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5 Attorneys for Plaintiff
6 SECURITIES AND EXCHANGE COMMISSION
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11 UNITED STATES DISTRICT COURT
12 EASTERN DISTRICT OF CALIFORNIA
13 SACRAMENTO DIVISION

14 SECURITIES AND EXCHANGE COMMISSION,

15 Plaintiff,

16 v.

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

21 Defendants.

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

CONSENT OF SECURE
INVESTMENT SERVICES, INC.,
AMERICAN FINANCIAL
SERVICES, INC., AND LYNDON
GROUP, INC.

22 1. On August 23, 2007, the Securities and Exchange Commission initiated this
23 action. On August 24, 2007, the Court appointed Michael J. Quilling, Esq., as temporary
24 receiver for Defendants Secure Investment Services, Inc., American Financial Services, Inc., and
25 Lyndon Group, Inc. ("Defendants"). On October 31, 2007, the Court appointed Mr. Quilling the
26 permanent Receiver for Defendants.
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1 2. Defendants, by and through their Receiver, acknowledge having been served with
2 the complaint in this action, enter a general appearance, and admit the Court's jurisdiction over
3 Defendants and over the subject matter of this action.

4 3. Without admitting or denying the allegations of the complaint (except as to
5 personal and subject matter jurisdiction, which Defendants admit), Defendants hereby consent to
6 the entry of the Judgment of Permanent Injunctive Relief and Severing other Remedies for Later
7 Determination as to Secure Investment Services, Inc., American Financial Services, Inc., and
8 Lyndon Group, Inc. in the form attached hereto ("Judgment") and incorporated by reference
9 herein, which, among other things permanently restrains and enjoins Defendants from violations
10 of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities
11 Exchange Act of 1934 and Rule 10b-5 thereunder.

12 4. Defendants agree that, upon motion of the Commission, the Court shall determine
13 whether it is appropriate to order disgorgement of ill-gotten gains and prejudgment interest
14 thereon, and/or a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C.
15 § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and, if so, the
16 amount(s) of the disgorgement and/or civil penalty. Defendants further agree that in connection
17 with the Commission's motion for disgorgement and/or civil penalties, and at any hearing held
18 on such a motion: (a) Defendants will be precluded from arguing that they did not violate the
19 federal securities laws as alleged in the Complaint; (b) Defendants may not challenge the validity
20 of this Consent or the Judgment; (c) solely for the purposes of such motion, the allegations of the
21 Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine
22 the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn
23 deposition or investigative testimony, and documentary evidence, without regard to the standards
24 for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In
25 connection with the Commission's motion for disgorgement and/or civil penalties, the parties
26 may take discovery, including discovery from appropriate non-parties.

27 5. Defendants waive the entry of findings of fact and conclusions of law pursuant to
28 Rule 52 of the Federal Rules of Civil Procedure.

1 6. Defendants waive the right, if any, to a jury trial and to appeal from the entry of
2 the Judgment.

3 7. Defendants enter into this Consent voluntarily and represent that no threats,
4 offers, promises, or inducements of any kind have been made by the Commission or any
5 member, officer, employee, agent, or representative of the Commission to induce Defendants to
6 enter into this Consent.

7 8. Defendants agree that this Consent shall be incorporated into the Judgment with
8 the same force and effect as if fully set forth therein.

9 9. Defendants will not oppose the enforcement of the Judgment on the ground, if any
10 exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby
11 waive any objection based thereon.

12 10. Defendants waive service of the Judgment and agree that entry of the Judgment
13 by the Court and filing with the Clerk of the Court will constitute notice to Defendants of its
14 terms and conditions.

