

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
 STATE OF OKLAHOMA
 FILED IN THE DISTRICT COURT
 OKLAHOMA COUNTY, OKLA.

Oklahoma Department of Securities,)
 ex rel. Irving L. Faught, Administrator,)
)
 Plaintiff,)
)
 vs.)
)
 Accelerated Benefits Corporation, a Florida)
 corporation, et al.,)
)
 Defendants.)

JAN - 6 2003

PATRICIA PRESLEY, COURT CLERK
 By _____
 Deputy

Case No. CJ-99-2500-66
 Judge Daniel L. Owens

**CONSERVATOR'S APPLICATION FOR STATUS CONFERENCE
 REGARDING ENGAGEMENT LETTER FOR AUDIT**

Conservator, Tom Moran, hereby respectfully moves the Court to set a status conference regarding the engagement letter for D.R. Payne and Associates, P.C. ("D.R. Payne"), to conduct an audit of the records of Accelerated Benefits Corporation ("ABC"). In support of this application, the Conservator respectfully shows the Court as follows:

1. Counsel for ABC has previously represented to the Court that ABC and Keith LaMonda will pay for an audit by D.R. Payne of ABC's records for the purpose of identifying all assets subject to the Order Appointing Conservator and Transferring Assets dated February 6, 2002 (the "Conservatorship Order"), and whether such assets have been transferred as required by the Conservatorship Order.

2. The audit was also to determine the amount of all funds collected from ABC's investors for any viatical policy subject to the Conservatorship Order and the disposition of such funds, as well as the amount and source of any funds advanced by ABC for the payment of premiums.

256.

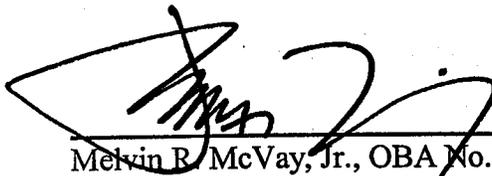
3. The Court previously directed the parties to prepare an agreed engagement letter for D.R. Payne setting forth the scope of the audit.

4. The parties have conferred but have been unable to agree upon the wording of the engagement letter or the scope of the audit. A copy of the proposed engagement letter from ABC is attached hereto as Exhibit "A." The response of Conservator and the Department of Securities is attached hereto as Exhibit "B."

5. Because the parties have not been able to agree upon the wording of the engagement letter and the scope of the audit, D.R. Payne has been unable to begin performing the audit.

WHEREFORE, premises considered, Conservator, Tom Moran, respectfully requests this Court set a scheduling conference for the purpose of settling the engagement letter for the audit.

Respectfully submitted,



Melvin R. McVay, Jr., OBA No. 6096
Thomas P. Manning, OBA No. 16117
PHILLIPS McFALL McCAFFREY
McVAY & MURRAH, P.C.
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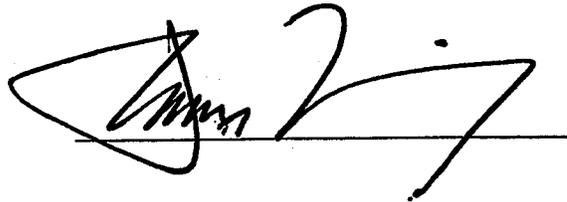
ATTORNEYS FOR CONSERVATOR,
TOM MORAN

CERTIFICATE OF MAILING

The undersigned certifies that on the 6th day of January, 2003, a true and correct copy of the foregoing document was mailed, postage prepaid, to the following:

Patricia A. Labarthe
Oklahoma Department of Securities
First National Center, Suite 860
120 North Robinson
Oklahoma City, OK 73102
Attorney for Plaintiff

Dino E. Viera, Esq.
Fellers, Snider, Blankenship,
Bailey & Tippens, P.C.
100 North Broadway Avenue, Suite 1700
Oklahoma City, Oklahoma 73102
Attorney for Defendants,
Accelerated Benefits Corporation,
American Title Company of Orlando,
C. Keith LaMonda and
David S. Piercefield

A handwritten signature in black ink, appearing to read "Dino E. Viera", is written over a horizontal line. The signature is stylized and cursive.

DRAFT BY FELLERS, SNIDER -
FOR DISCUSSION ONLY

November 27, 2002

Dino E. Viera, Esq.
William H. Whitehill, Jr., Esq.
Fellers, Snider, Blankenship,
Bailey & Tippens
100 North Broadway, Suite 1700
Oklahoma City, OK 73102

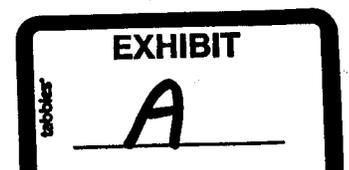
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Patricia A. Labarthe, Esq.
Oklahoma Department of Securities
First National Center, Suite 860
120 North Robinson
Oklahoma City, OK 73102

Re: *Oklahoma Dept. of Securities, ex rel., Irving L. Faught, Administrator v. Accelerated Benefits Corp., et al*, Case No CJ-99-2500-66

Dear Counsel:

This will confirm that D.R. Payne & Associates, Inc. has been engaged by the parties and the court in the referenced action for the purpose of performing certain agreed upon accounting procedures together with related investigative, consulting and financial analysis regarding the matters detailed below. Specifically, our engagement will entail, but will not be limited to, (a) review, identification, analysis and evaluation of all assets, as defined in the Conservatorship Order dated February 6, 2002, transferred to the Conservator, Tom Moran, from Defendants Accelerated Benefits Corporation ("ABC") and American Title Company of Orlando ("ATCO") since the inception of the Conservatorship and the disposition of such assets since that time; (b) the dates on which ABC and ATCO transferred each such asset, including the dates on which change of beneficiary paper work was completed on each insurance policy in order to effect a change of beneficiary to the Conservator;



