

**BOUTIN GIBSON DI GIUSTO HODELL INC.**

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

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Attorneys for Receiver

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 MOTION FOR ORDER  
AUTHORIZING RECEIVER TO  
EMPLOY LITZLER, SEGNER, SHAW  
& MCKENNEY; ORDER

The parties, at the request of Michael J. Quilling, the Receiver appointed in these proceedings, (“Receiver”), respectfully submit this Stipulated Motion for Order Authorizing Receiver to Employ Litzler, Segner, Shaw & McKenney under L.R. 66-232.

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**BACKGROUND & AUTHORITY**

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2 1. By Order of October 30, 2007, the Court appointed Michael J. Quilling as  
3 Receiver for Secure Investment Services, Inc. (“SIS”), American Financial Services, Inc.  
4 (“AFS”) and Lyndon Group, Inc. (“LGI”) and other related entities. In that capacity, the Court  
5 has authorized and charged the Receiver to take complete and exclusive control, possession, and  
6 custody of all receivership assets.

7 2. The Order Appointing Receiver authorizes the Receiver to employ accountants as  
8 needed to preserve and maintain the Receivership Assets in this case:

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

14 *Order Appointing Receiver* [Dkt. No. 80] at ¶ 11.

15 3. Accordingly, the Receiver requests authority under L.R. 66-232(g) to employ  
16 Litzler, Segner, Shaw & McKenney (“LSSM”) of Dallas, Texas, to act as his accountants.  
17 LSSM has extensive experience in the discrete area of federal equitable receiverships. Prior to  
18 the initiation of these proceedings and until the time the Court issued the Order Appointing  
19 Receiver, LSSM functioned as an expert witness for the Securities and Exchange Commission  
20 (“SEC”) and in that role prepared an extensive analysis of the receivership entities’ bank records  
21 and financial condition. LSSM, with the consent of the SEC, has agreed to provide the Receiver  
22 the benefit of their prior services. Accordingly, it would greatly benefit the receivership estate at  
23 no cost to be able to have and use that information. Hiring other accountants would necessitate a  
24 duplication of the work and would take a considerable period of time at substantial expense.  
25

26  
27 4. LSSM is acting as the Receiver’s accountants in another receivership involving a  
28 large viatical company, with a life insurance policy portfolio valued at over \$230 million. The

1 Receiver believes that employing LSSM is in the best interest of the receivership estate because  
2 it has the experience and resources to efficiently and effectively represent the Receiver in this  
3 case and because of the prior work they have performed in these proceedings.

4 5. LSSM will provide accounting services in this case at the hourly rates set forth in  
5 Exhibit A. The Receiver seeks Court approval to pay those amounts on a tentative basis  
6 pursuant to Paragraph 17 of the Order Appointing Receiver pending a hearing for final approval  
7 under L.R. 66-232.

8 6. The Receiver requests that this Court enter an order authorizing him to employ  
9 LSSM and to compensate them consistent with the terms described in Exhibit A.

10 **STIPULATION**

11 WHEREFORE, THE PARTIES STIPULATE to the entry of an order of this Court  
12 authorizing the Receiver to employ LSSM and to compensate it consistent with the terms  
13 described in Exhibit A.

14 BOUTIN GIBSON DI GIUSTO HODELL INC.

15  
16 Dated: November 30, 2007

17 By /s/ Maralee MacDonald  
18 Maralee MacDonald  
19 Attorneys for Receiver of Secure  
20 Investment Services, Inc., American  
21 Financial Services, Inc., and Lyndon  
22 Group, Inc.

23  
24 SECURITIES AND EXCHANGE  
25 COMMISSION

26  
27 Dated: November 28, 2007

28 By /s/ Thomas Eme (authorized 11/28/2007)  
Thomas J. Eme  
John S. Yun  
Attorneys for Plaintiff Securities  
Exchange and Commission

MOSS & LOCKE

Dated: November 26, 2007

By /s/ Bruce Locke (authorized 11/26/2007)  
Bruce Locke  
Attorneys for Defendant  
Donald Neuhaus

KENNY, SNOWDEN & NORINE

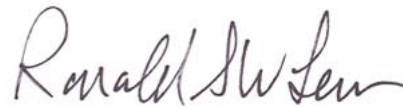
Dated: November 30, 2007

By /s/ Mark Norcross (authorized 11/30/2007)  
Mark Norcross  
Attorneys for Defendant  
Kimberly Snowden

**ORDER**

IT IS SO ORDERED.

Dated: December 3, 2007



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Honorable Ronald S.W. Lew  
Senior, U.S. District Court Judge

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**EXHIBIT A**

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Milo Segner, Partner	\$350.00
Jim Shaw, Partner	\$350.00
Edward Kigosi, Tax Accountant	\$235.00
Jana Hicks, Staff Accountant	\$210.00
Reed Nordyke, Forensic Analyst	\$135.00
Scott Reese, Paraprofessional	\$ 95.00