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10 IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA

11 SECURITIES AND EXCHANGE )  
12 COMMISSION, )  
13 Plaintiff, )  
14 v. )  
15 SECURE INVESTMENT SERVICES, )  
INC., et al., )  
16 Defendants. )  
17 )  
18 )

Case No. 2:07-CV-01724 GEB CMK  
**EXAMINER STEVEN HARR'S NOTICE  
OF INVESTOR RESPONSES AND  
OBJECTIONS**  
Date: May 18, 2009  
Time: 9:00 a.m.  
Courtroom: 10  
Judge: Hon. Garland E. Burrell, Jr.

19 Examiner Steven A. Harr ("Examiner") has received responses and inquiries from  
20 a number of investors who were sent a letter by the Receiver providing notice of the Motion to  
21 Compel Payment of Death Benefits to Receiver ("Motion") (Docket No. 577). This has elicited  
22 some responses, of which the Court should be aware and, as to which, the Examiner feels that he  
23 has a duty to report.

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1 First, a number of investors contacted the Examiner because they were concerned  
2 that the Receiver was seeking to apply the entire death benefit to the estate assets (which is not  
3 the case). After the Examiner's office clarified the matter, these investors were in favor of the  
4 Motion.

5 Second, the Examiner has been advised of at least one investor's intention to  
6 attend the hearing on this Motion, which the Examiner noted the Court has just now cancelled in  
7 favor of handling the matter by submission. (*See* Docket No. 595.) Either because of lingering  
8 confusion or actual objection, some investors may still travel to the Court and may wish to be  
9 heard.

10 Third, there are two investors who have presented objections to the Motion on the  
11 merits to the Examiner's counsel. Attached (as Exhibits A and B) are the letters submitted by  
12 these investors. Ms. Cardenas agrees with the substance of the relief sought in the Motion, but  
13 opposes the procedure of having the funds pass through the Receiver. She offers to consent to a  
14 judgment for her respective portion of the premium owed. In the judgment of the Examiner, this  
15 is impractical, but nonetheless the Examiner wishes to be sure that the Court is aware of the  
16 position of Ms. Cardenas. *See* Exhibit A.

17 The other objection is from Ms. Lee, who states that she is concerned that the  
18 Receiver's request for general relief might be construed as a request for some fees to be allocated  
19 in addition to the premiums to be reimbursed, and that she believes that the funds should not pass  
20 through the Receiver because she feels that would cause a delay of payment to her. *See* Exhibit  
21 B. As to these points, the Examiner does not understand the Motion to be seeking fees for the  
22 Receiver, and the Examiner believes that directing the carrier to pay the entire death benefit to  
23 the Receiver will result in less delay than directing the carrier to split up the funds and calculate

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1 the remaining amounts to be allocated to the investors. The Examiner expects that the carrier  
2 would inevitably seek confirmation from the Court as to the exact amounts to be paid, whereas  
3 the Receiver will not.

4 Dated: May 15, 2009

MUNSCH HARDT KOPF & HARR, P.C.

5 /s/ Dennis L. Roossien, Jr.

6 Dennis L. Roossien, Jr.

7 Dated: May 15, 2009

MENNEMEIER, GLASSMAN & STROUD LLP

8 /s/ Kenneth C. Mennemeier

9 Kenneth C. Mennemeier

10 Attorneys for Examiner Steven A. Harr  
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**EXHIBIT A**

**From:** Roossien, Dennis [droossien@munsch.com]  
**Sent:** Friday, May 15, 2009 12:28:15 PM  
**To:** Angela Knight  
**Cc:** Martin, Mary Jo  
**Subject:** FW: Shirley fowler Policy death benefit pay out issue  
**Importance:** Normal

Here is the correspondence from Ms. Cardenas:

**Dennis L. Roossien, Jr.**  
**MUNSCH HARDT**  
**KOPF & HARR, P.C.**  
**DALLAS | HOUSTON | AUSTIN**

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**From:** Terry Cardenas [mailto:terry@tlcconsulting.biz]  
**Sent:** Thursday, May 14, 2009 7:06 PM  
**To:** Roossien, Dennis  
**Subject:** Shirley fowler Policy death benefit pay out issue

Dear Mr. Roossien:

