BOUTIN DENTINO GIBSON DI GIUSTO HODELL INC.
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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 LEW CMK **STIPULATED AND UNOPPOSED ORDER AUTHORIZING RECEIVER'S ENTRY INTO COMPROMISE AND SETTLEMENT AGREEMENT** Hearing: Nov. 2, 2007 Time: 10:00 a.m.

The Defendants, at the request of Michael J. Quilling, the Receiver appointed in these proceedings, ("Receiver"), respectfully submit this Stipulated Order Authorizing Receiver's Entry into Compromise and Settlement Agreement under L.R. 66-232, which will be unopposed by Plaintiff Securities and Exchange Commission.

BACKGROUND

1. By Order of August 24, 2007, the Court temporarily appointed Michael J. Quilling as Receiver for Secure Investment Services, Inc. ("SIS"), American Financial Services, Inc. ("AFS") and Lyndon Group, Inc. ("LGI") and other related entities. The parties have stipulated to the entry of an Order of this Court appointing Michael J. Quilling as Receiver for Secure Investment Services, Inc. ("SIS"), American Financial Services, Inc. ("AFS") and Lyndon Group, Inc. ("LGI") and other related entities for the duration of these proceedings.

2. The Receiver has negotiated the Compromise and Settlement Agreement between Michael J. Quilling, as Receiver for Secure Investment Services, Inc., et al., (the "Receiver") on the one hand and Donald and Linda Neuhaus (the "Neuhauses") and Kimberly Snowden ("Snowden") (collectively "Individual Defendants") on the other hand (the "Compromise and Settlement Agreement"). A copy of the Compromise and Settlement Agreement is attached as Exhibit A.

3. Among other things, the Compromise and Settlement Agreement requires the Individual Defendants to turn over possession of certain assets to the Receiver, so that the Receiver may sell those assets with the rights and claims of all parties to attach to the proceeds of the sale of the assets in the same order and with the same priority as those rights and claims attach to the assets before they were turned over to the Receiver. It is anticipated that these rights and claims to the property will be resolved later in this proceeding. By transferring these assets to the Receiver by the Agreed Order, the Individual Defendants do not waive any claim that they may have to the property and they do not waive the right to claim that any of the assets covered by the Compromise and Settlement Agreement constitute homestead property, exempt property, that tenancy in the entirety exists or that any other property rights apply.

4. The Receiver seeks an Order of this Court authorizing him to enter into the Compromise and Settlement Agreement and authorizing him to take any reasonable steps to carry out the terms of the Compromise and Settlement Agreement.

5. The Securities and Exchange Commission has informed Receiver's counsel that the Commission will not oppose this stipulated application.

STIPULATION

6. The Defendants hereby stipulate to an order of this Court authorizing Receiver to enter into the Compromise and Settlement Agreement attached as Exhibit A to this Stipulation, and an order of this Court authorizing Receiver to take any reasonable steps to carry out the terms of the Compromise and Settlement Agreement.

Respectfully submitted,

BOUTIN DENTINO GIBSON DI GIUSTO HODELL INC.

Dated: October 25, 2007

By /s/ *Maralee MacDonald*
Maralee MacDonald
Attorneys for Receiver of Secure Investment Services, Inc., American Financial Services, Inc., and Lyndon Group, Inc.

MOSS & LOCKE

Dated: October 24, 2007

By /s/ *Bruce Locke* (authorized 10/24/2007)
Bruce Locke
Attorneys for Defendants Donald Neuhaus

KENNY, SNOWDEN & NORINE

Dated: October 23, 2007

By /s/ *Mark Norcross* (authorized 10/23/2007)
Mark Norcross
Attorney for Defendant Kimberly Snowden

ORDER

IT IS SO ORDERED.

SIGNED this _____ day of _____, 2007.

_____
Honorable Ronald S.W. Lew
United States District Judge

EXHIBIT A

COMPROMISE AND SETTLEMENT AGREEMENT

This Compromise and Settlement Agreement is entered into and is binding upon Michael J. Quilling, as Receiver for Secure Investment Services, Inc., et al., (the "Receiver") on the one hand and Donald and Linda Neuhaus (the "Neuhauses") and Kimberly Snowden ("Snowden") (collectively "Individual Defendants") on the other hand. This Agreement shall become effective when approved by the Court presiding over the Receivership Proceedings.

RECITALS

WHEREAS, by order dated August 24, 2007 ("Receivership Order"), the Receiver was appointed in *Securities and Exchange Commission v. Secure Investment Services, Inc., et al.*, Cause No. 2:07-cv-01724 LEW CMK (E.D. Cal.) (the "Receivership Proceedings") for Secure Investment Services, Inc. ("SIS"), American Financial Services, Inc. ("AFS"), and Lyndon Group, Inc. ("LGI") (collectively "Corporate Defendants");

WHEREAS, the Receiver alleges that certain assets owned by or in possession of the Individual Defendants and entities under their ownership and control are receivership estate assets and subject to the Receivership Order;

WHEREAS, the Individual Defendants assert various and separate claims to some of those assets and assert that such claims are superior to the interests of the Receiver or the receivership estate;

WHEREAS, by entering into this agreement, the Individual Defendants are not admitting any civil or criminal liability and this agreement cannot be utilized as an admission of liability of any kind in the United States District Court, Eastern District of California civil case entitled *Securities and Exchange Commission v. Secure Investment Services, Inc. et al.*, Case No. 07-CV-01724 LEW CMK; or the United States District Court, Eastern District of California criminal case entitled *United States v. Donald Fred Neuhaus, et al.*, Case No. Cr. S-07-366 GEB (the "Criminal Case").

