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4	QUILLING, SELANDER, LOWNDS, WINSLETT & MOSER, P.C.			
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8	Attorneys for Michael J. Quilling			
9	Receiver of Defendants Secure Investment Services, Inc., American Financial Services, Inc., and Lyndon Group, Inc.			
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11	UNITED STATES DISTRICT COURT			
12	EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION			
13	EASTERIVED OF CALM ORDER, SACREMENT OF PROPERTY			
14	SECURITIES AND EXCHANGE COMMISSION,	Case No. 2:07-cv	v-01724 GEB CMK	
15	Plaintiff,	RECEIVER'S FIFTEENTH INTERIM APPLICATION TO ALLOW AND PA' ATTORNEY'S FEES AND EXPENSES OF LOCAL COUNSEL AND BRIEF IN SUPPORT		
16	v. SECURE INVESTMENT SERVICES, INC.,			
17	AMERICAN FINANCIAL SERVICES, INC., LYNDON GROUP, INC., DONALD F. NEUHAUS,			
18	and KIMBERLY A. SNOWDEN,	Hearing Date: Time:	December 16, 2013 9:00 a.m.	
19	Defendants.	Courtroom: 10		
20	TO THE HONORADIE CARLAND E DIDDE	רו ום והווייבר	STATES DISTRICT	
21	TO THE HONORABLE GARLAND E. BURRELL, JR., UNITED STATES DISTRICT JUDGE:			
22	Michael J. Quilling, Receiver, files this, his Fifteenth Interim Application to Allow and			
23	Pay Attorneys' Fees and Expenses of Local Counsel, and in support of such would respectfully			
24	show the Court as follows:			
25	BACKGROUND			
26	1. On or about August 22, 2007, the Securities and Exchange Commission filed its			
27	Complaint and request for appointment of a receiver. On October 31, 2007, the Court issued its			
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Order Appointing Receiver pursuant to which Michael J. Quilling was appointed to serve as Receiver in this case.

- 2. Pursuant to the terms of the Order Appointing Receiver, the Receiver was authorized to employ such attorneys as is necessary and proper in connection with the claims process. Subsequent to his appointment, the Receiver employed the law firm of Boutin Jones Inc. ("BOUTIN") as his local counsel.
- 3. This Application seeks approval and payment of the fees and reimbursement of expenses for BOUTIN for the time period from October 1, 2012 through October 31, 2013.
- 4. Pursuant to paragraph 17 of the Order Appointing Receiver and after obtaining the consent of the SEC, the Receiver has paid BOUTIN 90% of their fees and 100% of their expenses. The purpose of this Application is to request Court approval of all of the fees and expenses and to allow payment of the 10% fee holdback.
- 5. During the period covered by this Application, the Receiver has incurred fees and expenses with respect to BOUTIN as to these proceedings on a monthly basis as follows:

Month	Fees	Expenses
October, 2012	\$ 315.00	\$ -0-
November, 2012	280.00	-0-
December, 2012	35.00	-0-
January, 2013	-0-	-0-
February, 2013	112.50	-0-
March, 2013	375.00	-0-
April, 2013	712.50	-0-
May, 2013	375.00	-0-
June, 2013	-0-	-()-
July, 2013	750.00	125.00
August, 2013	1,275.00	-0-
September, 2013	487.50	~()~
October, 2013	525.00	-0-
TOTAL	\$ 5,242.50	\$ 125.00

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6. Exhibit "A," which is attached hereto and incorporated herein by reference for all purposes conveys the following information for the time period of October 1, 2012 through October 31, 2013: (a) the number of hours worked by each attorney and staff member on a particular day; (b) the manner and type of work performed by each attorney and staff member; (c) the customary billing rate for each person rendering service in this matter; and (d) the monetary value assigned to each task performed by a given attorney and/or staff member. Each of the invoices attached hereto as Exhibit "A" reflect aggregate expenses by category during a given month.

