

1 UNITED STATES DISTRICT COURT  
2 MIDDLE DISTRICT OF FLORIDA  
3 TAMPA DIVISION

4 )  
5 )  
6 SECURITIES AND EXCHANGE )  
7 COMMISSION, )

8 Plaintiff, )

9 CASE NO. 8.08-cv-1409-T27 MSS

10 AEROKINETIC ENERGY )  
11 CORPORATION and )  
12 RANDOLPH E. BRIDWELL, )

13 Defendants. )  
14 )  
15 )

16  
17 DEFENDANTS, AEROKINETIC ENERGY CORPORATION’S  
18 AND RANDOLPH E. BRIDWELL’S ANSWER TO  
19 COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

20 Defendants, Aerokinetic Energy Corporation (“Aerokinetic” or the “Company”) and  
21 Randolph E. Bridwell (“Bridwell”), by and through their undersigned counsel, Gregory Bartko,  
22 Esq., of the Law Office of Gregory Bartko, LLC, hereby answer the Plaintiff, Securities and  
23 Exchange Commission’s (“Commission”) Complaint for Injunctive and Other Relief  
24 (“Complaint”) as follows”  
25

26 I. INTRODUCTION

27  
28 1. Defendants have insufficient information and knowledge to admit or deny the  
29 allegations contained in paragraph 1 of the Complaint and therefore, those averments are denied.  
30 By way of further affirmative answer, Defendants deny that they have defrauded investors  
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1 through the sale of the Company's securities in violation of federal securities laws, at such  
2 allegation is untrue.  
3

4 2. Defendants admit that Aerokinetic and/or Bridwell have engaged in the offer and  
5 sale of the Company's common stock, but affirmatively state that such offers and sales were  
6 exempt from registration and did not constitute violations of the Federal securities laws. The  
7 remaining averments contained in paragraph 2 of the Complaint are denied.  
8

9 3. Defendants deny that in the course of the offer and sale of the Company's  
10 securities, that the Defendants made or that they continue to make any material  
11 misrepresentations to prospective investors, as that allegation is untrue. Defendants further deny  
12 that they have made any materially false claims to prospective investors that relates to the  
13 Company's development of its energy technologies, as such an allegation is also untrue.  
14 Defendants have insufficient information and knowledge to admit or deny the remainder of the  
15 allegations contained in paragraph 3 of the Complaint and therefore, those averments are denied.  
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19 4. Defendants deny the averments contained in paragraph 4 of the Complaint, as  
20 such allegations consist of general conclusory statements and globally refers to "all of these  
21 claims are false and grossly misleading." Such an allegation is insufficient to meet the pleadings  
22 standards of Fed. R. Civ. Pro. 9(b) and are denied in their entirety.  
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25 5. Defendants deny the averments contained in paragraph 5 of the Complaint, as  
26 such allegations consist of general conclusory statements of law and fact which are incapable of  
27 either admitting or denying. Further, the averments in paragraph 5 of the Complaint are denied as  
28 being untrue. Such an allegation is insufficient to meet the pleadings standards of Fed. R. Civ.  
29 Pro. 9(b) and are denied in their entirety.  
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**II. DEFENDANTS**

6. Defendants deny that Bridwell is the sole shareholder of Future Technology Associates, Inc. (“FTA”) and Scientific Technology Associates, Inc. (“STA”) as that allegation is untrue. Defendants admit the remaining averments contained in paragraph 6 of the Complaint.

7. Defendants deny that Bridwell is the sole shareholder of FTA and STA, as that allegation is untrue. Defendants admit the remaining averments contained in paragraph 7 of the Complaint and further affirmatively states that he has not been registered with the Commission in any capacity heretofore and that his activities have not required such registration.

**III. JURISDICTION AND VENUE**

8. Defendants have insufficient knowledge and information to form a belief as to the truth of the averments contained in paragraph 8 of the Complaint, therefore, those averments are denied.

9. Defendants admit that Aerokinetic’s principal place of business and Bridwell’s residence are located within the jurisdiction of the Middle District of Florida. However, the remaining averments contained in paragraph 9 are denied.

