

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM HORRY COUNTY
Court of Common Pleas

The Honorable Cynthia Graham Howe
Master-in-Equity, Fifteenth Judicial Circuit

Case No.: 2009-CP-26-620
Appellate Case No.: 2016-001075

Ellis E. Smith, individually and on behalf of A&E Constructors and Consultants, Inc., a South Carolina CorporationPlaintiffs,

vs.

Arthur Wayne Vereen, Park Place Properties of Myrtle Beach, LLC, Parkway Offices, LLC, Arthur Vereen Construction, Inc., Linda C. Vereen, Arthur W. Vereen, as Trustee of the Arthur W. Vereen Residence Trust, and Linda C. Vereen, as Trustee of the Linda C. Vereen Residence Trust, Defendants,

AND

Arthur Wayne Vereen, individually and on behalf of A&E Constructors and Consultants, Inc. and 29th Place Developers, Inc., Third-Party Plaintiffs,

vs.

E. Smith and Sons Construction, LLC, EES Construction and Consulting, Inc. and Ellis E. Smith, individually,Third-Party Defendants.

OF WHOM Arthur Wayne Vereen, individually and on behalf of A&E Constructors and Consultants, Inc., Park Place Properties of Myrtle Beach, LLC, Parkway Offices, LLC, Arthur Vereen Construction Company, Inc., Linda C. Vereen, Arthur W. Vereen, as Trustee of the Arthur W. Vereen Residence Trust, Linda C. Vereen, as Trustee of the Linda C. Vereen Residence Trust and 29th Place Developers, Inc. are Appellants,

AND

Ellis E. Smith, individually and on behalf of A&E Constructors and Consultants, Inc., a South Carolina Corporation and E. Smith and Sons Construction, LLC, EES Construction and Consulting, Inc. and Ellis E. Smith, individually are Respondents.

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INC., AND ELLIS E. SMITH,
INDIVIDUALLY

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MAKE SURE THAT THEY WERE STILL LICENSED.

Q AT ANY TIME DURING THE TIME THAT A&E HAS BEEN IN BUSINESS AND HAS BEEN CONDUCTING BUSINESS THAT YOU KNEW ABOUT, HAS A&E ALWAYS HAD A QUALIFYING PERSON THAT WAS LICENSED AS A GENERAL CONTRACTOR HAVING THEIR LICENSE WITH A&E?

A YES.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 102.

MR. DURANT: NO OBJECTIONS.

MR. THOMAS: NO OBJECTIONS.

JUDGE HOWE: DEFENDANT'S 102 SO ADMITTED.

VEREEN'S APPLICATION TO LLR MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS PLAINTIFF'S EXHIBIT 102.

MS. COOK: YOUR HONOR, I WOULD NOW LIKE TO ASK THAT WE LOOK AT MRS. BRADY'S PLAINTIFF'S EXHIBIT 4, WHICH IS MRS. BRADY'S REPORT FOR THE YEAR 2004... I'M SORRY, 2007, EXCUSE ME. IN EXHIBIT 4 THE 2007 BRADY REPORT, I WANT TO DIRECT YOUR ATTENTION TO HER TAB 29. AT THE FRONT OF...

Q AT THE FRONT OF HER REPORT BEFORE YOU GET TO TAB 29, WHICH IS WHERE WE ARE GOING TO GO, SHE HAS AN INDEX AT THE BEGINNING OF HER REPORT, IS THAT CORRECT?

A YES.

Q SHE DOES NOT HAVE ITEM 29 LISTED ON HER INDEX. I MAY NOT HAVE GONE FAR ENOUGH BACK. IN HER JOURNAL ENTRIES SHE DOESN'T HAVE A SPECIFIC LINE ITEM FOR 29, DOES SHE?

A I DON'T SEE ONE.

Q BUT SHE HAS A TAB 29 IN HER BOOK, CORRECT?

A YES.

Q AND BEHIND TAB 29, WHAT'S THE DESCRIPTION SHE HAS LISTED?

A SHE HAS IN 2004 SOME DRAFTS OF CHANGES THAT WE'VE ADDED OR DELETED AND THAT'S REVIEW OF THE SAME STATEMENTS, SOME DRAFTS THAT INDICATED JUNE TO SEPTEMBER TO POTENTIAL --

Q LET ME JUST DIRECT YOUR ATTENTION... BEHIND TAB 29, DOES SHE HAVE AN INDEX AND SOME VERIFICATION AND SOME BACK UP FOR CERTAIN ADJUSTMENTS SHE'S MAKING IN THE YEAR 2004, 2005, 2006 AND 2007?

A IT LOOKS LIKE SHE HAS MADE SOME ADJUSTMENTS ON THE POTENTIAL FOR 2004.

Q IS THAT WHAT THE INDEX ADDRESSES?

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A YES.

Q I WANT TO DRAW YOUR ATTENTION TO WHAT SHE HAS IN TERMS OF ADJUSTMENTS FOR 2006. DOES SHE HAVE AN ADJUSTMENT ON HER INDEX FOR 2006?

A I WOULD THINK THAT THE DARK PART IS THE ADJUSTMENT.

Q LET ME WORD IT THIS WAY: DOES SHE HAVE A ENTRY FOR 2006?

A YES. CHECK NUMBER 4977, JANUARY 6TH, 2006 FOR PYRAMID ENGINEERING FOR LOT 60.

Q AND LET ME DIRECT YOUR ATTENTION TO, IF YOU COULD LOCATE WHAT SHE HAS UP AS THE BACK UP FOR THAT CHARGE?

A SAYS IT'S A DIGITIZED SURVEY OF TILGHMAN ESTATES, \$650.00.

Q DO YOU RECALL ANYTHING ABOUT HAVING A&E OR YOURSELF HAVING A SURVEY DONE FOR TILGHMAN ESTATES?

A I HAVEN'T HAD ANYTHING DONE AT TILGHMAN ESTATES.

Q AS A&E WAS DOING JOBS, WERE YOU ALSO TRYING TO GET NEW JOBS IN THE DOOR?

A YES.

Q IN ORDER FOR A CONTRACTOR SUCH AS A&E TO GET NEW JOBS IN THE DOOR, DO YOU HAVE TO DO WORK AHEAD OF TIME TO TRY TO GET THAT WORK IN?

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A YES.

Q ARE THERE COSTS ASSOCIATED FROM TIME TO TIME WITH THOSE ACTIVITIES IN TRYING TO GET NEW BUSINESS?

A THERE ARE ALWAYS COSTS INVOLVED ON THE FRONT SIDE. HOPEFULLY, THOSE COSTS MATERIALIZE AND WE COULD RECOUP THAT MONEY.

Q AND IF THE JOB DOES MATERIALIZE, WHAT IS THAT CHARGE?

A THE PRICE OF DOING BUSINESS.

Q BEFORE ELLIS WENT ON VACATION AND DIDN'T COME BACK, WERE YOU WORKING ON ADDITIONAL BUSINESS TO TRY TO BRING INTO A&E?

A YES.

Q AND TO YOUR KNOWLEDGE WAS ELLIS TRYING TO BRING BUSINESS IN?

A NOT TO MY KNOWLEDGE.

Q LET ME SHOW YOU WHAT I HAVE PRE-MARKED AS DEFENDANT'S EXHIBIT 113. TAKE A LOOK AT THAT AND SEE IF YOU CAN IDENTIFY IT?

A THIS WAS A SURVEY THAT THE BRIGHAM COMPANY... THEY ARE ENGINEERS, I BELIEVE, IT'S IN AYNOR. THIS IS A TRACK THAT WE WERE LOOKING AT TO --

Q WHO IS "WE"?

A MYSELF, ELLIS SMITH AND HARRY WILLOUGHBY. WE

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WERE LOOKING TO PURCHASE IN AYNOR, SOUTH CAROLINA FROM THE SCHOOL SUPERINTENDENT THAT TEACHES OUT AT COASTAL, WILL GARRETT. PURCHASED FOR HIM TO PUT HOUSES UP. ELLIS SAID HE WOULD GO WALK THE PROPERTY. HE CAME BACK AND SAID IT WAS A VALUABLE PIECE OF PROPERTY AND IT WOULD BE A GOOD DEAL FOR US TO ENTER INTO A CONTRACT TO PURCHASE THAT PROPERTY AND DEVELOP IT. I VISITED THE SITE ONE DAY AND I GOT UNCOMFORTABLE AND I TOLD ELLIS THAT HE NEEDED TO GET IN TOUCH WITH THE BRIGHAM COMPANY AND ASK THEM TO DO A SURVEY FOR US AND WHEN THAT PROPERTY CAME BACK, THE MAJORITY OF THE PROPERTY WAS WET AND WE DIDN'T BUY IT. WE JUST BACKED OFF OF IT.

Q WAS THAT A VENTURE THAT A&E WAS LOOKING TO BUILD A DEVELOPMENT OR DO A DEAL ON?

A YES.

Q WHO ORDERED THE WETLAND SURVEY?

A ELLIS DID. I ASKED HIM TO DO THAT.

Q IS THERE A DATE AS TO AUTHORIZING THAT STUDY TO GO FORWARD?

A THAT WAS ON NOVEMBER THE 21ST, 2006.

Q WHO SIGNED THAT STATEMENT OF AUTHORIZATION?

A IT WAS SIGNED BY ELLIS SMITH.

Q DO YOU THINK THAT ELLIS SMITH OWES A&E THAT

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MONEY?

A NO. IT'S AN A&E EXPENSE.

Q HAS THE PLAINTIFF SOUGHT TO HAVE YOU REIMBURSE A&E FOR THE EXPENSE?

A I DON'T HAVE THAT IN FRONT OF ME, BUT I WOULD VENTURE TO SAY YES.

