

BOUTIN GIBSON DI GIUSTO HODELL INC.

Chris Gibson, SBN 073353
Maralee MacDonald, SBN 208699
555 Capitol Mall, Suite 1500
Sacramento, CA 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, TX 75201
Telephone: (214) 871-2100
Facsimile: (214) 871-2111

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 TO TRANSFER
DONALD NEUHAUS' INTERESTS IN
NUMEROUS INSURANCE POLICIES
TO THE RECEIVER

Date: August 25, 2008
Department: 10
Time: 9:00 a.m.

TO THE PARTIES AND ALL COUNSEL OF RECORD:

On August 25, 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, 501 I Street, Department 10, Sacramento, California, the Receiver appointed in these proceedings ("Receiver"), will move this Court for an transferring Donald Neuhaus' interest in numerous insurance policies to the Receiver.

1 The motion will be based upon this Notice, Receiver's Motion to Transfer Donald
2 Neuhaus' Interests in Numerous Insurance Policies to the Receiver and Declaration of Brent J.
3 Rodine in support of the motion, on the papers on file in this matter and the evidence, testimony
4 or argument received by the Court during the hearing on the motion. A proposed order is
5 submitted contemporaneously with this motion.

6 Respectfully submitted,

7
8 BOUTIN GIBSON DI GIUSTO HODELL INC.

9
10 Dated: July 16, 2008

11 By /s/ Maralee MacDonald
12 Maralee MacDonald

13 QUILLING, SELANDER, CUMMISKEY &
14 LOWNDS, P.C.
15 Michael J. Quilling (Tex. Bar No. 16432300)
16 D. Dee Raibourn, III (Tex. Bar No. 24009495)
17 Brent J. Rodine (Tex. Bar No. 24048770)

18 Attorneys for Receiver of Defendants Secure
19 Investment Services, Inc., American Financial
20 Services, Inc., and Lyndon Group, Inc.
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CERTIFICATE OF SERVICE

1 I hereby certify that on the 17th day of July, 2008, a copy of this Notice was served on
2 the following by First Class United States Mail:
3

4 Linda Neuhaus
5 Administrator of the Estate
6 of Donald Neuhaus
7 2701 Park Marina Drive
8 Redding, CA 96001

Bazzle John Wilson
1291 Nunneley
Paradise, CA 95969

J.D. Zink
Zink & Lenzi
250 Vallombrosa Ave., #175
Chico, CA 95926

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/s/ Maralee MacDonald

Maralee MacDonald

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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

MOTION TO TRANSFER DONALD
NEUHAUS' INTERESTS IN
NUMEROUS INSURANCE POLICIES
TO THE RECEIVER

Date: August 25, 2008
Department: 10
Time: 9:00 a.m.

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

Michael J. Quilling, the Receiver appointed in these proceedings ("Receiver"), files this
Motion to Transfer Donald Neuhaus' Interests in Numerous Insurance Policies to the Receiver
and, in support, would show the following:

1 1. By Orders dated August 24, 2007 [Dkt. No. 27] and October 30, 2007 [Dkt. No.
2 80], this Court appointed the Receiver and charged him with having “complete and exclusive
3 control, possession and custody of all receivership assets.”

4 2. The principal assets at issue in this case are forty-nine life insurance policies
5 managed by the receivership entities. Donald Neuhaus (“Neuhaus”) held an ownership interest
6 in many of those policies in his individual name. Since the Receiver was not appointed for
7 Neuhaus individually, he negotiated a Compromise and Settlement Agreement that would
8 transfer Neuhaus’ individual interests to the receivership estate. This Court approved the
9 agreement by Order of October 26, 2007 [Dkt. No. 72].

10 3. This motion specifically addresses the following interests once held by Neuhaus:

<u>Policy</u>	<u>Provider</u>	<u>Policy No.</u>	<u>Owners of Record</u>	<u>Neuhaus’ Interest</u>
KIL-D ¹	Transamerica Occidental	92252406	24	4.0058248%
RIC-J(1)	United of Omaha	BU1099709	19	1.2460560%
RIC-J(2)	United of Omaha	BU1099720	5	22.3926400%
SHU-A&H(2)	Transamerica Occidental	60025185	11	3.2479280%
WIL-E&C	Transamerica Occidental	60057369	51	2.91775132%

21 4. These policies are in a group that the Receiver calls “multiple-owner policies”
22 because the insurance providers’ records list numerous fractional owners for each policy. Each
23 owner in a multiple-owner policy also has a beneficiary interest equal to his or her ownership
24 percentage.

