IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF KANSAS

NEW YORK LIFE INSURANCE COMPANY,

Plaintiff,

VS.

JOHN G. VANN, DORCAS M. VANN, SHANTAY L. LYONS, and PEGASUS FUNDING GROUP, L.L.C.,

Defendants.

Case No. 06-1216-JTM

MEMORANDUM AND ORDER

The parties appeared before the court on October 26, 2006, in order to determine why claimants should not be enjoined from instituting or prosecuting suit under 28 U.S.C. § 1335. At the hearing, the parties conceded that jurisdiction is met in this case. Additionally, the court granted a stay in all current and future litigation involving the present issue until matters are resolved by the court. Finally, the parties are instructed to proceed with scheduling with the Honorable Donald W. Bostwick.

IT IS ORDERED that defendants, their agents and attorneys are permanently restrained and enjoined from instituting or prosecuting any proceeding in any State or United States Court affecting Policy Number 45 387 660 or the proceeds of the policy. IT IS FURTHER ORDERED that "Pegasus Funding Group, L.L.C., Plaintiff v. New York Life, New York Life Insurance Company, NY Life Insurance Company of Arizona, New York Life Insurance Annuity Corporation, Defendants; Index No. 06-109832, In the Supreme Court of New York, County of Kings" is stayed until further notice by this court.

IT IS FURTHER ORDERED that plaintiff New York Life Insurance shall remain as a party in this case. The court reserves ruling on the issues of plaintiff's attorney fees and costs to a later date.

DATED this 2nd day of November, 2006.

<u>s/ J. Thomas Marten</u> J. THOMAS MARTEN, JUDGE