

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

MICHAEL J. QUILLING, Receiver for ABC VIATICALS, INC. and Related Entities,

Plaintiff,

vs.

INTERNATIONAL FIDELITY & SURETY LIMITED, INTERNATIONAL CONSULTANTS & MANAGEMENT LTD., SURETY MARKETING SOURCE, LLC, KPMG VANUATU, HAWKES LAW, KPMG INTERNATIONAL, BOSWELL, DERMOTT & PAWLETT, LLP, MOHAN & ASSOCIATES, DAVID A. GOLDENBERG, DAG INVESTMENTS, LLC, LPG INVESTMENTS, LLC, WED MARKETING, LLC, GALAX HOLDINGS, LTD., MARK WOLOK, LINDA WOLOK and ARIE KOTLER.

Defendants

Civil Action No.:

3-07 CV 0421-N

COMPLAINT

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, Michael J. Quilling, as Receiver for ABC Viaticals, Inc. and other related entities and files this Complaint against International Fidelity & Surety Limited, International Consultants & Management Ltd., Surety Marketing Source, LLC, KPMG Vanuatu, Hawkes Law, KPMG International, Boswell, Dermott & Pawlett, LLP, Mohan & Associates, David A. Goldenberg, DAG Investments, LLC, LPG Investments, LLC, WED Marketing, LLC, Galax Holdings, Ltd., Mark Wolok, Linda Wolok and Arie Kotler. In support of such, the Receiver would respectfully show the Court as follows:

Parties

1. Michael J. Quilling (“Quilling” or “Receiver”) is the Receiver for ABC Viaticals, Inc. and other related entities in an action pending before the United States District Court for the Northern District of Texas, Dallas Division, the Honorable Jorge A. Solis presiding.

2. Defendant International Fidelity & Surety Limited is allegedly a corporation organized under the laws of the Republic of Vanuatu and may be served with process at 100 Pearl Street, 14th Floor, Hartford, Connecticut 06103 or through its registered agent, Trusco Holdings Limited, at Hawkes Law House, Rue Pasteur, Port Vila, Vanuatu.

3. Defendant International Consultants & Management Ltd. is allegedly a corporation organized under the laws of the Republic of Vanuatu and may be served with process at 100 Pearl Street, 14th Floor, Hartford, Connecticut 06103 or through its registered agent, Trusco Holdings Limited, at Hawkes Law House, Rue Pasteur, Port Vila, Vanuatu.

4. Defendant Surety Marketing Source, LLC is a corporation organized and existing pursuant to the laws of the State of Michigan and may be served with process through its registered agent, David A. Goldenberg, at 4190 Telegraph Road, Suite 2500, Bloomfield Hills, Michigan 48302.

5. KPMG Vanuatu is believed to be a partnership organized and existing under the laws of the Republic of Vanuatu and may be served with process at Hawkes Law House, Rue Pasteur, Port Vila, Vanuatu.

6. Hawkes Law is believed to be a partnership organized and existing under the laws of the Republic of Vanuatu and may be served with process at Hawkes Law House, Rue Pasteur, Port Vila, Vanuatu.

7. KPMG International is an entity organized and existing pursuant to the laws of Switzerland and may be served with process at Chemin de-Normandie 14, CH-1206, Geneva, Switzerland.

8. Boswell, Dermott & Pawlett, LLP is believed to be an entity organized and existing pursuant to the laws of the United Kingdom and may be served with process at 140 Ashley Crescent, London SW11 5QZ, United Kingdom.

9. Mohan & Associates is an organization believed to be organized pursuant to the laws of India and may be served with process at 176 Third Street, Girinagar, Phase-1, Bangalore 560085, India.

10. Defendant David A. Goldenberg is an individual and resident of the State of Michigan and may be served with process at 3036 West Ridge Court, Bloomfield Hills, Michigan 48302.

11. Defendant DAG Investments, LLC is an entity organized and existing pursuant to the laws of the State of Michigan and may be served with process through its registered agent, David A. Goldenberg, at 4190 Telegraph Road, Suite 2500, Bloomfield Hills, Michigan 48302.

12. Defendant LPG Investments, LLC is an entity organized and existing pursuant to the laws of the State of Michigan and may be served with process through its registered agent, David A. Goldenberg, at 4190 Telegraph Road, Suite 2500, Bloomfield Hills, Michigan 48302.

13. Defendant WED Marketing, LLC is an entity organized and existing pursuant to the laws of the State of Michigan and may be served with process through its registered agent, Paula Cetean, 5395 Putnam Drive, West Bloomfield, Michigan 48323.

14. Defendant Galax Holdings, Ltd. is an entity organized and existing pursuant to the laws of the United Kingdom and may be served with process at 122-126 High Road, London, NW6 4HY, United Kingdom.

15. Defendant Mark E. Wolok is an individual resident and citizen of the State of Michigan and may be served with process at 4190 Telegraph Road, Suite 2500, Bloomfield Hills, Michigan 48302.

16. Defendant Linda Wolok is an individual resident and citizen of the State of Michigan and may be served with process at 7409 Village Square Drive, West Bloomfield, Michigan 48322.

17. Defendant Arie Kotler is a New York resident who may be served with process at 271 W. 47th Street, Apt. 11B, Manhattan, New York 10036-1403.

Jurisdiction and Venue

18. This Court has jurisdiction over the subject matter of this action because the stated transactions involve Receivership Assets as described in the Court's Order Appointing Receiver. That Order states that all disputes relating to Receivership Assets must be filed in this Court. Furthermore, this Court has subject matter jurisdiction, in personam jurisdiction, and in rem jurisdiction under 28 U.S.C. § 754, § 1692, and Fed. R. Civ. P. 4(k)(1)(D).

19. Venue for this action is proper in the Northern District of Texas because: (1) this action is ancillary to the United States Securities and Exchange Commission proceedings pending in this District; (2) the Receiver was appointed in this District; and (3) this action involves Receivership Assets within the meaning of the Order Appointing the Receiver, and which requires that all such disputes be filed in this District.

Background Facts

20. On November 17, 2006, the United States Securities and Exchange Commission ("SEC") initiated *SEC v. 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*, Cause No. 3:06-CV-

2136-P, ("SEC Proceedings") and sought to have a Receiver appointed for the entities named in that case. On November 17, 2006, the United States District Court for the Northern District of Texas entered an Agreed Order Appointing Receiver. A true and correct copy of that Order is attached as Exhibit "1". On December 1, 2006, the Court issued an Order Modifying and Clarifying Agreed Order Appointing Receiver. A true and correct copy of that Order is attached hereto as Exhibit "2".

21. Those Orders appointed Quilling as Receiver for ABC Viaticals, Inc., numerous related entities, and a series of numbered trusts held for the benefit of ABC investors (collectively "ABC"). Before these proceedings, ABC was involved in what is generally known as the viatical business. In this instance, it is more accurately referred to as the life settlement business. In essence, ABC purchased insurance policies on the lives of third-party insureds. Fractionalized interests in those policies were then sold to investors. In theory, investor funds were used to cover the policy's purchase price, premium payments, ABC's sales commissions, operating expenses, trustee fees, and other costs. Investors were promised and expected to realize a return ranging from 30% to 150% from benefits paid when the insured died.

22. ABC attracted investors by marketing insurance policies that were supposedly backed by a bonding company. Investors were told that, after a certain time, a bonding company would pay the death benefit due on a policy even if the insured had not yet died. This representation was designed to convince investors that death benefits would be paid by a particular date, even if the insured outlived their life expectancy. The Receiver has interviewed investors who insist that this representation was the single most important factor in deciding to invest with ABC. As a result, ABC raised approximately \$121 million from at least 3,300 investors.

23. ABC initially purchased its bonds through Defendant International Fidelity & Surety Limited (“IFS”). IFS claimed to be a legitimate bonding company established on or about October 17, 2000, and domiciled on a South Pacific island in the Republic of Vanuatu. Defendant Arie Kotler (“Kotler”) purported to serve as the managing director and beneficial owner of IFS and its holding company, International Consultants & Management Ltd. (“ICM”). Defendant Galax Holdings, Ltd. (“Galax”) served as the managing director of both ICM and IFS.

24. Since their inception, IFS and ICM have represented that they maintain offices in Connecticut as well as the Republic of Vanuatu. However, neither of those companies maintain actual offices at either location. Instead, ICM and IFS have a mailbox drop in Connecticut without any known employees, facilities, or assets. To date, the Receiver’s investigation indicates that IFS and ICM exist only on paper as the alter egos of Defendants Kotler, David A. Goldenberg (“Goldenberg”), and Mark E. Wolok (“Wolok”).

25. Beginning in 2001, Defendant Surety Marketing Source, LLC, (“SMS”) then known as Unlimited Bond Source, represented that it was the exclusive marketing agent for IFS. While actively soliciting business for that company, SMS, Goldenberg, and Wolok represented that IFS and ICM were legitimate entities, financially sound, and that they had the financial resources to issue and honor bonds for a variety of purposes. Those marketing efforts were targeted toward the viatical industry in general and ABC in particular.

26. These representations by SMS, Goldenberg, and Wolok convinced ABC to purchase bonds from IFS. As part of their agreement, IFS issued one Blanket Performance Bond to ABC for \$50 million and another for \$20 million. Both bonds were effective as of August 1, 2004, and resulted from consolidated prior bonding commitments. True and correct copies of these bonds are attached as Exhibits “3” and “4”. The Blanket Performance Bonds acted as a line of credit, guaranteeing that ABC could purchase numerous smaller bonds as needed up to

the limit of the Blanket Performance Bond. As ABC acquired life insurance policies, it purchased a separate bond under the Blanket Performance Bond commitment for the face amount of the policy's death benefits. Over time, ABC purchased the following separate bonds:

<u>Bond No.</u>	<u>Bond Amount</u>	<u>Beneficiary</u>
180177	\$5,000,000.00	American Title Company of Orlando
181506	\$24,000,000.00	American Title Company of Orlando
181684	\$20,000,000.00	70069V Life Settlement Trust c/o Mills Potoczak & Co., Trustee
181840	\$4,000,000.00	70064-V Life Settlement Trust c/o Mills Potoczak & Co., Trustee
181841	\$2,000,000.00	70063-V Life Settlement Trust c/o Mills Potoczak & Co., Trustee
181842	\$2,000,000.00	70063-V Life Settlement Trust c/o Mills Potoczak & Co., Trustee
182200	\$5,000,000.00	V-70098 Life Settlement Trust c/o Erwin & Johnson, LLP, Trustee
182201	\$5,000,000.00	V-70099 Life Settlement Trust c/o Erwin & Johnson, LLP, Trustee
185114	\$3,875,000.00	American Title Company of Orlando
185118	\$5,000,000.00	American Title Company of Orlando
185119	\$5,000,000.00	American Title Company of Orlando
185152	\$1,750,000.00	American Title Company of Orlando
185160	\$10,000,000.00	American Title Company of Orlando
185255	\$1,000,000.00	American Title Company of Orlando
185256	\$9,186,500.00	American Title Company of Orlando
185257	\$4,000,000.00	American Title Company of Orlando
185261	\$17,500,000.00	American Title Company of Orlando
185265	\$10,000,000.00	American Title Company of Orlando

A sample of one such bond is attached as Exhibit "5". Payment on ABC's bonds was further guaranteed by ICM in the event that IFS defaulted on its obligations. A sample of the ICM Guarantee is attached as Exhibit "6".