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26
27 ¹ In order to protect the identity of the insureds from those who may be interested in their early death, the Receiver
28 will use an identifier comprised of the first three letters of their last name and the first letter of their first name(s).
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 insured(s) a number designation follows – SMI-J&S(1).

1 5. Pursuant to the Compromise and Settlement Agreement [Dkt. No. 72], Linda
2 Neuhaus signed forms transferring Donald Neuhaus' ownership and beneficiary interest in each
3 of these policies to the Receiver. She has authority to sign those forms as administrator and
4 personal representative of his estate. *See* Order of Substitution [Dkt. No. 132].

5 6. Transamerica Occidental Life Insurance Company and United of Omaha Life
6 Insurance Company (collectively, the "Insurance Providers") have refused to fully honor the
7 request to transfer Neuhaus' ownership interests to the Receiver. To date, Transamerica
8 Occidental Life Insurance Company has only transferred Neuhaus' ownership interest to the
9 Receiver but not the beneficiary interest. United of Omaha Life Insurance Company has not
10 transferred any interest to the Receiver.

11 7. To complete the requested transfers, the Insurance Providers insist upon either (1)
12 written consent from all owners of record in these policies or (2) a court order directing the
13 Insurance Providers to honor transfer requests from Neuhaus to the Receiver without written
14 consent from the other owners of record.

15 8. The Receiver now seeks an order directing Transamerica Occidental Life
16 Insurance Company, United of Omaha Life Insurance Company, and any other insurance
17 providers to execute all transfers of interests from Donald Neuhaus, Linda Neuhaus, or entities
18 formerly under their control to the Receiver in this case without the written consent of other
19 owners or third parties. The Receiver submits that those other owners do not have a legitimate
20 reason to oppose this motion because none can claim Neuhaus' beneficiary interest in these or
21 any other policies. Furthermore, this order would serve the receivership's best interests because
22 it increases receivership assets without spending the time and money to obtain written consent
23 from nearly 110 other owners.

24 9. The Receiver submits a proposed order with this motion. Authorized
25 representatives from the Insurance Providers have reviewed that order and submitted statements
26 of non-opposition, which are attached as Exhibit 1 and Exhibit 2 to the accompanying
27 Declaration of Brent J. Rodine. The Receiver anticipates that the SEC, the Examiner, and
28 Defendant Kimberly Snowden will file statements of non-opposition according to the local rules.

1 WHEREFORE, PREMISES CONSIDERED, the Receiver requests that the Court enter
2 the order submitted with this motion and direct Transamerica Occidental Life Insurance
3 Company, United of Omaha Life Insurance Company, and any other insurance providers to
4 execute all transfers of interests from Donald Neuhaus, Linda Neuhaus, or entities formerly
5 under their control to the Receiver in this case without the written consent of other owners or
6 third parties. The Receiver also seeks such other and further relief, general or special, at law or
7 in equity, to which he may show himself justly entitled.

8 BOUTIN GIBSON DI GIUSTO HODELL INC.

9
10 Dated: July 16, 2008

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

CERTIFICATE OF SERVICE

I hereby certify that on the 17th day of July, 2008, a copy of this Motion was served on the following by First Class United States Mail:

Linda Neuhaus
Administrator of the Estate
of Donald Neuhaus
2701 Park Marina Drive

Bazzle John Wilson
1291 Nunneley
Paradise, CA 95969

J.D. Zink
Zink & Lenzi
250 Vallombrosa Ave., #175
Chico, CA 95926

/s/ Maralee MacDonald

Maralee MacDonald

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& LOWNDS, P.C.**

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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

[PROPOSED] ORDER TO TRANSFER
DONALD NEUHAUS' INTERESTS IN
NUMEROUS INSURANCE POLICIES
TO THE RECEIVER

Dated: August 25, 2008
Time: 9:00 a.m.
Department 11

The matter having come on before the Court on Receiver Michael J. Quilling's Motion to Transfer Donald Neuhaus' Interest in Numerous Insurance Policies to the Receiver, the Court, having considered the motion, the attached exhibits, the pleadings on file, and the Court finding good cause therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Transamerica Occidental Life Insurance Company, United of Omaha Life Insurance Company, and any other insurance providers shall execute all transfers of interests from Donald Neuhaus, Linda Neuhaus,

1 or entities formerly under their control to the Receiver in this case without written consent of the
2 other owners or third parties.

