

DEBT OF ACCELERATED BENEFITS CORPORATION WAS CREATED
BY THE AGREEMENT OF THE INDIVIDUAL DEFENDANTS

Defendants seek to use their violations of the February 6, 2002 Order Appointing Conservator and Transferring Assets ("Conservatorship Order") and orders of this Court to pay expenses, as evidence that when they signed the Conservatorship Order, they did so without their own knowledge, approval, or consent. Defendants go on to argue that the debt against ABC was created by the judgments of this Court.

This argument is completely inconsistent with the acts of these Defendants. The ABC debt that these Defendants now disavow, was created on February 6, 2002, by their consent to the Conservatorship Order. It was voluntarily undertaken by Keith LaMonda and Jess LaMonda, who specifically agreed to the following language in the Conservatorship Order:

"IT IS FURTHER ORDERED that ABC pay and maintain all office expenses, salaries, and other costs of the Conservatorship until at least seventy-five percent (75%) of all Conservatorship Assets have been transferred to the Conservator."

Pursuant to the terms of the Conservatorship Order, expenses were incurred by the conservator beginning on the date of the execution of the Conservatorship Order. However, no expenses were paid by ABC. This Court then ordered expenses to be paid in the nature of Conservator's fees, expenses and attorney's fees for the period February 6, 2002 through April 30, 2002 in the sum of \$123,196.53. See Exhibit A. These expenses have not been paid nor have any subsequent expenses approved by this Court.

To believe the argument of Defendants that these expenses were not paid because they were not contemplated by the Conservatorship Order is ludicrous. This would mean that Defendants never intended ABC to be responsible for any expenses under the Conservatorship Order from the moment they agreed to its terms. It is clear from the cited provision of the Conservatorship Order itself that this was not so.

The debt sought to be imposed against Keith LaMonda and Jess Lamonda was not created by a journal entry or judgment. Instead, Plaintiff was forced to bring an action to enforce the Conservatorship Order because ABC and the individual Defendants refused to comply with its terms. The Journal Entries only order the payment of the debt incurred by ABC with the direct knowledge, approval and consent of Keith LaMonda and Jess LaMonda.

KEITH LAMONDA AND JESS LAMONDA
KNOWINGLY CREATED A CORPORATE DEBT

Defendants are upset about the size of the debt they incurred under the Conservatorship Order. However, that was an issue to negotiate at the time they evidenced their consent by signing the Conservatorship Order. The LaMondas may not have envisioned how long the policy transfer period would take but they are the parties to the Conservatorship Order best positioned to know. They had been in the business of selling viatical investment contracts for at least six years prior to the Conservatorship Order. This was not an issue of the Court construing a provision of the Conservatorship Order but one of the LaMondas having remorse over their own knowing agreement.

In *Phillips & Stong Engineering Co. v. Howard B. James Associates, Inc.*, 1974 OK CIV APP 59, 529 P.2d 1013, 1016, personal liability was imposed on a corporate president who knowingly incurred a rental obligation after the corporate license to do business in Oklahoma had been suspended for failure to pay franchise taxes. The Court defined the word "liable" within the meaning of the provision, making a corporate director or officer personally liable for post-suspension corporate debt which they knowingly incurred, to mean the "state of one being bound in law to do, pay, or make good something which can be enforced by legal action." In assessing liability against the corporate president, the Oklahoma Court of Appeals cited *Midvale*

Min & Mfg. Co. v. Dutron Corp., 569 P. 2d 442 (Okla. 1977), and stated that the legislative intent of the statute (Okla. Stat. tit. 68, § 1212(c)) was to aid in the collection of franchise taxes by discouraging corporate transactions, after suspension, by the imposition of personal liability for post- suspension corporate debts knowingly incurred by corporate officers and directors. The Court stated that this is "liability which results from and is attributable to the acts of Respondents. They had only to disapprove and disavow the debts to avoid personal liability; but having consented to and approved the debts, they became personally liable therefor." *Brown Oil Company v. Shipley*, 706 P.2d 173 (Okla.App.,1985). A clear and plain reading of Okla. Stat. tit. 68, § 1212(c) would appear to impose personal liability on any officer of a corporation who knowingly binds the corporation to indebtedness during the period of suspension of the certificate of incorporation. *In Re Watson*, 104 B.R. 393.