27. ABC, using investor money, paid substantial premiums for these bonds from IFS. Although the amount often varied, in general, ABC typically paid a premium equal to 2.5% of the bond's face amount. The total known amount paid by ABC for the bonds was \$3,267,037.50, all of which was paid directly to SMS. Defendants Goldenberg and Wolok represented to ABC that they would deduct their commission from the premiums and forward the balance to IFS. That representation was false and known to be false by Goldenberg and Wolok. Instead of forwarding the balance to IFS, they systematically spent or divided it between

themselves. A substantial amount of those funds were then diverted to accounts they controlled under the names DAG Investments LLC, WED Marketing, LLC, and Linda Wolok. In effect, IFS and ICM are the alter egos for Goldenberg and Wolok and they treated the investor funds received from ABC as their own.

28. In an effort to reduce the out-of-pocket cash required by ABC to purchase a particular bond, to induce ABC to purchase additional bonds, and to demonstrate their supposed commitment to ABC, Goldenberg and Wolok also offered to accept an interest in insurance policies as part of their commission from ABC in lieu of cash. They held those interests in two companies called LPG Investments, LLC and WED Marketing, LLC.

29. In an effort to shroud themselves in a guise of financial legitimacy, ICM and IFS retained at least three different accounting firms to create false financial statements for them. First, Defendant KPMG Vanuatu, a partnership and member of KPMG International, was retained by IFS and ICM and issued a report on ICM's financial position as of November 1, 2000, which contained material misrepresentations. Upon information and belief, KPMG Vanuatu is now known as the Hawkes Law accounting firm. IFS then retained Defendant Boswell, Dermott & Pawlett, LLP, which issued an audit report on its balance sheets as of December 31, 2001. They next retained Defendant Mohan & Associates to issue an audit report on IFS's balance sheets as of December 31, 2002 and as of December 31, 2004. In making the decision to purchase bonds from IFS, ABC relied upon the material statements of financial condition contained in each of these financial statements. The accounting firms knew or reasonably should have known that their financial statements would be distributed to ABC and its investors as a material representation and inducement to purchase bonds from IFS and/or invest money with ABC. Upon information and belief, each of the financial statements issued were false in all material respects and the financial condition of IFS was not as represented.

30. Since being appointed, the Receiver has determined that ABC made material misrepresentations to its investors, improperly diverted investor funds on numerous occasions, and that its principals operated ABC as an insolvent financial scheme. Among other things, ABC failed to establish and properly fund separate escrow accounts to pay premiums on individual policies. Instead, ABC commingled investor funds in a single account and used them to pay obligations owed to earlier investors. It is therefore the Receiver's determination that ABC was operated as a *Ponzi* scheme and that any transfers to Defendants were fraudulent or otherwise held in constructive trust.

COUNT ONE
Breach of Contract

31. The Receiver incorporates paragraphs 1 through 30 as if fully set forth herein.

32. IFS's bonds and ICM's guarantee constitute contracts with ABC. Those contracts required IFS and ICM to pay the death benefit of various life insurance policies to ABC according to the terms contained in those documents. Those parties breached their contracts by failing to pay those amounts as they became due, even though all conditions precedent and subsequent to performance under the contract have occurred. Their breach of contract has caused ABC to suffer actual damages in excess of \$45 million. The Receiver hereby sues for specific performance on IFS's bonds and ICM's guarantee or, alternatively, actual damages along with rescission of those agreements and disgorgement of all amounts paid by ABC.

COUNT TWO
Aiding & Abetting Breach of Fiduciary Duty

33. The Receiver incorporates paragraphs 1 through 32 as if fully set forth herein.

34. ABC occupied a position of confidence with respect to its investors and, therefore, had a fiduciary duty to act with integrity, fidelity, good faith and fair dealing, and in a manner consistent with its investors' interests. Under the high equitable standards imposed on

fiduciaries, ABC was obligated to inform and provide full disclosure to investors regarding the use of their funds and ABC's stated representations and obligations. By engaging in a fraudulent financial scheme that improperly diverted investor funds, ABC betrayed the trust and confidence of its investors and breached its fiduciary duties.

35. Defendants IFS, ICM, SMS, Galax Holdings, Ltd., Goldenberg, Wolok, and Kotler (the "Bonding Company Defendants") substantially assisted and encouraged ABC's breach of fiduciary duty by participating in a network of fictitious companies that sold nonexistent bonds through IFS and ICM. At all times material to this case, the Bonding Company Defendants knew that IFS and ICM could not honor their obligations under the bonds sold to ABC. Nevertheless, they accepted investor funds as premiums and commissions and allowed ABC to make false representations to its investors about the security of investing in its viatical policies. By assisting ABC in its breach of fiduciary duty, the Bonding Company Defendants proximately and foreseeably caused damages to ABC and its investors.

36. Defendants KPMG Vanuatu, KPMG International, Hawkes Law, Boswell, Dermott & Pawlett, Ltd., and Mohan & Associates (the "Accounting Defendants") substantially assisted and encouraged ABC's breach of fiduciary duty by publishing erroneous accountants' reports that induced ABC to purchase bonds from IFS and ICM. The Accounting Defendants knew or should have known that IFS's and ICM's financial conditions were not accurately stated in the financial statements. They also knew that those financial statements were prepared for the benefit of third parties that would consider them before purchasing bonds through IFS and ICM. By rendering their opinions on the false information in those financial statements, the Accounting Defendants substantially assisted and encouraged ABC to purchase bonds from insolvent companies and make material misrepresentations to its investors. These actions proximately and foreseeably caused damages to both ABC and its investors.

37. Because the Defendants knowingly participated in ABC's breach of fiduciary duty, they are joint tortfeasors and liable as such.

COUNT THREE
Professional Malpractice/Negligence

38. The Receiver incorporates paragraphs 1 through 37 as if fully set forth herein.

39. The Defendants owed ABC a duty to engage in their business activities in an honest and forthright manner. The Bonding Company Defendants had a duty to market and sell bonds that would be honored and backed by a solvent bonding company. Those Defendants breached their duty by, among other things: (1) engaging in a fraudulent financial scheme; (2) marketing and selling nonexistent bonds in exchange for investor funds; (3) encouraging ABC to purchase bonds from an insolvent company; and (4) applying investor funds to unauthorized and undisclosed transfers that were not related to the purchase of bonds for ABC's insurance policies. By breaching their duty, the Bonding Company Defendants proximately and foreseeably caused ABC to suffer actual damages.

40. Similarly, the Accounting Defendants owed ABC the same degree of care, skill, diligence, and accuracy expected from other accounting professionals. The Accounting Defendants breached that duty by, among other things, failing to properly investigate, calculate, or accurately present the financial condition of IFS and ICM in reports that were prepared for and relied upon by companies purchasing bonds from IFS. The Accounting Defendants' reports were untrue in all material respects and failed to meet generally accepted standards for rendering such reports. ABC was within the sphere of prospective bond purchasers that the Accounting Defendants knew or should have known would rely on their published financial reports. ABC did in fact rely on those reports and, therefore, the Defendants' breach proximately and foreseeably caused ABC to suffer actual damages.

COUNT FOUR
Negligent Misrepresentation

41. The Receiver incorporates paragraphs 1 through 40 as if fully set forth herein.

42. Both the Bonding Company Defendants and the Accounting Defendants made numerous representations in the course of their business and in transactions where they had a pecuniary interest. Among other things, the Bonding Company Defendants represented that they were part of a network of solvent, legitimate companies selling bonds backed by IFS and ICM. Similarly, the Accounting Defendants represented that IFS and ICM were legitimate entities with the financial resources to sell and back the type of bonds purchased by ABC. Those representations, along with numerous others described above, constituted false information for the guidance of others. The Defendants did not exercise reasonable care or competence in obtaining or communicating that information to ABC or the public in general. Therefore, ABC justifiably relied on Defendants' misrepresentations and suffered actual damages as a result.

COUNT FIVE
Fraud

43. The Receiver incorporates paragraphs 1 through 42 as if fully set forth herein.

44. As explained above, the Defendants made numerous false representations in an effort to induce ABC and others to act on them. The Bonding Company Defendants made the material representation that they belonged to a legitimate and solvent network of companies selling bonds backed by IFS and ICM. The Accounting Defendants made material representations that IFS and ICM had the financial resources to sell and back the kinds of bonds purchased by ABC. In each case, the Defendants made those representations as a positive assertion, knowing it was false or made recklessly without any knowledge of its truth. The Defendants made those representations intending that they be acted upon by ABC or other

similarly situated parties. Therefore, ABC acted in reliance on those material representations and suffered actual damages as a result.

COUNT SIX
Civil Conspiracy

45. The Receiver incorporates paragraphs 1 through 44 as if fully set forth herein.

46. Each wrongful act described above evidences the Defendants' intent to engage in a conspiracy. At all relevant times, the Bonding Company Defendants were owned and controlled by Defendants Goldenberg, Wolok, Kotler, and Galax. Those principals sought to market, sell, and manage underfunded bonds through fictitious companies for the purpose of their personal financial gain. To that end, there was a meeting of the minds among the three of them to market and sell such a product to companies like ABC. Along the way, the Bonding Company Defendants committed numerous unlawful, overt acts towards that end, including making numerous false representations about themselves and the bonds backed by IFS and ICM, refusing to pay amounts due under the bonds and guarantee, and applying ABC's premium payments to transfers unrelated to the bonds that purportedly backed ABC's viatical policies. As a direct and proximate result of that conspiracy, ABC suffered actual damages.

47. Each of the Accounting Defendants also entered into a meeting of the minds with the principals of IFS and ICM to produce and publish reports on financial statements without conducting due diligence or adhering to generally accepted auditing standards. Those parties engaged in one or more unlawful, overt acts towards that end by publishing those financial statements with material misrepresentations about IFS's and ICM's financial condition. As a direct and proximate result of that conspiracy, ABC suffered actual damages.

COUNT SEVEN
Fraudulent Transfer

48. The Receiver incorporates paragraphs 1 through 47 as if fully set forth herein.

49. At all times material to this Complaint, ABC was insolvent and operated as a *Ponzi* scheme. ABC did not handle investor funds in a manner consistent with its representations. Instead, it made numerous undisclosed transfers of investor funds and underfunded the escrow accounts used to pay premiums on its insurance policies. As a result, funds from new investors were actually diverted to satisfy ABC's obligations to earlier investors. ABC was, in reality, an insolvent *Ponzi* scheme. As a result, all transfers from ABC to the Bonding Company Defendants were fraudulent and made with the intent to hinder, delay, and defraud creditors. The Receiver now seeks to recover those amounts, their proceeds, or equivalent value.

COUNT EIGHT
Constructive Trust & Disgorgement

50. The Receiver incorporates paragraphs 1 through 49 as if fully set forth herein.

51. In his capacity, the Receiver has a claim and interest in funds belonging to ABC along with any transfers, proceeds, or their equivalent value that can be traced to those funds. As explained above, numerous Defendants received funds that are directly traceable to and clearly constitute contributions of defrauded ABC investors. As such, they are impressed with a constructive trust and constitute Receivership Assets. According to principles of equity, the Receiver seeks disgorgement of those assets or, alternatively, a money judgment in an amount equal to the funds received or still maintained by IFS, ICM, SMS, Goldenberg, DAG Investments LLC, LPG Investments LLC, WED Marketing LLC, Mark Wolok, Linda Wolok, and others.