MS. COOK: YOUR HONOR, I DON'T KNOW IF WE WANT TO KEEP GOING. I'M ABOUT TO CHANGE GEARS. IS THIS A GOOD PLACE --
JUDGE HOWE: THIS IS A GOOD TIME TO BREAK.

(LUNCH RECESS) .

Q MR. VEREEN, I KNOW WE WERE TALKING ABOUT THE BRIGHAM RECEIPT WHEN WE BROKE HAVING TO DO SOME PERSPECTIVE JOBS THAT A&E WAS LOOKING AT, BUT DIDN'T TAKE ON. I'M GOING TO GO BACK TO A COUPLE OF THINGS ON THAT IN JUST A MINUTE. BUT WHILE WE WERE LOOKING AT MRS. BRADY'S REPORT, EXHIBIT 40, I WANT TO DIRECT YOUR ATTENTION TO HER 2004 REVISIONS AND UNDER HER LINE ITEM 14, THE ACTUAL LINE ITEM THAT I'M GOING TO DIRECT YOUR ATTENTION TO DOESN'T HAVE A NUMBER, BUT IT'S RIGHT UNDER 14. IT SAYS, "CAROLINA FIRST, WAYNE'S PROPERTY TAX." SO, I'M DIRECTING YOU TO THE LINE IMMEDIATELY BELOW THAT THAT HAS NO

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ANNOTATION TO DESCRIBE IT. DO YOU SEE THAT?

A YES. IT'S CONSTRUCTION COSTS.

Q AND WHAT'S THE AMOUNT ACCORDING TO MRS. BRADY'S REPORT UNDER ITEM 14 THAT SHE'S GOT AS AN AMOUNT OWED BY YOU TO A&E?

A \$17,426.80.

Q THERE'S NO ADJUSTMENT IN THAT REPORT AS FAR AS YOU CONCEDING OF YOU OWING THAT MONEY TO A&E, IS THAT RIGHT?

A THAT'S CORRECT.

Q NOW, LET ME SHOW YOU WHAT WAS MARKED EARLIER IN I BELIEVE MR. SMITH'S DEPOSITION AS DEFENDANT'S EXHIBIT 4. IT'S A CHECK FROM CAROLINA FIRST... IT'S A CHECK FROM A&E TO CAROLINA FIRST FOR \$17,000 AND BEHIND THAT IS A CERTIFIED CHECK FROM CAROLINA FIRST FOR THE SAME AMOUNT OF MONEY MADE PAYABLE TO WOKFORD MANUFACTURING AND THEN A DELIVERY INVOICE FROM WOKFORD MANUFACTURING. TAKE A LOOK AT THAT DEFENDANT'S EXHIBIT 4 AND SEE IF YOU RECOGNIZE IT?

A I DO.

Q THE AMOUNT THAT MRS. BRADY HAS SAID IS AN ACCOUNTS RECEIVABLE IN HER 2004 REPORT IS THAT AMOUNT EXACTLY THE AMOUNT OF THAT CERTIFIED CHECK?

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A IT IS.

Q WHAT IS THE CHECK, A&E CHECK, WRITTEN TO CAROLINA FIRST, WHAT WAS THAT FOR?

A IT WAS FOR A PRE-ENGINEERED METAL BUILDING THAT WAS ORDERED FOR THE JACK FROST JOB.

Q WAS THE JACK FROST JOB AN A&E JOB?

A IT WAS.

Q WHY DID A&E WRITE A CERTIFIED CHECK... WHY DID A&E WRITE A CHECK TO CAROLINA FIRST FOR 17,000 SOME ODD DOLLARS?

A IT WAS TO GET A CERTIFIED ONE, WHEN THE BUILDING WAS DELIVERED. WE ALREADY HAD A DEPOSIT DOWN. THE BALANCE OWED WAS 17,426.80 ONCE IT WAS DELIVERED.

Q IS THAT AN A&E EXPENSE?

A YES.

Q ACCORDING TO THIS REPORT OF MRS. BRADY SHE HAS SOUGHT THAT BACK ON MR. SMITH'S BEHALF TO BE PAID BY YOU TO A&E, IS THAT CORRECT?

A THAT'S CORRECT.

JUDGE HOWE: DEFENDANT'S EXHIBIT 4 HAS ALREADY BEEN ADMITTED.

MR. DURANT: THIS IS ALREADY IN EVIDENCE?

MS. COOK: YES.

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Q OKAY. MR. VEREEN, I WANT TO DRAW YOUR ATTENTION TO WHAT HAS ALREADY BEEN INTRODUCED AS DEFENDANT'S EXHIBIT 80. IT IS A BOOK OF PARK PLACE PROPERTIES EXPENSES REPRESENTING ACCOUNTS RECEIVABLE DUE TO PARK PLACE PROPERTIES FROM A&E FROM 2003 TO 2009. I AM GOING TO DIRECT YOU WITHIN DEFENDANT'S EXHIBIT 80 BEHIND 2007, WHICH IS THE RECEIPTS AND PAYMENTS IN 2007 AND I WANT TO DIRECT YOUR ATTENTION TO TAB... I'M SORRY, 2006 NOT 2007, TO TAB 16. IF YOU WOULD TELL THE COURT WHAT IS BEHIND TAB 16.

MR. DURANT: JUST A SECOND, YOUR HONOR.

Q WHAT IS THE CHECK THAT'S BEHIND TAB 16?

A IT'S A CHECK WRITTEN FROM CULLER LAND SURVEYING COMPANY OCTOBER OF 2006 FOR \$4000.

Q WHAT ENTITY WROTE THAT CHECK AND PAID THAT BILL?

A IT WAS PROPERTY DEVELOPMENT.

Q DO YOU KNOW WHAT THAT \$4,000 WAS FOR?

A IT WAS A CHARGE FOR A LAND SURVEY FOR THE PROPERTY ON LOW KEY ON LITTLE RIVER ROAD WHICH WAS ONE OF THE PROPERTIES THAT WE WERE ENTERTAINING ABOUT DOING DEVELOPING.

Q IS THAT THE SAME PROPERTY THAT YOU TALKED ABOUT ELLIS WALKING AND YOU BECOMING CONCERNED AND ORDERING THE BRIGHAM WETLAND STUDY?

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A NO. IT'S A DIFFERENT ONE.

Q BUT IT WAS AROUND THE SAME TIME YOU WERE LOOKING AT NEW BUSINESS FOR A&E?

A ABSOLUTELY.

Q WAS THAT A VENTURE THAT YOU WERE LOOKING AT THAT YOU HAD THE PROPERTY SURVEYED?

MR. DURANT: YOUR HONOR, WE HAVE AN OBJECTION TO THE CLAIM. THE OBJECTION TO THE CLAIM IS THAT PARK PLACE PROPERTIES HAS NOT MADE A COMPLAINT A&E IN THIS CASE. SO, WE OBJECT TO ANY EVIDENCE COMING IN THAT A&E OWES PARK PLACE PROPERTIES ANY MONEY. SECONDLY, THEY DID NOT COMPLY WITH THE REQUEST BY DECEMBER 1ST IN YOUR ORDER IN THAT THE BILL OF THE INVOICE WAS CERTAINLY NOT SUBMITTED TO US IN A TIMELY FASHION. THE ONLY THING THAT IS IN THIS SHEET IS A CHECK FOR PARK PLACE PROPERTIES PAID TO CULLER LAND SURVEYING, \$4,000 FOR THE INVOICE THAT'S ATTACHED TO IT AND IS SOMETHING THAT THEY PROVIDED LATER. SO, WE WOULD OBJECT THAT THERE IS NO CLAIM MADE IN THE COUNTERCLAIM AGAINST A&E BY PARK PLACE PROPERTIES. THEY MADE NO

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SUCH COMPLAINT.

JUDGE HOWE: I THOUGHT THIS EXHIBIT WAS ALREADY IN?

MS. COOK: YOUR HONOR, IT IS.

MR. DURANT: FOR IDENTIFICATION PURPOSES ONLY.

JUDGE HOWE: OKAY. EXHIBIT 80 IS ONLY IN FOR IDENTIFICATION PURPOSES ONLY?

MS. COOK: NO, MA'AM. ALL THE EXHIBITS SO FAR EXCEPT FOR A VERY FEW THAT HAVE BEEN PROFFERED ARE IN EVIDENCE. THEY HAVE BEEN INTRODUCED INTO EVIDENCE AND WERE INTRODUCED DURING THE SECOND TIME THAT WE WERE ALL TOGETHER, WHENEVER THAT WAS. THEY'RE IN EVIDENCE. THE DIFFERENCE BETWEEN... EXCEPT FOR, IF YOU WILL NOTE, THE PAGES IN YOUR NOTEBOOK AND IN ALL OF OUR NOTEBOOKS THERE ARE THE WHITE SHEETS. THERE ARE BLUE SHEET. THE DIFFERENCE IS... IF YOU WILL REMEMBER, YOUR HONOR, ORDERED THAT CERTAIN DOCUMENTS BE PRODUCED BY A DATE. THE BACK UP DOCUMENTS BE PRODUCED BY A CERTAIN DATE. I BELIEVE IT WAS 12/1 OR 12/30 OR SOMETHING. THE BLUE SHEETS, WE

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DID NOT HAVE THAT PRODUCED... WE DIDN'T HAVE THAT RECEIPT PRODUCED BY THAT TIME. IT WAS PRODUCED IN JANUARY WHEN WE MET WITH THE PLAINTIFF AND THEIR EXPERT AT MRS. BRADY'S OFFICE. SO, ANYTHING THAT'S MARKED IN BLUE OR IS ON A BLUE SHEET WAS PROVIDED PRIOR TO TRIAL, BUT NOT WITHIN THE TIMEFRAME OF YOUR ORDER, YOUR HONOR. SO, THE BLUE SHEETS WERE PROFFERED. THE REST OF THE EXHIBITS THOUGH HAVE BEEN INTRODUCED INTO EVIDENCE. THE BLUE SHEETS ARE BACK UP AND I UNDERSTAND, YOUR HONOR'S ORDER THAT THE BACK UP HAD TO BE PRODUCED BY A CERTAIN TIME, BUT I DID NOT UNDERSTAND YOUR ORDER TO MEAN THAT IF BACK UP WAS NOT PRODUCED THAT THE ACTUAL EXPENDITURE, THE CHECK THAT'S ON THE WHITE SHEET OF PAPER THAT WAS PRODUCED COULD NOT BE ENTERED INTO EVIDENCE AND THAT THE WITNESS CAN'T TESTIFY ABOUT IT. NOW, THE WEIGHT THAT, YOUR HONOR, WANTS TO AFFORD THAT IN MAKING YOUR HONOR'S DECISION, OF COURSE, IS UP TO YOU. BUT THE BLUE SHEETS HAVE BEEN PROFFERED.