Keith LaMonda and Jess LaMonda became bound in law to do, pay, or make good something which can be enforced by legal action by their agreement to the Conservatorship Order. In fact, the parties were forced to take legal action against ABC to enforce the terms thereof. The parties intended that each shall have vested rights immediately upon the signing of the instrument and that the instrument shall be binding and in full force from and after its execution. *River Oaks Shopping Center v. Pagan*, 712 S.W. 2d 190 (Tex. App. Hous. 1986).

To adopt the reasoning of the Defendants, argued in their response, would be to adopt the position that the Defendants did not intend the document, a document by their own admission extensively negotiated by them, to be binding on ABC after execution. These individual Defendants became personally liable for the debts of ABC created by the Conservatorship Order when they evidenced their knowledge, approval and consent by signing the order during a period of time in which the corporation was suspended from doing business in Oklahoma.

CONCLUSION

The Department respectfully requests that this Court assess personal liability against Keith LaMonda and Jess LaMonda for the debt of ABC, in the amount of \$570,056.36, incurred by them during the term the corporation was suspended from doing business and as detailed in Exhibit B.

Respectfully submitted,



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Attorney for the Oklahoma Department of Securities

CERTIFICATE OF MAILING

The undersigned certifies that on the 16 day of April, 2003, a true and correct copy of the foregoing was mailed via First Class Mail, postage prepaid, to the following:

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IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

AUG 30 2002

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.)

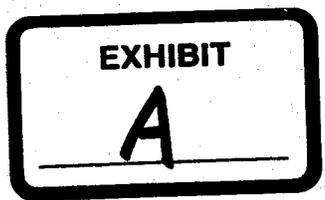
Case No. CJ-99-2500-66

**CONSERVATOR'S MOTION FOR ORDER ASSESSING CONSERVATOR'S
EXPENSES AGAINST DEFENDANTS AND COMPELLING DEFENDANTS TO
COMPLY WITH THE CONSERVATORSHIP ORDER, AND BRIEF IN SUPPORT**

Conservator, Tom Moran ("Conservator"), hereby respectfully moves the Court for an Order assessing the Conservator's expenses against Defendants, Accelerated Benefits Corporation ("ABC"), American Title Company of Orlando ("ATCO"), C. Keith LaMonda ("LaMonda") and David S. Piercefield ("Piercefield") (collectively "Defendants"), and compelling Defendants to comply with the terms of the Court's Order Appointing Conservator and Transferring Assets entered on February 6, 2002. In support of this motion, the Conservator offers the following brief in support.

BRIEF IN SUPPORT

The core litigation underlying this matter was a fraud action brought by the Oklahoma Department of Securities against Defendants and three Oklahoma residents (the "Oklahoma Defendants") who offered and sold investments in life settlement policies ("Viaticals") on Defendants' behalf. On December 17, 1999, the District Court entered an agreed order and judgment finding that the



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Oklahoma Defendants, acting as unregistered broker-dealers or agents, had sold unregistered securities in and from Oklahoma.

Thereafter, the District Court held a non-jury trial of Defendants and adopted Findings of Fact and Conclusions of Law (the "Findings"), which among other things: (i) enumerated the misstatements and omissions of material facts Defendants made to investors in connection with the offer and sale of the Viaticals; and (ii) stated that Defendants committed fraud in the sale of such securities.

The facts misrepresented in the Purchase Request Agreements included, without limitation, those relating to the "guaranteed payment of premiums" on the life insurance policies underlying the Viaticals. In fact, the Defendants set aside funds for the payment of such premiums according to a formula based on Petitioners' estimates of the Viator's life expectancies, which proved very inaccurate resulting in premium shortfalls.

At the conclusion of the trial the District Court entered an Order of Permanent Injunction against the Defendants. After extensive negotiations the parties agreed that it was in the investors' best interests to appoint a conservator to take over administration of the Viatical policies, in lieu of a judgment for restitution against Defendants.

On February 6, 2002, the Court entered its Order Appointing Conservator and Transferring Assets (the "Conservatorship Order") and appointed Tom Moran as Conservator. The Conservatorship Order transferred certain assets of ABC and its agents, including LaMonda, ATCO and Piercefield, (the "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.

See Exhibit "A", Conservatorship Order.

The Conservator was further 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 "A", Conservatorship Order.

