



STATE OF SOUTH CAROLINA,)
)
COUNTY OF BEAUFORT)
)
Privilege Underwriters Reciprocal Exchange)
Plaintiff,)
)
vs.)
)
Calvin C. "Skip" Hoagland, Kim Likins, and)
Lisa Sulka)
)
Defendant.)

IN THE COURT OF COMMON PLEAS

SUMMONS

FILE NO. 2017-CP

TO THE DEFENDANT ABOVE-NAMED:

YOU ARE HEREBY SUMMONED and required to answer the complaint herein, a copy of which is herewith served upon you, and to serve a copy of your answer to this complaint upon the subscriber, at the address shown below, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the complaint, judgment by default will be rendered against you for the relief demanded in the complaint.

Columbia, South Carolina

s/J.R. Murphy
Plaintiff/Attorney for Plaintiff

Dated: October 31, 2017

Address: P.O. Box 6648, Columbia, SC 29260

RECEIVED

Apr 19 2023

S.C. SUPREME COURT

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

Privilege Underwriters Reciprocal Exchange,

Plaintiff,

vs.

Calvin C. "Skip" Hoagland and Lisa Sulka,

Defendants.

IN THE COURT OF COMMON PLEAS

CIVIL ACTION NO:

**COMPLAINT FOR DECLARATORY
JUDGMENT
(NON-JURY)**

The Plaintiff, Privilege Underwriters Reciprocal Exchange (hereinafter "PURE"), seeks declaratory relief to determine the rights of the parties, and alleges and shows as follows:

PARTIES AND JURISDICTION

1. Plaintiff is a reciprocal insurer organized and existing pursuant to the laws of the State of Florida. Plaintiff is authorized to sell insurance and does sell insurance in South Carolina.

2. Upon information and belief, Defendant Calvin C. "Skip" Hoagland is a citizen and resident of Beaufort County, South Carolina.

3. Upon information and belief, Defendant Lisa Sulka is a citizen and resident of Beaufort County, South Carolina.

4. This matter is brought pursuant to Rule 57 of the South Carolina Rules of Civil Procedure and pursuant to the Uniformed Declaratory Judgment Act, South Carolina Code Ann. §§ 15-53-10 through 15-53-140.

5. There is a real and justiciable controversy between the parties, and by these proceedings Plaintiff asks this Court to inquire into and declare the rights and obligations of the parties hereto arising out of the facts set forth below.

6. Venue is proper in Beaufort County.

FACTUAL ALLEGATIONS

7. PURE issued a homeowners insurance policy to Calvin C. Hoagland and Catherine Hoagland, Policy No. HO007733903, with effective dates of February 10, 2015 to February 10, 2016 and a renewal of the policy (Policy No. HO007733904) with effective dates of February 10, 2016 to February 10, 2017 (collectively the “PURE Policy”). The PURE policy provides a liability coverage limit of \$500,000.

8. The PURE Policy insured Calvin Hoagland for certain risks under the insuring agreement and excluded certain risks through the policy exclusions. PURE craves reference to the policy for all of the terms, conditions, and provisions therein and incorporates them by reference herein. A copy of the policy is attached hereto as Exhibit A.

9. The PURE Policy provides in pertinent part:

SECTION I - DEFINITIONS

In this policy, “you” and “your” refer to the “named insured” shown in the Declarations

In addition, certain words and phrases are defined below. When used throughout the policy the defined words will be bolded.

* * *

Bodily Injury

Bodily Injury means physical bodily harm, sickness or disease. This includes required care, loss of services and resulting death.

* * *

Incidental Business

The definition of **Incidental Business** depends on where the **incidental business** is conducted.

a. Away from your **residence premises**.

Incidental Business means a self-employed business activity normally undertaken by persons under the age of 18 such as newspaper delivery, babysitting, caddying, and lawn care. . . .

b. At your **residence premises**.

Incidental business means a business activity conducted in whole or in part on your **residence premises** which must:

1. Not yield gross revenues in excess of \$10,000 in any year, except for the business activity of managing one's own personal investments . . . ;
2. Have no employees subject to any workers' compensation, disability benefits, unemployment compensation or other similar laws; and
3. Conform to local, state, and federal laws.

Incidental Business includes the **business** of renting to others your **residence premises** listed on your Declarations.

* * *

Occurrence

Occurrence means an accident or offense, including continuous or repeated exposure to substantially the same general harmful conditions, which results in bodily injury or property damage during the policy period.

* * *

Personal Injury

Personal Injury means injury or death arising out of one or more of the following:

- a. **Bodily injury**;
- b. Unlawful detention, false imprisonment or false arrest;
- c. Shock or emotional distress;
- d. Invasion of privacy;
- e. Defamation, libel or slander;
- f. Malicious prosecution;
- g. Wrongful entry or eviction; or
- h. Assault and battery when committed with the intent of protecting persons.

