

**BOUTIN GIBSON DI GIUSTO HOPELL INC.**

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

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

Michael J. Quilling (Tex. Bar No. 16432300) – Admitted Pro Hac Vice  
Brent J. Rodine (Tex. Bar No. 24048770) – Admitted Pro Hac Vice  
2001 Bryan Street, Suite 1800  
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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 RECEIVER’S MOTION  
TO COMPEL TRANSFER OF  
OWNERSHIP INTEREST FROM  
TIMOTHY AND MARGIE WING  
[BOT-M]

Date: July 6, 2009  
Time: 9:00 a.m.  
Department: 10

TO: THE PARTIES AND ALL COUNSEL OF RECORD:

On July 6, 2009 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, Sacramento, California, Michael J. Quilling, the Receiver appointed in these proceedings, (“Receiver”), will move this Court for an order compelling Timothy and Margie Wing to transfer their 1.51651% ownership interest in the BOT-M policy.



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**CERTIFICATE OF SERVICE**

I hereby certify that on the 5th day of June, 2009, a copy of this notice 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 other persons by First Class U.S. Mail:

Lon W. Halley  
561 E. Linda Avenue, Suite 1  
Chico, CA 95926

Bazzle John Wilson  
1291 Nunneley Road  
Paradise, CA 95969

Ernest Jeremias  
5022 17th Avenue, Apt. 1  
Brooklyn, NY 11204

1 **BOUTIN GIBSON DI GIUSTO HODELL INC.**

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

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

12 UNITED STATES DISTRICT COURT

13 EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

14 SECURITIES AND EXCHANGE  
15 COMMISSION,

16 Plaintiff,

17 v.

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

21 Defendants.  
22

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

RECEIVER’S MOTION TO COMPEL  
TRANSFER OF OWNERSHIP  
INTEREST FROM TIMOTHY AND  
MARGIE WING [BOT-M]

Date: July 6, 2009  
Time: 9:00 a.m.  
Department: 10

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

25 Michael J. Quilling, the Receiver appointed in these proceedings (“Receiver”), files this  
26 motion to compel Timothy and Margie Wing to transfer their 1.51651% ownership interest in the  
27 BOT-M policy. In support, the Receiver would show the Court as follows:  
28

1 INTRODUCTION

2 The Receiver files this motion to recover Timothy and Margie Wing's 1.51651%  
3 ownership interest in the BOT-M life insurance policy because: (1) they did not pay for that  
4 interest and, therefore, obtained it by fraudulent transfer; (2) that interest amounts to proceeds  
5 from funds held in constructive trust for the defrauded investors; and (3) permitting them to  
6 retain that interest would unjustly enrich them at the defrauded investors' expense. Furthermore,  
7 in hearing this dispute, the Court may employ summary proceedings available in federal  
8 equitable receiverships.  
9

10 BACKGROUND FACTS

11 1. By orders of August 24, 2007 (Dkt. No. 27) and October 31, 2007 (Dkt. No. 80),  
12 the Court appointed Michael J. Quilling as Receiver for Secure Investment Services, Inc. and  
13 other related entities ("SIS"). Those orders authorized him to take complete and exclusive  
14 control, possession, and custody of all receivership assets.  
15

16 2. The receivership estate's largest single asset is a portfolio of 44 life insurance  
17 policies. One of those policies is American General Life Insurance Co. policy no. U10005943L,  
18 which the Receiver calls the BOT-M policy in these proceedings.

19 3. The BOT-M policy is a "multiple-owner policy" because the insurance provider  
20 lists a divided ownership among numerous investors who each hold fractional interests.  
21 Typically, each of those owners also has a beneficiary interest equal to his or her ownership  
22 percentage.  
23

24 4. Timothy and Margie Wing (collectively, "the Wings") have a 1.51651%  
25 ownership and beneficiary interest in the BOT-M policy. Receiver records, however, show that  
26 the Wings did not pay for their interest. True and correct copies of those SIS account records are  
27 attached as Exhibit A and Exhibit B.  
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**(2) Receivership Records Show That SIS Was A Ponzi Scheme.**

At the show cause hearing, the Receiver intends to show that SIS was operated as a Ponzi scheme. A Ponzi scheme exists where an insolvent company raises money from new investors to satisfy obligations promised to earlier investors. *See Warfield*, 2006 WL 118250 at \*5. SIS represented that each investor's contribution would purchase a fractional interest in a particular insurance policy and pay premiums on only that policy. However, the Receiver has obtained account records showing that SIS commingled all investor funds into a single account and used those funds to pay commissions, buy new policies, and make premium payments on numerous policies as they became due. SIS's principals eventually depleted the company's reserves. Therefore, to keep policies from lapsing, funds from new investors were used to pay the premiums on policies benefiting earlier investors. In reality, SIS was at all times insolvent and relied on the contributions of new investors to sustain its operations. SIS was, therefore, insolvent and a Ponzi scheme under the UFTA.

