



to issue a Temporary Restraining Order and, thereafter, Temporary and Permanent Injunctions against Defendants Retirement Value, LLC, Richard H. “Dick” Gray, and Bruce Collins (“Collins”). In addition, the State requested that the Court appoint Eduardo S. Espinosa as receiver for Retirement Value, LLC.

The Court issued the Agreed Temporary Injunction Order against Defendants Retirement Value and Richard H. “Dick” Gray and the Relief Defendant and Order Appointing Receiver (the “Agreed TI”) on May 28, 2010. In the Agreed TI, the Court continued the appointment of Mr. Espinosa as receiver for Defendant Retirement Value. As receiver, Mr. Espinosa is charged with, among other things, collecting and preserving the assets of Retirement Value for the ultimate purpose of effecting fair restitution, if necessary and/or possible, to the victims of the alleged fraud committed by Retirement Value.

Pursuant to the Agreed TI, the Receiver is to submit to the Court and the parties of record a request for payment of expenses related to professionals. If no objection is filed with the Court within 10 days of filing, then the Receiver can pay the expenses without further order of the Court. Agreed TI at 15.

#### **RETENTION OF PROFESSIONALS**

In addition to his counsel at Dykema Cox Smith, the Receiver has retained the following professionals to assist in the management of the estate for which he seeks authority to pay:

- The Asset Servicing Group to (i) act as portfolio managers; (ii) advise the Receiver as to the policies’ value and viability; and (iii) provide industry and asset management expertise.
- BKD, LLP to act as accountants; maintain and analyze the books and records of Retirement Value and of the Receiver; provide tax advice and return preparation services; and advise regarding accounting standards, practices and procedures.

The assistance of these professionals is necessary to the effective management of the receivership estate and to maximize the recovery available for the investor victims.

## **I. Asset Servicing Group**

The Receiver has retained the Asset Servicing Group (“ASG”) to act as portfolio manager for the 50 (originally 54) policies of life insurance owned by Retirement Value. ASG’s fees represent ASG’s monthly servicing fee as well as fees and expenses related to optimization of premiums, and the collection of the insureds’ updated health information. In addition, ASG provided expert and consulting services in connection with the due diligence efforts associated with evaluating alternative plans of distribution. ASG also assisted with processing the most recent death benefit request. ASG’s fees for services rendered between December 2014 and April 2015 are \$20,221.93. Copies of ASG’s Invoice numbers #1516, #1567, #1596, #1615, and #1640 in the amounts of \$3,932.50, \$3,978.50, \$3,932.50, \$3,932.50, and \$4,445.93, respectively, are attached as Exhibit A.

The services that ASG provides include Policy Administration (payment of premiums, correspondence with insurers), Death Tracking, Claims Processing, Verification of Policies, Premium Optimization and Policy Valuation. These services are essential to the proper maintenance and management of the portfolio.

## **II. BKD, LLP**

The Receiver has retained BKD, LLP to provide accounting services for the estate. BKD maintains the receivership’s books, and restated Retirement Value’s books to more accurately reflect the company’s true financial condition. This required, among other things, consolidating the financial records maintained by Kiesling Porter Kiesling and Free on behalf of Retirement Value with those maintained directly by Retirement Value. The Receiver has also entered into a separate agreement with BKD to provide the estate with tax services. BKD’s hourly rates for tax services range from \$130/hour for staff to \$365/hour for partner time. In this instance BKD has

agreed to (i) cap its partners' billing rate @ \$325/hour; and (ii) set a target-blended rate of \$225. BKD's fees for services rendered from November 2014 through March 2015 are \$7,612.00. Copies of BKD's Invoice numbers #00415677 and #00464348 in the amount of \$4,572.00, and \$3,080.00, respectively are attached as Exhibit B.

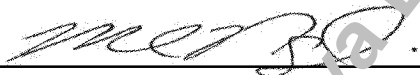
In addition, the Receiver has engaged BKD to provide litigation support and expert testimony regarding accounting standards, practices and procedures. No fees for these services are submitted herewith.

#### ARGUMENT

The Receiver has broad authority to hire consultants and experts to assist him in the fulfillment of his duties. Pursuant to the Agreed TI, the Receiver is authorized to "hire employees, contractors, consultants ... or other assistants under terms to be determined by the Receiver, whose services, in the sole discretion of the Receiver, are necessary for the efficient and accurate administration of the receivership estate." Agreed TI at 14, ¶ 8. The services provided by ASG and BKD are required for the administration of the estate and can be performed by these providers more efficiently and at lower cost than the Receiver or his counsel can perform them. The fees charged by each vendor are reasonable and necessary.

ACCORDINGLY the Receiver respectfully requests that this Court approve the proposed payments requested herein.

