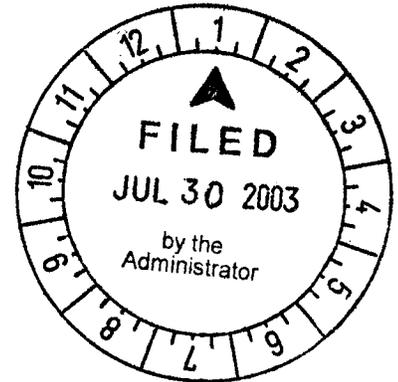


STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
FIRST NATIONAL CENTER, SUITE 860
120 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Viatical Capital, Inc., and

Premiere Investment Capital, Inc.
d/b/a The Life Settlement Network,

Respondents.

File No. ODS 03-010

AFFIDAVIT OF COMPLIANCE
AND
NOTICE OF SERVICE OF THE ADMINSTRATOR

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

The undersigned affiant, of lawful age, being duly sworn upon oath deposes and states:

1. He is the Administrator of the Oklahoma Department of Securities (Department).

2. A copy of the Notice of Opportunity for Hearing (Notice) with the Recommendation to Issue an Order to Cease and Desist (Recommendation) attached was delivered to affiant in the office of the Administrator pursuant to Section 413(h) of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2002).

3. A copy of the Notice, with the Recommendation attached, is being sent this 30th day of July, 2003, by certified mail, return receipt requested, delivery restricted to addressee, to the last known address of Viatical Capital, Inc. and Premiere Investment Capital, Inc. d/b/a The Life Settlement Network, in compliance with Section 413(h) of the Act.

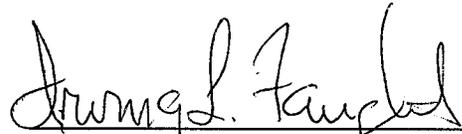
4. This Affidavit of Compliance shall serve as notice to Viatical Capital, Inc. and Premiere Investment Capital, Inc. d/b/a The Life Settlement Network of service on the Administrator pursuant to Section 413(h) of the Act.

5. This Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 413(h) of the Act.

FURTHER AFFIANT SAYETH NOT.

Dated this 30th day of July, 2003.

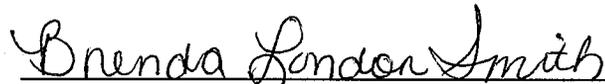
(SEAL)



Irving L. Faught, Administrator

Subscribed and sworn to before me this 30th day of July, 2003.

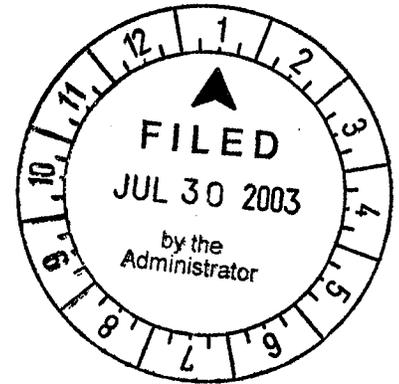
(NOTARY SEAL)



Notary Public

My Commission Expires: August 26, 2005
My Commission No.: 01013792

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



In the Matter of:

Viatical Capital, Inc., and

Premiere Investment Capital, Inc.
d/b/a The Life Settlement Network,

Respondents.

File No. ODS 03-010

NOTICE OF OPPORTUNITY FOR HEARING

1. Pursuant to his authority under Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2002), the Administrator of the Oklahoma Department of Securities (Department) authorized an investigation into the activities of Viatical Capital, Inc. and Premiere Investment Capital, Inc. d/b/a The Life Settlement Network, (hereinafter referred to as "Respondents") in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

2. On the 29th day of July, 2003, the attached Recommendation to Issue an Order to Cease and Desist (Recommendation) was left in the office of the Administrator.

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

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

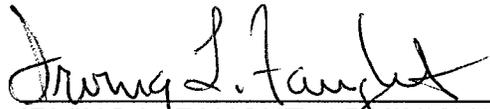
5. The request for hearing shall be in writing and Respondents shall specifically admit or deny each allegation, or state that Respondents do not have, and are unable to obtain, sufficient information to admit or deny each allegation in said request as required by 660:2-9-1(c) of the Rules of the Oklahoma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

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

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

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 30th day of July, 2003.

(SEAL)



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

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 30th day of July, 2003, a true and correct copy of the above and foregoing Notice of Opportunity for Hearing and attached Recommendation to Issue an Order to Cease and Desist was mailed by certified mail, return receipt requested, delivery restrict, with postage prepaid thereon addressed to:

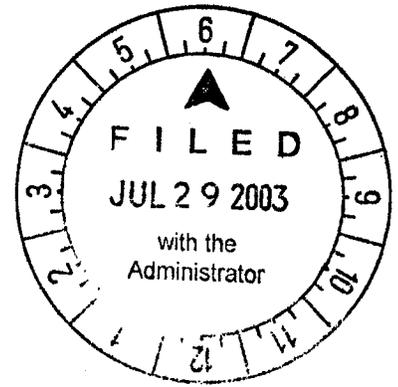
Viatical Capital, Inc.
1605 Main Street
Suite 1109
Sarasota, FL 34210

Premiere Investment Capital, Inc.
d/b/a The Life Settlement Network
1605 Main Street
Suite 1109
Sarasota, FL 34210



Brenda London Smith
Paralegal

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



In the Matter of:

Viatical Capital, Inc., and

Premiere Investment Capital, Inc.
d/b/a The Life Settlement Network,

Respondents.

