

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division**

**UNITED STATES SECURITIES AND )  
EXCHANGE COMMISSION, )**

**Plaintiff, )**

**v. )**

**CASE NO. 1:06cv01354-GBL**

**INTERNATIONAL FIDUCIARY CORP., S.A., )  
DANIEL ERIC BYER, )  
MALCOLM CAMERON BOYD STEVENSON, )  
PRESTON DAVID PINKETT, II, )**

**Defendants, )**

**TERRY MARTIN, CD2E, INC., )  
WINCHELL CORPORATION, )  
M&M TECHNOLOGIES, )  
ROBERT LOWREY, )  
SZE COAST OPERATING CORP., )**

**Relief Defendants. )**

**SUMMARY PROCEDURES FOR CLAIMS ADMINISTRATION AND  
PLAN OF DISTRIBUTION**

Roy M. Terry, Jr. (“Receiver”) respectfully proposes summary procedures for claims administration and plan of distribution for Receivership Property (hereinafter referred to as the “Plan of Distribution”) as follows:

Article 1 – Definitions

Section 1.01: Definitions are incorporated by reference from Appendix A attached hereto.

## Article 2 – Notice

Section 2.01: Notice to Investors. The Receiver shall cause a Claim Packet to be mailed to those Claimants whose mailing address is known to the Receiver by United States First Class Mail, the official mail service of other relevant countries, overnight delivery, courier service, or any other means determined by the Receiver to be an effective means of service. Where the Receiver is aware of the last known e-mail address for a potential Claimant, the Receiver may also publish the Claim Packet by e-mail, including where the Receiver has no mailing address for the potential Claimant. The Receiver shall also post a copy of the Claim Packet on the Receiver’s Web-site, and use its best efforts to cause a notice to be placed on the web-sites of the SEC and British Columbia Securities Commission.

Section 2.02: Further Notice by Publication. The Receiver may, in its sole discretion, publish the Notice to File Claims once in select editions of local newspapers in the Canadian Province of British Columbia, the State of Washington, the State of Florida, and such other local newspapers, whether in the United States or foreign countries, where a significant number of potential Claimants are believed to reside.

Section 2.03: Notice upon Inquiry. The Receiver shall promptly provide a Claim Packet to any Claimant that requests a Claim Packet in writing.

## Article 3 – Claim Determination

Section 3.01: Eligibility to File Claim. A Proof of Claim may be filed in this proceeding by anyone who is either: (i) an Investor of Record in a trading program involving International Fiduciary Corp., (ii) a Sub-Investor, (iii) an Actual Beneficial Owner of any funds invested by an Investor of Record or Sub-Investor, (iv) any investor in any other program whose funds were used to pay any such Investor of Record or Sub-Investor. For further specific information, see the incorporated definitions for: “Actual Beneficial Owner,” “Claimant,” “Investor of Record,” “Person,” and “Sub-Investor.” The Receiver may at any time file a Proof of Claim on behalf of any Person who is entitled to file such Proof of Claim, but who has failed to do so on or before the deadline established by the Court. Investors that have given a signed release to an individual or entity other than the Receiver may still file a Proof of Claim with the Receiver.

Section 3.02: Filing Requirement. Except as otherwise ordered by the Court, on or before the Claims Bar Date, each Claimant must file, through governmental mail to be received at the Receiver’s post office box, or by overnight delivery to the Receiver’s offices, a properly completed Proof of Claim Form reflecting the Claim and all supporting documentation. All Proof of Claim Forms must be filed with the Receiver, and should not be filed with the Court. Unless waived by the Receiver in writing, in the Receiver’s sole discretion and for good cause shown, any Claimant that does not file a properly completed and documented Proof of Claim on the prescribed Proof of Claim Form before the Claims Bar Date shall be forever barred from asserting a claim against the Receivership Property. Any purported filing of a Proof of Claim that is not properly documented, does not conform to the provisions of the Order Establishing Summary Procedures for Claims Administration and Plan of Distribution, as such order may be supplemented, amended or modified by this Court, or reasonably comply with the instructions in the Proof of Claim Form, may be rejected by the Receiver and shall be treated as if no Proof of

Claim had been timely filed by the Claimant. The burden shall be upon the Claimant to ensure that its Proof of Claim has been properly received by the Receiver and that all requested information has been provided.