COUNT NINE
Exemplary Damages

52. The Receiver incorporates paragraphs 1 through 51 as if fully set forth herein.

53. As described above, some or all of the Defendants engaged in willful conduct that constitutes fraud, malice, or gross negligence. The clear and convincing evidence in this case shows that such conduct involved an extreme degree of risk by the Defendants. The Receiver submits that by operating insolvent companies that sold fraudulent bonds, the Bonding Company Defendants should have considered the probability and magnitude of the potential harm to others. Similarly, the potential for harm from issuing reports on financial statements should have been immediately clear to the Accounting Defendants, since IFS and ICM eventually carried bond obligations in excess of \$100 million. Without question, the Defendants were aware of these risks, but proceeded in conscious indifference to the rights, safety, and welfare of bond purchasers like ABC.

54. Such acts entitle the Receiver to exemplary damages from each of the Defendants.

COUNT TEN
Fees, Expenses, Costs, and Interest

55. The Receiver incorporates paragraphs 1 through 54 as if fully set forth herein.

56. As a direct result of the Defendants' conduct, as alleged above, it has been necessary for the Receiver to file this action. The Receiver sues for all costs, expenses, attorneys' fees, and pre- and post-judgment interest to which he is entitled under the law or at equity.

Dated: March 6, 2007

Respectfully submitted,

**QUILLING, SELANDER, CUMMISKEY
& LOWNDS, P.C.**

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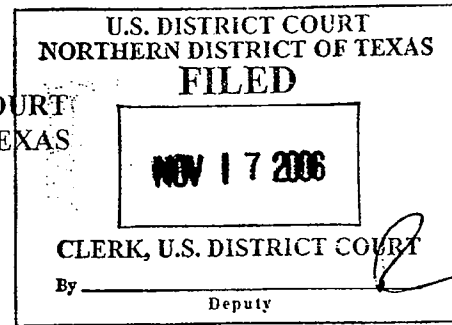
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SPECIAL COUNSEL FOR PLAINTIFF

Exhibit “1”

ORIGINAL

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.

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Civil Action No.:

3-06 CV 2136 - P

ORDER APPOINTING RECEIVER

This matter came on before me, the undersigned United States District Judge, this 17th day of November, 2006, on the application of Plaintiff Securities and Exchange Commission ("Commission") for the appointment of a Receiver for Defendant ABC Viatical Services, Inc. ("Defendant") and Relief Defendants LaMonda Management Family Limited Partnership, Structured Life Settlements, Inc., Blue Water Trust, and Destiny Trust ("Relief Defendants"). It appears that this Order Appointing Receiver is both necessary and appropriate in order to prevent

Certified a true copy of an instrument
on file in my office on 11/17/06
Clerk, U.S. District Court,
Northern District of Texas
By [Signature] Deputy

waste and dissipation of the assets of the Defendant to the detriment of investors pending further order of the Court.

I.

IT IS THEREFORE ORDERED:

1. This Court hereby takes exclusive jurisdiction and possession of the assets, monies, securities, choses in action, and properties, real and personal, tangible and intangible, of whatever kind and description, wherever situated, of Defendant and of Relief Defendants that are attributable to funds provided to the Defendant or Relief Defendants by an investor and/or any entities they own or control (hereinafter "Receivership Assets"), and the books, records, computers and documents, including every writing of any kind, type and description or other instrument or device by which, through or upon which information has been recorded or preserved, including but not limited to memoranda, notes, letters, bank records, statements, checks, wire instructions and confirmations, tape recordings, electronic and digital media of all types, audio and video recordings and photographs of the Defendant and Relief Defendants and/or any and all related entities they own or control, including but not limited to trusts, limited liability companies, corporations, partnerships and joint ventures ("Receivership Records"). The Receiver is hereby authorized to take and have possession of the Receivership Assets and Receivership Records. Until further order of this Court, the Receiver shall have complete and exclusive control, possession, and custody of all Receivership Assets and Receivership Records.

2. Michael J. Quilling of Quilling Selander Cummiskey & Lownds, 2001 Bryan Street, Suite 1800, Dallas, Texas 75201, with the phone number of (214) 871-2100 and facsimile number of (214) 871-2111, is appointed Receiver for the Receivership Assets and the

Receivership Records. Within five days hereof, the Receiver shall file with the Clerk of this Court a bond in the sum of \$10,000, without need for sureties approved by the Court, to assure his conscientious performance of the duties and responsibilities imposed by this Order.

3. Until further order of this Court, all assets of or under the control of the Defendant, along with any assets of the Relief Defendants that they obtained, directly or indirectly from Defendant, or that are attributable to funds provided to Relief Defendants by Defendant or by an investor or client of the Defendant, are frozen, except as otherwise specified herein. The Defendant, the Relief Defendants, their respective officers, managers, trustees, escrow agents, facilitators, agents, servants, employees, attorneys, and all other persons in active concert or participation with them, are hereby restrained and enjoined from, directly and indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing any assets and property owned by, controlled by, or in the possession of Defendant or any Relief Defendant. This freeze shall include, but not be limited to, those funds located in any bank accounts, brokerage accounts, or any other accounts or property of the Defendant or any Relief Defendants described herein.

4. All persons, including Defendant and Relief Defendants, and their officers, agents, servants, employees, brokers, facilitators, trustees, escrow agents, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and specifically including any bank or other financial or depository institution holding accounts for or on behalf of Defendant or Relief Defendants, shall promptly deliver to the Receiver all Receivership Assets in the possession or under the control of any one or more of them and shall promptly surrender all Receivership Records. No separate

subpoena shall be required. Upon presentment of this Order, all persons, including financial institutions, shall provide account balance information, transaction histories, all account records and any other Receivership Records to the Receiver or his agents, in the same manner as they would be provided were the Receiver the signatory on the account.

5. The Receiver is authorized, without breaching the peace and if necessary with the assistance of local peace officers or U.S. Marshals, to enter and secure any premises, wherever located or situated, in order to take possession, custody, or control of, or to identify the location or existence of Receivership Assets or Receivership Records.

6. All persons, including Defendant and Relief Defendants and their officers, agents, servants, employees, brokers, bankers, facilitators, trustees, escrow agents, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are enjoined from any way interfering with the operation of the Receivership or in any way disturbing the Receivership Assets and Receivership Records, specifically including any proceeding initiated pursuant to the United States Bankruptcy Code, except with the prior permission of this Court. Any actions so authorized to determine disputes relating to Receivership Assets and Receivership Records shall be filed in this Court.

7. The Receiver is hereby authorized to make appropriate notification to the United States Postal Service or any post office box or other mail depository to forward delivery of any mail addressed to the Defendant or Relief Defendants or any company or entity under the direction or control of any of the Defendant or Relief Defendants, to himself. Further, the Receiver is hereby authorized to open and inspect all such mail to determine the location or identity of assets or the existence and amount of claims.

8. The Receiver is hereby authorized to make from Receivership Assets such ordinary and necessary payments, distributions, and disbursements as he deems advisable or proper for the marshaling, maintenance, or preservation of the Receivership Assets or Receivership Records. From and after the date of entry of this Order, the Receiver shall have the authority to conduct the business operations of Defendant and Relief Defendants and the entities they control, including the collection of rents or continuation or termination of any employment arrangement, leases and/or contracts and the terms thereof and to sell, rent, lease or otherwise hypothecate or dispose of the Receivership Assets. The Receiver shall have the authority to contact and negotiate with any creditors of Defendant and Relief Defendants for the purpose of compromising or settling any claim. To this purpose, in those instances in which Receivership Assets serve as collateral to secured creditors, the Receiver may surrender such assets to secured creditors, and shall have the authority to make such surrender conditional upon the waiver of any deficiency of collateral. Furthermore, the Receiver is authorized to renew, cancel, terminate, or otherwise adjust any pending lease agreement to which the Defendant and Relief Defendants are a party.

9. The Receiver is hereby directed to file with this Court and serve upon the parties, within 30 days after entry of this Order, a preliminary report setting out the identity, location, and value of the Receivership Assets, and any liabilities pertaining thereto. Further, at the time the Receiver makes such report, he shall recommend to the Court whether, in his opinion, based on his initial investigation, claims against Defendant and Relief Defendants should be adjudged in the Bankruptcy Court. After providing the parties an opportunity to be heard, this Court will

determine whether to accept the Receiver's recommendation and, if appropriate, issue an order authorizing the Receiver to commence a bankruptcy proceeding.

10. Any and all civil actions or other proceedings against the Defendant and Relief Defendants are hereby stayed. Any person or entity wishing to continue to pursue or initiate a civil action or other proceeding against the Defendant or Relief Defendants may do so only after obtaining permission from this Court to do so. Any claim or suit that seeks recovery from Receivership Assets, or that is hereinafter filed against the Defendant, Relief Defendants, or the Receiver, shall be filed in this Court. This provision shall not apply to any criminal proceedings against the Defendant or Relief Defendants.

11. The Receiver is hereby authorized to employ such employees, accountants, and attorneys as is necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets and Receivership Records and to open bank accounts or other depository accounts in the name of the Receiver on behalf of the receivership estate.

12. The Receiver is hereby authorized to receive and collect any and all sums of money due or owing to Defendant and Relief Defendants, whether the same are now due or shall hereafter become due and payable, and is authorized to incur such expenses and make such disbursements as are necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets. The Receiver is further authorized, in his discretion, to abandon or sell assets which are less than \$1,500.00 in value without obtaining further order of the Court, provided that such action is set forth in the Receiver's Final Report.

13. The Receiver is hereby authorized to institute, defend, compromise, or adjust such actions or proceedings in state or federal courts now pending and hereafter instituted, as may in

his discretion be advisable or proper for the protection of the Receivership Assets or proceeds therefrom, and to issue subpoenas, institute, prosecute, compromise or adjust such actions or proceedings in state or federal court as may in his judgment be necessary or proper for the collection, preservation, and maintenance of the Receivership Assets.

14. The Receiver is hereby authorized to institute such actions or proceedings to impose a constructive trust, obtain possession and/or recover judgment with respect to persons or entities who received assets or funds or proceeds traceable to investor monies. All such actions shall be filed in this Court. The Receiver is specifically authorized to pursue such actions on behalf of and for the benefit of the constructive trust beneficiaries, including without limitation any and all investors who may be the victims of the fraudulent conduct alleged herein by the Commission. The Receiver is hereby appointed as the representative of such investors for the purpose of making requests to any authority, foreign or domestic, for the return of the funds that such investors contributed to the Defendant, wherever such funds may have been transferred, and for the purpose of filing actions to recover such funds wherever the Receiver may deem necessary.

15. The Receiver is hereby authorized to take any actions which could be taken by the officers, directors, managers, members, partners, trustees or other principals of the Defendant or Relief Defendants. The Receiver is entitled to transact any business or take any action that the Defendant or Relief Defendants would be authorized to take. The Defendant and Relief Defendants are hereby directed to execute any consent, authorization, resolution, or other document as may be required by any person to confirm the authority of the Receiver as granted in this paragraph. The Defendant and Relief Defendants are further directed to cooperate fully

with the Receiver, including (1) delivering to the Receiver all Receivership Assets and Receivership Records, together with any related documents, records, names and contact information for persons who may be custodians or otherwise involved with or knowledgeable of the Receivership Assets or Receivership Records; (2) obtaining or providing all bank records involving transfers of invested funds provided to or disbursed by the Defendant and Relief Defendants or any subsequent transferee under the direct or indirect control thereof; (3) providing full accountings of the disposition of all funds invested with any Defendant or Relief Defendant; (4) providing all related financial records, computers, computer files, e-mail, passwords, keys, security cards, access codes for premises, vehicles, vessels, aircraft; and (5) granting access to safes or safe deposit boxes or any other facility containing Receivership Assets or Receivership Records. The Court expects that the Defendant and the Relief Defendants will affirmatively assist the Receiver, and not merely allow control to be taken of Receivership Assets and Receivership Records.

