



In response to the Court's first question, the status of this case is that final judgments have been entered against each of the four defendants in this matter. On July 3, 2007, pursuant to a Consent filed on behalf of Defendant Pinkett, a final judgment was entered against Pinkett permanently enjoining him from further violations of the federal securities laws, finding him liable for disgorgement of \$5,101,100 plus \$153,061 in prejudgment interest, and imposing a penalty of \$100,000. On July 20, 2007, pursuant to a Consent filed on behalf of Defendant International Fiduciary Corporation, a final judgment was entered against it permanently enjoining it from further violations of the federal securities laws, and finding it jointly and severally liable with all other defendants and relief defendants for disgorgement in the amount of \$24,037,362.95 plus \$971,109.46 in prejudgment interest. On August 28, 2007, a default judgment was entered against both Defendants Byer and Stevenson, permanently enjoining them from further violations of the federal securities laws, imposing disgorgement of \$5,929,802 plus \$199,241.25 in prejudgment interest (Stevenson) and disgorgement of \$3,122,243 plus \$104,907.36 in prejudgment interest (Byer), and imposing a penalty of \$100,000 against both Byer and Stevenson.

Presently pending before the Court is a Motion for Summary Judgment filed on April 25, 2008, against Relief Defendants Terry Martin, Robert Lowrey, CD2E, Inc., Winchell Corporation, M&M Technologies, and SZE Coast Operating Corporation. Relief Defendants Lowrey, and SZE Coast Operating Corporation (an entity controlled by Lowrey) have not filed any opposition to the motion. In fact, neither Lowrey nor SZE Coast Operating Corporation have appeared in this matter, other than a motion filed by

Mr. Lowrey on April 20, 2007, to challenge a discovery subpoena pursuant to the Right to Financial Privacy Act of 1978.

Martin and his entities CD2E, Inc., Winchell Corporation, M&M Technologies have filed an opposition to the motion for summary judgment. The SEC, on May 30, 2008, will file a reply to that opposition. Further, counsel for Mr. Martin and his entities are in active settlement negotiations with the Commission. Counsel for Mr. Martin and the SEC staff have attempted to reach a negotiated resolution of the matter and those discussions are ongoing.

Should the Court be inclined to grant the motion for summary judgment, this would resolve the case in its entirety from the SEC's perspective other than remaining distribution efforts by the Receiver. Should the motion be denied in whole or in part, in the view of the Commission evidentiary proceedings or trial would be necessary to resolve remaining factual disputes.

With respect to the Court's remaining questions, "when will the estate be concluded?" and "what remains to be done and when will it be done?," and "is there any reason why the estate cannot be concluded, and this case closed, by Friday, September 12, 2008?," it is the SEC's understanding that the Receiver's efforts to recover funds from overseas accounts and other assets of the defendants in this matter are currently ongoing. The Final Judgment against IFC in this matter does not impose a payment obligation on IFC based on the fact that the Receiver for IFC instead will seek to collect and hold these judgment amounts as part of his Receivership Estate and prepare a plan to distribute the funds (together with all assets disgorged or paid as penalties by all other defendants and relief defendants in the case) to investor victims in the United States, Canada, and any

other countries. The Receiver has devised a distribution plan to return funds to IFC investors, and is presently preparing to implement a distribution pursuant to this plan. The Receiver is better positioned than the SEC to specifically address the timing of these efforts, but from the perspective of the SEC there is no reason why the active litigation aspects of the case cannot be resolved in its entirety by September 12, 2008.

Dated: May 30, 2008

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I HERBY CERTIFY that on May 30, 2008, I mailed the foregoing Plaintiff's Status

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