Section 3.03: Claim Determinations Generally. The Receiver shall review each Proof of Claim to determine the apparent validity and amount of such Claim, classify such Claim, and make any additional recommendations to the Court on issues relevant to the Claim. Each Claimant shall have the burden of proof to establish: (i) the validity, amount and classification of its Claim, including such Claimant's Actual Beneficial Ownership of the funds invested, or (ii), in the alternative, the identity of the Person or Persons who are the Actual Beneficial Owners of the funds invested. Subject to the further provisions of Section 3.05 regarding the classification of Claims, the Receiver may limit the distribution of Receivership Property to the Net Shortfall Amount due Actual Beneficial Owners. The Receiver shall have the right to request, and the Claimant shall be obligated to provide to the Receiver, any additional information and/or documentation deemed relevant by the Receiver, including information sufficient to establish that the Claimant is the Actual Beneficial Owner of funds, and did not raise or pool any such funds from Sub-Investors, regardless of how characterized. The Receiver shall also have the right to request, and the Claimant shall be obligated to provide to the Receiver, information sufficient to identify all Sub-Investors or other Actual Beneficial Owners and the investment activity of all such Sub-Investors or other Actual Beneficial Owners. The Receiver shall, in its sole discretion, determine what information, if any, to require before allowing or disallowing a Claim, and determine how a Claim should be classified. The Receiver may divide a Claim and classify it into more than one class, and more than one subclass within a class. The Receiver may divide a Claim, and treat a part of the Claim as an Allowed Claim, and treat the balance as either a Disallowed Claim or reserve a determination with respect to the balance of the Claim. In determining the amount of an Allowed Claim, the Receiver shall have the right to set-off against a Claim any claims which the Receiver or the SEC has, directly or indirectly, against the Claimant, as well as any Principal Returns, Profits Payments or Commission Payments received, from any source, directly or indirectly, by the Claimant. Failure to provide complete and truthful information may subject the Claimant to disqualification.

Section 3.04: Claims by Investor Receivers. Upon learning of the existence of an Investor Receiver, the Receiver may receive Claims submitted by the Investor Receiver, and may recommend that distributions be made to the Investor Receiver on behalf of the Claimant(s) represented by the Investor Receiver through his or her appointment. Investor Receivers must provide adequate proof of their authority to act as the receiver on behalf of the Claimant(s) for whom any such Claim is made, and must submit their own plan of distribution for the equitable distribution of property to the Actual Beneficial Owners of the funds for which any such Claim is made. Notwithstanding the foregoing, the Receiver may determine to disallow any such claim filed on behalf of anyone other than an Actual Beneficial Owner. In the event the Receiver recommends that distributions be made to an Investor Receiver, the Receiver may disallow the Claims filed by all Claimants on behalf of whom the Investor Receiver has acted.

Section 3.05: Further Determination with Respect to Claims for Principal. The Receiver shall compute for each such Claim the Gross Amount Invested, the Principal Returns, the Profit Payments, the Commission Payments and the Net Shortfall Amount. Such calculations shall be

made as provided in the Proof of Claim. The Receiver shall then classify the Claim into one of four categories and further calculate an Allowed Claim as follows:

- A. Defendants – the Allowed Claim for a Defendant is the Gross Amount Invested first reduced to zero, and then minus the sum of all Principal Returns, Profit Payments and Commission Payments.
- B. Substantial Marketers – the Allowed Claim for a Substantial Marketer is the Gross Amount Invested first reduced by ninety percent, and then minus the sum of all Principal Returns, Profit Payments and Commission Payments.
- C. Insubstantial Marketers – the Allowed Claim for an Insubstantial Marketer is the Gross Amount Invested first reduced by fifty percent, and then minus the sum of all Principal Returns, Profit Payments and Commission Payments.
- D. Non-Marketers – the Allowed Claim for a Non-Marketer is the Net Shortfall Amount; thus, Non-Marketers are authorized to potentially receive their entire Net Shortfall Amount as part of the Plan of Distribution, to the extent that sufficient Receivership Property exists.