File No. ODS 03-010

**RECOMMENDATION TO ISSUE AN ORDER
TO CEASE AND DESIST**

Pursuant to the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2002), an investigation was conducted into the activities of the named Respondents in connection with the offer and/or sale of securities in and/or from the state of Oklahoma.

Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are submitted to the Administrator (Administrator) of the Oklahoma Department of Securities (Department), or his designee, in support of the issuance of an Order to Cease and Desist (Recommendation).

Findings of Fact

1. At all times material hereto, Viatical Capital, Inc. (VCI), was described as having a business address of 1605 Main Street, Suite 1109, Sarasota, Florida. VCI purported to be a Florida corporation that issued, offered and sold viatical investment contracts.

2. At all times material hereto, Premiere Investment Capital, Inc. d/b/a The Life Settlement Network (PIC), was described as having a business address of 1605 Main Street, Suite 1109, Sarasota, Florida. PIC purported to be a Florida corporation that issued, offered and sold viatical investment contracts.

3. During and after 1997, VCI and PIC (collectively "Respondents") offered and sold membership interests in and/or from the state of Oklahoma in various limited liability companies including, but not limited to: Viatical Funding L.L.C.-I; Viatical Funding L.L.C.-G-VI; Viatical Funding L.L.C.-G-XIV; Viatical Funding L.L.C.-G-XVI; Viatical Funding L.L.C.-G-XVIII; Viatical Funding L.L.C.-G-XX; Viatical Funding L.L.C.-GI-IX; Viatical Funding L.L.C.-IN-III; Viatical Funding L.L.C.-IN-VII; Viatical Funding

L.L.C.-IN-VIII; Viatical Funding L.L.C.-IN-X; Viatical Funding L.L.C.-IN-XII; Life Investment Funding Enterprise L.L.C.-HY-19; and Life Investment Funding Enterprises L.L.C.-IN-17 (Membership Interests). Respondents represented that the investment in the Membership Interests would be secured by life insurance policies that insured the lives of terminally ill or elderly persons.

4. All of the limited liability companies set forth in Paragraph 3 were organized and established by Respondents under Nevada law.

5. The Membership Interests were not registered pursuant to Section 301 of the Act and no claim of an exemption from the registration provisions of the Act was filed with the Administrator pursuant to Section 401 of the Act.

6. Respondents sold Membership Interests through an agent who was not registered pursuant to Section 201 of the Act.

7. Respondents distributed written materials to investors that represented the rate of return on the Membership Interests would be 11%, even though the nature of the Membership Interests are such that the rate of return could vary depending on the performance of the viatical policies held by each limited liability company. Investors have not received such rate of return.

8. Respondents distributed written materials to investors that represented the investments in the Membership Interests to be safe and secure.

9. The promotional literature used by Respondents in connection with the offer and sale of the Membership Interests was not filed with the Department prior to use in accordance with Section 402 of the Act.

10. Respondents omitted to state material facts necessary in order to make the statements made in light of the circumstances under which they were made not misleading to Investors in connection with the offer, sale and purchase of the Membership Interests including, but not limited to, the following:

- a. that the Membership Interests are securities;
- b. that the Membership Interests were not registered under the Act nor were they exempt from registration;
- c. that VCI employed agents who were not registered under the Act;
- d. that there was substantial risk to principal in the Membership Interests; and
- e. that the actual rate of return on the Membership Interests would depend on the insured dying within the estimated life expectancy range.

11. Based upon the foregoing, it is in the public interest to issue an order to cease and desist against Respondents.

Authorities

1. Section 2 of the Act provides in part:

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

* * *

(v) **“Security”** means any:

* * *

(11) investment contract[.]

2. Section 101 of the Act provides:

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

* * *

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

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

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

* * *

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

4. Section 301 of the Act provides:

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

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

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

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

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

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

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

Conclusions of Law

1. The Membership Interests offered and sold by Respondents are securities as defined in Section 2 of the Act.

2. Respondents offered and sold unregistered securities in and/or from the state of Oklahoma, in violation of Section 301 of the Act.

3. Respondents employed agents to transact business in the state of Oklahoma who were not registered under the Act, in violation of Section 201 of the Act.

4. Respondents made untrue statements of material fact and omitted to state material facts in connection with the offer and/or sale of securities in and/or from the state of Oklahoma, in violation of Section 101 of the Act.

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

6. The Administrator has the authority under Section 406 of the Act to order Respondents to cease and desist from engaging in violations of the Act.

7. It is in the public interest to order Respondents to cease and desist from engaging in violations of the Act.

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

Dated this 21st day of July, 2003.

Respectfully Submitted,



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