

**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,)
PRESTON DAVID PINKETT, II,)**

Defendants.)

CASE NO. 1:06cv01354-GBL

**Hon. Gerald Bruce Lee
United States District Judge**

RECEIVER'S REPORT SUPPLEMENTING MOTION TO SHOW CAUSE

COMES NOW Roy M. Terry, Jr. as duly appointed receiver ("Receiver") for International Fiduciary Corp., S.A., and files this Report Supplementing Motion to Show Cause and respectfully states as follows:

1. On April 25, 2007, the Receiver filed a Motion for Show Cause Order and Memorandum of Points and Authorities in Support Thereof asking the Court to order Preston David Pinkett, II to show cause why he should not be held in contempt of Court for failure to comply with the requirement of Section V of the Court's Preliminary Injunction entered on December 12, 2006, requiring that Mr. Pinkett provide an accounting within seven (7) business days.

2. Hearing on the Motion to Show Cause was initially scheduled before this Court for May 18, 2007.

3. On May 17, 2007, at 5:07 p.m., counsel for Mr. Pinkett provided the Receiver, via email, the Defendant Preston David Pinkett, II's Supplemental Sworn Accounting ("the Accounting"), which was filed with the Court on May 18, 2007.

4. Hearing on the Motion to Show Cause was continued by the Court until June 4, 2007.

5. On May 30, 2007, the Receiver provided counsel for Mr. Pinkett, via email, with a letter and list of deficiencies with respect to the Accounting. A copy of the Receiver's May 30, 2007 letter and list of deficiencies is attached hereto and incorporated herein as *Exhibit 1*.

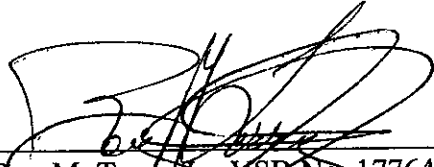
6. Counsel for Mr. Pinkett and the Receiver have since spoken briefly with respect to the Accounting deficiencies, but it is questionable whether further discussions can occur prior to the June 4 continued hearing.

7. For his part, the Receiver wishes to establish a schedule within which the Accounting deficiencies can be corrected and the additional information provided.

8. Upon receipt of the additional information correcting the Accounting deficiencies, the Receiver intends to depose Mr. Pinkett and his accountant, Mr. Waz Abraham.

Respectfully submitted this 1st day of June, 2007.

Roy M. Terry, Jr.
Receiver



Roy M. Terry, Jr., VSB No. 17764
John C. Smith, VSB No. 44556
Elizabeth L. Gunn, VSB No. 71044
DuretteBradshaw, PLC
600 E. Main St., 20th Floor
Richmond, Virginia 23219
804.775.6900 (telephone)
804.775.6911 (facsimile)

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of June, 2007, a true copy of the foregoing Report was served by e-mail to:

U.S. District Court
06cv1354@vaed.uscourts.gov

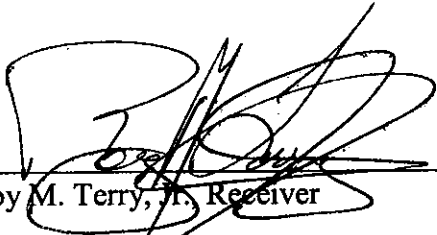
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Daniel Eric Byer
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Defendant

Malcolm C. Stevenson
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Defendant



Roy M. Terry, Jr., Receiver

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May 30, 2007

VIA EMAIL: drkirshbaum@aol.com
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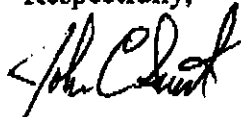
Re: *International Fiduciary Corp., S.A.*

Dear Dan:

As you are aware, on April 25, 2007 the Receiver filed a motion for the court to order Preston David Pinkett, II to show cause why he should not be held in contempt of court for failure to comply with the Preliminary Injunction entered December 12, 2006. We are in receipt of *Defendant Preston David Pinkett II's Supplemental Sworn Account*, dated May 17, 2007 (the "Accounting").

