Quarterly Report for the Combined Estate of
RETIREMENT VALUE, LLC & HILL COUNTRY FUNDING LLC
Quarter Ending June 30, 2018 (2Q2018)

This report summarizes the Estate's financial position as of **June 30, 2018**.

The Estate began the quarter with about $7.7 million in cash, policies worth about $17.4 million and litigation recoveries on which the Receiver is still collecting. During the quarter, the estate's largest expense was $1,342,540 in portfolio premiums; and its largest collection was $5,000,000.00 in Death Benefits. The Estate ended the quarter with $11.4 million in cash, policies worth $16.5 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 3/31/2018	04/01/18 thru 6/30/2018
Beginning Balance		**23,150,192.47**	**7,742,899.57**
Plus			
	Death Benefits	32,661,496.52	5,000,000.00
	Asset Sale/ Recovery	3,223,973.08	
	Litigation	9,850,983.82	
	Interest Rec'd	480,025.79	27,389.82
Sub total		*46,216,479.21*	*5,072,889.82*
Less			
	Premiums Paid	(36,104,087.37)	(1,342,540.60)
	RV Mortgage (P&I)	(45,487.56)	0.00
	Taxes	(3,093,989.28)	(100.00)
	Fees and Expenses	(10,537,620.82)	(44,402.88)
	3rd Party Disb.	(950,928.89)	0.00
	Distributions	(10,891,655.19)	0.00
Sub total		*(61,623,772.11)*	*(1,387,043.48)*
Ending Balance		**7,742,899.57**	**11,428,745.91**

As of the end of this quarter, the Estate held 43 policies on 36 individuals with an aggregate face value of $102.1 million. Through June of 2018, the Estate has had 11 maturities; two of which were on policies insuring the same individual. ***There was one maturity in this quarter, in the amount of $2,000,000.*** The maturity was collected during the 3rd quarter. The portfolio's actual mortality performance through June 30, 2018 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)	10	9	37,500,000
Maturities (this Quarter)	1	1	2,000,000
As of March 31, 2018	**43**	**36**	**$102,085,000**

The Receiver last updated the valuation of the policies as of December 31, 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 March 31, 2018, the remaining policies' estimated fair market value was $16,512,532 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, 2018, 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, 2018)

	Total Investor Claims	Outstanding Investor Claims
Assets		
Policies	$16,512,532	16,512,532
Claims Pending Collection	2,000,000	2,000,000
Cash On Hand	11,428,746	11,428,746
Prior Distributions	10,985,790	-
Est Liquidation Value	40,927,067.47	29,941,277
Claims	80,361,992	69,470,337
Liquidation Recovery per $ Claimed	**$0.51**	**$0.43**

The Estate anticipates paying over $68 million in premiums. With only $11.4 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. This year's maturities have helped us to restore our premium reserves but we remain currently shy of having sufficient cash on hand to declare a distribution.