

BOUTIN GIBSON DI GIUSTO HODELL INC.

Chris Gibson, SBN 073353
Maralee MacDonald, SBN 208699
555 Capitol Mall, Suite 1500
Sacramento, California 95814-4603
(916) 321-4444

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

Michael J. Quilling (Tex. Bar No. 16432300) – Admitted Pro Hac Vice
D. Dee Raibourn, III (Tex. Bar No. 24009495) – Admitted Pro Hac Vice
Brent J. Rodine (Tex. Bar No. 24048770) – Admitted Pro Hac Vice
2001 Bryan Street, Suite 1800
Dallas, Texas 75201
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Attorneys for Michael J. Quilling
Receiver of Defendants Secure Investment Services, Inc.,
American Financial Services, Inc., and Lyndon Group, Inc.

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 GEB CMK

**NOTICE OF MOTION FOR
AUTHORIZATION TO ABANDON
THE BAU-R&L(1) POLICY**

Date: July 28, 2008

Time: 9:00 a.m.

Courtroom: 10

TO THE PARTIES AND ALL COUNSEL OF RECORD:

On July 28, 2008 at 9:00 a.m., or as soon thereafter as the matter may be heard before the
Honorable Garland E. Burrell, Jr., at the U.S. District Court for the Eastern District of California,

1 501 I Street, Department 10, Sacramento, California, Michael J. Quilling, the Receiver appointed
2 in these proceedings (“Receiver”), will move this Court for an Order authorizing Receiver to
3 abandon the receivership estate’s ownership interest in the BAU-R&L(1) Policy.
4

5 The motion will be based upon this Notice, Receiver’s Motion for Authorization to
6 Abandon the BAU-R&L(1) Policy and Declaration of Michael J. Quilling in support of the
7 motion, on the papers on file in this matter and the evidence, testimony or argument received by
8 the Court during the hearing on the motion. A proposed order is submitted contemporaneously
9 with this motion.

10 Dated: June 11, 2008.

11 Respectfully submitted,

12 **BOUTIN GIBSON DI GIUSTO HODELL INC.**
13

14
15 By: /s/ Maralee MacDonald
16 Maralee MacDonald

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

19 Michael J. Quilling (Tex. Bar No. 16432300)
20 D. Dee Raibourn, III (Tex. Bar No. 24009495)
21 Brent J. Rodine (Tex. Bar No. 24048770)

22 Attorneys for Receiver of Defendants Secure
23 Investment Services, Inc., American Financial
24 Services, Inc., and Lyndon Group, Inc.
25
26
27
28

CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of June, 2008, a copy of this motion was served on all interested parties through the Court's electronic filing system. In addition, a copy of this motion was served on the following investors named as owners of the BAU-R&L(1) Policy by U.S. Certified Mail, Return Receipt Requested:

Frances Beckett
1536 Wild Rye Drive
Reno, NV 89509

Frank Caffaratti
1020 N. Cantlon Lane
Reno, NV 89521

Mary Ann Cardoza
226 Firestone Drive
Roseville, CA 95678

Marie Rose Huval Frabbiele,
TTRS
7777 Round Court
Las Vegas, NV 89123

Arlene M. Jenkins
472 Dart Brook Place
Henderson, NV 89012

William C. Kreger
1735 Lilac Lane
Auburn, CA 95603

Sharon L. Limroth
520 W. Riverview Circle
Reno, NV 89509

Ralph and Barbara Musalo
1440 Grace Lane
Nipomo, CA 93444

Clifford A. Palm, Jr.
6244 Longford Drive, #3
Citrus Heights, CA 95621

David J. Parnham
7501 Sylvan Creek Court
Citrus Heights, CA 95610

Philip and Victoria Roth
2531 Serene Moon Drive
Henderson, NV 89044

Bazzle Johnie Wilson, Jr.
1291 Nunneley Road
Paradise, CA 95969

/s/ Michael J. Quilling
Michael J. Quilling

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Maralee MacDonald, SBN 208699
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Receiver of Defendants Secure Investment Services, Inc.,
American Financial Services, Inc., and Lyndon Group, Inc.

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 GEB CMK

**MOTION FOR AUTHORIZATION
TO ABANDON THE BAU-R&L(1)
POLICY**

Hearing Date: July 28, 2008

Time: 9:00 a.m.