15 11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted
16 against Defendants in this civil proceeding. Defendants acknowledge that no promise or
17 representation has been made by the Commission or any member, officer, employee, agent, or
18 representative of the Commission with regard to any criminal liability that may have arisen or
19 may arise from the facts underlying this action or immunity from any such criminal liability.
20 Defendants waive any claim of Double Jeopardy based upon the settlement of this proceeding,
21 including the imposition of any remedy or civil penalty herein. Defendants further acknowledge
22 that the Court's entry of a permanent injunction may have collateral consequences under federal
23 or state law and the rules and regulations of self-regulatory organizations, licensing boards, and
24 other regulatory organizations. Such collateral consequences include, but are not limited to, a
25 statutory disqualification with respect to membership or participation in, or association with a
26 member of, a self-regulatory organization. This statutory disqualification has consequences that
27 are separate from any sanction imposed in an administrative proceeding. In addition, in any
28 disciplinary proceeding before the Commission based on the entry of the injunction in this

1 action, Defendants understand that they shall not be permitted to contest the factual allegations
2 of the complaint in this action.


3 12. Defendants understand and agree to comply with the Commission's policy "not to
4 permit a defendant or respondent to consent to a judgment or order that imposes a sanction while
5 denying the allegation in the complaint or order for proceedings." 17 C.F.R. § 202.5. In
6 compliance with this policy, Defendants agree: (i) not to take any action or to make or permit to
7 be made any public statement denying, directly or indirectly, any allegation in the complaint or
8 creating the impression that the complaint is without factual basis; and (ii) that upon the filing of
9 this Consent, Defendants hereby withdraw any papers filed in this action to the extent that they
10 deny any allegation in the complaint. If Defendants breach this agreement, the Commission may
11 petition the Court to vacate the Judgment and restore this action to its active docket. Nothing in
12 this paragraph affects Defendants': (i) testimonial obligations; or (ii) right to take legal or factual
13 positions in litigation or other legal proceedings in which the Commission is not a party.

14 13. Defendants hereby waive any rights under the Equal Access to Justice Act, the
15 Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to
16 seek from the United States, or any agency, or any official of the United States acting in his or
17 her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees,
18 expenses, or costs expended by Defendants to defend against this action. For these purposes,
19 Defendants agree that they are not prevailing parties in this action since the parties have reached
20 a good faith settlement.


21 14. Defendants agree that the Commission may present the Judgment to the Court for
22 signature and entry without further notice.

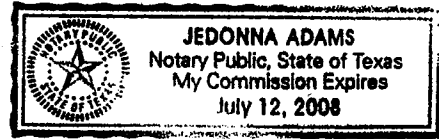
23 15. Defendants agree that this Court shall retain jurisdiction over this matter for the
24 purpose of enforcing the terms of the Judgment.

25
26 Dated: 12/14/07

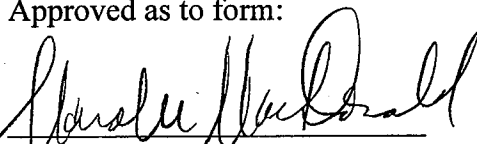
27 By: 
28 Michael J. Quilling
Receiver for Secure Investment Services,
Inc., American Financial Services, Inc., and
Lyndon Group, Inc.

1 On December 14, 2007, Michael J. Quilling, a person known to me,
2 personally appeared before me and acknowledged executing the foregoing Consent.

3 
4 _____
5 Notary Public
6 Commission expires:



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9 Approved as to form:

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11 _____
12 Maralee McDonald
13 Attorney for Receiver
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9 UNITED STATES DISTRICT COURT
10 EASTERN DISTRICT OF CALIFORNIA
11 SACRAMENTO DIVISION
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14 SECURITIES AND EXCHANGE COMMISSION,

15 Plaintiff,

16 v.

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

19 Defendants.
20

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

JUDGMENT OF PERMANENT
INJUNCTIVE RELIEF AND
SEVERING OTHER REMEDIES
FOR LATER DETERMINATION AS
TO SECURE INVESTMENT
SERVICES, INC., AMERICAN
FINANCIAL SERVICES, INC., AND
LYNDON GROUP, INC.

