

**BOUTIN DENTINO GIBSON
DI GIUSTO HOPELL INC.**
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Attorneys for Receiver
Michael J. Quilling

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.

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

**STIPULATED AND UNOPPOSED
ORDER AUTHORIZING
RECEIVER'S ENTRY INTO
COMPROMISE AND
SETTLEMENT AGREEMENT**

Hearing: Nov. 2, 2007
Time: 10:00 a.m.

The Defendants, at the request of Michael J. Quilling, the Receiver appointed in these proceedings, ("Receiver"), respectfully submit this Stipulated Order Authorizing Receiver's Entry into Compromise and Settlement Agreement under L.R. 66-232, which will be unopposed by Plaintiff Securities and Exchange Commission.

BACKGROUND

1. By Order of August 24, 2007, the Court temporarily appointed Michael J. Quilling as Receiver for Secure Investment Services, Inc. ("SIS"), American Financial Services, Inc. ("AFS") and Lyndon Group, Inc. ("LGI") and other related entities. The parties have stipulated to the entry of an Order of this Court appointing Michael J. Quilling as Receiver for Secure Investment Services, Inc. ("SIS"), American Financial Services, Inc. ("AFS") and Lyndon Group, Inc. ("LGI") and other related entities for the duration of these proceedings.

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Respectfully submitted,

BOUTIN DENTINO GIBSON DI GIUSTO
HODELL INC.

Dated: October 25, 2007

By /s/ Maralee MacDonald
Maralee MacDonald
Attorneys for Receiver of Secure
Investment Services, Inc., American
Financial Services, Inc., and Lyndon
Group, Inc.

MOSS & LOCKE

Dated: October 24, 2007

By /s/ Bruce Locke (authorized 10/24/2007)
Bruce Locke
Attorneys for Defendants
Donald Neuhaus

KENNY, SNOWDEN & NORINE

Dated: October 23, 2007

By /s/ Mark Norcross (authorized 10/23/2007)
Mark Norcross
Attorney for Defendant
Kimberly Snowden

ORDER

IT IS SO ORDERED.

SIGNED this _____ day of _____, 2007.

Honorable Ronald S.W. Lew
United States District Judge

EXHIBIT A

COMPROMISE AND SETTLEMENT AGREEMENT

This Compromise and Settlement Agreement is entered into and is binding upon Michael J. Quilling, as Receiver for Secure Investment Services, Inc., et al., (the “Receiver”) on the one hand and Donald and Linda Neuhaus (the “Neuhauses”) and Kimberly Snowden (“Snowden”) (collectively “Individual Defendants”) on the other hand. This Agreement shall become effective when approved by the Court presiding over the Receivership Proceedings.

RECITALS

WHEREAS, by order dated August 24, 2007 (“Receivership Order”), the Receiver was appointed in *Securities and Exchange Commission v. Secure Investment Services, Inc., et al.*, Cause No. 2:07-cv-01724 LEW CMK (E.D. Cal.) (the “Receivership Proceedings”) for Secure Investment Services, Inc. (“SIS”), American Financial Services, Inc. (“AFS”), and Lyndon Group, Inc. (“LGI”) (collectively “Corporate Defendants”);

WHEREAS, the Receiver alleges that certain assets owned by or in possession of the Individual Defendants and entities under their ownership and control are receivership estate assets and subject to the Receivership Order;

WHEREAS, the Individual Defendants assert various and separate claims to some of those assets and assert that such claims are superior to the interests of the Receiver or the receivership estate;

WHEREAS, by entering into this agreement, the Individual Defendants are not admitting any civil or criminal liability and this agreement cannot be utilized as an admission of liability of any kind in the United States District Court, Eastern District of California civil case entitled *Securities and Exchange Commission v. Secure Investment Services, Inc. et al.*, Case No. 07-CV-01724 LEW CMK; or the United States District Court, Eastern District of California criminal case entitled *United States v. Donald Fred Neuhaus, et al.*, Case No. Cr. S-07-366 GEB (the “Criminal Case”).

1 WHEREAS, in an effort to resolve any and all disputes among them and to avoid further
2 uncertainties, costs, and expenses of litigation and appeal, the Receiver has reached the following
3 agreement with the Individual Defendants.

