

SEP 24 2004

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

PATRICIA PRESLEY, COURT CLERK  
by \_\_\_\_\_  
Deputy

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

**INTERIM APPLICATION FOR ORDER APPROVING  
CONSERVATOR'S FEES AND EXPENSES FOR THE PERIOD  
OF JANUARY 1, 2004 THROUGH MARCH 31, 2004**

Conservator, Tom Moran, hereby respectfully applies to this Court for entry of an Order approving the interim application for Conservator's fees and expenses for the period of January 1, 2004 through March 31, 2004. In support thereof Conservator would show the Court as follows:

1. On February 6, 2002, the Court appointed Tom Moran as Conservator of certain assets of Defendant, Accelerated Benefits Corporation ("ABC"), and its agents, including American Title Company of Orlando and David Piercefield ("Conservatorship Assets"), including:

a. All life insurance policies owned or held beneficially, directly or indirectly, by or for the benefit of ABC and/or ABC Investors, that were purchased prior to October 1, 2000 (the "Policies");

b. All assets of ABC necessary to accomplish the objectives of the Conservatorship, including, but not limited to, computer hardware, databases, software, ABC Investor and viator files relating to the Policies, accounting and financial records pertaining to premium payments and receipt and distribution of proceeds on the Policies, any deposit of cash, bond or guarantee, filing cabinets, office supplies, the lease to office space at 105 East Robinson Street, Suite 320, Orlando, Florida, and telephone systems;

c. All premium reserve accounts and bank accounts into which ABC Investor funds or proceeds from the Policies have been deposited; and

d. The right to recoup from the proceeds of the Policies all funds advanced by ABC to finance the payment of premiums on the Policies.

2. The Conservator was given the direction and authority to accomplish the following:

a. To take custody, possession and control of the Conservatorship Assets as they are transferred to the Conservator;

b. To manage all Conservatorship Assets pending further action by the Court including, but not limited to, the evaluation of the Policies, and to take necessary steps to protect the ABC Investors' interests including, but not limited to, the liquidation or sale of the Policies to institutional buyers and the assessment to ABC Investors of the future premium payments;

c. Receive and collect any and all sums of money due or owing on the Policies to ABC or its agents;

d. Seek the return of any cash, bond or guarantee on deposit with any regulatory agency or other entity on behalf of ABC or its agents;

e. Make such payments and disbursements as may be necessary and advisable for the preservation of the Conservatorship Assets and as may be necessary and advisable in discharging his duties as Conservator including, but not limited to, the timely payment of all premiums for Policies that have not yet matured;

f. Monitor the viators of the Policies by tracking the location

of the viators and periodically checking the health of the viators;

g. Receive notice of the death of viators, file death claims on the viators, and collect the proceeds paid on the Policies as such mature;

h. Disburse to each ABC Investor his proportionate share of the proceeds, after deducting premiums advanced, paid in matured Policies;

i. Establish open communication with ABC Investors with proper disclosure of available options and consequences including, but not limited to, notice to ABC Investors of the Conservatorship Order within 30 days;

j. Retain and employ attorneys, accountants, computer consultants and other persons as may be advisable or necessary to the exercise of the duties of the Conservator, and compensate such persons, subject to application and approval by the Court;

k. Open and inspect any and all mail and/or deliveries related to the existence, location, identity and/or collection, preservation, maintenance or operation of Conservatorship Assets, and to notify any insurance company or third party administrator and the United States Postal Service to effect the forward delivery of any mail related to the Conservatorship Assets to a mail depository under the control of the Conservator;

l. Institute, prosecute, defend, intervene in or become a party to such actions or proceedings in any state court, federal court or United States Bankruptcy Court as may in the Conservator's opinion be necessary or proper for the protection, maintenance and preservation of Conservatorship Assets, or the carrying out of the Conservatorship Order; and

m. Exercise those powers necessary to implement the Conservator's conclusions with regard to the disposition of the Conservatorship pursuant to the orders and directives of the Court.

