# IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF GEORGIA COLUMBUS DIVISION

| INTERNET BUSINESS SOLUTIONS,<br>INC.   | )                      |
|--|------------------------|
| Plaintiff  | )<br>)                 |
| v.   | ) CASE NO. 4:07-cv-129 |
| BRITT WORLDWIDE, LLC, BILL BRITT, PEGGY BRITT, PAUL MILLER, LESLIE MILLER, ROBERT COVINGTON, BELL INTERNATIONAL, INC., KEVIN BELL, and BETH BELL | ) ) ) ) ) ) )          |
| Defendants.  | )                      |

# ANSWER OF ALL DEFENDANTS AND COUNTERCLAIM OF KEVIN BELL AND BETH BELL

COME NOW Britt Worldwide, LLC, Bill Britt, Peggy Britt, Paul Miller, Leslie Miller, Robert Covington, Bell International, Inc., Kevin Bell and Beth Bell, named as Defendants in the above-styled action, and file this their Answer to the Plaintiff's Complaint, and respectfully show the Court the following:

#### FIRST DEFENSE

The Plaintiff's Complaint fails to state a claim against these Defendants upon which relief may be granted, and the same should therefore be dismissed.

## SECOND DEFENSE

These Defendants assert the affirmative defenses of waiver, estoppel, laches, statute of frauds, statute of limitations, failure of consideration, and license. These Defendants further show the Court that the Plaintiff lacks standing to bring this action, for the following reasons:

- 1. The Plaintiff is a Georgia corporation which has not maintained its proper corporate standing with the Georgia Secretary of State, and therefore may lack standing to maintain this action or to utilize the Courts of this State.
- 2. The plaintiff is a corporation, the stock of which is owned by Henry and/or Sue Skaggs, both of whom are the subject of a Chapter 11 voluntary bankruptcy petition. The corporate assets of Internet Business Solutions, Inc. (including without limitation the purported cause of action sought to be prosecuted herein) are therefore or may be currently assets of the Trustee in Bankruptcy, who alone would have standing to pursue the claims asserted by Plaintiff.

#### THIRD DEFENSE

The Plaintiff's Complaint fails to conform to the rules of pleading required by either the Georgia Civil Practice Act or the Federal Rules of Civil Procedure, in the following particulars:

- 1. The Complaint violates Rule 8(e) of the Federal Rules of Civil Procedure and the Georgia Civil Practice Act, in that the averments of the Complaint are not "simple, concise, and direct".
- 2. The complaint violates Rule 10(b) of the Federal Rules of Civil Procedure and the Georgia Civil Practice Act, which requires that "all averments of claim or defense shall be made in numbered paragraphs, the contents of each of which shall be limited as far as practicable to a statement of a single set of circumstances; . . ."

The Defendants pray that the Court strike the Complaint in its entirety, and require the Plaintiff to restate the Complaint in conformity with the Federal Rules of Civil Procedure.

#### FOURTH DEFENSE

Answering the specific allegations and averments of the Plaintiff's Complaint, these Defendants show the Court the following:

Defendants respond to the lettered paragraphs of pages 1-3 of the Plaintiff's Complaint as follows:

- A. Responding to the allegations of the paragraph labeled "A" on page 1 of the Complaint, on information and belief, it is admitted that the Plaintiff is a corporation created under the laws of the State of Georgia, and that its principal place of business is in Georgia. These Defendants lack knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph A.
- B. Responding to the allegations of the paragraph labeled "B" on page 1 of the Complaint, the allegations of paragraph B are denied as stated. Further responding to paragraph B, these Defendants show that Britt Worldwide, LLC is a Limited Liability Company organized and existing under the laws of the State of Nevada, having its principal place of business in Nevada.
- C. Responding to the allegations of the paragraph labeled "C" on pages 1 and 2 of the Complaint, the allegations of paragraph C are denied as stated. Further responding to paragraph C, Defendant Bill Britt shows that he is a citizen and resident of the State of Florida.
- D. Responding to the allegations of the paragraph labeled "D" on page 2 of the Complaint, the allegations of paragraph D are denied as stated. Further responding to paragraph D, Defendant Peggy Britt shows that she is a citizen and resident of the State of Florida.
- E. Responding to the allegations of the paragraph labeled "E" on page 2 of the Complaint, the allegations of paragraph E are denied as stated. Further pleading to Paragraph E, Defendant Paul Miller shows that he is a citizen and resident of the State of North Carolina.
  - F. Responding to the allegations of the paragraph labeled "F" on page 2 of the

Complaint, Defendant Leslie Miller admits that she is a resident of the State of North Carolina, and denies the remaining allegations of paragraph F.