4 **AGREEMENTS**

5 NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of
6 which is hereby acknowledged, the Receiver and the Individual Defendants agree as follows:

7 **1. Vehicles to be Surrendered to the Receiver.** Immediately upon Court approval
8 of this Agreement, the following vehicle shall be deemed to be a receivership estate asset and the
9 Neuhauses agree to surrender it to the Receiver:

10 2004 Ford T-bird, VIN # 1FAHP60A648109974.

11 **2. House to be Surrendered to the Receiver.** Immediately upon Court approval of
12 this Agreement, the house located at 7783 Churn Creek Road, Redding, California 96002 (“the
13 “House”) shall be deemed to be a receivership estate asset and the Neuhauses agree to surrender
14 possession of it to the Receiver. While the parties are awaiting Court approval of this agreement
15 and during the sales period, the Receiver shall be responsible for all mortgage payments and
16 other items of maintenance with respect to the House.

17 The Magistrate Judge in the Criminal Case previously has entered an order requiring
18 Donald Neuhaus to post a secured bond (the “Order”). It is anticipated that the United States
19 Attorney will make a motion to amend the Order so that a secured bond is not required so long as
20 the Receiver holds any proceeds from the sale of the House, subject to further order of the Court
21 in the Receivership Proceedings. The Individual Defendants agree that they will not oppose such
22 a motion. If the Receiver sells the House prior to the amendment of the Order contemplated
23 above, then the Receiver will deposit the first \$400,000 of proceeds from the sale of the House
24 with the Clerk of the United States District Court for the Eastern District of California to secure
25 Mr. Neuhaus’ bond in the Criminal Case, while awaiting subsequent orders by the Court.

26 **3. Insurance Policies to be Transferred to the Receiver.** The Neuhauses agree to
27 immediately execute all appropriate documentation required by the insurance companies to
28 transfer ownership of the following insurance policies from their individual name to the

1 Receiver:

	Insured	Ins. Company	Policy Number	Owner
2	Mat-P.	State Life	5110056540	Linda Neuhaus
3	Arm-A.	Empire General	00071834	Donald Neuhaus
4	Bon-H&P	West Coast Life Ins Co	ZUA374355	Donald Neuhaus
5	Joh-H.	MetLife	998951314UM	Donald Neuhaus
6	Qui-W.	United of Omaha	BU1060089	Donald Neuhaus
7	Quil-W.	United of Omaha	BU1063056	Donald Neuhaus
8	Sch-T.	Banner Life	17B154899	Donald Neuhaus
9	Sil-I.	MetLife	957100763E2	Donald Neuhaus
10	Sle-K.	John Hancock Mutual Life	UL00256941	Donald Neuhaus
	Sle-K.	New York Life	62782845	Donald Neuhaus
	Sle-K.	New York Life	62782843	Donald Neuhaus
	Vin-M.	Conseco	1090251085	Donald Neuhaus
	Fru-K.	Allstate	763605186	Donald Neuhaus
	Sle-K.	John Hancock Mutual Life	UL00257151	Donald Neuhaus

11 The Receiver has already been paying and will continue to pay all premiums related to the
 12 foregoing policies. To the extent the Receiver identifies additional policies in the name of
 13 Donald or Linda Neuhaus in the future, each of them agrees to promptly execute any
 14 documentation required to transfer ownership to the Receiver.

15 **4. Failure to Perform Shall Be Civil Contempt.** Should the Individual Defendants
 16 or any one of them fail to surrender possession of the assets or perform the obligations stated as
 17 required herein, they agree that such act shall constitute contempt in violation of the
 18 Receivership Order and fully understand and agree that the Receiver shall be free to seek civil
 19 contempt sanctions against them.

20 **5. Waivers.** By transferring assets to the Receiver under this Compromise and
 21 Settlement Agreement, the Individual Defendants do not waive any claim that they may have to
 22 the property and they do not waive the right to claim that any of the assets covered by this
 23 agreement constitute homestead property, exempt property, that tenancy in the entirety exists or
 24 that any other property rights apply.

25 **6. Agreed Order Appointing Receiver.** The Individual Defendants agree to the
 26 entry of an Agreed Order Appointing Receiver for the Corporate Defendants.

27 **7. Court Approval.** This Agreement is expressly conditioned upon approval by the
 28 Court presiding over the Receivership Proceedings.

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Donald Neuhaus Date

Linda Neuhaus Date

Kimberly Snowden Date

Michael J. Quilling, Receiver for
Secure Investment Services, Inc., et al. Date