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THE REST OF THE DOCUMENTS HAVE BEEN INTRODUCED INTO EVIDENCE. WITH REGARD TO MR. DURANT'S COMMENT THERE IS NO CLAIM... THERE IS NO COUNTERCLAIM... NO. THERE IS NO THIRD-PARTY CLAIM BY PARK PLACE PROPERTIES AGAINST A&E, BUT THERE IS A CLAIM BY A&E, THE A&E THAT IS MR. VEREEN'S... THE PART OF THE BUSINESS THAT IS MR. VEREEN'S ASKING FOR A FULL ACCOUNTING AS WELL, YOUR HONOR. THAT ACCOUNTING WOULD INCORPORATE NOT ONLY THE THINGS THAT MR. SMITH ALLEGES ON BEHALF OF A&E ARE OWED TO A&E, BUT ALSO THINGS THAT A&E MAY OWE OTHERS, SUCH AS PARK PLACE PROPERTIES AND ANY ENTITIES THAT ARE MR. VEREEN'S THAT WERE CAPITAL CONTRIBUTIONS, THAT WERE CONTRIBUTIONS OVER AND ABOVE TO RUN THE BUSINESS. THAT'S WHAT WE'VE BEEN TALKING ABOUT PART OF THE TIME. AND THAT'S WHAT ONE OF THOSE IS. IS EVIDENCE OF MR. VEREEN'S TESTIMONY, AN EXPENSE OF A&E THAT WAS FUNDED BY PARK PLACE PROPERTIES AND AS AN EXPENSE OF PARK PLACE PROPERTIES THAT IN DOING A PROPER AND

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FULL ACCOUNTING AS TO WHAT THE LEGITIMATE EXPENSES ARE, WHAT ARE PERSONAL EXPENSES. SO, WHAT THE PROFIT SHOULD BE AT THE END OF THE DAY OR WAS LOST TO BE SPLIT BETWEEN THESE TWO PARTNERS. YOU HAVE GOT TO CONSIDER BOTH SIDES OF THE EQUATION, YOUR HONOR.

MR. DURANT: YOUR HONOR, WE MET IN DECEMBER. WE HAVE A CHECK FROM PARK PLACE PROPERTIES AND THERE WAS NOTHING TO TALK ABOUT OR DISCUSS BECAUSE THERE WAS NO WAY YOU COULD LOOK AT THE CHECKS AND DETERMINE WHAT IT WAS FOR. NOW, SHE COMES UP WITH AN INVOICE AFTER THE FACT, WHICH SHE ADMITS AND IT SAYS IT'S A BILL FROM A THIRD... SOMEBODY PARTNERS NOT A&E. IT'S IMPROPER UNDER OUR ORDER. IT'S IMPROPER BEFORE THE COURT BECAUSE THERE IS NOT CLAIM BY PARK PLACE PROPERTIES AGAINST A&E. THIS IS NOT AN A&E BILL. WE OBJECT ON THOSE REASONS AND FOR NOT COMPLYING WITH THE ORDER. WE WILL BE HERE FOREVER IF SHE JUST TAKES CHECKS AND AFTER THE FACT, COME IN AND TRY TO SUBMIT A BILL FOR IT. YOUR

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ORDER WAS CLEAR AND WE WERE CLEAR WHEN WE WERE OVER HERE WITH MR. VEREEN. I HAVE INVOICES TO SUPPORT EVERYTHING I CLAIM AND HE DIDN'T. NOW, WE ARE TRYING TO DO IT TODAY AND WE CANNOT, IT'S IMPROPER.

MS. COOK: YOUR HONOR, YOU CAN CERTAINLY... THAT'S WHY THOSE PAGES ARE IN BLUE.

JUDGE HOWE: IT'S NOT ADMITTED.

MS. COOK: THE BLUE PAGES ARE NOT ADMITTED, BUT --

JUDGE HOWE: HE CAN TESTIFY TO IT, BUT IT'S NOT ADMITTED.

MS. COOK: I UNDERSTAND. AND I'M SURE MR. DURANT MISSPOKE WHEN HE SAID THAT WE MET IN DECEMBER. WE MET IN DECEMBER, BUT WE MET TWO TIMES IN JANUARY AS WELL IN MRS. BRADY'S OFFICE AND WENT OVER... AND THAT IS WHEN THOSE BLUE SHEETS WERE PRESENTED. I UNDERSTAND THAT THE INVOICE ARE NOT IN THAT WEREN'T PRODUCED BEFOREHAND. I UNDERSTAND THAT. I DON'T HAVE A PROBLEM WITH THAT, YOUR HONOR. THAT IS WHAT YOUR HONOR'S ORDER WAS.

BUT WE MET IN JANUARY OF 2011 AS YOUR HONOR ORDERED AND WENT OVER THESE MATTERS. WE WENT OVER... AND THOSE INVOICES WERE PRESENTED AT THAT TIME. I DON'T HAVE ANY PROBLEM WITH THEM NOT BEING IN, BUT I THINK TO MISLEAD THE COURT AND SAY THEY WERE PRESENTED AFTER THE FACT AND WE ARE JUST PUTTING THEM IN NOW, THAT'S NOT CORRECT. I MEAN, THEY HAVE KNOWN SINCE JANUARY THAT WE DID HAVE AN INVOICE. WE TALKED ABOUT WHAT THE VOICE WAS FOR. I UNDERSTAND THEIR POSITION THAT YOU'RE NOT GOING TO CONSIDER THE INVOICE, BUT THERE'S NOTHING TO SAY THAT YOU CAN'T CONSIDER THE TESTIMONY OF MY CLIENT. HE CAN BE CROSS-EXAMINED ABOUT IT, ABOUT WHAT THAT PAYMENT WAS FOR. AND THEY ARE NOT SURPRISED BY THAT BECAUSE WHY I DO UNDERSTAND YOUR HONOR TO SAY THAT THE ACTUAL DOCUMENT CAN'T COME IN, THEY WERE PROVIDED THE REASONING THAT WAS GOING TO BACK UP THE TESTIMONY AS TO WHAT THAT CHANGE WAS.

MR. DURANT: YOUR HONOR, WITHOUT... WE

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ARE NOW IN 2012, SO IN JANUARY OF 2011 WE HAD A MEETING THAT WAS DIRECTED BY THE COURT. DOCUMENTS WERE PRODUCED. SO, WE MET AGAIN IN JANUARY AND A NEW SET OF BOOKS COME IN, WHICH THE PLAINTIFFS IN THIS CASE, INCLUDING MR. THOMAS, WE WILL REFUSE TO LOOK AT ANY DOCUMENTS THAT DID NOT COMPLY WITH THE ORDER BECAUSE WE ALREADY HAD, I DON'T KNOW HOW MANY BOOKS, MORE THAN 10 I THINK. SO, WE ARE NOT GOING TO GO DO IT. THE FACT, THAT WE HAD IT... IF WE HAD IT, WE WOULDN'T KNOW WHAT WE HAD. WE DID COMPLY WITH THE ORDER. WHAT ARE WE DOING TO DO IF YOU SAY YES, IT GOES IN NOW?

JUDGE HOWE: IT'S NOT GOING IN.

MR. DURANT: NO. THIS CLAIMED EXPENSE. HOW ARE WE GOING TO WRITE IT OFF IF IN 2012. HE LET US KNOW, WELL, THIS WAS FOR SOMETHING THAT ELLIS HAD SOMETHING TO DO WITH IT. CERTAINLY WASN'T A&E BUSINESS. THERE'S NO WAY TO WRITE IT OFF OF TAXES. THAT'S THE PROBLEM WITH A LOT OF THESE INVOICES AND IT'S THEIR

PROBLEM BECAUSE THEY DIDN'T PAY IT THE WAY IT'S SUPPOSED TO BE DONE ACCORDING TO THE LAW. OUR OBJECTION WILL CONTINUE THROUGH ALL OF THESE DOCUMENTS BEING PRESENTED BECAUSE EVEN IF WE HAVE THIS DEDUCTION THAT YOU CALL IT, WE CAN'T EVEN USE IT. SHE DIDN'T COMPLY WITH THE ORDER... I DON'T SAY MS. COOK, I SAY THE DEFENDANT, PARK PLACE, WHO IS NOT MAKING A CLAIM DIDN'T COMPLY WITH THE ORDER. MS. COOK: YOUR HONOR, I UNDERSTAND YOUR RULING. I THINK ONE OF THE FUNDAMENTAL --

JUDGE HOWE: THE CASE IS A 2009 CASE, IS THAT CORRECT?