Set-offs as provided for in Section 3.03 shall be applied after the calculations are made pursuant to this section to determine an Allowed Claim. Notwithstanding the foregoing, the Receiver may alter its classification or the reduction percentage applicable for either a Substantial or Insubstantial Marketer who substantially cooperates with the Receiver, particularly with regard to providing the Receiver with names, contact and investment information for Sub-Investors or Actual Beneficial Owners, or information directly leading to the recovery of substantial assets for the benefit of the Receivership and the investors.

Section 3.06: Cooperation with Law Enforcement Authorities. Claimants are required to cooperate with law enforcement authorities in the United States, Canada, or elsewhere with respect to the investments that give rise to the making of a Claim. Failure by any Claimant to cooperate with law enforcement authorities, as determined by the Receiver in its sole discretion, may result in disqualification of such Claimant.

Section 3.07: Notice of Claim Determination (and Hearing). The Receiver shall, as soon as practicable after the Claims Bar Date, prepare a schedule showing the Receiver's Claim Determination. The Receiver shall cause to be mailed, by reasonable means consistent with Section 2.01, to those Claimants known to the Receiver: (i) the Receiver's Claim Determination, and (ii) an Objection to Receiver's Claim Determination form. The Receiver shall provide notice to those Claimants known to the Receiver of a hearing date upon which the Court will rule on the Receiver's Claim Determination, any objections, and settlement and compromise agreements, either with the above-referenced mailing or by separate mailing. This information shall also be posted on the Receiver's Web-site. The Receiver shall further post on its Web-site a list of Claims which have been determined, including on such list for each Claim: (i) the Claim Number assigned, (ii) the Receiver's determination whether to Allow or Disallow the Claim, in whole or in part, (iii) the amount of any Allowed Claim, and (iv) the class(es) assigned by the Receiver.

Section 3.08: Objection by Claimants. Any Claimant that is dissatisfied with the Receiver's Claim Determination must file an Objection not later than thirty (30) days after the date the Receiver's Claim Determination was mailed to the Claimant. All Objections must be filed with the Receiver, and should not be filed with the Court. Such Objections shall clearly state the nature and basis of the objection, and provide all supporting statements and documentation that the Claimant wishes the Court to consider. A failure to properly and timely object to the Receiver's Claim Determination shall permanently waive the Claimant's right to object to or contest the Receiver's Claim Determination. By filing such an Objection, any such Person shall be deemed to have submitted himself or herself to the jurisdiction of this Court, and shall be subject to discovery as permitted by the Federal Rules of Civil Procedure. A Person filing an Objection to the Receiver's Claim Determination shall be entitled to notice, but only with respect to the adjudication of the particular Objection and the Claim to which the Objection is directed.

Section 3.09: Claims Resolution. The Receiver may attempt to settle and compromise any Claim or Objection, subject to the Court's final approval.

Section 3.10: Filing with Court. At such times as the Receiver believes to be appropriate, the Receiver shall file with the Court: (i) the Receiver's Claim Determination, (ii) all Objections, with supporting statements and documentation, as submitted by the Claimants, which the Receiver has not resolved and wishes the Court to rule upon, and (iii) any settlements and compromises that the Receiver wishes the Court to rule upon. If the Receiver has not already obtained a hearing date and provided notice of such hearing to the relevant Claimants, the Receiver shall obtain a hearing date from the Court and provide notice of such hearing to the Claimants filing Objections.

Section 3.11: Opportunity to be Heard. The Court shall hold one or more hearings on what the Receiver files with the Court pursuant to Section 3.10, and at the conclusion of such hearing(s) the Court shall make a final determination for each Claim and Objection as to the amount approved for payment and classification(s). An Objector shall have the burden of proof in such hearing(s). Claims approved by the Court shall thereafter be deemed Approved Claims.

Section 3.12: Final Determination. Not later than thirty (30) days after a final determination by the Court, the Receiver shall file with the Court a definitive list of Approved Claims. At that time, the Receiver shall also make a recommendation to the Court as to the manner and timing of distribution of funds to the Claimants.

#### Article 4 – Payment of Claims

Section 4.01: Priority of Distributions. The Receiver is hereby expressly authorized to pay Approved Claims from Receivership Property in the following order of priority:

- Class 1: Claims for Professional fees.
- Class 2: Claims for Administrative Expenses.
- Class 3: Claims of IFC Investors for principal.
- Class 4: Claims of IFC Investors for interest.