10. Defendants deny the averments contained in paragraph 10 of the Complaint, as they are untrue with respect to the “conduct alleged in the Complaint.”

**IV. THE DEFENDANTS’ FRAUDULENT OFFERING**

11. Defendants admit the averments contained in paragraph 11 of the Complaint.

12. Defendants admit the averments contained in paragraph 12 of the Complaint.

13. Defendants admit the averments contained in paragraph 13 of the Complaint.

Defendants further state affirmatively that many other factually correct representations have heretofore been made to the Company’s investors and that segmenting out “snippets” of factual

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1 statements made to one or more of the Company's investors is unfair and inequitable to the  
2 Defendants and should be the basis of a motion to strike such allegations.  
3

4 14. Defendants deny the averments contained in paragraph 14 of the Complaint.  
5 Defendants further state affirmatively that many other factually correct representations have  
6 heretofore been made to the Company's investors and that segmenting out "snippets" of factual  
7 statements made to one or more of the Company's investors is unfair and inequitable to the  
8 Defendants and should be the basis of a motion to strike such allegations.  
9

10 15. Defendants admit the averments contained in paragraph 15 of the Complaint  
11 recite several sentences taken from two lengthy white papers produced by the Company for  
12 internal purposes, but denies that such information is somehow incorrect, misleading or  
13 fraudulent, as such an allegation is untrue.  
14

15 16. Defendants admit that they have engaged in the offer and sale of the Company's  
16 securities, but deny that such offerings were extended to the general public or were public  
17 offering of the common stock, as such allegations are untrue. Defendants further affirmatively  
18 state that the Company was at all times operating under the conclusion that the offer and sale of  
19 its common stock was exempt from registration based on well recognized offering exemptions.  
20  
21

22 17. Defendants admit the averments contained in paragraph 17 of the Complaint.  
23

24 18. Defendants deny the averments contained in paragraph 18 of the Complaint, as  
25 such allegation is untrue.  
26

27 19. Defendants admit the averments contained in paragraph 19 of the Complaint.  
28

29 20. Defendants deny the averments contained in paragraph 20 of the Complaint as  
30 they are untrue.  
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1           21. Defendants deny the averments contained in paragraph 21 of the Complaint as  
2 such allegations are untrue. Defendants again affirmative state that to the best of their  
3 knowledge, any offers and sales of the Company's shares qualified as exempt from registration  
4 under the Securities Act of 1933.  
5

6           22. Defendants deny that they have made material misrepresentations to prospective  
7 investors or to third-parties, as such allegation is untrue. The remaining averments contained in  
8 paragraph 22 of the Complaint are denied.  
9

10           23. Defendants deny that they have made material misrepresentations to prospective  
11 investors or to third-parties, as such allegation is untrue. The remaining averments contained in  
12 paragraph 23 of the Complaint are denied.  
13

14           24. Defendants admit that the Company's technology has been promoted, through  
15 various sources, as "the World's 1<sup>st</sup> Indoor Windmill", it "produces fuel-less energy at one-tenth  
16 the cost of nuclear power plants without the problem of nuclear waste" and that "[i]t's power is  
17 95% efficient and can run 24-7 without pollution". However, Defendants deny that they have  
18 made material misrepresentations to prospective investors or to third-parties, as such allegation is  
19 untrue. The remaining averments contained in paragraph 24 of the Complaint are also denied.  
20

21           25. Defendants admit the averments contained in paragraph 25 of the Complaint.  
22

23           26. Defendants admit that statements have been made concerning the capabilities and  
24 potential success of the Company's technology, although deny the remaining averments  
25 contained in paragraph 26 of the Complaint.  
26

27           27. Defendants admit that statements have been made concerning the capabilities and  
28 potential success of the Company's technology, although deny the remaining averments  
29 contained in paragraph 27 of the Complaint.  
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1 28. Defendants admit that the Company's technology can be modified for use in  
2 various applications, including automobiles, although deny the remaining averments contained in  
3 this paragraph as they are untrue.  
4

5 29. Defendants deny the averments contained in this paragraph as they are untrue.

