

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

APR 12 2005

PATRICIA PRESLEY, COURT CLERK
BY ~~DUPLICATE~~

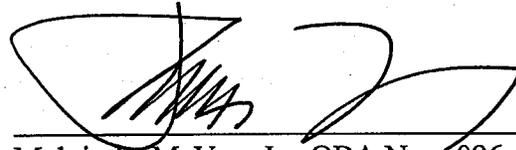
Oklahoma Department of Securities,)
ex rel. Irving L. Faught, Administrator,)
)
Plaintiff,)
)
vs.)
)
Accelerated Benefits Corporation, a Florida)
Corporation, et al.,)
)
Defendants.)

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

NOTICE OF HEARING

Please be advised that a hearing on the Application for Order Approving Amendment to Hourly Compensation Rates of Conservator and Employees has been set for the 13 day of May, 2005, at 9:00 A.m., before the Honorable Judge Daniel L. Owens.

Respectfully submitted,



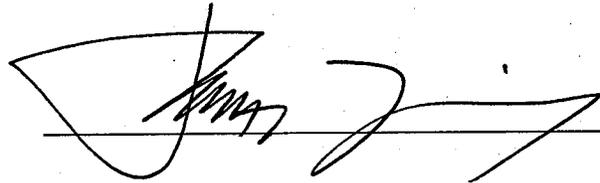
Melvin R. McVay, Jr., OBA No. 6096
Thomas P. Manning, OBA No. 16117
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ATTORNEYS FOR CONSERVATOR,
TOM MORAN

CERTIFICATE OF MAILING

The undersigned certifies that on the 12th day of April, 2005, a true and correct copy of the foregoing Notice of Hearing was mailed, first-class with postage prepaid, to:

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

IN THE DISTRICT COURT OF OKLAHOMA COUNTY APR 12 2005
STATE OF OKLAHOMA

PATRICIA PRESLEY, COURT CLERK
By _____
Deputy

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

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

**APPLICATION FOR ORDER APPROVING AMENDMENT
TO HOURLY COMPENSATION RATES OF
CONSERVATOR AND EMPLOYEES**

COMES NOW Tom Moran, Conservator of certain assets of Accelerated Benefits Corporation (the "Conservator"), and hereby respectfully applies to this Court for entry of an Order approving an amendment to the hourly compensation rates of Conservator and his employees. In support thereof, the 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. The Conservatorship Assets consist mainly of approximately 1500 viatical and/or life settlement policies (the "Viatical Policies") with an aggregate face value in excess of \$140,000,000 on individuals who had been diagnosed with terminal illnesses, whose ownership and beneficiary interests were acquired by ABC in exchange for cash payments.

4. On February 21, 2002, the Court entered an Order approving the rates that the Conservator and his employees may bill for services.

5. The Conservator has not sought an increase in his billing rates in the three years since they were approved by the Court.

6. When the rates were first approved by the Court, ABC was directed to pay the fees and expenses associated with the Conservatorship. ABC has been relieved of its

responsibility to pay for future Conservatorship fees and expenses.

7. Pursuant to the directives of the Conservatorship Order, and as part of his duty to protect the interests of the ABC Investors, the Conservator sought offers to purchase the Viatical Policies from various institutional buyers.

8. On October 25, 2002, the Conservator filed his Motion for Order Approving Sale of Conservatorship Assets (the "Motion to Sell"). In the Motion to Sell, the Conservator presented offers from various proposed purchasers to the Court for consideration and approval.

9. On December 23, 2002, following hearings on the Motion to Sell, the Court granted the Motion to Sell and approved the sale of the Viatical Policies. The Order Approving the Sale was entered by the Court on January 16, 2003, and subsequently modified by the Court on January 24, 2003.

10. Since the closing of the sale through October, 2004, the Conservator has distributed payments of almost \$14.5 million to the ABC Investors.

11. Since the Court initially approved the Conservator's billing rates, the overhead and expenses of the Conservatorship have increased significantly, to the extent that the Conservator has had to lease additional office space and hire additional staff to devote full time attention to tracking and maintenance of the Conservatorship Assets.

12. As a result, the Conservator respectfully requests an increase his hourly billing rates to offset such increased costs.

13. Additionally, the rates currently being billed by the Conservator are far less than the rates which have been approved by other courts for similar services.

14. On or about February 20, 2004, the Conservator was appointed as receiver in a similar viatical action brought in the United States District Court for the Southern District of Ohio. That action is styled *H. Thayne Davis vs. Lifetime Capital, Inc. and David W. Svete*, Case No. 3:04 CV 0059 (the "Lifetime Action").

15. The Court in the Lifetime Action has approved rates of \$175.00 per hour for Conservator and \$125.00 per hour for Sheri Townsend.

16. Therefore, the Conservator respectfully requests that the Court approve an increase in his hourly compensation rate from \$110.00 to \$130.00 per hour, plus actual and necessary expenses, subject to the Court's approval after application, notice and hearing.

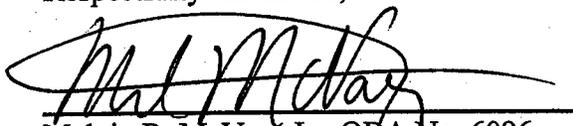
17. The Conservator further requests an increase in the billing rate for Sheri Townsend from \$40.00 to \$65.00 per hour, plus actual and necessary expenses, subject to the Court's approval after application, notice and hearing.

18. The Conservator further requests approval of a billing rate for Patty Kositzky at \$35.00 per hour for administrative functions, plus actual and necessary expenses, subject to the Court's approval after application, notice and hearing.

19. The Conservator further requests approval of a billing rate for Amy Harrod at \$25.00 per hour for administrative functions, plus actual and necessary expenses, subject to the Court's approval after application, notice and hearing.

WHEREFORE, premises considered, Tom Moran, Conservator of certain assets of Accelerated Benefits Corporation, respectfully requests this Court enter an Order approving an amendment to the hourly compensation rates for the Conservator and his employees as set forth herein.

Respectfully submitted,



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

Thomas P. Manning, OBA No. 16117

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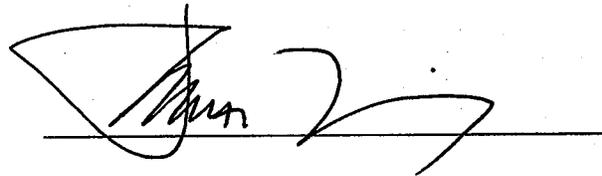
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TOM MORAN

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The undersigned certifies that on the 12th day of April, 2005, 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
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William H. Whitehill, Jr., Esq.
Fellers, Snider, Blankenship,
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Attorney for Defendants,
Accelerated Benefits Corporation and
American Title Company of Orlando

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