



WHEREFORE, the Department respectfully requests this Court conduct a hearing to determine the status of the report.

Respectfully submitted,

*Patricia A. Labarthe*

Patricia A. Labarthe OBA #10391  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, Oklahoma 73102  
Telephone (405) 280-7700  
Facsimile (405) 280-7742  
Attorney for Plaintiff

The Application for Status Conference Regarding Engagement is set on the 8th day  
of April, 2005. at 9:00 A.M.

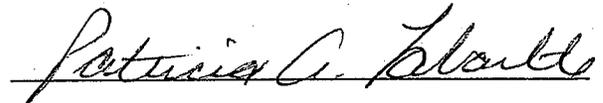
## CERTIFICATE OF MAILING

The undersigned certifies that on the 4<sup>th</sup> day of March, 2005, 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  
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Dino E. Viera, Esq.  
Fellers, Snider, Blankenship,  
Bailey & Tippens, P.C.  
100 North Broadway Avenue, Suite 1700  
Oklahoma City, OK 73102

David R. Payne  
D.R Payne & Associates, Inc.  
119 N. Robinson, Suite 400  
Oklahoma City, OK 73102





# *D. R. Payne & Associates, Inc.*

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119 N. Robinson, Suite 400  
Oklahoma City, OK 73102  
Voice: (405) 272-0511  
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[www.drpayne.com](http://www.drpayne.com)

March 5, 2003

Dino E. Viera, Esq.  
William H. Whitehill, Jr., Esq.  
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Patricia A. Labarthe, Esq.  
Oklahoma Department of Securities  
First National Center, Suite 860  
120 North Robinson  
Oklahoma City, OK 73102

Re: *Oklahoma Dept. of Securities, ex rel., Irving L. Faught, Administrator v. Accelerated Benefits Corp., et al*, Case No CJ-99-2500-66

Dear Counsel:

This will confirm that D.R. Payne & Associates, Inc. has been engaged by the parties and the court in the referenced action for the purpose of performing certain agreed upon accounting procedures together with related investigative, consulting and financial analysis regarding the matters detailed below. Specifically, our engagement will entail the following:

- (a) Identification of all assets of Accelerated Benefits Corporation ("ABC") and American Title Company of Orlando ("ATCO"), as of February 6, 2002, which were required to be transferred to the Conservator

pursuant to the Order Approving Conservator and Transferring Assets dated February 6, 2002 (the "Conservatorship Order") (the "Assets");

- (b) Identification of all Assets transferred to the Conservator including the date of such transfer;
- (c) Disposition of all Assets transferred to the Conservator;
- (d) Review, identification, analysis and evaluation of all funds escrowed by ABC for payment of premiums on all policies subject to the Conservatorship Order and the disposition of such funds;
- (e) Determination, for each policy subject to the Conservatorship Order, of the amount of investor funds for payment of premiums which should have been escrowed by ABC or ATCO as of February 6, 2002, and the disposition of such funds;
- (f) Determination of the specific amount of premium payments advanced by ABC since the Conservatorship began;
- (g) Determination of the amount of funds collected from investors for the payment of premiums and disposition of such funds;
- (h) Review, identification, analysis and evaluation of the specific amounts received by ABC, ATCO or the Conservator on matured policies subject to the Conservatorship Order;
- (i) Determination of the premium billing procedures of ABC and the Conservator, and determination of the amount of premium billings by ABC and the Conservator to purchasers each month for premiums;
- (j) Determination of the dates on which the Conservator received confirmation of the change of beneficiaries or ownership from the various insurance companies with respect to the Assets; and
- (k) Determination of the date on which change of beneficiary or owner paper work was completed on each insurance policy in order to effect a change of beneficiary or ownership to the Conservator.

The scope of our engagement will not be changed without the express written consent of counsel for the Conservator, the Department of Securities or ABC.

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We call your attention to the fact that the procedures to be performed are not intended to be an examination of financial statements or other information in accordance with generally accepted auditing standards. Accordingly, we will not express an opinion on the financial statements or other information. Although certain types of errors and irregularities may be disclosed by these types of procedures, they are not designed to cover all irregularities that may affect the referenced case.

David Payne will supervise all matters handled by our firm, and will be assisted by Ann Payne and Erika Moore. It is not possible for us to produce an exact dollar amount of our fees. However, we estimate that our services will involve not less than 100 hours of professional time. Our estimate of hours is based upon reasonably and timely cooperation by the Conservator and all other parties in providing documents and answers to our inquiries. If it appears that the hours will exceed an additional 40 hours, then we will notify you of the reasons and work out a supplemental budget. Our fees are based on the following rates:

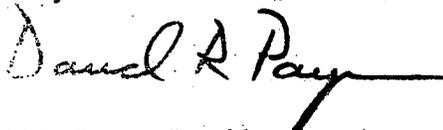
Partner/Principle	\$195-125
Manager	125-110
Consultant	95-70
Staff	60-30

Our fee statements will be submitted to the law firm of Fellers, Snider, Blankenship, Bailey & Tippens on a monthly basis. Copies of fee statements will be provided to counsel for all parties. Payment of fees shall be the sole responsibility of ABC and are expected within two (2) weeks of receipt of our billing and in full at a time prior to issuing a written report. Our billings will include any out-of-pocket costs that are likely to include travel, photocopying, facsimile and long distance telephone charges. We will require a retainer of \$10,000, which will be applied to our final billing.

If the terms of our engagement are satisfactory to you, please indicate your acceptance in the appropriate space provided and return the enclosed copy to us. We look forward to working with you.

Very truly yours,

D.R. Payne & Associates, Inc.



David R. Payne, President

March 5, 2003

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Accepted:

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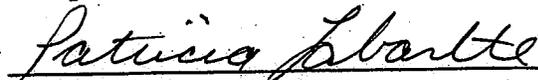
Dino E. Viera, Esq.  
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Accepted:

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Accepted:



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Facsimile: 405-280-7742

**IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA**

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

Case No. CJ-99-2500-66

**AMENDED CERTIFICATE OF MAILING**

The undersigned certifies that on the 7th day of March, 2005, a true and correct copy of the Application for Status Conference Regarding Engagement was mailed via First Class Mail, postage prepaid, to the following:

Melvin R. McVay, Jr., Esq.  
Thomas P. Manning, Esq.  
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Attorney for Plaintiff