On February 21, 2002, the Court granted Conservator's application to employ Phillips McFall as counsel and approved its hourly rates. Since its employment as counsel, Phillips McFall has performed certain tasks on behalf and at the request of the Conservator, which include:

- a. Representation of Conservator's interests in matters and proceedings

arising in, or relating to, this case;

- b. Advising Conservator concerning the administration of the Conservatorship and Conservator's rights and duties, and the claims of investors and other parties in interest;
- c. Investigation of possible causes of action belonging to the Conservatorship; and,
- d. Assisting with such other matters as the Conservator has requested from time to time.

As noted above, the Conservatorship Order specifically directed the conservator to "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 of Conservator." The Conservatorship Order further directed Defendants to: (i) transfer to the Conservator within 90 days following the date thereof all proceeds held by Defendants for the payment of such premiums; and (ii) pay all costs of the Conservatorship until 75% of the policies were transferred to the conservator. *See* Exhibit "A", Conservatorship Order. As of the date of this motion, only approximately 59% of the policies have been transferred to the Conservator, and Defendants have not paid all of the expenses of the Conservatorship as ordered.

The Conservator has submitted its expenses to the Court for approval. As of the date of this motion, the Court has approved Conservator's fees, expenses and attorneys fees in the amount of \$123,196.53 for the period of February 6, 2002 through April 30, 2002. Conservator's fees, expenses and attorney's fees in the amount of \$76,096.20, for the period of May 1, 2002 through June 30, 2002, have been submitted to the Court for approval. The hearing on these applications is scheduled for September 6, 2002. The Conservator is in the process of finalizing his applications for the period of July 1, 2002 through July 31, 2002.

Defendants have previously objected to the fees and expenses of the Conservator and have alleged that ABC Investors are somehow harmed by the Court's approval of the Conservator's expenses to date. However, such is not the case since it is Defendants who remain liable, under the Conservatorship Order, to pay the costs of the Conservatorship until 75% of the policies are transferred. Since only 59% of the policies have been transferred to date, ABC Investors are not currently required to bear any burden of the Conservatorship provided Defendants are required to comply with the Conservatorship Order, which they agreed to in lieu of restitution.

Defendants have failed to reimburse the Conservator for expenses incurred and approved by the Court, and have also advised the Conservator that they will no longer pay premium resulting from nonpayment of premiums by certain investors. Because Defendants have not complied with the Conservatorship Order to pay Conservatorship Expenses until 75 % of the policies are transferred, the Conservator was forced to authorize payment from Conservatorship funds held by ATCO of approximately \$88,000 in premium shortfalls in July 2002.¹ In addition, Defendants have demanded that the Conservator pay approximately \$85,000.00 in premium shortfalls for August 2002.

Defendants' have alleged in prior pleadings that they have been "blackmailed" into paying for premium shortfalls. However, this would more accurately describe the recent tactics of Defendants regarding payment of premium shortfalls. Defendants did not pay the premiums due for July when due, in spite of previous direction from the Conservator to pay premiums when due and not allow policies to enter the grace period. Instead, Defendants ignored this direction and allowed the policies to enter the grace period, and with only a few days remaining before the policies would lapse for non-payment

¹ Since the date the Conservator authorized use of Conservatorship assets for the payment of premium shortfalls in July, Defendants have not provided the Conservator with any accounting for the funds used or the amount of Conservator funds remaining under Defendants' control.

informed the Conservator that the premiums had not been paid and demanded that the Conservator pay premium shortfalls. The Conservator had no choice but to agree, under protest, to allow Conservatorship funds to be used to pay the shortfalls in order to prevent the lapse of the policies. Similarly, on August 27, 2002, a mere three days before the lapse of policies would occur, Defendants once again demanded that the Conservator pay premium shortfalls. Because of the timing, the Conservator will again have no choice but to authorize the use Conservator funds to make the payments in order to prevent a lapse in policies.

The payment of premium shortfalls is a cost of the Conservatorship, as contemplated by the language of the Conservatorship Order, which Defendants continue to be obligated to pay until 75% of the policies are transferred to the Conservator. As noted above, only 59% of the policies have been transferred to the Conservatorship to date. The failure of Defendants to comply with the Conservatorship Order, by timely making all premium payments, will severely hamper the Conservator in his ability to continue to perform his duties as Conservator once Defendants are no longer obligated to make the payments. Defendants further appear to be attempting to guaranty the failure of the Conservatorship by depleting the cash assets currently under the Conservator's control. The Conservator has no source of income from the Conservatorship Assets, except by virtue of the order allowing the withholding of six percent of maturity proceeds, which to date has amounted to less than \$10,000. Defendants have made application to the Oklahoma Supreme Court for original jurisdiction and a writ of prohibition on the six percent order. If Defendants are successful, then the Conservator will have no source of income and only limited funds with which to perform his duties.

