

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.
APR 26 2003
PATRICIA PRESLEY, COURT CLERK
by _____ Deputy

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

Case No. CJ-99-2500-66

**PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT,
BRIEF IN SUPPORT AND RESPONSE TO
DEFENDANTS' MOTION FOR SUMMARY JUDGMENT**

COMES NOW Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faught, Administrator ("Administrator"), and pursuant to Rule 13, Rules of the District Court of Oklahoma, 12 O.S. Ch. 2, App., moves this Court for summary judgment against Defendants C. Keith LaMonda ("Keith LaMonda") and Jess LaMonda, and responds to the Defendants' motion for summary judgment. The undisputed record and evidence in this case shows that Plaintiff is entitled to judgment as a matter of law.

In support of its position Plaintiff adopts and incorporates herein the following Brief in Support of its Motion for Summary Judgment.

**BRIEF IN SUPPORT OF
MOTION FOR SUMMARY JUDGMENT**

Statement of Undisputed Material Facts

1. On or about April 8, 1999, Plaintiff brought a fraud action against Accelerated Benefits Corporation ("ABC") and three Oklahoma residents (the "Oklahoma Defendants") who

offered and sold investments the future proceeds of life insurance policies ("Viaticals") on ABC's behalf. *See* Exhibit "A", Petition.

2. The District Court held a non-jury trial of ABC and adopted Findings of Fact and Conclusions of Law (the "Findings"), which among other things: (a) enumerated the misstatements and omissions of material facts ABC made to investors in connection with the offer and sale of the Viaticals; and (b) stated that ABC committed fraud in the sale of such securities. *See* Exhibit "B," Findings of Fact and Conclusions of Law.

3. At the conclusion of the trial, the District Court entered an Order of Permanent Injunction against ABC. *See* Exhibit "C," Injunction.

4. On or about June 9, 2000, ABC became a suspended corporation in Oklahoma. *See* Exhibit "D," Certificate.

5. On February 6, 2002, the Court entered the Order Appointing Conservator and Transferring Assets ("Conservatorship Order") and appointed Tom Moran as Conservator (the "Conservator"). The Conservatorship Order transferred certain assets of ABC and its agents, including Keith LaMonda, American Title Company of Oklahoma ("American Title") and David Piercefield ("Piercefield"), to the Conservator. *See* Exhibit "E," Conservatorship Order.

6. Jess LaMonda, as President, and Keith LaMonda approved as to form and substance the entry of the Conservatorship Order on behalf of ABC. *See* Exhibit "E," Conservatorship Order.

7. Under the terms of the Conservatorship Order, ABC agreed to pay all costs of the Conservatorship until at least 75% of the policies were transferred to the Conservator. *See* Exhibit "E," Conservatorship Order.

8. Between February 6, 2002 and October 31, 2002, the Court approved \$396,610.54 in Conservator fees, expenses and attorney fees. See Exhibit "F," 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's Motion"). On November 20, 2002, the Court entered a Journal Entry directing ABC to pay all of these approved Conservator fees, expenses and attorney fees. See Exhibit "G," Journal Entry.

9. On January 10, 2003, the Court entered an order directing ABC to reimburse the Conservator in the amount of \$173,445.82 for advances made by the Conservator for premium shortfalls during July and August 2002. See Exhibit "H," Order.

10. The Conservator has not received any of the \$570,056.36, that ABC agreed to pay in the Conservatorship Order. See Exhibit "I," Affidavit of Conservator.

11. ABC became qualified as a foreign corporation to do business in Oklahoma on March 11, 2003. See Exhibit "J," Certificate.

ARGUMENT AND AUTHORITIES

Introduction

Plaintiff brought this action against Defendants Keith LaMonda and Jess LaMonda (collectively, the "Defendants"), alleging that Defendants, as officers and directors of ABC, are personally liable for debts incurred by ABC, with Defendants' knowledge, approval and consent, during the period that ABC was suspended from doing business in the state of Oklahoma.

Summary judgment is appropriate when "there is no substantial controversy as to any material fact." Rule 13, Rules for District Courts of Oklahoma. 12 O.S., Ch. 2 App. Rule 13 provides that a party may properly move for summary judgment on the grounds that "the depositions, admissions in the pleading, stipulations, answers to interrogatories and requests for admissions, affidavits, and exhibits on file . . . show that there is no substantial controversy as to any material fact." In addition, when it appears from the record properly before the Court that there are no genuine issues as to material facts, summary judgment is properly granted. Sellers v. Oklahoma Pub. Co., 687 P.2d 116 (Okla. 1984); Heavner v. Farmers Insurance Co., 663 P.2d 730 (Okla. 1983); Perry v. Green, 468 P.2d 483 (Okla. 1970). In this case, the material facts are not in controversy and Plaintiff is entitled to judgment as a matter of law.

PROPOSITION I

DEFENDANTS ARE PERSONALLY LIABLE FOR THE DEBTS INCURRED BY ABC DURING THE PERIOD IT WAS SUSPENDED UNDER 68 O.S. §1212

Oklahoma law provides that officers or directors of a suspended corporation shall be deemed personally liable for the debts incurred with their knowledge and consent by the corporation during the term the corporation is suspended from doing business. The pertinent statute states:

(c) Each trustee, director or officer of any such corporation, association or organization, whose right to do business within this state shall be so forfeited, shall, as to any and all debts of such corporation, association or organization, which may be created or incurred with his knowledge, approval and consent, within this state after such forfeiture and before the reinstatement of the right of such corporation to do business, be deemed and held liable thereon in the same manner and to the same extent as if such trustees, directors, and officers of such

corporation, association or organization were partners. 68 O.S. §1212(c).

In this case, ABC was suspended from doing business in Oklahoma on June 9, 2000, and was not reinstated until March 11, 2003. ABC incurred debts in Oklahoma during the period of suspension. Specifically, ABC agreed to the entry of the Conservatorship Order "in lieu of a judgment for restitution and in order to prevent irreparable loss, damage or injury" to the ABC investors. The Conservatorship Order was entered with the knowledge and consent of Defendants, who signed the Conservatorship Order in their capacity as officers or directors of ABC. Signing the Conservatorship Order below the statement, "Approved as to form and substance" evidenced their approval, knowledge and consent.

The Conservatorship Order orders that ABC incur debts in the nature of Conservatorship expenses that ABC agreed to pay until at least 75% of the Conservatorship assets were transferred to the Conservator. The Conservatorship Order states:

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.

See Exhibit "E," Conservatorship Order, p.5.

On November 20, 2002, the Court ordered ABC to pay to the Conservator all Conservatorship fees, expenses and attorney's fees approved by the Court for the period of February 6, 2002 through October 31, 2002, as requested in a motion filed by the Conservator on August 30, 2002. *See* Exhibit "F," Conservator's Motion and Exhibit "G," Journal Entry. The order was issued to enforce ABC's agreement and directed ABC to pay the sum of \$396,610.54, representing the Conservator fees, expenses and attorney's fees through October 31, 2002, to the Conservator within 30 days from the date of the Court's

order. On January 10, 2003, the Court ordered that ABC pay to the Conservator the sum of \$173,445.82, representing the Conservatorship funds advanced for payment of premium shortfalls in July and August, 2002, to the Conservator within 30 days from the date of the order as those are Conservatorship expenses, as contemplated by the Conservatorship Order. See Exhibit "H," Order. ABC has not complied with the Court's orders.

The money agreed to and ordered to be paid by ABC to the Conservator is a debt for purposes of 68 O.S. § 1212. The word "liable," within the meaning of this provision making a corporate director or officer personally liable for post-suspension corporate debt which they knowingly incurred, means the "state of one being bound in law to do, pay, or make good something which can be enforced by legal action." *Phillips & Stong Engineering Co. v. Howard B. James Associates, Inc.*, 1974 OK CIV APP 59, 529 P.2d 1013, 1016.

To date, ABC has incurred debt in the amount of \$570,056.36 under the Conservatorship Order. This debt was incurred during a period when ABC was suspended from doing business in Oklahoma. The debt was incurred with the direct knowledge and prior consent of Keith LaMonda and Jess LaMonda. Therefore, Keith LaMonda and Jess LaMonda are personally liable for this corporate debt of ABC.

PROPOSITION II

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 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. The Conservatorship Order itself states in the first paragraph:

“The Court, having received 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[.]”

Keith LaMonda and Jess LaMonda, specifically agreed to that language and 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.”

Since ABC was in a suspended status at the time, Keith LaMonda and Jess LaMonda voluntarily undertook the debt voluntarily incurred by ABC.

Pursuant to the terms of the Conservatorship Order, expenses were incurred by the Conservator beginning on the date of execution of the Conservatorship Order. When ABC failed to honor its agreement to pay the Conservatorship expenses, the Plaintiff and the Conservator were forced to seek the assistance of the Court to enforce the reimbursement provisions of the Conservatorship Order. Upon application of the Conservator, this Court first approved the payment of expenses 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 and ordered that those and other expenses be paid by ABC. See Exhibit “F”.