I am a fractional owner/beneficiary of the Shirley Fowler 734 Policy and I didn't receive a copy of the motion from Mr. Quilling until after the May 1<sup>st</sup> deadline making it impossible to file an opposition to Mr. Quilling's motion. Due to the amount of death benefit I'm entitled to as a fractional owner/beneficiary the cost to hire an attorney to oppose Mr. Quilling's motion would not make financial sense. Therefore, I would appreciate you forwarding the following to the judge on my behalf:

In my opinion, its clear Mr. Quilling has purposely not acted in the best interest of the policy holders by failing to notify us in a timely manner of the hearing on the 18<sup>th</sup> of May 09 & death

I have never consented or signed over any interest or control of my personal property policy ownerships to Mr. Quilling!

I am completely opposed to having my death benefit paid to Mr. Quilling or anyone else but myself period!

I acknowledge I owe what ever portion of the premium payments (Only NO Attorney Fees!) for the Shirley Fowler 734 Policy (Only no other policies I'm not owner of!) made by Mr. Quilling and would be willing to sign a voluntary judgment for this amount.

Sincerely,

Terry Cardenas

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**EXHIBIT B**

**From:** Roossien, Dennis [droossien@munsch.com]  
**Sent:** Friday, May 15, 2009 12:27:37 PM  
**To:** Angela Knight  
**Subject:** FW: SIS  
**Importance:** Normal

Here is the correspondence from Ms. Lee.

**Dennis L. Roossien, Jr.**  
**MUNSCH HARDT**  
**KOPF & HARR, P.C.**  
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**From:** Wandalee2@aol.com [mailto:Wandalee2@aol.com]  
**Sent:** Thursday, May 14, 2009 4:18 PM  
**To:** Roossien, Dennis  
**Subject:** SIS

Dear Mr. Roossien:

I am a partial owner of the Shirley Fowler policy and I did receive a copy of the motion from Mr. Quilling. Because the cost to hire an attorney would probably be more than I would be forced to pay on Quilling's motion, I have not filed a reply. This does not mean I agree with Quilling's motion.

My objections are as follows:

Under paragraph 17 of the motion, the last sentence states "The Receiver also seeks such other and further relief, general or special... to which he may show himself entitled". Mr. Quilling should not receive fees from the investors. He was appointed as, Receiver for Don Neuhaus and his fees

should be deducted from Don Neuhaus' portion of the insurance proceeds only, not the rest of the investor's proceeds, I for one have no contract court-ordered, explicit or implied with Mr. Quilling. The premiums he paid should be repaid after the insurance company disbursement to the investors directly.

In addition, I do not feel Mr. Quilling should receive the life insurance benefits directly. He is not the majority beneficiary. He represents one of many beneficiaries. We investors have already waited much longer than was foreseen expected maturity date. Paying directly to Mr. Quilling would only further delay payment.

As I have not voiced my objections directly with the courts or Mr. Quilling, I would appreciate your expressing our concerns with the court and necessary parties.

Sincerely,

Wanda Lee

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1 Case Name: *Securities and Exchange Commission v. Secure Investment Services, Inc.*

2 Case No: United States District Court, Eastern District, 2:07-CV-01724 GEB CMK

3 **CERTIFICATE OF SERVICE**

4 I declare as follows:

5 I am a resident of the State of California and over the age of eighteen years, and  
6 not a party to the within action; my business address is 980 9th Street, Suite 1700, Sacramento,  
7 California 95814. On May 15, 2009, I served the within documents:

8 **EXAMINER STEVEN HARR'S NOTICE OF INVESTOR RESPONSES AND**  
9 **OBJECTIONS**


10  
11  by placing the document(s) listed above in a sealed envelope with postage  
12 thereon fully prepared, in the United States mail at Sacramento, California  
13 addressed as set forth below.

14 **SEE ATTACHED SERVICE LIST.**

15 I am readily familiar with the firm's practice of collection and processing  
16 correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal  
17 Service on that same day with postage thereon fully prepared in the ordinary course of business.

18 I declare that I am employed in the office of a member of the bar of this Court at  
19 whose direction this service was made.

20 Executed on May 15, 2009 at Sacramento, California.

21   
22 Angela Knight  
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**SERVICE LIST**

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