

BOUTIN JONES INC.
Chris Gibson, SBN 073353
Maralee MacDonald, SBN 208699
555 Capitol Mall, Suite 1500
Sacramento, California 95814-4603
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QUILLING, SELANDER, CUMMISKEY & LOWNDS, P.C.
Michael J. Quilling (Tex. Bar No. 16432300) – Admitted Pro Hac Vice
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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 FOURTH
MOTION FOR ORDER TO
ADJUST/DISALLOW “A” CLAIMS

Date: January 24, 2011
Time: 9:00 a.m.
Department: 10

TO: THE PARTIES AND ALL COUNSEL OF RECORD:

On January 24, 2011 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 the Court to issue an order adjusting/disallowing 20 investor “A” Claims totaling \$30,000.00, pursuant to this Court’s October 29, 2007 Order Granting Stipulated Motion to Establish Claim Procedure and to Approve Claim Form [Doc. No. 73].

1 The motion will be based upon Receiver's Motion and points and authorities submitted
2 contemporaneously, the papers on file in this matter, and any testimony or argument received by
3 the Court during the hearing on the motion. A proposed order is also submitted
4 contemporaneously with this motion.

5 Respectfully submitted,

6 BOUTIN JONES INC.

7
8 Dated: December 2, 2010.

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

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15
CERTIFICATE OF SERVICE

16 I hereby certify that on the 2nd day of December, 2010, a copy of this Notice was served
17 on all interested parties through the Court's electronic filing system. In addition, a copy of this
18 Notice was served on the following other persons by First Class U.S. Mail:

19 Bazzle John Wilson
20 1291 Nunneley Road
21 Paradise, CA 95969

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

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 /s/ Maralee MacDonald
Maralee MacDonald

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CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of December, 2010, a copy of this motion 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 investors whose Claim is the subject of the foregoing Receiver’s Motion by U.S. Certified Mail, Return Receipt Requested:

Denise D Amico
2830 Sandalwood Street
Redding, CA 96001

Phyllis Ferrell Hall
875 Apache
New Braunfels, TX 78130

Kelly J Snowden
c/o Kimberly Snowden
4848 Lofty Oak Drive
Redding, CA 96002-3600

Jackson C Snowden
c/o Kimberly Snowden
4848 Lofty Oak Drive
Redding, CA 96002-3600

Colleen Winter (fka Cannon)
184 Estates Drive
Chico, CA 95928

Kenneth & Jane Melville
1112 Florentine Way
Boynton Beach, FL 33426

Richard & Linda Bowser, TTEEs
1960 E 32nd Street
Yuma, AZ 85365

Betty J Collier
PO Box 223
Anderson, CA 96007

Maggie C. Wu
454 W. Hacienda Avenue
Campbell, CA 95008

Christine Balascoe
3594 Skyline View Drive
Reno, NV 89509

Gary & Yvonne Luedtke
(Lakeside)
615 Marquette Avenue South
South Milwaukee, WI 53172

Tamara F Lange
796 Brandon Bury
Chico, CA 95926

Douglas E Charmley
1388 Huggins Avenue
Chico, CA 95926

Steve C Ormbrek
466 Greenleaf Court
Goleta, CA 93117

Thomas M Price
PO Box 355
Alturas, CA 96101

Rhonda G Price
PO Box 355
Alturas, CA 96101

/s/ Michael J. Quilling
Michael J. Quilling

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RECEIVER’S FOURTH MOTION FOR
ORDER TO ADJUST/DISALLOW “A”
CLAIMS

Date: January 24, 2011
Time: 9:00 a.m.
Department: 10

TO: THE PARTIES AND ALL COUNSEL OF RECORD:

COMES NOW, Michael J. Quilling, in his capacity as Receiver (“Receiver”), and files his Fourth Motion for Order to Adjust/Disallow “A” Claims. In support, the Receiver would respectfully show unto the Court as follows:

1. On October 29, 2007, the Court entered an Order [Doc. No. 73] establishing the claim procedures for this case. Among other things, the Court directed the Receiver to send claim forms to all persons or entities believed to be an investor with a potential claim against any of the corporate defendants. Pursuant to paragraph 8 of the Order, the Receiver requests that the Court adjust each of the following claims for the reasons set forth below:

1 responsible for the financial fraud perpetrated by SIS. Equity demands that her claims should
2 not be allowed. Accordingly, the Receiver requests that the Court disallow this claim.

