FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

MAY 17 2006

PATRICIA PRESLEY, COURT CLERK
by ____________
Deputy

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

Oklahoma Department of Securities, ex rel. Irving L. Faught, Administrator,	)	
Plaintiff,	)	
vs.	)	Case No. CJ-99-2500-66 Judge Daniel L. Owens
Accelerated Benefits Corporation, a Florida Corporation, *et al.*,	)	
Defendants.	)	

NOTICE OF HEARING

Please be advised that a hearing on the Conservator's Motion for Approval of New Purchase and Servicing Agreements has been set for the 2nd day of June, 2006, at 9:00 a.m., before the Honorable Judge Daniel L. Owens.

Respectfully submitted,

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ATTORNEYS FOR CONSERVATOR,
TOM MORAN

CERTIFICATE OF MAILING

The undersigned certifies that on the 17th 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
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William H. Whitehill, Jr., Esq.
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Attorney for Defendants,
Accelerated Benefits Corporation and
American Title Company of Orlando

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Defendants.	)	

CONSERVATOR'S MOTION FOR APPROVAL OF NEW PURCHASE AND SERVICING AGREEMENTS

COMES NOW Tom Moran, Conservator of Certain Assets of Accelerated Benefits Corporation (the "Conservator") and hereby respectfully moves the Court for approval of a proposed new Option Purchase Agreement and a proposed new Service and Escrow Agreement (collectively, the "Tonti Purchase Contracts") to be executed between the Conservator and Lorenzo Tonti, Ltd. ("Tonti"). In support thereof, the Conservator would show the Court as follows:

1. This proceeding began as a fraud action commenced by the Oklahoma Department of Securities against Accelerated Benefits Corporation ("ABC") and its Oklahoma agents, who offered and sold Viatical Polices (as hereafter defined) to numerous investors on ABC's behalf.

2. On February 6, 2002, the Court entered its Order Appointing Conservator and Transferring Assets (the "Conservatorship Order").

3. Under the Conservatorship Order, Tom Moran was appointed Conservator of certain assets of ABC and its agents, including American Title Company of Orlando and David Piercefield. The Conservatorship Order was agreed to by the parties and authorized the Conservator 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** . . . (emphasis added)

4. The Conservatorship assets consisted primarily of life insurance 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. Upon acquisition of the Viatical Policies, ABC solicited investments from various individual investors (the "ABC Investors"), who were promised significant returns on their investments by ABC, upon the maturity of the respective Viatical Policy to which they were matched.

5. In most cases, the insureds under the respective Viatical Policies (the "Viators") far outlived the projected life expectancies placed on them by ABC and insufficient funds were allocated by ABC for payment of future premiums. As a result, the Viatical Policies were in danger of lapsing, which would have resulted in the ABC Investors, many of whom were elderly and retired, losing their entire investments.

6. 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.

7. 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 Infinity Capital Services, Inc. ("Infinity") and various other proposed purchasers to the Court for consideration and approval.

8. 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 to Infinity. The Order Approving the Sale was entered by the Court on January 16, 2003, and subsequently modified by the Court on January 24, 2003 (the "Order Approving Sale").

9. Following the Court's Order Approving Sale, the Conservator, HTM Conservator, LLC, a court approved entity created to hold title to the Viatical Policies, and Infinity negotiated an Option Purchase Agreement and Service and Escrow Agreement (the "Infinity Purchase Contracts") to evidence the terms of the approved sale.

10. On March 12, 2003, the Court approved the Infinity Purchase Contracts. The sale of the Viatical Policies closed on March 17, 2003.[1]

11. The Infinity Purchase Contracts required Infinity to pay (a) an aggregate of $59,000,000 for the Viatical Policies (which represented the $2,500,000 nonrefundable "Infinity Option Payment" and the $56,500,000 "Purchase Price"); and (b) one hundred percent (100%) of all future premiums and servicing costs for the Viatical Policies. The aggregate payments under the Infinity Purchase Contracts were estimated to return to the ABC Investors approximately 55% of their initial investments, and importantly, Infinity's payment of the premiums eliminated the need for the ABC Investors to make premium payments, and the Conservator to fund the premium shortfalls to keep the Viatical Policies in force.