In addition, Defendants have refused to turn over all funds escrowed pursuant to the investor contracts for payment of future premiums and have failed to account to the Conservator for the amounts

that should have been escrowed according to the Defendants' own calculations. The Conservatorship Order requires Defendants to:

... promptly deliver and surrender to the Conservator:

1. all Conservatorship Assets in the possession of or under the control of any one or more of them; and ,
2. all books and records of any kind pertaining to the Conservatorship Assets. . .

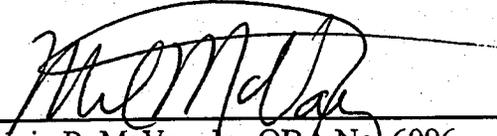
See Conservatorship Order, p. 5.

Therefore, Defendants have failed to comply with terms of the Conservatorship Order, which they agreed to in lieu of restitution, and should be ordered to pay all Conservator expenses approved by the Court, and turn over and account for all funds under Defendants' control or escrowed for the payment of future premiums.

WHEREFORE, premises considered, Conservator, Tom Moran, respectfully requests this Court enter an Order assessing the Conservator's expenses against Defendants which have been approved by the Court, in the amount of \$199,292.73 through June 30, 2002, as well as any additional fees and expenses approved by the Court subsequent to this motion, and ordering Defendants to reimburse the Conservator for such expenses. The Conservator further requests the Court to order Defendants to account for and reimburse the Conservator for any Conservator funds used to pay premium shortfalls for the period of July and August 2002. In addition, the Conservator respectfully requests the Court enter an order compelling Defendants to comply with the terms of the Conservatorship Order and pay all costs of the Conservatorship until further order of the Court, and turn over and account for all funds under Defendants' control or escrowed for the payment of

future premiums.

Respectfully submitted,



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

Thomas P. Manning, OBA No. 16117

PHILLIPS McFALL McCAFFREY

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ATTORNEYS FOR CONSERVATOR,

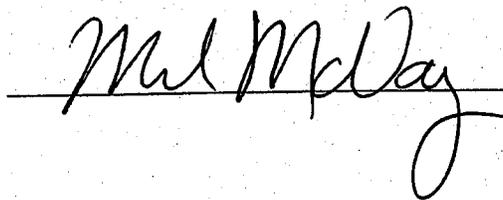
TOM MORAN

CERTIFICATE OF MAILING

The undersigned certifies that on the 30th day of August, 2002, a true and correct copy of the foregoing Application was hand-delivered, to

Patricia A. Labarthe
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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,
American Title Company of Orlando,
C. Keith LaMonda and
David S. Piercefield

A handwritten signature in cursive script, reading "Mark McWay", is written over a horizontal line.

copy

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

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

FEB - 7 2002
PATRICIA PRESLEY, COURT CLERK
By ~~DEPUTY~~

Case No. CJ-99-2500-66

ORDER APPOINTING CONSERVATOR AND TRANSFERRING ASSETS

This matter came on for hearing this 6th day of February, 2002, before the undersigned judge of the Oklahoma County District Court, State of Oklahoma, on the joint application of Plaintiff Oklahoma Department of Securities ("Department") and Defendant Accelerated Benefits Corporation ("ABC"), for this Order Appointing Conservator and Transferring Assets ("Conservatorship Order"). The Court, having reviewed all of the evidence offered, and being advised that the parties agree to the entry of this Conservatorship Order, finds that the following order should be entered in lieu of a judgment for restitution and in order to prevent potential irreparable loss, damage or injury to purchasers of interests in the right to receive the proceeds from the viatical and/or life settlement policies effectuated by ABC Purchase Request Agreements ("ABC Investors").