16. Upon the request of the Receiver, the United States Marshal's Office is hereby ordered to assist the Receiver in carrying out his duties to take possession, custody, or control of, or identify the location of, any Receivership Assets or Receivership Records. The Receiver is authorized to remove any person from any premises or real estate constituting a Receivership Asset that attempts to interfere with the Receiver, his attorneys or agents in the performance of their duties. The Receiver is further authorized to change any locks or other security mechanisms with respect to any premises or other assets that constitute or contain Receivership Assets or Receivership Records.

17. The Receiver shall keep the Commission apprised at reasonable intervals of developments concerning the operation of the receivership, and shall provide to the Commission upon request any documents under the control of the Receiver.

18. The Receiver shall file on at least a quarterly basis an application for approval of the disbursements for professional fees and expenses to himself or others. The Receiver may pay up to 90% of the professional fees and 100% of the expenses on a monthly basis, provided statements are made on a monthly basis to the Commission, no objections thereto have been presented, and applications have been made as required. Any and all costs incurred by the Receiver shall be paid from the Receivership Assets.

Except for an act of gross negligence or intentional misconduct, the Receiver and all persons engaged or employed by him shall not be liable for any loss or damage incurred by any person or entity by reason of any act performed or omitted to be performed by the Receiver or those engaged or employed by him in connection with the discharge of their duties and responsibilities in connection with the receivership.

II.

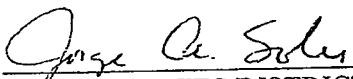
IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for all purposes. The Receiver is hereby authorized, empowered and directed to apply to this Court, with notice to the Commission and Defendant for issuance of such other orders as may be necessary and appropriate in order to carry out the mandate of this Court.

III.

IT IS FURTHER ORDERED that this Order will remain in effect until modified by further order of this Court; provided, however, that at any time after the expiration of 30 days

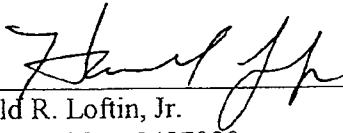
from the return of a jury verdict or the Court's announcement of the jury's inability to do so in the criminal matter styled United States of America v. C. Keith LaMonda and Jesse W. LaMonda, Jr., currently pending in the United States District Court for the Middle District of Florida (Orlando Division), the Receiver or any party may seek to modify or vacate any provision of this Order.

SIGNED this 17th day of November, 2006.



UNITED STATES DISTRICT JUDGE

Agreed as to form:



Harold R. Loftin, Jr.
Texas Bar No. 12487090
U.S. Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, TX 76102-6882
(817) 978-6450
(817) 978-4927 (fax)
Loftinh@sec.gov

Wayne M. Secore
Texas Bar No. 17973700
Gene R. Besen
Texas Bar No. 24045491
Secore & Waller, L.L.P.
12221 Merit Drive
Three Forest Plaza
Dallas, Texas 75251
Tele: 972-776-0200
Fax: 972-776-0240

Gary S. Kessler
Texas Bar No. 11358200
Brad D'Amico
Texas Bar No. 00783923
Kessler Collins P.C.
2100 Ross Avenue
Suite 750
Dallas, Texas 75201-2717
214.379.0722 Telephone
214.373.4714 Facsimile

John C. Wynne P.C.
Texas Bar No. 22109100
4200 JP Morgan Chase Tower
Houston, Texas 77002
Telephone: 713-227-8835
Fax: 713-227-6205

SEC v. ABC Viaticals, Inc., et al.
Order Appointing Receiver
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010423

019918

Agreed as to form:

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Fort Worth, TX 76102-6882
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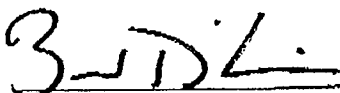
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Agreed as to form:

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 U.S. Securities and Exchange Commission
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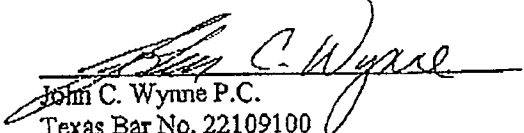
SEC v. ABC Viaticals, Inc., et al.
 Order Appointing Receiver
 Page-11

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Exhibit “2”

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

SECURITIES AND EXCHANGE COMMISSION,

§
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Plaintiff,

vs.

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

§ Civil Action No.: 3:06-CV-2136-P

Defendants,

and

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

Relief Defendants.

ORDER CLARIFYING AND MODIFYING ORDER APPOINTING RECEIVER


On this date, the Court considered the Receiver’s Unopposed Motion to Modify Order Appointing Receiver. The Court, being familiar with the pleadings and papers on file herein and having noted that the motion is unopposed, is of the opinion and so finds that the motion should be granted. Accordingly,

IT IS ORDERED that the Order Appointing Receiver issued by this Court on November 17, 2006 [Docket No. 8] is hereby clarified and, to the extent necessary, modified as to Paragraph 1 so as to include each of the trusts set forth in Exhibit A hereto. This clarification and modification is effective retroactively to November 17, 2006. As a result, the trusts and any and all assets or records belonging to or relating to the trusts are included within the definitions

of Receivership Assets and Receivership Records set forth in the original Order Appointing Receiver.

All other terms of the Order Appointing Receiver remain in full force and effect.

SO ORDERED this 1st day of December 2006.



JÓRGÉ A. SOLIS
UNITED STATES DISTRICT JUDGE

Exhibit "A"

Exhibit A

1.	"70084V Life Settlement Trust"
2.	"70094V Life Settlement Trust"
3.	"70083V Life Settlement Trust"
4.	"70064V Life Settlement Trust"
5.	"70093V Life Settlement Trust"
6.	"70091V Life Settlement Trust"
7.	"70116V Life Settlement Trust"
8.	"70118V Life Settlement Trust"
9.	"70079V Life Settlement Trust"
10.	"70106V Life Settlement Trust"
11.	"70107V Life Settlement Trust"
12.	"70105V Life Settlement Trust"
13.	"70080V Life Settlement Trust"
14.	"70060V Life Settlement Trust"
15.	"70100V Life Settlement Trust"
16.	"70097V Life Settlement Trust"
17.	"70085V Life Settlement Trust"
18.	"70086V Life Settlement Trust"
19.	"70119V Life Settlement Trust"
20.	"70037V Life Settlement Trust"
21.	"70039V Life Settlement Trust"
22.	"70040V Life Settlement Trust"
23.	"70041V Life Settlement Trust"
24.	"70043V Life Settlement Trust"
25.	"70045V Life Settlement Trust"
26.	"70046V Life Settlement Trust"
27.	"70048V Life Settlement Trust"
28.	"70050V Life Settlement Trust"
29.	"70069V Life Settlement Trust"
30.	"70021V Life Settlement Trust"
31.	"70063V Life Settlement Trust"
32.	"70065V Life Settlement Trust"
33.	"70087V Life Settlement Trust"
34.	"70092V Life Settlement Trust"
35.	"70075V Life Settlement Trust"

36.	"70077V Life Settlement Trust"
37.	"70078V Life Settlement Trust"
38.	"70090V Life Settlement Trust"
39.	"70082V Life Settlement Trust"
40.	"70070V Life Settlement Trust"
41.	"70049V Life Settlement Trust"
42.	"70051V Life Settlement Trust"
43.	"70098V Life Settlement Trust"
44.	"70095V Life Settlement Trust"
45.	"70096V Life Settlement Trust"
46.	"70117V Life Settlement Trust"
47.	"Destiny Trust"
48.	"Blue Water Life Settlement Trust"
49.	"70081V Life Settlement Trust"
50.	"70057V Life Settlement Trust"
51.	"70120V Life Settlement Trust"

Case 3:06-cv-02136 Document 19-2 Filed 12/07/2006

Exhibit “3”

**INTERNATIONAL FIDELITY & SURETY, LTD
BLANKET PERFORMANCE BOND II**

Bond No.: 190001

Limit of Liability: U.S.D. \$20,000,000.00

WHEREAS, on the 1st day of August, 2004, ABC VIATICALS, INC., a Texas Corporation (hereinafter referred to as "Principal") was issued International Fidelity & Surety, Ltd., a Foreign Corporation (hereinafter referred to as "Surety") Blanket Performance Bond I, in the amount of FIFTY MILLION (\$50,000,000.00) which is valid for the term of August 1, 2004 through December 31, 2004; and

WHEREAS, it is presently foreseen by Principal that it may exceed the Limit of Liability set forth in Surety Blanket Performance Bond I, the same being Bond Number 200001 prior to its expiration date of December 31, 2004; and

WHEREAS, in the event Principal shall fully utilize all of the Limit of Liability set forth in Blanket Bond I, as described above, prior to December 31, 2004, Principal desires to exercise and invoke its option to receive additional Financial Guarantee Bonds from Surety, at the prevailing rate previously agreed to and set forth below; and

WHEREAS, on the 1st day of August, 2004 Principal and certain Life Settlement Trusts c/o Mills Potoczak & Co., Trustee, (hereinafter referred to as "Beneficiary/Obligee") agreed to enter into additional transactions involving the purchase of life insurance policies wherein Beneficiary/Obligee will serve as Trustee for the benefit of various investor/owners on all polices brokered by Principal between August 1, 2004 and December 31, 2004, to a maximum of TWENTY MILLION (\$20,000,000.00 USD) Dollars, in the event the Limit of Liability set forth in Blanket Bond I is reached; and

WHEREAS, upon the full satisfaction of the Limit of Liability set forth in Blanket Performance Bond I having been achieved additional transactions requiring a separate and individual trust number to be issued upon Beneficiary/Obligee receiving a Statement of Irrevocability and Change of Ownership will be necessary provided the aggregate of these transactions does not exceed the limit of liability of this bond; and

WHEREAS, International Fidelity & Surety, Ltd (hereinafter referred to as "Surety") agrees to issue additional Financial Guarantee bonds, in the event Blanket Performance Bond I is first fully exhausted, for each of the above referenced transactions entered into by and between Principal and Obligee between the dates of August 1, 2004 and December 31, 2004 with the aggregate of coverage not to exceed the Limit of Liability reflected above, and for each Financial Guarantee bond hereinafter issued by Surety to Principal the face amount of the bond shall be deducted from this Blanket Performance Bond II so as to reduce the Limit of Liability by the like amount; and

WHEREAS, Surety agrees to provide Principal with a 1.3% premium rate for any and all Financial Guarantee Bonds issued by Surety to Principal after Blanket Performance Bond I is fully exhausted, during the term of this Blanket Bond, or until the Limit of Liability is reached in full, whichever occurs first and the Principal agrees to make good and sufficient payment for the issuance of this Blanket Performance Bond pursuant to the terms and conditions agreed to by and between Principal and Surety; and

WHEREAS, International Fidelity & Surety, Ltd., hereinafter referred to as ("Surety") along with the Principal, named herein, have agreed to be held and firmly bound unto Obligee for a sum not to exceed TWENTY MILLION (\$20,000,000.00) DOLLARS in lawful money of the United States of America.