These expenses have not been paid nor have any subsequent expenses similarly approved by this Court and ordered to be paid by ABC.

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 the Defendants agreed to its terms and contrary to the evidence provided by their signatures. It is clear from the provisions of the Conservatorship Order itself that this was not so.

The debt sought to be imposed against Keith LaMonda and Jess LaMonda was not something dreamed up by the Court; rather, the creation of the debt was proposed to the Court by the parties, including Keith LaMonda and Jess LaMonda. The debt was not created by a journal entry or judgment. The journal entries and orders are the result of the Conservator's actions to enforce the Conservatorship Order because ABC and the individual Defendants failed to comply with its terms as initially agreed. The Journal Entries order the payment of the debt voluntarily incurred by ABC with the direct knowledge, approval and consent of Keith LaMonda and Jess LaMonda.

PROPOSITION III

KEITH LAMONDA AND JESS LAMONDA KNOWINGLY CREATED A CORPORATE DEBT

Defendants are upset about the size of the debt incurred under the Conservatorship Order. However, that was an issue to negotiate prior to evidencing 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 and were aware of the critical premium shortfall that existed. 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.

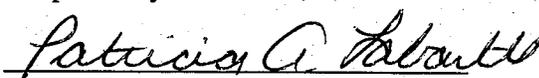
By executing the Conservatorship Order, the parties intended that the Conservatorship Order would be binding on all parties and in full force from and after its execution. Keith LaMonda and Jess LaMonda became bound in law to do, pay, or make good on something that can be enforced by legal action as a result of their agreement to the Conservatorship Order. The argument that Keith LaMonda and Jess LaMonda signed the Conservatorship Order but did not mean to approve of or consent to its terms is inconsistent with the document itself.

To adopt the reasoning of the Defendants 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. Any issues relating to the negotiations or relating to the parties' understanding of the negotiations are irrelevant to the summary disposition of the case against Keith LaMonda and Jess LaMonda because the record and evidence clearly establish the personal liability of Keith LaMonda and Jess LaMonda. The record properly before this Court demonstrates that genuine issues as to material facts do not exist and that summary judgment is appropriate. 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 ABC was suspended from doing business in Oklahoma.

CONCLUSION

WHEREFORE, Plaintiff, Oklahoma Department of Securities, *ex rel.* Irving L. Faight, Administrator, respectfully requests that judgment be entered against Defendants Keith LaMonda and Jess LaMonda in the amount of \$570,056.36, plus reasonable attorneys' fees, costs of this action, along with such other relief as the Court deems just and proper, and that Defendants' Motion for Summary Judgment be denied.

Respectfully submitted,



Patricia A. Labarthe, OBA # 10391
Oklahoma Department of Securities
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102
(405) 280-7700

CERTIFICATE OF MAILING

The undersigned certifies that on the 29th day of April, 2003, a true and correct copy of the foregoing was mailed via First Class Mail, postage prepaid, to the following:

Melvin R. McVay, Jr., Esq.
Thomas P. Manning, Esq.
Phillips McFall McCaffrey
McVay & Murrah, P.C.
Twelfth Floor, One Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102
Attorneys for Tom Moran,
Conservator of certain assets of
Accelerated Benefits Corporation

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

Jeff Hartmann, Esq.
Angela Ables, Esq.
Kerr, Irvine, Rhodes & Ables
201 Roberts S. Kerr, Suite 600
Oklahoma City, OK 73102
Attorneys for Life Alliance, L.L.C.

Nabeel Hamameh, Esq.
800 N. Old Woodward Avenue, Suite 102
Birmingham, MI 48009
(248) 258-5658
Facsimile (248) 203-6907
Attorney for Infinity Capital Services, Inc.

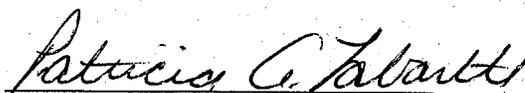
James Slayton, Esq.
4808 Classen Blvd
Oklahoma City, OK 73118

-and -

Jon W. McLanahan, Esq.
4205 McCauley Blvd, Suite 385
Oklahoma City, OK 73120-8347
Attorneys for Robert D. Stone and
Larry W. Hanks

Robert A. Nance, Esq.
Riggs, Abney, Neal, Turpen,
Orbison and Lewis
5801 Broadway Extension, Suite 101
Oklahoma City, OK 73118
Attorney for Lawrence Deziel

Rebecca A. Farris, Esq.
Helms & Underwood
2500 First National Center
120 North Robinson
Oklahoma City, OK 73102
Attorney for John C. Hinkle and
Wanda B. Hinkle



IN THE DISTRICT COURT OF OKLAHOMA COUNTY APR - 8 1999
STATE OF OKLAHOMA

PATRICIA FRESLEY, COURT CLERK
By _____
Deputy

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)

Plaintiff,)

v.)

Accelerated Benefits Corporation, a)
Florida corporation, American Financial)
Associates, L.L.C., an Oklahoma limited)
liability company, William W. Romine,)
an individual, Philip Stegall, an individual,)
and Archie Tallant, an individual,)

Defendants.)

CJ-99-2500-666

Case No.

PETITION FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF

Plaintiff, Oklahoma Department of Securities ex rel. Irving L. Faught, Administrator ("Administrator"), for its claims against the named Defendants (hereinafter collectively referred to as "Defendants"), alleges and states as follows:

1. The Administrator, pursuant to Section 406.1 of the Oklahoma Securities Act ("Act"), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (1991 & Supp. 1998), is the proper party to bring this action against Defendants.

2. The Defendants have engaged and are engaging in acts and practices in violation of the Act. Unless enjoined, they will continue to engage in the acts and practices set forth herein and acts and practices of similar purport and object.

3. Pursuant to Sections 2 and 413 of the Act, Defendants, in connection with their offer or sale of securities, are all subject to the provisions of the Act. By virtue of

EXHIBIT
A

their transaction of business by contract and otherwise and commission of other acts in this state, Defendants are subject to the jurisdiction of this Court and to service of summons within or outside of this state.

4. Defendant Accelerated Benefits Corporation ("ABC"), a Florida corporation, at all times relevant hereto, acted as a viatical settlement company and issued, offered and sold securities in this state.

5. Defendant American Financial Associates, L.L.C. ("AFA") was formed as a limited liability company under the laws of the state of Oklahoma, and at all times relevant hereto, has operated and is continuing to operate from offices in Oklahoma City, Oklahoma.

6. Defendant William W. Romine ("Romine"), an individual, was, at all times relevant hereto, the sole owner of AFA. At all times relevant hereto, AFA acted under the dominion and control of Romine. At all times relevant hereto, Romine offered and sold securities on behalf of AFA.

7. Defendant Philip Stegall ("Stegall"), an individual, at all times relevant hereto, offered and sold securities on behalf of AFA.

8. Defendant Archie Tallant ("Tallant"), an individual, at all times relevant hereto, offered and sold securities on behalf of AFA.

NATURE OF CASE

9. The Department realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 8 above.

10. A viatical settlement contract is a written agreement for the purchase of the life insurance policy of an individual ("Viator") by a viatical settlement company. Traditionally, the Viator is a person who is terminally ill and has a life expectancy of only a few years or less. However, some viatical settlement companies also offer viatical

settlement contracts to persons who are not terminally ill but may be elderly or have a limited life expectancy. A viatical settlement contract establishes the terms under which a viatical settlement company pays compensation or anything of value to the Viator, which compensation or value is less than the expected death benefit of the insurance policy, in return for the Viator's assignment, transfer, sale, devise, or bequest of the death benefit or ownership of the insurance policy to the viatical settlement company. The payment is based on the amount of the policy and the life expectancy of the Viator.

11. ABC offers and sells interests in the proceeds of life insurance policies ("Viatical Investment Contract") to investors. In this transaction, an investor purchases an interest in the proceeds of a life insurance policy to be purchased by ABC. The efforts of ABC in structuring the Viatical Investment Contract transaction include:

- a. holding investor funds in an escrow account;
- b. requiring the Viator to sign a waiver of confidentiality for the Viator's medical records;
- c. reviewing the Viator's medical history and medical records;
- d. determining if the Viator is of sound mind;
- e. estimating the life expectancy of the Viator;
- f. determining the rating of the issuing insurance company;
- g. determining the contestability of the life insurance policy;
- h. purchasing the policy of the Viator;
- i. assuming responsibility for payment of premiums on the life insurance policy for a specified period of time;
- j. tracking the health status of the Viator;
- k. filing the death benefits claim when the Viator dies;
- l. collecting the death benefits from the insurance company; and
- m. distributing the life insurance proceeds to the investors.

12. On or about September 12, 1996, ABC and Romine entered into a "Producer Agreement" whereby ABC granted Romine permission to solicit and take orders for all programs, products and services offered by ABC, including Viatical Investment Contracts, on behalf of ABC. According to the contract between ABC and Romine, decisions as to Romine's customers' suitability shall be made solely by ABC; compensation for each sale of a Viatical Investment Contract shall be payable to AFA based on an established commission schedule set by ABC; and Romine shall immediately forward all monies collected to ABC. To aid in the marketing of its Viatical Investment Contracts, ABC prepared and distributed promotional materials.