3. On February 21, 2002, the Court granted Conservator's application to approve the hourly rates of Conservator and his employees.

4. Conservator seeks interim compensation at the hourly rates approved by the Court

for work performed, plus reimbursement of Conservator's actual and necessary expenses, for the period of January 1, 2004 through March 31, 2004.

5. The amount of compensation to be allowed rests within the sound discretion of the court. Hudson v. Hubbell, 1935 OK 138, 41 P.2d 844, (*see also* Brann v. Harris, 1935 OK 298, 47 P.2d 876).

6. Conservator and his employees have devoted substantial time and effort in the execution of Conservator's duties and seek compensation as detailed in the statement attached hereto as Exhibit "A".

7. Conservator and his employees have expended the time set forth in this application in the execution of Conservator's duties to the preclusion of other employment, and the charges set forth therein were reasonable and necessary.

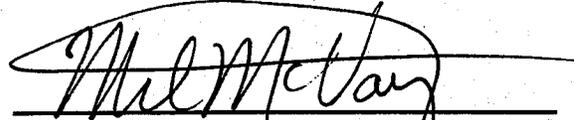
8. This Application covers allowance of compensation for services and expenses for the period of January 1, 2004 through March 31, 2004. During the period covered by this Application, Conservator and his employees expended a total of 128.0 hours at hourly rates ranging from \$28.00 to \$110.00 per hour for a total fee of \$23,059.00. Exhibit "A" details the hours spent rendering the services and descriptions of the services rendered.

10. In addition to the interim fees sought, Conservator seeks reimbursement for necessary expenses in the amount of \$1,744.55. Exhibit "B" details the expenses for which Conservator seeks reimbursement.

WHEREFORE, premises considered, Conservator, Tom Moran, respectfully requests this Court approve the payment of interim compensation to Conservator in the amount of \$23,059.00, as well as reimbursement for expenses in the amount of \$1,744.55, for the period of January 1,

2004 through March 31, 2004.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mel McVay", is written over a horizontal line.

Melvin R. McVay, Jr., OBA No. 6096

Thomas P. Manning, OBA No. 16117

PHILLIPS McFALL McCAFFREY

McVAY & MURRAH, P.C.

Twelfth Floor, One Leadership Square

211 North Robinson

Oklahoma City, Oklahoma 73102

Telephone: (405) 235-4100

Facsimile: (405) 235-4133

ATTORNEYS FOR CONSERVATOR,

TOM MORAN

## CERTIFICATE OF MAILING

The undersigned certifies that on the 24<sup>th</sup> day September, 2004, a true and correct copy of the foregoing was mailed via First Class Mail, postage prepaid, to the following:

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

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

A handwritten signature in cursive script, appearing to read "Mark McDay", is written over a horizontal line. The signature is fluid and somewhat stylized.

The Heritage Group  
 3240 W. Britton Road, Suite 202  
 Oklahoma City, OK 73120  
 405-753-9100

Invoice No. ABC-02-04

**INVOICE**

**Customer**

Name Tom Moran, Conservator  
 Address P. O. Box 14541  
 City Oklahoma City State OK ZIP 73113  
 Phone 405-753-9100

**Misc**

Date 2/29/2004  
 Order No. \_\_\_\_\_  
 Rep \_\_\_\_\_  
 FOB \_\_\_\_\_

Qty	Description	Unit Price	TOTAL
25.75	February Time - Tom Moran, Conservator	\$ 110.00	\$ 2,832.50
46.5	February Time - Sheri Townsend	\$ 40.00	\$ 1,860.00
157	February Time - Patty Sievert	\$ 22.00	\$ 3,454.00
17.5	February Time - Amy Harrod	\$ 18.00	\$ 315.00
4	February Time - Janet Soldan	\$ 40.00	\$ 160.00
1	Expense Report - 02/09/04 - 02/12/04 - Sheir Townsend (copy attached)	\$ 1,113.73	\$ 1,113.73
		<b>SubTotal</b>	<b>\$ 9,735.23</b>
		<b>Shipping</b>	
		<b>TOTAL</b>	<b>\$ 9,735.23</b>

