

**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.,

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: : CIVIL ACTION 06-1354
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PRELIMINARY INJUNCTION

This matter came to be heard on December 11, 2006, upon the Court's Temporary Restraining Order, Asset Freeze and Order To Show Cause Re Preliminary Injunction (the "TRO"), issued on December 4, 2006. The TRO includes Orders: Freezing Assets, Repatriating Assets, Prohibiting Destruction of Documents, Granting Expedited Discovery, Alternative Service of Process, Accountings and to Show Cause Re Preliminary Injunction, issued on an ex parte application of Plaintiff Securities and Exchange Commission ("Commission") ("Application for TRO").

The Court has received and considered the Commission's Complaint, Application for TRO and Memorandum of Points and Authorities, Declaration of Ricky Sachar and attached materials, Declaration of Charles J. Felker and attached materials, Second Declaration of Ricky Sachar and attached materials, and the Defendants International Fiduciary Corp., S.A. and Mr. Preston David Pinkett II were given proper notice of the hearing, entered a general appearance in this case, and were present in court. The Court finds that:

1. This Court has jurisdiction over the parties to, and the subject matter of, this action.
2. Each of the defendants had actual notice of the hearing on the preliminary injunction. The Defendants International Fiduciary Corp. S.A. and Mr. Preston David Pinkett II, without admitting any of the allegations in the Complaint, have appeared to contest the Plaintiff's allegations and demand a hearing to determine the merits of the Complaint.
3. The Commission has made a sufficient and proper showing in support of the relief granted herein, as required by Section 20(b) of the Securities Act of 1933 (15 U.S.C. § 77t(b)) and Section 21(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78u(d)) by evidence establishing a *prima facie* case and a strong likelihood that the Commission will prevail at trial on the merits and that the defendants, and each of them, directly or indirectly, have engaged in and, unless they are preliminarily enjoined by order of this Court, will continue to engage in acts, practices, and courses of business constituting violations of Sections 5 and 17(a)(1)-(3) of the Securities Act of 1933 (15 U.S.C. § 77q(a)(1)-(3)), Section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)), and Rule 10b-5 (17 C.F.R. § 240.10b-5).
4. There is good cause to believe that defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A., will dissipate, conceal, or transfer from the jurisdiction of this Court assets which could be subject to an order directing disgorgement or the payment of civil money penalties in this action, unless they are preliminarily enjoined by order of this Court.

5. There is good cause to believe that, unless they are preliminarily enjoined by order of this Court, defendants may alter or destroy documents relevant to this action.
6. There is good cause to believe that the defendants are in possession of certain money and assets that are the proceeds of their violations of law; that the defendants have no legitimate claim to such money and assets; and that the defendants will conceal, transfer, or dispose of such money and assets unless preliminarily enjoined by order of this Court.

Now, therefore,

I.

IT IS HEREBY ORDERED that defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A., and their respective officers, agents, servants, employeess, attorneys, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, are preliminarily restrained and enjoined from, directly or indirectly, through the use of the means or instruments of transportation or communication in interstate commerce or the mails, offering to sell or selling securities, or, directly or indirectly, carrying or causing securities to be carried through the mails or in interstate commerce, for the purpose of selling or delivery after selling, in violation in violation of Section 5 of the Securities Act of 1933 (15 U.S.C. § 77(e)).

II.

IT IS HEREBY ORDERED that defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A., and their officers, directors, subsidiaries, affiliates, agents, servants, employeess, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this

Order by personal service or otherwise, and each of them, are preliminarily restrained and enjoined from, directly or indirectly, in the offer or sale of any security by the use of any means or instruments of transportation, or communication in interstate commerce or by the use of the mails: (1) employing any device, scheme, or artifice to defraud; or (2) obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or; (3) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser in violation of Section 17(a) of the Securities Act of 1933 (15 U.S.C. §77q(a)).

III.

IT IS HEREBY ORDERED that defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A., and their officers, directors, subsidiaries, affiliates, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, and each of them, are preliminarily restrained and enjoined from directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange in connection with the purchase or sale of any security: (1) employing any device, scheme, or artifice to defraud; (2) making any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (3) engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person in violation of Section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)) and Rule 10b-5 thereunder (17 C.F.R. 240.10b-5).

IV.

IT IS HEREBY ORDERED that:

A. Defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A., and their officers, directors, subsidiaries, affiliates, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, hold and retain within their control, and otherwise prevent any disposition, transfer, pledge, encumbrance, assignment, dissipation, concealment, or other disposal whatsoever of any of their funds or other assets or things of value presently held by them, under their control or over which they exercise actual or apparent investment or other authority, in whatever form such assets may presently exist and wherever located;

B. That any financial or brokerage institution or other person or entity located within the territorial jurisdiction of the United States courts and holding any funds or other assets in the name of, for the benefit of, or under the control of defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A, or their officers, directors, subsidiaries, affiliates, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them, and each of them, shall hold and retain within their control and prohibit the withdrawal, removal, transfer or other disposal of any such funds or other assets except as otherwise ordered by this Court. Necessary and reasonable living expenses will be granted to defendants upon good cause shown by application to the Court with notice to and an opportunity for the Commission to be heard;

C. Defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A., and their officers, directors,

active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, shall refrain from accepting, taking control of, or depositing in any financial institution additional funds from actual or potential investors of International Fiduciary Corp., S.A.

V.