13. Each purchaser of a Viatical Investment Contract issued by ABC is required to execute a "Purchase Request Agreement" between ABC and the purchaser. The "Purchase Request Agreement" appoints ABC to act as agent of the purchaser in the negotiation and making of any viatical settlement contract(s) or transaction(s). By the terms of the "Purchase Request Agreement," ABC will identify, qualify, and purchase, on behalf of the purchaser, death benefits of life insurance policies from people who have been diagnosed as being terminally ill and/or one or more life insurance policies or one or more portions of a life insurance policy or set of life insurance policies from people who have been diagnosed as being terminally ill and who have an estimated life expectancy of five (5) years or less, with stated profits to the purchaser based on the selected life expectancy term. Upon the closing of the transaction, the purchaser receives a certified closing statement. The interest represented by the closing statement is transferable by the purchaser.

14. A purchaser who executes the "Purchase Request Agreement" has no role in the evaluation of a Viator's medical condition or life expectancy or the actual selection of a life insurance policy.

15. The Viatical Investment Contract issued by ABC is a security as defined under Section 2 of the Act.

16. ABC is an issuer as defined under Section 2 of the Act.
17. AFA is a broker-dealer as defined under Section 2 of the Act.
18. Romine, Stegall and Tallant are broker-dealer agents of AFA as defined under Section 2 of the Act or, alternatively, Romine, Stegall and Tallant are issuer agents of ABC as defined under Section 2 of the Act.

FIRST CAUSE OF ACTION

(Violation of Section 301 of the Act:
Offer and Sale of Unregistered Securities)

19. The Department realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 18 above.

20. From at least September 1996, and continuing to the present, Defendants ABC, AFA, Romine, Stegall and Tallant offered and sold securities in this state to the public ("Investors") in the nature of Viatical Investment Contracts.

21. The securities that Defendants ABC, AFA, Romine, Stegall and Tallant offered and sold were not registered with the Department as required by Section 301 of the Act nor offered and sold pursuant to an exemption from registration pursuant to Section 401 of the Act. (See attached Exhibit A.)

22. By reason of the foregoing, Defendants ABC, AFA, Romine, Stegall and Tallant, singly and in concert, directly or indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 301 of the Act.

SECOND CAUSE OF ACTION

(Violation of Section 201 of the Act:

Failure to Register as Broker-Dealers or Broker-Dealer Agents)

23. The Department realleges and incorporates by reference each and every allegation contained in the first cause of action.

24. Defendant AFA is not and has not been registered under the Act to transact business in this state as a broker-dealer as required by Section 201 of the Act. (See attached Exhibit B.) Defendants Romine, Stegall and Tallant are not and have not been registered under the Act to transact business in this state as broker-dealer agents as required by Section 201 of the Act. (See attached Exhibit B.)

25. By reason of the foregoing, Defendants AFA, Romine, Stegall and Tallant, singly and in concert, directly or indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 201 of the Act.

THIRD CAUSE OF ACTION

(Violation of Section 201 of the Act:

**Failure to Register as Issuer Agents or
Employing Unregistered Agents)**

26. The Department realleges and incorporates by reference each and every allegation contained in the first cause of action.

27. Alternatively, if Defendant AFA is not a broker-dealer and Defendants Romine, Stegall and Tallant are not broker-dealer agents, Defendants Romine, Stegall and Tallant are issuer agents of ABC under the Act.

28. Defendants Romine, Stegall and Tallant are not and have not been registered under the Act to transact business in this state as issuer agents as required by Section 201 of the Act. (See attached Exhibit B.)

29. By reason of the foregoing, Defendants ABC, Romine, Stegall and Tallant, singly and in concert, directly or indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 201 of the Act.

FOURTH CAUSE OF ACTION

(Violation of Section 101(2) of the Act:

**Making Untrue Statements of Material Fact and Omitting Material Facts In Connection
With The Offer And Sale Of Securities)**

30. The Department realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

31. From at least September 1996, and continuing to the present, Defendants ABC, AFA, Romine, Stegall and Tallant, acting singly and in concert, directly and indirectly, made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in connection with the offer and sale of securities.

32. As part of the conduct described in paragraph 31 above, Defendants ABC, AFA, Romine, Stegall and Tallant utilized the "Purchase Request Agreement" and promotional literature that represented that its Viatical Investment Contracts would provide guaranteed profits or returns when in fact, neither the time of payment nor the actual return is guaranteed. In addition, the "Purchase Request Agreement" states that the purchaser will not incur costs of any type beyond the amount tendered as the policy purchase deposit when in fact the purchaser may later have to make premium payments to prevent the policy from lapsing prior to the Viator's death.

33. As part of the conduct described in paragraph 31 above, Defendants ABC, AFA, Romine, Stegall and Tallant, acting singly and in concert, directly and indirectly, offered and sold Viatical Investment Contracts issued by ABC through the use of promotional literature, newspaper advertisements and oral and written communications that contained untrue statements of material facts, including, but not limited to, the following matters:

- a. the Viatical Investment Contract bears no risk;
- b. the Viatical Investment Contract is a tax free investment;
- c. Investors are named as direct beneficiaries on the life insurance policy of a Viator; and
- d. the Viatical Investment Contract is a one year, twelve percent (12%) guaranteed investment.

34. As part of the conduct described in paragraph 31 above, Defendants ABC, AFA, Romine, Stegall and Tallant, acting singly and in concert, directly and indirectly, offered and sold Viatical Investment Contracts issued by ABC through the use of promotional literature, newspaper advertisements and oral and written communications that omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following matters:

- a. the risk factors involved;
- b. an explanation of how Investor returns are calculated and in what sense the returns are guaranteed; and
- c. the impact on the Investor's rate of return if premium payments are not maintained or if the Viator lives beyond his estimated life expectancy.

35. By reason of the foregoing, Defendants ABC, AFA, Romine, Stegall and Tallant, singly and in concert, directly and indirectly, have violated, are violating, and unless enjoined, will continue to violate Section 101(2) of the Act.

FIFTH CAUSE OF ACTION

(Violation of Section 101(3) of the Act:

Engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person)

36. The Department realleges and incorporates by reference each and every allegation contained in the preceding causes of action.

37. From at least September 1996, and continuing to the present, Defendants ABC, AFA, Romine, Stegall and Tallant, acting singly and in concert, directly and indirectly, engaged in an act, practice, or course of business which operated as a fraud or deceit including, but not limited to, the acts, practices, or course of business set forth in paragraphs 32, 33 and 34 above, in connection with the offer and sale of securities.

38. By reason of the foregoing, Defendants ABC, AFA, Romine, Stegall and Tallant, singly and in concert, directly and indirectly, have violated, are violating, and unless enjoined will continue to violate Section 101(3) of the Act.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing, and pursuant to the authority specifically granted by Section 406.1 of the Act, the Department prays for relief as follows:

1. A temporary injunction enjoining the Defendants, their agents, servants, employees, assigns, attorneys, and those persons in active concert or participation with them who receive actual notice of the temporary injunction, directly or indirectly, from:

a. the offer or sale of securities in or from this state and from directing other natural persons, corporations or other business entities acting on

their behalf to offer or sell securities in or from this state unless and until such securities are registered under the Act;

b. acting as broker-dealers or agents, or from employing agents, in connection with the offer or sale of securities in or from this state unless Defendants AFA, Romine, Stegall and Tallant are appropriately registered as broker-dealers or agents pursuant to the Act;

c. making any untrue statements of material fact or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer, sale, and/or purchase of any security in or from this state;

d. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person in connection with the offer, sale, and/or purchase of any security in for from this state;

2. A permanent injunction forever enjoining and restraining Defendants, and each of them, from the offer or sale of securities in or from this state and from directing other natural persons, corporations or other business entities acting on their behalf to offer or sell securities in or from this state unless and until the securities are registered pursuant to the Act;

3. A permanent injunction forever enjoining and restraining Defendants from acting as broker-dealers or agents, or from employing agents, in connection with the offer or sale of securities in or from this state unless Defendants AFA, Romine, Stegall and Tallant are appropriately registered as broker-dealers or agents pursuant to the Act;

4. A permanent injunction forever enjoining and restraining Defendants, and each of them from, directly or indirectly, making any untrue statements of material fact or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer, sale, and/or purchase of any security in or from this state;

5. A permanent injunction forever enjoining and restraining Defendants, and each of them from, directly or indirectly, engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person in connection with the offer, sale and/or purchase of any security in or from this state;

6. An order revoking Defendants ability to rely on exemptions from registration under the Act;

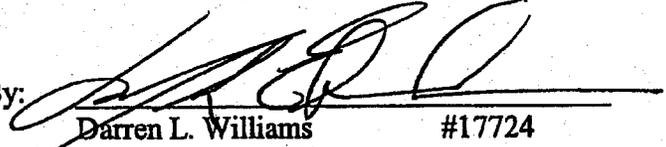
7. An order requiring Defendants to make restitution to any and all investors who purchased securities from Defendants;