MS. COOK: YES, MA'AM. IT IS. I THINK ONE OF THE FUNDAMENTAL PROBLEMS WITH THIS MATTER IS THAT THE PLAINTIFFS ARE TRYING TO TAKE THE POSITION AND BLOW SMOKE THAT WHAT HAS OR HAS NOT BEEN REPORTED FOR INCOME TAX PURPOSES IS SOMEHOW DETERMINATIVE OF WHAT ACTUAL MONEY PROFIT OR LOSS A BUSINESS SUSTAINS AND WHAT THE PLAINTIFF ASKS FOR IN THEIR COMPLAINT WAS AN ACCOUNTING OF THE

EXPENSES AND INCOME OF A&E, WHICH WE
LIKEWISE JOINED IN, IN ASKING FOR AN
ACCOUNTING OF THE PROFITS, LOSSES,
EXPENSES AND INCOME OF A&E. SO, THAT
ONCE THAT DETERMINATION OF WHAT AN
ACTUAL PROFIT OR LOSS IS IN THE BUSINESS
COULD BE UTILIZED IN ORDER TO DISSOLVE
THE CORPORATION THAT THEY HAVE ASKED
FOR. WE HAVE NOT ASKED TO DISSOLVE THE
CORPORATION BECAUSE OF POTENTIAL ONGOING
LIABILITY, NOT ONLY WITH TAXES, BUT WITH
THE CONSTRUCTION WORK THAT HAS BEEN
DONE. AND MAKE AND DIVIDE WHATEVER
PROFIT THERE IS IN THE BUSINESS, IF
THERE IS ANY, OR DIVIDE WHATEVER LOSS
THERE IS IN THE BUSINESS. THAT'S WHAT
THE ACCOUNTING IS TO DETERMINE. NOT
WHAT HAS BEEN REPORTED FOR TAX PURPOSES
OR HASN'T BEEN REPORTED. NOW, THAT
OPENS A WHOLE OTHER CAN OF WORMS. I
DON'T DISAGREE WITH THAT. BUT WHAT THEY
HAVE ASKED FOR IS AN ACCOUNTING WHICH IS
FOR THE INCOME AND THE EXPENSES OF THE
BUSINESS SO THAT A DISSOLUTION OF THE
BUSINESS CAN BE ACCOMPLISHED AND A

DIVISION OF PROFITS OR LOSSES. THAT'S WHAT THEY'VE ASKED FOR. THAT IS WHILE INCOME TAXES AND WHAT HAS BEEN REPORTED OR NOT REPORTED MAY BE EVIDENCE LINKING TO THE CREDIBILITY OR WEIGHT OF A LEGITIMATE EXPENSE OR A LEGITIMATE INCOME. IT'S NOT DETERMINATIVE OF THE BOTTOM LINE MATTER AN ISSUE. AND ADDITIONALLY, AS I KNOW THE COURT IS AWARE, THE 2004 TAXES HAD BEEN FILED. THE 2005 TAXES HAD BEEN FILED. NO TAXES FOR THIS CORPORATION HAVE BEEN FILED FOR '06, '07, '08, '09, 2001, 2011 OR 2012. THERE HAVE BEEN NO TAXES FILED FOR THOSE YEARS. THAT IN AND OF ITSELF MAY PRESENT AN ISSUE, BUT IT'S NOT DETERMINATIVE OF WHAT THE COURT HAS BEEN ASKED TO ULTIMATELY DECIDE IN THIS ACCOUNTING. AND TO DO A PROPER ACCOUNTING OF INCOME, EXPENSES, PROFITS AND LOSS IN THIS BUSINESS YOU HAVE TO TAKE INTO CONSIDERATION WHAT WERE THE LEGITIMATE DEBTS? HOW WERE THEY PAID? WHAT WERE THE LEGITIMATE JOBS? WHAT, IF ANY, PROFIT WAS MADE? WHAT IS ANY LOSS

THAT WAS MADE? SO, THAT, YOUR HONOR, CAN GET TO THE BOTTOM NUMBER AND DETERMINATION OF WHAT THE PROFIT AND LOSS IN THIS COMPANY BETWEEN THESE TWO GENTLEMEN IS. I'M NOT SAYING THAT THAT'S AN EASY TASK, YOUR HONOR.

JUDGE HOWE: I UNDERSTAND THAT. THE OTHER PROBLEM IS APPARENTLY THE ENTITIES IN CASE FOR SOME REASON WERE BLURRED. I MEAN, THEY DIDN'T --

MS. COOK: YOUR HONOR, I THINK ONE REASON THE ENTITIES WERE BLURRED WAS BECAUSE A&E WAS ON ITS ON, AT ANY PARTICULAR GIVEN POINT IN TIME. WITH THE OVERHEAD IT WAS RUNNING, IT DIDN'T HAVE SUFFICIENT INCOME TO KEEP GOING.

JUDGE HOWE: THEN IT DOES JUST LIKE ANY OTHER BUSINESS, IT BORROWS MONEY.

INSTEAD OF BORROWING MONEY FROM A BANK, IT BORROWED MONEY FROM ANOTHER ENTITY AND THEY DIDN'T KEEP VERY GOOD RECORDS.

MS. COOK: AND... AND... AND I'M NOT GOING TO DISAGREE WITH THAT THE RECORDS WE HAVE ARE THE RECORDS WE HAVE, BUT ONE THING THAT A&E DID BENEFIT BY HAVING

SOMEONE IT COULD BORROW THE MONEY FROM IS THAT IT WASN'T CHARGED ANY INTEREST AND DIDN'T HAVE TO VERIFY ANY CREDIT INFORMATION IN ORDER TO BORROW THE MONEY BECAUSE IT COULDN'T HAVE. IF MR. VEREEN, THE 50% PARTNER WHO WAS PUTTING ALL THE MONEY IN TO KEEP THIS BUSINESS RUNNING HADN'T DONE THAT, WELL, MR. SMITH WOULD BE SITTING RIGHT HERE TRYING TO GET, ACCORDING TO HIS EXPERT, \$3 MILLION.

JUDGE HOWE: I AM NOT SAYING THAT'S GOOD OR BAD.

MS. COOK: IT IS WHAT IT IS, YOUR HONOR. IT'S NOT THE WAY YOU AND I WOULD RUN A BUSINESS, BUT IT WAS CERTAINLY THE WAY THESE TWO GENTLEMAN RAN A BUSINESS, AND MR. SMITH KNEW IT FROM DAY ONE WHEN HE WALKED IN THE DOOR BECAUSE HE DIDN'T PUT A PENNY OF MONEY IN THIS BUSINESS.

MR. DURANT: YOUR HONOR, THAT'S A MISSTATEMENT OF FACTS. MR. SMITH DID NOT KNOW WHAT MR. VEREEN WAS DOING WITH THE CHECKBOOK. THERE'S NO TESTIMONY... THERE IS TESTIMONY FROM MR. VEREEN THAT

HE DID NOT KNOW ABOUT ALL THESE FINANCIAL TRANSACTIONS SO WE WOULD -- MS. COOK: DID HE THINK THE TOOTH FAIRY WAS FUNDING THE BUSINESS?

MR. DURANT: YOUR HONOR, WE HAVE ASKED FOR AN ACCOUNTING OF A&E. WE DIDN'T GO INTO PARK PLACE PROPERTIES BOOKS. ALL I'M ASKING YOU TODAY IS, THEY DID NOT COMPLY WITH THE ORDER AND THERE IS NO JOB LEDGER FOR WHATEVER THIS IS THAT HE PAID NOR ANY WAY TO CHECK BECAUSE CERTAINLY IF THERE WAS A JOB LEDGER SOMEBODY WOULD BE CHARGED FOR IT. NOW, THEY ARE TAKING THE --

JUDGE HOWE: WELL, THE DOCUMENT IS NOT COMING IN. WHETHER HE CAN TESTIFY AS TO THE DOCUMENT IS ANOTHER MATTER BECAUSE WE'VE GOT THE BEST EVIDENCE. I ASSUME, IF HE STARTS TESTIFYING AS TO THIS DOCUMENT THAT IS NOT COMING IN. MR. THOMAS OR MR. DURANT ARE GOING TO STAND UP AND OBJECT ON THE GROUNDS OF THE BEST EVIDENCE RULE. SO, HAVE AT IT WITH THE EVIDENCE RULES THAT YOU HAVE.

Q MR. VEREEN, DO YOU KNOW WHAT THE \$4,000 CHECK

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FROM PARK PLACE PROPERTIES WAS WRITTEN FOR?

A YES.

Q IT WAS WRITTEN FOR A PAYMENT TO CULLER LAND SURVEYING?

MR. THOMAS: THE BEST EVIDENCE WOULD BE THE INVOICE OF PAYMENT NOT WHAT HE SAYS IT WAS.

MS. COOK: THE CHECK SAYS IT'S WRITTEN TO CULLER LAND SURVEYING.

JUDGE HOWE: YES, IT DOES. I WILL ALLOW IT.

MR. DURANT: YOUR HONOR, ARE YOU GOING TO ALLOW HIM TO GO FURTHER THAN SAYING WHAT THE CHECK WAS FOR?

MS. COOK: I HAVEN'T ASKED ANOTHER QUESTION YET, FRANK.

MR. DURANT: I WAS TALKING TO THE COURT, KIF.

Q LET ME ASK YOU IF YOU WOULD TURN IN THE SAME PARK PLACE PROPERTIES EXHIBIT 80 TO TAB 21. WOULD YOU TELL THE COURT WHAT THAT CHECK IS?