Section 4.02: Treatment of Claims. The Receiver shall make distributions of Receivership Property in the following manner:

A. Treatment of claims in Class 1. The Receiver shall pay Class 1 claims pro rata in accordance with the Order Establishing Administrative Procedures and Approving Engagement of Accountants, as such order may be supplemented, amended or modified by this Court, and such payments shall continue until the claims are paid in full.

B. Treatment of claims in Class 2. The Receiver shall pay Class 2 Approved Claims pro rata, subject to the terms of this Plan of Distribution, subsequent to the payment of claims in Class 1, and such payments shall continue until the claims are paid in full.

C. Treatment of claims in Class 3. The Receiver shall pay Class 3 Approved Claims pro rata, subject to the terms of this Plan of Distribution, subsequent to the payment of claims in Class 1 and Class 2, and such payments shall continue until the claims are paid in full.

D. Treatment of claims in Class 4. To the extent that Receivership Property is sufficient, interest shall be paid on Class 3 Approved Claims at the United States federal legal rate. The Receiver shall calculate Allowed Claims for Class 4 in a manner similar to Class 3, and shall pay Class 4 Approved Claims pro rata, subject to the terms of this Plan of Distribution, subsequent to the payment of claims in Class 1, Class 2, and Class 3. Such payments shall continue until the claims are paid in full.

Section 4.03: Multi-Class Claims. The Receiver may classify a Claim into more than one class, or more than one subclass within a class. The Receiver may divide a Claim, and treat a part of the Claim as an Allowed Claim, and treat the balance as either a Disallowed Claim or reserve a determination with respect to the balance of the Claim.

Section 4.04: Manner in Which Payment of Claims Shall Be Made. The Receiver may make periodic distributions of Receivership Property to pay Approved Claims in such amounts and at such intervals as the Receiver, in its sole and absolute discretion, determines to be prudent. No distribution shall be made except after ten (10) days notice to the SEC, with opportunity for the SEC to object to the Court regarding such distribution.

Section 4.05: Distributions to be Made from Receivership Property. In making distributions of Receivership Property to any of the four classes of Claimants set forth in Section 4.01, above, the Receiver may utilize any Receivership Property. Additionally, the Receiver may utilize any other assets transferred to the Receiver by agreement of the Person then in possession, custody or control of assets so transferred. In the event funds are transferred by agreement, such funds shall be deemed Receivership Property. Likewise, whenever assets are transferred to the Receiver pursuant to an order of any court of any jurisdiction, foreign or domestic, such assets shall be deemed Receivership Property. Whenever the Receiver is in doubt as to whether property may be Receivership Property, he may apply to the Court for determination of same. The Receiver may allocate any assets received into the Receivership Property to more than one Defendant or Relief Defendant for this purpose, if appropriate.

Section 4.06: Payment of Distributions. The Receiver is hereby expressly authorized to pay Approved Claims from Receivership Property (in the form of a check made payable to the Claimant and sent, by reasonable means consistent with Section 2.01, to the Claimant using the information listed on the Claim) as set forth in this Plan of Distribution.

Section 4.07: Rounding. Notwithstanding any other provision to the contrary, no payments of fractions of dollars will be made. Whenever any payment of a fraction of a dollar would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down).

Section 4.08: Reserve Permitted But Not Required. The Receiver will make reasonable efforts to notify any and all potential Claimants pursuant to this Plan of Distribution. The Court expressly authorizes the Receiver to pay Claims according to the terms of this Article without regard for the possibility that Claims may, with good cause, be presented late. The Court will consider any such Claims on a case-by-case basis, but will not expect the Receiver to have accrued Receivership Property to guard against this possibility. Notwithstanding the foregoing, the Receiver and the Court are aware that some investors were pooling funds for Sub-Investors and Actual Beneficial Owners who are presently unknown to the Receiver and the Court. To the extent Claims are not filed by or on behalf of suspected Sub-Investors and Actual Beneficial Owners, the Receiver may reserve funds for such investors, and may undertake reasonable efforts to ascertain identities of such Sub-Investors and Actual Beneficial Owners. To the extent that the Receiver does reserve funds, the Receiver shall so notify the Court and the SEC, and shall periodically report to the Court and the SEC as to its progress in identifying Sub-Investors and Actual Beneficial Owners, and as to the Receiver's plan for ultimate disposition of the reserved funds. In the event that the Receiver identifies any Sub-Investors or Actual Beneficial Owners, the procedures herein regarding the claims process shall apply as to those Sub-Investors or Actual Beneficial Owners.

