\$0.00	-
<b>Total</b>		<b>\$2,183,887.13</b>	<b>\$2,090,016.00</b>	<b>\$93,871.13</b>	<b>(286,487.90)</b>

**Exhibit C**  
**Judgment Debtors**

<u>Judgment Debtor(s)*</u>	<u>Damages</u>	<u>Pre Judgment Interest</u>	<u>Attorney Fees</u>	<u>Total</u>
Ahlers, Michael	153,169.58	19,135.71	57,438.59	229,743.88
Alternative Solutions Insurance Services; & Greg Chick	33,818.50	3,678.34	12,681.94	50,178.78
Berkey, Douglas	25,666.94	1,378.28	9,625.10	36,670.32
Brasmer, Richard	11,739.25	630.38	4,402.22	16,771.85
Brost, Paul	23,925.00	2,018.88	8,971.88	34,915.76
Campbell, Malcolm	4,000.00	270.68	1,500.00	5,770.68
Capital Financial Group	16,048.34	861.77	6,018.13	22,928.24
Carr, Ryan J.	14,977.50	804.27	5,616.56	21,398.33
Chick, Greg	4,997.00	543.51	1,873.88	7,414.38
Cruz, Victor Maria	54,069.43	2,903.45	20,276.04	77,248.92
Dolph, David	98,734.34	8,331.56	37,025.38	144,091.28
Estate Protection Planning Services Corp.	116,930.56	14,608.31	43,848.06	175,387.83
Estate Protection Planning Services Corp., & Salvatore Magaraci	271,658.55	33,938.71	101,871.16	407,469.22
Evans, Richard	24,757.43	2,699.58	9,281.04	36,741.04
Evans, William	57,666.57	8,057.52	21,624.96	87,349.05
Fendz Asset Management	15,000.00	805.48	5,625.00	21,430.48
First Capital Advisers	30,500.00	1,637.81	11,437.50	43,575.31
First Covenant Financial Planners, LLC	114,515.00	9,663.18	42,943.12	167,121.30
Fish, John	64,900.00	5,475.49	24,337.50	94,713.99
Franco, Kenneth	27,800.00	3,010.54	10,425.00	41,235.54
Franklin, Joel	61,750.00	2,210.68	23,156.25	90,116.93
Friske, Pam Joy	28,000.00	1,503.56	10,500.00	40,003.56
Glazier, Dan	12,690.00	681.44	4,758.75	18,130.19
Gottuso, Carl V.	40,292.75	2,163.67	15,109.78	57,566.20
Gowens, Arvin	43,599.01	2,950.45	16,349.94	62,900.23
Harvest Planning, & Anthony D'Agostino,	26,779.15	2,515.57	10,038.43	39,323.15
Heuermann, Anthony	15,000.00	805.48	5,625.00	21,430.48
Hodge, John	17,410.00	670.16	4,680.00	17,830.16
Horn, Stephen W.	27,091.30	1,239.97	8,659.24	32,990.51
IAM Financial Services, Inc.	29,250.00	2,468.22	10,968.75	42,686.97
Kleppe, Joanne	7,126.50	482.26	2,672.44	10,281.20
Kleppe, Robert	6,943.47	469.87	6,943.47	14,356.81
Laskowski, Emil	32,491.01	1,744.72	12,184.13	46,419.86
Lenahan, Gary	77,715.64	9,709.13	29,143.37	116,568.14
Lepere, Martha A.	22,334.08	1,199.31	8,375.28	31,908.67
Levin, Dan	340,000.00	47,506.85	127,500.00	515,006.85
Life Assurance LLC	17,504.78	939.98	6,564.29	25,009.05
Lopez, Eric	19,516.98	1,048.04	7,318.87	27,883.89
Lowder, Larry	27,600.00	1,482.08	10,350.00	39,432.08
Martin, Brena Kay	5,125.00	275.21	1,921.88	7,322.09
Martin, Justin	56,689.62	3,044.15	21,258.61	80,992.38
McIntyre, Stephen G.	13,658.08	733.42	5,121.78	19,513.28
Mejia, Jeff	24,500.00	2,309.04	9,187.50	35,996.54
Milks & Milks, & Benjamin Milks	41,403.32	3,890.78	15,526.25	60,820.34
Morrow, Michael D.	40,000.00	2,147.95	15,000.00	57,147.95
Niche Investments	223,528.00	27,925.69	83,823.00	335,276.69
Partenheimer, Hal	20,102.39	1,079.47	7,538.40	28,720.26
PC&S, LLC	14,077.31	1,758.70	5,278.99	21,115.00
PC&S, LLC; Damien Pacheco; & Shawn Cornett	118,802.65	14,842.19	44,550.99	178,195.84
Petry, Marie	11,931.49	640.70	4,474.31	17,046.50
Petticolas, Kenneth P.	50,151.75	2,693.08	18,806.91	71,651.74
Real Talk Network	29,762.39	1,598.20	11,160.89	42,521.48
Rice, David	5,600.00	782.47	2,100.00	8,482.47
Schroeder, Scott	382,662.11	53,467.86	143,498.29	579,628.26
Senior Retirement Planners; & James Poe	485,564.13	67,845.95	182,086.55	735,496.63
Senior Trust Estate Planning Services	165,735.43	23,157.55	62,150.79	251,043.77
Stonehurst Securities, Inc.	42,370.00	2,275.21	15,888.75	60,533.96
Strizak, James	24,940.00	2,719.48	9,352.50	37,011.98
Sylvester, Michael William	35,300.00	1,895.56	13,237.50	50,433.06
Tompson, Ron	36,257.78	1,946.99	13,596.67	51,801.44
Tommy Ventures, LLC/Eric Smith	10,614.50	569.98	3,980.44	15,164.92
Tullos, Timothy E.	17,500.00	939.73	6,562.50	25,002.23
Vance, Harry J.	11,300.00	606.79	4,237.50	16,144.29
Wealth Integrated Network, LLC	24,256.57	1,302.54	9,096.21	34,655.32
Wissner, Don Forrest	52,249.00	5,854.75	19,593.38	77,697.13
Young, Gloria Jane	33,000.00	1,772.05	12,375.00	47,147.05
<b>Total</b>	<b>3,986,111.01</b>	<b>433,342.22</b>	<b>1,499,131.32</b>	<b>5,918,584.55</b>
* If multiple debtors listed, liability is joint & several.				