1 On March 12, 2003, ABC filed an appeal of the District Court's order approving the sale of the Viatical Policies to Infinity. On July 20, 2004, the Court of Appeals affirmed the District Court's order approving the sale. On October 11, 2004, ABC filed a Petition for Certiorari seeking to have the Oklahoma Supreme Court review the decision of the Court of Appeals. On January 24, 2005, the Oklahoma Supreme Court denied ABC's Petition for Certiorari and

12. Pursuant to the terms of the Infinity Purchase Contracts, Infinity paid to the Conservator at Closing the Infinity Option Payment of $2,500,000.00. This Infinity Option Payment received by the Conservator was fully earned and non-refundable and represented approximately a year's worth of premium payments to be held by the Conservator to cover shortfalls in the event of a default by Infinity, or other termination of the Infinity Purchase Contracts.

13. The balance of the Purchase Price of $56,500,000 under the Infinity Purchase Contracts was to be paid with an agreed percentage of the maturity proceeds from the Viatical Policies and the Infinity Earnest Money Deposit of $200,000 which was deposited at Closing. Under the Infinity Purchase Contracts, HTM Conservator, LLC was to hold and administer the Viatical Policies until the full payment of such Purchase Price was received by the Conservator, at which time, the remaining unmatured Viatical Policies were to be transferred to Infinity and only then would the Infinity Purchase Contracts be fully performed.

14. Between March, 2003, and October, 2004, Infinity tendered to the Conservator all sums due under the Infinity Purchase Contracts. Accordingly, the Investors did not have to pay any part of the policy premiums or servicing costs on the Viatical Policies during this period.

15. However, on or about January, 2005, the Conservator declared the Infinity Purchase Contracts to be in default as a result of Infinity's failure to satisfy its November, 2004, and succeeding obligations under the terms of the Infinity Purchase Contracts by paying all sums due for premiums and servicing costs with respect to the Viatical Policies.

16. On or about May 19, 2005, the Conservator entered into an Option Purchase Agreement and Service and Escrow Agreement, with SIG Partners I, LP, a Texas limited partnership

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mandate issued on February 4, 2005.

("SIG"), subject to approval by the Court. SIG deposited with the Conservator $50,000.00 representing the earnest money deposit required by the SIG Purchase Contracts (the "SIG Earnest Money Deposit"), pending Court approval of: (i) the termination of the Infinity Purchase Contracts; and, (ii) the approval of the SIG Purchase Contracts.

17. On or about May 20, 2005, the Court approved the termination of the Infinity Purchase Contracts.

18. On or about June 24, 2005, the Court approved the sale of the then remaining Viatical Policies to SIG, under the SIG Option Purchase Agreement, on terms which were similar to the Infinity Option Purchase Agreement. The Court also approved the SIG Service and Escrow Agreement, which continued the servicing of the policies in a similar manner as previously done with Infinity.

19. On or about July 7, 2005, SIG assigned its interest in the SIG Purchase Contracts to PSK Enterprises, Inc. (the "Purchaser").

20. Under the terms of the SIG Purchase Contracts, the Purchaser paid to the Conservator $975,000.00 (the "SIG Option Payment"). The amount of this SIG Option Payment was determined in part as an amount necessary to fully restore the $2,500,000.00 Option payment made by Infinity. *See* Exhibit "1," Option Purchase Agreement.

21. Between July, 2005, and November, 2005, the Purchaser tendered to the Conservator all sums due under the SIG Purchase Contracts. Accordingly, the Investors did not had to pay any part of the policy premiums or servicing costs on the Viatical Policies during this period.

22. The Purchaser failed to satisfy the January, 2006 premium and servicing fees which were due on or before December 25, 2005 and the Purchaser failed to pay succeeding obligations under the terms of the SIG Purchase Contracts.

23. The Conservator provided to the Purchaser written notice and demand that the Purchaser cure its defaults in accordance with the SIG Purchase Contracts.

24. Despite notice and demand, the Purchaser failed to cure the defaults as required by the terms of the SIG Purchase Agreement.

25. On January 5, 2006, the Conservator notified the Purchaser that the Conservator had exercised its option to terminate the SIG Purchase Contracts as a result of the Purchaser's default which option was in accordance with the remedies expressly set forth under the SIG Purchase Contracts and, as a result, the termination of the SIG Purchase Contract occurred effective as of December 26, 2005.

26. Since the Purchaser's default and through April, 2006, the Conservator has paid approximately $691,847.00 to fund premiums and pay servicing costs with respect to the remaining Viatical Policies, which as of April, 2006 had an aggregate face value of approximately $108 million dollars. Further, since the Purchaser's default and through May 11, 2006, the Conservator has received approximately $657,996.00 of maturity proceeds from the Viatical Policies. In addition to the maturity proceeds actually received by the Conservator, as of April 1, 2006, there were approximately $700,000.00 of pending maturities in which the insureds are deceased and claims upon the respective Viatical Policies are pending.