8. An order requiring Defendant ABC to pay a civil monetary penalty in the amount of Fifty Thousand Dollars (\$50,000), Defendant AFA to pay a civil monetary penalty in the amount of Fifty Thousand Dollars (\$50,000), Defendant Romine to pay a civil monetary penalty in the amount of Twenty-five Thousand Dollars (\$25,000), Defendant Stegall to pay a civil monetary penalty in the amount of Twenty-five Thousand Dollars (\$25,000) and Defendant Tallant to pay a civil monetary penalty in the amount of Twenty-five Thousand Dollars (\$25,000); and

9. Such other legal or equitable relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES
Irving L. Faught, Administrator

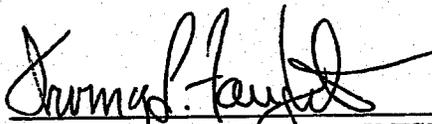
By: 

Darren L. Williams #17724
Enforcement Attorney
Mark Edmondson #11823
Enforcement Attorney
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

Irving L. Faught, of lawful age, being first duly sworn deposes and says: that he is the Administrator of the Oklahoma Department of Securities, that he has read the foregoing Petition and knows the contents thereof, and that the matters and things stated therein have been provided to him by staff members of the Department under his authority and direction, and are true and correct to the best of his knowledge, information and belief.

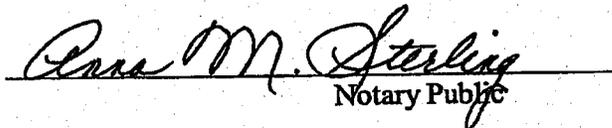
(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700

Subscribed and sworn to before me this 8th day of April, 1999.

(NOTARIAL SEAL)



Notary Public

My Commission Expires:

Dec. 21, 1999

AFFIDAVIT

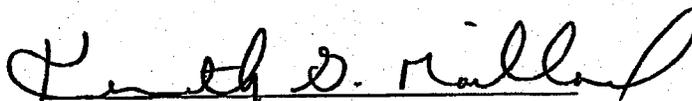
STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

I, Kenneth G. Maillard, Director of Registrations of the Oklahoma Department of Securities (Department), swear that I have caused the examination of the registration and exemption files of the Department pertaining to current and past registrations for the offer or sale of securities in Oklahoma and that nowhere therein was found a record of an application for the registration of securities filed pursuant to Section 301 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71 §§1-413, 501, 701-703 (1991 & Supp. 1998) for American Financial Associates, L.L.C., Accelerated Benefits Corporation, American Title Company of Orlando, American Title Company, William W. Romine, Archie Tallant or Philip Stegall.

I further swear that nowhere within the registration files for the Department was found a record of a registration of securities for American Financial Associates, L.L.C., Accelerated Benefits Corporation, American Title Company of Orlando, American Title Company, William W. Romine, Archie Tallant or Philip Stegall pursuant to Section 301 of the Act.

I further swear that nowhere within the exemption files for the Department was found a record of a notice of intent to claim exemption from Sections 301 and 402 of the Act filed for American Financial Associates, L.L.C., Accelerated Benefits Corporation, American Title Company of Orlando, American Title Company, William W. Romine, Archie Tallant or Philip Stegal pursuant to any subsection of Section 401 of the Act.

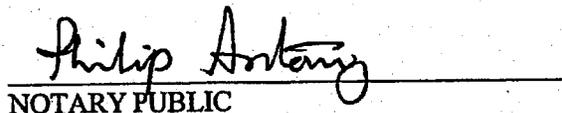
(SEAL)



Kenneth G. Maillard
DIRECTOR OF REGISTRATIONS
OKLAHOMA DEPARTMENT OF SECURITIES
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102
(405) 280-7700

Subscribed and sworn to before me this 8th day of April, 1999.

(NOTARIAL SEAL)



NOTARY PUBLIC

My Commission Expires:

Sept 18, 2000

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102

AFFIDAVIT

I, L.D. Johnson, Chief of Licensing of the Oklahoma Department of Securities, do hereby swear that I have caused to be examined the registration files of the Oklahoma Department of Securities pertaining to current and past registered broker-dealers and agents in Oklahoma and that nowhere therein was found a record of an application to register as a broker-dealer or agent filed pursuant to Section 202 of the Oklahoma Securities Act (Act) for American Financial Associates, L.L.C., William W. Romine, Philip Stegall or Archie Tallant.

I further swear that I have caused to be examined the registration files of the Oklahoma Department of Securities pertaining to current and past registered broker-dealers under the Act and that nowhere therein was found a record of the registration of American Financial Associates, L.L.C. as a broker-dealer under the Act.

I further swear that I have caused to be examined the registration files of the Oklahoma Department of Securities pertaining to current and past registered agents under the Act and that nowhere therein was found a record of the registration of William W. Romine, Philip Stegall or Archie Tallant as a broker-dealer or issuer agent under the Act.

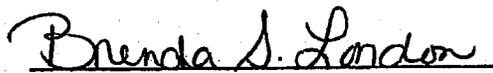
(SEAL)



L.D. JOHNSON, CHIEF OF LICENSING of the
OKLAHOMA DEPARTMENT OF SECURITIES
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102
Telephone (405) 280-7700

Subscribed and sworn to before me this 8th day of April, 1999.

(NOTARIAL SEAL)



Notary Public

My Commission Expires:

August 26, 2001

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.)

MAR 13 2001

PATRICIA PRESLEY, COURT CLERK
by Patricia White
Deputy

Case No. CJ-99-2500-66

FINDINGS OF FACT AND CONCLUSIONS OF LAW

FINDINGS OF FACT

1. Accelerated Benefits Corporation (hereinafter ABC) is a Florida corporation which offers and sells investments in viatical settlements. The investment is evidenced by Purchase Request Agreements through which purchasers contract for the right to receive from ABC a sum of money equal to a designated percentage of the death benefits payable from one or more life insurance policies on the life of one or more persons (known as a viator) who have a catastrophic or life threatening illness or condition in exchange for the performance of certain services by ABC.

2. ABC contracts with persons, via a Producer Agreement, to solicit and take orders for all programs, products, and/or services offered by ABC including the viatical settlements. ABC pays commissions, bonuses and overrides to the sales agents.

3. ABC entered into Producer Agreements with American Financial Associates, L.L.C. and William W. Romine. Pursuant to these producer agreements, American Financial Associates, L.L.C., William W. Romine, Philip Stegall and Kelly Ryan acted on behalf of ABC to effect the offer and sale of investment opportunities in the State of Oklahoma.

4. ABC prepares promotional materials for and distributes such materials to the ABC Agents for their use in soliciting the purchase of investment opportunities. These materials are also distributed to purchasers of the investment opportunities. The materials distributed by ABC

EXHIBIT

B

emphasize the substantial and **guaranteed returns** that can be expected from the purchase of an investment opportunity. The materials encourage a purchaser to compare the purchase of an investment opportunity with ABC with other types of investments, such as stocks, bonds, or mutual funds, in terms of risk and expected profit. The promotional materials state that the investment bears the least amount of risk while generating the greatest amount of profit in relation to more traditional investment vehicles.

5. In the Purchase Request Agreement, ABC establishes suitability requirements for a purchaser of an investment opportunity. The suitability requirements relate to net worth and educational or financial experience.

6. ABC allows purchasers to designate the term of their investment in the Purchase Request Agreement by selecting from a range of life expectancies for the viators. Certain of the purchasers designated the term of their investments from the following range:

- First Available policy, returning from 12% to 60%;
- 6 months to 12 months (profits from 6% to 12%);
- 12 months to 24 months (profits from 12% to 28%);
- 24 months to 36 months (profits from 28% to 42%);
- 36 months to 48 months (profits from 42% to 60%);
- 48 months to 60 months (profits from 60% to 75%).

7. American Title Company of Orlando, Florida, (hereinafter American Title) acts as an escrow company on behalf of and at the direction of ABC. American Title receives and holds funds from the purchase of the investment. Each purchaser of an investment remits a check to ABC, payable to American Title, for the full amount of the investment. ABC then deposits the checks into a bank account in the name of American Title.

8. The purchase of the investment occurs at the time the purchaser parts with his or her money.

9. Pursuant to its Purchase Request Agreement obligations, ABC preliminarily qualifies or rejects viators' life insurance policies based on an evaluation of the actual policies and medical

records utilizing ABC's established standards.

10. Pursuant to its obligations, ABC further evaluates and negotiates for the purchase of qualified life insurance policies of viators via the following process:

- (a) ABC hires medical reviewers who review the viators' medical records, confirm the health status of the viators and provide an estimate of the viators life expectancies to ABC. ABC incurs the expense of the medical reviews.
- (b) ABC determines that sufficient funds have been pooled from the sale of investment opportunities to its investors to bid on particular life insurance policies.
- (c) Based on the life expectancy estimates provided by the medical reviewer, ABC negotiates for the purchase of the policies through a bidding process.