Judge: Hon. Garland E. Burrell, Jr.

TO THE HONORABLE GARLAND E. BURRELL, JR., UNITED STATES DISTRICT JUDGE:

1 Michael J. Quilling, the Receiver appointed in these proceedings (“Receiver”), files this
2 Motion for Authorization to Abandon the BAU-R&L(1) Policy and in support would show the
3 following:

4
5 1. By Orders dated August 24, 2007 and October 30, 2007, the Receiver was
6 appointed by this Court and charged with having, *inter alia*, “complete and exclusive control,
7 possession and custody of all receivership assets.” Those Orders specifically appointed the
8 Receiver for Lyndon Group, Inc. and the other entities in this case.

9 2. One of the assets over which the Receiver assumed control by virtue of the
10 foregoing Orders was life insurance policy number 1A2259108-0 in the face amount of
11 \$1,000,000.00 issued by Pacific Life Insurance Company insuring the lives of BAU-R&L(1)
12 (“Policy”).¹ The Receiver has verified that this Policy has a loan debt that reduces the total death
13 benefit currently available on the Policy to \$617,545.30, which is much less than the face value.
14

15 3. Books and records available to the Receiver indicate that prior to the appointment
16 of the Receiver, Lyndon Group, Inc. caused itself and 12 other individuals and entities to be
17 registered as partial owners of the Policy on the records of Pacific Life Insurance Company. The
18 ownership interest percentage of each was calculated based on the amount invested by each
19 investor. Each investor was also registered as a partial beneficiary of the death benefits available
20 under the Policy. A schedule of the ownership interests held by each investor is set forth in
21 Exhibit 1 attached hereto. As reflected, Lyndon Group, Inc. retained an ownership interest of
22 only 1.209094%, which translates into the right to receive \$7,466.70 upon the death of both
23 insureds.
24

25
26 ¹ In order to protect the identity of the insureds from those who may be interested in their early death, the
27 Receiver will use an identifier comprised of the first three letters of the last name and the first letter of the first
28 name. John Smith = SMI-J. If the policy covers two individuals, John and Sally Smith, the identifier is SMI-
J&S. If there are multiple policies on the insureds a number designation follows – SMI-J&S(1).

1 4. The annual premium with respect to the Policy which is paid on a quarterly basis
2 for 2008 is \$129,000.00. Despite only owning 1.209094% of the Policy, since his appointment
3 through April 30, 2008, the Receiver has paid 100% of the premium required when due for a
4 total of \$32,250.00 during the period. Although the premium for 2009 and subsequent years is
5 not known, generally premiums increase each year on average between 4 and 5 percent
6 depending on the age of the insureds and the company.
7

8 5. With multiple owners and beneficiaries, the Policy has no value on the market,
9 cannot be sold and, in its current state, the Policy is worthless to the receivership. If, however,
10 all partial ownership interests were transferred to the receivership then, if necessary, the Policy
11 could be sold and the funds contributed to the pool of funds to be shared by all investors [see
12 Dkt. No. 56 – Order Pooling Assets]. Accordingly, on March 18, 2008 the Receiver began
13 sending a letter to each partial owner of the Policy requesting that they transfer their ownership
14 interest to the receivership in exchange for a claim against the receivership. A sample of the
15 letter is attached as Exhibit 2. As of June 6, 2008, a total of 3 different investors holding an
16 aggregate of 20.320914% of the Policy ownership have signed and returned forms transferring
17 their interest to the receivership. Those investors are listed on the schedule attached hereto as
18 Exhibit 3 as are the investors who have not returned their forms. Combined with the percentage
19 already held by the receivership, the Receiver now controls 21.530008% of the Policy.
20
21

22 6. In an effort to encourage the remaining investors to transfer their interest, the
23 Receiver began calling some of the owners to see if he could answer any questions they might
24 have. When contacted, several of the owners were hostile and flatly refused to consider the
25 matter and vowed to never cooperate with the Receiver. Accordingly, it has become abundantly
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1 clear to the Receiver that continued efforts to obtain complete ownership of the Policy is an
2 exercise in futility and does not justify further expenditure of effort and fees by the receivership.