NOW, THEREFORE, THE CONDITION OF THE FOREGOING OBLIGATION is that if the Principal shall pay the bond premium referenced above the Surety agrees to be bound, however, in the event all obligations, preconditions and contingencies are not met, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

PROVIDED, HOWEVER, that this bond is issued subject to the following conditions and privileges:

1. Obligation. That the Principal and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Obligee for the performance specified herein.

2. Premium. The premium set by the Surety, as quoted to the Principal for the cost of this bond shall be payable in accordance with a certain billing invoice previously issued by Surety to Principal and this Bond shall be declared null and void, ab initio, in the event of non-payment of the premium.

3. Liability and Exposure. The liability of the Surety on this Bond shall not exceed the sum of TWENTY MILLION (\$20,000,000.00) DOLLARS in U.S. funds.

4. Notice of Default. Upon Default, a written notice thereof shall be given to the Surety by Obligee no later than thirty (30) days after the Default unless the Surety agrees in writing to extend the time for filing of a claim with respect to such Default. Notice of Default shall include a signed affidavit stating that the Principal is in Default under the Contract and the date of Default.

All notices, applications, demands and requests provided for in this Bond shall be in writing and addressed to:

The Surety at: C/O ICM Group, LLC
100 Pearl Street, 14th Floor
Hartford, CT 06103

The Principal at: 12 Greenway Plaza
Suite 1126
Houston, TX 75046

The Obligee at: 27600 Chagrin Blvd.
Suite 200
Cleveland, OH 44122

5. Proof and Payment of Loss. Notice of Default shall constitute proof of Loss hereunder. The Surety shall pay Loss hereunder no later than ninety (90) days after the giving of the Notice of Default in accordance with Section 4. Loss shall be paid at the address of the Obligee set forth above. The Obligee upon and to the extent of payment of the Loss by the Surety shall execute all documents required to assign any and all collateral to the Surety. In the event Surety, at any time, makes a payment of Loss hereunder and pays the delinquent amount of the Contract then the Collateral shall be assigned and transferred to Surety at the time of payment of said delinquent amount.

6. Action Against Surety. No action arising out of this Bond may be brought against the Surety unless such action is commenced within ninety (90) days following the date of Default. If the forgoing limitation is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Bond the shortest permissible statutory limitation of time shall be deemed provided herein and shall supersede the time limitation herein stated.

7. Choice of Law. The construction, validity and performance of this Bond shall be governed by the laws of the United States of America, the State of Connecticut and any applicable court of competent jurisdiction.

8. Effective Date of Bond. This Bond is effective the 1st day of August, 2004 and will expire on midnight of December 31, 2004.

SIGNED, SEALED and DATED this 1st day of August, 2004.

PRINCIPAL:

ABC VIATICALS, INC.

By: _____

Its: _____

SURETY:

INTERNATIONAL FIDELITY & SURETY, LTD

By: Melanie Grunwald

Its: Attorney-in-Fact

Bond No.: 190001

**INTERNATIONAL FIDELITY & SURETY, LTD.
INSURANCE COMPANY**

Management/Claims office:
C/O ICM Group, LLC
100 Pearl Street, 14th Floor
Hartford, CT 06103
(860) 249-7015

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That International Fidelity & Surety, Ltd. organized and existing under the laws of the Republic of Vanuatu and pursuant to the following Resolution, which was adopted by the Board of Directors of the said Company, to wit:

RESOLVED, that the following rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- (1) That the Chairman, the President, any Vice President & General Counsel, or any Attorney-In-Fact, may execute for and on behalf of the Company, any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof; the same to be attested, when necessary, by the Corporate Secretary or an Assistant Corporate Secretary, and the seal of the Company affixed thereto, and that the Chairman or President may appoint and authorize any other Officer (elected or appointed) of the Company and Attorneys-In-Fact, to so execute or attest to the execution of such writings on behalf of the Company and to affix the seal of the Company thereto.
- (2) Any such writing executed in accordance with these rules shall be binding upon the Company in any case as though signed by the President and attested to by the Corporate Secretary.
- (3) The Signature of the Chairman, the President or Vice President of the Company may be affixed by facsimile on any Power of Attorney granted pursuant to this Resolution, and the signature of a facsimile to any certificate of any such Power, and any such Power, or Certificate bearing such facsimile signature and seal, shall be valid and binding on the Company.
- (4) Such other Officers of the Company, and Attorneys-In-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company and any affidavit or record of the Company necessary to the discharge of the duties,

does hereby nominate, constitute and appoint:

Melanie Grunwald, as its true and lawful Attorney-In-Fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalty amounts not exceeding THIRTY MILLION (\$30,000,000.00) DOLLARS each, and the execution of such writings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, as if they had been duly executed and acknowledged by the regularly elected Officers of the Company at its principal office.

NOW THEREFORE, the signatures of such Officers and the seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile; and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bonds, undertakings, recognizances, contracts or other writings to which it is attached.

IN WITNESS WHEREOF, Melanie Grunwald, has hereunto subscribed her name and affixed the Corporate Seal of International Fidelity & Surety, Ltd. this 1st day of August, 2004.

INTERNATIONAL FIDELITY & SURETY, LTD.

By: Melanie Grunwald
Melanie Grunwald
Its: Attorney-In-Fact

On this 1st day of August, 2004 before me, and in my presence, came the individual who executed the preceding instrument, and whom is personally known to me to be the therein described and authorized Officer of International Fidelity & Surety, Ltd., that the seal affixed to said instrument is the Corporate Seal of said Company and that the said Corporate Seal and her signature was duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 1st day of August, 2004

Mark E. Wolok
Witness Mark E. Wolok

I, the undersigned officer of International Fidelity & Surety, Ltd do hereby certify that I have compared the foregoing copy of the Power of Attorney and Affidavit, and that the copy of the Section of the By-Laws of the said Company as set forth in said Power of Attorney, with the originals on file in the home office of said Company, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 1st day of August, 2004.

Brian Keses
Brian D. Keses
Assistant Secretary

Exhibit “4”

**INTERNATIONAL FIDELITY & SURETY, LTD
BLANKET PERFORMANCE BOND I**

Bond No.: 200001

Limit of Liability: U.S.D. \$50,000,000.00

WHEREAS, on the 1st day of August, 2004 ABC Viaticals, Inc., a Texas Corporation, hereinafter referred to as ("Principal") and certain Life Settlement Trusts c/o Mills Potoczak & Co., Trustee, hereinafter referred to as (the "Beneficiary/Obligee") agreed to enter into several transactions involving the purchase of life insurance policies wherein Beneficiary/Obligee will serve as Trustee for the benefit of various investor/owners on all polices brokered by Principal between August 1, 2004 and December 31, 2004, to a maximum of FIFTY MILLION (\$50,000,000.00 USD) Dollars with each transaction requiring a separate and individual trust number to be issued upon Beneficiary/Obligee receiving a Statement of Irrevocability and Change of Ownership, but in no event shall the aggregate transactions exceed the limit of liability of this bond; and

WHEREAS, International Fidelity & Surety, Ltd (hereinafter referred to as "Surety") agrees to issue individual Financial Guarantee bonds for each of the above referenced transactions entered into by and between Principal and Obligee between the dates of August 1, 2004 and December 31, 2004 with the aggregate of coverage not to exceed the Limit of Liability reflected above, and for each Financial Guarantee bond hereinafter issued by Surety to Principal the face amount of the bond shall be deducted from this Blanket Performance Bond so as to reduce the Limit of Liability by the like amount; and

WHEREAS, Surety agrees to provide Principal with a 1.5% premium rate for any and all Financial Guarantee Bonds issued by Surety to Principal during the term of this Blanket Bond, or until the Limit of Liability is reached in full, whichever occurs first and the Principal agrees to make good and sufficient payment for the issuance of this Blanket Performance Bond pursuant to the terms and conditions agreed to by and between Principal an Surety; and

WHEREAS, International Fidelity & Surety, Ltd., hereinafter referred to as ("Surety") along with the Principal, named herein, have agreed to be held and firmly bound unto Obligee for a sum not to exceed FIFTY MILLION (\$50,000,000.00) DOLLARS in lawful money of the United States of America.

NOW, THEREFORE, THE CONDITION OF THE FOREGOING OBLIGATION is that if the Principal shall pay the bond premium referenced above the Surety agrees to be bound, however, in the event all obligations, preconditions and contingencies are not met, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

PROVIDED, HOWEVER, that this bond is issued subject to the following conditions

and privileges:

1. Obligation. That the Principal and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Obligee for the performance specified herein.

2. Premium. The premium set by the Surety, as quoted to the Principal for the cost of this bond shall be payable in accordance with a certain billing invoice previously issued by Surety to Principal and this Bond shall be declared null and void, ab initio, in the event of non-payment of the premium.

3. Liability and Exposure. The liability of the Surety on this Bond shall not exceed the sum of FIFTY MILLION (\$50,000,000.00) DOLLARS in U.S. funds.

4. Notice of Default. Upon Default, a written notice thereof shall be given to the Surety by Obligee no later than thirty (30) days after the Default unless the Surety agrees in writing to extend the time for filing of a claim with respect to such Default. Notice of Default shall include a signed affidavit stating that the Principal is in Default under the Contract and the date of Default.

All notices, applications, demands and requests provided for in this Bond shall be in writing and addressed to:

The Surety at: C/O ICM Group, LLC
100 Pearl Street, 14th Floor
Hartford, CT 06103

The Principal at: 12 Greenway Plaza
Suite 1126
Houston, TX 75046

The Obligee at: 27600 Chagrin Blvd.
Suite 200
Cleveland, OH 44122

5. Proof and Payment of Loss. Notice of Default shall constitute proof of Loss hereunder. The Surety shall pay Loss hereunder no later than ninety (90) days after the giving of the Notice of Default in accordance with Section 4. Loss shall be paid at the address of the Obligee set forth above. The Obligee upon and to the extent of payment of the Loss by the Surety shall execute all documents required to assign any and all collateral to the Surety. In the event Surety, at any time, makes a payment of Loss hereunder and pays the delinquent amount of the Contract then the Collateral shall be assigned and transferred to Surety at the time of payment of said delinquent amount.

6. Action Against Surety. No action arising out of this Bond may be brought against the Surety unless such action is commenced within ninety (90) days following the

date of Default. If the forgoing limitation is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Bond the shortest permissible statutory limitation of time shall be deemed provided herein and shall supersede the time limitation herein stated.

7. Choice of Law. The construction, validity and performance of this Bond shall be governed by the laws of the United States of America, the State of Connecticut and any applicable court of competent jurisdiction.

8. Effective Date of Bond. This Bond is effective the 1st day of August, 2004 and will expire on midnight of December 31, 2004.

SIGNED, SEALED and DATED this 1st day of August, 2004.

PRINCIPAL:

ABC VIATICALS, INC.

