

1 **BOUTIN DENTINO GIBSON**
2 **DI GIUSTO HOPELL INC.**
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11 UNITED STATES DISTRICT COURT
12 EASTERN DISTRICT OF CALIFORNIA
13 SACRAMENTO DIVISION
14

15 SECURITIES AND EXCHANGE COMMISSION,

16 Plaintiff,

17 v.

18 SECURE INVESTMENT SERVICES, INC.,
19 AMERICAN FINANCIAL SERVICES, INC.,
20 LYNDON GROUP, INC., DONALD F. NEUHAUS,
21 and KIMBERLY A. SNOWDEN,

22 Defendants.

Case No. 2:07-cv-01724 LEW CMK

STIPULATED MOTION FOR ORDER
AUTHORIZING RECEIVER TO
EMPLOY QUILLING SELANDER
CUMMISKEY & LOWNDS, P.C.;
ORDER

23 The parties, at the request of Michael J. Quilling, the Receiver appointed in these
24 proceedings, (“Receiver”), respectfully submit this Stipulated Motion for Order Authorizing
25 Receiver to Employ Quilling Selander Cummiskey & Lownds, P.C. under L.R. 66-232.

26 **BACKGROUND & AUTHORITY**

27 1. By Order of August 24, 2007, the Court appointed Michael J. Quilling as
28 Receiver for Secure Investment Services, Inc. (“SIS”), American Financial Services, Inc.
 (“AFS”) and Lyndon Group, Inc. (“LGI”) and other related individuals and entities. In that
 capacity, the Court has authorized and charged the Receiver to take complete and exclusive
 control, possession, and custody of all receivership assets.

1 2. The Order Appointing Temporary Receiver authorizes the Receiver to employ
2 attorneys as needed to preserve and maintain the Receivership Assets in this case:

3 Given the emergency nature of these proceedings, the Receiver is
4 hereby authorized to employ such employees, accountants, and
5 attorneys as is necessary and proper for the collection,
6 preservation, maintenance and operation of the Receivership
7 Assets and Receivership Records and to open bank accounts or
8 other depository accounts in the name of the Receiver on behalf of
the receivership estate. As soon as possible after retaining such
professionals, the Receiver shall file written applications to
retroactively approve the employment pursuant to Local Rule 66-
232(g).

9 *Order Appointing Temporary Receiver* [Dkt. No. 27] at ¶ 11.

10 3. Accordingly, the Receiver requests authority under L.R. 66-232(g) to employ
11 Quilling Selander Cummiskey & Lownds, P.C. (“QSCL”) of Dallas, Texas, to act as his legal
12 counsel. QSCL has extensive experience in the discrete area of federal equitable receiverships,
13 with three attorneys who practice in that field exclusively. Profiles of those attorneys and their
14 practice experience are attached as Exhibit A. QSCL also has full-time claim analysts capable of
15 handling the 500 potential investor claims in this case.

16 4. QSCL recently acted as the Receiver’s legal counsel in two other receiverships
17 involving large viatical companies, each with life insurance policy portfolios valued at over \$230
18 million. The Receiver believes that employing QSCL is in the best interest of the receivership
19 estate because it has the experience and resources to efficiently and effectively represent the
20 Receiver in this case.

21 5. QSCL will provide legal representation in this case at the hourly rates set forth in
22 Exhibit B. The Receiver seeks Court approval to pay those amounts on a tentative basis pending
23 a hearing for final approval under L.R. 66-232.

24 6. The Receiver requests that this Court enter an order authorizing him to employ
25 QSCL and to compensate it consistent with the terms described in Exhibit B.

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STIPULATION

WHEREFORE, THE PARTIES STIPULATE to the entry of an order of this Court authorizing the Receiver to employ QSCL and to compensate it consistent with the terms described in Exhibit B.

BOUTIN DENTINO GIBSON DI GIUSTO
HODELL INC.

Dated: August 29, 2007

By /s/ Maralee MacDonald
Maralee MacDonald
Attorneys for Receiver

SECURITIES EXCHANGE
COMMISSION

Dated: August 29, 2007

By /s/ John S. Yun (as authorized on August 29, 2007)
Thomas J. Eme
John S. Yun
Attorneys for Plaintiff Securities
Exchange Commission

KENNY, SNOWDEN & NORINE

Dated: August 29, 2007

By /s/ Mark Norcross (as authorized on August 29, 2007)
Mark Norcross
Attorneys for Defendants
Donald Neuhaus and
Kimberly Snowden

ORDER

IT IS SO ORDERED.

Dated: September 6, 2007

/s/ Ronald S. W. Lew
Honorable Ronald S. W. Lew
UNITED STATES DISTRICT COURT JUDGE