* * *

SECTION III – LIABILITY COVERAGE

A. Personal Liability

If a claim is made or a suit is brought against an **insured** for damages because of **personal injury** or **property damage** caused by an **occurrence** anywhere in the world to which this coverage applies, we will:

1. Pay up to the liability coverage limit shown on your Declarations for **damages** for which an **insured** is legally liable.
2. Provide a defense at our expense even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit at our discretion

* * *

D. Exclusions

We do not provide coverage for damages, defense costs or other cost or expense for:

* * *

11. Business

Personal injury or **property damage** arising out of or in connection with an **insured’s business** property or **business** pursuits. However, this exclusion does not apply to:

Incidental business property or **incidental business** pursuits

* * *

16. Expected or Intended Injury

Personal injury or **property damage** resulting from any criminal, willful, intentional, or malicious act or omission by any **insured** which is intended to result in, or would be expected by a reasonable person to cause **personal injury** or **property damage**. This exclusion applies even if the injury or damage is of a different kind or degree, or is sustained by a different person than expected or intended. This exclusion does not apply to **bodily injury** if the **insured** acted with reasonable force to protect person or property.

* * *

SECTION IV – GENERAL PROVISIONS

* * *

B. Your Duties After a Loss

In the event of a loss for which coverage may be provided under this policy, you or an **insured** must:

* * *

5. Cooperate with us in the investigation of a claim, settlement or the defense of any claim or suit.

* * *

11. At our request, assist us:

* * *

a. To make settlement;

* * *

10. On July 26, 2017, Defendant Lisa Sulka filed a complaint in the Beaufort County Court of Common Pleas against Defendant Calvin C. “Skip” Hoagland and Domains New Media, LLC, styled as: Lisa Sulka v. C.C. “Skip” Hoagland et al, Civil Action No. 2017-CP-07-01547

(hereinafter the “Sulka Underlying Complaint”). A copy of the Sulka Underlying Complaint is attached hereto as Exhibit B.

11. The Sulka Underlying Complaint alleges that Defendant Hoagland made false and defamatory statements about Sulka in 2015 and 2017 in numerous emails that were published to various individuals. The Sulka Underlying Complaint alleges that the statements “were published with actual malice by the Defendants with the intent to harm [Sulka’s] reputation and to cause her to suffer mental anguish.” The Sulka Underlying Complaint alleges that Hoagland’s statements “falsely accused [Sulka] of a crime and of being unfit for her office of mayor.”

12. Upon information and belief, Defendants have or will make claims for coverage under the PURE Policy for those claims alleged in the Sulka Underlying Complaint.

FOR A FIRST DECLARATION

13. PURE repeats and realleges the paragraphs above as if set forth fully verbatim below.

14. The PURE Policy does not provide liability coverage for damages for personal injury or property damage arising out of or in connection with an insured’s business pursuits.

15. The Sulka Underlying Complaint alleges that at all times mentioned in the complaint, “Hoagland, was an agent and/or employee of Domains New Media, LLC acting within the scope of his agency and/or employment.” The Sulka Underlying Complaint also alleges that “Domains New Media, LLC is liable for Hoagland’s acts and/or omissions.”

16. Therefore, the damages alleged in the Sulka Underlying Complaint arose out of or in connection with Defendant Hoagland’s business pursuits, and PURE is entitled to a declaration that the PURE Policy does not provide coverage for any such damages.

FOR A SECOND DECLARATION

17. PURE repeats and realleges the paragraphs above as if set forth fully verbatim below.

18. The PURE Policy does not provide liability coverage for damages resulting from the willful, intentional or malicious acts of any insured which are intended to result in, or would be expected by a reasonable person to cause injury. This exclusion applies even if the injury or damage is of a different kind or degree, or is sustained by a different person than expected or intended.

19. All of the causes of action alleged in the Sulka Underlying Complaint are premised on intentional conduct by Defendant Hoagland that a reasonable person would expect to cause injury. The Sulka Underlying Complaint alleges Hoagland published the defamatory statements with actual malice and “with the intent to harm [Sulka’s] reputation and to cause her to suffer mental anguish.”

20. Therefore, PURE is entitled to a declaration that the PURE Policy does not provide liability coverage for any of the claims alleged in the Sulka Underlying Complaint, all of which are premised on intentional or willful acts that a reasonable person would expect to cause injury.

WHEREFORE, PURE respectfully requests that the Court inquire into these matters and declare that the PURE Policy does not provide liability coverage for the claims and damages alleged in the Sulka Underlying Complaint and PURE has no obligation to pay, indemnify, defend, or otherwise perform under the policy for any and all claims alleged in the Sulka Underlying Complaint, or for any future claims against Defendant Hoagland that arise out of the same course of conduct against Sulka alleged in the Sulka Underlying Complaint, together with such other and further relief as the Court may deem just and proper.

MURPHY & GRANTLAND, P.A.

s/J.R. Murphy

J.R. Murphy

S.C. Bar No. 7941

4406-B Forest Drive

PO Box 6648

Columbia, South Carolina 29260

(803) 782-4100

Attorneys for the Plaintiff

Columbia, South Carolina
October 31, 2017