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8 UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF CALIFORNIA
10 SACRAMENTO DIVISION

11 SECURITIES AND EXCHANGE COMMISSION,
12 Plaintiff,

13 vs.

14 SECURE INVESTMENT SERVICES, INC.,
15 AMERICAN FINANCIAL SERVICES, INC.,
16 LYNDON GROUP, INC., and KIMBERLY A.
SNOWDEN,

17 Defendants.
18

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

STIPULATION AND [PROPOSED] ORDER
REGARDING DEFENDANT SNOWDEN'S
DISGORGEMENT

19 **BACKGROUND**

20 Plaintiff Securities and Exchange Commission ("the Commission") states as follows:

21 1. The Commission's complaint alleged that the Defendants operated a securities fraud
22 scheme that raised over \$25 million from hundreds of investors. (Compl. Par. 1-3.) The complaint
23 also asked the Court to appoint a receiver to protect investor assets and order the Defendants to
24 disgorge their ill-gotten gains. *Id.* Par. 4.

25 2. The Court appointed Michael J. Quilling as the Receiver over the three corporate
26 defendants (Secure Investment Services, Inc., American Financial Services, Inc., and Lyndon Group,
27

1 Inc.) Since his appointment, the Reciever has been managing the assets of the receivership estate for
2 the benefit of investors.

3 3. On November 6, 2009, the Court issued a final judgment as to Defendant Kimberly A.
4 Snowden ("Snowden"). The final judgment, attached as Exhibit A, ordered that Snowden is liable
5 for disgorgement in the amount of \$574,518.45, together with prejudgment interest thereon in the
6 amount of \$53,103.32, for a total of \$627,621.77 ("the Disgorgement Amount"). (Exh. A p.1). The
7 final judgment provided that payment of the Disgorgement amount "shall be made to the Clerk of this
8 Court." (Exh. A p. 2.)

9 4. As evidenced by attached Exhibit B, the Commission filed a claim in Snowden's
10 bankruptcy proceeding seeking to collect on the judgment. In partial satisfaction of this claim, the
11 Commision recently received a check from the bankruptcy trustee payable to the Commission in the
12 amount of \$12,366.32. A redacted copy of the check is attached as Exhibit C.

13 **STIPULATION**

14 The undersigned parties agree and stipulate as follows:

15 5. Notwithstanding the final judgment's direction that the Disgorgement Amount be paid
16 to the Clerk of Court, the \$12,366.32 paid to the Commission by the bankruptcy trustee should be
17 paid over to the Receiver for him to use for the benefit of investors.

18 6. The amount of \$12,366.32 should be credited against Snowden's liability under the
19 final judgment to reduce the amount of the disgorgement still owed by \$12,366.32.

20 7. No Defendant admits to any civil or criminal liability by way of this stipulation.

21
22 Respectfully submitted,

23
24 SECURITIES AND EXCHANGE
25 COMMISSION

26 Dated: August 22, 2011

27 /s/ Thomas J. Eme
28 Thomas J. Eme
John S. Yun
Attorneys for Plaintiff Securities and
Exchange Commission

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Dated: August 22, 2011

/s/ Jonz Norine (as authorized on Aug. 18, 2011)
Jonz Norine
Attorney for Defendant Kimberly A. Snowden

Dated: August 22, 2011

/s/ Michael J. Quilling (as authorized on Aug. 12, 2011)
Michael J. Quilling
Receiver for Defendants Secure Investment Services,
Inc., American Financial Services, Inc., and Lyndon
Group, Inc.

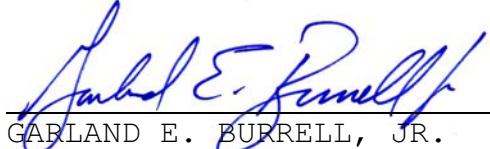
ORDER

IT IS HEREBY ORDERED that:

1. The Commission is authorized to pay the funds represented by the check in Exhibit C over to the Receiver by negotiating the check to him or otherwise; and

2. The amount of the check, \$12,366.32, shall be credited against Snowden's liability under the final judgment against her to reduce the amount of disgorgement still owed by \$12,366.32.

SIGNED this 22nd day of August, 2011.



GARLAND E. BURRELL, JR.
United States District Judge