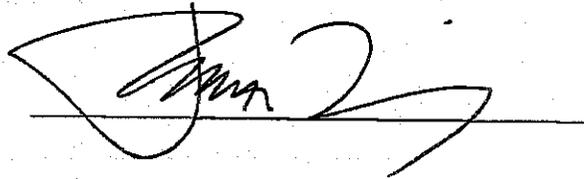


CERTIFICATE OF MAILING

The undersigned certifies that on the 26th day of May, 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 Viera", is written over a horizontal line.

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

MAY 26 2005

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

**CONSERVATOR'S MOTION FOR APPROVAL
OF SIG OPTION PURCHASE AGREEMENTS**

COMES NOW Tom Moran, Conservator of Certain Assets of Accelerated Benefits Corporation (the "Conservator") and respectfully moves the Court for approval of a proposed new Option Purchase Agreement and a proposed new Service and Escrow Agreement (collectively, the "SIG Purchase Agreements") to be executed between the Conservator and SIG Partners I, LP, a Texas limited partnership ("SIG").

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 Policies (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"). *See* Exhibit "1," Order Appointing Conservator and Transferring Assets.
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)

See Exhibit "1," Order Appointing Conservator and Transferring Assets.

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. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 4.

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. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 5.

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. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 6.

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. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 7.

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"). See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 8.

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 that certain Option Purchase Agreement and Service and Escrow Agreement, both dated February 13, 2003 (collectively, the "Infinity Purchase Contracts") to evidence the terms of the approved sale. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 9.

10. On March 12, 2003, the Court approved the Infinity Purchase Contracts. The sale of the Viatical Policies closed on March 17, 2003.¹ See Affidavit of H. Thomas Moran, ¶ 10.

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 "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

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 mandate issued on February 4, 2005.

the Viatical Policies in force. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 11.

12. Pursuant to the terms of the Infinity Purchase Contracts, Infinity paid to the Conservator at Closing the Option Payment of \$2,500,000.00. This 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. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 12.

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 Earnest Money Deposit of \$200,000 which was paid 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. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 13.

14. Between March, 2003, and October, 2004, Infinity tendered to the Conservator all sums due under the Infinity Purchase Contracts. Accordingly, the Investors have not had to pay any part of the policy premiums or servicing costs on the Viatical Policies since the closing of the sale. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 14.

15. Since the closing of the sale, the amount of the original Infinity Purchase Price remaining to be paid to the Conservator under the Infinity Purchase Contracts has been reduced from \$56,500,000 to approximately \$42 million dollars as a result of the Conservator's receipt of its share of the maturity proceeds of \$14,498,229.00. Accordingly, the Conservator has distributed payments

of almost \$14.5 million to the ABC Investors. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 15.

16. Infinity failed 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.² See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 16.

17. The Conservator provided to Infinity written notice and demand that Infinity cure its defaults in accordance with the Infinity Purchase Contracts. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 17.

18. Despite notice and demand, Infinity failed to cure the defaults as required by the terms of the Infinity Purchase Contracts. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 18.

19. On November 30, 2004, the Conservator notified Infinity that the Conservator had exercised its option to terminate the Infinity Purchase Contracts as a result of Infinity's default which option was in accordance with the remedies expressly set forth under the Infinity Purchase Contracts. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 19.

20. During the period of November, 2004 through April 30, 2005, the Conservator has used approximately \$972,768 of the Option Payment to fund premiums and pay servicing costs with respect to the remaining Viatical Policies. As of November 1, 2004, the remaining Viatical Policies had an aggregate face value of approximately \$115,960,897.87. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 20.

21. On May 20, 2005, the Court approved the termination of the Infinity Purchase Contracts. See Exhibit "3," Order Approving Termination of Infinity Purchase Contracts.

22. Since the termination of the Infinity Purchase Contracts, the Conservator has

negotiated with and reached an agreement with SIG to sell the remaining Viatical Policies to SIG. Such sale of the remaining Viatical Policies is subject to the condition precedent that this Court approve the SIG Purchase Agreements on or before July 1, 2005. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 21.