11. Pursuant to its obligations, ABC tentatively matches life insurance policies to investors Purchase Request Agreements. ABC notifies purchasers of the tentative matching by identifying the policy or policies that have been matched to the purchaser's request by insurance carrier name and policy number; the amount of money the purchaser is guaranteed to receive upon maturation of the matched policy; the name of the viator; the viator's estimated life expectancy, and the purchaser's profit percentage on the transaction.

12. Pursuant to its obligations, ABC finalizes the purchase of the viators' life insurance policies through the following process:

- (a) ABC issues contracts for the purchase of the viators' life insurance policies by American Title.
- (b) ABC directs American Title to disburse funds to the viators for the purchase of their policies.
- (c) ABC directs American Title to pay administrative and operating expenses of ABC, commissions to ABC Agents, ABC's compensation, American Title's fees and future premium payments.
- (d) ABC directs that ownership of the policies and the beneficiary designations be transferred from the viators into the name of American Title or American Title for the benefit of ABC.
- (e) ABC sends a closing package to each purchaser for each policy to which the purchaser's purchase request agreement is matched. The closing package includes the identity of the other purchasers that have been matched to the same policy, the viator's life expectancy determination, and proof of the change in ownership and beneficiary designation to American Title.

13. Pursuant to its obligations, ABC performs policy maintenance after the purchase of the life insurance policies from the viators through the following process:

- (a) ABC monitors the health of each viator and maintains all viator contact information.
- (b) ABC verifies payment of premiums on all policies.
- (c) ABC receives notice of the death of a viator. ABC notifies purchasers of the investment to which the viator's policy is matched and the appropriate ABC Agents of the viator's death. ABC obtains a copy of the death certificate, which ABC forwards to American Title for filing of the death claim.
- (d) ABC will defend claims made against the policy.
- (e) American Title receives the death benefit from the insurance carrier. ABC documents to American Title the names of the purchasers of the investment to receive checks and the amounts of the checks. ABC directs American Title to issue checks made payable to purchasers of the investment in the amounts designated by ABC. American Title delivers the checks directly to ABC. ABC then sends the checks to purchasers of the investment.
- (f) When ABC notifies purchasers of the viator's death, ABC routinely provides purchasers the opportunity to reinvest their proceeds in another investment opportunity. ABC requests that the purchaser complete an amendment to the purchase request agreement in order to consummate the reinvestment.

14. Participation by a purchaser of an investment is limited to: (a) executing a purchase request agreement and designating a life expectancy range for the viator with the stated return, and (b) providing funds for the right to receive a sum of money equal to a designated percentage of the death benefits payable from one or more life insurance policies on the life of one or more viators.

15. The purchasers of the Investment Contracts do not obtain ownership of the life insurance policies of the viators.

16. The purchasers of the investment are not named as beneficiaries on the life insurance policies of the viators.

17. The purchasers of the investment have no access to or opportunity to review the medical records or insurance policies of the viators.

18. ABC's efforts are the essential managerial efforts that affect the success or failure of the investment opportunities. ABC has the expertise, knowledge or ability to perform such efforts;

purchasers do not.

19. The profits of purchasers of investment are tied to the profits of other purchasers by ABC's pooling of funds to purchase the viators' life insurance policies. The purchasers receive a proportionate share of any profits that result from the Investment Contracts.

20. ABC offered and sold Investment Contracts to Oklahoma residents through the Oklahoma Agents in the State of Oklahoma.

21. The investments were not registered under the Oklahoma Securities Act and were not exempt from registration pursuant to Section 401 of the Oklahoma Securities Act.

22. The Oklahoma Agents were not registered under the Oklahoma Securities Act.

23. Charles E. Bates, Earl Dean Simpson, Subhash R. Sood, Dharam P. Sood, and Donald S. Stacy are Oklahoma residents who entered into purchase request agreements with ABC. These Oklahoma residents invested their money with the expectation of profits.

24. In June of 1998, Earl Dean Simpson advised ABC of representations made to him that the return on his investment would be tax free. The tax free representations were made by Philip Stegall, an Oklahoma Agent.

25. On August 4, 1998, Donald S. Stacy entered into his purchase request agreement with ABC based on the representations made to him that the return on his Investment Contract would be tax free. The tax free representations were made by two of the Oklahoma Agents, Kelly Ryan and William W. Romine.

26. On September 28, 1998, Charles E. Bates entered into his purchase request agreement with ABC. One of the Oklahoma Agents, Kelly Ryan, represented to Mr. Bates that the return on his investment would be tax free.

27. The return on the investment is taxable.

28. There are various risks associated with the investment including, but not limited to the following: (a) that the viator could live longer than the estimated life expectancy; (b) that the insurer could become insolvent before the death benefit is paid and the purchaser of the investment could lose all or a portion of his or her investment funds; and (c) that the purchaser's annualized

return could be significantly reduced if ABC fails to properly evaluate the viator's health and insurance policy.

29. ABC, through its agents, orally and in writing, made the following misstatements of fact in connection with their offers and sales of investments:

- (a) that ABC offered and sold "No Risk - Insured" investments in viatical settlements when in fact ABC did not.
- (b) that the return on the investments was tax free when in fact the return was not tax free.
- (c) that the investments are "the perfect, no risk investment" with "Quick-profit, guaranteed" when in fact there were risks associated with the investments and quick profits could not be guaranteed.

The facts that were misstated were material to the investment decisions of Oklahoma purchasers of the investments.

30. ABC made the following misstatements of fact in connection with its offers and sales of the investment

- (a) In connection with the purchase of the investment by Subhash R. Sood (hereinafter Mrs. Sood), ABC stated in the Purchase Request Agreement that Mrs. Sood would "be named as absolute, irrevocable, non-transferable and direct beneficiary on all Policies Purchased" when in fact she was not. American Title was named as the beneficiary.
- (b) ABC stated, in correspondence with Oklahoma purchasers of the investments that: (1) the return on the investment was "GUARANTEED" when in fact it was not; and (2) "the ownership and beneficial rights for [life insurance policies] have been secured FOR the BENEFIT OF (F.B.O.) all purchasers . . ." when, in fact, such designations were never made.
- (c) ABC stated in sales literature distributed to ABC Agents and purchasers of the investments: (1) that viatical settlements are "fully-backed" when in fact there is no securitization, other form of collateralization or any ownership interest to support the investments; (2) that "policy(ies) are purchased directly from the Viator(s) by the Purchaser(s) . . ." when in fact the purchasers of the investments do not purchase the viators' insurance policies.

The facts that were misstated were material to the investment decisions of Oklahoma purchase of the investments.

31. ABC omitted to state the following facts necessary to make the statements that were

made not misleading:

- (a) that any coverage provided by the Insurance Guarantee Fund referred to in the Purchase Request Agreement does not apply to life insurance policies, but only to property and casualty insurance policies.
- (b) that the guaranteed payment of premiums referenced in the Purchase Request Agreement is limited to the amount of funds from the purchase of investments that is set aside according to a predetermined formula of one and one half times the life expectancy of the viator.

The facts that were omitted were material to the investment decisions of Oklahoma purchasers of the investments and were necessary to make the statements that were made, in the light of the circumstances under which they were made, not misleading.

32. ABC marketed itself as a reputable company operating under the highest of standards. ABC omitted to state the following facts necessary to make such representations not misleading:

- (a) that its sales agent, William W. Romine, had been convicted of a felony for misapplication of fiduciary property.
- (b) that the United States District Court, Middle District of Florida, in 1998, had entered a permanent injunction against Clarence Keith LaMonda ("LaMonda"), the managing director and chief executive officer of LaMonda Management Family Limited Partnership, the entity that was responsible for providing legal, accounting, management and administrative services to ABC.
- (c) that in June, 1998, ABC received a written complaint from Oklahoma investor Earl Simpson, alleging that one or more of the Oklahoma Agents had made Material representations to Mr. Simpson, yet ABC undertook no investigation of Mr. Simpson's allegations and continued to allow the Oklahoma Agents to make the same misrepresentations in the offer and sell of the investments in Oklahoma until April of 1999 when ABC terminated its relationships with Mr. Romine and American Financial Associates, L.L.C.
- (d) that the Florida Department of Insurance, entered a Consent Order on October 31, 1997, against ABC, wherein ABC represented that LaMonda "is no longer an officer, director, owner, agent or employee of [ABC], has divested himself of any and all ownership interest he may have had in [ABC], and is no longer associated in any manner with [ABC]. . . ." In said Consent Order, ABC further represented that ABC "will not allow C. Keith LaMonda to have any direct or indirect affiliations with [ABC] . . . until such time as the allegations of fraud and dishonesty in the complaint filed against him by the United States Securities and Exchange Commission have been resolved in his favor, and the [Florida Department of Insurance] approves, in writing, his proposed re-association with [ABC]."

The facts that were omitted were material to the investment decisions of Oklahoma purchasers of the investment and were necessary to make the statements that were made, in the light

of the circumstances under which they were made, not misleading.