- G. Responding to the allegations of the paragraph labeled "G" on page 2 of the Complaint, Defendant Robert Covington admits that he is a resident of the State of South Carolina, and denies the remaining allegations of paragraph G.
- H. Responding to the allegations of the paragraph labeled "H" on page 3 of the Complaint, Defendant Bell International, Inc., admits that it is a North Carolina corporation with its principal place of business in North Carolina, and denies the remaining allegations of paragraph H.
- I. Responding to the allegations of the paragraph labeled "I" on page 3 of the Complaint, Defendant Kevin Bell admits that he is a resident of the State of North Carolina, and denies the remaining allegations of paragraph I.
- J. Responding to the allegations of the paragraph labeled "J" on page 3 of the Complaint Defendant Beth Bell admits that she is a resident of the State of North Carolina, and denies the remaining allegations of paragraph J.

2.

Responding to the final unnumbered paragraph on page 3 of the Complaint, each of the above named defendants admits that they have had sufficient contact with the State of Georgia to subject them to the jurisdiction of Georgia Courts with regard to the subject matter of those contacts.

3.

Responding to the paragraph on page 4 captioned "Jurisdiction and Venue", the allegations contained therein are denied as stated. It is specifically denied that any of the defendants have committed any torts in Georgia. It is nevertheless admitted that each of the Defendants has had

sufficient contact with the State of Georgia to subject each of said Defendants to personal jurisdiction under the Georgia long-arm statute, and that venue is proper in this now-removed Federal Court action.

4.

Responding to the allegations and averments set forth under the caption "Factual Background" on pages 4, 5, 6, 7 and 8 of the Complaint, each of the above named Defendants shows the Court that the allegations and averments set forth in that portion of the Complaint fail to comply with the rules of pleading required by the Georgia Civil Practice Act or the Federal Rules of Civil Procedure, and that it is impossible to answer in any meaningful way the confusing, convoluted, and often nonsensical allegations contained on those pages. Specifically, the Plaintiff's Complaint violates Rule 8(e) of the Federal Rules of Civil Procedure and the Georgia Civil Practice Act, in that the averments of the Complaint are not "simple, concise, and direct", and it violates Rule 10(b) of the Federal Rules of Civil Procedure and the Georgia Civil Practice Act, which requires that "all averments of claim or defense shall be made in numbered paragraphs, the contents of each of which shall be limited as far as practicable to a statement of a single set of circumstances; ..." Defendants therefore move the Court to order Plaintiff to recast its Complaint in conformity with the rules of pleading of the Federal Rules of Civil Procedure. To the extent that a response is required to the unnumbered paragraphs of page 4-8 of the Complaint, each of the above named Defendants denies any wrongdoing, denies any tortuous activity, denies the existence of the contract Plaintiff alleges, denies any breach of contract, denies any unlawful activity, denies any criminal activity, and denies any liability whatsoever to the Plaintiff corporation.

5.

Responding to the numbered paragraphs beginning on page 8 of the Complaint, these

1.

Responding to paragraph 1, on information and belief, the Defendants admit that in 1992, Henry and Sue Skaggs were sponsored into the business organization of Kevin and Beth Bell, and deny the remaining allegations of paragraph 1 as stated.

2.

Responding to paragraph 2, these Defendants lack knowledge or information as to what the Plaintiff means by the phrase "within a very short time", but admit that at some time the Skaggs achieved the designation of Gold Direct and Founders Emerald. These Defendants lack knowledge or information sufficient to form a belief as to the meaning of and therefore the truth of the remaining allegations of paragraph 2.

3.

Responding to paragraph 3, on information and belief, the allegations of paragraph 3 are admitted.

4.

Responding to paragraph 4, these Defendants, and each of them, lack knowledge or information sufficient to form a belief as to the truth of the allegations contained therein, and therefore deny the same.

5.

Responding to paragraph 5, these Defendants lack knowledge or information to form a belief as to what Plaintiff means by the terms "Defendant Bell" and "the Bell organizations", as those terms are not defined or named as defendants, and therefore lack the ability to respond to the

allegations of paragraph 5. These Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 5 and therefore deny the same.

6.

The allegations of paragraph 6 are denied as stated.

7.

Responding to paragraph 7, these Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations contained therein, and therefore deny the same.

8.

The allegations of paragraph 8 are denied as stated.