Section 4.09: Payment Effects Release. If a Claim is paid by the Receiver pursuant to this Article, then any and all claims, demands, rights, and causes of action of any nature whatsoever, whether arising at law or in equity, known or unknown, asserted or unasserted, for all damages (whether actual or punitive, known or unknown, latent or patent, foreseen or unforeseen, direct or indirect or consequential, matured or unmatured, and accrued or not accrued), and debts, and liabilities of whatever nature that are or could be asserted by the Claimant or any other person against the Receiver or its agents, the SEC or any Defendant or Relief Defendant, or any Receivership Property are hereby discharged, released, extinguished, and satisfied. By effecting notice of Claim Determinations according to the terms of this Plan, the Receiver shall be deemed to have provided reasonable and sufficient notice to all Persons, and neither the Receiver nor any Person accepting Receivership Property from the Receiver shall have any liability to any Person other than the Receiver to return any assets used for payment or satisfaction of an Approved Claim, nor to compensate any Person in any respect for having paid or otherwise satisfied an Approved Claim, nor for any other action taken in good faith under or relating to this Plan or arising out of the processing of any Claim, including, but not limited to, any act or omission in connection with or arising out of the administration of Claims or this Plan or the Receivership Property to be distributed hereby. In the event of any claim being made against the Receiver for such matters, whether or not willful misconduct is alleged, the Receiver shall be entitled to a defense by counsel of its choice, payable as any other Professional expenses herein, and the

provisions of the Order Appointing the Receiver, as such order may be supplemented, amended or modified by this Court, and the Order Establishing Administrative Procedures and Approving Engagement of Accountants, as such order may be supplemented, amended or modified by this Court, shall otherwise apply.

Section 4.10: Unclaimed Distributions. Except as otherwise provided herein, any Person who fails to claim any distribution within one (1) year from any payment date shall forfeit all rights thereto; subject, however, to any request or recommendation made by the Receiver for additional time to locate any Person who may be unaware of a distribution award because such Person has not received notice about this claims process.

Section 4.11: Disposition of Remaining Receivership Property. Should the Receiver ultimately determine that there exists a surplus of Receivership Property, including any reserved funds, in excess of all Claims which can be reasonably identified and Allowed, the Receiver shall so notify the Court and the SEC, and the SEC and the Receiver shall seek the Court's approval for final disposition of the remaining Receivership Property.

#### Article 5 – Retention of Jurisdiction

Section 5.01: Exclusive Jurisdiction. This Court has had, since January 19, 2007, and shall continue to retain, exclusive jurisdiction over the Receiver, the Receivership and all Receivership Property. Accordingly, in determining whether a Claim or any portion thereof is an Allowed Claim, the Receiver may, but shall not be required to, consider (nor shall the Receiver be subject to) any judicial determination by any court, tribunal, agency or authority whatsoever (other than this Court) rendered as to any Receivership Property from and after January 19, 2007, unless this Court directs otherwise. No action taken by or against the Receiver with regard to any pending matter in any other court shall be deemed to have terminated, limited, reduced, waived, or relinquished this Court's exclusive jurisdiction.

Section 5.02: Continuing Jurisdiction. This Plan of Distribution and the Order approving this Plan of Distribution are not, and are not intended to be, and therefore shall not be deemed to be either a final adjudication of this matter or a termination, limitation, reduction waiver or relinquishment of this Court's exclusive jurisdiction with regard to all Receivership Property and all matters in controversy in this case. This Court shall continue to have and retain exclusive jurisdiction over all matters existing or arising in this Receivership or related in any way thereto, including, but not limited to, all matters relating to approving or denying Claims, making Distributions on Approved Claims, and locating, recovering, settling claims to, and liquidating Receivership Property. Furthermore, this Court, upon the request of the Receiver or the SEC, or upon its own Motion, may make further modifications to this Plan of Distribution, the Order Approving this Plan, the Notice to File Claims, the Proof of Claim Form and other related documents, including, but not limited to, modifications which may affect the Receiver's determination with respect to, or payment of, any particular claim, or the amount of any particular distribution.

