

NO. C-1-PB-14-001245

In Re: § **In the Probate Court No. 1**
§
§ **of**
§
TEL Offshore Trust § **Travis County, Texas**

**MOTION TO SEVER ORDER AND PROCEEDINGS CONCERNING
QUALIFIED SETTLEMENT FUND**

Glenn M. Karisch (“Ad Litem”), as attorney ad litem representing the interest of the unit holders of TEL Offshore Trust (the “Trust”) who were served by publication and did not answer or appear (“AAL Parties”), moves the Court to sever the order creating the qualified settlement fund and all further proceedings concerning that fund into a separate cause of action as follows:

Ad Litem, RNR Production Land and Cattle Company (“RNR”) and Albert and Joyce Speisman (the “Speismans”) have reached a settlement agreement with the current and one former trustee of the TEL Offshore Trust (“Individual Trustees”). Ad Litem has asked the Court to approve that settlement agreement. That settlement agreement provides for the Individual Trustees to pay \$2 million into a special fund that is to be established as a qualified settlement fund under the pertinent Internal Revenue Code regulations and related provisions. Ad Litem has asked the Court to enter an order establishing that qualified settlement fund. This motion is conditioned on the Court approving the settlement agreement and entering the order establishing the qualified settlement fund.

Assuming the Court enters an order establishing the qualified settlement fund, Ad Litem asks that the Court sever that order and all future proceedings relating to the qualified settlement fund into a separate cause. Because there will be future proceedings concerning the qualified settlement fund, that order will not constitute a final judgment, and this Court will retain jurisdiction over all proceedings relating to the qualified settlement fund. RNR and the Speismans agree to the relief sought in this motion. The Individual Trustees do not oppose it.

A severance will promote efficiency and save money. Without a severance, the trustee/administrator of the qualified settlement fund will have to be served with all filings in the ongoing litigation with the Corporate Trustee. As fiduciary he would have to review the filings to determine whether they required some action on his behalf. Even if he ultimately determined that no action was required, he would still incur time and fees in making that determination. A severance will eliminate the need for the trustee/administrator to spend time and money addressing matters that do not affect the qualified settlement fund.

The unit holders of the TEL Offshore Trust who have been served in this proceeding, including the AAL Parties and others, will have an interest in future proceedings concerning the qualified settlement fund. Therefore, all unit holders that have been served, by publication or otherwise, and/or who have answered or appeared in this case should be parties to the severed action concerning the qualified settlement fund. The parties will include Ad Litem, RNR and the Speismans and the trustee/administrator.

WHEREFORE, PREMISES CONSIDERED, Ad Litem asks the Court to grant the severance herein and grant him such other and further relief, both at law and in equity, to which he may be justly entitled.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served or will be served in accordance with the Court's orders regarding service dated September 28, 2015 and January 21, 2016.

/s/ Daniel C. Bitting

Daniel C. Bitting