33. ABC engaged in acts, practices, or a course of business that operated as a fraud or deceit upon purchasers of the investment by:

- (a) making the misstatements of fact described in paragraphs 29 through 30 above.
- (b) omitting to state the facts described in paragraphs 31 and 32 above.
- (c) requiring the Purchaser to execute the "Purchase Request Agreement" thereby making the representation that the purchaser's money was "neither borrowed nor in any way anticipated to be needed during the maximum maturity term selected hereinabove" when in fact there was no maximum maturity term for the investment because there was no guarantee that the viator's death would occur within the maturity term selected.
- (d) preparing and executing a document titled "Accelerated Benefits Corporation Note Purchase Agreement and Assignment of Benefits" wherein certain representations and warranties were made on behalf of, and in the name of, Mrs. Sood without her knowledge or consent including, but not limited to, the following:
 - (i) that she is sophisticated in financial matters;
 - (ii) that she is able to bear the risk of purchasing a note for an indeterminate period; and
 - (iii) that she can afford the possible complete loss of funds invested.
- (e) stating in the closing packages to Mrs. Sood that the insurance companies issuing policies to which her investments were matched had been directed to name her as a direct, irrevocable beneficiary on such policies when in fact the insurance companies were not so directed.
- (f) tentatively matching Dharam P. Sood to a policy supposedly satisfying his life expectancy designation when in fact the medical review had not yet been performed and the life expectancy of the viator had not yet been determined.

CONCLUSIONS OF LAW

1. Defendant ABC, places its defense in the instant case on the case of **Life Partners, Inc. v. SEC**, 87 F.3d 536 (D.C. Cir. 1996), *rehearing denied*, 102 F.3d 587 (1996). The Life Partners case places its emphasis on the managerial efforts of the seller of the investment at the point of post investment. As here, the Defendant argues that the only managerial effort by ABC after the investor's purchase is the payment of proceeds at of the viator. This analysis is inconsistent with the test set forth in **U.S. v. Howey**, 328 U.S. 293 (1946).

The outcome of the investment in the instant case is totally dependent on the expertise and managerial efforts of ABC in seeking out and choosing the right viatical settlement. Investors have no input into the investment nor do they have a beneficial ownership interest in any of the viatical settlements.

1. The investments offered and sold by ABC are securities under Section 2(v) of the Oklahoma Securities Act. (Findings of Fact 1 through 20, 23).

2. ABC offered and sold the investments to Oklahoma residents in violation of Section 301 of the Oklahoma Securities Act. (Findings of Fact 1, 2, 3, 4, 5, 7, 8, 14, 20, 21, 23).

3. ABC employed agents, as defined in Section 2(d) of the Oklahoma Securities Act, who were not registered or exempt from registration in violation of Section 201(b) of the Oklahoma Securities Act. (Findings of Fact 2, 3, 4, 20, 22, 24, 25, 26, 29).

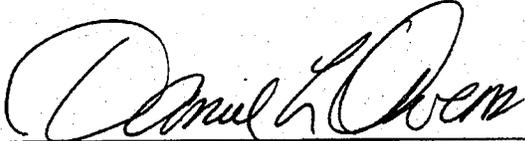
4. The Oklahoma Agents were common law agents of ABC. (Findings of Fact 2, 3, 4, 20, 22, 24, 25, 26, 29).

5. ABC offered and sold the Investment Contracts in violation of Section 101(2) of the Oklahoma Securities Act. (Findings of Fact 4, 6, 11, 15, 16, 17, 24 through 32).

6. ABC offered and sold the Investment Contracts in violation of Section 101(3) of the Oklahoma Securities Act. (Findings of Fact 4, 6, 11, 15, 16, 17, 24 through 33).

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that judgment is entered on behalf of the Oklahoma Department of Securities on its Petition.

DATED this 13th day of March, 2001.


DANIEL L. OWENS, DISTRICT JUDGE

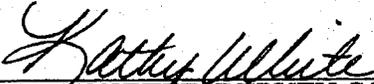
I, PATRICIA PRESLEY, Court Clerk for Oklahoma County, Okla., hereby certify that the foregoing is a true, correct and complete copy of the instrument herewith set out as appears of record in the District Court Clerk's Office of Oklahoma County, Okla., this 13 day of March, 2001.
By  PATRICIA PRESLEY, Court Clerk
Deputy

Certificate of Mailing

This is to certify that a true and correct copy of the foregoing Findings of Fact and Conclusions of Law was mailed, postage prepaid, on the 13th day of March, 2001, to the following:

MS. PATRICIA LABARTHE
ATTORNEY AT LAW
120 NORTH ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102

MS. IDA WURCZINGER DRAIM
ATTORNEY AT LAW
2101 L. STREET, N.W.
WASHINGTON, D.C. 20037-1526


KATHY WHITE, DEPUTY COURT CLERK

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

Oklahoma Department of Securities
ex rel. Irving L. Faught, Administrator

)
FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.
)

Plaintiff, JUN 26 2001
)

v.

)
PATRICIA PRESLEY COURT CLERK. CJ-99-2500-66
)

Accelerated Benefits Corporation, a Florida
corporation, et al.,
)

Defendants.)
)
)

ORDER OF PERMANENT INJUNCTION

This matter came on for hearing on the 15th day of June, 2001, before the undersigned Judge of the District Court in and for Oklahoma County, State of Oklahoma, on the amended motion of Plaintiff to settle journal entry and for accounting. Present for the Plaintiff was its counsel, Patricia A. Labarthe. Accelerated Benefits Corporation was not represented. The Court, having reviewed all of the evidence offered and the Court file, and having found in its March 13, 2001 order that Plaintiff is entitled to the relief prayed for in its Petition for Permanent Injunction and Other Equitable Relief, finds that the following order should be entered:

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Defendant Accelerated Benefits Corporation, its agents, servants, employees, assigns, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order are permanently enjoined from:

- a. the offer or sale of securities in or from this state and from directing other natural persons, corporations or other business entities acting on their behalf to offer or sell securities in or from this state unless and until such securities are registered under the Act;

EXHIBIT

C

b. acting as broker-dealers or agents, or from employing agents, in connection with the offer or sale of securities in or from this state unless such persons are appropriately registered as broker-dealers or agents pursuant to the Act;

c. making any untrue statements of material fact or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, in connection with the offer, sale, and/or purchase of any security in or from this state; and

d. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person in connection with the offer, sale, and/or purchase of any security in and/ or from this state.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Accelerated Benefits Corporation's ability to rely on exemptions from registration under the Act is hereby revoked.

IT IS SO ORDERED.

Dated this 10th day of June, 2001.

DANIEL L. OWENS

JUDGE OF THE DISTRICT COURT

Approved as to form and substance:

Patricia M. Labarthe
Patricia M. Labarthe, OBA #10391
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, OK 73102
(405) 280-7700

Attorney for Plaintiff

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 _____ day of _____, 2001.

By [Signature]
PATRICIA PRESLEY, Court Clerk
Deputy

OFFICE OF THE SECRETARY OF STATE



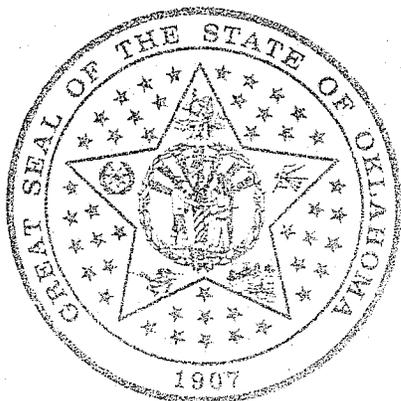
CERTIFICATE OF SUSPENSION
(Foreign)

I, THE UNDERSIGNED, Secretary of State of the State of Oklahoma, do hereby certify that I am by the laws of said State the custodian of the records of the State of Oklahoma relating to the right of corporations to transact business in the State, and am the proper officer to execute this certificate.

I FURTHER CERTIFY that ACCELERATED BENEFITS CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of Florida, qualified as a foreign corporation to transact business within the State of Oklahoma on the 7th day of August, 1998.

I FURTHER CERTIFY that said corporation was Suspended by the Secretary of State on the 9th day of June, 2000, upon order of the Oklahoma Tax Commission for failure to comply with the requirements of the Oklahoma Franchise Tax Act, and is not a corporation in good standing according to the records of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and affixed the Great Seal of the State of Oklahoma, done at the City of Oklahoma City, this 24th, day of February, 2003.



[Signature]
Secretary of State

By: *[Signature]*

EXHIBIT
D

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.

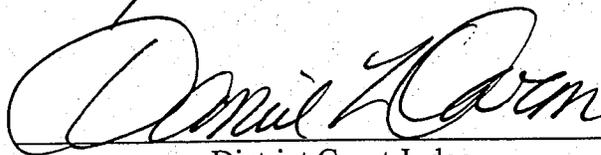
IT IS FURTHER ORDERED that ABC and its agents, including American Title Company of Orlando and David Piercefield, be held harmless from any and all liability, costs and damages arising in connection with each Conservatorship Asset after each such asset has been transferred to the Conservator.