By: _____

Its: _____

SURETY:

INTERNATIONAL FIDELITY & SURETY, LTD

By: Melanie Grunwald

Its: _____

Attorney-in-Fact

Bond No.: 200001

INTERNATIONAL FIDELITY & SURETY, LTD.
INSURANCE COMPANY

Management/Claims office:
C/O ICM Group, LLC
100 Pearl Street, 14th Floor
Hartford, CT 06103
(860) 249-7015

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That International Fidelity & Surety, Ltd. organized and existing under the laws of the Republic of Vanuatu and pursuant to the following Resolution, which was adopted by the Board of Directors of the said Company, to wit:

RESOLVED, that the following rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- (1) That the Chairman, the President, any Vice President & General Counsel, or any Attorney-in-Fact, may execute for and on behalf of the Company, any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested, when necessary, by the Corporate Secretary or any Assistant Corporate Secretary, and the seal of the Company affixed thereto, and that the Chairman or President may appoint and authorize any other Officer (elected or appointed) of the Company and Attorneys-In-Fact, to so execute or attest to the execution of such writings on behalf of the Company and to affix the seal of the Company thereto.
- (2) Any such writing executed in accordance with these rules shall be binding upon the Company in any case as though signed by the President and attested to by the Corporate Secretary.
- (3) The Signature of the Chairman, the President or Vice President of the Company may be affixed by facsimile on any Power of Attorney granted pursuant to this Resolution, and the signature of a facsimile of any such Power, and any such Power, or Certificate bearing such facsimile signature and seal, shall be valid and binding on the Company.
- (4) Such other Officers of the Company, and Attorneys-In-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company and any affidavit or record of the Company necessary to the discharge of the duties,

does hereby nominate, constitute and appoint:

Melanie Grunwald, as its true and lawful Attorney-In-Fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalty amounts not exceeding FIFTY MILLION (\$50,000,000.00) DOLLARS each, and the execution of such writings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, as if they had been duly executed and acknowledged by the regularly elected Officers of the Company at its principal office.

NOW THEREFORE, the signatures of such Officers and the seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bonds, undertakings, recognizances, contracts or other writings to which it is attached.

IN WITNESS WHEREOF, Melanie Grunwald, has hereunto subscribed her name and affixed the Corporate Seal of International Fidelity & Surety, Ltd. this 1st day of August, 2004.

INTERNATIONAL FIDELITY & SURETY, LTD.

By: Melanie Grunwald
Melanie Grunwald
Its: Attorney-In-Fact

On this 1st day of August, 2004 before me, and in my presence, came the individual who executed the preceding instrument, and whom is personally known to me to be the therein described and authorized Officer of International Fidelity & Surety, Ltd., that the seal affixed to said instrument is the Corporate Seal of said Company and that the said Corporate Seal and her signature was duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 1st day of August, 2004.

Witness Mark E. Wolok
Mark E. Wolok

I, the undersigned officer of International Fidelity & Surety, Ltd do hereby certify that I have compared the foregoing copy of the Power of Attorney and Affidavit, and that the copy of the Section of the By-Laws of the said Company as set forth in said Power of Attorney, with the originals on file in the home office of said Company, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 1st day of August, 2004.

Brian Keses
Brian B. Keses
Assistant Secretary

Exhibit “5”

INTERNATIONAL FIDELITY & SURETY LIMITED
FINANCIAL GUARANTEE BOND
SENIOR/LIFE SETTLEMENT (FORTY-EIGHT (48) MONTH PROGRAM)

Bond No.: 185256

Limit of Liability \$9,186,500.00

1. INSURING CLAUSE

International Fidelity & Surety Limited, a Republic of Vanuatu, domiciled Insurance Company (the "Company") with powers to write Financial Guarantee Bonds ("the Bond"), hereinafter called the "Surety", or its assignees, designees or successors agrees to be bound for each specific loss up to a maximum of NINE MILLION ONE HUNDRED EIGHTY SIX THOUSAND FIVE HUNDRED (\$9,186,500.00) UNITED STATES DOLLARS. The Surety is guaranteeing the obligations and performance of ABC Viaticals, Inc., A Texas corporation, (the "Principal") under this Bond to American Title Company of Orlando (the "Beneficiary/Obligee") said Obligee whom has acquired the ownership interest in the life insurance policy and has elected to insure its interest in the life settlement transaction. The owner reflected above is an investor whom has provided funding to the Principal to purchase the insurance policy reflected below. The Beneficiary shall have been provided with a Statement of Irrevocability and a Change of Ownership designation. The Obligee named herein, or its successor or assign, will be paid the full Limit of Liability reflected herein by the Surety, if the Senior/Settlor named below is alive at the end of forty-eight (48) months, plus the Elimination period of ninety (90) days, from the Senior Settlement Date, otherwise no payment is obligated hereunder. The Senior(s) for whom payment will be made is listed below:

Senior Name(s)	Insurance Company	Policy Number	Face Value
██████████	ING Security Life of Denver	██████████	\$9,186,500.00

The Surety binds itself and its assignees, designees or successors to this same obligation of Surety without reservation or restriction subject to the conditions set forth below which must be fulfilled before such coverage or guarantee may be called upon by the Beneficiary under the Bond. Failure to fulfill such conditions shall make the Obligation of the Surety null and void from inception. Upon complete fulfillment of the conditions, and upon proof by the Principal or Beneficiary that one or both of the Seniors is alive at the end of the forty-eight (48) months, plus the 90 days Elimination period, from the Senior Settlement Date, and fulfillment of stipulated conditions in this Bond by the Principal, the Surety will fulfill all of the obligations and rights of the Principal without further notice immediately after the Principal effectuates the transfer and/or assignment of the Beneficiary's ownership interest of the insurance policy to the Surety pursuant to its right to Subrogation as set forth in Paragraph 14 below.

WHEREAS, the Principal has made good and sufficient payment for the issuance of this Bond as evidenced by issuance of this Bond and contingent on the satisfaction of the duties under Section 3, 4, 5 and 6, and has satisfied the Duties under Section 3, then the financial guarantee evidenced by this Bond is now valid and in favor of the Beneficiary.

2. DEFINITIONAL SECTION

- * **"Beneficiary"** is the investor who provides funds to the Principal for the purpose of purchasing one or more insurance policies from a Senior(s) and whom is issued a Statement of Irrevocability by the Principal or its Trust Agent.
- * **"Death Benefit Amount"** is the amount of the Limit of Liability acquired by the policy

Owner named herein reduced by any policy indebtedness. Policy indebtedness includes any outstanding policy loan and any accrued interest on that loan.

- * **"Default"** with respect to the Principal, shall mean failure of the Principal to pay the required premium due the insurance carrier identified above failure to satisfy the claim settlement conditions under Section 4.
- * **"Direct Placement"** is the process whereby the Principal will travel to the State of Connecticut for the procurement of the Surety Bond based upon negotiations conducted and occurring entirely within the State of Connecticut as set forth in a Letter of Acknowledgement and said transaction on which the Surplus lines tax is reported and paid to the State of Connecticut.
- * **"Limit of Liability"** shall mean that portion of the full face value death benefit of the policy set on the effective date of this bond acquired by the Beneficiary/Owner in the full Death Benefit Amount or Face Value of the insureds' life insurance policy, less (i) any policy loans the Senior insureds may have placed against the policy and (ii) any death benefit amount retained by the insureds at the time of settling their insurance policy with the Principal.
- * **"Officer"** is the President, or other authorized officer of ABC Viaticals, Inc., a Texas Corporation, who has signatory authority for the Life Settlement.
- * **"Principal"** is ABC Viaticals, Inc., or its Successors or Assigns.
- * **"Retained Death Benefit"** is the amount retained by the insureds from the face value amount of the insureds' insurance policy at the Senior/Life Settlement Date, said amount which shall be paid directly to the insureds' estate, or to his or her designated beneficiary, at the time of the insured's death.
- * **"Senior/Settlor"** is the natural person who has been diagnosed as having adverse medical conditions with an estimated life expectancy of no more than forty-eight (48) months from the Senior/Life Settlement Date, and who has an in-force life insurance policy, with at least eight (8) years remaining from a life insurance company with a rating of B+ or higher and certain rights, title and interest excluding the retained death benefit of which is assigned, conveyed and or transferred to the Principal by the Senior or others.
- * **"Senior/Life Settlement"** is the sale of an existing life insurance policy, in whole or in part, by a Senior to others, the Beneficiary/Obligee named herein being the new owner in return for a percentage of the face value of the Seniors' policy.
- * **"Senior Settlement Company"** is ABC Viaticals, Inc. which shall assist in the transfer of ownership of insurance policies from Seniors to a Trust Agent or directly to the owner/investors for the benefit of the Beneficiaries/Owners and which has certain duties and obligations under Section 5 of this bond.
- * **"Senior Settlement Date", "Settlement Dates", or "Date of Settlement"**, is the exact date upon which the Principal paid a sum of money equal to the discounted value of the life insurance policy owned by the Seniors and all fees required for the policy purchase are fully disbursed by Principal or its Trust Agent. Such discount shall be set without interference by the Surety.

- * **"Trust Agent,"** or its successors or assigns, is the entity elected or designated by the Principal named above, or the Principal itself, who shall perform post closing activities including, but not limited to, making premium payments to the insurance company and collecting the death certificate necessary for the insurance company to pay the benefits of the policy to the Purchaser(s) of the policy.

3. THE OBLIGATION

The Obligation of the Surety is for the death benefit amount of a life insurance policy insuring the life of the Senior(s), but in no event shall the owner whom acquired an interest in the above referenced life insurance policy receive in excess of Nine Million One Hundred Eighty Six Thousand Five Hundred (\$9,186,500.00) Dollars that being the Limit of Liability. The Beneficiary/Obligee whom has provided certain funds to the Principal to be used to purchase the Senior/Settlers' life insurance policy at a discount will be the Irrevocable Beneficiary as directed by the Principal, directly or indirectly through the Trust Agent. The Surety within ten (10) days of receipt of the bond application, which shall contain all the information listed on Page 1 of this Bond, and the premium due thereon, will prepare its bond, coinciding with the date of the Senior/Life Settlement, and make the same available for Direct Placement in the State of Connecticut. In the event the Senior is still living forty-eight (48) Months from the Senior Settlement Date, plus the additional Elimination period of 90 days, Principal is obligated to transfer to the Surety Company all rights, title and interest held by the Beneficiary/Obligee named herein, (excluding the retained death benefit) of the life insurance policy and the Surety will thereafter, disburse to the Beneficiary/Obligee payment hereunder equal to the Limit of Liability set forth herein. The Surety is obligated to perform at the end of the forty-eight (48) Months, plus the Elimination period of 90 days, only if one or both of the Seniors named above is alive (this being a second to die policy), the Seniors' life insurance policy is still in effect, the insurance company is not released from paying the death benefit under the policy, there has been no successful contestability of the insurance policy, based on fraud, by the insurance carrier, and if the conditions in Sections 4 and 5 have been satisfied. The maximum amount of the obligation of the Surety is limited to is that which is specified in Section 1 above. If both Seniors die during the forty-eight (48) months, and 90 day Elimination period, following the Senior/Life Settlement Date, neither the Principal/Trust, nor the Surety, are obligated to make any payment to the irrevocable beneficiary/owner named herein.