## Article 6 – Parallel and Related Proceedings

Section 6.01: Claims of Other Creditors and Actions to Resolve Other Claims or Other Disputes Involving Receivership Property. To the extent that claims of third-parties have been raised with respect to Receivership Property in any other action or proceeding, “no action for equitable relief instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidation is consented to by the Commission.” 15 U.S.C. §78u(g). Furthermore, there shall be no right of intervention by any claimant in this action, unless consented to by the SEC.

Section 6.02: Interpleader–Receiver as Stakeholder. The Receiver is hereby expressly authorized to receive and to hold separate and apart from other Receivership Property any assets tendered voluntarily to the Receiver by any Person in the same fashion as would the Clerk of the Court in a case where assets are interpled or otherwise deposited into the registry of the Court, and to refrain from commingling such assets with Receivership Property otherwise available for distribution under this Plan. The Receiver is authorized to settle out of such assets any claims thereto. The Receiver is further authorized to apply to this Court for a determination as to the ownership of any such assets, and to join any parties necessary to effect such a determination.

## Article 7 – Secured Creditors

Section 7.01: Secured Creditors. Notwithstanding the provisions of Section 6.01, to the extent that a third-party creditor claims a security or collateral interest in what is otherwise Receivership Property, the Receiver shall give notice to such creditor of this proceeding and these summary procedures, and the rights of the secured creditor shall thereafter be governed by these summary procedures and the further orders of this Court.

## Article 8 – Conflict with Other Orders

Section 8.01: Other Orders Not Abrogated. Nothing in this Plan shall abrogate any other Order of the Court relative to distributions made by the Receiver. Rather, this Plan is designed to supplement the powers granted to the Receiver. Accordingly, the fees and expenses of the Receiver and its Professionals shall continue to be addressed separately and paid from any Receivership Property pursuant to the Order Establishing Administrative Procedures and Approving Engagement of Accountants, as such order may be supplemented, amended or modified by this Court, but such distributions shall now be entitled to the protections of Section 4.09 above. Alternatively, the Receiver may, but shall not be required to, utilize the procedures set forth herein. Additionally, the Receiver may utilize the procedures of either the Order Establishing Administrative Procedures and Approving Engagement of Accountants or the procedures set forth herein to approve Claims and to seek Court authorization to pay income taxes or other expenses of the Receivership not subject to the Order Establishing Administrative Procedures and Approving Engagement of Accountants, which Claims may be paid from any Receivership Property, and once paid shall be entitled as well to the protections of Section 4.09 above.

**Appendix A**  
**Summary Procedures for Claims Administration and Plan of Distribution**

**DEFINITIONS**

“ACTUAL BENEFICIAL OWNER” refers to the actual beneficial owner of funds invested in the Program. The actual beneficial owner of funds may also be the Investor of Record, or a Sub-Investor, or it may be some other Person whose funds were invested in the name of an Investor of Record or a Sub-Investor.

“ADMINISTRATIVE EXPENSES” refers to the actual, necessary costs and expenses of preserving the Receivership Estate, including wages, salaries, or commissions for services rendered, expense reimbursement, and taxes of any type.

“AFFILIATE” includes, but is not limited to: family members (by blood or marriage), and entities (such as corporations, trusts, partnerships, or limited liability companies, etc.) in which you or your family members were equity owners, officers, directors, trustees, beneficiaries, general partners, members, managers, or otherwise played a significant role or held a significant position.

“ALLOWED CLAIM” refers to the amount of the Claim that the Receiver recommends be paid in accordance with the terms of the Plan of Distribution.

“APPROVED CLAIM” refers to Claims that have been approved by Order of the Court.

“CLAIM” refers to any demand made in writing that is received by the Receiver from any Person that demands payment from Receivership Property. Claims that do not conform to the Proof of Claim format may be considered by the Receiver, in its sole discretion, or as otherwise permitted by the Plan of Distribution, but the Receiver is not obligated to consider such Claims unless it specifically agrees with the Claimant, in writing and prior to the Claims Bar Date, to depart from the Claims Procedure.