MR. DURANT: YOUR HONOR, SAME OBJECTION FOR THE DEFENDANT'S --

MS. COOK: YOU DON'T HAVE ANY OBJECTION TO MAKE YET. I'VE ASKED WHAT THE

QUESTION IS. I MEAN, I'VE ASKED WHAT THE CHECK IS. DO YOU OBJECT TO ME ASKING WHAT THE CHECK IS?

MR. DURANT: YOUR HONOR, I WOULD LIKE TO MAKE MY OBJECTION TO THE COURT.

JUDGE HOWE: YES, SIR.

MR. DURANT: THE OBJECTION IS JUST AS THE PREVIOUS OBJECTION. THE INVOICE THAT SUPPORTS THE CHECK WAS NOT DELIVERED WITHIN THE TIMEFRAME BY THE --
JUDGE HOWE: I UNDERSTAND.

MS. COOK: I HAVEN'T SOUGHT TO INTRODUCE THAT. IT'S MY... I UNDERSTAND YOUR HONOR'S RULING. I AM NOT DENSE BELIEVE IT OR NOT.

Q MR. VEREEN, WHAT IS THAT CHECK? WHO IS IT TO?

A CHECK WAS MADE TO HORRY COUNTY PLANNING DEPARTMENT.

Q WHAT IS THE DATE OF THE CHECK?

A 9/26/06.

Q WAS A&E IN BUSINESS AT THAT TIME?

A WE WERE.

Q DOES THE FOR LINE INDICATE WHAT THE CHECK WHAT FOR?

A IT WAS PRODUCED FOR THE AYNOR PROPERTY THAT I

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TESTIFIED ABOUT EARLIER TODAY THAT ELLIS HAD PHYSICALLY WALKED.

Q THAT WAS THE PIECE OF PROPERTY THAT DEALT WITH THE BRIGHAM WETLANDS STUDY?

A IT WAS.

Q THANK YOU. NOW, LET ME ASK YOU IF YOU CAN IDENTIFY WHAT WAS MARKED IN MR. SMITH'S DEPOSITION... NOT DEPOSITION. EXCUSE ME. MR. SMITH CROSS-EXAMINATION AS DEFENDANT'S EXHIBIT 5?

A IT IS A COPY OF A CHECK WRITTEN TO ASI IN MARCH OF '04.

Q HOW MUCH WAS THAT FOR?

A \$15,180.

Q NOW, IS THERE... LET ME SHOW YOU WHAT WAS MARKED IN MR. SMITH'S CROSS-EXAMINATION AS EXHIBIT 5-A.

A THAT'S A COPY OF A STATEMENT FROM ASI ENGINEERS FOR THE WILLOUGHBY PROPERTY.

Q WHAT IS THE TOTAL OF THAT INVOICE FROM CSI FOR THE WORK THEY DID ON WILLOUGHBY?

A THE TOTAL THAT WAS DUE AT THAT TIME, THERE HAD BEEN TWO PREVIOUS STATEMENTS, WAS \$15,180.

Q HOW MUCH WAS THAT CHECK FROM YOU FOR?

A \$15,180.

Q DID THIS CHECK PAY THAT INVOICE?

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A IT DID.

Q MR. VEREEN, LET ME SHOW YOU WHAT WAS MARKED AS DEFENDANT'S EXHIBIT 29. WHEN I WAS CROSS-EXAMINING MR. SMITH, TAKE A MINUTE AND LOOK THROUGH THOSE AND TELL ME IF YOU CAN IDENTIFY THOSE DOCUMENTS?

A THOSE WERE CHECKS THAT WERE WRITTEN TO TURNER PADGET.

Q WHO WROTE THE CHECKS AND WHAT WERE THE CHECKS FOR?

A THE CHECKS WERE WRITTEN BY PARK PLACE PROPERTIES ON BEHALF OF A&E ON A LAWSUIT THAT A&E WAS BEING INVOLVED IN ON COPYRIGHT INFRINGEMENT.

Q FROM EARLIER IN THE TRIAL OF THIS MATTER THAT HAD TO DO WITH SOMEBODY FROM OUT OF TOWN SUING A&E AND THE OWNER AT WILLOUGHBY FOR COPYRIGHT INFRINGEMENTS FOR THE PLANS ON THAT DEVELOPMENT?

A THAT'S CORRECT.

Q NOW, DURING THAT TIME THAT A&E WAS A DEFENDANT IN THAT CASE, WERE TWO DIFFERENT LAW FIRMS USED TO DEFEND A&E?

A YES. ONE WAS TURNER PADGET AND THE OTHER ONE WAS --

Q WAS IT THE LAND LAW FIRM OUT OF MARION?

A I'M NOT --

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Q LAND, PARKER, WELCH OUT OF THE MONK'S CORNER AREA?

A YES.

Q SENATOR LAND'S LAW FIRM?

A (NO RESPONSE).

Q DID THOSE EXPENSES FOR DEFENDING A&E TAKE PLACE IN 2006 AND 2007?

A IT LOOKS LIKE THE MAJORITY OF THEM WERE 2007.

Q NOW, WHY DIDN'T... WAS THAT LAWSUIT ULTIMATELY SETTLED?

A YES.

Q AND AS PART OF THE SETTLEMENT, DID A&E AGREED TO PAY A CERTAIN AMOUNT OF MONEY TO SETTLE THE CASE?

A YES.

Q DO YOU KNOW HOW MUCH?

A \$70,000.

Q AS I UNDERSTAND THERE WERE TWO OTHER PARTIES IN THE CASE AND THEY PAID SOME AS WELL?

A ACTUALLY THERE WERE THREE PARTIES; MR. WILLOUGHBY OF WILLOUGHBY FAMILY INVESTMENTS AND THERE WAS THE ARCHITECT AS WELL AS A DRAFTSMAN.

Q BUT OF THOSE PARTIES A&E AGREED TO PAY \$70,000?

A WE DID.

Q WHO PAID THAT \$70,000 FOR A&E?

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A PARK PLACE PROPERTIES.

Q WITHIN EXHIBIT 29 ARE THE BILLS FROM A LAW FIRM AND THE PAYMENTS MADE TO PAY THE FIRM AND TO PAY THE SETTLEMENT?

A THEY ARE.

Q WITHIN EXHIBIT 29 IS THERE A... IS THE LAST PAGE THE SETTLEMENT CHECK FOR THE LEGAL FEES?

A YES.

Q NOT FOR THE LEGAL FEES. I'M SORRY. FOR THE SETTLEMENT FUNDS?

A YES.

Q NOW, IF YOU LOOK AT MRS. BRADY'S EXHIBIT NUMBER 40, WHICH IS HER REPORT WITH THE ADJUSTMENTS THAT SHE MADE AND YOU LOOK AT EXHIBIT 49 BEHIND TAB 25, WHICH IS HER REVISIONS FOR THE YEAR 2005. I'M SORRY. 2006. EXCUSE ME. I'M SORRY. LET ME DIRECT YOUR ATTENTION... IN HER REPORT EXHIBIT 40, WHERE SHE MAKES SOME REVISIONS. I AM GOING TO TURN YOU TO THE TAB THAT'S MARKED PPP FOR PARK PLACE PROPERTIES AND ASK YOU TO LOOK AT THE PAGE THAT'S ENTITLED, "AGREED UPON EXPENSES BY MR. SMITH." DOES MRS. BRADY REPORT INDICATE THAT MR. SMITH AGREES... KIND OF MIDWAY DOWN THE PAGE, THAT A \$19,000 PAYMENT TO TURNER PADGET WAS AGREED BY MR. SMITH

TO BE AN A&E EXPENSE?

A YES.

Q IF YOU LOOK AT ALL THE EXPENSES THAT ARE ADDED UP ON THAT PAGE IT COMES TO 55 AND CHANGE, CORRECT?

A CORRECT.

Q IF YOU LOOK BACK AT HER REVISIONS... IN MRS. BRADY'S REPORT FOR PARK PLACE PROPERTIES AS ADJUSTMENTS TO HER NUMBERS, SHE INDICATES A TOTAL OF \$55,921.70 AS BEING DUE AS AGREED TO BY MR. SMITH BACK TO PARK PLACE PROPERTIES, CORRECT?

A YES.

Q OF THAT 55,000 MR. SMITH ACCORDING TO HER DOCUMENT HAS APPROVED 19,000 OF THE TOTAL MONEY THAT YOU PAID FOR THE WILLOUGHBY LAWSUIT, CORRECT?

A YES.

Q IF YOU LOOK BACK AT THE SUMMARY SHEETS AT THE FRONT OF HER EXHIBIT 40, YOU LOOK DOWN AT THE SECOND SHEET WHERE SHE SAYS, "FOR INFORMATIONAL PURPOSES ONLY" YOU SEE THE SECOND LINE ITEM AS BEING THAT SAME 55,921.70 FOR PARK PLACE PROPERTIES WHICH INCLUDES THE \$19,000, CORRECT?

A YES.

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Q DO HER NUMBERS... HAVE YOU SEEN ANYWHERE IN HER NUMBERS THAT IT REFLECTS THE BALANCE OF THE \$70,000 THAT WAS PAID FOR SETTLEMENT AND THE ADDITIONAL ATTORNEY'S FEES OTHER THAN THAT \$19,000 AS BEING AN A&E LEGITIMATE EXPENSE?

A NO.

Q DID MR. SMITH COME TO THE MEDIATION OR THE SETTLEMENT DISCUSSIONS Y'ALL HAD?

A NO. ON THAT DAY, WE WERE SUPPOSED TO MEET AT THE OFFICE AND LEAVE AT 6 O'CLOCK IN MORNING, I WAITED UNTIL 6:30 AND HE NEVER SHOWED UP. OUR MEETING WAS IN FLORENCE.

