

**UNITED STATES DISTRICT COURT**  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

SECURITIES AND EXCHANGE  
COMMISSION

v.

TRENDON T. SHAVERS AND  
BITCOIN SAVINGS AND TRUST

CIVIL ACTION NO. 4:13cv416  
Judge Clark/Judge Mazzant

**JURY TRIAL DEMANDED**

**DEFENDANTS' ANSWER TO COMPLAINT, AFFIRMATIVE DEFENSES**

Comes now, Defendants, Trendon T. Shavers and Bitcoin Savings and Trust, to answer the Complaint (Dkt. #1) of the Securities and Exchange Commission (the "Commission" or the "Government") and assert affirmative defenses as follows:

Defendants generally deny all claims of the Government, and specifically answer each enumerated paragraph in the complaint below following each numbered paragraph of the Complaint.

1. Deny.
2. Deny.
3. Deny.
4. Deny.
5. Deny.
6. Deny.
7. Deny.
8. Mr. Shavers admits he was age 30 and resides in McKinney, Texas, but denies the remainder.
9. Deny.

10. Deny.

11. Deny.

12. Deny.

13. Deny.

14. Admit.

15. Admit.

16. Admit.

17. Deny.

18. Deny.

19. Deny.

20. Deny.

21. Admit.

22. Deny.

23. Deny.

24. Deny.

25. Deny.

26. Deny.

27. Deny.

28. Deny.

29. Deny.

30. Deny.

31. Deny.

32. Deny.

33. Deny.

34. Deny.

35. To the extent the paragraph requires a response, Defendants deny.

36. To the extent the paragraph requires a response, Defendants deny.

37. To the extent the paragraph requires a response, Defendants deny.

38. To the extent the paragraph requires a response, Defendants deny.

39. To the extent the paragraph requires a response, Defendants deny.

40. To the extent the paragraph requires a response, Defendants deny.

41. To the extent the paragraph requires a response, Defendants deny.

42. To the extent the paragraph requires a response, Defendants deny.

43. To the extent the paragraph requires a response, Defendants deny.

#### **AFFIRMATIVE DEFENSES**

##### **LACK OF SUBJECT MATTER JURISDICTION**

The Commission lacks subject matter jurisdiction over the alleged transactions as they do not involve any subject matter covered by the governing statutes of the Commission.

##### **FAILURE TO STATE A CLAIM**

The Commission failed to plead, with particularity, how any alleged statement made in connection with any Bitcoin lending activity was actually fraudulent, other than through conclusory statements without supporting facts. Such conclusory statements fail pleading requirements which mandate fraud be pleaded with particularity and thus have failed to state a claim.

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THIRD PARTY LIABILITY

Any alleged inability of Defendants to complete lending obligations with individuals is wholly attributable to the acts of third parties.

DEMAND FOR JURY TRIAL FRCP 38

**Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Defendants hereby demand a jury trial.**

**PRAYER FOR RELIEF**

WHEREFORE, Defendants respectfully requests that the Court deny all claims by the Commission in this case and enter a Final Judgment:

- (a) Dismissing all allegations by the Commission, with prejudice;
- (b) Such other relief as the court deems necessary and proper.

*/s/ Franklin Jason Seibert*  
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Attorney for Defendants

**CERTIFICATE OF SERVICE**

I certify that, on this 24<sup>th</sup> day of July, 2014, I electronically filed the foregoing DEFENDANTS' ANSWER TO COMPLAINT, AFFIRMATIVE DEFENSES with the Clerk of the Court for the Eastern District of Texas, Sherman Division, using the CM/ECF system, on all parties registered to receive service on the date of the filing.

*/s/Franklin Jason Seibert*  
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Attorney for Defendants

**CERTIFICATE OF COMPLIANCE WITH LOCAL RULE CV-7 (i)  
CERTIFICATE OF CONFERENCE**

The forgoing document did not require conferral prior to filing pursuant to Local Rule CV-7(h).

*/s/Franklin Jason Seibert*  
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