

IN RE: § IN THE PROBATE COURT
§
§ OF
§
TEL OFFSHORE TRUST § TRAVIS COUNTY, TEXAS

**INDIVIDUAL TRUSTEES' ANSWERS AND OBJECTIONS TO
ATTORNEY AD LITEM'S SECOND SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION TO TRUSTEES**

TO: Realigned Plaintiffs: The Unit Holders of the TEL Offshore Trust who were served by publication and did not answer or appear in this proceeding, by and through their Attorney Ad Litem, Glenn M. Karisch, The Karisch Law Firm, PLLC, 301 Congress, Suite 1910, Austin, Texas 78701.

Pursuant to the Texas Rules of Civil Procedure, Gary C. Evans, Jeffrey S. Swanson, and Thomas H. Owen, Jr., as Individual Trustees of the TEL Offshore Trust (the "Trust"), hereby serve the attached answers and objections to Attorney Ad Litem's Second Set of Interrogatories and Requests for Production to Trustees.

**I.
GENERAL OBJECTIONS**

1. The Individual Trustees object to the Requests to the extent that they seek information and/or documents protected from disclosure by the attorney-client privilege, attorney work product doctrine, joint defense/common interest privilege, or any other applicable privilege, doctrine, law or rule. Information responsive to the interrogatories and requests have been withheld pursuant to these privileges. If the Individual Trustees inadvertently provide any information or documents protected by the attorney-client privilege, attorney work product doctrine, joint defense/common interest privilege, or any other applicable privilege, doctrine, law or rule, such production is not intended and shall not operate as a waiver of this objection.

2. The Individual Trustees object to the "Definitions" and "Instructions" to the extent that they seek to impose a greater burden or obligation on the Individual Trustees than that

imposed by the Texas Rules of Civil Procedure. The Individual Trustees' responses are made pursuant to, and are limited by, the Texas Rules of Civil Procedure.

3. The foregoing objections apply to the Responses listed below to the interrogatories and requests for production, and they are expressly incorporated by reference into the Individual Trustees' response to each Request or Interrogatory. To the extent the Individual Trustees make a specific objection to a specific Request or Interrogatory, those specific objections are set forth because they are believed to be particularly applicable to such Request or Interrogatory. Without waiving said general objections, the Individual Trustees respond as follows:

II.
ANSWERS TO INTERROGATORIES

INTERROGATORY NO. 3: If you claim to have relied on any "opinion or written advice" of counsel, accountants, geologists, engineers or other experts and that such reliance offers any protection or defense under paragraph 7.06 of the Trust Agreement as to any action taken by you, please fully describe:

- (a) the identity of each counsel, accountant, geologist, engineer or other expert you relied upon;
- (b) each and every instance in which you consulted with each expert identified above; and
- (c) for each instance described above, the nature of the consultation (e.g., phone call, meeting, written communication) and the advice provided.

ANSWER: The Individual Trustees object to this interrogatory because it is overly broad and unduly burdensome, and seeks information protected from discovery by the attorney/client and/or the attorney work product privilege. Further, this interrogatory constitutes multiple

interrogatories under Texas Rule of Civil Procedure 190.3(b)(3). Subject to the foregoing objections and without waiver of same, the experts that the Individual Trustees have relied upon, directly or indirectly, are Deloitte & Touche LLP; Martindale Consultants, Inc.; DeGolyer and MacNaughton (D&M); Chevron Corporation; and the Bank of New York Mellon Trust Company, N.A (the “Corporate Trustee”). It is not possible to identify every instance in which these firms or individuals consulted, but during the life of the trust, Deloitte consulted concerning the accounting issues related to the Trust; Martindale consulted regarding joint interest audit issues; D&M consulted regarding oil and gas operations and reserves; and the Corporate Trustee consulted regarding management of the Trust. The Individual Trustees also relied, directly or indirectly, upon Andrews Kurth Kenyon LLP and Watt Beckworth in Houston, but have not determined whether to assert their advice as a defense. During the life of the Trust, Andrews Kurth (now Andrews Kurth Kenyon) consulted concerning securities filings, Trust financial issues, and trust options; and Watt Beckworth (particularly Dick Watt and John Beckworth) investigated and consulted regarding Chevron’s activities. With respect to the advice from the lawyers, the advice they provided is privileged pursuant to the attorney-client privilege. For further answer, *see* the documents produced by the Corporate Trustee.

INTERROGATORY NO. 4: Identify each person who held one or more of the units of the Trust at any time starting from January 1, 2008 and ending at the present, and for each state:

- (a) the date(s) when the person acquired a unit or units of the Trust;
- (b) the number of units acquired;
- (c) the date(s) on which the person sold or otherwise disposed of any unit or unit of the Trust; and
- (d) whether or not the person currently holds a unit or units of the Trust.