“CLAIM DETERMINATION” refers to a document sent to a Claimant at the address specified in the Proof of Claim Form, which sets out the Receiver’s proposed Allowed Claim and classification of the Claim.

“CLAIM NUMBER” refers to the number assigned to a Claim by the Receiver. This Claim Number should be made known to the Claimant utilizing the procedures provided in the Plan of Distribution. In case of conflict, the number stated in the Claim Determination sent to the Claimant by the Receiver shall control.

“CLAIM PACKET” refers to a packet consisting of: a Notice to File Claims, a Proof of Claim Form, a Plan of Distribution, and a copy of the most recent Order approving Summary Procedures for Claim Administration and Plan of Distribution (without exhibits).

“CLAIMANT” refers to a Person who asserts a Claim in this case.

“CLAIMS BAR DATE” refers to a date set by an order of the Court by which all Proofs of Claim must be filed with the Receiver. The Claims Bar Date shall serve as the bar date after which any investor, creditor, party in interest or potential Claimant shall be estopped from forever asserting claims against the Receivership Property.

**Appendix A**  
**Summary Procedures for Claims Administration and Plan of Distribution**

“CLAIMS PROCEDURE” refers to the procedure authorized by this Court pursuant to the Order approving the Summary Procedures for Claims Administration and Plan of Distribution, as it may be supplemented, amended or modified by this Court.

“COMMISSION PAYMENTS” refer to any “introducing party” fees, commissions, portions of Profit Payments on amounts invested by other IFC Investors, administrative fees, or other payments received apart from any Profit Payments or Principal Returns. Typically, such payments were received by Persons as consideration for introducing other investors to the Program, either directly or indirectly.

“COURT” refers to the United States District Court for the Eastern District of Virginia, Alexandria Division, Judge Gerald Bruce Lee presiding.

“DEFENDANT” refers to a defendant (International Fiduciary Corp., S.A.; Daniel Eric Byer; Malcolm Cameron Boyd Stevenson; or Preston David Pinkett, II) or a relief defendant (Terry Martin; CD2E, Inc.; Winchell Corporation; M&M Technologies; Robert Lowery; or SZE Coast Operating Corp.) in the underlying action, or to any person who may subsequently be named as a defendant in the underlying action.

“DISALLOWED CLAIM” refers to the amount of the Claim that the Receiver recommends not be paid in accordance with the terms of the Plan of Distribution.

“DISTRIBUTION” refers to a payment by the Receiver on a Claim in accordance with the procedures outlined in the Plan of Distribution.

“GROSS AMOUNT INVESTED” refers to the total actual funds invested by a Claimant in any trading program involving International Fiduciary Corp., S.A.

“IFC” refers to International Fiduciary Corp., S.A.

“IFC INVESTOR” refers to a Claimant whose funds were actually invested, directly or indirectly, and with or without the Claimant’s knowledge, in the Program.

“INSUBSTANTIAL MARKETER” refers to a Person who received, directly or indirectly, less than \$1,000.00 in compensation or commissions or any other financial benefits in connection with obtaining investor funds ultimately invested in any trading program involving International Fiduciary Corp., S.A., or any other financial venture which is or becomes the subject of this proceeding.

“INVESTOR CLAIM” refers to a Claim for principal invested, directly or indirectly, with a Receivership Entity, or used to pay others who invested, directly or indirectly, with a Receivership Entity. Claims will be based on a calculation of the Net Shortfall Amount for each investor.

“INVESTOR OF RECORD” refers to a Person shown to be an investor in the books and records associated with a trading program involving International Fiduciary Corp., S.A.

**Appendix A**  
**Summary Procedures for Claims Administration and Plan of Distribution**

“INVESTOR RECEIVER” refers to any judicially appointed or other legally authorized Receiver over the funds of an Investor of Record, Sub-Investor, or Actual Beneficial Owner. Investor Receivers may file Proofs of Claim pursuant to the Plan of Distribution on behalf of any of the above for which they are appointed. Notwithstanding the foregoing, the Receiver may determine to disallow any such claim filed on behalf of anyone other than an Actual Beneficial Owner.

“LATE CLAIM” refers to a Claim submitted in accordance with the Order approving the Summary Procedures for Claims Administration and Plan of Distribution, as such Order may be supplemented, amended or modified by this Court, except that the Claim was received late.

