

ORIGINAL

1 Lon W. Halley,  
2 Investor in the SHO-I (1) Insurance Policy  
3 561 E. Lindo Ave., Suite 1  
4 Chico, Ca. 95926  
5 (530) 345-4444

**FILED**

JUN 17 2008

In Propria Persona

CLERK, U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA  
BY *Asif* DEPUTY CLERK

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

SACRAMENTO DIVISION

SECURITIES AND EXCHANGE  
COMMISSION,

CASE NO. 2:07-cv-01724 GEB CMK

Plaintiff,

DECLARATION OF INVESTOR LON W.  
HALLEY IN RESPONSE TO MOTION  
OF RECEIVER TO ABANDON THE  
SHO- (I) 1 INSURANCE POLICY

Vs.

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

Hearing Date: June 30, 2008  
Hearing Time: 9:00 a.m.  
Courtroom: 10  
Judge: Hon. Garland E. Burrell, Jr.

Defendants

I, LON W. HALLEY, declare as follows:

1. On or about August 23, 2001, I invested \$7,327 for the purchase of a life insurance policy insuring the life of a person who is either terminally ill or has an estimated life expectancy of 72 months or less. The purchased policy is referred to herein as SHO- I(1) .

2. In August, 2001, I became the holder of a 0.977% interest in the Insurance Policy referred to herein as SHO-I(1).

1  
2 3. The policy referenced above matured on October 22, 2004. On or about  
3 October 23, 2004 I contacted American Financial Services, Inc., to inquire about my  
4 payoff on the matured policy. Attached hereto as Exhibit "1" and incorporated herein by  
5 reference, is a copy of the letter I received from American Financial Services dated  
6 October 25, 2004.

7  
8 4. On or about October 29, 2004, I executed the Ownership/Beneficiary  
9 Release releasing my interest in the above policy to DONALD F. NEUHAUS in  
10 exchange for the sum of \$14,655.96. Attached hereto as Exhibit "2" and incorporated  
11 herein by reference, is a copy of the Ownership/Beneficiary Release. I subsequently  
12 received the sum of \$14,655.96.  
13

14 **As outlined in Paragraph 4 above, I released my interest in Policy SHO-I(1)**  
15 **to DONALD F. NEUHAUS.**

16  
17 **Therefore, I do not have any interest to release to Receiver on the Policy**  
18 **referred to above as SHO-I (1) .**

19  
20 **I respectfully request the court release me, LON W. HALLEY, from any**  
21 **legal ownership and responsibility on Policy SHO-I (1).**

22 I declare under penalty of perjury under the laws of the State of California, that  
23 the above is true and correct and that this declaration is executed on June 16, 2008, at  
24 Chico, California.  
25

26  
27   
28 LON W. HALLEY

# EXHIBIT “ 1 ”

# American Financial Services, Inc.

BONDED INSURANCE SETTLEMENTS

2875 Churn Creek Rd., Suite A  
Redding, CA 96002

Phone: 530-223-9373  
Fax: 530-223-9471  
Fax: 530-221-8561

October 25, 2004

Mr. Lon Halley  
377 Connors Ct., Ste.B  
Chico, CA 95926

**RE: SHOOSTER POLICY**

Policy Number: # 7087159  
Insurance Company: Lincoln National Life Insurance  
Date of Contract: August 23, 2001

Percentage of Ownership: 0.977%  
Amount of Investment: \$7,327.98  
Amount at Maturity: \$14,655.96  
Life Expectancy: 36 months plus 120 day elimination period  
End of Life Expectancy: October 22, 2004  
IFS Master Bond Number: 180221  
IFS Individual Bond Certificate: 2008  
Bond Payoff Date: June 11, 2005

Dear Mr. Halley:

This is a re-cap of your investment on the Shooster Policy. As detailed above, the end of the life expectancy for Ms. Ida Shooster matured October 22, 2004 and the Master Bond Number 180221 was issued with a payoff date of June 11, 2005. Because of the discrepancy in the payoff dates, we have agreed to the following conditions:

We are in need of a notarized statement from you stating that you are relinquishing your right of joint ownership of 0.977% of the Face Value of the Shooster policy, number 7087159 issued by Lincoln National Life Insurance Company insuring the life of Ida Shooster and you hereby reassign this percentage of ownership to Donald F. Neuhaus.

Upon receipt of this notarized statement from you, we will forward to you a check in the amount of \$14,655.98 (Fourteen Thousand Six hundred Fifty-five Dollars and 96/100) made payable to Retirement Accounts, Inc. FBO Lon Halley account number 031038020841.

EXHIBIT " 1 "

For your convenience and also to help expedite this transaction, I have enclosed the required OWNERSHIP / BENEFICIARY RELEASE which needs to be signed and returned.

Thank you for your participation in our Senior Life Settlement program. If you have any additional questions, please do not hesitate to contact either your personal agent at Eagle Investments or give me a call at our office.

Sincerely,

  
Donald F. Neuhaus

Enclosure

# EXHIBIT “ 2”

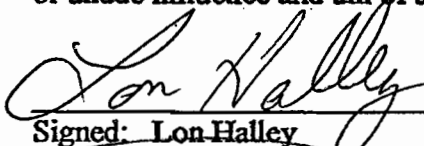
**OWNERSHIP / BENEFICIARY RELEASE**

This OWNERSHIP/BENEFICIARY RELEASE is entered into this 29<sup>th</sup> day of October, 2004, by Lon Halley, regarding his recorded 0.977 percentage of ownership / beneficiary benefit of the Face Value of policy number 7087159 issued by Lincoln National Life Insurance Company, insuring the life of Ida Shooster.