**(3) It Is Undisputed That SIS Gave The Wings An Ownership Interest In A Life Insurance Policy.**

Without question, SIS gave the Wings a 1.51651% ownership interest in the BOT-M policy. That interest was recorded both in SIS' records and with American General Life Insurance Company.

In short, the Receiver intends to establish (1) that SIS operated a Ponzi scheme by diverting funds from new investors to pay the premiums on policies benefiting earlier investors and (2) that SIS transferred a 1.51651% interest in the BOT-M policy to the Wings without receiving any payment or reasonably equivalent value for that interest. Under the settled law of the UFTA, the Receiver is may recover that interest for the receivership estate.

1 **B. The Wing's Interest Is A Proceed From Funds Held In Constructive Trust For The**  
2 **Defrauded Investors' Benefit.**

3 It is a long-standing principle of equity that assets acquired by fraud are held subject to a  
4 constructive trust for the benefit of the defrauded parties. RESTATEMENT (FIRST) OF RESTITUTION  
5 § 166 (1937). Under California law, a constructive trust is an equitable remedy where it is  
6 inequitable for one party to hold an interest in property over the claims of another party. *Kraus*  
7 *v. Willow Park Public Golf Course*, 73 Cal.App.3d 354, 373, 140 Cal. Rptr. 744 (1977). While  
8 there is no strict formula dictating when a District Court sitting in equity is bound to impose a  
9 constructive trust, this remedy is appropriate to protect investor funds paid into a fraudulent  
10 investment scheme. See *SEC v. Paige*, 1985 WL 2335 (D.D.C. July 30, 1985), aff'd 810 F.2d  
11 307 ("federal legal precedent [is] clear that a thief obtains no title to the stolen property and  
12 holds such property and the proceeds thereof in trust for the victim"); *United States v. Fontana*,  
13 528 F.Supp. 137, 146 (S.D.N.Y. 1981) ("Where the title to property is acquired by one person  
14 under such circumstances that he is under a duty to surrender it, a constructive trust immediately  
15 arises"), quoting 5 A. SCOTT, LAW OF TRUSTS § 462.4 (3d ed. 1967).

16 This Court clearly anticipated that funds of SIS investors may be imposed with a  
17 constructive trust. The Order Appointing Receiver expressly directs that:  
18

19  
20 The Receiver is hereby authorized to institute such actions or  
21 proceedings to impose a constructive trust, obtain possession  
22 and/or recover judgment with respect to persons or entities who  
23 received assets or funds or proceeds from the corporate  
24 Defendants. All such actions shall be filed in this Court. The  
25 Receiver is specifically authorized to pursue such actions on behalf  
26 of and for the benefit of the constructive trust beneficiaries,  
27 including without limitation any and all investors who may be the  
28 victims of the fraudulent conduct alleged herein by the  
Commission.

1 (Order Appointing Receiver [Dkt. No. 80] at ¶ 13.) SIS used commingled investor funds to  
2 purchase the BOT-M policy. It then transferred a percentage of that ownership interest to the  
3 Wings. The Receiver, therefore, submits that interest is held in constructive trust and ought to be  
4 disgorged for the benefit of SIS's investors. (*Id.*)

5 **C. Permitting The Wings To Retain Their Interest Would Unjustly Enrich Them At**  
6 **The Defrauded Investors' Expense.**

7 It is well-settled that District Courts have broad powers and wide discretion to determine  
8 appropriate relief for federal equity receiverships. *Securities & Exchange Comm'n v. Elliott*, 953  
9 F.2d 1560, 1569-70 (11th Cir. 1992); *see also Securities & Exch. Comm'n v. Hardy*, 803 F.2d  
10 1034, 1037 (9th Cir.1986). In applying equitable principles, courts in this district often use the  
11 theories of unjust enrichment and quasi-contract to achieve equity when one party has paid  
12 obligations benefiting another.

