

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.

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

Relief Defendants.

CIVIL ACTION:  
1:06 -CV-1354  
GBL/TRJ

JURY DEMAND

**ANSWER, AFFIRMATIVE DEFENSE AND JURY DEMAND OF DEFENDANT  
PRESTON DAVID PINKETT II TO PLAINTIFF'S FIRST AMENDED COMPLAINT**

Defendant **PRESTON DAVID PINKETT II** ("Defendant"), through undersigned counsel, files his Answer and Affirmative Defense to Plaintiff's First Amended Complaint, and demands a jury trial, as follows:

**INTRODUCTION**

1. Defendant denies the factual allegations contained in paragraph 1 of Plaintiff's First Amended Complaint.

2. Defendant denies the factual allegations contained in paragraph 2 of Plaintiff's First Amended Complaint.

3. Defendant denies the factual allegations contained in paragraph 3 of Plaintiff's First Amended Complaint.

4. Defendant denies the factual allegations contained in paragraph 4 of Plaintiff's First Amended Complaint.

5. Paragraph 5 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 5 of Plaintiff's First Amended Complaint.

6. Paragraph 6 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 6 of Plaintiff's First Amended Complaint.

7. Paragraph 7 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant lacks sufficient knowledge or information to admit or deny the allegations, and therefore denies same.

#### **JURISDICTION AND VENUE**

8. Paragraph 8 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 8 of Plaintiff's First Amended Complaint.

9. Paragraph 9 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 9 of Plaintiff's First Amended Complaint.

10. Defendant admits that he is a resident of Arlington, Virginia and that Defendant IFC is incorporated in Virginia. Defendant denies the remaining factual allegations contained in paragraph 10 of Plaintiff's First Amended Complaint.

## **DEFENDANTS**

11. Defendant admits the allegations contained in paragraph 11 of Plaintiff's First Amended Complaint.

12. Defendant admits that Defendant Byer is a resident of Abbotsford, British Columbia. Defendant denies the remaining factual allegations contained in paragraph 12 of Plaintiff's First Amended Complaint.

13. Defendant admits the factual allegations contained in paragraph 13 of Plaintiff's First Amended Complaint.

14. Defendant admits the factual allegations contained in paragraph 14 of Plaintiff's First Amended Complaint, except that he denies that IFC maintains a password-protected website.

15. Defendant respectfully refers the Court to the document referenced for the true and correct contents thereof. To the extent that a specific response is required, Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 15 of Plaintiff's First Amended Complaint, and therefore denies same.

## **RELIEF DEFENDANTS**

16. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 16 of Plaintiff's First Amended Complaint, and therefore denies same.

17. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 17 of Plaintiff's First Amended Complaint, and therefore denies same.

18. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 18 of Plaintiff's First Amended Complaint, and therefore denies same.

19. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 19 of Plaintiff's First Amended Complaint, and therefore denies same.

20. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 20 of Plaintiff's First Amended Complaint, and therefore denies same.

21. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 21 of Plaintiff's First Amended Complaint, and therefore denies same.

#### **THE NATURE OF THE FRAUDULENT OFFERING**

22. Defendant denies the factual allegations contained in paragraph 22 of Plaintiff's First Amended Complaint.

23. Paragraph 23 of Plaintiff's First Amended Complaint states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the allegations.

24. Defendant denies the factual allegations contained in paragraph 24 of Plaintiff's First Amended Complaint.

25. Defendant denies the factual allegations contained in paragraph 25 of Plaintiff's First Amended Complaint.

26. Defendant denies the factual allegations contained in paragraph 26 of Plaintiff's First Amended Complaint.

27. Defendant denies the factual allegations contained in paragraph 27 of Plaintiff's First Amended Complaint.

28. Defendant denies the factual allegations contained in paragraph 28 of Plaintiff's First Amended Complaint.

29. Paragraph 29 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant lacks sufficient knowledge or information to admit or deny the allegations, and therefore denies same.

30. Defendant denies the factual allegations contained in paragraph 30 of Plaintiff's First Amended Complaint.

31. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 31 of Plaintiff's First Amended Complaint, and therefore denies same.

32. Defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 32 of Plaintiff's First Amended Complaint, and therefore denies same.

33. Defendant denies the factual allegations contained in paragraph 33 of Plaintiff's First Amended Complaint.

34. Defendant denies the factual allegations contained in paragraph 34 of Plaintiff's First Amended Complaint.

**MISREPRESENTATIONS AND OMISSIONS MADE TO  
INVESTORS AND POTENTIAL INVESTORS**

35. Defendant denies the factual allegations contained in paragraph 35 of Plaintiff's First Amended Complaint, including subparagraphs (a) through (i).