3 7. Thus, a couple of options exist as to how to proceed with the Policy to-wit: (1)
4 leave things as they are; (2) have the Receiver bill each investor for their share of the premiums
5 as they become due; or (3) have the receivership abandon its interest in the Policy and leave the
6 remaining owners to fend for themselves. Each option is discussed below.

8 8. Option 1. Leaving things as they are does not make sense, financial or otherwise,
9 for the receivership. The receivership has and will have to continue to borrow funds under its
10 line of credit to pay 100% of the premium when the receivership only owns 1.209094% of the
11 Policy. In addition, the receivership will continue paying \$50.00 per month to National Viatical,
12 Inc. to monitor the Policy, the health of the insureds and process premiums in addition to fees
13 and expenses relating to legal counsel. Moreover, since the Policy cannot be sold, there is no
14 exit strategy other than to await the death of both insureds and that could take years even though
15 the insureds are 81 and 80 years of age, respectively. The out of pocket cost to the receivership
16 has already substantially exceeded the amount it will ever receive in death benefits.

17 9. Option 2. The Receiver has also considered the possibility of continuing to
18 conduct the business of the Policy and cover future premium requirements by requesting that the
19 Court order that individual investors pay their respective percentage of the premium when due.
20 Several investors have told the Receiver that they do not have the financial ability to pay their
21 share of the premium. But even if they could, such an alternative will be extremely burdensome
22 to the receivership in terms of legal fees and will not bring any benefit to the receivership unless
23 both insureds were to die before the conclusion of the receivership because there is no ability to
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1 sell the Policy instead of continuing to hold it. Again, the receivership has already paid
2 substantially more in premium than it will ever recover in death benefits.

3 10. Option 3. The only alternative which makes financial sense for the receivership is
4 for the Receiver to abandon the estate's 1.209094% ownership interest and to allow the other
5 partial owners to formulate their own devices by which to obtain funds to timely pay the
6 premium. Unfortunately, the likely reality of such a scenario is that the Policy will lapse very
7 quickly due to nonpayment of premium because many of the investors have indicated to the
8 Receiver that they simply do not have the financial ability to continue paying premiums for
9 even a short period of time much less throughout the continued lifetime of the insureds. It is
10 indeed unfortunate that the refusal of a few investors will likely bring about a complete loss of
11 the investment of all of them, but there is simply no way around the current stalemate which
12 exists.
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14

15 11. The Receiver requests the Court schedule an evidentiary hearing to allow a
16 complete record to be developed which justifies the action requested by the Receiver and to
17 allow interested investors who hold ownership interests in the Policy to present their positions to
18 the Court. If, at the conclusion of the hearing, the Court decides that the Receiver should be
19 allowed to abandon the receivership estate's interest in the Policy, the Receiver will provide to
20 each such owner a list of contact information for each known investor holding an interest in the
21 Policy so that they can try to organize to save the Policy from lapsing. The Receiver will also
22 serve a copy of this motion upon each investor who holds an ownership interest in the Policy and
23 notify them of any hearing date.
24

25 WHEREFORE, PREMISES CONSIDERED, the Receiver requests that the Court
26 schedule an evidentiary hearing to consider the Receiver's request to abandon the receivership
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1 estate's ownership interest in the BAU-R&L(1) Policy and for such other and further relief,
2 general or special, at law or in equity, to which the Receiver may show himself justly entitled.

3 Dated: June 11, 2008.

4 Respectfully submitted,

5
6 /s/ Michael J. Quilling

7 MICHAEL J. QUILLING (Tex. Bar No. 16432300)
8 D. DEE RAIBOURN, III (Tex. Bar No. 24009495)
9 BRENT J. RODINE (Tex. Bar No. 24048770)

10 Attorneys for Receiver
11 QUILLING, SELANDER, CUMMISKEY &
12 LOWNDS, P.C.

13 MARALEE MacDONALD
14 BOUTIN GIBSON DI GIUSTO HODELL INC.
15 Attorneys for Receiver
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Exhibit “1”

BAU-R&L(1)