By my signature below, and for value received (\$14,655.96) I, LON HALLEY, relinquish all rights of ownership and beneficiary benefit on the above named policy, and do hereby grant my percentage to be reassigned to Donald F. Neuhaus.

If additional documents are required by either Lincoln National Life Insurance Company or International Fidelity & Surety, I agree to complete, sign and return all documents regarding this transaction in a timely manner.

By my signature below, I, LON HALLEY, do hereby attest that I am under no constraint or undue influence and am of sound mind and competent to conduct my own affairs.

  
Signed: Lon Halley

residing at 377 CONNORS Ct "B"  
CHICO, CA 95926



residing at ~~23~~ 30 Philadelphia Dr  
Chico, Ca 95973

WITNESS

Bob Egan  
Printed Name of Witness

EXHIBIT "2"

ACKNOWLEDGMENT OF NOTARY PUBLIC

STATE OF California

COUNTY OF Butte ) ss:

The foregoing instrument was acknowledged before me this 29 th day of October, 2004 by LON HALLEY ~~and the above witness~~. They are personally known to me or have produced Ca. Drivers License as identification and did not take an oath. If no type of identification is indicated, the above-named persons are personally known to me.

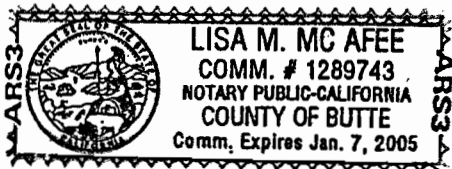
Notary Seal

Signature of Notary Public Lisa M. McAfee

Print Name of Notary Public Lisa M. McAfee

I am a Notary Public of the State of California and

My Commission expires on 01-07-2005



PROOF OF SERVICE BY MAIL

I, CONNIE GOLDSBERRY, declare:

I am at least 18 years of age, not a party to this action, and I am a resident in the county where the mailing took place. My residence address is 294 Rio Lindo Ave., Apt. 2., Chico, Ca.

On June 16, 2008, I served a copy of the following document:

DECLARATION OF INVESTOR LON W. HALLEY IN RESPONSE TO MOTION OF RECEIVER TO ABANDON THE SHO- (I) 1 INSURANCE POLICY

I enclosed the above-referred document to all interested parties in a sealed envelope and deposited the sealed envelope with the United States Postal Service with postage fully prepaid, first class mail, and placed the envelope for collection and mailing on the date and at the place shown below following ordinary business practices.

The envelopes were addressed and mailed as follows:

Boutin, Gibson, Di Giusto, Hodell, Inc. Chris Gibson, Esq. 555 Capitol Mall, Suite 1500 Sacramento, Ca. 95814-4603	Quilling, Selender, Cummiskey & Lownds, P.C. Michael J. Quilling, Esq. 2001 Bryan St., Suite 1800 Dallas, Tx. 75201	Linda Burke P.O. Box 473 Richvale, Ca. 95974-0473
Tracie Lee Baker 383 Connors Court, Suite H Chico, Ca. 95926-1178	Leonard J. Coats 4773 Salmon Dr. Paradise, Ca. 95969	John M. Dietz 1375 East Avenue Chico, Ca. 95926
Ralph D. Dossett 56 Edgemont Dr. Oroville, Ca. 95966	Carol J. Dutcher 1618 Harvest Glenn Dr. Chico, Ca. 95928	Zink & Lenzi Profit Sharing Plan 250 Vallombrosa Ave., Suite 175 Chico, Ca. 95926
Marjorie House, Ind. And as Rep. Of Est. of Kenneth Houser 1086 E. 5 <sup>th</sup> Ave. Chico, Ca. 95926	Heritage Enterprises P. O. Box 991071 Redding, Ca. 95099	Karl and Zelda Eckstein P. O. Box 2748 Dunnellon, Fla. 33430-2748
Rakesh Joshi 15 Osprey Rd. Chico, Ca. 95928	Elenore Kimball 1939 Scott Avenue Corning, Ca. 96021	Brad and Laura Leichtfuss 2069 Baja Vista Way Camarillo, Ca. 93010
Elizabeth McSorley 8736 Augusta Court Dublin, Ca. 94568	Betty Jo Parsons 1 Woodstone Lane Chico, Ca. 95928	Cheryl Reager 1 Pistachio Dr. Chico, Ca. 95928

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Barney E. Register  
1638 Nicolaus Ave.  
Nicolaus, Ca. 95659

Estate of Maxine Wood  
c/o Lynette Wood  
31910 N 163 Ave  
Surprise, Az. 85357

Estate of Nick Skordos,  
Deceased  
c/o Maria N Skordos Moore  
5733 Mulberry Ave..  
Atwater, Ca. 95301

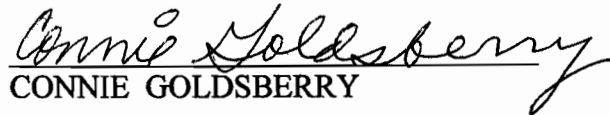
Robert L. Skaggs  
1272 Vallombrosa Ave.  
Chico, Ca. 95926

Bazzle John Wilson, Jr.  
1291 Nunneley Rd.  
Paradise, Ca. 95969

Lynwood Wood  
31910 N 163 Ave.  
Surprise, Az 85357

Date of Mailing: June 16 2008. Place of mailing, Chico, Ca.

I declare under penalty of perjury under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on June 16, 2008, at Chico, California.

  
CONNIE GOLDSBERRY