6 30. Defendants deny the averments contained in this paragraph as they are untrue.  
7

8 31. Defendants deny the averments contained in this paragraph as they are untrue.

9 32. Defendants deny the averments contained in this paragraph as they are untrue. By  
10 way of further affirmative answer, Defendants state that certain aspects of its energy technology  
11 and Bridwell's previous inventions are in fact protected by patents pending.  
12

13 33. Defendants deny the averments contained in this paragraph as they are untrue. By  
14 way of further affirmative answer, Defendants state that certain aspects of its energy technology  
15 and Bridwell's previous inventions are in fact protected by patents pending.  
16

17 34. Defendants deny the averments contained in this paragraph as they are untrue.  
18

19 35. Defendants deny the averments contained in this paragraph as they are untrue.

20 36. Defendants deny the averments contained in this paragraph as they are untrue.  
21

22 37. Defendants deny the averments contained in this paragraph as they are untrue.

23 38. Defendants deny the implication in this averment that material representations  
24 made to the Company's prospective and current investors with respect to the developmental  
25 stage of the Company and its revenue-generating status was misleading or false in any respect, as  
26 such an allegation is untrue. By way of further affirmative defense, Defendants have in fact  
27 received indications of interest to purchase the Company's products.  
28

29 39. Defendants deny the implication in this averment that material representations  
30 made to the Company's prospective and current investors with respect to the developmental  
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1 stage of the Company and its discussions with outside promoters or celebrities was misleading or  
2 false in any respect, as such an allegation is untrue. The remaining averments contained in  
3 paragraph 39 are also denied.  
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5 40. Defendants deny the averments contained in this paragraph as they are untrue.

6 41. Defendants deny the averments contained in this paragraph as they are untrue.

7 42. Defendants deny the averments contained in this paragraph as they are untrue.

8 43. Defendants deny the averments contained in this paragraph as they are untrue.

9  
10 44. Defendants admit that financial projections have been made, assuming successful  
11 commercialization of the Company's technology, which would produce substantial revenue.  
12

13 However, Defendants neither admit nor deny the remaining averments in paragraph 44, as they  
14 are without sufficient information to do so at this time.  
15

16 45. Defendants admit the contents of the Aerokinetic Energy Corporation Business  
17 Plan, but deny the remainder of this allegation as they are without sufficient information to do so  
18 at this time.  
19

20 46. Defendants deny the averments contained in this paragraph as they are untrue.

21 47. Defendants admit that Bridwell is compensated for his services to the Company  
22 and that his compensation is used for his personal expenses. However, Defendants deny the  
23 averments contained in this paragraph as they are untrue.  
24

25 48. Defendants admit that Bridwell is compensated for his services to the Company,  
26 which compensation was likely used for various personal expenses, and further admit that the  
27 Company is directly billed for qualified business expenses, including vehicles, insurance, and  
28 meal and travel expense, although Defendants deny the remaining averments contained in this  
29 paragraph as they are untrue.  
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1 49. Defendants admit the contents of the Aerokinetic Energy Corporation Prospectus,  
2 but deny the remainder of this allegation as they are without sufficient information to do so at  
3 this time.  
4

5 **V. CLAIMS FOR RELIEF**  
6 **COUNT I**  
7 **Sales of Unregistered Securities in Violation of**  
8 **Sections 5(a) and 5(c) of the Securities Act**

9 50. Defendants hereby repeat and re-allege their answers to paragraphs 1-21 of the  
10 Complaint the same as if such answers were repeated in response to each of the Plaintiff's  
11 numbered allegations.  
12

13 51. Defendants admit that no registration statement was filed with the Commission  
14 pursuant to the Securities Act of 1933, but further state affirmatively that the offer and sale of the  
15 Company's securities required no registration under the Securities Act as any offering(s) were  
16 intended to qualify as exempt from the registration requirements.  
17

18 52. Defendants admit that no registration statement was filed with the Commission  
19 for the same reasons cited in paragraph 51. However, Defendants have insufficient information  
20 upon which to admit or deny the allegations contained in paragraph 52 and therefore, those  
21 averments are denied.  
22

