

NO. C-1-PB-14-001245

IN RE: § **IN THE PROBATE COURT**
§
§ **NO. 1 OF**
§
TEL OFFSHORE TRUST § **TRAVIS COUNTY, TEXAS**

FIRST SET OF INTERROGATORIES
FROM TRUSTEE GARY EVANS TO AD LITEM

TO: Glenn M. Karisch, who has been appointed attorney ad litem by the Court to represent the interests of the unit holders of the TEL Offshore Trust who were served by publication and did not answer or appear in this proceeding, 301 Congress Avenue, Suite 1910, Austin, Texas 78701, and Ad Litem's counsel, Daniel C. Bitting, Scott Douglass & McConnico LLP, 303 Colorado Street, Suite 2400, Austin, Texas 78701

Pursuant to Rule 197 of the Texas Rules of Civil Procedure, Gary C. Evans, one of the Individual Trustees of the TEL Offshore Trust, hereby serves his First Set of Interrogatories to Ad Litem in the above-referenced matter. Ad Litem shall serve his answers, which must be signed under oath, within thirty (30) days after service of these interrogatories.

INSTRUCTIONS

1. These Interrogatories are intended to cover all information in Your possession, custody, or control including, without limitation, all information within the possession, custody, or control of any and all Absent Beneficiaries (defined below) and any and all of Your agents, or any person or entity acting on Your or their behalf, as well as information in the possession of third parties who have an obligation to provide information at Your request.

2. As used herein, the terms “and” and “or” shall be construed either conjunctively or disjunctively as necessary to bring within the scope of each Interrogatory all information that might otherwise be construed to be outside the scope of such Interrogatory.

3. The use of the singular form of any word includes the plural and vice versa as necessary to bring within the scope of each Interrogatory all information or documents that might otherwise be construed to be outside the scope of such Interrogatory.

4. These Interrogatories are continuing in nature, and any additional information discovered or identified by You subsequent to the date of Your response, up to and including the time of trial, shall be promptly furnished to the undersigned counsel.

DEFINITIONS

1. “**You**,” and “**Your**” refer to Glenn M. Karisch, who has been appointed attorney ad litem by the Court to represent the interests of the unit holders of the TEL Offshore Trust who were served by publication and did not answer or appear in this proceeding.
2. “**Absent Beneficiary**” or “**Absent Beneficiaries**” refer to any unit holder of the TEL Offshore Trust that You were appointed to represent or the collective group of such unit holders.
3. “**The Trust**” refers to the TEL Offshore Trust.
4. “**Unit**” or “**Units**” refers to the units of beneficial interest in the TEL Offshore Trust. Each Unit is evidenced by a transferable certificate issued by the Corporate Trustee, Bank of New York Mellon Trust Company, N.A.
5. “**Unit Holder**” refers to a holder of units of beneficial interests in the Trust. The term “**Unit Holders**” encompasses Absent Beneficiaries.
6. “**Disclosures**” refers to Ad Litem’s Responses to Individual Trustees’ Request for Disclosure, served on October 17, 2016.
7. “**Petition**” refers to Attorney Ad Litem’s Original Petition as Realigned Plaintiff, filed with the Court on October 10, 2016.
8. “**Individual Trustees**” refers to Gary C. Evans, Jeffrey S. Swanson, Thomas H. Owen, Jr., and Danny Conwill.
9. “**Net Profits Interest**” has the same meaning as defined and referred to in Your Petition.

INTERROGATORIES

INTERROGATORY NO. 1: Please identify by name and address each Absent Beneficiary.

ANSWER:

INTERROGATORY NO. 2: Please state the total number of Units each Absent Beneficiary currently owns, and the total number of Units that all Absent Beneficiaries currently own.

ANSWER:

INTERROGATORY NO. 3: Please state the total number of Units each Absent Beneficiary owned, and that all Absent Beneficiaries owned, at all times between December 31, 2008 to the present, including at year-end 2008, 2009, 2010, 2011, 2012, 2013, 2014, and on July 10, 2014.