## JOHNSON FACTORS

- 7. In support of this request for allowance of compensation and reimbursement of expenses, the Receiver and BOUTIN respectfully direct this Court's attention to those factors generally considered by courts in awarding compensation to professionals for services performed in connection with the administration of a receivership estate. As stated by the Fifth Circuit Court of Appeals in Migis v. Pearle Vision, Inc., 135 F.3d 1041, 1047 (5th Cir. 1998), "The calculation of attorneys fees involves a well-established process. First, the court calculates a 'lodestar' fee by multiplying the reasonable number of hours expended on the case by the reasonable hourly rates for the participating lawyers. [citation omitted,] The court then considers whether the lodestar figure should be adjusted upward or downward depending on the circumstances of the case. In making a lodestar adjustment the court should look at twelve factors, known as the Johnson factors, after Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974)." The Ninth Circuit has expressly adopted the Johnson factors in Kerr v. Screen Extras Guild, Inc., 526 F.2d 67 (9th Cir. 1975); see also Ouesada v. Thomason, 850 F.2d 537, 539 (9th Cir. 1988). Those factors, as applied to the services rendered in this case by BOUTIN, are addressed below.
- (a) The Time and Labor Required. The Receiver and BOUTIN respectfully refer the Court's attention to Exhibit "A" which details the involvement of BOUTIN's attorneys in this case during the thirteen month period covered by this Application during which a total of 14.1 hours of attorney time has been expended.

- (b) The Novelty and Difficulty of the Questions. Many of the tasks reflected in Exhibit "A" involved factual and legal questions which were of substantial complexity.
- (c) The Skill Requisite to Perform the Service. The Receiver believes that the services performed in this case have required individuals with experience in the U.S. District Court, Eastern District of California. BOUTIN has considerable experience in this district.
- (d) The Preclusion of Other Employment Due to Acceptance of the Case. BOUTIN has not declined any representation solely because of their services as local counsel for the Receiver.
- (e) The Customary Fee. The Receiver believes that the hourly rates sought herein are commensurate with or lower than the rates charged by other practitioners of similar experience levels in the Eastern District of California. During the course of these proceedings, the following lawyers at BOUTIN have performed legal services on behalf of the Receiver with respect to these proceedings: Maralee Eriksen (\$350.00 during 2012; \$375.00 during 2013) licensed in California since 2000 (previously licensed in Wyoming).
- (f) Whether the Fee is Fixed or Contingent. BOUTIN's fees are fixed insofar as monies exist by way of Receivership Assets from which to pay such fees. Payment of such fees, however, is subject to Court approval.
- (g) <u>Time Limitations Imposed by the Client or Other Circumstances</u>. The time requirements during the period covered by this Application have not been extreme.
- (h) The Amount Involved and the Results Obtained. This case currently involves 32 active insurance policies having a death benefit of close to \$30 million. In excess of 800 investors invested more than \$31 million to purchase fractionalized interests in the insurance policies.

Since his appointment, the Receiver has closed all known bank accounts and has taken possession of all known books and records. He has obtained accurate, current information regarding each policy and has been able to pay premiums on the policies on a current basis. The Receiver has also arranged for a \$4.5 million line of credit to be utilized to pay premiums and other administrative expenses. A website is maintained by the Receiver so as to update the

investors. Claim forms have been approved and mailed to all known investors. To date, 811 claims have been received, with 718 claims totaling \$26,099,366.26 determined to be allowed by this Court. During this period, the Receiver has sought and obtained Court approval of an increase in the credit facility, the surrender of a policy that was an undue financial burden, the release of funds held by the Shasta County Sheriff Department, and the bid and sale procedures for the receivership estate.

- (i) The Experience, Reputation and Ability of the Attorneys. BOUTIN has several attorneys who work exclusively in the practice of civil trial law. The practice of those attorneys includes the representation of parties before this Court. The reputation of BOUTIN's attorneys is recognized and respected in this community.
- (j) <u>The Undesirability of the Case</u>. The representation of the Receiver incident to this case has not been undesirable.
- (k) The Nature and Length of the Professional Relationship with the Client.

  BOUTIN did not represent the Receiver in these proceedings prior to being retained in these proceedings.
- (I) <u>Awards in Similar Cases</u>. BOUTIN believes that the fees requested in this case are less than or equal to those which have been awarded in similar cases in this District.

WHEREFORE, the Receiver respectfully requests that the Court allow the requested compensation for professional services and expenses rendered by BOUTIN and authorize the Receiver to pay the 10% fee holdback of \$524.25, as per itemization in Exhibit "A" attached hereto and for such other and further relief, general or special, at law or in equity, to which the Receiver and BOUTIN may show themselves justly entitled.

## BOUTIN JONES INC.

Dated: November 15, 2013

By: /s/ Maralee Eriksen

Maralee Eriksen Attorneys for Receiver of Defendants Secure Investment Services, Inc., American Financial Services, Inc., and Lyndon Group, Inc.