



HTM Conservator, LLC.
Tom Moran, Conservator
Conservator for Certain Assets of Accelerated Benefits Corporation
Orlando Tracking & Service Center

March 31, 2003

RE: Sale of Accelerated Benefits Portfolio of Policies

Dear Investor:

The purpose of this letter is to bring you up to date regarding the status of the proposed sale of the Accelerated Benefits Corporation's ("ABC") viatical portfolio under the control of the Conservatorship.

Please let me take a moment to first thank you for your patience and understanding regarding the sale of the portfolio. I assure you, I take my job as Conservator of these policies very seriously. I apologize for the delay in notifying you of the approval of the sale however; it was my thinking that it was *most* important to notify you of things, which have happened, rather than things that might happen. In this regard, it was necessary to wait until the Court issued all of its rulings; the contracts were drafted and approved by the Court, and signed by all parties before this letter and notification were sent. With approximately 4,600 investors and a cost of several thousand dollars for each mailing, it is important that we make sure that all mailings are complete and accurate.

Status of the Proposed Sale

On December 23, 2002, the Oklahoma County District Court approved the sale of the ABC portfolio to Infinity Capital Services, Inc. ("Infinity"). However, the bid approved by the Court was not the Infinity bid attached to the motion previously forwarded to you. Following the filing of the motion there were offers received from other bidders, and both Infinity and Life Alliance, L.L.C. submitted modified offers as well, all to the benefit of the ABC investors.

Following the Court's approval of the Conservator's Motion to Sell Conservatorship Assets, the Conservator began negotiating and drafting the actual purchase contracts. Once the purchase contracts were drafted and approved by Infinity, they were submitted to the Court for approval. On March 12, 2003, the Court approved the purchase contracts and directed the Conservator to execute the contracts.

A synopsis of the purchase contract approved by the Court is as follows:

- Total purchase price: \$59,000,000 (based on total policies in portfolio being \$140,000,000 or within 5% of such)
- Infinity will be responsible for payment of all future premium and administrative expenses.

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- Infinity has escrowed with the Conservator one year's premiums and administrative fees, to protect you in the event that Infinity ceases to continue to fund the policies in the future.
- The purchase price will be paid to the Investor's Fund as follows:
 - a. 75% of all maturities proceeds on policies that have a face amount of \$1,000,000 or greater will be paid to the Investor's Fund.
 - b. In the first year, Infinity may purchase up to \$35,000,000 in face value of policies that have life expectancies of five years or less, for 35% of the face value. (If the full \$35,000,000 is purchase, \$12,000,000 will be paid into the Investor's Fund).
 - c. 60% of maturities on all remaining policies will be paid to the Investor's Fund until the total \$59,000,000 has been paid.
 - d. Following payment of the full purchase price, any remaining policies will be transferred to Infinity with no further amounts disbursed to the Investor's Fund.

Additional Details

- The Conservator will continue to hold ownership to all policies through maturity or transfer as outlined above.
- You will receive a pro-rata share of the total proceeds based on your initial investment.
- As maturities occur funds to be distributed to investor's will be put and held in an Investor's Fund until the next scheduled disbursement.
- Proceeds will be distributed from the Investor's Fund to the investors approximately every six months.

Yes, this sale does represent a loss of part of your original investment, but please keep in mind that we had an independent actuarial firm review this portfolio and they stated that their "experience analysis indicates that **12% of the policies in the portfolio will continue inforce to the end of 20 years.**"

Anticipating the many questions you may have, we offer the following:

How much will I receive?

You should receive approximately 50% of your original invested amount.

If you invested \$1,000, you should expect to receive approximately \$500.

If you invested \$5,000, you should expect to receive approximately \$2,500.

If you invested \$10,000, you should expect to receive approximately \$5,000.

If you invested \$25,000, you should expect to receive approximately \$12,500.

When can I expect to receive my money?

Checks will be mailed to investors approximately every six months.

Checks will not be mailed to investor's during a regularly scheduled disbursement if the check will be less than \$10.

*The first disbursements will be in the form of reimbursements to investors that paid premiums to the Conservator.

Will you be returning the premium money I sent you?

Yes. The Conservator will reimburse all premiums paid by investors, to the Conservator, prior to regular distributions to all investors.

All premiums received by the Conservator from and after February 6, 2002 will be reimbursed to you.

If my policy matures today, will I get my original expected return?

No. The Court has ruled that all policies in the portfolio as of December 23, 2002 are to be pooled as part of the sale. However, if the Conservator learned of a maturity (death of the viator) prior to that date, the maturity proceeds will be disbursed to the investors on that policy according to their purchase agreements.

How will this affect my taxes?

Neither the Conservator nor his staff can give you tax advice. Please seek the advice of a tax professional or attorney.

What if I want to buy my policy?

As noted above, the Court has ruled that all policies in the portfolio as of December 23, 2002 have been pooled as part of the sale to Infinity.

Do I still have to pay premiums?

No. All future premiums and servicing costs will be paid by Infinity.

About the Conservatorship:

On February 6, 2002, a voluntary joint Order Appointing Conservator and Transferring Assets (the "Conservatorship Order") was entered by the District Court of Oklahoma appointing Tom

Moran, of Oklahoma City, Conservator of certain ABC assets (the “Conservatorship Assets”), including the life insurance policy(ies) in which you own an interest.

The Conservator is responsible and has authority under the Conservatorship Order to:

- 1) take custody and control of the Conservatorship Assets;
- 2) manage the Conservatorship Assets and take necessary steps to protect the ABC investors’ interests including, but not limited to, **the liquidation or sale of the policies** and the assessment to ABC investors of future premium payments;
- 3) receive and collect money due and owing on the policies;
- 4) make such payments and disbursements as may be necessary and advisable for the preservation of the Conservatorship Assets;
- 5) monitor the viators of the policies by tracking the location of the viators and periodically checking the health of the viators;
- 6) receive notice of the death of viators, file death claims and collect the proceeds paid on the policies as they mature;
- 7) disburse to ABC investors their proportionate share of the proceeds paid on matured policies, which may be reduced by the amount of any premium advanced by ABC or the Conservator; and, establish open payments communication with ABC investors with proper disclosure of available options and consequences.

You may view copies of all legal documents as well as a copy of the purchase agreement on the Oklahoma Department of Securities website at: www.securities.state.ok.us. Go to Enforcement Actions and then Oklahoma Department of Securities vs. Accelerated Benefits Corporation.

We fully understand that you may have additional questions regarding the receipt of your first check, however, we do not yet have an exact date for the initial mailing. We expect it to be September at the earliest. Please try to keep in mind that we are serving approximately 4,600 investors and it is impossible to take phone calls from each and everyone of you.

You can get general information from the following two sources 24 hours a day. Please visit these sources before calling the Maitland office or the Oklahoma City office:

(405) 418-0092

<http://www.tommoranconservator.info>

If you have checked the previous two sources and still have questions, please call Sheri at the Conservator’s home office at 405-753-9100.

With Best Regards



Tom Moran

Conservator for Certain Assets of Accelerated Benefits Corporation