27. Since the closing of the sale pursuant to the SIG Purchase Contracts through the December, 2005 default by the Purchaser, the amount of the original purchase price remaining to be paid for the Viatical Policies has been reduced to approximately $38 million dollars, as a result of the Conservator's receipt of the allocated share of the maturity proceeds. Accordingly, as of May 1, 2006, the Conservator has distributed payments of $20,147,870.05 to the ABC Investors. The remaining Viatical Policies have a face value of approximately $108,000,000.00.

28. The Conservator has moved the Court to approve the termination of the SIG Purchase Contracts.

ARGUMENT

PROPOSITION I: The Conservator Believes It Would Be In the Best Interest of the ABC Investors For the Court To Approve the Tonti Purchase Agreements.

As a result of the termination of the SIG Purchase Contracts, the Conservator was entitled to retain the $50,000 Earnest Money Deposit as liquidated damages under the terms of the SIG Purchase Contracts cited above, which amount, together with the SIG Option Payment of $975,000.00, which was previously received and is fully earned and non-refundable, has enabled the Conservator to maintain the remaining Viatical Policies for the benefit of the ABC Investors.

Since the default by the Purchaser through April 30, 2006, the Conservator has used approximately $691,847.00 to fund premium payments and servicing costs with respect to the remaining Viatical Policies.

Subject to this Court's approval, the Conservator has negotiated an Option Purchase Agreement and Service and Escrow Agreement with Lorenzo Tonti, Ltd. The Tonti Purchase Contracts contain substantially similar terms to the Infinity Purchase Contracts and SIG Purchase Contracts previously approved by the Court, as well as provide for an additional $850,000.00 to the ABC Investors. *See* Exhibit "1," Option Purchase Agreement, and "2," Service and Escrow Agreement, attached hereto.

Under the Tonti Purchase Contracts, Tonti will tender at closing a non-refundable and fully earned Option Payment of $800,000.00 and the sum of $50,000.00 in earnest money. Tonti will also tender at closing the amount of $691,887.06 in premiums and servicing fees for the period of January 1, 2006 through May 31, 2006, less the purchaser's share of policy maturities from December 27, 2005 through present in the amount of $273,840.78. The total amount due from Tonti at closing would be $1,268,046.28.

Under the Tonti Purchase Contracts, Tonti will be relieved of all liability for any claims or causes of action by the Viators or ABC Investors arising from acts or omissions of any owners or purchasers of the Viatical Policies, or any persons or entities acting or purporting to act on their behalf, which acts or omissions occurred on or before the closing date of the sale to Tonti.

The Tonti Purchase Contracts provide for a purchase price of $38,050,000.00 for the remaining Viatical Policies. The aggregate payments under the Tonti Purchase Contracts, together with the proceeds distributed under the Infinity Purchase Contracts and SIG Purchase Contracts, should continue to return to the ABC Investors approximately 55% of their initial investments. Importantly, Tonti will reimburse the Conservator for all premium payments and servicing costs commencing January 1, 2006, and such payments, together with the Tonti Option Payment and Tonti Earnest Money Payment, will replenish the $2,500,000.00 reserve maintained by the Conservator and will make available for distribution to the ABC Investors an additional $850,000.00.

Accordingly, the Tonti Purchase Contracts should have no adverse economic impact on the ABC Investors, who should receive an increased amount of distributions from the sale of the Viatical Policies to Tonti over what they would have received under the sale to Infinity and the Purchaser, had there been no defaults. The Conservator believes that no potential buyer exists who would provide a greater return to the ABC Investors than that offered by Tonti. The Conservator also believes that the sale to Tonti would be the safest and most expedient course of action for the benefit of the ABC Investors.

Therefore, the Conservator believes it would be in the best interest of the ABC Investors for the Court to approve the sale of the remaining Viatical Policies to Tonti.

WHEREFORE, premises considered, Conservator Tom Moran respectfully moves the Court to approve the Tonti Purchase Contracts and the performance and consummation of the terms required thereby.

Respectfully submitted,

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ATTORNEYS FOR CONSERVATOR,
TOM MORAN

CERTIFICATE OF MAILING

The undersigned certifies that on the 17th day of May, 2006, a true and correct copy of the foregoing document was sent postage prepaid by first-class mail, to:

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