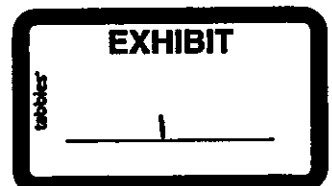
Please be advised that for reasons more fully described on the attached pages, we believe the Accounting is deficient. Therefore, Roy is prepared to go forward with the continued hearing scheduled for June 4, 2007 at 10:00.

Respectfully,



John C. Smith

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Deficiencies in the Accounting

1) Preston David Pinkett, II ("Pinkett") controlled International Fiduciary Corp. ("IFC"), yet the Accounting fails to provide any accounting information for IFC other than the cash inflows and outflows to investors. At a minimum, Pinkett should have to account for the following:

- a) periodic balance sheet for IFC at the close of each fiscal year and as of December 2006;
- b) periodic (at the close of each fiscal year) income statements for IFC from July 1, 2003 through December 2006;
- c) disclosure of what happened to \$250,000 sent to Allan Migdall for the hedge fund;
- d) disclosure of what happened to \$250,000 sent to Jenaro Garcia for Advanced Refractory stock;
- e) disclosure of contingent liabilities (e.g., guarantees for rents at Arlington Square apartments);
- f) disclosure of lease obligations; and
- g) disclosure of investments and/or beneficial interests held in affiliates.

2) The Accounting fails to provide any balance sheet and bank account information for IFC's closely-held affiliates (e.g., Ghana Asphalt Company, Ltd.; National Food Processing Company, Inc.; Northeast Bolivian Airways, S.A.; and Trinity Holdings 12th, LLC).

3) The Accounting fails to provide any income statement or transaction history for IFC's closely-held affiliates (e.g., Ghana Asphalt Company, Ltd.; National Food Processing Company, Inc.; Northeast Bolivian Airways, S.A.; and Trinity Holdings 12th, LLC).

4) The Accounting failed to disclose what beneficial interests, direct or indirect, were held by Pinkett between July 1, 2003 and December 2006.

5) The Accounting failed to disclose the bank accounts, other assets and transaction history for such beneficial interests.

6) The Accounting failed to disclose what entities Pinkett controlled between July 1, 2003 and December 2006.

7) The Accounting failed to disclose the bank accounts, other assets and transaction history for such controlled entities, which include, but are not limited to:

- a) Preston Pinkett, II, LLC (controlled by Pinkett)
- b) Orion Energy, Inc. (controlled by Pinkett) (owners include Francine Salters (Pinkett's secretary) and Preston Pinkett III (Pinkett's son))
- c) Polks Commodity Trading, Inc. (controlled by Pinkett)(Pinkett is CEO and signatory at Ecobank)
- d) Ducor Waste Management (controlled by Pinkett)(owners include Polk Commodity Trading, Inc.)
- e) Lighthouse Publishers Incorporated (controlled by Pinkett) (owners include Polk Commodity Trading, Inc.)
- f) Trinity Holdings, LLC (controlled by Pinkett) (owners include Pinkett and Francine Salters (Pinkett's secretary))

8) The Accounting failed to disclose transfers made by Pinkett to his spouse, as a gift or incident to separation or divorce, during the period July 1, 2003 to December 2006.

9) The Accounting failed to disclose the following:

- a) details and contact information for Pinkett's donation to the Mittman Rosenberg's Family Foundation (\$224,490.00 paid in 2005; \$336,735.12 paid in 2006)
- b) details and contact information for \$35,600 charity paid in 2004;
- c) details and contact information for Eleanor Dorothy Anderson School Fund (\$25,400.00 paid in 2006)(possible relation to Floyd Anderson?)

10) The Accounting did not disclose any related party transactions (e.g., leasing residence from related parties, ownership of multiple cars)