13 Unjust enrichment is not an independent cause of action, but a general principle  
14 supporting various equitable remedies. *Mauro v. General Motors Corp.*, 2008 WL 2775004, \*6  
15 (E.D. Cal. Jul. 15, 2008); *Walker v. USAA Cas. Ins. Co.*, 474 F.Supp.2d 1168, 1174 (E.D. Cal.  
16 2007). The elements supporting unjust enrichment are (1) the receipt of a benefit and (2) the  
17 unjust retention of it at another's expense. *Weststyn Dairy 2 v. Eades Commodities Co.*, 280  
18 F.Supp.2d 1044, 1057 (E.D. Cal. 2003). A "benefit" includes any advantage obtained by the  
19 recipient or expenses paid on his behalf. *Ghirardo v. Antonioli*, 924 P.2d 996, 1003, 14 Cal.4th  
20 39, 51 (Cal. 1996); *see also Process Specialties, Inc. v. Sematech, Inc.*, 2001 WL 36105562, \*20  
21 (E.D. Cal. 2001).

22 Courts often redress unjust enrichment under the theory of quasi-contract or quantum  
23 meruit. Such relief does not require a contract and exists independent of the parties' privity,  
24 intent, or promises. *Fid. & Deposit Co. of Md. v. Harris*, 360 F.2d 402, 409 (9th Cir. 1966);  
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1 *McBride v. Boughton*, 123 Cal. App. 4th 379, 388 n.6 (2004). Courts will imply an obligation to  
2 pay when one party, in equity and good conscience, should not be permitted to keep a benefit  
3 without paying for it. *U.S. v. Healy Tibbitts Const. Co.*, 607 F.Supp. 540, 542 (N.D. Cal. 1985)  
4 (citing DOBBS, REMEDIES 224 (West 1973); 66 Am.Jur.2d, §§ 2, 3).

5  
6 Through this motion, the Receiver asks the Court to exercise its equitable powers and  
7 compel the Wings to transfer their interest in the BOT-M policy to the receivership estate. The  
8 Court should not permit the Wings to retain an interest that was purchased with the commingled  
9 funds of defrauded investors. Furthermore, since November 18, 2008, the Receiver has paid  
10 premiums for the BOT-M policy in the amount of \$67,800.00. By maintaining their 1.51651%  
11 interest in that policy and paying nothing for it, the Wings continue to unjustly benefit from the  
12 receivership estate and will continue to do so with every future premium payment. *See CAL.*  
13 *CIV. CODE* § 3521 (“No person can be permitted to enjoy the benefits of a transaction while  
14 rejecting the burdens of it.”). Since the Receiver will ultimately distribute receivership estate  
15 funds back to the defrauded investors, the Wings maintain their interest to the investors’  
16 detriment.  
17

18 To avoid unjust enrichment, the Court should compel the Wings to transfer their interest  
19 to the Receiver. If they fail to do so in a timely manner, the Court should order that their  
20 ownership interest in the BOT-M policy be forfeited to the receivership estate. If, after their  
21 interest is forfeited, the Wings later prove that they paid for their interest in that policy then they  
22 could still file a claim for a distribution from the estate.  
23

24 As noted above, the Court has “broad powers and wide discretion to determine the  
25 appropriate relief in an equity receivership.” *Elliott*, 953 F.2d at 1569-70. This includes the  
26 discretionary authority to deny the Wings’ ordinary contract rights when they are “inimical to  
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1 receivership purposes.” *See U.S. v. Vanguard Inv. Co., Inc.*, 6 F.3d 222, 226 (4th Cir. 1993).  
2 That is exactly what the Receiver asks the Court to do here. Even if SIS agreed to give the  
3 Wings an interest in the BOT-M policy without them paying for it, that agreement undermines  
4 the very purpose of this receivership proceeding—to recover proceeds from the commingled  
5 funds of defrauded investors.