23 53. Defendants deny the averments contained in paragraph 53 of the Complaint, as  
24 they are untrue.  
25

26 **COUNT II**  
27 **Fraud in Violation of Section 17(a)(1) of the Securities Act**

28 54. Defendants hereby repeat and re-allege their answers to paragraphs 1-49 of the  
29 Complaint the same as if such answers were repeated in response to each of the Plaintiff's  
30 numbered allegations.  
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1 Defendants further deny all remaining allegations of the Complaint, not specifically  
2 admitted, and deny the Commission is entitled to the relief sought in the *ad damnum* clause of  
3 the Complaint.  
4

5 **AFFIRMATIVE DEFENSES**

- 6
- 7 1. The Complaint fails to state a claim against either of the Defendants upon which relief  
8 may be granted. In particular, Plaintiff has wholly failed to allege or prove that the  
9 Defendants acted in any manner with the requisite *scienter* which is an element of the  
10 Plaintiff's claims.  
11
  - 12 2. The Complaint fails to plead fraud with the specificity required under Fed. R. Civ. Pro.  
13 9(b).  
14
  - 15 3. To the extent claims asserted against Defendants in the Complaint are based upon acts or  
16 omissions in excess of five (5) years before the date on which the Complaint was filed,  
17 the claims are barred by the applicable statute of limitations.  
18
  - 19 4. The Complaint fails to set forth a sufficient basis to justify the relief requested. In  
20 particular, the Complaint fails to assert a sufficient factual or legal basis for the grant of  
21 extraordinary equitable relief in the nature of either a temporary or permanent injunction;  
22 disgorgement or conduct of the Defendants that would warrant the imposition of a civil  
23 penalty.  
24
  - 25 5. Defendants relied, in good faith, upon the services, advice and opinions of accountants  
26 and attorneys. Consequently, Defendants cannot be held liable under federal securities  
27 laws for any misstatements or omissions set forth in the Complaint.  
28
  - 29 6. Defendants at all times believed in good faith that the contents of all material information  
30 disclosed by the Company to prospective offerees of its common stock, were exempt  
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1 from registration and were true and correct in all material respects. In forming this good  
2 faith belief, Defendants were entitled to rely, and did rely, on information provided to the  
3 Defendants from third-party or outside sources they deemed to be reputable and  
4 recognized industry sources of such information.  
5

- 6  
7 7. That Defendants be granted relief under the EQUAL ACCESS to JUSTICE ACT of  
8 1948, as amended, (“EAJA”) (codified as 28 U.S.C.A. § 2412.)

9  
10 **RELIEF REQUESTED**

11 Wherefore, Defendants have fully responded to the Complaint and showing the same to  
12 be without merit, Defendants pray that this Court enter judgment against Plaintiff on each claim  
13 set forth in the Complaint.  
14

15 Respectfully submitted this 14<sup>th</sup> day of August, 2008.

16  
17 Respectfully Submitted,

18  
19 By: /s/ Gregory Bartko  
20 **Law Office of Gregory Bartko, LLC**  
21 Gregory Bartko, Esq.  
22 Georgia Bar No.: 040476  
23 Michael Stegawski, Esq.  
24 Florida Bar No.: 51589  
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1 UNITED STATES DISTRICT COURT  
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3 TAMPA DIVISION

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SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

CASE NO. 8.08cv1409-T27MSS

AEROKINETIC ENERGY  
CORPORATION and  
RANDOLPH E. BRIDWELL,

Defendants.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing ANSWER TO COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF was filed electronically this 14<sup>th</sup> day of August, 2008 with the Clerk of the Court using *CM/ECF*. I also certify that the foregoing document is being served this day on all counsel of record and any *pro se* parties identified on the attached Service List via e-mail and U.S. mail, either via transmission of Notices of Electronic Filing generated by *CM/ECF* or via U.S. mail to for those parties that have formally appeared of record who are not authorized to receive electronic Notices of Electronic Filing.

Respectfully Submitted,

By: /s/ Gregory Bartko  
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