Quarterly Report for the Combined Estate of
RETIREMENT VALUE, LLC & HILL COUNTRY FUNDING LLC
Quarter Ending September 30, 2016 (2Q 2016)

This report summarizes the Estate's financial position as of **September 30, 2016**.

The Estate began the quarter with about $11.1 million in cash, policies worth about $12.7 million and litigation recoveries on which the Receiver is still collecting. During the quarter, the estate's largest expenses was $1,281,922 in portfolio premiums; and its largest collection was $45,006 from outstanding settlements and judgments. During the quarter, Lewis & Ellis, the estate's actuaries updated their December 31, 2014 valuation. The Estate ended the quarter with $9.8 million in cash, policies worth $18.3 million and the uncollected litigation recoveries. The Estate's sources and uses of cash since the receivership's inception and for the quarter are summarized below.

Cash

			5/5/10 thru 9/30/2016	7/1/16 thru 9/30/2016
Beginning Balance			**23,150,192.47**	**11,061,261.27**
	Plus			
		Death Benefits	26,661,496.52	0.00
		Asset Sale/ Recovery	3,145,981.72	45,006.18
		Litigation	9,850,983.82	
		Interest Rec'd	382,173.42	23,588.81
		Interest accrued		
	Sub total		*40,040,635.48*	*68,594.99*
	Less			
		Premiums Paid	(27,999,652.57)	(1,281,922.26)
		RV Mortgage (P&I)	(45,487.56)	0.00
		Taxes	(3,093,989.28)	0.00
		Fees and Expenses	(10,388,755.80)	(27,572.34)
		3rd Party Disb.	(950,928.89)	0.00
		Distributions	(10,891,652.19)	0.00
	Sub total		*(53,370,466.29)*	*(1,309,494.60)*
Ending Balance			**9,820,361.66**	**9,820,361.66**

As of the end of this quarter, the Estate held 47 policies on 40 individuals with an aggregate face value of $115.1 million. Through September of 2016, the Estate has had 7 maturities; two of which were on policies insuring the same individual. ***There were no maturities in this quarter.*** The portfolio's actual mortality performance through September 30, 2016 is shown below:

Insurance Portfolio Profile

	# of Policies	# of Lives	Face Value
As of May 5, 2010	54	46	$141,585,000
Maturities (prior periods)	7	6	26,500,000
Maturities (this Quarter)	0	0	0
As of June 30, 2016	**47**	**40**	**$115,085,000**

The Receiver last updated the valuation of the policies as of September 30, 2016. The estimated fair market value is based on the net present value of the future stream of cash flows (i.e. the payment of projected premiums, collections of death benefits, etc.) discounted to the valuation date. As of September 30, 2016, the remaining policies' estimated fair market value was $18.3 million.

Total approved investor claims against the Estate are $80.4 million; of which $11 million have been paid and $69.4 million remain outstanding. The Plan of Distribution anticipates net distributable cash flow from the portfolio of between $0.80 to $1.20 per dollar invested, with an expected distribution of $1.00 per dollar invested over the next 20 or so years. Through June 30, 2016, investors have recovered about 13.7% of their investment.

The most readily apparent proxy for the claims' current value is their estimated participation in an immediate liquidation of the Estate's assets. The table below reflects the potential recovery from liquidation per dollar of claim: (i) as to the investors' total claim, taking into account the $11 million in prior distributions; and (ii) as to remaining assets and remaining claim balances.

Liquidation Analysis (as of June 30, 2016)

	Total Investor Claims	Outstanding Investor Claims
Assets		
Policies	$18,372,354.41	$18,372,354.41
Claims Pending Collection	-	-
Cash On Hand	9,820,361.66	9,820,361.66
Prior Distributions	10,985,790.94	-
Est Liquidation Value	39,178,507.01	28,192,716.07
Claims	80,361,992.34	69,376,201.40
Liquidation Recovery	$0.49	$0.41

The Estate anticipates paying over $68 million in premiums. With only $9.8 million on hand, the Estate must use the death benefits from earlier maturities to pay future premiums. This means that the Estate's receipt of cash does not automatically translate into a distribution to the claimants. The Estate can only make cash distributions when its premium reserves are sufficient to ensure that the Estate retains its ability to make premium payments even if the portfolio does not perform as expected.