6  
7 **D. In Determining The Receiver’s Claim To The Wing’s Interest, The Court May  
Employ Summary Proceedings Available In Federal Equitable Receiverships.**

8 This Court may order the Wings to transfer their interest following an expedited hearing.  
9 Federal receivership law recognizes the use of such summary proceedings to resolve disputes to  
10 property claimed by a receivership estate. *SEC v. Basic Energy & Affiliated Resources*, 273 F.3d  
11 657, 668 (6th Cir. 2001); *see also CFTC v. Topworth Int’l, Ltd.*, 205 F.3d 1107, 1113 (9th Cir.  
12 2000); *SEC v. Wencke*, 783 F.2d 829, 837-38 (9th Cir. 1986). It is well settled that Federal  
13 Courts have “broad powers and wide discretion” to fashion such relief in equitable receivership  
14 proceedings. *Basic Energy & Affiliated Resources*, 273 F.3d at 668. This discretion, which  
15 derives from the Court’s inherent equitable powers, makes abbreviated and summary  
16 proceedings possible without violating the interests of due process. *See id.* (allowing summary  
17 proceedings so long as they “permit parties to present evidence when the facts are in dispute and  
18 to make arguments regarding those facts”); *SEC v. Elliott*, 953 F.2d 1560, 1571 (9th Cir. 1992).  
19 Therefore, as long as this Court gives them a meaningful opportunity to present their factual and  
20 legal contentions, summary proceedings are proper to determine whether the Wings must  
21 disgorge the 1.51651% interest they received from SIS.  
22

23  
24 Furthermore, summary proceedings are favored in the context of federal receivership  
25 actions because they embrace the long-recognized policy of preserving and protecting assets for  
26 claimants of the receivership estate. *See Elliott*, 453 F.2d at 1566; *Wencke*, 783 F.2d at 837-38.  
27

1 Abbreviated procedures—including the use of a single receivership proceeding to resolve all  
2 claims—advance the government’s interest in judicial efficiency by “reducing the time needed to  
3 resolve disputes, decreasing the costs of litigation, and preventing the dissipation of the  
4 receiver’s assets.” *Basic Energy & Affiliated Resources*, 273 F.3d at 668; *Elliott*, 453 F.2d at  
5 1566; *Wencke*, 783 F.2d at 837-38. Summary proceedings allow the Receiver to consolidate  
6 litigation before a single District Judge and “avoid formalities that would slow down the  
7 resolution of disputes.” *Wencke*, 783 F.2d at 837 n.9. This both promotes judicial efficiency and  
8 reduces litigation costs to the receivership. *Id.* (citing *Smith v. Am. Industrial Research Corp.*,  
9 665 F.2d 397, 399 (1st Cir.1981)).

11 WHEREFORE, premises considered, the Receiver asks for an Order compelling Timothy  
12 and Margie Wing to transfer their 1.51651% interest in American General Life Insurance  
13 Company policy no. U10005943L to Michael J. Quilling, Receiver, within 10 days from the date  
14 of that order. If they fail to do so, their interest should be forfeited to the receivership estate.  
15 The Receiver also asks for such other and further relief, general or special, at law or in equity, to  
16 which he may show himself entitled.

19 Respectfully submitted,

21 /s/ Michael J. Quilling

22 MICHAEL J. QUILLING (Tex. Bar No. 16432300)  
23 D. DEE RAIBOURN, III (Tex. Bar No. 24009495)  
24 BRENT J. RODINE (Tex. Bar No. 24048770)  
25 QUILLING, SELANDER, CUMMISKEY  
& LOWNDS, P.C.

26 Chris Gibson, SBN 073353  
27 Maralee MacDonald, SBN 208699  
28 BOUTIN GIBSON DI GIUSTO HODELL INC.  
Attorneys for Receiver