Respectfully submitted,

By:   
Michael D. Napoli  
State Bar No. 14803400

COX SMITH MATTHEWS INCORPORATED  
1201 Elm Street, Suite 1300  
Dallas, Texas 75276  
(214) 698-7837  
(214) 698-7899 (Fax)  
mnapoli@coxsmith.com

Mary Schardel 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 RECEIVER OF  
RETIREMENT VALUE, LLC

**CERTIFICATE OF SERVICE**

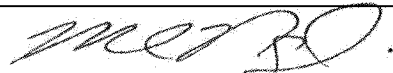
I hereby certify that a true and correct copy of the foregoing document has been forwarded to all counsel of record herein by:

- U.S. Mail, First Class
- Certified Mail (return receipt requested)
- Facsimile
- Federal Express Delivery
- Hand Delivery
- Electronic Service

on this the 28<sup>th</sup> day of May, 2015.

<p>Jack Hohengarten 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> <b>Counsel for the State of Texas</b></p>	<p>Michael Napoli Eduardo Espinosa DYKEMA COX SMITH 1201 Elm Street, Suite 3300 Dallas, Texas 75270 (214) 698-7800 (214) 698-7899 fax <a href="mailto:mnapoli@dykema.com">mnapoli@dykema.com</a> <a href="mailto:eespinosa@dykema.com">eespinosa@dykema.com</a></p> <p>Mary Schaerdel Dietz DYKEMA COX SMITH 111 Congress Avenue, Suite 2800 Austin, Texas 78701 (512) 703-6300 (512) 703-6399 fax <a href="mailto:mdietz@dykema.com">mdietz@dykema.com</a> <b>Counsel for RV Receiver</b></p>
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<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>  <b>Counsel for the Cain Intervenors</b></p>	<p>Alberto T. Garcia III  Garcia &amp; Martinez, llp  5211 W. Mile 17 1/2 Road  Edinburg, Texas 78541  (956) 380-3700  (956) 380-3703 fax  <a href="mailto:albert@garntzlaw.com">albert@garntzlaw.com</a>  <a href="mailto:yoli@garntzlaw.com">yoli@garntzlaw.com</a>  <b>Counsel for the Harrison Intervenors</b></p>
<p>Bogdan Rentea  Rentea &amp; Associates  1002 Rio Grande Street  Austin, Texas 78701  (512) 472-6291  (512) 472-6278  <a href="mailto:brentea@rentealaw.com">brentea@rentealaw.com</a>  <b>Counsel for Wendy Rogers</b></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>  <b>Counsel for HCF Investor Intervenors</b></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>  <b>Counsel for the Marlow Intervenors</b></p>	<p>Carl Galant  Nicholas P. Laurent  McGinnis Lochridge &amp; 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>  <b>Counsel for Third Party Defendants Ron James, Don James, and James Settlement Services</b></p>



Michael D. Napoli

**EXHIBIT "A"**

Unofficial copy Travis Co. District Clerk Velva L. Price





# SERVICE INVOICE

521 West Wilshire  
 Suite 200  
 Oklahoma City, OK 73116  
 Voice: (405) 753-9100  
 Fax: (405) 753-9397

Invoice Number: 1516  
 Invoice Date: Dec 10, 2014  
 Page: 1

Bill To:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Ship to:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Customer ID	Customer PO	Payment Terms
Retirement Value		Net 15 Days
Contact		Due Date
		12/25/14

Quantity	Description	Unit Price	Amount
50.00	ASG Policy Management Fee- November 2014 * Fees reflect CPI adjustments per contract	78.65	3,932.50

Subtotal	3,932.50
Sales Tax	
Total Invoice Amount	3,932.50
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,932.50</b>

Thank you for your business!

Unofficial copy Travis Co. District Clerk Vela Price



# SERVICE INVOICE

521 West Wilshire  
 Suite 200  
 Oklahoma City, OK 73116  
 Voice: (405) 753-9100  
 Fax: (405) 753-9397

Invoice Number: 1567  
 Invoice Date: Feb 10, 2015  
 Page: 1

Bill To:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Ship to:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Customer ID	Customer PO	Payment Terms
Retirement Value		Net 15 Days
Contact		Due Date
		2/25/15

Quantity	Description	Unit Price	Amount
50.00	ASG Policy Management Fee- January 2015	78.65	3,932.50
	Reimbursement of Postmaster Expense- See Jobs Report		46.00

Subtotal	3,978.50
Sales Tax	
Total Invoice Amount	3,978.50
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,978.50</b>

Thank you for your business!