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Tom Moran of Oklahoma City, Oklahoma, ("Conservator") be and is hereby appointed Conservator of the following assets of ABC or its agents, including American Title Company of Orlando and David Piercefield ("Conservatorship Assets"):



1. all life insurance policies owned or held beneficially, directly or indirectly, by or for the benefit of ABC and/or the ABC Investors, that were purchased from the date of inception of ABC through September 30, 2000 ("Policies");

2. all assets of ABC necessary to accomplish the objectives of the Conservatorship listed below 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 32801, and telephone systems;

3. all premium reserve accounts and bank accounts into which ABC Investor funds or proceeds from Policies have been deposited; and

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

IT IS FURTHER ORDERED that the Conservator is given directions and authority to accomplish the following:

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

2. to manage all Conservatorship Assets pending further action by this Court including, but not limited to, the evaluation of the Policies, and to take the 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 future premium payments;

3. to receive and collect any and all sums of money due or owing on the Policies to ABC or its agents whether the same are due or shall hereinafter become due and payable;
4. to 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;
5. to 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;
6. to monitor the viators of the Policies by tracking the location of the viators and periodically checking the health of the viators;
7. to receive notice of the death of viators, file death claims on the viators, and collect the proceeds paid on the Policies as such mature;
8. to disburse to each ABC Investor his proportionate share of the proceeds paid on matured Policies, which amount may be reduced by the total amount of any premium payments advanced by ABC or the Conservator on behalf of such ABC Investor;
9. to establish open communication with ABC Investors with proper disclosure of available options and consequences including, but not limited to, notice to ABC Investors of this Conservatorship Order within thirty (30) days of the entry of this Order;
10. to 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. Conservator may immediately retain or employ such persons, and compensate such persons, all subject to application to and approval by the Court;

11. to open and inspect any and all mail and/or deliveries if same relate 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;

12. to institute, prosecute, defend, intervene in or become 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 the Conservatorship Assets, or the carrying out of the terms of this Conservatorship Order; and

13. to exercise those powers necessary to implement his conclusions with regard to disposition of this Conservatorship pursuant to the orders and directives of this Court.

IT IS FURTHER ORDERED that ABC and its agents, including American Title Company of Orlando and David Piercefield, shall immediately begin the process of transferring the ownership and beneficial rights to the Conservatorship Assets to the Conservator until all Conservatorship Assets have been transferred. The transfer process shall conclude within ninety (90) days of the execution of this Order. If for any reason any Conservatorship Asset has not been transferred on or before end of the ninety (90) day period, ABC and/or its agents, including American Title Company of Orlando and David Piercefield, shall provide a list to the Conservator of the Conservatorship Assets that have not been transferred and the reasons therefor.

IT IS FURTHER ORDERED that this order supercedes the order of this Court dated May 10, 2001, that prohibited the assessment or collection of future premium payments from ABC Investors.

IT IS FURTHER ORDERED that ABC pay and maintain all office expenses, salaries, and other costs of the Conservatorship until at least seventy-five percent (75%) of all Conservatorship Assets have been transferred to the Conservator.

IT IS FURTHER ORDERED that all persons and entities, including ABC, its subsidiaries, affiliates, officers, directors, agents, servants, employees, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them, and further including any banks or financial institutions, wherever chartered or located, life insurance companies, federal and state agencies, viators, viatical settlement providers, and viatical settlement brokers who receive actual notice of this Conservatorship Order, by personal service, facsimile transmission or otherwise, shall promptly deliver and surrender to the Conservator:

1. all Conservatorship Assets in the possession of or under the control of any one or more of them; and
2. all books and records of any kind pertaining to the Conservatorship Assets, to the ABC Investors, or to the viators whose lives are insured by the Policies.

IT IS FURTHER ORDERED that all persons and entities, including ABC, its subsidiaries, affiliates, officers, directors, agents, servants, employees, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them, and further including any banks or financial institutions, wherever chartered or located, life insurance companies, federal and state agencies, viators, viatical settlement providers, and viatical settlement brokers who receive actual notice of this Conservatorship Order, by personal service, facsimile transmission or otherwise, fully cooperate with and assist the Conservator and that they take no action, directly or indirectly, to hinder or obstruct the

Conservator in the conduct of his duties or to interfere in any manner, directly or indirectly, with the custody, possession or control exercised by said Conservator.

IT IS FURTHER ORDERED that the Conservator is authorized, without breaching the peace, to enter and secure any premises under the control of ABC or its agents, wherever located or situated, in order to take possession, custody or control of, or to identify the location or existence of, any Conservatorship Assets.