Investor	Ownership Interest	Amount Invested
Frances Beckett	3.1262944%	\$ 10,000.00
Frank Caffaratti	15.6314724%	\$ 50,000.00
Mary Ann Cardoza	8.4409950%	\$ 27,000.00
Marie Rose Huval Frabbiele Trust	3.1262944%	\$ 10,000.00
Arlene M. Jenkins	6.2525880%	\$ 20,000.00
William C. Kreger	15.6314724%	\$ 40,000.00
Sharon L. Limroth	4.0641828%	\$ 13,000.00
Ralph and Barabara Musalo	3.1262944%	\$ 10,000.00
Clifford A. Palm, Jr.	0.3126294%	\$ 1,000.00
David J. Parnham	6.2525880%	\$ 20,000.00
Michael J. Quilling, Receiver	1.2090940%	\$ -
Philip and Victoria Roth	1.5631472%	\$ 5,000.00
Bazzle Johnie Wilson, Jr.	31.2629448%	\$ 100,000.00
TOTAL	99.9999972%	\$ 306,000.00

Exhibit “2”



QUILLING • SELANDER • CUMMISKEY • LOWNDS

Michael J. Quilling
BOARD CERTIFIED
BUSINESS BANKRUPTCY LAW
AND CIVIL TRIAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION

Telephone: 214.871.2110
Facsimile: 214.871.2111

March 18, 2008

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 2:07-CV-01724-LEW-CMK; Securities and Exchange Commission v. Secure Investments Services, Inc., American Financial Services, Inc., Lyndon Group, Inc., Donald F. Neuhaus, and Kimberly A. Snowden; U. S. District Court, Eastern District of California

Re: Insured Name:
Policy No.: 1A2259108-0

Dear

As you are probably aware, I am the Receiver appointed by the United States District Court for the Eastern District of California with respect to the above-referenced case. In connection with performing my duties I have taken possession of the books and records of the companies and have been administering the insurance policies (*i.e.*, paying the premiums and monitoring for the death of an insured). One of those policies is Policy No. 1A2259108-0 issued by Pacific Life Insurance Company covering the lives of

I am writing to you because the books and records I have reviewed indicate that you have an ownership interest equal to % of the death benefit associated with the policy. Since my appointment, I have been paying 100% of the premiums which are due with respect to the policy. The annual premium at this time is approximately \$129,000.00. When I was appointed, there was very little money available to pay premiums. In order to do so I have had to borrow the money from the bank. Although I have arranged to borrow a total of \$3 million if necessary, I cannot keep doing so forever so I am exploring other possibilities, including a sale of all or some of the policies.

In order for me to formulate a plan to get as much money back to investors as quickly as possible, I need your assistance. In particular, I ask that you sign the enclosed document where indicated and return it to me in the enclosed envelope. If you sign the document, you will be transferring your % ownership interest to me in my capacity as Receiver. If I can find a buyer for the policy the fact that you have transferred the interest to me will make the sale process

March 18, 2008

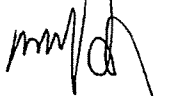
Page 2

much easier and faster. By transferring your interest to me you are giving up your ownership interest in the policy but you will have a claim for the principal amount you invested against the receivership estate. If you choose not to assign your interest, then, as more fully explained in the next paragraph, you will have to begin paying your share of the annual premium which right now is approximately \$. This amount will increase in the future and may have to be paid for many years depending on when the insured dies.

If you decide to sign and return the enclosed form, I will hold it until I hear back from all the other partial owners. If some of the owners indicate that they are not willing to sign the form, then I may very well abandon the policy and quit paying premiums, in which event partial owners such as you will have to find a way to pay the premiums yourselves. I hope that I do not have to take that course of action because I want to do as much as I can to help you receive as much of your investment as possible.

If you have any questions at all, please call me and I will be happy to discuss the matter with you. In the alternative, please feel free to contact Steve Harr, the Examiner appointed in these proceedings. As Examiner, his role is to communicate with investors regarding how their interests are impacted by what I do as Receiver. Mr. Harr's phone number is (214) 855-7500, and he can be contacted at www.examinersis.com.

Very truly yours,



Michael J. Quilling

MJQ/ja
Enclosures

cc: Tom Eme, Securities & Exchange Commission
Steve Harr, Examiner
Catrina Tipton, National Viatical, Inc.
Maralee MacDonald, Esq.