3
4 SIGNED this ___ day of _____, 2008

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6 _____
7 Honorable Garland E. Burrell, Jr.
8 United States District Judge
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CERTIFICATE OF SERVICE

I hereby certify that on the 17th day of July, 2008, a copy of this [proposed] Order was served on the following by First Class United States Mail:

Linda Neuhaus
Administrator of the Estate
of Donald Neuhaus
2701 Park Marina Drive
Redding, CA 96001

Bazzle John Wilson
1291 Nunneley
Paradise, CA 95969

J.D. Zink
Zink & Lenzi
250 Vallombrosa Ave., #175
Chico, CA 95926

/s/ Maralee MacDonald
Maralee MacDonald

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Telephone: (214) 871-2100
9 Facsimile: (214) 871-2111

10 Attorneys for Michael J. Quilling
Receiver of Defendants Secure Investment Services, Inc.,
11 American Financial Services, Inc., and Lyndon Group, Inc.

12 UNITED STATES DISTRICT COURT
13 EASTERN DISTRICT OF CALIFORNIA
14 SACRAMENTO DIVISION

15 SECURITIES AND EXCHANGE COMMISSION,

16 Plaintiff,

17 v.

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

21 Defendants.

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

DECLARATION OF BRENT J.
RODINE IN SUPPORT OF MOTION
TO TRANSFER DONALD
NEUHAUS' INTERESTS IN
NUMEROUS INSURANCE POLICIES
TO THE RECEIVER

Date: August 25, 2008

Time: 9:00 a.m.

Department 10

22 Brent J. Rodine, counsel for the receiver appointed in these proceedings, respectfully
23 submits the following declaration in support of the motion to transfer Donald Neuhaus' interest in
24 numerous insurance policies to the receiver.

25 1. I am an attorney at law and counsel of record admitted *Pro Hac Vice* on behalf of
26 the Receiver appointed in this proceeding.

27 2. Transamerica Occidental Life Insurance Company and United Mutual of Omaha
28 Life Insurance Company have refused, absent a court order, to transfer to Receiver Donald or

1 Linda Neuhaus' ownership or beneficiary interest in certain multiple owner life insurance policies,
2 despite submission of assignment documentation executed by Mr. or Mrs. Neuhaus.

3 2. On June 9, 2008, in the regular course of my duties, I contacted Deborah Alexander
4 of Transamerica Occidental Life Insurance Company regarding Policy Nos. 92252506, 60025185
5 and 60057369. On or about June 11, 2008, I received a letter in reply from Josh Pedelty. Mr.
6 Pedelty indicated that Transamerica Occidental Life Insurance Company does not intend to oppose
7 the Receiver's motion to transfer Donald Neuhaus' interest in numerous insurance policies to the
8 Receiver, and the company does not intend to appear at any proceedings to contest the motion. A
9 true and correct copy of Mr. Pedelty's reply letter to me is attached as Exhibit 1 to this declaration.

10 3. On or about June 4, 2008, in the regular course of my duties, I contacted Susan L.
11 Lewis regarding United of Omaha Life Insurance Company's position in connection with the
12 motion to transfer Donald Neuhaus' interest in numerous insurance policies to the Receiver,
13 including the policies referred to as RIC-J (1) and RIC-J (2). On or about June 18, 2008, I
14 received a reply from Ms. Lewis. Ms. Lewis indicated that the company does not intend to oppose
15 the motion to or to appear at any proceedings to contest the entry of the requested order. A true and
16 correct copy of Ms. Lewis' reply letter to me is attached to this declaration as Exhibit 2.