WHEREAS, in an effort to resolve any and all disputes among them and to avoid further uncertainties, costs, and expenses of litigation and appeal, the Receiver has reached the following agreement with the Individual Defendants.

AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Receiver and the Individual Defendants agree as follows:

1. Vehicles to be Surrendered to the Receiver. Immediately upon Court approval of this Agreement, the following vehicle shall be deemed to be a receivership estate asset and the Neuhauses agree to surrender it to the Receiver:

2004 Ford T-bird, VIN # 1FAHP60A648109974.

2. House to be Surrendered to the Receiver. Immediately upon Court approval of this Agreement, the house located at 7783 Churn Creek Road, Redding, California 96002 ("the "House") shall be deemed to be a receivership estate asset and the Neuhauses agree to surrender possession of it to the Receiver. While the parties are awaiting Court approval of this agreement and during the sales period, the Receiver shall be responsible for all mortgage payments and other items of maintenance with respect to the House.

The Magistrate Judge in the Criminal Case previously has entered an order requiring Donald Neuhaus to post a secured bond (the "Order"). It is anticipated that the United States Attorney will make a motion to amend the Order so that a secured bond is not required so long as the Receiver holds any proceeds from the sale of the House, subject to further order of the Court in the Receivership Proceedings. The Individual Defendants agree that they will not oppose such a motion. If the Receiver sells the House prior to the amendment of the Order contemplated above, then the Receiver will deposit the first $400,000 of proceeds from the sale of the House with the Clerk of the United States District Court for the Eastern District of California to secure Mr. Neuhaus' bond in the Criminal Case, while awaiting subsequent orders by the Court.

3. Insurance Policies to be Transferred to the Receiver. The Neuhauses agree to immediately execute all appropriate documentation required by the insurance companies to transfer ownership of the following insurance policies from their individual name to the

Receiver:

Insured	Ins. Company	Policy Number	Owner
Mat-P.	State Life	5110056540	Linda Neuhaus
Arm-A.	Empire General	00071834	Donald Neuhaus
Bon-H&P	West Coast Life Ins Co	ZUA374355	Donald Neuhaus
Joh-H.	MetLife	998951314UM	Donald Neuhaus
Qui-W.	United of Omaha	BU1060089	Donald Neuhaus
Quil-W.	United of Omaha	BU1063056	Donald Neuhaus
Sch-T.	Banner Life	17B154899	Donald Neuhaus
Sil-I.	MetLife	957100763E2	Donald Neuhaus
Sle-K.	John Hancock Mutual Life	UL00256941	Donald Neuhaus
Sle-K.	New York Life	62782845	Donald Neuhaus
Sle-K.	New York Life	62782843	Donald Neuhaus
Vin-M.	Conseco	1090251085	Donald Neuhaus
Fru-K.	Allstate	763605186	Donald Neuhaus
Sle-K.	John Hancock Mutual Life	UL00257151	Donald Neuhaus

The Receiver has already been paying and will continue to pay all premiums related to the foregoing policies. To the extent the Receiver identifies additional policies in the name of Donald or Linda Neuhaus in the future, each of them agrees to promptly execute any documentation required to transfer ownership to the Receiver.

4. **Failure to Perform Shall Be Civil Contempt.** Should the Individual Defendants or any one of them fail to surrender possession of the assets or perform the obligations stated as required herein, they agree that such act shall constitute contempt in violation of the Receivership Order and fully understand and agree that the Receiver shall be free to seek civil contempt sanctions against them.

5. **Waivers**. By transferring assets to the Receiver under this Compromise and Settlement Agreement, the Individual Defendants do not waive any claim that they may have to the property and they do not waive the right to claim that any of the assets covered by this agreement constitute homestead property, exempt property, that tenancy in the entirety exists or that any other property rights apply.

6. **Agreed Order Appointing Receiver**. The Individual Defendants agree to the entry of an Agreed Order Appointing Receiver for the Corporate Defendants.

7. **Court Approval.** This Agreement is expressly conditioned upon approval by the Court presiding over the Receivership Proceedings.

8. Entire Agreement. This Agreement sets forth the entire agreement between the Individual Defendants and the Receiver and there are no unwritten representations, agreements, understandings, or promises not expressly set forth herein.

9. Advice of Counsel. In negotiating this Agreement, the Individual Defendants have had the opportunity to consult with counsel of their choosing, have been fully advised by counsel as to the effect of each and every provision of this Agreement and the consequences thereof, and have a full understanding of possible courses of action other than signing this Agreement. After such advice, the Individual Defendants freely and voluntarily enter into this Agreement.

10. Full Authority to Contract. The Individual Defendants expressly represent that, to the extent their successors, trusts, heirs, or other beneficiaries have any interest in the matters that are the subject of this Agreement, they are fully authorized to contract on their behalf and have complete authority to execute this Agreement with respect to those assets. This Agreement shall be binding upon the Individual Defendants, their successors, trusts, heirs, other beneficiaries and all those who could make a claim by or through them.

[Signature Page to Follow]

_____ _____
Donald Neuhaus Date

_____ _____
Linda Neuhaus Date

_____ _____
Kimberly Snowden Date

_____ _____
Michael J. Quilling, Receiver for Date
Secure Investment Services, Inc., et al.