**Payment** Select One...

**Comments**  
 Name \_\_\_\_\_  
 CC # \_\_\_\_\_  
 Expires \_\_\_\_\_

**Tax Rate(s)**


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\_\_\_\_\_

**EXHIBIT**  
 A

DATE	TIME	ACTIVITY
02-02-04	1.25	Telephone call with Tom Manning re: balance of account and various legal matters and review of same
	0.25	Telephone call with Tom Manning re: Bank Transactions
02-03-04	4.00	Appear before Judge Robertson on Motion for Temporary Injunction and meeting with Tom Manning
	1.00	Meeting with Tom Manning and Sheri Townsend re: conservator issues
02-04-04	0.25	Telephone call with Forrest Cook - investor
	0.25	Telephone call with Patty La Barthe re: conservator issues
	0.50	Telephone calls (2) with Mel McVay re: accounting
	0.50	Telephone call with Joe Irvine re: closing ABC office in Florida
02-05-04	0.25	Telephone call with Sheri re: conservatorship issues
	0.75	Telephone calls with investors
02-09-04	0.50	Letter to investor
02-10-04	1.00	Review motions re: irrevocables
02-11-04	0.50	Review maturities with Janet and Jane
02-12-04	0.50	Telephone calls with investors
02-16-04	1.75	Meeting with T Ray, Jack Henley and Bill Johnson re: policy matters
	0.25	Telephone call with Principal Insurance Company
	1.25	Answer e-mails from investors
02-18-04	2.00	Telephone call with Sheri Townsend re: individual investors on individual policies
02-19-04	2.00	Review pleadings re: irrevocables in TPI case
02-21-04	0.25	Telephone call with Patty
	0.75	Reviewed irrevocable motion
02-22-04	1.50	Go over ABC accounting matters with Janet
02-24-04	0.50	Telephone calls with investors
02-25-04	2.75	Teleconference with T Ray and Mel re: ABC policies and other ABC matters

TOM MORAN

ABC TIMESHEET

FEBRUARY 2004

02-27-04 1.25 Meeting with T Ray, Jack and Bill re: accounting matters

25.75 Total Hours for February 2004

\$ 110.00 Billing Rate

\$ 2,832.50 Total Due for February 2004

02-02-04

- Meeting with JH, BR, JM regarding 1099 Preparation
- Investor phone calls
- Investor research
- Prepare memo and release to all

3.00

02-03-04

- Investor phone calls
- Meeting with TPM re: Conservatorship issues
- Phone conference with TPM re: investors

2.00

02-04-04

- Investor phone calls
- Investor research
- Meeting with BR re: 1099's

1.50

02-05-04

- Investor phone calls
- Investor Research
- Prepared December billing & report to the court
- Meeting with Bill Johnson and JH re: HTM tax returns

2.50

02-06-04

- Investor phone calls
- Phone conference with TPM re: premium refund issues  
And Holzmueller

1.50

02-09-04

- Travel to Orlando to oversee moving of Conservator assets  
from Orlando to new office in Jacksonville

5.00

02-10-04

- In Orlando overseeing move of Conservator assets to JAX
- Travel from Orlando to JAX to oversee unloading and set-up of  
Conservator's assets by moving company

8.00

02-11-04

- Spoke with United Life re: Stafford death claim
- Unpacking of Conservator's assets, etc.