MR. DURANT: DO THE COURT RECORDS SHOW THAT THESE BILLS HAVE BEEN INTRODUCED INTO EVIDENCE? I THINK THEY ARE JUST MARKED.

JUDGE HOWE: I DO KNOW THAT DEFENDANT'S 5 AND 5-A WERE MARKED FOR IDENTIFICATION.

MR. DURANT: YOUR HONOR, THE ISSUE FOR PURPOSES OF THE RECORD, THE REASON THAT THERE WASN'T AN AGREEMENT CONCERNING EXPENSES OF THE LEGAL LAWSUIT IS WE WERE NEVER GIVEN THE CREDITS THAT WERE PAID BACK TO PARK PLACE PROPERTIES AND MR.

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VEREEN MADE BY MR. WILLOUGHBY AND THE INSURANCE CARRIER.

JUDGE HOWE: I'VE GOT A LETTER THAT'S DEFENDANT'S 87 WHERE SOME OF THIS WAS PAID BACK BY INSURANCE.

MS. COOK: THAT'S CORRECT.

MR. DURANT: WE WERE NOT GIVEN THAT INFORMATION SO WE COULDN'T AGREE ON WHAT THE PROPER BALANCE WAS. BETH SAID SHE WAS HANDLING THAT WHEN WE WERE MEETING. APPARENTLY SHE WAS THE POINT PERSON FOR THOSE ITEMS AND WE DIDN'T HAVE THOSE EXPENSES. THE REFUND CHECKS WERE NOT PUT INTO A&E.

JUDGE HOWE: ACCORDING TO DEFENDANT'S 87, BUILDERS MUTUAL PAID A TOTAL OF \$39,465.08.

MS. COOK: YES, MA'AM. THAT WAS PUT INTO EVIDENCE THROUGH I THINK MRS. SESSION.

MR. DURANT: THERE WERE NO QUESTIONS ASKED OF MRS. SESSION ABOUT THE LEGAL FEES IF MY RECOLLECTION IS CORRECT.

MS. COOK: I WILL HAVE TO GO BACK AND LOOK AT MY NOTES, BUT YOUR HONOR, I

DON'T HAVE ANY PROBLEM WITH HIM CROSS-EXAMINING MY CLIENT ABOUT THAT.

JUDGE HOWE: IT'S A DEFENDANT'S EXHIBIT?

MR. DURANT: CORRECT. I UNDERSTOOD THAT THIS WITNESS DIDN'T HAVE THE KNOWLEDGE THAT BETH DOES. I UNDERSTAND YOU WANT TO GET YOUR EXHIBIT IN, BUT THE ISSUE WAS THE CREDIT AND THE PROPER AMOUNT THAT WAS DUE. NOT WHETHER OR NOT HE PAID THE \$70,000.

Q NOW, MR. VEREEN, IN DEFENDING THE WILLOUGHBY LAWSUIT, WAS THERE A POINT IN TIME WHEN A&E WAS DEFENDED BY A FIRM THAT A&E OR SOMEONE ON BEHALF OF A&E WAS HAVING TO PAY AS OPPOSED TO AN INSURANCE COMPANY STEPPING IN AND ASSUMING THE DEFENSE?

A YES.

Q WHICH FIRM WAS IT THAT A&E WAS USING THAT WAS NOT AN INSURANCE COMPANY LAWYER THAT WAS ON A&E'S TICKET?

A TURNER PADGET.

Q DO YOU RECALL A&E HAVING ANY TYPE OF CLAIM AGAINST YOUR INSURANCE CARRIER IN DEALING WITH THE WILLOUGHBY LAWSUIT?

A I'M NOT SO SURE IT'S A CLAIM, BUT I KNOW THAT WE

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TURNED IT OVER AND FILED IT WITH A COPY OF THAT COMPLAINT WITH OUR INSURANCE CARRIER. AND THEY PAID ATTORNEY FEES UP TO A POINT AND STOPPED.

Q WHEN THEY STOPPED AND IN YOUR SETTLEMENT, IN ADDITION TO PAYING \$70,000, DID A&E GIVE OVER ANY OTHER RIGHTS THAT MAY... ANYONE TOWARDS THE SETTLEMENT OF THAT CASE?

A WE DID. WE HAD TO ASSIGN ANY MONIES THAT MAY BE COLLECTED FROM ANYONE ASSOCIATED WITH THAT LAWSUIT OUTSIDE OF... IN OTHER WORDS, IF THEY GOT MONEY BACK FROM THE INSURANCE COMPANY, IF THEY GOT MONEY BACK FROM WHATEVER ENTITY THAT HAD SOMETHING TO DO WITH WILLOUGHBY PLACE, OTHER THAN A&E AND THAT WOULD AFFECT WILLOUGHBY FAMILY INVESTMENTS. IF ANY MONEY WAS RECOUPED, IF WE GOT THE MONEY, WE HAD TO REIMBURSE IT OR REFUND THAT MONEY TO THE ENTITY THAT SUED US.

Q AND THE PLAINTIFF IN THE CASE?

A YES.

Q IN ADDITION TO THE \$70,000, DID A&E ASSIGN ANY RIGHTS THEY MAY HAVE AGAINST IT'S INSURANCE COMPANY?

A WE DID.

Q MR. VEREEN, LET ME SHOW YOU WHAT WAS MARKED AS DEFENDANT'S 87. IT WAS MARKED ON OCTOBER 12TH

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2011. I THINK THAT MIGHT HAVE BEEN THE TIME THAT BETH WAS TESTIFYING, BUT I COULDN'T SWEAR TO IT. LET ME SHOW YOU DEFENDANT'S EXHIBIT 87, WHICH WAS THE LETTER FROM TURNER PADGET THAT THE COURT WAS JUST REFERRING TO. TAKE A MINUTE AND READ THAT. DID YOU HAVE A CHANCE TO READ THAT?

A YES.

Q TO YOUR KNOWLEDGE, DO YOU RECALL EVER RECEIVING ANY MONEY FROM BUILDERS MUTUAL?

A NO.

Q TO YOUR KNOWLEDGE, DID BUILDERS MUTUAL PAY PART OF A&E'S ATTORNEYS FEES TO TURNER PADGET?

A I HAVEN'T SEEN THE CHECKS, BUT ACCORDING TO THIS LATER THEY DID PAY \$39,465.80.

Q THAT WAS A BALANCE THAT WAS OWED TO A&E OR SOMEONE ON A&E'S BEHALF THAT HAD NOT YET PAID TURNER PADGET, IS THAT CORRECT?

A THAT WAS A PORTION OF THE OUTSTANDING BALANCE, YES.

Q MR. VEREEN, I'M GOING TO SHOW YOU WHAT'S BEEN INTRODUCED AS DEFENDANT'S EXHIBIT 77. WAS IT YOUR KNOWLEDGE THAT THE BLUE SHEETS WERE NOT IN EVIDENCE?

A (NO RESPONSE.)

Q IT IS ENTITLED THE "ARTHUR W. VEREEN ACCOUNTS

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RECEIVABLE DUE FROM A&E '03 TO 2009." DID YOU HELP IN PREPARING THIS EXHIBIT?

A I DID.

Q WOULD YOU JUST GENERALLY EXPLAIN TO THE COURT THE SETUP OF THIS EXHIBIT AND WHAT IT REFLECTS IN GENERAL TERMS?

A WELL, I'M NOT SURE WHAT THE WORD, "SETUP" MEANS, BUT...

Q WHAT IT'S COMPOSED OF?

A IT'S COMPOSED OF COPIES OF CHECKS AND INVOICES THAT WERE WRITTEN BY ARTHUR W. VEREEN.

Q THAT'S YOU PERSONALLY?

A ME PERSONALLY. TO SUPPLIERS, SUB-CONTRACTORS ON BEHALF OF A&E FOR YEARS OF 2003 THROUGH 2009.

Q WE ARE NOT GOING TO GO THROUGH EVERY ONE OF THE LEDGERS, ALL OF THESE TABS.

MR. DURANT: ARE YOU ON THE CONSTRUCTION COMPANY OR HIM PERSONALLY?

MS. COOK: I'M ON DEFENDANT'S EXHIBIT 77, ARTHUR W. VEREEN PERSONALLY.

Q IF I UNDERSTAND YOUR TESTIMONY CORRECTLY, WHAT'S CONTAINED IN THIS NOTEBOOK WOULD BE ALL BILLS PAID BY YOU PERSONALLY FOR A&E EXPENSES AND ANY CHECKS WRITTEN BY YOU PERSONALLY DEPOSITED INTO A&E, IS THAT CORRECT?

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A THAT'S CORRECT.

Q DID YOU DO THIS TYPE OF NOTEBOOK NOT ONLY FOR YOURSELF PERSONALLY, BUT DID YOU DO ONE FOR ARTHUR WAYNE VEREEN CONSTRUCTION COMPANY, EXHIBIT 78?

A ARTHUR VEREEN CONSTRUCTION COMPANY, YES.

Q IT WOULD CONTAIN CHECKS AND INVOICES OR BILLS FOR MATERIALS, SUPPLIERS THAT WERE TO BE PAID FOR BY ARTHUR VEREEN CONSTRUCTION COMPANY ON BEHALF OF A&E AND THEN DEPOSITS MADE DIRECTLY BY ARTHUR VEREEN CONSTRUCTION COMPANY, IF ANY, INTO A&E, IS THAT CORRECT?

A YES.

Q DID YOU DO THE SAME THING FOR PARKWAY OFFICES, EXHIBIT NUMBER 79?

A I DID.

Q AND DID YOU DO THE SAME THING FOR PARK PLACE PROPERTIES, EXHIBIT 80?

