

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

STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
RETIREMENT VALUE, LLC, et al,	§	
	§	
Defendants.	§	126 th JUDICIAL DISTRICT

**RECEIVER'S TWENTY-FIRST MOTION FOR
APPROVAL OF PAYMENT OF PROFESSIONALS**

Eduardo S. Espinosa, court-appointed receiver for Retirement Value, LLC, moves this Court for approval of his planned payment of fees for various professionals other than himself and his counsel.

BACKGROUND

In its order appointing the Receiver (the Agreed TI), the Court authorized the Receiver to retain professionals to assist him in fulfilling his duties to the Court. In addition to his counsel at Dykema Cox Smith, the Receiver has retained the following professionals to assist in the management of the estate:

- The Asset Servicing Group (ASG) 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 advice regarding accounting standards, practices and procedures.
- Lewis & Ellis, Inc. (L&E) to act as actuarial consultants and provide actuarial analyses of the estate's policies.

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.

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.

APPLICATION FOR PAYMENT

By this application, the Receiver seeks authority to pay ASG, BKD and L&E for services rendered between November 2015 and March 2016.

I. Asset Servicing Group

The Receiver retained ASG to act as portfolio manager for the estate's 47 (originally 54) policies of life insurance. 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's fee for services rendered between November 2015 and March 2016 is \$18,828.70. Copies of ASG's invoices numbers 1790, 1829, 1847, 1885 and 1915 in the amounts of \$3,746.55, \$3,952.54, \$3,702.66, \$3,724.29 and \$3,702.66, 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 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 requires reconciliation of multiple accounts (policy account, balance sheet account, accounts receivable account and customer and vendor accounts) and payment of monthly accounts payable. 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. In addition to fulfilling the estate's bookkeeping function (administering accounts payable, accounts receivable and bank reconciliations), prepared the cash use and source report, and maintains and updates investor contact information. BKD's fee for services rendered from October 2015 through March 2016 is \$8,896.00. A copy of BKD's invoice number BK00579614 is attached as **Exhibit B**.

III. Lewis & Ellis, Inc.

The Receiver has retained L&E to act as actuarial consultants. Among other things, L&E provides actuarial analyses of the anticipated cash flows related to the portfolio of life insurance policies held by the Receiver. L&E performed several stochastic analyses of the portfolio in order to determine whether a distribution could be made and, if so, in what amount. L&E's fee for services rendered between October 2015 and March 2016 is \$10,000.00. A copy of L&E's invoice number 14812 is attached as **Exhibit C**.

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, BKD and L&E 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: /s/ Michael D. Napoli

Michael D. Napoli
State Bar No. 14803400

DYKEMA COX SMITH
1717 Main Street, Suite 4200
Dallas, Texas 75201
(214) 698-7837
(214) 462-6401 (fax)
MNapoli@dykema.com

**Counsel for Eduardo S. Espinosa,
Receiver**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been forwarded to all counsel of record listed below, through the electronic filing manager if that counsel's e-mail address is on file or via e-mail, if not, on this 20th day of April, 2016.

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(972) 782-4540 fax
mghammondlaw@gmail.com
COUNSEL FOR THE MARLOW INTERVENORS

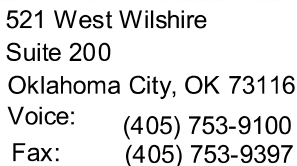
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(512) 495-6093 fax
cgalant@mcginnislaw.com
nlaurent@mcginnislaw.com
**COUNSEL FOR THIRD PARTY DEFENDANTS RON
JAMES, DON JAMES, AND JAMES SETTLEMENT
SERVICES**

_____/s/ Michael D. Napoli
Michael D. Napoli

Exhibit A



Invoice Number: 1790
Invoice Date: Dec 14, 2015
Page: 1

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

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

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

Quantity	Description	Unit Price	Amount
47.00	ASG Policy Management Fee- November 2015	78.65	3,696.55
	Life Expectancy Cancellation Fee - RC-241		50.00

Subtotal	3,746.55
Sales Tax	
Total Invoice Amount	3,746.55
Payment/Credit Applied	
TOTAL	\$ 3,746.55



Voice: (405) 753-9100
Fax: (405) 753-9397

SERVICE INVOICE

Invoice Number: 1829
Invoice Date: Jan 12, 2016
Page: 1

Bill To:

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

Ship to:

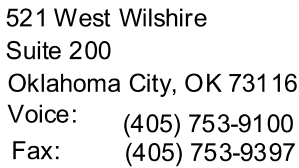
Retirement Value LLC
ATTN: Eduardo S. Espinosa
1201 Elm Street, Suite 3300
Dallas, TX 75270

Customer ID	Customer PO	Payment Terms	
Retirement Value		Net 15 Days	
Contact			Due Date
			1/27/16

Quantity	Description	Unit Price	Amount
47.00	ASG Policy Management Fee- December 2015	78.65	3,696.55
	UPS/Postage Expense		34.31
	Premium Checks Expense		221.68

Thank you for your business!

Subtotal	3,952.54
Sales Tax	
Total Invoice Amount	3,952.54
Payment/Credit Applied	
TOTAL	\$ 3,952.54



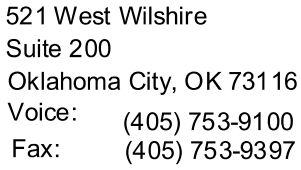
Invoice Number: 1847
Invoice Date: Feb 10, 2016
Page: 1

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

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

Quantity	Description	Unit Price	Amount
47.00	ASG Policy Management Fee- January 2016 (Includes CPI Increase per Contract)	78.78	3,702.66

Subtotal	3,702.66
Sales Tax	
Total Invoice Amount	3,702.66
Payment/Credit Applied	
TOTAL	\$ 3,702.66



Invoice Number: 1885
Invoice Date: Mar 15, 2016
Page: 1

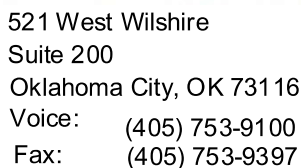
521 West Wilshire
Suite 200
Oklahoma City, OK 73116
Voice: (405) 753-9100
Fax: (405) 753-9397

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

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

Quantity	Description	Unit Price	Amount
47.00	ASG Policy Management Fee- February 2016	78.78	3,702.66
	UPS/Postage Reimbursement		21.63

Subtotal	3,724.29
Sales Tax	
Total Invoice Amount	3,724.29
Payment/Credit Applied	
TOTAL	\$ 3,724.29



Invoice Number: 1915
Invoice Date: Apr 13, 2016
Page: 1

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

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

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

Quantity	Description	Unit Price	Amount
47.00	ASG Policy Management Fee- March 2016	78.78	3,702.66

Subtotal	3,702.66
Sales Tax	
Total Invoice Amount	3,702.66
Payment/Credit Applied	
TOTAL	\$ 3,702.66

Exhibit B



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: 04/19/16

Page: 1

Client#: 0065995 - Invoice#: BK00579614

Please return top portion with payment

Client#: 0065995 - Invoice#: BK00579614

Professional Services provided in connection with the preparation of the 2015 income tax return and Texas Franchise return. 2,500.00

Professional services provided in connection with: Accounting service for 4th quarter 2015 and 1st quarter 2016, which includes monthly accounts payable and cash receipts, reconcile bank accounts and AJEs to reconcile the balance sheet accounts, preparation of the 2016 distribution checks. This also includes changing investor addresses, updating investor accounts, researching and reprinting investor distribution checks. 6,396.00

53.3 hrs @ \$120 (agreed upon amount)

Invoice Total

\$ 8,896.00

Invoices are due upon receipt unless detailed in engagement letter.

Thank you for your business!

BKD, LLP • Two Warren Place • 6120 S. Yale Avenue, Suite 1400 • Tulsa, OK 74136-4223

Phone 918.584.2900 • Fax 918.584.2931

Exhibit C



Lewis & Ellis, Inc.

Actuaries & Consultants

700 Central Expressway South, Suite 550 • Allen, Texas 75013-8098 • 972-850-0850 • Fax 972-850-0851

Cox Smith
Eddy Espinosa
1201 Elm Street, Suite 3300
Dallas, TX 75270

Invoice #14812
Acct #3031

02/10/16

Actuarial Services for January, 2016:

Retirement Value Stochastic/Valuation Work - 2015 (AVS + ISC)	\$10,000.00
Sub-total	\$10,000.00

Current Amount Due	<u>\$10,000.00</u>
TOTAL AMOUNT DUE	<u>\$10,000.00</u>

Due immediately upon receipt