

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 <sup>th</sup> JUDICIAL DISTRICT

**RECEIVER’S TWENTY-THIRD 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 for services rendered from December 11, 2016 through July 9, 2017 (“ASG Application Period”), and for BKD for services rendered between January 2017 through March 2017 (“BKD Application Period”).

#### **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 during ASG Application Period is \$27,041.28. Copies of ASG’s invoices numbers 2115, 2165, 2183, 2220, 2246, 2275, and 2297, in the amounts of

\$4,258.71, \$4,366.47, \$3,683.22, \$3,683.22, \$3,683.22, \$3,683.22, and \$3,683.22, 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 at \$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 during BKD Application Period is \$3,568.50. A copy of BKD's invoice number BKD00761577 is attached as **Exhibit B**.

## 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: /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 12<sup>th</sup> day of July, 2017.

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  
[jack.hohengarten@texasattorneygeneral.gov](mailto:jack.hohengarten@texasattorneygeneral.gov)  
**COUNSEL FOR THE STATE OF TEXAS**

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John R. McConnell  
GEORGE BROTHERS KINCAID & HORTON, LLP  
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Austin, Texas 78701-3015  
(512) 495-1400  
(512) 499-0094 fax  
[jthomas@gbkh.com](mailto:jthomas@gbkh.com)  
[jmccconnell@gbkh.com](mailto:jmccconnell@gbkh.com)  
**COUNSEL FOR RV RECEIVERS**

Isabelle M. Antongiorgi  
TAYLOR DUNHAM, LLP  
301 Congress Avenue, Suite 1050  
Austin, Texas 78701  
(512) 473-2257  
(512) 478-4409 fax  
[iantongiorgi@taylordunham.com](mailto:iantongiorgi@taylordunham.com)  
**COUNSEL FOR HCF RECEIVER**



# **EXHIBIT “A”**



# SERVICE INVOICE

Invoice Number: 2115  
 Invoice Date: Dec 13, 2016  
 Page: 1

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

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
		12/28/16

Quantity	Description	Unit Price	Amount
46.00	ASG Policy Management Fee- January 2017 (Includes CPI Increase per terms of Contract)	80.07	3,683.22
1.00	Death Benefit Processing Fee RV041	560.49	560.49
	Death Certificate Expense		15.00

Subtotal	4,258.71
Sales Tax	
Total Invoice Amount	4,258.71
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 4,258.71</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 2165  
 Invoice Date: Feb 16, 2017  
 Page: 1

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

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
		3/3/17

Quantity	Description	Unit Price	Amount
46.00	ASG Policy Management Fee- January - Includes CPI Increase Per Contract	80.07	3,683.22
1.00	Death Benefit Processing Fee RV041	560.49	560.49
	UPS Charges		122.76

Subtotal	4,366.47
Sales Tax	
Total Invoice Amount	4,366.47
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 4,366.47</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 2183  
 Invoice Date: Mar 10, 2017  
 Page: 1

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

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
		3/25/17

Quantity	Description	Unit Price	Amount
46.00	ASG Policy Management Fee- March	80.07	3,683.22

Subtotal	3,683.22
Sales Tax	
Total Invoice Amount	3,683.22
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,683.22</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 2220  
 Invoice Date: Apr 12, 2017  
 Page: 1

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

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
		4/27/17

Quantity	Description	Unit Price	Amount
46.00	ASG Policy Management Fee- April	80.07	3,683.22

Subtotal	3,683.22
Sales Tax	
Total Invoice Amount	3,683.22
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,683.22</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 2246  
 Invoice Date: May 12, 2017  
 Page: 1

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

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
		5/27/17

Quantity	Description	Unit Price	Amount
46.00	ASG Policy Management Fee- May	80.07	3,683.22

Subtotal	3,683.22
Sales Tax	
Total Invoice Amount	3,683.22
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,683.22</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 2275  
 Invoice Date: Jun 13, 2017  
 Page: 1

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

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
		6/28/17

Quantity	Description	Unit Price	Amount
46.00	ASG Policy Management Fee- June	80.07	3,683.22

Subtotal	3,683.22
Sales Tax	
Total Invoice Amount	3,683.22
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,683.22</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 2297  
 Invoice Date: Jul 10, 2017  
 Page: 1

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

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
		7/25/17

Quantity	Description	Unit Price	Amount
46.00	ASG Policy Management Fee- July	80.07	3,683.22

Subtotal	3,683.22
Sales Tax	
Total Invoice Amount	3,683.22
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,683.22</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 2297  
 Invoice Date: Jul 10, 2017  
 Page: 1

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

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
		7/25/17

Quantity	Description	Unit Price	Amount
46.00	ASG Policy Management Fee- July	80.07	3,683.22

Subtotal	3,683.22
Sales Tax	
Total Invoice Amount	3,683.22
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,683.22</b>

Thank you for your business!

# **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  
1717 Main Street Suite 4200  
Dallas TX 75201

**AMOUNT ENCLOSED**

\$

Date: 06/18/17

Page: 1

Client#: 0065995 - Invoice#: BK00761577

**Please return top portion with payment**

Client#: 0065995 - Invoice#: BK00761577

Professional services provided in connection with: Accounting service for 1st quarter 2017, 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. 3,568.50

27.45 hrs @ \$130 (agreed upon amount)

Invoice Total

\$ 3,568.50

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