“MARKETER” refers to a Person who received, directly or indirectly, any compensation or commissions or any other financial benefits in connection with obtaining investor funds ultimately invested in any trading program involving International Fiduciary Corp., S.A., or any other financial venture that is or becomes the subject of this proceeding.

“NET SHORTFALL AMOUNT” is the Gross Amount Invested minus the sum of all Principal Returns, Profit Payments and Commission Payments.

“NON-MARKETER” refers to a Person who, neither directly nor indirectly, received any compensation or commissions or any other financial benefits in connection with obtaining investor funds ultimately invested in any trading program involving International Fiduciary Corp., S.A., or any other financial venture which is or becomes the subject of this proceeding, but who himself invested in such program.

“NOTICE OF CLAIM DETERMINATION” refers to a document sent by the Receiver to a Claimant at the address specified on the Proof of Claim, which provides the Claim number assigned by the Receiver and states the Receiver’s proposed treatment of the Claim.

“NOTICE TO FILE CLAIMS” refers to notice authorized and approved by this Court to be utilized to assert a Claim.

“OBJECTION” refers to the form authorized and approved by this Court to be utilized to object to the Receiver’s proposed treatment of a Claim.

“OBJECTOR” refers to a Person who files an Objection and seeks a hearing with respect to that Objection on the official Objection form.

“PERSON” refers to any natural person, corporation, partnership, association, trustee, agent, or other entity of any kind.

“PLAN” or “PLAN OF DISTRIBUTION” refers to the Order approving the Summary Procedures for Claims Administration and Plan of Distribution, as it may be supplemented, amended or modified by this Court.

“PRINCIPAL RETURNS” refers to the return of any portion, or all, of the principal amount invested by any Claimant.

**Appendix A**  
**Summary Procedures for Claims Administration and Plan of Distribution**

“PROFESSIONALS” refers to certain professionals retained by the Receiver.

“PROFIT PAYMENTS” refer to any payments actually or beneficially received by any IFC Investor, Investor of Record, Sub-Investor or Actual Beneficial Owner of funds that constituted (or were purported to constitute) the payment of profits or returns on investment. Profit Payments do not include any Principal Returns or Commission Payments.

“PROGRAM” refers to a fraudulent investment program, purportedly involving “prime bank securities,” involving a corporation known as International Fiduciary Corp., S.A.

“PROOF OF CLAIM” refers to the form authorized and approved by this Court to be utilized to assert a Claim.

“RECEIVER” refers to Roy M. Terry, Jr., Receiver for International Fiduciary Corp., S.A. pursuant to the Order Directing Appointment of Receiver over Defendant International Fiduciary Corp., S.A., as it may be supplemented, amended or modified by this Court, and to any other receiverships established by order of this Court with respect to other Defendant or Defendants in this case.

“RECEIVER’S CLAIM DETERMINATION” refers to a schedule prepared by the Receiver showing for each Claim the proposed allowed amount, the proposed priority classification, and such further explanations and recommendations as are relevant to the Proof of Claim.

“RECEIVER’S WEB-SITE” refers to [www.ifcreceivership.com](http://www.ifcreceivership.com).

“RECEIVERSHIP ENTITY” refers to a Person over whom the Court has appointed the Receiver.

“RECEIVERSHIP ESTATE” refers to Receivership Property that has been or may be collected by the Receiver.

“RECEIVERSHIP PROPERTY” refers to the assets defined as Receivership Property in the Order Directing Appointment of Receiver over Defendant International Fiduciary Corp., S.A., as it may be supplemented, amended or modified by this Court, and any other assets obtained by the Receiver as the result of any other or further order of the Court with respect to any other Defendant or Defendants in this case.

“SEC” refers to the United States Securities and Exchange Commission.

“SUB-INVESTOR” refers to a Person whose funds were invested in the Program by an Investor of Record. A Sub-Investor is not necessarily the Actual Beneficial Owner of the funds invested.

“SUBSTANTIAL MARKETER” refers to a Person who received, directly or indirectly, more than \$1,000.00 in compensation or commissions or any other financial benefits in connection with obtaining investor funds ultimately invested in any trading program involving International Fiduciary Corp., S.A., or any other financial venture which is or becomes the subject of this proceeding.