INTERROGATORY NO. 4: With respect to each purchase of Units by each Absent Beneficiary, state the following:

- (a) The date of each such purchase;
- (b) The number of Units purchased;
- (c) The price per Unit paid;
- (d) The total consideration paid for each such purchase;
- (e) From whom each Absent Beneficiary purchased the Units, or the identity of any broker which effected the purchase.

ANSWER:

INTERROGATORY NO. 5: With respect to each sale of Units by each Absent Beneficiary, state the following:

- (a) The date of each such sale;
- (b) The number of Units sold;
- (c) The price per Unit received;
- (d) The total consideration for each such sale;

ANSWER:

INTERROGATORY NO. 6: What do You contend to be the current market value on a price per unit basis of the Units owned by the Absent Beneficiaries?

ANSWER:

INTERROGATORY NO. 7: What do You contend was the market value on a price per unit basis of the Units owned by the Absent Beneficiaries at all times from December 31, 2008 to the present, including at year-end 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, and on July 10, 2014?

ANSWER:

INTERROGATORY NO. 8: What do You contend was the fair market value of the Trust's Net Profits Interest at all times from December 31, 2008 to June 23, 2016, including at year-end 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, and on July 10, 2014?

ANSWER:

INTERROGATORY NO. 9: What do You contend is the earliest date in 2009 when the Trustees' alleged "delay in the sale of the Trust's net profits interests," as referred to in Your Disclosures, caused a "loss or depreciation in value of the trust estate"?

ANSWER:

INTERROGATORY NO. 10: What is the dollar amount that You contend was the "loss or depreciation in value of the trust estate" caused by the Trustees' "delay in the sale of the Trust's net profits interests," as referred to in Your Disclosures, for not selling in 2009, 2010, 2011, 2012, 2013, and 2014, respectively?

ANSWER:

INTERROGATORY NO. 11: What is the dollar amount that You contend the Net Profits Interests of the Trust could have been sold for in 2009, 2010, 2011, 2012, 2013, and 2014, respectively?

ANSWER:

INTERROGATORY NO. 12: Identify each act or omission of each of the Individual Trustees that You contend were breaches of fiduciary duties and the dates of each such act or omission.

ANSWER:

INTERROGATORY NO. 13: State the factual bases for, and identify any documents supporting, Your contention in Your Disclosures that "had the Trustees sold the net profits interest during 2010, they could have received over \$20 million in sales proceeds based on publicly-traded market values."

ANSWER:

INTERROGATORY NO. 14: Are You seeking to recover damages suffered by only the Absent Beneficiaries, or damages suffered by all Unit Holders?

ANSWER:

INTERROGATORY NO. 15: What is the dollar amount of the damages You contend were suffered by only the Absent Beneficiaries (and not the entire Trust estate or other Unit Holders)?

ANSWER:

INTERROGATORY NO. 16: In the event that You recover any damages for the entire Trust estate for Your claims against the Trustees in Your Petition, please state how You contend the damages amount should be allocated, if at all, among the Absent Beneficiaries and the other Unit Holders, and the methodology that You propose to use to calculate such an allocation.

ANSWER:

INTERROGATORY NO. 17: What is the earliest date that You contend the Trustees should have filed a petition with the court “for an order to sell the Trust’s interests in the Royalty Properties and to terminate the Trust” as alleged in Paragraph 68 of the Petition?

ANSWER:

Respectfully submitted,

NORTON ROSE FULBRIGHT US, L.L.P.

/s/ Peter Stokes

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Attorneys for Individual Trustees Gary C. Evans,
Jeffrey S. Swanson, and Thomas H. Owen, JR.

CERTIFICATE OF SERVICE

I hereby certify that, on October 24, 2016, a true and correct copy of the foregoing has been served by mail and email on Ad Litem and counsel for Ad Litem, and by email on counsel for RNR Production Land and Cattle and Albert Speisman. All other interested parties in this matter will be served in accordance with the Court's Order Directing Method of Service of Discovery dated June 9, 2016.

/s/ Peter A. Stokes

Peter A. Stokes