9.

These Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 9.

10.

Responding to paragraph 10, these Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 10 as stated, but admit that IBS, Inc. did borrow \$50,000.00 from Kevin Bell and Beth Bell in February of 2004, which debt is still due and owing and unpaid.

11.

The allegations of paragraph 11 are denied as stated.

12.

The allegations of paragraph 12 are denied as stated, except that these Defendants lack knowledge or information sufficient to form a belief as to the cash generation or "break even" status of Plaintiff.

13. The allegations of paragraph 13 are denied. 14. The allegations of paragraph 14 are denied. 15. The allegations of paragraph 15 are denied. 16. The allegations of paragraph 16 are denied as stated. 17. The allegations of paragraph 17 are denied as stated. 18. These Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 18. 19. The allegations of paragraph 19 are denied. 20. The allegations of paragraph 20 are denied. 21. The allegations of paragraph 21 are denied. 22. The allegations of paragraph 22 are denied. 23.

The allegations of paragraph 23 are denied.

The allegations of paragraph 24 are denied.

25.

The allegations of paragraph 25 are denied.

26.

The allegations of paragraph 26 are denied.

27.

The allegations of paragraph 27 are denied.

28.

The allegations of paragraph 28 are denied.

29.

The allegations of paragraph 29 are denied.

30.

The allegations of paragraph 30 are denied.

## COUNT I BREACH OF CONTRACT

Responding to the unnumbered paragraph immediately above paragraph 31 on page 12 of the Complaint, Defendants incorporate by reference, *in haec verba*, their responses to the allegations contained in paragraphs numbered 1 through 30.

31.

The allegations of paragraph 31 are denied.

32.

The allegations of paragraph 32 are denied. Further responding to paragraph 32, these defendants deny that there was any contract with Plaintiff regarding the software program about

33.

Each and every allegation of paragraph 33, including all subparts, is denied as stated. It is further denied that any contract existed between the Defendants, or any of them, and Plaintiff regarding the software program about which Plaintiff complains.

34.

The allegations of paragraph 34 are denied.

35.

The allegations of paragraph 35 are denied.

36.

The allegations of paragraph 36 are denied.

#### **COUNT II**

# RACKETEER INFLUENCED CORRUPT ORGANIZATIONS ACT (RICO)

Responding to the unnumbered paragraph immediately above paragraph 37 on page 13 of the Complaint, these Defendants incorporate by reference, *in haec verba*, their responses to paragraphs 1 through 36.

37.

Paragraph 37 purports to quote a Georgia statute, and requires no response from these Defendants. To the extent that Plaintiff alleges any violation by Defendants of such statute, these Defendants deny such allegations.

38.

Paragraph 38 purports to quote a Georgia statute, and requires no response from these Defendants. To the extent that Plaintiff alleges any violation by Defendants of such statute or any

other wrongdoing, these Defendants deny such allegations.

39.

Paragraph 39 purports to quote a Georgia statute, and requires no response from these Defendants. To the extent that Plaintiff alleges any violation by Defendants of such statute or any other wrongdoing, these Defendants deny such allegations.

40.

The allegations of paragraph 40 are denied.

41.

Paragraph 41 of the Complaint purports to quote a Georgia statute, and requires no response from these Defendants. To the extent that Plaintiff alleges any violation by Defendants of such statute or any other wrongdoing, these Defendants deny such allegations.

42.

Paragraph 42 purports to quote a Georgia statute, and requires no response from these Defendants. To the extent that Plaintiff alleges any violation by Defendants of such statute or any other wrongdoing, these Defendants deny such allegations.

43.

The allegations of paragraph 43, and each and every subpart, are denied.

## **COUNT III**

# INTENTIONAL INTERFERENCE WITH ECONOMIC RELATIONS

Responding to the unnumbered paragraph of Plaintiff's complaint immediately above paragraph 44, these Defendants incorporate by reference, *in haec verba*, their responses to paragraphs 1 through 43.

Paragraph 44 purports to summarize or quote a holding of the Georgia Court of Appeals, and requires no response from these Defendants. To the extent that Plaintiff alleges any wrongdoing by Defendants, these Defendants deny such allegations.

45.

The allegations of paragraph 45 are denied.

46.

The allegations of paragraph 46 are denied.

47.

The allegations of paragraph 47 are denied.

48.

The allegations of paragraph 48 are denied.

49.

The allegations of paragraph 49 are denied.

50.

The allegations of paragraph 50 are denied.

51.

The allegations of paragraph 51 are denied.