# Exhibit “A”

## File Manager

Category	Information	Section in File
<b>INVESTMENT SUMMARY</b>		
Investor: (name)	WING, TIMOTHY & MARGIE	
Investor: (address)	890 SHOREBREEZE DRIVE	
	SACRAMENTO, CA 95831	
<b>POLICY INFORMATION:</b>		
Insurance Company:	AMERICAN GENERAL	Investor Info
Insured Name:	E. MARIE BOTHE	Investor Info
Policy Number:	U10005943LL	Investor Info
Face Value of Policy:	2,373,875.69	Investor Info
Ownership Status:		Ownership Bene.
Percentage of Ownership:	1.51651%	Ownership Bene.
Beneficiary Information:	TIMOTHY & MARGIE WING	Ownership Bene.
Payable To:	TIMOTHY & MARGIE WING	Ownership Bene.
Contingent Beneficiary:	CHRISTINA A. TIMOTHY D. & SARA M. WING	Ownership Bene.
<b>INVESTMENT INFORMATION:</b>		
Investment Date:		Investor Info
Investment Term:	48	Investor Info
Amount invested:		Investor Info
Fixed Return Percentage:	%	Investor Info
Investment Maturity Date:	12-15-05	Investor Info
Amount of Invest. Return:	35,999.79	Investor Info
Bond Redemption Date:	12-15-06	Bond Info
Master Bond Number:	185215 (see BOND FOLDER)	Bond Info
Bond Certificate Number:	1025	Bond Info

**Checklist:**

		Notations to File:
<input type="checkbox"/>	Qualified Funds? (Check if "yes")	
+	Ownership Bene. Doc's	
	Master Purchase Agreement	
	Purchase Addendum	
	Suitability Questionnaire	
	Escrow Instructions	
+	Bond Certificate	
	Copy of Bond	
	Disbursements	

# Exhibit “B”

**Bothe  
FUNDS RECEIVED**

Dudik	\$20,833.33
Keeler	\$9,429.45
Lange	\$110,905.68
Rosener	\$40,000.00
Matheny	\$35,000.00
Matheny	\$50,000.00
Kluck	\$25,000.00
Mertins	\$10,000.00
Fihn	\$68,400.00
Homan	\$23,000.00
Reyes	\$40,000.00
Edwards, J	\$9,973.65
Muscato	\$5,000.00
Atkinson	\$25,000.00
Arbuckle	\$20,000.00
Wang	\$20,000.00
Edwards, W	\$6,928.91
LeBaron, E	\$22,358.70
Weightman	\$25,000.00
Burelli	\$30,000.00
Dean	\$75,000.00
Gupta	\$20,000.00
Limroth	\$190,000.00
Kufeldt, J	\$5,000.00
Kufeldt, J	\$10,000.00
Root	\$17,777.76
Schmidt	\$22,577.67
Wing	\$0.00
Anderson	\$30,000.00
<b>total</b>	<b>\$967,185.15</b>

**EXPENSES**

Cost of policy	\$251,000.00	
Bond payment	\$110,585.89	
Premium payment	\$145,121.00	
Commission	\$230,399.84	
Escrow Fees	\$2,625.00	
	<b>\$739,731.73</b>	<b>\$227,453.42</b>

**PROFIT/LOSS**

American Finacial	65%	\$147,844.72	
Dilmun Capital	35%	\$79,608.70	<b>\$0.00</b>

**OWNERSHIP**

Neuhaus	4.081553800%
face value	\$96,890.28

Kirksey	2.56502600%
face value	\$60,890.07

# Exhibit “C”

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



Telephone: 214.871.2100  
Facsimile: 214.871.2111

April 3, 2008

*VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED*

Timothy and Margie Wing  
890 Shorebeeze Drive  
Sacramento, California 95831

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

Dear Mr. and Mrs. Wing:

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 investigating ownership of the various insurance policies. The records I have reviewed indicate that you have the following ownership interest in a policy for which you did not actually pay any money to obtain:

INSURED NAME	OWNERSHIP PERCENTAGE
E. Marie Bothe	1.51651

Although I am not suggesting that you had anything to do with it, the fact is that each of the companies were run in a fraudulent manner and material disclosures were not made to investors. As a result, the applicable case law says that transfers made out of such an entity, whether to innocent parties or not, constitute what is known as a fraudulent transfer. Accordingly, the foregoing interest which you hold for which you did not pay any funds to obtain, constitutes a fraudulent transfer.

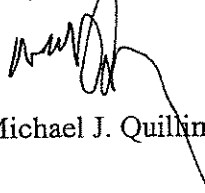
It is my position that this interest must be returned to the receivership estate. If my information is incorrect and you did in fact invest funds in order to obtain this interest, please let me know and I will reconsider my position. Assuming, however, that my information is correct and you did not invest funds with respect to this interest, I ask that you sign the enclosed transfer form where

Timothy and Margie Wing  
April 3, 2008  
Page 2

indicated and return it to me so that this interest can be returned to the receivership estate. If you refuse to do so, I will have no alternative other than to pursue litigation against you designed to recover this interest. I would truly like to avoid having to take those measures.