IT IS FURTHER ORDERED that defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A., and each of their subsidiaries and affiliates, shall within seven business days of the service of this order, file with this Court, and serve on the Commission, at the address of its counsel of record, a sworn accounting of:

A. All securities, funds, real estate, and other assets held in their names or the names of any subsidiary or affiliate, or under their direct or indirect control or in which they have or have had since July 1, 2003, a direct or indirect beneficial interest, stating a description and location of such assets;

B. Each account, including safe deposit boxes, with any financial institution or brokerage firm or otherwise maintained in the names of defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A., or in which they have direct or indirect control or beneficial interest or have had any direct or indirect beneficial interest since July 1, 2003; and

C. Every transaction in which any funds or other assets of any kind whereby ownership, direction and control, whether, indirect or direct, have since July 1, 2003, been transferred to or from defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A.

VI.

IT IS FURTHER ORDERED that defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A., and each of them, within twenty-four (24) hours of entry of this order:

A. Take such steps as are necessary to repatriate to the territory of the United States of America all funds and assets of investors described in the Commission's complaint in this action which are held by them or are under their direct or indirect control, jointly or singly; and

B. Provide the Court and the Commission a written description of the funds and assets so repatriated.

VII.

IT IS FURTHER ORDERED that defendants Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A, and their officers, directors, subsidiaries and affiliates, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, are hereby restrained from destroying, mutilating, concealing, altering, or disposing of any document referring or relating in any manner to any transactions described in the Commission's complaint in this action, or to any communications between or among any of the defendants, and any communications between or among any of the defendants and relief defendants. As used in this order, "document" means the original and all non-identical copies (whether non-identical because of handwritten notation or otherwise) of all written or graphic matter, however produced, and any other tangible record, electronically stored information, or electronic data compilation capable of reproduction in tangible form, including, without limitation, correspondence, memoranda, electronic mail, minutes, telephone records, reports, studies, telexes, diaries, calendar entries, contracts, letters of agreement, and including any and all existing drafts of all documents. *See, e.g. Zublake v. USB*

Warburg, 2004 U.S. Dist. LEXIS 13574 (SDNY July 20, 2004); *Williams v. Spring United Mgmt. Co.*, No. 03-2200, 2005 WL 2401626 (D. Kan. Sept. 29, 2005).

VIII.

IT IS FURTHER ORDERED that the Commission's application for expedited discovery concerning defendants, their assets and activities, is granted and that, commencing with the date of this Order, in lieu of the time periods, notice provisions, and other requirements of Rules 26, 30, 33, 34, 36 and 45 of the Federal Rules of Civil Procedure, and Rule 30.1A of the Local Rules of this Court, discovery shall proceed as follows:

A. Pursuant to Rule 30(a) of the Federal Rules of Civil Procedure, the Commission may take depositions upon oral examination on five days notice of any such deposition. Depositions may be taken Monday through Saturday. As to Daniel Eric Byer, Malcolm Cameron Boyd Stevenson, Preston David Pinkett II, and International Fiduciary Corp., S.A, and their officers, directors, subsidiaries and affiliates, agents, servants, employees, owners, brokers, associates, trustees, and underwriters, the Commission may depose such witnesses after serving a deposition notice by facsimile, hand or overnight courier upon such defendants, and without serving a subpoena on such witness. Depositions which have not been signed by the witness may be used for purposes of the hearing on plaintiff Commission's application for a preliminary injunction;

B. Pursuant to Rule 33(a) of the Federal Rules of Civil Procedure, the defendants, and each of them, shall answer the Commission's interrogatories within four days of service of such interrogatories upon defendants;

C. Pursuant to Rule 34(b) of the Federal Rules of Civil Procedure, the defendants, and each of them, shall produce all documents requested by the Commission within five days of service of such request, with production of the documents made to Ricky Sachar, U.S. Securities

& Exchange Commission, or such other person or place as counsel for the Commission may direct in writing;

D. Pursuant to Rule 36(a) of the Federal Rules of Civil Procedure, the defendants, and each of them, shall respond to the Commission's requests for admissions within four days of such requests; and

E. All written responses to the Commission's requests for discovery under the Federal Rules of Civil Procedure shall be delivered by hand, facsimile, e-mail (pdf), or overnight courier to the Commission at, to the attention of Ricky Sachar, or such other place and person as counsel for the Commission may direct in writing.

If production cannot be made in the required time, by agreement of the parties, production may be made on a rolling basis, with the producing party designating a date certain by which production will be completed.

IX.

SERVICE OF THIS ORDER, the summons and complaint may be made by facsimile, mail, overnight delivery to the business address of any defendant, or personally by any employee of the Securities & Exchange Commission who is not counsel of record in this matter, or special process server, or any other person, or in any other manner authorized by Rule 5 of the Federal Rules of Civil Procedure and may be made on any registered agent, officer, or director of defendants, or by publication. Discovery requests may be communicated by facsimile, mail, or overnight delivery.

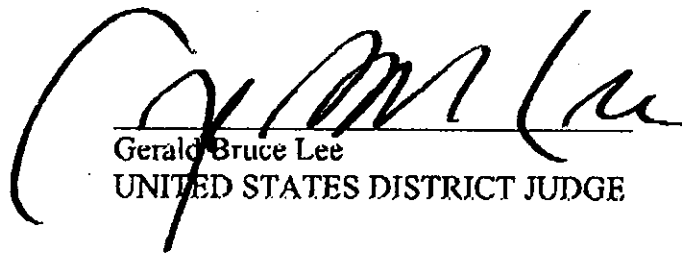
X.

IT IS FURTHER ORDERED that a preliminary injunction hearing will be held on January 22, 2007 to determine whether to convert this injunction into a permanent injunction or to determine whether to dissolve this preliminary injunction.

XI.

IT IS FURTHER ORDERED that the Court shall retain jurisdiction of this matter for all purposes.

SO ORDERED, this 12th day of December 2006,


Gerald Bruce Lee
UNITED STATES DISTRICT JUDGE

Alexandria, Virginia

12/12/06