

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

ABC VIATICALS, INC.,
C. KEITH LAMONDA,
and JESSE W. LAMONDA, JR.

Defendants,

and
LAMONDA MANAGEMENT FAMILY
LIMITED PARTNERSHIP,
STRUCTURED LIFE SETTLEMENTS, INC.,
BLUE WATER TRUST,
and DESTINY TRUST,

Relief Defendants

[illegible]

CIVIL ACTION NO.
3-06-CV-2136-P

**RECEIVER'S SECOND UNOPPOSED MOTION TO INCREASE BANK
FINANCING FACILITY AND REQUEST FOR EXPEDITED CONSIDERATION**

TO THE HONORABLE JORGE A. SOLIS, UNITED STATES DISTRICT COURT JUDGE:

COMES NOW Michael J. Quilling, the Receiver appointed in these proceedings (“Receiver”), and respectfully submits this his Second Unopposed Motion to Increase Bank Financing Facility and Request for Expedited Consideration and respectfully states:

1. This case involves, *inter alia*, 55 life insurance policies with a face value of death benefits over \$236,000,000.00 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 been acting and

Receiver has 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 \$7,300,000.00 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.

3. On December 1, 2006, the Receiver filed a Motion for Authority to Enter into an Agreement for Bank Financing [Dkt. No. 16]. On March 8, 2007, the Receiver filed a Motion to Approve Bank Financing [Dkt. No. 31], which the Court approved by Order dated March 15, 2007 [Dkt. No. 32]. The bank financing facility approved by the Court was for \$5,000,000.00 with interest paid quarterly. On June 25, 2007, the Receiver filed his Unopposed Motion to Increase Bank Financing Facility [Dkt. No. 65] to \$9,000,000.00. The Court entered an Order [Dkt. No. 66] that day approving the proposed credit increase.

4. As an interim precautionary measure, the Receiver has negotiated an increase in the facility to a total of \$10,000,000.00, conditioned on payment of interest on a monthly basis. To date, the Receiver has borrowed \$8,560,000.00, and will continue to borrow \$300,000.00 to \$1,000,000.00 each month in order to make all premium payments and prevent insurance policies from lapsing. It is contemplated that the facility will be increased to \$15 million in the near future.

5. Clearly, it is in the best interest of the receivership estate and the investors to preserve these life insurance policies. An increase in the bank financing facilities will ensure that enough funds are available to meet the premium obligations in the immediate future.

WHEREFORE, PREMISES CONSIDERED, the Receiver respectfully requests that the Court enter an order authorizing him to increase the bank financing facility consistent with the foregoing 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,

QUILLING, SELANDER, CUMMISKEY
& LOWNDS, P.C.
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By: /s/ Michael J. Quilling
Michael J. Quilling
State Bar No. 16432300
D. Dee Raibourn, III
State Bar No. 24009495
Brent Rodine
State Bar No. 24048770

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

CERTIFICATE OF SERVICE

I hereby certify that on the 6th of February, 2008, 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