4. BINDING OF THE COMPANY TO THE OBLIGATION

The Company, acting as Surety, shall be bound unto the Beneficiary/Obligee upon timely payment of the premium, subject to the completion of the following conditions:

- (i) Notification by the Principal/Trust Agent to the Surety within twenty (20) business days of binding the Surety to the risk;
- (ii) Payment of the stipulated premium within the same twenty (20) day period;
- (iii) Compliance with the conditions for issuing the Surety Bond as outlined below. The premium amount shall be negotiated by and between the Surety and the Principal as set forth in a separate Agreement; and
- (iv) Surety being provided with the information concerning the Seniors' purchased insurance policy as set forth in Section 6(i)(a) through (h), the Verification of Coverage form, verification of assignment of the insurance policy, verification that there has been no lapse in coverage since the inception of the coverage longer than thirty (30) days, the life insurance premium run illustration sheet provided by the insureds' insurance carrier, proof that the policy is outside the period of

contestability by the insurance carrier, evidence of the funding of the Premium Reserve Fund occurred at the time of closing on the transfer of ownership of the policy in an amount required to keep the policy in effect until the maturity date set forth in this bond, plus ninety (90) days, and the medical analysis or opinion provided to the Senior/Life Settlement Company, its related companies, or its brokers hereunder by independent medical examiners or specialists reflecting the estimated life expectancy of the Senior/Settlor insureds, although recognizing that certain states may place limitations on the release of an individual's medical records.

For coverage to be binding against the Company, the following conditions must be met:

- (i) The principal amount (Obligation) shall not be an amount in excess of the stated specific maximum in this Bond;
- (ii) The Principal/Trust Agent must send a copy of the Surety Bond Application with the pertinent information needed by the Surety to issue its bond within twenty (20) days of the Senior Settlement Date; and
- (iii) The Trust Agent for the benefit of the Purchaser(s) must pay the allocated bond premium to the Surety, in accordance with their instructions, with payment to occur within ten (10) business days of the Senior/Life Settlement.

5. DUTIES OF THE SENIOR/LIFE SETTLEMENT COMPANY

The Senior/Life Settlement Company named herein shall have the following obligations and duties:

- (i) To use the industry's established underwriting guidelines to determine that the Seniors' death will likely occur during the forty-eight (48) months following the Senior/Life Settlement Date;
- (ii) To determine that the Seniors have an in-force life insurance policy on their life with at least eight (8) years remaining under the policy terms, without any limiting conditions, except for payment of the premium on the Seniors' life insurance policy (the "Policy");
- (iii) In the event that the policy should need to be converted during the forty-eight (48) month term, plus the Elimination Period, the existing bond shall be transferred to the converted policy (as long as the face amount remains the same as the original policy and without additional premium costs for the bond);
- (iv) To cause the policy to be transferred to the control of the Beneficiaries/Obligees concurrent with the Senior/Life Settlement Date; and
- (v) To provide the Surety with reports of all subsequent screenings of the Seniors' medical history in the event a subsequent medical screening of the Seniors are conducted at any time by the Senior/Life Settlement Company. Nothing herein shall be construed as requiring the Seniors to have medical examinations performed subsequent to the Senior/Life Settlement Date.

6. DUTIES OF THE PRINCIPAL/TRUST AGENT

The Trust Agent named herein shall have the following obligations and duties:

- (i) For each Senior, the Trust Agent will promptly provide the Surety, on an accompanying list to the Surety the following:
 - (a) Senior/Settlor's name(s);
 - (b) Senior/Life Settlement Date;
 - (c) Name of the Insurance company;
 - (d) Face amount of the life insurance policy;
 - (e) Policy loan amount, if any;
 - (f) The amount of the death benefit retained by the insured, if any;
 - (g) Type of life insurance (term, whole or universal life, etc.); and
 - (h) Life insurance policy number;
- (ii) To maintain the Senior's policy by paying any premium or other amounts necessary to maintain coverage under the policy in the forty-eight (48) month period, plus the Elimination period, after the Senior/Life Settlement Date, unless the policy is exchanged for its death benefit amount upon the death of the Senior and in that event shall provide Surety a copy of the Seniors' death certificates or proof that the Death Benefit Amount has been paid to the Beneficiary/Obligee;
- (iii) To not release any funds to the Seniors until the Principal receives confirmation from the Seniors' insurance company that the policy ownership changes and assignments have been made properly;
- (iv) To transfer funds according to the agreement between the Senior insureds and the Principal, in accordance with this Bond;
- (v) To perform all the conditions set forth in Section 8 below; and

7. TERMINATION OF THIS BOND

By operation, coverage on this Bond terminates in its entirety at the earlier of:

- (i) The death of the second Senior identified in the Bond;
- (ii) Upon payment of the Obligation after transfer of the insured's policy to the Surety after the maturity date if one or both of the insureds is still alive at the end of Senior/Life Settlement Date, plus forty-eight (48) months and the Elimination period of 90 days;
- (iii) When terminated by Default, if any, under terms of this Bond; or
- (iv) After the expiration of the claim period provided in Section 9 (iii).

8. CLAIM SETTLEMENT

In the event one or both of the Seniors is alive at the end of the Senior/Life Settlement Date, plus forty-eight (48) months, and the extra Elimination period set forth above in this Financial Guarantee, the Principal/Trust Agent shall supply the following claim documentation to the Surety, and in the event such documentation is not provided to the Surety, the same shall cause the Surety to deny, without recourse, any payment under this bond:

- (i) The true copy of the life insurance policy, or certificate of coverage in the event of a group policy, with a Death Benefit Amount equal to, but not exceeding, the obligation of the Surety, premiums for which have been paid at least thirty-one (31) days in advance of the date of the demand for payment and that has at least four (4) years of unexpired term before termination.
- (ii) An absolute Assignment of ownership transferring all rights of ownership acquired by the herein named Beneficiary/Obligee to the Surety without restriction, limitations or encumbrances of any kind (for the amount of the obligation, minus policy loans, if any), and in which event the Surety shall assume responsibilities of ownership, including paying any and all premium payments due the insurance company to keep the policy in effect.
- (iii) If the owner or the beneficiary is a corporation, trust, or other entity, Resolutions approving the original transfer.
- (iv) Copies of the medical information obtained on the Senior and upon which the decision was made to enter into the Senior/Life Settlement if not already delivered to the Surety; and, any internal underwriting worksheets or other written evaluation material used to determine that the Senior/Settlor was expected to die within forty-eight (48) months of the Senior/Life Settlement Date.

If the policy is no longer in force, has less than four (4) years of unexpired term, or the insurance carrier refuses to pay out on the insurance policy based upon fraud, then the Surety's obligation to the Beneficiary shall be null and void.

9. LIMITATIONS AND RESTRICTIONS ON THE BENEFICIARY

The Beneficiary has full use of this Bond, but is subject to the following limitations and conditions agreed to by the Beneficiary:

- (i) The Beneficiary shall place no liens, assignments or encumbrances against the Bond without the prior written approval of the Principal, and with such written approval registered with the Surety;
- (ii) All liens, assignments, or other forms of encumbrances on this Bond shall not become obligations of the Surety. The Surety's direct and un-compromised obligation is to the Beneficiary; and,
- (iii) Any claim under this Bond must be no later than one (1) year after payment was due or the Surety is under no obligation to pay or to defend itself in any legal action.

10. RELEASE FROM OBLIGATION

If the Principal/Trust Agent elected by the Senior/Life Settlement Company does not promptly and faithfully make the required payments in the form required; or if there is a breach or default on the part of the Principal/Trust Agent, then all obligations of the Surety hereunder shall be null and void. Otherwise, the obligations of the Principal/Trust Agent hereunder shall remain in full force and effect.

11. ASSIGNMENT

The rights under this Bond may not be assigned, changed, modified or extended without the prior written consent of the Surety, subject to the limitations outlined above. However, notwithstanding the above, the Surety company reserves the right, in its sole and absolute discretion, to assign all of its rights, obligations and entitlements under this Bond to another surety or reinsurer, with written consent of the other party.

12. NOTICE OF DEFAULT

After Principal/Trust Agent's default, a written notice thereof shall be given to the Surety by the Beneficiary no later than ninety (90) days after Default, unless the Surety agrees in writing to extend the time for filing of the claim with respect to such Default. The Notice of Default shall include a signed statement that the Principal is in Default, the amount of the Default and the aggregate amount that has previously been received by the Beneficiary from any other sources for this obligation. All notices, demands and requests provided for in this Bond shall be in writing, sent by certified or registered mail and addressed to:

The Surety at: C/O I.C.M. Group, LLC
 100 Pearl Street
 14th Floor
 Hartford, CT 06103

The Principal/
Trust Agent at: 12 Greenway Plaza
 Suite 1126
 Houston, Texas 75046

The Beneficiary/
Obligee at: 230 Lookout Place #200
 Maitland, FL 32751

13. SUBROGATION

Upon and to the extent the Surety has made payments of Loss under this Bond, the Surety shall be subrogated to all of the Beneficiary's rights and claims under this Bond and all the Beneficiary's rights and claims against the Principal/Trust Agent. In the event of Default as a requisite to the payment hereunder, the Beneficiary/Obligee, in addition to any other conditions hereunder, shall execute and deliver to the Surety, all instruments and papers, without recourse and do whatever else is necessary to transfer, assign, and secure such rights, together with all collateral pledged hereunder, without limitation. The execution by the Beneficiary of any document constituting a partial or complete release of the Principal/Trust Agent, or of any guarantor or co-maker, or any notice of satisfaction or waiver of the right to collect the limit of Liability set forth above herein or any partial Death Benefit Amount or any substitution thereof, shall fully release the

Surety from any obligation of this Bond.

14. SURETY'S CONTINUED OBLIGATION

The Surety further agrees that its obligation hereunder shall continue to be effective even if payment of the Death Benefit Amount is deterred, rescinded or modified by any bankruptcy or reorganization of the Principal/Trust Agent; provided, however, that nothing contained in this Section shall act as a waiver of any defenses which Surety might have against the Principal because of any act or failure to act on the part of the Principal as required under this Bond, or by law.

The Surety further agrees to hold in regard all information regarding name, social security number, address and any other personal information regarding the Seniors or the Beneficiaries of the policy in the strictest confidentiality. Personal information regarding the Seniors or Beneficiaries of the policy will not be given to any other Beneficiaries of the policy or client or agents of the Principal or any other person or entity without the written authorization of the Principal recognizing that certain states may place limitations upon the release of an individual's medical records.

15. ACTION AGAINST SURETY

No action arising out of this Bond may be brought against the Surety unless all payment conditions have been concluded and/or complied with, including but not limited to the filing of a Notice of Default and a Notice of Loss, within the claim period set forth in Paragraph 9 (iii).

16. RECORDS

The Surety may, upon fourteen (14) days prior written notice to the Principal/Trust Agent, delivered by national overnight courier express, request an audit of the medical records pertaining to policies where there exists an obligation by the Surety as follows:

- (i) Such audits will be limited to no more than once in a six (6) month period;
- (ii) The "Auditor" of the medical records will be an independent company which uses diagnostic experts for purposes of review of medical records and evaluating life expectancies of Viators;
- (iii) The "Auditor" will be mutually selected by the Principal/Trust Agent and the Surety;
- (iv) The "Auditor" shall be required to be a licensed physician in at least one (1) state of the United States and qualified to perform such review and analysis;
- (v) Medical Records audited will be randomly selected from the policies subject to the Bond Obligation during the previous six (6) months of the request;
- (vi) Copies of the audit sent to the Surety will reference the Senior by case number only, not by name, social security number or address;
- (vii) Copies of the audit will be sent to the Surety within sixty (60) days of the request; and
- (viii) Any and all costs for the Audit will be the sole responsibility of the Surety.

Notwithstanding anything else contained herein, neither the Principal, nor Trust Agent, shall be obligated

to allow examination or copying of any document or information by the Surety where the documentation or information sought is prohibited from such examination or copying pursuant to any federal or state laws pertaining thereto.