Should you have any questions or comments, please do not hesitate to contact either me or Brent Rodine in my office.

Very truly yours,



Michael J. Quilling

MJQ/ja

Enclosure

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

**U.S. Postal Service™**  
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**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee <small>(Endorsement Required)</small>		
Restricted Delivery Fee <small>(Endorsement Required)</small>		
<b>Total Postage &amp; Fees</b>	<b>\$</b>	

Sent To: Timothy & Margie Wing  
 Street, Apt. No., or PO Box No.: 890 Shorebreeze Drive  
 City, State, ZIP+4: Sacramento, CA 95831

PS Form 3800, June 2002 See Reverse for Instructions

7003 1680 0001 4974 2536

<b>SENDER: COMPLETE THIS SECTION</b>	<b>COMPLETE THIS SECTION ON DELIVERY</b>
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> <p>1. Article Addressed to:</p> <p style="margin-left: 20px;">Timothy &amp; Margie Wing                  890 Shorebreeze Drive                  Sacramento, CA 95831</p>	<p>A. Signature</p> <p><input checked="" type="checkbox"/> <i>TSW</i> <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span></p> <p><i>TM Wing</i> <span style="float: right;"><i>4-7</i></span></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes                  If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number                  (Transfer from service label)</p> <p style="text-align: center; border: 1px solid black; padding: 5px;">7003 1680 0001 4974 2536</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <span style="margin-left: 20px;"><input type="checkbox"/> Express Mail</span></p> <p><input type="checkbox"/> Registered <span style="margin-left: 20px;"><input checked="" type="checkbox"/> Return Receipt for Merchandise</span></p> <p><input type="checkbox"/> Insured Mail <span style="margin-left: 20px;"><input type="checkbox"/> C.O.D.</span></p>
<p>PS Form 3811, February 2004</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> <p style="text-align: right; font-size: x-small;">102595-02-M-1540</p>

Domestic Return Receipt



**Change of Ownership**

American General Life Insurance Company (AGL),  
 AIG Life Insurance Company  
 AIG Life Insurance Company of Puerto Rico  
 Fixed Life Service Center - P. O. Box 4373, Houston, TX 77210-4373  
 Variable Life Service Center - P. O. Box 4880, Houston, TX 77210-4880  
 Member companies of American International Group, Inc.

Please print or  
 type all information  
 except signatures.

Instructions for completing this form are listed on the back. Please reference your contract for availability of certain requests.

**1. CONTRACT IDENTIFICATION**

CONTRACT No.: U10005943L  
 OWNER: Timothy & Margie Wing SSN/TIN OR EIN: 569-68-2855  
 ADDRESS: 890 Shorebreeze Drive PHONE No.: 916.421.0383  
Sacramento, CA 95831  
 EMAIL ADDRESS (optional): \_\_\_\_\_  
 INSURED/ANNUITANT (if other than Owner): E. Marie Bothe

Check Here if  
 New Address

**2. NEW OWNER(S)**

**A. PRIMARY**

NEW OWNER'S NAME: Michael J. Quilling, Receiver  
 SSN/TIN OR EIN: 30-6061810  
 Address: 2001 Bryan Street, Suite 1800  
Dallas, Texas 75201  
 Phone No.: (214) 871-2100

**B. CONTINGENT**

NEW OWNER'S NAME: None  
 SSN/TIN OR EIN: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone No.: \_\_\_\_\_

**3. SIGN HERE FOR ABOVE REQUEST**

The Company is requested and directed to recognize that the present owner(s) of the Contract has hereby designated the new owner(s) (the "Owner") of the Contract. The Owner designated above shall have sole ownership and control of the Contract during the lifetime of the Insured/Annuitant and shall be entitled to all ownership rights. See back for details.

Note: Certain changes to your policy may result in adverse Tax consequences. We urge you to consult with your Tax Advisor prior to making any changes. The changes requested are not valid until recorded by the company.

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number, and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to back-up withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest or dividends on your tax return.