3 6. Investor Jackson C. Snowden is the minor child of defendant Kimberly Snowden.
4 Mrs. Snowden filed claim SIA-00403 in the amount of \$20,000.00 and claim SIA-00404 in the
5 amount of \$5,000.00 for the benefit of Jackson C. Snowden. Both claims list the method of
6 investment as 'gift' and no funds were used to purchase interest in the policies. Accordingly, the
7 Receiver requests that the Court disallow these claims.

8 7. Investor Colleen Winter f.k.a. Cannon filed claim number SIA-00420 in the
9 amount of \$5,000.00 plus interest. No proof of investment was provided with the claim form.
10 Further review of SIS records showed no indication of funds being deposited to purchase any
11 policy interest. Mrs. Winter has not responded to numerous requests to provide proof of her
12 investment. Accordingly, the Receiver requests that the Court disallow the claim.

13 8. Investor Colleen Winter f.k.a. Cannon filed claim number SIA-00422 in the
14 amount of \$7,500.00 plus return. No proof of investment was provided with the claim form.
15 Further review of SIS records showed no indication of funds being deposited to purchase any
16 policy interest. Mrs. Winter has not responded to numerous requests to provide proof of her
17 investment. Accordingly, the Receiver requests that the Court disallow the claim.

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19 **Claims To Be Disallowed With Future Consideration**

20 9. The premiums for the SHU-A&H (1) & (2) policies along with the WIL-C&E
21 policy are currently being maintained by the accrued cash value of those policies. Each of these
22 policies is considered a multiple owner policy as many investors are considered partial owners
23 and they have not signed over their interest to the Receiver. Since the Receiver is not paying any
24 portion of the premiums there is currently no cause to compel these investors to transfer over
25 their ownership. Should a policy mature these investors would be paid in full directly by the
26 insurance companies. As set forth on Exhibit 1, there are 11 claims submitted against the
27 Receivership by investors who hold an interest in these policies. Accordingly, the Receiver
28

1 requests that the Court disallow these claims. When or if the cash value of the policies runs out
2 and the Receiver needs to make premium payments he would reconsider each claim at that time.

3 WHEREFORE, PREMISES CONSIDERED, the Receiver prays that, upon final
4 consideration of this motion, the Court enter an order adjusting/disallowing the 20 investor "A"
5 claims set out in Exhibit 1 and for such other and further relief, general or special, at law or in
6 equity, to which the Receiver may show himself justly entitled.

7 Submitted this 2nd day of December, 2010.

8
9 Respectfully submitted,

10 /s/ Michael J. Quilling

11 MICHAEL J. QUILLING (Tex. Bar No. 16432300)
12 BRENT J. RODINE (Tex. Bar No. 24048770)
13 QUILLING, SELANDER, CUMMISKEY
& LOWNDS, P.C.

14 Chris Gibson, SBN 073353
15 Maralee MacDonald, SBN 208699
16 BOUTIN JONES INC.
17 Attorneys for Receiver

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Ernest Jeremias
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Brooklyn, NY 11204

25
26 /s/ Maralee MacDonald

27 Maralee MacDonald
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c/o Kimberly Snowden
4848 Lofty Oak Drive
Redding, CA 96002-3600

Jackson C Snowden
c/o Kimberly Snowden
4848 Lofty Oak Drive
Redding, CA 96002-3600

Colleen Winter (fka Cannon)
184 Estates Drive
Chico, CA 95928

Kenneth & Jane Melville
1112 Florentine Way
Boynton Beach, FL 33426

Richard & Linda Bowser, TTEEs
1960 E 32nd Street
Yuma, AZ 85365

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PO Box 223
Anderson, CA 96007

Maggie C. Wu
454 W. Hacienda Avenue
Campbell, CA 95008

Christine Balascoe
3594 Skyline View Drive
Reno, NV 89509

Gary & Yvonne Luedtke
(Lakeside)
615 Marquette Avenue South
South Milwaukee, WI 53172

Tamara F Lange
796 Brandon Bury
Chico, CA 95926

Douglas E Charmley
1388 Huggins Avenue
Chico, CA 95926

Steve C Ormbrek
466 Greenleaf Court
Goleta, CA 93117

Thomas M Price
PO Box 355
Alturas, CA 96101

Rhonda G Price
PO Box 355
Alturas, CA 96101

/s/ Michael J. Quilling
Michael J. Quilling