Exhibit “3”

BAU-R&L(1)

Signed Transfer Forms Returned to Receiver

Investor	Ownership Interest
Frances Beckett	3.1262944%
Frank Caffaratti	15.6314724%
Philip and Victoria Roth	1.5631472%
SUB-TOTAL	20.3209140%
Michael J. Quilling, Receiver	1.2090940%
TOTAL	21.5300080%

BAU-R&L(1)

Transfer Forms Not Returned to Receiver

Investor	Ownership Interest
Mary Ann Cardoza	8.4409950%
Marie Rose Huval Frabbiele Trust	3.1262944%
Arlene M. Jenkins	6.2525880%
William C. Kreger	15.6314724%
Sharon L. Limroth	4.0641828%
Ralph and Barabara Musalo	3.1262944%
Clifford A. Palm, Jr.	0.3126294%
David J. Parnham	6.2525880%
Bazzle Johnie Wilson, Jr.	31.2629448%
TOTAL	78.46998924%

BOUTIN GIBSON DI GIUSTO HODELL INC.

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EASTERN DISTRICT OF CALIFORNIA
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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

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

Defendants.

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

DECLARATION OF RECEIVER
MICHAEL J. QUILLING IN SUPPORT
OF MOTION FOR AUTHORIZATION
TO ABANDON THE BAU-R&L(1)
POLICY

Hearing Date: July 28, 2008

Time: 9:00 a.m.

Judge: Hon. Garland E. Burrell, Jr.

Michael J. Quilling, the Receiver appointed in these proceedings, respectfully submits the following Declaration in support of the Motion for Authorization to Abandon the BAU-R&L(1) Policy, and declares:

1 1. I am an attorney at law and a shareholder of Quilling, Selander, Cummiskey, &
2 Lownds, P.C. I am the Court appointed receiver and admitted *pro hac vice* in this matter. I
3 make this declaration based on my own personal knowledge and could competently testify
4 regarding the facts below if called to do so.
5

6 2. One of the assets over which I assumed control as Receiver is life insurance
7 policy number 1A2259108-0 in the face amount of \$1,000,000.00 issued by Pacific Life
8 Insurance Company insuring the lives of BAU-R&L(1) ("Policy"). In order to protect the
9 identity of the insureds from those who may be interested in their early death, I use an identifier
10 comprised of the first three letters of the last name and the first letter of the first name of the
11 insureds. Information I received from Pacific Life Insurance Company shows that this Policy
12 has a loan debt that reduces the death benefit currently available on this Policy to a total of
13 \$617,545.30, which is much less than the face value.
14

15 3. Books and records available to me indicate that prior to the appointment of the
16 Receiver, Lyndon Group, Inc. caused itself and 12 other individuals and entities to be registered
17 as partial owners of the Policy on the records of Pacific Life Insurance Company. The
18 ownership interest percentage of each was calculated based on the amount invested by each
19 investor. Each investor was also registered as a partial beneficiary of the death benefits available
20 under the Policy. A schedule of the ownership interests held by each investor is set forth in
21 Exhibit 1 attached to the Motion for Authorization to Abandon the BAU-R&L(1) Policy.
22 Exhibit 1 is true and correct to the best of my knowledge. As reflected, Lyndon Group, Inc.
23 retained an ownership interest of only 1.209094%, which translates into the right to receive
24 \$7,466.70 upon the death of both insureds. Transfer of this partial beneficial interest is in the
25 process of being transferred into the name of the receiver.
26
27
28

1 4. The annual premium with respect to the Policy which is paid on a quarterly basis
2 for 2008 is \$129,000.00. Despite only owning 1.209094% of the Policy, from August 24, 2007
3 through April 30, 2008, the receivership has paid 100% of the premium required when due for a
4 total of \$32,250.00 during the period. Although the premium for 2009 and subsequent years is
5 not known, generally premiums increase each year on average between 4 and 5 percent
6 depending on the age of the insureds and the company.
7

8 5. With multiple owners and beneficiaries, the Policy has no value on the market,
9 cannot be sold and, in its current state, the Policy is worthless to the receivership. If, however,
10 all partial ownership interests were transferred to the receivership then, if necessary, the Policy
11 could be sold and the funds contributed to the pool of funds to be shared by all investors.
12

