

1. This case involves, *inter alia*, approximately 51 life insurance policies with a face value of death benefits over \$200,000,000 affecting approximately 4,000 investors worldwide. ABC Viaticals, Inc. (“ABC Viaticals”) was placed into Receivership by virtue of this Court’s order on November 17, 2006. At that time, Michael J. Quilling was appointed Receiver (“Receiver”) and authorized to take possession of the Receivership Assets. The Receiver has

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been acting and fulfilling his duties as Receiver since his appointment and has conducted a preliminary investigation to get a general accounting of ABC Viaticals and its related entities.

2. The primary asset of ABC Viaticals is the life insurance policy portfolio it owns. There are 51 known policies with premium obligations of approximately \$6,600,000.00 per year. Without the payment of premiums, the policies in the portfolio will lapse. The Receiver has ceased the operations of ABC Viaticals and will not collect any more funds from investors.

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3. At this time, it appears that the primary, if not only, means of paying investors and creditors of ABC Viaticals, which number more than 4,000, is to maintain the life insurance portfolio until maturity or sale of the policies, if appropriate.

4. The Receiver has been in negotiations with representatives of Sovereign Bank to secure financing to meet future premium obligations. Attached as Exhibit "1" is a term sheet which sets forth the parameters for an agreement whereby Sovereign Bank will provide funds to the Receiver in order to pay premiums as they come due. It is the Receiver's intention to only use the financing arrangement when there are insufficient funds in the Receivership Estate to pay its administrative costs, including premiums. It is in the best interest of the receivership estate and the investors to preserve the life insurance policies. A financing agreement with Sovereign Bank will ensure that enough funds are available to meet the premium obligations until a more studied approach can be completed.

WHEREFORE, PREMISES CONSIDERED, the Receiver respectfully requests that the Court enter an order authorizing him to enter into an agreement, consistent with the Term Sheet attached as Exhibit "1", with Sovereign Bank to provide funding for premium obligations and for such other relief, general or special, at law or in equity, to which the Receiver may show himself justly entitled.

Respectfully submitted,

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By: /s/ Michael J. Quilling.

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ATTORNEYS FOR RECEIVER

### **CERTIFICATE OF CONFERENCE**

I hereby certify that prior to the filing of this motion, I contacted counsel for the SEC and the Defendants and they agree to the relief requested.

/s/ Michael J. Quilling  
Michael J. Quilling/ D. Dee Raibourn, III

### **CERTIFICATE OF SERVICE**

I hereby certify that on the 1st of December, 2006, a true and correct copy of the foregoing document was served via electronic notice to all parties requesting same.

/s/ Michael J. Quilling  
Michael J. Quilling