21 The Securities and Exchange Commission having filed a Complaint and Defendants
22 Secure Investment Services, Inc., American Financial Services, Inc., and Lyndon Group, Inc.
23 (“Defendants”) having entered a general appearance by and through their Court-appointed
24 Receiver; consented to the Court’s jurisdiction over Defendants and the subject matter of this
25 action; consented to entry of this Judgment of Permanent Injunctive Relief and Severing other
26 Remedies for Later Determination as to Secure Investment Services, Inc., American Financial
27 Services, Inc., and Lyndon Group, Inc. (“Judgment”) without admitting or denying the
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1 allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions
2 of law; and waived any right to appeal from this Judgment:

3 I.

4 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants and their
5 respective officers, agents, servants, employees, attorneys, and those persons in active concert or
6 participation with any of them, who receive actual notice of this Judgment, by personal service
7 or otherwise, and each of them, are permanently restrained and enjoined from, directly or
8 indirectly, through the use of the means or instruments of transportation or communication in
9 interstate commerce or the mails, offering to sell or selling securities, or, directly or indirectly,
10 carrying or causing securities to be carried through the mails or in interstate commerce, for the
11 purpose of selling or delivery after selling, in violation of Sections 5(a) and 5(c) of the Securities
12 Act of 1933 ("Securities Act") [15 U.S.C. §§ 77(e)(a) and 77(e)(c)].

13 II.

14 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
15 Defendants and their respective officers, agents, servants, employees, attorneys, and those
16 persons in active concert or participation with any of them, who receive actual notice of this
17 Judgment, by personal service or otherwise, and each of them, are permanently restrained and
18 enjoined from, directly or indirectly, in the offer or sale of any securities, by the use of any
19 means or instruments of transportation or communication in interstate commerce or by the use of
20 the mails:

21 A. Employing any device, scheme or artifice to defraud;

22 B. Obtaining money or property by means of any untrue statement of a material fact or
23 any omission to state a material fact necessary in order to make the statements made,
24 in the light of the circumstances under which they were made, not misleading; or

25 C. Engaging in any transaction, practice, or course of business which operates or would
26 operate as a fraud or deceit upon the purchaser;

27 in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].
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1 III.

2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
3 Defendants and their respective officers, agents, servants, employees, attorneys, and those
4 persons in active concert or participation with any of them, who receive actual notice of this
5 Judgment, by personal service or otherwise, and each of them, are permanently restrained and
6 enjoined from, directly or indirectly, in connection with the purchase or sale of any securities, by
7 the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility
8 of any national securities exchange:

9 A. Employing any device, scheme or artifice to defraud;

10 B. Making any untrue statement of a material fact or omitting to state a material fact
11 necessary in order to make the statements made, in the light of the circumstances
12 under which they were made, not misleading; or

13 C. Engaging in any act, practice, or course of business which operates or would operate
14 as a fraud or deceit upon any person;

15 in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15
16 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5].

17 IV.

18 Upon motion of the Commission, the Court shall determine whether it is appropriate to
19 order disgorgement of ill-gotten gains and prejudgment interest thereon, and/or a civil penalty
20 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the
21 Exchange Act [15 U.S.C. § 78u(d)(3)], and, if so, the amount(s) of the disgorgement and/or civil
22 penalty. In connection with the Commission's motion for disgorgement and/or civil penalties,
23 and at any hearing held on such a motion: (a) Defendants will be precluded from arguing that
24 they did not violate the federal securities laws as alleged in the Complaint; (b) Defendants may
25 not challenge the validity of the Consent of Secure Investment Services, Inc., American
26 Financial Services, Inc., and Lyndon Group, Inc. ("Consent") or this Judgment; (c) solely for the
27 purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true
28 by the Court; and (d) the Court may determine the issues raised in the motion on the basis of

1 affidavits, declarations, excerpts of sworn deposition or investigative testimony, and
2 documentary evidence, without regard to the standards for summary judgment contained in Rule
3 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for
4 disgorgement and/or civil penalties, the parties may take discovery, including discovery from
5 appropriate non-parties.

6 V.

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is
8 incorporated herein with the same force and effect as if fully set forth herein, and that
9 Defendants shall comply with all of the undertakings and agreements set forth therein.

10 VI.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain
12 jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

13 VII.

14 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil
15 Procedure, the Clerk is ORDERED to enter this Judgment forthwith and without further notice.

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17 Dated: _____, _____

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20 UNITED STATES DISTRICT JUDGE
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