A I DID.

Q AND WE DO UNDERSTAND THAT ANY BLUE DOCUMENTS ARE NOT IN EVIDENCE, THEY WERE PROFFERED, BUT NOT IN EVIDENCE? NOW, AS I SAID, WE ARE NOT GOING THROUGH EVERY ONE OF THOSE BOOKS AND EVERY TAB, BUT WE ARE GOING TO GO THROUGH SOME. IN DEFENDANT'S EXHIBIT 77, ARE PAYMENTS MADE BY YOU

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TO EITHER A&E OR OTHERS ON BEHALF OF A&E? AT THE BEGINNING OF THE BOOK, DO YOU HAVE WHAT I CALL A SUMMARY SHEET FOR EACH YEAR 2003 THROUGH 2009?

A I DO.

Q OKAY. JUST TRYING TO ORIENT THE COURT ABOUT HOW YOU HAVE THIS SET UP. IN THE FIRST COLUMN THAT SAYS, "ALLEGED" WHO ALLEGES THAT? THAT AMOUNT OF MONEY WAS PAID BY ARTHUR WAYNE VEREEN?

A I DO.

Q IN THE COLUMN THAT'S GOT "AGREED" WHAT DO THOSE NUMBERS REPRESENT? WHO DO YOU BELIEVE AGREES TO NUMBERS THAT YOU HAVE ON THOSE COLUMNS?

A I'M SORRY. I'M LOOKING AT ANOTHER VERSION.

MS. COOK: YOUR HONOR, THE VERSION THAT YOU'RE LOOKING AT ONLY HAS EXPENSE AMOUNT. IGNORE MY SUMMARY SHEET STATEMENT, OKAY? IT STARTS WITH THE ACTUAL YEAR. I'M SORRY. I'M LOOKING AT THE SUMMARY SHEET THAT I HAVE.

Q THE WAGES BOOK IS DIVIDED UP BY YEAR, CORRECT?

A THAT'S CORRECT.

Q WITHIN EACH YEAR THERE ARE TABS REPRESENTING THOSE CAPITAL CONTRIBUTIONS OR LOANS, HOWEVER YOU WANT TO PHASE IT TO A&E?

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A THAT'S CORRECT.

Q BEHIND 2003 IS THERE A... WHAT I CALL A TABLE OF CONTENTS FOR THE YEAR 2003 SHOWING TABS 1 THROUGH 4?

A YES.

Q TABS 1 THROUGH 4 WOULD CONTAIN THE INFORMATION, THE CHAPTERS WITHIN THE BOOK SO TO SPEAK, RIGHT?

A THAT'S CORRECT.

Q LET'S LOOK FIRST BEHIND TAB 1 FOR 2003. WHAT IS BEHIND TAB 1?

A IT'S A CHECK WRITTEN TO CHICK WILKINS.

Q WHAT IS THAT CHECK FOR?

A IT'S A \$150.00. CHICK WAS THE DESIGNER ON THE WILLOUGHBY PLACE.

Q YOU TESTIFIED SOME YESTERDAY ABOUT THE FACT THAT YOU HAVE TO DO SOME PRELIMINARY WORK BEFORE YOU EVEN GET THE JOB TO GET THE JOB, CORRECT?

A YES. I TESTIFIED EARLIER THAT WE ACTUALLY STARTED ON THE WILLOUGHBY PLACE BACK IN 2002.

Q AND THIS CHECK IS A CHECK DATED... IT'S FROM YOU TO CHICK DATED 2003, CORRECT?

A THAT'S CORRECT.

Q DID A&E EVENTUALLY GET THE WILLOUGHBY JOB?

A IT DID.

Q AND WAS THIS ONE OF THOSE EXPENSES THAT WAS

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REIMBURSED OR SHOULD BE REIMBURSED AT COST? NOT WITH ANY PROFIT OR OVERHEAD, BUT JUST AT COST? JUST THE STRAIGHT \$150 TO YOU PERSONALLY?

A YES.

MR. DURANT: YOUR HONOR, ARE WE SUPPOSED TO OBJECT NOW?

JUDGE HOWE: DO YOU HAVE AN OBJECTION?

MR. DURANT: THE OBJECTION I BELIEVE TO MR. WILKINS EXPENSE IS THERE IS NO INVOICE. IT WAS JUST A CHECKING ACCOUNT STATEMENT WITH A CHECK WRITTEN TO MR. WILKINS. THERE IS NO INVOICE ATTACHED WITH IT AS REQUIRED BY YOUR ORDER.

MS. COOK: I UNDERSTAND HIS CONTINUING OBJECTION THAT THERE'S NOT AN INVOICE, BUT I DON'T READ YOUR ORDER TO SAY THAT IF WE DON'T HAVE AN INVOICE THAT YOU ARE RULING AT THAT TIME THAT IT'S NOT AN EXPENSE. I UNDERSTAND IT GOES TO THE WEIGHT. I UNDERSTAND THAT IT GOES TO YOUR HONOR'S DECISION AND I DON'T KNOW THAT THAT ISN'T... IF IT'S AN OBJECTION I UNDERSTAND IT. I DON'T BELIEVE IT'S PROPER. IT'S CERTAINLY SOMETHING THAT CAN BE DEALT WITH ON CROSS-EXAMINATION.

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IT SEEMS TO ME THAT IT WOULD BE FOR A CROSS-EXAMINATION QUESTION. UNLESS YOUR HONOR IS RULING AT THIS TIME THAT'S IF THERE'S NOT A RECEIPT THEN YOUR HONOR IS NOT GOING TO CONSIDER THE EXPENSE?

MR. DURANT: YOUR HONOR, THIS PARTICULAR REQUEST IS BASED UPON A CHECK THAT WAS WRITTEN. IT JUST SAYS, "CHICK WILKINS". IT DOESN'T IDENTIFY WHAT IT'S FOR, WHEN IT'S FOR. I THOUGHT AT THE TIME WE CAME TO COURT, YOU PRODUCED THE INVOICE TO SHOW WHAT IT'S FOR AND THE CHECK OF PAYMENT. WHAT THEY DID IS PRODUCE THE CHECKING ACCOUNT WITH NOTHING ELSE. WE THINK THAT IT DOES NOT COMPLY WITH THE ORDER.

JUDGE HOWE: I'M GOING TO ALLOW IT NOW AND YOU CAN TAKE THAT UP ON CROSS-EXAMINATION.

Q MR. VEREEN, IF YOU WILL LOOK AT TAB 2 BEHIND 2003, WHAT IS THAT?

A A CHECK I WROTE TO ME TO MCGEE/CAD.

Q WHO ARE THEY?

A THEY ARE ACTUALLY BLUEPRINTS.

Q ONE CHECK IS IN FEBRUARY OF '03 AND ANOTHER ONE

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IN OCTOBER '03, CORRECT?

A THAT'S CORRECT.

Q DO YOU KNOW WHAT THESE CHECKS WERE WRITTEN FOR
MCGEE/CAD FOR?

A FOR THE WILLOUGHBY PLACE.

MR THOMAS: YOUR HONOR, BEST EVIDENCE IS
THE INVOICE.

MS. COOK: YOUR HONOR, LET ME --

MR. DURANT: SAME CONTINUING OBJECTION
FROM THE PLAINTIFF.

MR. THOMAS: YOUR HONOR, THESE ARE NOT
A&E RECORDS. THESE ARE HIS PERSONAL
CHECKING ACCOUNT RECORDS. THERE IS NO
SIGN OF THEM ON THE A&E RECORDS. HE
COULD SAY ANYTHING. HE CAN SAY ANYTHING
HE WANTS TO SAY.

MS. COOK: HE CAN AND IT GOES TO
CREDIBILITY AND THE JUDGE CAN MAKE A
DECISION ON IT.

JUDGE HOWE: LET ME TAKE ABOUT FIVE
MINUTES AND RE-READ THIS ORDER.

(OFF THE RECORD) .

JUDGE HOWE: I'M GOING RE-READ MY ORDER.
THIS GOES TO THE DEFENDANT'S CLAIMS FOR
SET-OFF OR REIMBURSEMENT. AND MY ORDER

SAYS THAT THE DEFENDANTS SHALL PRESENT EVIDENCE OF ACTUAL INVOICES OR BILLS FOR SERVICES OR LABOR RENDERED WITH A CANCELED CHECK FOR PAYMENT MADE PURSUANT SUCH INVOICE. IF THE INFORMATION IS NOT DELIVERED TO THE PLAINTIFF WITHIN THE DEADLINE AND THE DEADLINE WAS DECEMBER THE 1ST 2010. IT IS ORDERED THAT SUCH ACCOUNTING RECORDS AND INFORMATION SHALL BE PRESENTED IN THE TRIAL OF THE CASE BY THE DEFENDANTS. BASED ON THAT, I THINK I NEED TO REVERSE MY PRIOR RULING CONCERNING... I HATE TO SAY IT, MR. VEREEN, BUT I CAN'T READ YOUR WRITING. I THINK IT'S CHECK 3719.

MS. COOK: WHAT EXHIBIT AND WHAT TAB NUMBER, YOUR HONOR?

JUDGE HOWE: BEHIND TAB 2, IN 2003 IN EXHIBIT 77.

MS. COOK: I'M SORRY, YOUR HONOR. I NEED TO LOOK AT THE EXHIBIT.

JUDGE HOWE: ACTUALLY I THINK THAT'S OKAY.