36. Defendant denies the factual allegations contained in paragraph 36 of Plaintiff's First Amended Complaint.

37. Defendant denies the factual allegations contained in paragraph 37 of Plaintiff's First Amended Complaint.

**IFC DID NOT APPLY THE INVESTORS FUNDS AS PROMISED**

38. Defendant denies the factual allegations contained in paragraph 38 of Plaintiff's First Amended Complaint.

39. Defendant denies the factual allegations contained in paragraph 39 of Plaintiff's First Amended Complaint.

40. Defendant denies the factual allegations contained in paragraph 40 of Plaintiff's First Amended Complaint.

41. Defendant denies the factual allegations contained in paragraph 41 of Plaintiff's First Amended Complaint.

42. Defendant denies the factual allegations contained in paragraph 42 of Plaintiff's First Amended Complaint.

43. Defendant denies the factual allegations contained in paragraph 43 of Plaintiff's First Amended Complaint.

**FIRST CAUSE OF ACTION  
(Violations of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934)**

44. Defendant fully incorporates by reference all statements made in paragraphs 1-4 and 22-43 above as if fully rewritten herein.

45. Paragraph 45 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 45 of Plaintiff's First Amended Complaint.

46. Paragraph 46 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 46 of Plaintiff's First Amended Complaint.

**SECOND CAUSE OF ACTION  
(Violations of Section 17(a)(1) of the Securities Act of 1933)**

47. Defendant fully incorporates by reference all statements made in paragraphs 1-4 and 22-43 above as if fully rewritten herein.

48. Paragraph 48 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 48 of Plaintiff's First Amended Complaint.

49. Paragraph 49 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 49 of Plaintiff's First Amended Complaint.

**THIRD CAUSE OF ACTION  
(Violations of Section 17(a)(2) and (3) of the Securities Act of 1933)**

50. Defendant fully incorporates by reference all statements made in paragraphs 1-4 and 22-43 above as if fully rewritten herein.

51. Paragraph 51 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 51 of Plaintiff's First Amended Complaint.

52. Paragraph 52 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 52 of Plaintiff's First Amended Complaint.

**FOURTH CAUSE OF ACTION**  
**(Violations of Section 5(c) of the Securities Act of 1933)**

53. Defendant fully incorporates by reference all statements made in paragraphs 1-4 and 22-43 above as if fully rewritten herein.

54. Paragraph 54 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 54 of Plaintiff's First Amended Complaint.

55. Paragraph 55 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 55 of Plaintiff's First Amended Complaint.

56. Paragraph 56 states a legal conclusion as to which no response is required. To the extent that a response may be required, Defendant denies the factual allegations contained in paragraph 56 of Plaintiff's First Amended Complaint.

All allegations not specifically admitted are denied.

**AFFIRMATIVE DEFENSE**

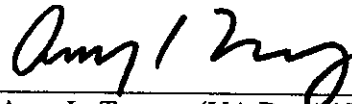
Defendant avers that Plaintiff has inappropriately pleaded alleged actions of a group of defendants together and has failed to state a claim of fraud as to this Defendant with sufficient particularity.

Defendant reserves the right to assert other affirmative defenses that become known to him during the course of this action.

WHEREFORE, Defendant Preston David Pinkett II requests that judgment be entered against Plaintiff, that Plaintiff take nothing by its suit; that all relief prayed for by Plaintiff in this action be denied; that Defendant recover all costs of Court incurred herein; and that the Court award Defendant all other and further relief to which he is entitled.

Dated: April 30, 2007

Respectfully submitted,



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*Attorneys for Defendant Preston David Pinkett, II*

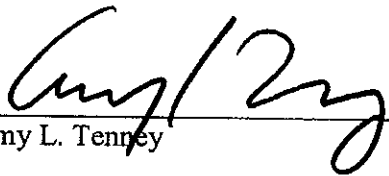
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on April 30, 2007, I caused to be served the following parties and/or their counsel of record a copy of the foregoing, by the means noted below:

(by e-mail and U.S. mail)  
Alvin David (Dave) Williams, Esq.  
Carl Tibbetts, Esq.  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-4010  
(email) williamsdav~sec.gov

(by U.S. mail)  
Daniel Eric Byer  
3 .34250 Hazelwood Avenue  
Abbotsford, BC V2S 7L4  
CANADA

(by U.S. mail)  
Malcolm C. Stevenson  
#346, 9 .32442 Dahlstrom Avenue  
Abbotsford, BC V2S 6111 CANADA

  
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Amy L. Tenney