IT IS FURTHER ORDERED that the Conservator may apply to the Court for compensation, from time to time, in a reasonable sum to be determined by the Court and from such sources as approved by the Court and for reimbursement for reasonable expenses incurred in connection with his duties as Conservator. The fees and expenses of the Conservator shall have priority over any other claims made against ABC. The Conservator shall not be required to give any bond. The Oklahoma Department of Securities shall have the authority to seek removal of the Conservator for cause and upon approval of this Court.

IT IS FURTHER ORDERED that except by leave of Court during the pendency of this Conservatorship, all creditors and other persons seeking money, damages or other relief from ABC or its agents, including American Title Company of Orlando and David Piercefield, and all others acting on behalf of any such creditor or other persons, including sheriffs, marshals, and other officers and their deputies, and their respective attorneys, servants, agents, and employees, are hereby stayed and restrained from doing any act or thing whatsoever to interfere with ABC or its agents, including American Title Company of Orlando and David Piercefield, in the orderly transfer of the Conservatorship assets or the Conservator or to the possession of or management by the Conservator of the Conservatorship Assets, or to interfere in any manner during the pendency of this proceeding with the exclusive jurisdiction of this Court over ABC. This

Conservatorship Order shall not stay or restrain any pending or future action whatsoever by any government agency or any representative on behalf of any government.

IT IS FURTHER ORDERED that any Conservatorship Assets remaining at the conclusion of the Conservatorship shall be transferred to ABC.

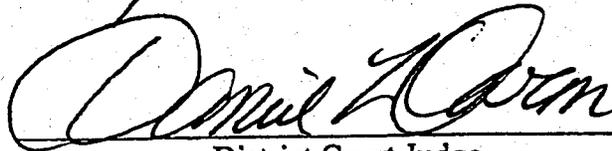
IT IS FURTHER ORDERED that ABC and its agents, including American Title Company of Orlando and David Piercefield, be held harmless from any and all liability, costs and damages arising in connection with each Conservatorship Asset after each such asset has been transferred to the Conservator.

IT IS FURTHER ORDERED that the Conservator be held harmless from any and all liability, costs and damages arising from acts of ABC and its agents, including American Title Company of Orlando and David Piercefield, before Conservatorship Assets have been transferred to the Conservator.

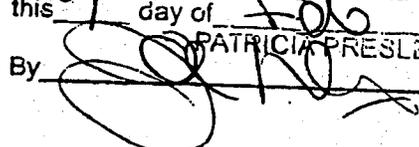
IT IS FURTHER ORDERED that the Conservator may rely on applicable exclusions or exemptions from registration under the Act in connection with the offer and/or sale of securities to institutional buyers in and/or from the state of Oklahoma.

IT IS FURTHER ORDERED that the Court shall retain jurisdiction over this matter and ABC for all purposes.

Dated this 6th day of February, 2002.



District Court Judge

I, PATRICIA PRESLEY, Court Clerk for Oklahoma County, Okla., hereby certify that the foregoing is a true, correct and complete copy of the instrument herewith set out as appears of record in the District Court Clerk's Office of Oklahoma County, Okla., this 7 day of Feb, 2002.
By  PATRICIA PRESLEY, Court Clerk Deputy

Approved as to form and substance:

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Attorneys for Conservator

Expenses Owed by ABC to Conservator Under Court's Orders

<i>Month</i>	<i>Conservator's</i>		<i>Attorney's</i>	<i>Total</i>
	<i>Fees</i>	<i>Expenses</i>		
February	\$16,616.10	\$7,524.93	\$18,306.90	\$42,447.93
March	\$27,035.00	\$4,915.61	\$11,842.91	\$43,793.52
April	\$23,340.00	\$5,852.08	\$7,763.03	\$36,955.11
May	\$18,090.00	\$1,802.29	\$10,365.44	\$30,257.73
June	\$23,677.00	\$3,977.21	\$18,184.28	\$45,838.49
July	\$23,464.50	\$2,586.92	\$19,076.26	\$45,127.68
August	\$18,458.00	\$3,206.77	\$29,109.61	\$50,774.38
September	\$14,758.50	\$260.20	\$29,232.42	\$44,251.12
October	\$23,395.50	\$642.21	\$33,126.87	\$57,164.58
			Sub Total	\$396,610.54

Advances by Conservator

July premiums	\$88,576.12			\$88,576.12
August premiums	\$84,869.70			\$84,869.70
			Sub Total	\$173,445.82
			Total	\$570,056.36