52.

The allegations of paragraph 52 are denied.

53.

The allegations of paragraph 53 are denied.

The allegations of paragraph 54 are denied.

#### FIFTH DEFENSE

Each and every other allegations or averment set forth in the Plaintiff's Complaint not hereinabove specifically admitted is hereby specifically denied.

## SIXTH DEFENSE

These Defendants deny that the Plaintiff is entitled to any of the relief sought in paragraphs

(a) through (h) of the portion of the Complaint captioned "Prayers" on page 18 of the Complaint, or to any other relief whatsoever.

WHEREFORE, having fully answered, these Defendants pray that they be hence discharged with their costs.

## **COUNTERCLAIM OF KEVIN BELL AND BETH BELL**

Come now Kevin Bell and Beth Bell, named as Defendants in the above styled matter, and file this their Counterclaim against Internet Business Solutions, Inc., and for cause show the following:

1.

Internet Business Solutions, Inc., (hereinafter IBS) has brought the above styled action against these Defendants, and is therefore subject to the jurisdiction and venue of this Court.

2.

On or about February 17, 2004, IBS, Inc. executed a note in favor of Kevin Bell and Beth Bell in the amount of \$50,000, said sum representing the amount of a loan made by Kevin Bell and Beth Bell to IBS. A copy of said Note is attached hereto as Exhibit A and made a part hereof by reference.

Said note is now overdue, and remains unpaid.

4.

Kevin Bell and Beth Bell are entitled to have and recover of IBS the sum of \$50,000.00, together with interest at the rate stated in said note, together with attorney's fees, as provided in said note.

5.

Pursuant to OCGA §13-1-11, notice is hereby given of the intent of Kevin Bell and Beth Bell to enforce the attorney's fees provisions of said note. If IBS wishes to avoid the attorney's fees liability pursuant to said note, it may do so by payment of the note in full, including interest in the amount of \$20,000 (representing 10% interest through February 17, 2005 and 15% per annum through February 17, 2007) for a total payment of \$70,000.00 within 10 (ten) days of the receipt of this Counterclaim through its attorney. If IBS fails to pay said \$70,000 within 10 days of receipt of this Counterclaim, then it shall in addition to said principal and interest, be responsible for attorney's fees in the amount of \$7,000.00, representing 10% of the indebtedness pursuant to OCGA §13-1-11.

WHEREFORE, Plaintiffs in Counterclaim Kevin Bell and Beth Bell pray that they be awarded \$50,000.00, together with such interest as proved at trial to be due, together with their attorney's fees as provided in said note and as provided by law.

This 27th day of August, 2007.

#### **BUCHANAN & LAND LLP**

By: /s/ Jerry A. Buchanan

Attorneys for BRITT WORLDWIDE, LLC, BILL BRITT, PEGGY BRITT, PAUL MILLER, LESLIE MILLER, ROBERT COVINGTON, BELL INTERNATIONAL, INC., KEVIN BELL, and BETH BELL

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# TIME NOTE

FOR VALUE RECEIVED, IBS, Inc. promises to pay to the order of Kevin & Beth Bell, the sum of Fifty Thousand Dollars (\$50,000.00), payable with annual interest of 10% for the 1<sup>st</sup> year and 15% for 2<sup>nd</sup> and 3<sup>rd</sup> years on any unpaid balance.

All principal and accrued interest shall be fully due and payable on the 16th day of February, 2007 time being of the essence.

This note may be prepaid, in whole or in part, without penalty at any point after the 16<sup>th</sup> day of February, 2005.

All parties to this note waive presentment, demand, protest, or notices thereto and agree to remain bound notwithstanding any indulgence, modification or release or discharge of any party or collateral securing this note.

Upon default, the IBS, Inc. agrees to pay all reasonable attorneys' fees and costs of collection.

Signed this 17th day of February, 2004.

Harry L. Skaggs, Jr. COO

EXHIBIT

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the within and foregoing **ANSWER** was electronically filed with the Clerk of Court using the CM/ECF system, which automatically serves notification of such filing to the following counsel of record:

## John W. Roper (jwr@roperlaw.com)

This 27th day of August, 2007.

**BUCHANAN & LAND LLP** 

By: /s/ Jerry A. Buchanan

Attorneys for BRITT WORLDWIDE, LLC, BILL BRITT, PEGGY BRITT, PAUL MILLER, LESLIE MILLER, ROBERT COVINGTON, BELL INTERNATIONAL, INC., KEVIN BELL, and BETH BELL

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