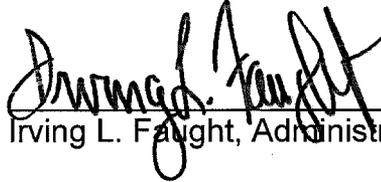


FURTHER AFFIANT SAYETH NOT.

Dated this 10 day of June, 2002.

(SEAL)


Irving L. Faught, Administrator

Subscribed and sworn to before me this 10 day of June, 2002.

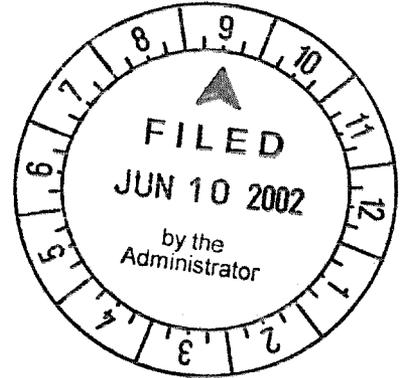
(NOTARY SEAL)


Brenda London Smith
Notary Public

My Commission Expires:

8-26-05

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Dedicated Resources, Inc. and
Michael D. Zadoff,

Respondents.

File No. ODS 01-107

NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to his authority under Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001), the Administrator of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of Dedicated Resources, Inc. (Dedicated Resources) and Michael D. Zaloff (Zaloff) in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

2. On the 3rd day of June, 2002, the attached Recommendation to Issue an Order to Cease and Desist (Recommendation) was left in the office of the Administrator.

3. Pursuant to Section 406(b) of the Act, the Administrator hereby gives notice to Dedicated Resources and Zadoff of their right to request a hearing to show why an order based on the Recommendation should not be issued.

4. The request for a hearing on the Recommendation must be received by the Administrator within fifteen (15) days after service of this Notice. Pursuant to Section 406(b) of the Act, failure to request a hearing within fifteen (15) days after service of this Notice shall result in the issuance of an order to cease and desist against Dedicated Resources and Zadoff.

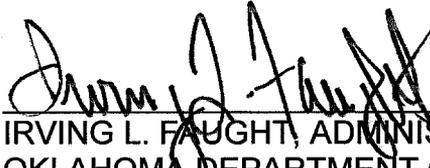
5. The request for hearing shall be in writing and Dedicated Resources and Zadoff shall specifically admit or deny each allegation, or state that Dedicated Resources and Zadoff does not have, and is unable to obtain, sufficient information to admit or deny each allegation in said request as required by 660:2-9-1(c) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

6. Upon receipt of a written request, pursuant to 660:2-9-2 of the Rules, a hearing on this Notice shall be set within sixty (60) days or a written order denying hearing shall be issued.

7. Notice of the date, time and location of the hearing shall be given to Dedicated Resources and Zadoff not less than ten (10) days in advance thereof pursuant to 660:2-9-3(a) of the Rules. Additionally, the notice may contain matters to supplement this Notice and the Recommendation attached hereto.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 10 day of June, 2002.

(SEAL)



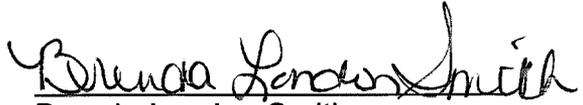
IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 10 day of June, 2002, a true and correct copy of the above and foregoing Notice of Opportunity for Hearing and attached Recommendation to Issue an Order to Cease and Desist was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

Dedicated Resources, Inc.
4723 W. Atlantic Avenue, Suite A-2
Delray Beach, FL 33445

Michael D. Zadoff
4723 W. Atlantic Avenue, Suite A-2
Delray Beach, FL 33445



Brenda London Smith
Paralegal

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Dedicated Resources, Inc. and
Michael D. Zadoff,

Respondents.

File No. ODS 01-107

RECOMMENDATION TO ISSUE AN ORDER
TO CEASE AND DESIST

Pursuant to the Oklahoma Securities Act ("Act"), Okla. Stat. *tit.* 71, §§ 1-413, 501, 701-703 (2001), an investigation was conducted into the activities of Dedicated Resources, Inc. ("Dedicated Resources") and Michael D. Zadoff ("Zadoff") in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department"), or his designee, in support of the issuance of an order to cease and desist.