5.00

02-12-04

- Review of files, closing docs, etc.
- Travel to Oklahoma City

5.00

02-13-04	<ul style="list-style-type: none"> <li>• Meeting with BR re: issues with data for 1099's, investor Database &amp; TPA data needed broken down in Sept. report</li> <li>• Investor phone calls</li> </ul>	2.00
02-17-04	<ul style="list-style-type: none"> <li>• Investor correspondence</li> <li>• E-mail to MRM re: signed inv from Heaney</li> </ul>	0.50
02-18-04	<ul style="list-style-type: none"> <li>• Phone conference with MRM re: Infinity ownership</li> <li>• Phone conference with TPM re: Akin &amp; Investor Deceased letter</li> <li>• Meeting with Bo Reese &amp; John Santos re: ABC database</li> <li>• Meeting with Janet Hix and Amy Harrod re: Investor Correspondence</li> </ul>	4.00
02-19-04	<ul style="list-style-type: none"> <li>• Work on Akin issues for TPM</li> <li>• Meeting with JM re: investor TPA issues</li> <li>• Investor phone calls &amp; e-mails</li> </ul>	1.50
02-20-04	<ul style="list-style-type: none"> <li>• Phone conference with TPM re: Akin</li> </ul>	0.25
02-23-04	<ul style="list-style-type: none"> <li>• Review responses re: TPA issues</li> </ul>	0.25
02-25-04	<ul style="list-style-type: none"> <li>• Phone conference with TPM re: Akin &amp; Freeman policy</li> </ul>	0.50
02-26-04	<ul style="list-style-type: none"> <li>• Investor phone calls</li> <li>• Meeting with Bo Reese re: Akin detail for TPM &amp; 1099's</li> <li>• Phone conference with TPM re: Akin and ABC as beneficiary</li> </ul>	1.50
02-27-04	<ul style="list-style-type: none"> <li>• Meeting with Henley and Johnson CPA's, Tom Moran, Jane Moran, Janet Hix re: accounting – 1099's – Review 2003 accounts</li> <li>• Research on Akin for TPM – wants beneficiary detail for Akin trust.</li> <li>• Review various issues with Patty Sievert and Amy Harrod</li> <li>• Phone conference with TPM re: Akin</li> </ul>	2.50
<b>TOTAL HOURS:</b>		<b><u>46.50</u></b>

**PATTY SIEVERT**

**ABC TIMESHEET**

**FEBRUARY- 2004**

02-02-04	• Review investor files for change in ownership	8.0
02-03-04	• Investor issues, review files for change in ownership	8.0
02-04-04	• Investor phone calls, update data base, deceased investor letters	8.0
02-05-04	• Organize investor data • Review investor files	8.0
02-06-04	• Investor phone calls, deceased investor issues	8.0
02-09-04	• Move files to other offices, organize files • Investor Research	8.0
02-10-04	• Investor phone calls, TPA review, update data base	8.0
02-11-04	• Investor phone calls and research	8.0
02-12-04	• Investor phone calls & issues	8.0
02-13-04	• Investor phone calls & research	8.0
02-16-04	• Deceased investor letters, Investor phone calls	8.0
02-17-04	• Investor phone calls • Premium reconciliations for 2003	8.0
02-18-04	• Investor phone calls, Premium reconciliations	8.0
02-19-04		

<ul style="list-style-type: none"> <li>Investor issues, Data base updates</li> </ul>	8.0
02-20-04	
<ul style="list-style-type: none"> <li>Investor phone calls, deceased investor letters</li> <li>Copy Akin files</li> </ul>	8.0
02-23-04-04	
<ul style="list-style-type: none"> <li>Investor phone calls</li> <li>Akin files</li> </ul>	8.0
02-24-04	
<ul style="list-style-type: none"> <li>Investor phone calls</li> <li>Akin files, worked with Janet on Premium reconciliations</li> </ul>	8.0
02-25-04	
<ul style="list-style-type: none"> <li>Premium reconciliations</li> </ul>	6.5
02-26-04	
<ul style="list-style-type: none"> <li>Investor phone calls</li> <li>Investor correspondence</li> </ul>	6.5
02-27-04	
<ul style="list-style-type: none"> <li>Deceased investor letters</li> </ul>	8.0
<b>TOTAL HOURS:</b>	<b><u>157.0</u></b>

