

BOUTIN GIBSON DI GIUSTO HODELL INC.

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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

STIPULATED MOTION TO
AUTHORIZE RECEIVER TO
EMPLOY FACIO ABOGADOS AND
REQUEST FOR EXPEDITED
CONSIDERATION

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

The parties, except substituted defendant and decedent Linda Neuhaus, administrator of the Estate of Donald F. Neuhaus, at the request of Michael J. Quilling, in his capacity as Receiver appointed in these proceedings (“Receiver”), respectfully submit this Stipulated Motion to Authorize Receiver to Employ Facio Abogados and Request for Expedited Consideration under L.R. 66-232.

RECITALS

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2 1. By Order dated August 24, 2007, the Court appointed Michael J. Quilling as Receiver for
3 Secure Investment Services, Inc. (“SIS”), American Financial Services, Inc. (“AFS”) and
4 Lyndon Group, Inc. (“LGI”). In that capacity, the Court has authorized and charged the
5 Receiver to take complete and exclusive control, possession, and custody of all receivership
6 assets. The temporary appointment of the Receiver by virtue of the foregoing Order was made
7 permanent by Order dated October 31, 2007 [Dkt. No. 80] (“Order Appointing Receiver”).

8 2. Paragraph 10 of the Order Appointing Receiver authorizes the Receiver to employ
9 attorneys as may be necessary and proper for the collection, preservation, maintenance and
10 operation of the receivership assets. One of the assets of the receivership is a number of
11 purported bonds issued by Provident Capital & Indemnity (“PCI”) an alleged bonding company
12 in Costa Rica. These bonds were issued to provide a payment source should the insureds not die
13 at the end of their life expectancy as represented to investors. Under the provisions of the bond,
14 if the insured was still alive at the end of the life expectancy, the bonding company would pay
15 the amount of the death benefits as if the insured had died and then step into the shoes of the
16 owner of the insurance policy. Although it is the Receiver’s experience that most, if not all,
17 bonding companies which engage in this type of business are fraudulent, the potential exists that
18 PCI is legitimate and that the bonds would provide a source of recovery for the investors.

19 3. Given the fact that PCI is located in Costa Rica, the Receiver has determined that
20 it would be prudent to retain counsel in Costa Rica to assist the efforts of the Receiver in
21 determining the bona fides of PCI and furthering demand upon the bonds which are now
22 beginning to mature. Specifically, the Receiver requests that he be authorized to retain Facio
23 Abogados which is a law firm with offices in Costa Rica. In particular, the partner at that law
24 firm is Alejandro Pignataro. Mr. Pignataro and his law firm have experience in the
25 representation of receivers and come highly recommended to the Receiver by others who have
26 utilized their services in the past in connection with navigating through legal affairs in Costa
27 Rica.

1 4. Mr. Pignataro has advised the Receiver that the hourly rates for services of the
2 lawyers and paralegals at Facio Abogados are \$200.00 for partners, \$150.00 for associates, and
3 \$125.00 for paralegals. The Receiver believes that these rates are reasonable. Mr. Pignataro has
4 also requested that the Receiver provide an initial \$10,000.00 retainer so that he may begin his
5 efforts in assisting the Receiver. The Receiver believes that the requested retainer is also
6 reasonable and seeks authority to be allowed to forward that retainer to Facio Abogados.

7 **STIPULATION**

8 WHEREFORE, THE PARTIES STIPULATE to the entry of an order of this Court
9 authorizing the Receiver to employ and retain the Facio Abogados law firm and to forward an
10 initial retainer of \$10,000.00 and further stipulate that this matter be submitted for expedited
11 consideration by this Court.

12 BOUTIN GIBSON DI GIUSTO HODELL INC.

13
14 Dated: July 14, 2008

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

18
19 SECURITIES AND EXCHANGE
20 COMMISSION

21 Dated: July 10, 2008

22 By /s/ Thomas J. Eme (authorized 7/10/08)
23 Thomas J. Eme
24 John S. Yun
Attorneys for Plaintiff Securities
Exchange and Commission

25 KENNY, SNOWDEN & NORINE

26 Dated: July 10, 2008

27 By /s/ Jonz C. Norine (authorized 7/10/08)
28 Jonz C. Norine
Attorneys for Defendant
Kimberly Snowden

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Dated: July 11, 2008

MUNSCH HARDT KOPF & HARR, P.C.

By /s/ Dennis L. Roosien, Jr. (authorized 7/11/08)

Dennis L. Roosien, Jr.
Attorneys for Examiner
Steven A. Harr

ORDER

IT IS SO ORDERED.

Dated: July 22, 2008



Honorable Garland E. Burrell, Jr.
United States District Court Judge