Findings of Fact

1. At all times material hereto, Dedicated Resources was a corporation whose principal office and place of business was 4723 W. Atlantic Avenue, Suite A-2, Delray Beach, Florida.

2. At all times material hereto, Zadoff was the president of Dedicated Resources. Zadoff was not registered under the Act to transact business in the state of Oklahoma as an agent.

3. Dedicated Resources offers and sells investment opportunities evidenced by an "Asset Purchase Agreement" through which purchasers ("Investors") contract for the right to receive from Dedicated Resources 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 who have a catastrophic or life threatening illness or condition ("Viator") in exchange for the performance of certain services by Dedicated Resources ("Viatical Investment Contracts").

4. The Viatical Investment Contracts were offered in or from the state of Oklahoma, by Dedicated Resources, primarily through newspaper advertisements and sales agents.

5. Dedicated Resources and Zadoff offered and sold interests in Viatical Investment Contracts to Investors. The efforts and responsibilities of Dedicated Resources and Zadoff in offering and selling the interests in the Viatical Investment Contracts included:

- (a) accepting or rejecting proposed Viators;
- (b) conducting independent evaluation and review of medical records;
- (c) purchasing the policy of the Viator;
- (d) ensuring the transfer of ownership of the insurance policy;
- (e) registering the Investor with the life insurance company as the irrevocable beneficiary;
- (f) providing documents to and processing documents on behalf of the Investors, including sales literature and closing documents;
- (g) establishing a custody account known as the General Premium Reserve Account from which to pay life insurance premiums;
- (h) paying all premiums on the life insurance policies;
- (i) tracking the status of the Viator until death;
- (j) completing all documents required for the death benefits claim;
- (k) screening prospective sales agents; and
- (l) establishing and monitoring business practices of all sales agents.

6. Each purchaser of a Viatical Investment Contract issued by Dedicated Resources was required to execute an Asset Purchase Agreement with Dedicated Resources (Viatical Investment Agreement). The Viatical Investment Agreement appointed Dedicated Resources to act as the agent of the purchaser in the negotiation and purchase of Viatical Investment Contracts. By the terms of the Viatical Investment Agreement, Dedicated Resources and Zadoff were to identify, qualify, and acquire, on behalf of the Investor, interests in death benefits of life insurance policies. Profits were determined by the type of plan and life expectancy term selected by the Investor. Upon the closing of the transaction, the purchaser received a certified closing statement. The interest represented by the closing statement was transferable by the purchaser.

7. A purchaser who executed the Viatical Investment Agreement had no role in the evaluation of a Viator's medical condition or life expectancy or the actual selection of a life insurance policy. Instead, Investors relied on the judgment and discretion of Dedicated Resources and Zadoff to create a Viatical Investment Contract that was suitable for investment purposes.

8. After an Investor purchased a Viatical Investment Contract, Dedicated Resources administered all aspects of the investment.

9. The Viatical Investment Contracts were not registered pursuant to Section 301 of the Act and no claim of an exemption from the registration provisions of the Act was filed with the Administrator pursuant to Section 401 of the Act.

10. In connection with the offer and sale of Viatical Investment Contracts, Dedicated Resources and Zadoff provided brochures and other promotional literature to Investors in and/or from the state of Oklahoma.

11. The promotional literature used by Dedicated Resources and Zadoff in connection with the offer and sale of Viatical Investment Contracts was not filed with the Department prior to use in accordance with Section 402 of the Act.

12. Dedicated Resources and Zadoff, directly and indirectly, made untrue statements of material fact to Investors in connection with the offer, sale and purchase of Viatical Investment Contracts including, but not limited to, the following:

- a. that an investment in a Viatical Investment Contract has no risk to principal; and
- b. that no premium payments would have to be made by Investors on the Viatical Investment Contract.