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

_____ Signature of Current Owner	_____ Date	_____ Signature of New Owner	_____ Date
_____ Signature of Current Co-owner (or other party having interest in contract)	_____ Date	_____ Signature of New Co-Owner (or other party having interest in contract)	_____ Date

**RETURN COMPLETED FORM TO THE ADDRESS OF THE COMPANY CHECKED ABOVE.**

**- Instructions and Conditions -**

<p><b>1. CONTRACT IDENTIFICATION</b></p>	<p>Complete all contract information in this section. Complete a separate request form for each contract.</p>
<p><b>2. NEW OWNER(S)</b></p>	<p>This Request is made subject to the terms and conditions of the Contract, and shall not result in a change in any provision of the Contract, except as expressly provided in this Request.</p> <p>The Owner may transfer the ownership and control of the Contract to a new owner, but such change shall not be effective until approved by the Service Center. If the Owner predeceases the Insured/Annuitant, then the rights of such deceased Owner shall pass to the contingent owner if one is named. If a contingent owner is not named, the rights will pass to the Administrator/Executor of such deceased Owner.</p> <p>This Request for Change of Ownership does not change the beneficiary or the mode of payment as a death claim under the Contract. Any payment which becomes due under the Contract during the lifetime of the Insured/Annuitant shall be made to the Owner with the exception that any provision which now expressly provides for payment to the Insured/Annuitant as a life income or annuity shall not be available to the Owner, unless the Owner is the Insured/Annuitant.</p> <p>This Request is subject to any existing assignment of record with the company which issued the contract ("the Company").</p> <p><b>Trustee Owner</b> If a trustee is designated as the new owner, the date and legal title of the trust must be stated and Trustee signatures are required in Section 3 as instructed by the trust agreement.</p> <p><b>Contingent Owner</b> A contingent owner may be designated, and will be effective only if the new owner is a natural person (not a corporation, partnership or a trust), and the owner, or all designated owners (if more than one), predecease the Insured. A contingent owner may not be designated on an annuity contract.</p>
<p><b>3. SIGN HERE FOR ABOVE REQUEST</b></p>	<p>This request must be dated and all required signatures must be written in ink, using full legal names.</p> <p>This request must be signed by:</p> <ul style="list-style-type: none"> <li>• the person or persons who have the rights of ownership under the terms of the contract (co-owners, irrevocable beneficiary);</li> <li>• by an Assignee if any; and</li> <li>• by any other party who may have an interest in the contract by legal proceedings or statutes.</li> <li>• the spouse of the owner must also sign this request, if the owner resides in a Community Property state. (Community Property states are AZ, CA, ID, LA, NM, NV, TX, WA and WI).</li> </ul> <p><b>Special circumstances – Corporate ownership:</b> The signature of one officer followed by the officer's title is required. The request must be submitted on a piece of corporate letterhead or paper with the corporate seal signed by that officer; <b>Partnerships:</b> The full name of the partnership should be written followed by the signatures of all partner(s), other than the Insured; <b>Trust:</b> If the contract is owned by or assigned to a Trustee, current Trustee(s) signatures are required as instructed by the trust agreement. Validation of Trustee(s) signatures may be required.</p>

# Exhibit “D”

Brent J. Rodine  
Phone: (214) 871-2100



E-mail: brodine@qscipc.com

May 1, 2009

*BY CMRRR AND U.S. FIRST CLASS MAIL*

Timothy and Margie Wing  
890 Shorebreeze Drive  
Sacramento, CA 95831

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

Insured Name: E. Marie Bothe  
Policy No.: U100005943L

Dear Mr. and Mrs. Wing:

The United States District Court for the Eastern District of California has appointed Michael J. Quilling as the Receiver for investment companies owned and operated by Donald Neuhaus. A copy of the Order Appointing Receiver is attached.

Receivership records indicate that you did not pay for your 1.51651% interest in the life insurance policy described above. Your interest is, therefore, a fraudulent transfer from an insolvent investment scheme and must be returned to the receivership estate. The Receiver demands that you execute the attached transfer form and send it to us within 14 days from the date of this letter. If you fail to do so, we will ask the Court to forfeit that interest to the receivership estate or hold you in contempt for refusing to return a receivership asset.

We appreciate your attention to this matter and feel free to contact me with any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brodine", is written over a faint, larger signature.

Brent J. Rodine  
Attorney for Receiver

Enclosures



**Change of Ownership**

American General Life Insurance Company (AGL),  
 AIG Life Insurance Company

AIG Life Insurance Company of Puerto Rico

- Fixed Life Service Center - P. O. Box 4373, Houston, TX 77210-4373
- Variable Life Service Center - P. O. Box 4880, Houston, TX 77210-4880

Member companies of American International Group, Inc.