**AMY HARROD**

**ABC TIMESHEET**

**FEBRUARY-2004**

02-02-04		
• Investor phone calls		
• Investor Research		1.00
02-05-04		
• Investor phone calls		
• Investor Research		0.50
02-06-04		
• Investor phone calls		0.75
02-09-04		
• Investor phone calls		
• Investor Research		0.50
02-10-04		
• Investor phone calls		0.50
02-11-04		
• Investor phone calls and research		1.50
02-12-04		
• Investor phone calls & issues		1.50
02-13-04		
• Investor phone calls & research		0.50
02-17-04		
• Investor phone calls		
• 1099 project for Bo Reese		2.00
02-18-04		
• 1099 project for Bo Reese		1.00
02-19-04		
• Reply to investor correspondence		0.50
02-20-04		
• Investor phone calls		
• Phone call to Pensco re: Mr. Arobe		0.75

02-23-04-04

- Investor phone calls
- Spoke with Mr. Arobe re: Pensco account 3.00

02-24-04

- Investor phone calls
- 1099 research 0.50

02-25-04

- Miscellaneous Investor research 0.50

02-26-04

- Investor 1099 questions
- 1099 project spread sheet
- Investor correspondence 1.00

02-27-04

- Investor phone calls 0.50

02-28-04

- Investor phone calls 1.00

**TOTAL HOURS:**

**17.50**

**Janet Soldan  
Bookkeeper**

**Acclerated Benefits**

**Feb-04**

<b>Date</b>	<b>Summary of Activity</b>	<b>Hours</b>
<b>Week of</b>		
2-Feb	Miscellaneous bookkeeping, including account reconciliations and payables	1
9-Feb	Miscellaneous bookkeeping, including account reconciliations and payables	1
16-Feb	Miscellaneous bookkeeping, including account reconciliations and payables	1
23-Feb	Miscellaneous bookkeeping, including account reconciliations and payables	1
<b>Total</b>		<b>4</b>

Sheri's Copy

Statement No.

The Heritage Group  
3240 W. Britton Rd, Suite 105  
Oklahoma City, OK 73120  
(405) 753-9100 fax (405) 753-9397

# EXPENSE STATEMENT

Employee: Sheri Townsend      Emp # \_\_\_\_\_  
 Name: Sheri Townsend      Position: Manager  
 SSN: \_\_\_\_\_  
 Department: \_\_\_\_\_

Pay Period: From 2/9/2004 To 2/12/2004

Date	Account	Description	Hotel	Airfare	Rent Car	Gasoline	Meals	Milage	Other	TOTAL
2/9/2004	HTM	Continental Airlines		\$502.54						\$502.54
2/9/2004	HTM	Hilton/Altamonte Springs	\$76.07							\$76.07
2/9/2004	HTM	Dollar Rent A Car			\$165.53					\$165.53
2/10/2004	HTM	Marrriott	\$234.26							\$234.26
2/10/2004	HTM	Office/Depot - Supplies					\$39.20		\$151.13	\$151.13
2/10/2004	HTM	Moving Company - Tip					\$5.10		\$50.00	\$50.00
2/10/2004	HTM	Bogey Grille					\$6.20			\$6.20
2/10/2004	HTM	Burger King					\$7.00			\$7.00
2/10/2004	HTM	Subway					\$8.24			\$8.24
2/11/2004	HTM	El Polro - Lunch				\$19.59				\$19.59
2/12/2004	HTM	Frankly Gourmet								
2/12/2004	HTM	Smokers Express								
			\$310.33	\$502.54	\$165.53	\$19.59	\$65.74		\$201.13	\$1,284.86
									Sub Total	\$1,284.86
									Subtract Advances	\$1,284.86
									TOTAL	\$1,284.86

Approved By: \_\_\_\_\_

Notes: \_\_\_\_\_

Reimbursement  
 Payment Needed

1113.73

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**EXHIBIT**

**B**