Unofficial copy Travis Co. District Clerk Veral Price



521 West Wilshire  
 Suite 200  
 Oklahoma City, OK 73116  
 Voice: (405) 753-9100  
 Fax: (405) 753-9397

# SERVICE INVOICE

Invoice Number: 1596  
 Invoice Date: Mar 16, 2015  
 Page: 1

Bill To:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Ship to:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Customer ID	Customer PO	Payment Terms
Retirement Value		Net 15 Days
Contact		Due Date
		3/31/15

Quantity	Description	Unit Price	Amount
50.00	ASG Policy Management Fee- February 2015	78.65	3,932.50

Subtotal	3,932.50
Sales Tax	
Total Invoice Amount	3,932.50
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,932.50</b>

Thank you for your business!

Unofficial copy Travis Co. District Clerk Veyal Price



521 West Wilshire  
 Suite 200  
 Oklahoma City, OK 73116  
 Voice: (405) 753-9100  
 Fax: (405) 753-9397

# SERVICE INVOICE

Invoice Number: 1615  
 Invoice Date: Apr 20, 2015  
 Page: 1

Bill To:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Ship to:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Customer ID	Customer PO	Payment Terms
Retirement Value		Net 15 Days
Contact		Due Date
		5/5/15

Quantity	Description	Unit Price	Amount
50.00	ASG Policy Management Fee- March 2015	78.65	3,932.50

Subtotal	3,932.50
Sales Tax	
Total Invoice Amount	3,932.50
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,932.50</b>

Thank you for your business!

Unofficial copy Travis Co. District Clerk Vela Price



asset servicing group

521 West Wilshire  
 Suite 200  
 Oklahoma City, OK 73116  
 Voice: (405) 753-9100  
 Fax: (405) 753-9397

# SERVICE INVOICE

Invoice Number: 1640  
 Invoice Date: May 14, 2015  
 Page: 1

Bill To:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Ship to:
Retirement Value LLC ATTN: Eduardo S. Espinosa 1201 Elm Street, Suite 3300 Dallas, TX 75270

Customer ID	Customer PO	Payment Terms
Retirement Value		Net 15 Days
Contact		Due Date
		5/29/15

Quantity	Description	Unit Price	Amount
49.00	ASG Policy Management Fee- April 2015	78.65	3,853.85
	Reimbursement UPS Charges		41.55
	Death Benefit Processing Fee JSSRV007		550.53

Subtotal	4,445.93
Sales Tax	
Total Invoice Amount	4,445.93
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 4,445.93</b>

Thank you for your business!

Unofficial copy Travis Co. District Clerk Verbal Price

**EXHIBIT “B”**

Unofficial copy Travis Co. District Clerk Velva L. Price



Two Warren Place  
6120 S. Yale Avenue, Suite 1400  
Tulsa, OK 74136-4223  
918.584.2900 Fax: 918.584.2931

BKD Tax ID#: 44-0160260

INVOICE

Retirement Value LLC, Receiver  
1201 Elm Street, Suite 3300  
Dallas TX 75270

AMOUNT ENCLOSED
\$

Date: 02/25/15

Page: 1

Client#: 0065995 - Invoice#: BK00415677

Please return top portion with payment

Client#: 0065995 - Invoice#: BK00415677

Billing in connection with: Accounting service for November and December 2014 which includes monthly accounting payable and cash receipts, reconcile bank accounts and AJEs to reconcile the balance sheet accounts. This also includes changing investor addresses, updating investor accounts, researching and reprinting investor distribution checks, preparing Form 1099s for year end. 4,572.00

30.10 hours @\$120/hr (agreed upon amount)

Invoice Total	<u><u>\$ 4,572.00</u></u>
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Invoices are due upon receipt unless detailed in engagement letter.

**Thank you for your business!**



Two Warren Place  
6120 S. Yale Avenue, Suite 1400  
Tulsa, OK 74136-4223  
918.584.2900 Fax: 918.584.2931

BKD Tax ID#: 44-0160260

INVOICE

Retirement Value LLC, Receiver  
1201 Elm Street, Suite 3300  
Dallas TX 75270

AMOUNT ENCLOSED
\$

Date: 05/19/15

Page: 1

Client#: 0065995 - Invoice#: BK00464348

Please return top portion with payment

Client#: 0065995 - Invoice#: BK00464348

Professional services provided in connection with the preparation of the federal income tax return and Texas franchise return. 1,850.00

Professional Services provided in connection with: Accounting service for 1st quarter 2015 which includes monthly accounts payable and cash receipts, reconcile bank accounts and AJEs to reconcile the balance sheet accounts. This also includes changing investor addresses, updating investor accounts, researching and reprinting investor distribution checks. 1,230.00

10.25 @ \$120 (agreed upon amount)

Invoice Total \$ 3,080.00

Invoices are due upon receipt unless detailed in engagement letter.

**Thank you for your business!**