

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

MAY - 5 2006

PATRICIA PRESLEY, COURT CLERK
by _____
DEPUTY

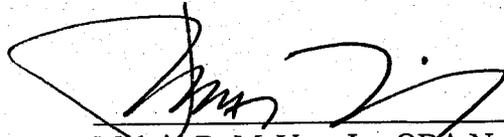
Oklahoma Department of Securities,)
ex rel. Irving L. Faught, Administrator,)
)
Plaintiff,)
)
vs.)
)
Accelerated Benefits Corporation, a Florida)
Corporation, *et al.*,)
)
Defendants.)

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

NOTICE OF HEARING

Please be advised that a hearing on the Application for Order Authorizing Employment of Blasingame, Burch, Garrard & Ashley, P.C. as Local Counsel for Conservator in Georgia Federal Court Proceeding, has been set for the 2nd day of June, 2006, at 9:00 a.m., before the Honorable Judge Daniel L. Owens.

Respectfully submitted,



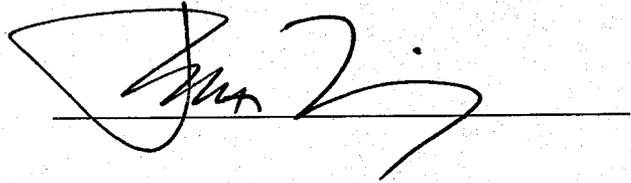
Melvin R. McVay, Jr., OBA No. 06096
Thomas P. Manning, OBA No. 16117
PHILLIPS McFALL McCAFFREY
McVAY & MURRAH, P.C.
Twelfth Floor, One Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102
Telephone: (405) 235-4100
Facsimile: (405) 235-4562
ATTORNEYS FOR CONSERVATOR,
TOM MORAN

CERTIFICATE OF MAILING

The undersigned certifies that on the 5th day of May, 2006, 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.

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Oklahoma Department of Securities,)
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Accelerated Benefits Corporation, a Florida)
corporation, et al.,)
)
Defendants.)

Case No. CJ-99-2500-66
Judge Dan Owens

**APPLICATION FOR ORDER AUTHORIZING EMPLOYMENT OF
BLASINGAME, BURCH, GARRARD & ASHLEY, P.C. AS LOCAL COUNSEL
FOR CONSERVATOR IN GEORGIA FEDERAL COURT PROCEEDING**

Conservator, Tom Moran, hereby respectfully applies to this Court for entry of an Order authorizing the employment of Blasingame, Burch, Garrard & Ashley, P.C. ("Blasingame"), as local counsel for the Conservator in Georgia. 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.

See Exhibit "1," Order Appointing Conservator and Transferring Assets (emphasis added).

3. The Conservator has been served with a lawsuit in the United States District Court for the Middle District of Florida, Athens Division, styled *Texas Life Insurance Company v. Frank Hammond English and HTM Conservator, LLC*, Case No. 3:05-CV-112 (the "Georgia Action"). A copy of the Complaint and Amended Complaint are attached hereto as Exhibits "2" and "3."

4. The Georgia Action involves an attempt by an insurer to rescind a life insurance policy insuring the life of Frank Hammond English, which is part of the Conservatorship Assets.

5. Conservator wishes to employ Blasingame as local counsel in Georgia to assist in the defense of the Georgia Action, and believes the firm has the qualifications necessary to handle the matter on behalf of the Conservatorship. See Exhibit "4," attached hereto.

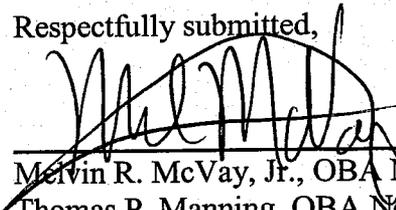
6. Conservator has agreed to compensate Blasingame at its regular hourly rates, plus Blasingame's actual and necessary expenses, subject to the Court's approval after application, notice and hearing.

7. The present billing rates of the Blasingame attorneys expected to assist in representation of the Conservator range from \$150.00 to \$250.00 per hour. The principal attorneys representing Conservator are expected to be Andrew J. Hill, III, whose hourly rate is \$225.00 per hour; and Josh B. Wages, whose hourly rate is \$150.00 per hour.

8. Conservator has not paid Blasingame a retainer. While Blasingame would normally have requested a retainer, Blasingame has agreed to accept this employment in reliance on the establishment of a procedure for payment of interim compensation.

WHEREFORE, premises considered, Conservator, Tom Moran, respectfully requests this Court approve his employment of Blasingame on the terms described herein.

Respectfully submitted,



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

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Oklahoma City, Oklahoma 73102

Telephone: (405) 235-4100

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ATTORNEYS FOR CONSERVATOR,

TOM MORAN

CERTIFICATE OF MAILING

The undersigned certifies that on the 5th day of May, 2006, 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

William H. Whitehill, Jr., 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 "Mark McWay", is written over a horizontal line. The signature is stylized and cursive.