ANSWER: The Individual Trustees do not have independent knowledge of the answer to this interrogatory. The Corporate Trustee attached to its Answers and Objections to Attorney Ad Litem's Second Set of Interrogatories and Requests for Production to Trustees, served on or about November 14, 2016, the list of known Record Holders as of July 11, 2014 (Exhibit A), the list of known Non Objecting Beneficial Owners as of July 11, 2014 (Exhibit B), and the list of known new unit holders that purchased units between the time period July 12, 2014 through July 15, 2016 (Exhibit C).

INTERROGATORY NO. 5: Identify each "Objecting Beneficial Owner," as that term is defined in the Motion for Citation By Publication and Other Substituted Service on the Unit Holders of the TEL Offshore Trust for whom Service of Citation by Certified mail Could Not Be Accomplished, who were served by publication in this proceeding.

ANSWER: The Individual Trustees do not know the answer to this interrogatory.

INTERROGATORY NO. 6: At p. 174-75 of his deposition, Michael Ulrich testified about his practice for determining compensation for the Corporate Trustee. Please identify the date that practice began and identify all persons who were aware that that practice was being followed and how and when they became aware of the practice.

ANSWER: The Individual Trustees object that "practice for determining compensation" is vague and ambiguous in the context of this interrogatory, which covers two pages of deposition testimony. Further, this interrogatory constitutes multiple interrogatories under Texas Rule of Civil Procedure 190.3(b)(3). Subject to the foregoing objections and without waiver of same, the Individual Trustees had quarterly knowledge of the amount of the Corporate Trustee's fees, and understood that the Corporate Trustee was being paid consistent with the Trust

Agreement's provisions regarding trustee compensation. In addition, the fees were reported in SEC filings. For further answer, see the SEC filings, which are equally available to the Plaintiffs.

INTERROGATORY NO. 7: Identify BONY's standard rate for officer time for all years in which BONY has served as trustee of the Trust and identify any changes to this rate over this time.

ANSWER: The Individual Trustees do not have independent knowledge of the answer to this interrogatory.

INTERROGATORY NO. 8: Please state the most recent contact information, including physical address, email address and phone numbers, that you have for Conwill.

ANSWER: Danny Conwill, Global Hunter Securities, LLC; doc@dconwill.com; (office) (504) 527-0333; (cell) (504) 251-2822; business address, 601 Poydras Street, Suite 2025, New Orleans, Louisiana 70130; home address, 70 Audubon Blvd, New Orleans, LA 70118.

III. **RESPONSES TO REQUESTS FOR PRODUCTION**

REQUEST FOR PRODUCTION NO. 1: Please produce all documents that concern any opinion or advice of counsel, accountants, geologists, engineers or other experts that you claim offers any protection or defense under the Trust Agreement as to any action taken by you.

RESPONSE: The Individual Trustees object to this request because it seeks information protected from discovery by the attorney/client and/or the attorney work product privilege. Subject to the foregoing objection and without waiver of same, see the Corporate Trustee's productions.

REQUEST FOR PRODUCTION NO. 2: Please produce all time sheets, invoices and/or statements received from any expert requested to be identified in interrogatory No. 3 above for the work performed in giving the opinion or advice you relied upon.

RESPONSE: The Individual Trustees object to this request because it seeks information protected from discovery by the attorney/client and/or the attorney work product privilege. Subject to the foregoing objection and without waiver of same, see the Corporate Trustee's productions. To the extent non-privileged time sheets, invoices, and statements have not been produced, the Corporate Trustee will supplement same.

REQUEST FOR PRODUCTION NO. 3: Please produce all documents that concern any analysis or discussion about any opinion or advice of counsel, accountants, geologists, engineers or other experts—including, without limitation, any analysis or discussion about whether to act in accordance with such opinion or advice, about whether such opinion or advice is consistent with the terms of the Trust Agreement and/or about whether such opinion or advice is consistent with your duties and obligations as a trustee of the Trust.

RESPONSE: The Individual Trustees object to this request because it seeks information protected from discovery by the attorney/client and/or the attorney work product privilege. Further, this request is overly broad, unduly burdensome, not reasonably limited in scope, and seeks information that is neither relevant nor likely to lead to the discovery of admissible evidence. TEX. R. CIV. P. 192.3(a); *see also Monsanto Co. v. May*, 889 S.W.2d 274, 276 (Tex. 1994). The scope of discovery is confined by the subject matter of the case and reasonable expectations of obtaining information that will aid resolution of the dispute. TEX. R. CIV. P. 191, cmt.1. Subject to the foregoing objections and without waiver of same, see the Corporate Trustee's productions.