17 I declare under penalty of perjury that the foregoing is true and correct of my own
18 knowledge. This declaration was executed on the 16th day of July, 2008, in Dallas, Texas.

19
20 /s/ Brent J. Rodine (authorized 07/16/08)
21 Brent J. Rodine
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CERTIFICATE OF SERVICE

1 I hereby certify that on the 17th day of July, 2008, a copy of this Declaration was served
2 on the following by First Class United States Mail:

3
4 Linda Neuhaus
5 Administrator of the Estate
6 of Donald Neuhaus
7 2701 Park Marina Drive
8 Redding, CA 96001

Bazzle John Wilson
1291 Nunneley
Paradise, CA 95969

J.D. Zink
Zink & Lenzi
250 Vallombrosa Ave., #175
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/s/ Maralee MacDonald
Maralee MacDonald

Exhibit “1”



Transamerica Occidental Life
Insurance Company
4333 Edgewood Road NE
Cedar Rapids, Iowa 52499

June 11, 2008

Mr. Brent J. Rodine
Quilling Selander Cummiskey Lownds
Bryan Tower
2001 Bryan St., Suite 1800
Dallas, TX 75201

Re: *Securities and Exchange Commission v. Secure Investment Services, Inc., et al.*,
Cause No. 2: 07-cv-01724-GEB-CMK (E.D. Cal.)
Transamerica Policies 92252406, 60025185, and 60057369 (the "Policies")

Dear Mr. Rodine:

As you requested in your letter to Deborah Alexander dated June 9, 2008, we submit the following statements with respect to your proposed motion and court order relating to the transfer without written consent of certain interests in the Policies. We note that the full corporate name of our company is not included in the draft motion, so, we request that you amend the draft order to change the company name to Transamerica Occidental Life Insurance Company ("Transamerica"). Presuming that our name is corrected:

1. I, the undersigned, am an authorized representative of Transamerica Occidental Life Insurance Company.
2. I have read the attached proposed motion and proposed court order relating to the transfer without written consent of certain interests held by Donald Neuhaus, Linda Neuhaus, and related parties pursuant to the Policies. I understand you have drafted this document and intend to enter it with the above-referenced Court.
3. You may accept this letter as Transamerica's representation that it does not oppose entry of this order and will not appear in the proceedings to contest it so long as the complete name of Transamerica is included in the order.

Please let us know if there is additional information that we can provide to help address this situation. You can reach me directly at (319) 355-3954.

Very truly yours,

A handwritten signature in black ink, appearing to read "Josh Pedelty".

Josh Pedelty
Manager, Administration
Customer Service Department

cc: Deborah Alexander

Member of the AEGON Group

Exhibit “2”

MUTUAL of OMAHA INSURANCE COMPANY
UNITED of OMAHA LIFE INSURANCE COMPANY
Mutual of Omaha Plaza
Omaha, NE 68175-1008
402 351 3003



Susan L. Lewis, CLU
Assistant General Counsel
t 402 351 2543 f 402 351 5906

June 18, 2008

**VIA FACSIMILE (214) 871-2111 and
REGULAR MAIL**

Brent Rodine
Quilling Selander Cumminskey Lowinds
2001 Bryan Street
Suite 1800
Dallas, TX 75201

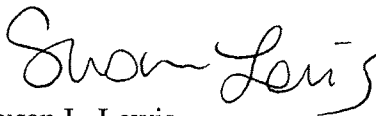
RE: *SEC v. Secure Investments Services, et al.*

Dear Mr. Rodine:

This letter is in response to your email dated June 4, 2008, and your fax dated June 13, but faxed on June 17. As we previously discussed, the request for ownership of the Richter policies was not transferred to the Receiver due to the lack of consent of the other policy owners. Once we receive the signed order from the court, we will transfer the ownership and beneficiary interests to the Receiver.

I am an authorized representative of United of Omaha Life Insurance Company. As such, I have reviewed and do not oppose the draft order attached to your email. However, please revise the draft order to reflect United of Omaha Life Insurance Company instead of Mutual of Omaha. United of Omaha Life Insurance Company is the insurer of the policies at issue. United of Omaha does not intend to participate in any proceedings to contest the entry of the order.

Sincerely,


Susan L. Lewis