13. Dedicated Resources and Zadoff omitted to state material facts necessary in order to make the statements made to Investors, in light of the circumstances under which they were made, not misleading in connection with the offer, sale and purchase of Viatical Investment Contracts including, but not limited to, the following:

- a. that a Viatical Investment Contract is a security;
- b. that the Viatical Investment Contracts were not registered as securities under the Act nor were they exempt from registration;
- c. that Dedicated Resources employed agents who were not registered under the Act; and
- d. that there was substantial risk to principal in the Viatical Investment Contracts.

14. Based upon the foregoing willful violations of the Act, it is in the public interest to issue an order to cease and desist against Dedicated Resources and Zadoff.

Authorities

1. Section 2 of the Act provides in part:

(d) "Agent" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

A partner, officer, member or director of a broker-dealer or issuer, or a person occupying a similar status or performing similar functions, is an agent only if the person otherwise comes within this definition.

* * *

(v) "Security" means any:

* * *

(11) investment contract[.]

2. Section 101 of the Act provides:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly[.]:

* * *

(2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading[.]

3. Section 201 of the Act provides in pertinent part:

(a)(1) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless the person is so registered under this act or unless the person is exempt from registration as provided in paragraph (2) or (3) of this subsection.

* * *

(b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered or is exempt from registration.

4. Section 301 of the Act provides:

It is unlawful for any person to offer or sell any security in this state unless:
(1) it is registered under this act or the security or transaction is exempted under Section 401 of this title; or (2) it is a federal covered security.

5. Section 402(a) of the Act provides in pertinent part:

It is unlawful to distribute to investors or prospective investors, including customers or prospective customers of an investment adviser, or otherwise use any prospectus, pamphlet, circular, form letter, advertisement, or other sales literature in any manner in connection with the offer or sale of any security, except a federal covered security, unless:

- (1) it has been filed with the Department of Securities; and
- (2) the Department has responded indicating that the Administrator has no objection to its distribution or use.

6. Section 406 of the Act provides in pertinent part:

(a) If the Administrator reasonably believes, whether or not based upon an investigation conducted under Section 405 of this title, that a person has violated the Oklahoma Securities Act, except under the provisions of Section 202.1 or 305.2 of this title, or a rule or order of the Administrator under the Oklahoma Securities Act or has engaged in dishonest or unethical practices in the securities business, the Administrator, in addition to any specific power granted by any other section of the Oklahoma Securities Act, may impose one or more of the following sanctions:

- (1) issue an order against the person to cease and desist from engaging in such violation or dishonest or unethical practices or doing any act in furtherance thereof[.]

Conclusions of Law

1. The Viatical Investment Contracts are securities as defined in Section 2 of the Act.

2. Dedicated Resources and Zadoff offered and sold unregistered securities in the state of Oklahoma, in violation of Section 301 of the Act.

3. Zadoff transacted business in the state of Oklahoma as an agent without being registered under the Act, in violation of Section 201 of the Act.

4. Dedicated Resources employed agents to effect purchases or sales of securities on its behalf who were not registered under the Act, in violation of Section 201 of the Act.

5. Dedicated Resources and Zadoff made untrue statements of material fact and omitted to state material facts in connection with the offer and/or sale of securities in the state of Oklahoma, in violation of Section 101 of the Act.

6. Dedicated Resources and Zadoff used sales literature in connection with the offer and sale of securities in the state of Oklahoma without filing such sales literature with the Department and without receiving an indication from the Administrator that he had no objection to its distribution or use, in violation of Section 402 of the Act.

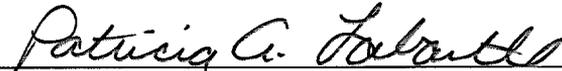
7. The Administrator has the authority under Section 406 of the Act to order Dedicated Resources and Zadoff to cease and desist from engaging in violations of the Act and doing any act in furtherance thereof.

8. It is in the public interest to order Dedicated Resources and Zadoff to cease and desist from engaging in violations of the Act and doing any act in furtherance thereof.

WHEREFORE, it is recommended that the Administrator order Dedicated Resources and Zadoff to cease and desist from engaging in violations of the Act or doing any act in furtherance thereof.

Dated this 3rd day of June, 2002.

Respectfully Submitted,



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