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.

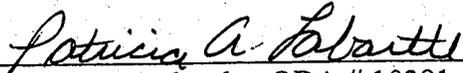
Dated this 6th day of February, 2002.



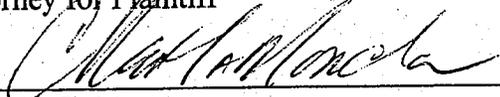
District Court Judge

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 1 day of February, 2002
By TRU PATRICIA PRESLEY, Court Clerk Deputy

Approved as to form and substance:



Patricia A. Labarthe, OBA # 10391
Oklahoma Department of Securities
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102
(405) 280-7700
Attorney for Plaintiff



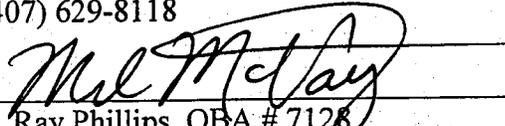
C. Keith LaMonda
Accelerated Benefits Corporation
105 East Robinson Street, Second Floor
Orlando, Florida 32801
(888) 842-8422



Jess LaMonda
Accelerated Benefits Corporation
105 East Robinson Street, Second Floor
Orlando, Florida 32801
(888) 842-8422



David S. Piercefield
American Title Company of Orlando
230 Lookout Place, Suite 200
Maitland, Florida 32751
(407) 629-8118



T. Ray Phillips, OBA # 7128
Melvin R. McVay, OBA # 6096
Fred A. Leibrock, OBA # 14146
Phillips McFall McCaffrey McVay & Murrah, P.C.
One Leadership Square, 12th Floor
211 North Robinson Avenue
Oklahoma City, Oklahoma 73102
405/235-4100
405/235-4133 (Fax)
faleibrock@phillipsmcfull.com
Attorneys for Conservator

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. . .

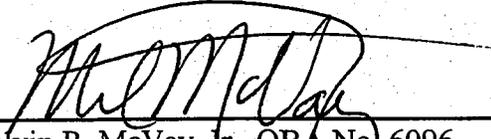
See Conservatorship Order, p. 5.

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

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,

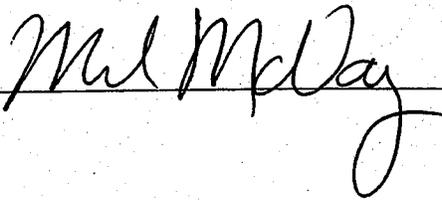
TOM MORAN

CERTIFICATE OF MAILING

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

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



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.

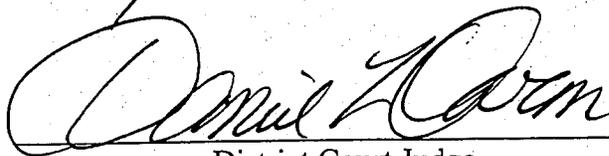
IT IS FURTHER ORDERED that ABC and its agents, including American Title Company of Orlando and David Piercefield, be held harmless from any and all liability, costs and damages arising in connection with each Conservatorship Asset after each such asset has been transferred to the Conservator.

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.

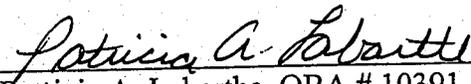
Dated this 6th day of February, 2002.

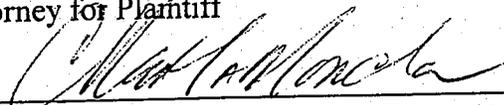


District Court Judge

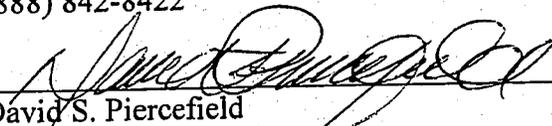
I, PATRICIA PRESLEY, Court Clerk for Oklahoma County, Okla., hereby certify that the foregoing is a true, correct and complete copy of the instrument herewith set out as appears of record in the District Court Clerk's Office of Oklahoma County, Okla., this 7 day of February, 2002
By TRW PATRICIA PRESLEY,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

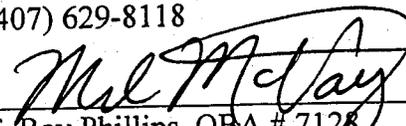
Approved as to form and substance:


Patricia A. Labarthe, OBA # 10391
Oklahoma Department of Securities
First National Center, Suite 860
120 North Robinson
Oklahoma City, Oklahoma 73102
(405) 280-7700
Attorney for Plaintiff


C. Keith LaMonda
Accelerated Benefits Corporation
105 East Robinson Street, Second Floor
Orlando, Florida 32801
(888) 842-8422


Jess LaMonda
Accelerated Benefits Corporation
105 East Robinson Street, Second Floor
Orlando, Florida 32801
(888) 842-8422


David S. Piercefield
American Title Company of Orlando
230 Lookout Place, Suite 200
Maitland, Florida 32751
(407) 629-8118


T. Ray Phillips, OBA # 7128
Melvin R. McVay, OBA # 6096
Fred A. Leibrock, OBA # 14146
Phillips McFall McCaffrey McVay & Murrah, P.C.
One Leadership Square, 12th Floor
211 North Robinson Avenue
Oklahoma City, Oklahoma 73102
405/235-4100
405/235-4133 (Fax)
faleibrock@phillipsmcfall.com
Attorneys for Conservator

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

Oklahoma Department of Securities)
ex rel. Irving L. Faught, Administrator)
FILED IN THE DISTRICT COURT)
OKLAHOMA COUNTY, OKLA.)
Plaintiff,)
NOV 20 2002)
v.)
PATRICIA PRESLEY, COURT CLERK) Case No. CJ-99-2500
by) Judge Daniel L. Owens
Accelerated Benefits Corporation, a Florida) Deputy)
corporation, et al.,)
Defendants.)

JOURNAL ENTRY

This matter comes on for hearing this 27th day of September, 2002, before the undersigned Judge of the District Court in and for Oklahoma County, State of Oklahoma, on Conservator's Motion For Order Assessing Conservator's Expenses Against Defendants And Compelling Defendants To Comply With The Conservatorship Order (the "Conservator's Motion"). Conservator, Tom Moran, appeared in person and through counsel, Thomas Manning of the law firm Phillips McFall McCaffrey McVay & Murrah, P.C.. Defendants Accelerated Benefits Corporation, C. Keith LaMonda, American Title Company of Orlando and David Piercefield (~~collectively "ABC"~~), appeared by and through counsel, Dino Viera of the law firm, Fellers, Snider, Blankenship, Bailey and Tippens, P.C.. The Oklahoma Department of Securities, ex rel. Irving L. Faught, Administrator (the "Department") appears by and through its attorney, Patricia A. Labarthe. The Court, having reviewed all of the evidence offered, hearing argument of counsel, and being fully advised in the premises finds as follows:

- (a) The Order Appointing Conservator and Transferring Asset dated February 6th, 2002 (the "Conservatorship Order") is clear and unambiguous;



(b) ABC participated in the drafting and agreed to the terms of the Conservatorship Order in lieu of restitution;

(c) Under the Conservatorship Order, ABC is obligated to pay all costs and expenses of the Conservatorship, including premium shortfalls, Conservator's fees and expenses, and attorney's fees, until seventy-five percent (75%) of the Conservatorship Assets, as defined by the Conservatorship Order, are transferred to the Conservator;

(d) To date there has been no determination that seventy-five percent (75%) of the Conservatorship Assets, as defined by the Conservatorship Order, have been transferred to the Conservator; and

(e) A policy will be deemed to have been transferred upon receipt by the Conservator of a confirmation from the insurance company acknowledging the change of beneficiary or ownership of the policy to the Conservator.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Conservator's Motion is granted and Accelerated Benefits Corporation is ordered to pay to the Conservator all Conservator fees, expenses and attorney's fees approved by the Court to date within 30 days.

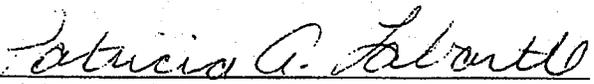
Dated this 20 day of November, 2002.

DANIEL L. OWENS

JUDGE OF THE DISTRICT COURT

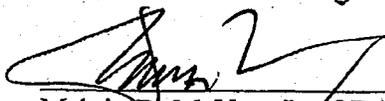
I, PATRICIA PRESLEY, Court Clerk for Oklahoma County, Okla., hereby certify that the foregoing is a true, correct and complete copy of the instrument herewith set out as appears of record in the District Court Clerk's Office of Oklahoma County, Okla., this 20 day of November, 2002.
By [Signature] PATRICIA PRESLEY, Court Clerk Deputy
20061.1220

APPROVED:



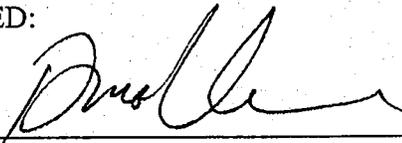
Patricia A. Labarthe, #10391
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
Telephone: (405) 280-7735
Facsimile: (405) 280-7742
Attorney for Oklahoma Department of Securities

APPROVED:



Melvin R. McVay, Jr., OBA #6096
Thomas P. Manning, OBA #16117
PHILLIPS McFALL McCAFFREY
McVAY & MURRAH, P.C.
Twelfth Floor, One Leadership Square
211 N. Robinson
Oklahoma City, OK 73102
Telephone: (405) 235-4100
Facsimile: (405) 235-4562
Attorneys for Conservator, Tom Moran

APPROVED:



Eric S. Eisenstat, OBA No. 10282

Dino Viera, OBA No. 11556

William H. Whitehill, Jr., OBA No. 12038

Brent M. Johnson, OBA No. 17070

Fellers, Snider, Blankenship,

Bailey & Tippens, P.C.

