

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-SEVENTH 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 Akerman LLP, 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; (iii) provide premium optimization; and (iv) 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: (i) ASG for services rendered between November 2019 and June 2020 (“ASG Application Period”); and (ii) BKD for services rendered for the Fourth Quarter of 2019 (“BKD Application Period”). There were no expenses incurred in connection with L&E's services since the last application.

#### **I. Asset Servicing Group**

The Receiver retained ASG to act as portfolio manager for the estate’s 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. During the Application Period, the Receiver renegotiated ASG's monthly fee and secured an 18% reduction commencing in 2019. ASG’s fee for services rendered during ASG Application Period is \$21,175.38.00. Copies of ASG’s invoices numbers, 2912, 2938, 2954, 2964, 3000, 3898, 3032, and 3053 in the amounts of \$2,528.01, \$2,479.00, \$2,998.36, \$3,153.90, \$2,512.93, \$2,722.97, and \$2,399.45, 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 accounting 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), BKD 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 \$2,745.00. Copies of BKD's invoices numbered BK01206197 are 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. No fees were incurred for L&E's services during this application period.

## **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

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**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 24<sup>th</sup> day of June, 2020.

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**COUNSEL FOR THIRD PARTY DEFENDANTS  
RON JAMES, DON JAMES, AND JAMES  
SETTLEMENT SERVICES**

*/s/ Michael D. Napoli*  
\_\_\_\_\_  
Michael D. Napoli

# **EXHIBIT A**



# SERVICE INVOICE

Invoice Number: 2912  
 Invoice Date: Nov 20, 2019  
 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 2001 Ross Ave, Suite 3600 Dallas, TX 75201

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
		12/5/19

Quantity	Description	Unit Price	Amount
37	ASG Policy Management Fee- November	67.00	2,479.00
	Postage/Shipping		49.01

Subtotal	2,528.01
Sales Tax	
Total Invoice Amount	2,528.01
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 2,528.01</b>

Thank you for your business!





# SERVICE INVOICE

Invoice Number: 2938  
 Invoice Date: Dec 12, 2019  
 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 2001 Ross Ave, Suite 3600 Dallas, TX 75201

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
		12/27/19

Quantity	Description	Unit Price	Amount
37	ASG Policy Management Fee- December	67.00	2,479.00

Subtotal	2,479.00
Sales Tax	
Total Invoice Amount	2,479.00
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 2,479.00</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 2954  
 Invoice Date: Jan 14, 2020  
 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 2001 Ross Ave, Suite 3600 Dallas, TX 75201

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
		1/29/20

Quantity	Description	Unit Price	Amount
36	ASG Policy Management Fee- January	67.00	2,412.00
1	Death Benefit Processing - RV004	586.36	586.36

Subtotal	2,998.36
Sales Tax	
Total Invoice Amount	2,998.36
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 2,998.36</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 2964  
 Invoice Date: Feb 10, 2020  
 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 2001 Ross Ave, Suite 3600 Dallas, TX 75201

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
		2/25/20

Quantity	Description	Unit Price	Amount
35	ASG Policy Management Fee- February	67.00	2,345.00
	Premium Checks		222.54
	Death Benefit Processing JSSRV011		586.36

Subtotal	3,153.90
Sales Tax	
Total Invoice Amount	3,153.90
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 3,153.90</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 3000  
 Invoice Date: Mar 17, 2020  
 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 2001 Ross Ave, Suite 3600 Dallas, TX 75201

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
		4/1/20

Quantity	Description	Unit Price	Amount
35	ASG Policy Management Fee- March	67.00	2,345.00
	Postage / Shipping		146.93
	Reimbursement of Death Certificate		21.00

Subtotal	2,512.93
Sales Tax	
Total Invoice Amount	2,512.93
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 2,512.93</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 3898  
 Invoice Date: Apr 1, 2020  
 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 2001 Ross Ave, Suite 3600 Dallas, TX 75201

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
		4/16/20

Quantity	Description	Unit Price	Amount
35	ASG Policy Management Fee- April	67.00	2,345.00
	Postage / Shipping		172.97
	Reimbursement of Death Certificate		30.00
	Long Term Stream RV006		175.00

Subtotal	2,722.97
Sales Tax	
Total Invoice Amount	2,722.97
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 2,722.97</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 3032  
 Invoice Date: May 12, 2020  
 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 2001 Ross Ave, Suite 3600 Dallas, TX 75201

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
		5/27/20

Quantity	Description	Unit Price	Amount
35	ASG Policy Management Fee- May	67.00	2,345.00
	Postage / Shipping		54.45

Subtotal	2,399.45
Sales Tax	
Total Invoice Amount	2,399.45
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 2,399.45</b>

Thank you for your business!



# SERVICE INVOICE

Invoice Number: 3053  
 Invoice Date: Jun 10, 2020  
 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 2001 Ross Ave, Suite 3600 Dallas, TX 75201

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
		6/25/20

Quantity	Description	Unit Price	Amount
35	ASG Policy Management Fee- June	67.00	2,345.00
	Postage / Shipping		35.76

Subtotal	2,380.76
Sales Tax	
Total Invoice Amount	2,380.76
Payment/Credit Applied	
<b>TOTAL</b>	<b>\$ 2,380.76</b>

Thank you for your business!

# **EXHIBIT B**



INVOICE

Retirement Value LLC, Receiver  
Attn Mr Eduardo Espinosa  
2001 Ross Avenue Ste 3600  
Dallas TX 75201

**AMOUNT ENCLOSED**

\$

Date: 04/29/20

Page: 1

Client#: 0065995 - Invoice#: BK01206197

**Please return top portion with payment**

Client#: 0065995 - Invoice#: BK01206197

Professional services provided in connection with: Accounting service for 4th quarter 2019, which included 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. 2,745.00

18.3 hrs @ \$150 (agreed upon amount)

Invoice Total

\$ 2,745.00

**Pay your invoices online. Go to [bkd.com/client-login](http://bkd.com/client-login) to access the Client Payment Portal. Email us at [ClientPaymentPortal@BKD.com](mailto:ClientPaymentPortal@BKD.com) with questions.**

Invoices are due upon receipt unless detailed in engagement letter.

***Thank you for your business!***