(c) the dates on which the Conservator received confirmation of the change of beneficiaries from the various insurance companies; (d) the specific amount of premium payments advanced by ABC since the Conservatorship began; (e) the specific amount of premium payments made by purchasers since the Conservatorship began including, but not limited to, those retained by the Conservator, and those deposited by the Conservator into ATCO's accounts, so that the court may determine the total amount of premium reimbursements to which ABC or any purchaser is entitled; (f) and the specific amounts of any maturities received by the Conservator and the disposition of those amounts. Our engagement will also include any particular matters requested and unanimously agreed upon by the parties or any matters which the court directs us to review.

We call your attention to the fact that the procedures to be performed are not intended to be an examination of financial statements or other information in accordance with generally accepted auditing standards. Accordingly, we will not express an opinion on the financial statements or other information. Although certain types of errors and irregularities may be disclosed by these types of procedures, they are not designed to cover all irregularities that may affect the referenced case.

David Payne will supervise all matters handled by our firm, and will be assisted by Ann Payne and Erika Moore. It is not possible for us to produce an exact dollar amount of our fees. However, we estimate that our services will involve not less than 100 hours of professional time. Our estimate of hours is based upon reasonably and timely cooperation by the Conservator and all other parties in providing documents and answers to our inquiries. If it appears that the hours will exceed an additional 40 hours, then we will notify you of the reasons and work out a supplemental budget. Our fees are based on the following rates:

| | |
|-------------------|-----------|
| Partner/Principle | \$195-125 |
| Manager | 125-110 |
| Consultant | 95-70 |
| Staff | 60-30 |

Our fee statements will be submitted to the law firm of Fellers, Snider, Blankenship, Bailey & Tippens on a monthly basis. Payment of fees are the responsibility of ABC and are expected within two (2) weeks of receipt of our billing and in full at a time prior to issuing a written report. Our billings will include any out-of-pocket costs that are likely to include travel, photocopying, facsimile and long distance telephone charges. We will require a retainer of \$10,000, which will be applied to our final billing

November 27, 2002

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If the terms of our engagement are satisfactory to you, please indicate your acceptance in the appropriate space provided and return the enclosed copy to us. We look forward to working with you.

Very truly yours,

D.R. Payne & Associates, Inc.

David R. Payne, President

Accepted:

Dino E. Viera, Esq.
William H. Whitehill, Jr., Esq.
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December 5, 2002

VIA FACSIMILE (405) 232-9659
AND REGULAR MAIL

Dino E. Viera, Esq.
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100 North Broadway Avenue, Suite 1700
Oklahoma City, Oklahoma 73102

Re: *Oklahoma Department of Securities, ex rel. Irving L. Faught, Administrator v. Accelerated Benefits Corporation, a Florida Corporation, et al.*
District Court of Oklahoma County, State of Oklahoma, Case No. CJ-99-2500-66

Dear Dino:

This letter details our response to the proposed engagement letter for D.R. Payne and Associates. We believe the following revisions to the engagement letter will be required to properly define the scope of the audit to be performed.

Page 1, Paragraph 1, Line 1: Should be changed to delete "by the parties and the court."

Page 1, Paragraph 1, Line 4: The line beginning with "Specifically, our engagement will entail..." should be changed to read as follows:

"Specifically, our engagement will entail the following:

(a) Identification of all assets of Accelerated Benefits



Corporation ("ABC") and American Title Company of Orlando ("ATCO") as of February 6, 2002, which were required to be transferred to the Conservatorship pursuant to subject to the Order Appointing Conservator and Transferring Assets dated February 6, 2002 (the "Conservatorship Order")(the "Assets");

- (b) Identification of all Assets transferred to the Conservatorship;
- (c) Disposition of all Assets transferred to the Conservatorship;
- (d) Review, identification, analysis and evaluation of all Assets transferred by ABC and ATCO since the inception of the Conservatorship;
- (e) Determination of the dates on which ABC and/or ATCO completed change of ownership/beneficiary paper work on each insurance policy;
- (f) Determination of the dates on which the Conservator received confirmation of the change of beneficiaries from the various insurance companies;
- (g) Determination of the amount of funds advanced by ABC for payment of premiums on the policies and the source of such funds;
- (h) Review, identification, analysis and evaluation of all funds escrowed by ABC for payment of premiums on all policies subject to the Conservatorship Order and the disposition of such funds;
- (i) Determination of the amount of funds collected from investors for the payment of premiums since the inception of the Conservatorship; and,
- (j) Review, identification, analysis and evaluation of all maturities received by ABC, ATCO or the Conservator on policies subject to the Conservatorship Order and the disposition of such funds."

Dino E. Viera, Esq.
December 5, 2002
Page 3

Page 2, Paragraph 1, Line 7: The line beginning with "Our engagement will also include..." should be changed to read "The scope of our engagement will not be changed without the express written consent of counsel for the Conservator, the Oklahoma Department of Securities and ABC."

Page 2, Paragraph 4, Line 2: The line beginning with "Payment of fees..." should be changed to read "Payment of fees shall be the sole responsibility of ABC..."

Page 2, Paragraph 4: Add the following after the first sentence: "Copies of fee statements will be provided to all parties."

Please provide us with a revised draft of the letter at your earliest convenience. Should you have any questions regarding this, please do not hesitate to contact me.

Sincerely,

Thomas P. Manning
For the Firm