100 North Broadway Avenue, Suite 1700

Oklahoma City, OK 73102-8820

Telephone: (405) 232-0621

Facsimile: (405) 232-9659

Attorneys for Accelerated Benefits Corporation,

American Title Company of Orlando,

Keith LaMonda and David Piercefield

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. Faight, Administrator,

Plaintiff,

v.

Accelerated Benefits Corporation, a Florida
corporation, et al.,

Defendants.

JAN 10 2003

PATRICIA PRESLEY, COURT CLERK

By

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

ORDER

This matter comes on for hearing this 10th day of January, 2003, before the undersigned Judge of the District Court in and for Oklahoma County, State of Oklahoma, on the Conservator's Application for Order Directing Defendant Accelerated Benefits Corporation to Reimburse the Conservator for Advances for Premium Shortfalls. Conservator, Tom Moran, appeared in person and through counsel, Melvin R. McVay, Jr. and Thomas Manning of the law firm Phillips McFall McCaffrey McVay & Murrah, P.C.. Plaintiff appeared by and through its attorney, Patricia A. Labarthe. Defendants Accelerated Benefits Corporation ("ABC"), C. Keith LaMonda ("LaMonda"), American Title Company of Orlando ("ATCO") and David Piercefield (collectively "Defendants"), appeared by and through counsel, Dino Viera and William H. Whitehill, Jr. of the law firm, Fellers, Snider, Blankenship, Bailey and Tippens, P.C. The Court, having reviewed all of the evidence offered, hearing argument of counsel, and being fully advised in the premises finds as follows:

- (a) The Conservator's Application should be granted;
- (b) ABC should be ordered to reimburse the Conservator the amount of \$173,445.82

within 30 days from the date of this order.

EXHIBIT

H

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that:

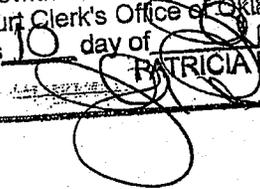
- (a) The Conservator's Application is granted;
- (b) ABC is ordered to reimburse the Conservator the amount of \$173,445.82 within

30 days from the date of this order.

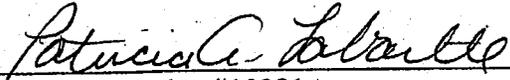
Dated this 10th day of January, 2003.



JUDGE OF THE DISTRICT COURT

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 10 day of Jan, 2003
By  PATRICIA PRESLEY, Court Clerk
Deputy

APPROVED:



Patricia A. Labarthe, #10391

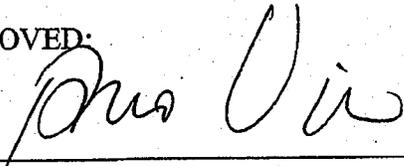
Oklahoma Department of Securities
120 North Robinson, Suite 860
Oklahoma City, Oklahoma 73102
Telephone: (405) 280-7735
Facsimile: (405) 280-7742
Attorney for Oklahoma Department of Securities

APPROVED:



Melvin R. McVay, Jr., OBA #6096
Thomas P. Manning, OBA #16117
PHILLIPS McFALL McCAFFREY
McVAY & MURRAH, P.C.
Twelfth Floor, One Leadership Square
211 N. Robinson
Oklahoma City, OK 73102
Telephone: (405) 235-4100
Facsimile: (405) 235-4562
Attorneys for Conservator, Tom Moran

APPROVED:



Dino Viera, OBA No. 11556

William H. Whitehill, OBA No. 12038

Fellers, Snider, Blankenship,

Bailey & Tippens, P.C.

100 North Broadway Avenue, Suite 1700

Oklahoma City, OK 73102-8820

Telephone: (405) 232-0621

Facsimile: (405) 232-9659

Attorneys for Accelerated Benefits Corporation,

American Title Company of Orlando,

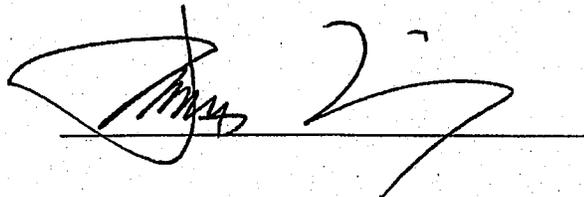
Keith LaMonda and David Piercefield

CERTIFICATE OF MAILING

The undersigned certifies that on the 10th day of January, 2003, a true and correct copy of the foregoing Order was sent postage prepaid by first-class mail, to

Patricia A. Labarthe
Oklahoma Department of Securities
First National Center, Suite 860
120 North Robinson
Oklahoma City, OK 73102
Attorney for Plaintiff

Eric Eissenstat, Esq.
Dino Viera, Esq.
William H. Whitehill, Jr., Esq.
Fellers, Snider, Blankenship,
Bailey & Tippens, P.C.
100 North Broadway Avenue, Suite 1700
Oklahoma City, OK 73102-8820
Attorneys for Defendants, Keith LaMonda,
Accelerated Benefits Corporation, David
Piercefield and American Title Company of
Orlando

A handwritten signature in black ink, appearing to be "M. J. [unclear]", is written over a horizontal line.

AFFIDAVIT OF CONSERVATOR

STATE OF OKLAHOMA)
) SS.
 COUNTY OF OKLAHOMA)

The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. He is the Conservator in a case in Oklahoma County District Court styled Oklahoma Department of Securities, ex rel. Irving L. Faught, v. Accelerated Benefits Corporation, et al., Case No. CJ-99-2500-66.

2. He is aware of Journal Entries issued by the Oklahoma County District Court approving and ordering the payment by Accelerated Benefits Corporation of Conservator fees, expenses and attorney fees, as follows:

<i>Month</i>	<i>Conservator's Fees</i>	<i>Conservator's Expenses</i>	<i>Attorney's Fees</i>	<i>Total</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
<i>Advances by Conservator</i>				
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

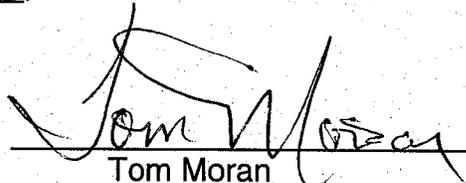


3. To date, he has not received any of the Conservator fees, expenses and attorney fees approved and to which Accelerated Benefits Corporation has been ordered to pay as set forth above.

FURTHER AFFIANT SAYETH NOT.

Dated this 28th day of April, 2003.

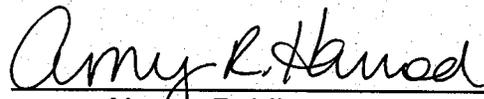
(SEAL)



Tom Moran
Conservator

Subscribed and sworn to before me this 28th day of April, 2003.

(NOTARY SEAL)



Amy R. Hamed
Notary Public

My Commission Expires:

01/17/2006

OFFICE OF THE SECRETARY OF STATE

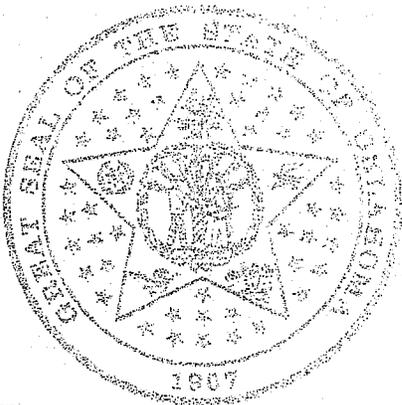


CERTIFICATE OF GOOD STANDING
FOREIGN CORPORATION

I, THE UNDERSIGNED, Secretary of State of the State of Oklahoma, do hereby certify that I am, by the laws of said State, the custodian of the records of the state of Oklahoma relating to the right of certain business entities to transact business in this state and am the proper officer to execute this certificate.

I FURTHER CERTIFY that ACCELERATED BENEFITS CORPORATION, a corporation organized and existing by virtue of the laws of the state of FLORIDA, is duly qualified as a foreign corporation to transact business within the state of Oklahoma and is in good standing according to the records of this office. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the entity's financial condition or business activities and practices. Such information is not available from this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Oklahoma at the City of Oklahoma City, this 11th day of March, 2003.



M. Susan Savage
Secretary of State
By: *[Signature]*

EXHIBIT

J