13 6. On March 18, 2008, I began sending a letter to each partial owner of the Policy
14 requesting that they transfer their ownership interest to the receivership in exchange for a claim
15 against the receivership. A true and correct copy of sample of the letter is attached as Exhibit 2
16 to the Motion for Authorization to Abandon the BAU-R&L(1) Policy. As of June 6, 2008, a
17 total of 3 different investors holding an aggregate of 20.320914% of the Policy ownership have
18 signed and returned forms transferring their interest to the receivership. Those investors are
19 listed on the schedule attached to the Motion for Authorization to Abandon the BAU-R&L(1)
20 Policy as Exhibit 3, as are the investors who have not returned their forms. Exhibit 3 is true and
21 correct to the best of my knowledge. Combined with the percentage already held by the
22 receivership, as Receiver, I now control 21.530008% of the Policy.
23

24 7. In an effort to encourage the remaining investors to transfer their interest, I, along
25 with other attorneys in my office at my direction, began calling some of the owners to see if I
26 could answer any questions they might have. When contacted by me, several of the owners were
27

1 hostile and flatly refused to consider the matter and vowed to never cooperate with me or the
2 receivership. Based on these refusals, I believe that continued efforts to obtain complete
3 ownership of the Policy is an exercise in futility and does not justify further expenditure of effort
4 and fees by the receivership.
5

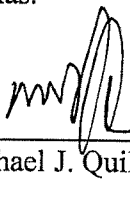
6 8. If the receivership were to continue to pay premiums on the Policy, the premiums
7 would be funded by the receivership's line of credit.

8 9. In addition, the receivership would need to continue paying \$50.00 per month to
9 National Viatical, Inc. to monitor the Policy, the health of the insureds, and process premiums, in
10 addition to fees and expenses relating to legal counsel. The insureds on the Policy are 81 and 80
11 years of age, respectively. The out of pocket cost to the receivership has already substantially
12 exceeded the amount it will ever receive in death benefits on the Policy.
13

14 10. I have been notified that several investors cannot afford to pay their share of the
15 premiums on the Policy.

16 I declare under penalty of perjury under the laws of the State of California that the
17 foregoing is true and correct of my own personal knowledge except those matters stated on
18 information and belief, and as to them, I believe them to be true.
19

20 Executed on June 11, 2008, at Dallas, Texas.

21 
22 _____
23 Michael J. Quilling
24
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CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of June, 2008, a copy of this motion was served on all interested parties through the Court's electronic filing system. In addition, a copy of this motion was served on the following investors named as owners of the BAU-R&L(1) Policy by U.S. Certified Mail, Return Receipt Requested:

Frances Beckett
1536 Wild Rye Drive
Reno, NV 89509

Frank Caffaratti
1020 N. Cantlon Lane
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226 Firestone Drive
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Auburn, CA 95603

Sharon L. Limroth
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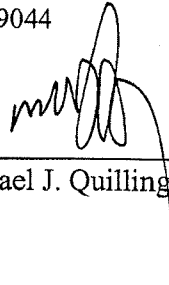
Ralph and Barbara Musalo
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2531 Serene Moon Drive
Henderson, NV 89044

Bazzle Johnie Wilson, Jr.
1291 Nunneley Road
Paradise, CA 95969



Michael J. Quilling

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF CALIFORNIA
3 SACRAMENTO DIVISION

4 SECURITIES AND EXCHANGE COMMISSION,

Case No. 2:07-cv-001724 GEB CMK

5 Plaintiff,

**[PROPOSED] ORDER
AUTHORIZING ABANDONMENT
OF THE BAU-R&L(1) POLICY**

6 v.

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

10 Defendants.

11
12 The matter having come before the Court on Receiver Michael J. Quilling's Motion for
13 Authorization to Abandon the BAU-R&L(1) Policy, the Court, having considered the motion,
14 the attached exhibits, the pleadings on file and evidence, testimony and argument received by the
15 Court during the hearing on the motion, and the Court finding good cause therefore,

16 IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Receiver's
17 motion is GRANTED and the Receiver is authorized to abandon the receivership estate's interest
18 in the life insurance policy number 1A2259108-0 in the face amount of \$1,000,000.00 (with a
19 current death benefit of \$617,545.30) issued by Pacific Life Insurance Company, referred to in
20 Receiver's motion as the BAU-R&L(1) Policy.
21

22 SIGNED this _____ day of _____, 2008.

23
24 _____
25 UNITED STATES DISTRICT JUDGE
26 HONORABLE GARLAND E. BURRELL, JR.
27
28