Instructions for completing this form are listed on the back. Please reference your contract for availability of certain requests.

Please print or type all information except signatures.

<p><b>1. CONTRACT IDENTIFICATION</b></p> <p><input type="checkbox"/> Check Here if New Address</p>	<p>CONTRACT No.: <u>U10005943L</u></p> <p>OWNER: <u>Timothy &amp; Margie Wing</u>      SSN/TIN OR EIN: <u>569-68-2855</u></p> <p>ADDRESS: <u>890 Shorebreeze Drive</u>      PHONE No.: <u>916.421.0383</u>  <u>Sacramento, CA 95831</u></p> <p>EMAIL ADDRESS (optional): _____</p> <p>INSURED/ANNUITANT (if other than Owner): <u>E. Marie Bothe</u></p>								
<p><b>2. NEW OWNER(S)</b></p> <p><b>A. PRIMARY</b></p>	<p>NEW OWNER'S NAME: <u>Michael J. Quilling, Receiver</u></p> <p>SSN/TIN OR EIN: <u>30-6061810</u></p> <p>Address: <u>2001 Bryan Street, Suite 1800</u>  <u>Dallas, Texas 75201</u></p> <p>Phone No.: <u>(214) 871-2100</u></p>								
<p><b>B. CONTINGENT</b></p>	<p>NEW OWNER'S NAME: <u>None</u></p> <p>SSN/TIN OR EIN: _____</p> <p>Address: _____</p> <p>Phone No.: _____</p>								
<p><b>3. SIGN HERE FOR ABOVE REQUEST</b></p>	<p>The Company is requested and directed to recognize that the present owner(s) of the Contract has hereby designated the new owner(s) (the "Owner") of the Contract. The Owner designated above shall have sole ownership and control of the Contract during the lifetime of the Insured/Annuitant and shall be entitled to all ownership rights. See back for details.</p> <p>Note: Certain changes to your policy may result in adverse Tax consequences. We urge you to consult with your Tax Advisor prior to making any changes. The changes requested are not valid until recorded by the company.</p> <p>Under penalties of perjury, I certify that</p> <ol style="list-style-type: none"> <li>1. The number shown on this form is my correct taxpayer identification number, and</li> <li>2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to back-up withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and</li> <li>3. I am a U.S. person (including a U.S. resident alien).</li> </ol> <p>You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest or dividends on your tax return.</p> <p>The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.</p>								
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border-top: 1px solid black; text-align: center;">Signature of Current Owner</td> <td style="width: 10%; border-top: 1px solid black; text-align: center;">Date</td> <td style="width: 50%; border-top: 1px solid black; text-align: center;">Signature of New Owner</td> <td style="width: 10%; border-top: 1px solid black; text-align: center;">Date</td> </tr> <tr> <td style="border-top: 1px solid black; text-align: center;">Signature of Current Co-owner (or other party having interest in contract)</td> <td style="border-top: 1px solid black; text-align: center;">Date</td> <td style="border-top: 1px solid black; text-align: center;">Signature of New Co-Owner (or other party having interest in contract)</td> <td style="border-top: 1px solid black; text-align: center;">Date</td> </tr> </table>		Signature of Current Owner	Date	Signature of New Owner	Date	Signature of Current Co-owner (or other party having interest in contract)	Date	Signature of New Co-Owner (or other party having interest in contract)	Date
Signature of Current Owner	Date	Signature of New Owner	Date						
Signature of Current Co-owner (or other party having interest in contract)	Date	Signature of New Co-Owner (or other party having interest in contract)	Date						

RETURN COMPLETED FORM TO THE ADDRESS OF THE COMPANY CHECKED ABOVE.



[Track & Confirm](#)

[FAQs](#)

## Track & Confirm

### Search Results

Label/Receipt Number: 7003 1680 0005 3651 0182

Service(s): **Certified Mail™**

Status: **Delivered**

Your item was delivered at 12:51 PM on June 4, 2009 in SACRAMENTO, CA 95831.

### Track & Confirm

Enter Label/Receipt Number.

[Go >](#)

### Notification Options

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Get current event information or updates for your item sent to you or others by email.

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