Further, notwithstanding anything contained herein pertaining to the audit of the Seniors' medical records, the Surety may, at any time, examine or copy any letter, account or other document or information in the possession or control of the Principal or Trust Agent relating to or in connection with the Beneficiary, Principal or Trust Agent, as it may relate to this bond.

17. REPRESENTATIONS AND UNDERSTANDINGS

It is understood by all parties hereto that:

- (i) This instrument is a Financial Guarantee Bond and not a Fidelity Bond;
- (ii) That the Policy acting as underlying collateral securing the Surety shall be in good standing, deliverable to the Principal/Trust Agent, and have at least eight (8) years remaining on its term without any conditions or contingencies except for payment of the premium and any loan interest payments due thereon; and
- (iii) In the event any state or federal licensing, regulatory or prosecuting official alleges any allegation of wrongdoing which puts into question the validity of the Senior/Life Settlement transaction for which this bond was given, and such allegation is thereafter substantiated against the Senior/Life Settlement Company or the Principal/Trust Agent under this bond, or anyone acting on their behalf, the Surety in its sole discretion may elect to be excused from any liability or obligation hereunder, at which time this Bond shall be null and void, and without further effect. However, in the event that one or both of the Seniors named herein experiences a miraculous, spontaneous and unexpected recovery from a terminal disease, such recovery shall not be considered to be an act of wrongdoing if the recovery was not determined or anticipated prior to the Senior/Life Settlement Date.

18. INCEPTION OF COVERAGE

Provided all required preconditions set forth in Sections 4 and 5 of this bond, or attached Riders, if any, have been fully satisfied within thirty (30) days of the Senior/Life Settlement Date, this bond shall take immediate effect from the date of the issuance of this Bond, otherwise coverage shall become null and void and no liability or obligation shall accrue to the Surety from the Bond's inception, or the obligation for the benefit of the Beneficiary/Obligee. The premium due hereunder shall be fully earned and non-refundable with the exception of the noncompliance of the Surety to provide proof of the bond within the designated time. Coverage is effective immediately upon Direct Placement to the recipient of this Bond in the State of Connecticut and payment of the premium, subject to the return of all premiums within three (3) days of this Bond being null and void due to the failure of the preconditions set forth above.

If the premium for the bond has been received and the transaction subsequently is canceled by the Senior/Settlor within three (3) days of the Senior/Life Settlement Date, or any longer date set for cancellation, by any state or federal law, the Surety shall in that event return any premiums received and the bond shall be considered null and void.

19. MATURITY

Until the termination date hereof, the Surety's obligations shall remain in full force and effect and thereafter this Bond shall be null and void; and, after all obligations, hereunder have been discharged, the Surety's liability and obligations shall have ceased hereof.

20. PLACE OF DELIVERY AND CHOICE OF LAW

The delivery and performance of this Bond shall be in the State of Connecticut by Direct Placement as authorized by the Insurance Code thereby requiring an acknowledgment of the same by the Principal of the Bond, and the construction and validity of this Bond shall be governed by the Laws of the State of Connecticut. All disputes arising out of, or in connection with this Bond, any performance or non-performance thereof, or consequences of any of the foregoing, shall be solely and exclusively resolved in the courts of the State of Connecticut.

21. NO THIRD PARTY BENEFIT

The benefits of this Bond shall inure to the parties hereto, but is also assignable upon the written consent of the Surety.

22. CHANGES

The terms and conditions of this Bond shall not be waived or changed, unless agreed to in writing by both parties hereto.

23. OTHER INSURANCE

Any obligation of the Surety hereunder shall be in addition to any valid bond, insurance policy, or other indemnity payable to the Beneficiary and its lawful heirs and assigns.

24. BENEFIT

This Bond is binding jointly and severally upon the Principal/ Trust Agent and the Surety and their respective heirs, successors, legal representatives and assigns, and shall inure to the benefit of the Beneficiary their lawful heirs and assigns.

25. REPRESENTATIONS

No representation of any kind or nature whatsoever have been made between the Principal/Trust Agent and the Surety except those expressly set forth in this Bond.

26. MULTIPLE COPIES

True copies may be made of this Bond and such copies shall be treated as executed original by all parties, including the Principal and the Surety, provided a timely premium is paid to the Surety.

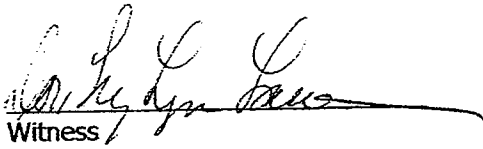
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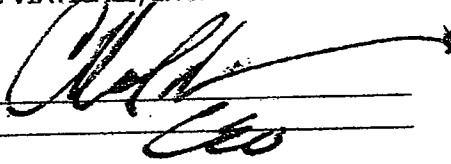
{The next Page is the Signatory Page}

SIGNED BY THE PRINCIPAL/TRUST AGENT ON THIS 4th DAY OF APRIL, IN THE YEAR 2002.

ABC VIATICALS, INC.


Witness

By: _____
Its: _____



SIGNED BY THE SURETY ON THIS 4th DAY OF APRIL, IN THE YEAR 2002.

INTERNATIONAL FIDELITY & SURETY


Witness

By: _____
Its: _____


Its: Attorney-In-Fact

Senior4yr/Bond.frm

and No.: 185256

INTERNATIONAL FIDELITY & SURETY, LTD.
INSURANCE COMPANY

Headquarters:
Port Vila
Vanuatu
South Pacific

Correspondent office:
122-126 High Road
London NW6 4HY
United Kingdom

Management/Claims office:
C/O ICM Group, LLC
100 Pearl Street, 14th Floor
Hartford, CT 06103

POWER OF ATTORNEY

NOW ALL MEN BY THESE PRESENTS: That International Fidelity & Surety, Ltd. organized and existing under the laws of the Republic of Vanuatu and pursuant to the following Resolution, which was adopted by the Board of Directors of the said Company, to wit:

RESOLVED, that the following rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- 1) That the Chairman, the President, any Vice President & General Counsel, or any Attorney-In-Fact, may execute for and on behalf of the Company, any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested, when necessary, by the Corporate Secretary or any Assistant Corporate Secretary, and the seal of the Company affixed thereto, and that the Chairman or President may appoint and authorize any other Officer (elected or appointed) of the Company and Attorneys-In-Fact, to so execute or attest to the execution of such writings on behalf of the Company and to affix the seal of the Company thereto.
- 2) Any such writing executed in accordance with these rules shall be binding upon the Company in any case as though signed by the President and attested to by the Corporate Secretary.
- 3) The signature of the Chairman, the President or Vice President of the Company may be affixed by facsimile on any Power of Attorney granted pursuant to this Resolution, and the signature of a facsimile to any certificate of any such Power, and any such Power, or Certificate bearing such facsimile signature and seal, shall be valid and binding on the Company.
- 4) Such other Officers of the Company, and Attorneys-In-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company and any affidavit or record of the Company necessary to the discharge of the duties,

does hereby nominate, constitute and appoint:

Melanie Grunwald, as its true and lawful Attorney-In-Fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalty amounts not exceeding TWENTY MILLION (\$20,000,000.00) DOLLARS each, and the execution of such writings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, as if they had been duly executed and acknowledged by the regularly elected Officers of the Company at its principal office.

NOW THEREFORE, the signatures of such Officers and the seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bonds, undertakings, recognizances, contracts or other writings to which it is attached.

IN WITNESS WHEREOF, Melanie Grunwald, has hereunto subscribed her name and affixed the Corporate Seal of International Fidelity & Surety, Ltd. this 4th day of April, 2002.

INTERNATIONAL FIDELITY & SURETY, LTD.

By: Melanie Grunwald
Melanie Grunwald
Its: Attorney-In-Fact

On this 4th day of April, 2002 before me, and in my presence, came the individual who executed the preceding instrument, and whom is personally known to me to be the therein described and authorized Officer of International Fidelity & Surety, Ltd., that the seal affixed to said instrument is the Corporate Seal of said Company and that the said Corporate Seal and her signature was duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 4th day of April, 2002.
Mark E. Wolok
Witness Mark E. Wolok

I, the undersigned officer of International Fidelity & Surety, Ltd. do hereby certify that I have compared the foregoing copy of the Power of Attorney and Affidavit, and that the copy of the Section of the By-Laws of the said Company as set forth in said Power of Attorney, with the originals on file in the home office of said Company, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 4th day of April, 2002

Brian Keses
Brian B. Keses

Exhibit “6”

GUARANTY

"SPECIMEN"

THIS GUARANTY is made as of this _____ day of _____, 2001, by **INTERNATIONAL CONSULTANTS & MANAGEMENT LTD.**, an international company ("Guarantor") to: _____ ("Policy Holder"), holder of Policy No. _____ ("Policy").

RECITALS:

- A. Policy Holder is the owner of the above referenced Policy issued by International Fidelity & Surety Limited ("Issuer").
- B. Guarantor holds an ownership interest in Issuer and is therefore interested in Issuer.
- C. Policy Holder requires this Guaranty in connection with its purchase of the Policy and its payment of the premiums due thereon.

Therefore, Guarantor, to induce Policy Holder to purchase the Policy and pay the premiums thereon, guarantees to Policy Holder the collection of any amount which becomes due to or for the benefit of Policy Holder under the Policy upon the failure of the Issuer to pay the same.

This Guaranty is conditioned upon and is limited as hereinafter set forth.

- 1. The liability of Guarantor hereunder is limited to and co-extensive with the liability of the Issuer. Therefore, Guarantor shall have no liability if the Issuer does not have liability under the Policy. Any and all defenses of the Issuer to making payment under the Policy inure to the benefit of Guarantor.
- 2. This Guaranty is one of multiple guarantees to Policy Holders given by Guarantor. The limitation and maximum amount of all Guarantees issued by Guarantor is the aggregate amount of \$281,000,000.00 U.S. To the extent that the sum total of the obligations of Guarantor under all Guarantees exceeds \$281,000,000.00 U.S., then and in such event, the Policy Holder may recover only its pro rata share of such amount and once such amount has been exhausted then there shall be no further recovery from Guarantor. In all events Guarantor's liability to any Policy Holder is limited to the actual damages sustained by such Policy Holder as a result of the failure of Issuer to make payment under the Policy and no consequential damages of any kind including lost profits and/or exemplary or punitive damages shall be recovered from Guarantor.
- 3. Policy Holder shall not, without the prior written consent of Guarantor, release the Issuer from any liabilities or claims of Policy Holder under the Policy.

"SPECIMEN"

4. No liability shall be asserted against Guarantor and until final judgment from a court of competent jurisdiction has been rendered against the Issuer in respect of which such judgment has been returned unsatisfied.

5. It is acknowledged that the Guarantor's liability shall not be affected or impaired by any voluntary or involuntary dissolution, sale or other disposition of all, or substantially all, of the assets of the Issuer or any receivership, insolvency proceeding, bankruptcy, assignment from benefit of creditors, reorganization proceeding, arrangement, composition or similar event affecting Issuer or its assets.

6. This Guaranty is delivered, made in, and executed with respect to and shall in all respects be construed pursuant to and governed by the laws of the state of Connecticut.

IN WITNESS WHEREOF, this Limited Guaranty has been executed as of the day and year first above written.

"SPECIMEN"

INTERNATIONAL CONSULTANTS &
INVESTMENT LTD.,
an International company

By: _____

Its: _____

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