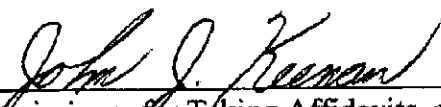


This is Exhibit "I" to the

Affidavit of James Torchia

Sworn to this 4th day of June, 2009


A Commissioner for Taking Affidavits, etc.

John J. Keenan

1 **BOUTIN DENTINO GIBSON**
2 **DI GIUSTO HOELL INC.**
3 Chris Gibson, SBN 073353
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5 555 Capitol Mall, Suite 1500
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8 Attorneys for Receiver
9 Michael J. Quilling

10 UNITED STATES DISTRICT COURT
11 EASTERN DISTRICT OF CALIFORNIA
12 SACRAMENTO DIVISION

13 SECURITIES AND EXCHANGE COMMISSION,

14 Plaintiff,

15 v.

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

20 Defendants.

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

STIPULATED MOTION FOR ORDER
AUTHORIZING RECEIVER TO
EMPLOY NATIONAL VIATICAL,
INC.; ORDER

21 The parties, at the request of Michael J. Quilling, the Receiver appointed in these
22 proceedings, ("Receiver"), respectfully submit this Stipulated Motion for Order Authorizing
23 Receiver to Employ National Viatical, Inc. and Order under L.R. 66-232(g).

24 **BACKGROUND FACTS**

25 1. By Order of August 24, 2007, the Court appointed Michael J. Quilling as
26 Temporary Receiver for Secure Investment Services, Inc. ("SIS"), American Financial Services,
27 Inc. ("AFS") and Lyndon Group, Inc. ("LGI"). In that capacity, the Court has authorized and
28 charged the Receiver to take complete and exclusive control, possession, and custody of all
receivership assets.

2. The Order Appointing Temporary Receiver authorizes the Receiver to employ
professionals and specialists as needed to preserve and maintain the Receivership Assets in this
case:

1 Given the emergency nature of these proceedings, the Receiver is
2 hereby authorized to employ such employees, accountants, and
3 attorneys as is necessary and proper for the collection,
4 preservation, maintenance and operation of the Receivership
5 Assets and Receivership Records and to open bank accounts or
6 other depository accounts in the name of the Receiver on behalf of
7 the receivership estate. As soon as possible after retaining such
8 professionals, the Receiver shall file written applications to
9 retroactively approve the employment pursuant to Local Rule 66-
10 232(g).

11 *Order Appointing Temporary Receiver* [Dkt. No. 27] at ¶ 11.

12 3. The receivership estate's largest single asset is the portfolio of life insurance
13 policies owned or otherwise managed by SIS, AFS and/or LGI. There are at least 42 separate
14 policies with a combined value of death benefits exceeding \$56 million. Maintaining this
15 portfolio and monitoring each insurance policy will require a significant amount of
16 administrative time and effort. In addition, it requires expertise in both the insurance and viatical
17 industries. Properly maintaining each policy in the portfolio is of paramount importance in order
18 to maximize returns to the creditors and investors.

19 4. Accordingly, the Receiver requests authority under L.R. 66-232(g) to employ
20 National Viatical, Inc. ("NVI") of Woodstock, Georgia, to administer the life insurance portfolio.
21 NVI has been in the life settlement and viatical industry since 1999. NVI has extensive
22 experience in monitoring and maintaining portfolios similar to the one in this case. Most
23 recently the Receiver employed NVI in two other receiverships involving large viatical
24 companies, each with portfolios of life insurance policies valued at over \$230 million. The
25 receiver anticipates that NVI will aid in handling all paperwork related to those policies,
26 analyzing the policies to determine their value, obtaining updated medical reports, tracking
27 maturities, monitoring premium payment schedules, and all other actions necessary to maintain
28 the portfolio. The Receiver believes that employing NVI is in the best interest of the
receivership estate because NVI has the experience and resources to efficiently and effectively
monitor and maintain the kind of portfolio at issue in this case.

5. NVI has agreed to maintain the portfolio for a cost of \$50.00 per month for each
policy plus expenses. The Receiver believes that NVI's proposed fees are reasonable and seeks

1 Court approval to pay that amount on a tentative basis pending the final hearing required under
2 L.R. 66-232.

3 **POINTS AND AUTHORITIES**

4 6. The Order Appointing Temporary Receiver authorizes the Receiver to employ
5 and pay professionals and experts for the preservation and maintenance of Receivership Assets.
6 It also gives the Receiver broad authority to do whatever is necessary to properly manage those
7 assets for the benefit of the investors. On that basis, the Receiver requests authority from this
8 Court to immediately retain NVI for the purpose of identifying the premium obligations and
9 preventing any of the insurance policies from lapsing.

10 7. Federal district courts have broad authority to allow a receiver to expend funds for
11 the benefit of the estate. *See SEC v. Elliott*, 953 F.2d 1560, 1576 (11th Cir. 1992) ("It is
12 appropriate and obvious that a receiver will make expenditures to maintain trust property"); *see*
13 *also SEC v. Phoenix Telecom, L.L.C.*, 231 F. Supp. 2d 1223, 1226-1227 (N.D. Ga. 2001)
14 (authorizing receiver to pay professional fees to financial consulting firm). As described above,
15 the employment of NVI would benefit the receivership estate by helping the Receiver efficiently
16 and effectively maintain the life insurance portfolio for the benefit of the investors and creditors.

17 8. The Receiver requests an order authorizing him to employ NVI and to
18 compensate it consistent with the terms described above.

19 **STIPULATION**

20 WHEREFORE, THE PARTIES STIPULATE to the entry of an order of this Court
21 authorizing the Receiver to employ NVI and to compensate it consistent with the terms described
22 above.

23
24 BOUTIN DENTINO GIBSON DI GIUSTO
25 HODELL INC.

26 Dated: August 29, 2007

27 By /s/ Maralee MacDonald
Maralee MacDonald
Attorneys for Receiver

1
2 SECURITIES EXCHANGE
3 COMMISSION

4 Dated: August 29, 2007

By /s/ John S. Yun (as authorized on August 29, 2007)
Thomas J. Erbe
John S. Yun
Attorneys for Plaintiff Securities
Exchange Commission

7
8 KENNY, SNOWDEN & NORINE

9 Dated: August 29, 2007

By /s/ Mark Norcross (as authorized on August 29, 2007)
Mark Norcross
Attorneys for Defendants
Donald Neuhaus and
Kimberly Snowden

13
14 **ORDER**

15 IT IS SO ORDERED.

16
17 Dated:

18
19 Honorable Ronald S. W. Lew
UNITED STATES DISTRICT COURT JUDGE