REQUEST FOR PRODUCTION NO. 4: Please produce all documents concerning the determination of BONY's standard rate for officer time during any years in which BONY served as the trustee of the Trust.

RESPONSE: Any responsive documents have been produced, other than the Default Administration Fee Schedule, which will be produced by the Corporate Trustee.

REQUEST FOR PRODUCTION NO. 5: Please produce all documents concerning any communications about the method of calculating the Corporate Trustee's compensation that Mike Ulrich testified about at pages 174-75 of his deposition.

RESPONSE: Any responsive documents have been produced.

REQUEST FOR PRODUCTION NO. 6: Please produce all documents concerning any policies, practices, procedures, protocols or guidelines that pertain to your work as a trustee in general.

RESPONSE: The Individual Trustees object to this request because it is vague, ambiguous, overly broad, unduly burdensome, not limited in time or scope, and seeks information that is neither relevant nor reasonably calculated to lead to admissible evidence, and proprietary in nature. This request is not limited to any specific work of the Trustees for a publicly traded royalty trust or policies that were in effect the time such work took place. Further, the TEL Offshore Trust is governed not by general policies and practices of the Trustees, but by the Trust Agreement. General trust policies concerning administrative handling of trusts, such as setting up new accounts; monthly processing; bond payments; anti-spam procedures; vacations; anti-money laundering; billing; cash processing; commercial mortgage services; processing related to securities; custody trades; data security; defaults; debt-servicing; escrow accounts; file management; investments; and tax compliance, to name a few, have nothing to do with the issues in this case. TEX. R. CIV. P. 192.3(a); *see also Monsanto Co. v. May*, 889 S.W.2d 274, 276 (Tex. 1994). The scope of discovery is confined by the subject matter of the case and reasonable

expectations of obtaining information that will aid resolution of the dispute. TEX. R. CIV. P. 191, cmt.1.

REQUEST FOR PRODUCTION NO. 7: Please produce all documents that concern any descriptions of the trustee services that you offer to the public.

RESPONSE: The Individual Trustees object to this request because it is vague, overly broad, and should be limited to publicly traded royalty trusts. Subject to the foregoing objections, none.

REQUEST FOR PRODUCTION NO. 8: Please produce all documents concerning Conwill's resignation as trustee of the Trust.

RESPONSE: Any responsive documents have been produced.

REQUEST FOR PRODUCTION NO. 9: Please produce any records or other documents showing the identities of the owners of any units in the Trust at any point in the period beginning January 1, 2008 and ending at the present.

RESPONSE: See the documents produced by the Corporate Trustee.

Respectfully submitted,

NORTON ROSE FULBRIGHT US, L.L.P.

/S/ Peter A. Stokes

Peter Stokes (Texas Bar No. 24028017)

peter.stokes@nortonrosefulbright.com

Paul Trahan (Texas Bar No. 24003075)

paul.trahan@nortonrosefulbright.com

98 San Jacinto Boulevard, Suite 1100

Austin, Texas 78701-4255

Telephone: (512) 474-5201

Facsimile: (512) 536-4598

Daniel M. McClure (Texas Bar No. 13427400)

Dan.mcclure@nortonrosefulbright.com

1301 McKinney, Suite 5100

Houston, TX 77010

Telephone: (713) 651-5159

Facsimile: (713) 651-5246

ATTORNEYS FOR INDIVIDUAL TRUSTEES
GARY C. EVANS, JEFFREY S. SWANSON,
AND THOMAS H. OWEN, JR.

CERTIFICATE OF SERVICE

I hereby certify that, on November 14, 2016, a true and correct copy of the foregoing has been served via email to all counsel of record, and will be served on all other interested parties in this matter in accordance with the Court's Order Directing Method of Service dated August 23, 2016.

/s/ Peter Stokes

Peter Stokes

VERIFICATION

STATE OF TEXAS

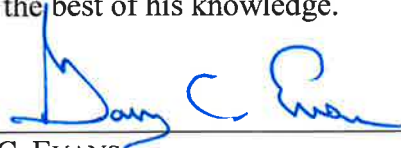
§

§

COUNTY OF Tarrant

§

BEFORE ME, the undersigned authority, on this day personally appeared GARY C. EVANS, one of the Individual Trustees of the TEL Offshore Trust, who, being by me duly sworn, testified that he has read the foregoing Individual Trustees' Answers to Plaintiffs' Second Set of Interrogatories and that they are true and correct to the best of his knowledge.



GARY C. EVANS

SWORN AND SUBSCRIBED TO before me on this 14th day of November, 2016.



Notary Public, State of Texas