23. The terms of the SIG Purchase Agreements between the Conservator and SIG are attached hereto as Exhibits "4" (Option Purchase Agreement with SIG dated May 19, 2005) and "5" (Service and Escrow agreement with SIG dated May 19, 2005).

24. 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 SIG in accordance with the SIG Purchase Agreements. See Exhibit "2," Affidavit of H. Thomas Moran, ¶ 22.

ARGUMENT

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

As a result of the termination of the Infinity Purchase Contracts, the Conservator was entitled to retain the \$200,000 Earnest Money Deposit as liquidated damages under the terms of the Infinity Purchase Contracts cited above, which amount, together with the Option Payment of \$2,500,000 which was previously received, 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 Infinity through April 30, 2005, the Conservator has used in excess of \$972,768 to fund premium payments and servicing costs with respect to the remaining Viatical Policies. The funds remaining from the Infinity Option Payment and Earnest Money Deposit (without consideration of any further maturities) are estimated to be sufficient to fund the premium payment and servicing costs for

² A default initially occurred in October 2004, but was subsequently cured.

approximately 9-11 months.

Subject to the express condition precedent of this Court's approval, the Conservator has entered into the SIG Purchase Agreements and has received the sum of \$50,000 Earnest Money. The SIG Purchase Agreements, if approved by the Court, will mirror the economic terms of the Infinity Purchase Contracts previously approved by the Court.

Under the SIG Purchase Agreements, SIG will tender a non-refundable and fully earned Option Payment of \$975,000 upon the Closing thereof. This Option Payment, together with the Earnest Money Deposit of \$50,000 previously tendered by SIG and received by the Conservator, totals \$1,025,000, which is the amount estimated to recoup the funds expended by the Conservator for premium payments and servicing costs since the Infinity default and through April 30, 2005, plus incidental costs associated with such default. Further, the SIG Purchase Agreements provide for a purchase price of \$42,061,771 for the remaining Viatical Policies, which equals the adjusted purchase price under the Infinity Purchase Contracts, immediately prior to the Infinity Default. The aggregate payments under the SIG Purchase Agreements, together with the proceeds distributed under the Infinity Purchase Contracts, should continue to return to the ABC Investors approximately 55% of their initial investments. Importantly, SIG will pay for all premium payments and servicing costs commencing May 1, 2005, which will prevent the Viatical Policies from lapsing and such payments, together with the Option Payment, will restore the \$2,500,000 reserve maintained by the Conservator.

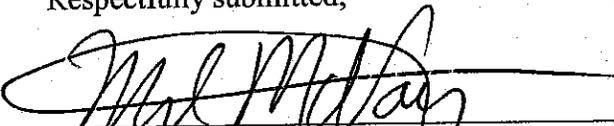
Accordingly, the SIG Purchase Agreements should have no adverse economic impact on the ABC Investors, who should receive approximately the same amount of distributions from the sale of the Viatical Policies that they would have received under the sale to Infinity, had there been no default. The Conservator believes that no potential buyer exists who would provide a greater return

to the ABC Investors than that offered by SIG. The Conservator also believes that the sale to SIG would be the safest and most expedient course of action for the benefit of 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 SIG.

WHEREFORE, premises considered, Conservator Tom Moran respectfully asks the Court to approve the SIG Purchase Agreements and the performance and consummation of the terms required thereby.

Respectfully submitted,



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

Thomas P. Manning, OBA No. 16117

Sally A. Hasenfratz, OBA No. 11853

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ATTORNEYS FOR CONSERVATOR,

TOM MORAN

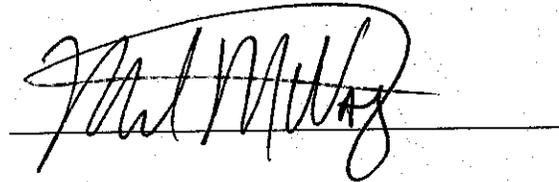
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Attorney for Defendants,
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[Tom, should we give notice to David
Nelson, principal of SIG?]

A handwritten signature in black ink, appearing to read "Tom", is written over a horizontal line.