MS. COOK: AM I CORRECT? THE WAY I INTERPRETED THIS AND MAYBE I INTERPRETED

IT WRONG BUT THOSE ITEMS THAT WE DO HAVE IN BLUE THAT WERE NOT DELIVERED BY DECEMBER 1ST, THEY CANNOT BE OFFERED INTO EVIDENCE. THAT'S HOW I UNDERSTAND YOUR RULING AND I DO UNDERSTAND THAT.

JUDGE HOWE: THAT'S CORRECT.

MS. COOK: IF IT WILL MAKE IT EASIER I CAN EVEN TAKE THE BLUE PAGES OUT?

MR. DURANT: THAT'S OKAY, YOUR PROFFERING THAT, IS THAT CORRECT?

MS. COOK: YES, MA'AM. AND WHAT I UNDERSTOOD THIS PARAGRAPH 9 TO ENCOMPASS WAS IF WE DIDN'T GIVE IT TO THEM BY DECEMBER 1ST, WE COULD NOT ENTER IT INTO EVIDENCE.

JUDGE HOWE: THAT'S RIGHT.

MS. COOK: BUT IT DID NOT SAY WE WERE PRECLUDED FROM INTRODUCING TESTIMONY OR DOCUMENTS THAT WE DID TENDER BY THE DECEMBER 1ST DEADLINE.

JUDGE HOWE: IT DOES NOT EXCLUDE YOU FROM INTRODUCING DOCUMENTS THAT WERE PRODUCED BY DECEMBER 1ST, 2010.

MS. COOK: AND TESTIMONY RELATING TO THOSE DOCUMENTS IF IT IS OTHERWISE

ADMISSIBLE.

JUDGE HOWE: THAT'S CORRECT.

MR. DURANT: YOUR HONOR, JUST TO BE CLEAR. I THOUGHT THE ORDER SAID IF THEY DID NOT GIVE THE INVOICE AND THE CHECK WITHIN THE DEADLINE, IT'S ORDERED THAT SUCH ACCOUNTING RECORDS AND INFORMATION SHALL NOT BE PRESENTED IN THE TRIAL OF THE CASE. SO, SHE COULDN'T PRESENT THE CHECKS UNLESS SHE HAD AN INVOICE. THAT WAS THE WHOLE PURPOSE OF HAVING THE INVOICE. SO WE CAN SEE WHAT WAS PAID AND YOU COULDN'T HAVE THE BILL IF YOU DIDN'T HAVE THE CHECK.

JUDGE HOWE: WELL, IT DOESN'T HELP THEM ANY IF THEY HAVE A CHECK BECAUSE I DON'T KNOW WHAT THE CHECK IS FOR.

MR. DURANT: CORRECT. SO, I READ THE ORDER AS TO PRECLUDE HIM FROM MAKING A CLAIM FOR THAT REINFORCEMENT THE WAY I UNDERSTAND YOUR ORDER.

JUDGE HOWE: EVERY TIME ANYONE... NOW, WE HAVE MR. VEREEN ON THE STAND. ANY TIME MR. VEREEN STARTS TO TESTIFY AS TO WHAT THE CHECK IS FOR SOMEONE, I ASSUME,

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IS GOING TO JUMP UP AND OBJECT ON THE GROUNDS OF THE BEST EVIDENCE. SO FAR WE'VE HAD THAT.

MR. DURANT: YOUR HONOR, CAN WE HAVE A CONTINUING OBJECTION SO WE DON'T HAVE TO STAND UP EVERY TIME? WE OBJECT EVERY TIME THAT HE DIDN'T COMPLY WITH THE ORDER. THERE WILL BE NO BETTER EVIDENCE THAN THE DOCUMENT IF HE DIDN'T PRODUCE IT THEN IT'S EXCLUDED.

JUDGE HOWE: I DON'T HAVE A PROBLEM WITH THAT, BUT MS. COOK MAY.

MS. COOK: YES, MA'AM. I DO BECAUSE THERE ARE SOME THINGS THAT ACTUALLY THERE MAY BE OTHER WRITTEN EVIDENCE OF THAT'S ALREADY IN EVIDENCE.

JUDGE HOWE: ALRIGHT. THEN YOU WILL NEED TO OBJECT EVERY TIME.

MS. COOK: YOUR HONOR, I ALSO WANT TO STATE SOMETHING FOR THE RECORD. YOUR HONOR MAY OR MAY NOT RECALL I WAS SUBSTITUTED IN A COUNSEL --

JUDGE HOWE: I UNDERSTAND.

MS. COOK: -- IN THIS MATTER.

JUDGE HOWE: THAT'S IN THE RECORD.

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MS. COOK: LISTEN, I KNOW. FOR WHATEVER REASON IN ALL MY PREPARATIONS, I DID NOT DO MAYBE THE VERY MOST BASIC THING THAT YOU DO WHEN YOU PREPARE FOR A CASE IS RE-READ THE PLEADING, RE-READ THE ANSWER, ESPECIALLY GIVEN THE FACT THAT I DIDN'T DRAFT IT THEN. I MISSPOKE EARLIER TODAY BECAUSE THERE IS A COUNTERCLAIM OR THERE ARE COUNTERCLAIMS IN THIS CASE BY NAMED PARTIES; MR. VEREEN INDIVIDUALLY, PARK PLACE PROPERTIES, PARKWAY OFFICES AND ARTHUR VEREEN CONSTRUCTION COMPANY. THANK YOU, DANNY MACDONALD. SO, THEY ARE NAMED PARTIES IN THIS CASE. THERE ARE COUNTERCLAIMS AND IN THE COUNTERCLAIMS THEY SPECIFICALLY SEEK SET-OFFS. THEY SEEK AN ACCOUNTING ON BEHALF OF THEMSELVES AND ON BEHALF OF A&E FOR THESE VERY THINGS WE ARE GOING OVER. THE ORDER DOES STATE THAT WE BOTH ASK FOR A JUDICIAL DISSOLUTION OF THIS ENTITY. THE DEFENDANTS DID NOT... THEY SPECIFICALLY DENIED THAT AND THEY ASKED THAT IT NOT BE DISSOLVED.

JUDGE HOWE: OKAY.

Q MR. VEREEN, LET'S TURN TO 2004 IN THE BOOK ACCLAIMED BY YOU PERSONALLY. LET ME ASK YOU IF YOU WOULD TO LOOK BEHIND TAB 19. IT'S A CHECK FROM 2004 FROM ARTHUR VEREEN TO SEAPORT ELECTRIC, CHECK 31204. HOW MUCH WAS THAT CHECK WRITTEN FOR?

A \$7,500.

Q WHAT DID YOU... DID A&E EVER USE SEAPORT ELECTRIC AS A SUB-CONTRACTOR?

A YES.

Q ON WHAT JOBS?

A THEY STARTED OFF AT THE BEACH DUNES, WILLOUGHBY PLACE.

Q AND IN FEBRUARY OF 2004, WERE YOU OR ANY OF YOUR ENTITIES CONDUCTING BUSINESS THAT YOU OR ANY OF YOUR ENTITIES OTHER THAN A&E, WOULD HAVE USED SEAPORT ELECTRIC AS A SUB-CONTRACTOR ON?

A NO.

Q CAN I ASK YOU IF YOU WOULD PLEASE TURN TO TAB 38 IN 2004. PAYMENTS MADE BY ARTHUR VEREEN. THE DATE OF THE CHECK BEING 12/17/2004 PAYABLE TO F&F ENTERPRISES. IT'S \$1,250. MR. VEREEN, WHAT, IF ANY, WORK DID F&F ENTERPRISES DO FOR A&E IN 2004?

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A THEY DID SITING WORK AT THE WILLOUGHBY PLACE, ROOFING WORK AT THE WILLOUGHBY PLACE AND DID SOME PAINTING.

Q AND THE CHECK THAT YOU WROTE IN DECEMBER OF 2004, DOES IT INDICATE ON THE CHECK WHAT THAT WAS WRITTEN FOR?

A IT WAS WRITTEN FOR WILLOUGHBY PLACE.

MR. DURANT: YOUR HONOR, SAME OBJECTION. BEST EVIDENCE WOULD BE THE INVOICE FOR THE SERVICES RENDERED BY THE DEFENDANT, NOT THE CHECK. IT'S PURSUANT TO THE ORDER THAT YOU PREVIOUSLY ISSUED.

JUDGE HOWE: THE INVOICE NOT THE TESTIMONY?

MR. DURANT: THE INVOICE ITSELF.

Q IF I COULD ASK YOU TO LOOK BEHIND TAB 47. THAT'S A \$75,000 CHECK FROM ARTHUR VEREEN TO A&E DATED OCTOBER 26TH 2004?

MR. DURANT: WE HAVE NO OBJECTION TO THAT GOING IN THE RECORD.

MS. COOK: IT'S ALREADY IN THE RECORD.

Q MR. VEREEN, THIS CHECK WAS WRITTEN TO A&E. WHY WAS IT WRITTEN TO A&E?

A IT WAS DEPOSITED FUNDS THAT NEEDED TO BE DEPOSITED INTO A&E.

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Q DID MR. ELLIS SMITH DEPOSIT \$75,000 AT THE SAME TIME TO CONTRIBUTE AS A CAPITAL CONTRIBUTION?

A NO.

Q WAS THERE AN INVOICE WRITTEN TO YOU TO SIGNIFY THAT \$75,000?

A NO.

Q DID MR. SMITH SAY, "DON'T CONTRIBUTE ANY MONEY TO KEEP A&E RUNNING."?

A NO.

Q AT THAT TIME COULD A&E HAVE PAID IT'S BILLS IF YOU HAD NOT CONTRIBUTED MONEY?

A NO.

Q NOW, COULD I ASK YOU TO LOOK BEHIND TAB 48 FOR THAT YEAR. THAT'S FOR THE YEAR 2004?

A YES.

Q DOES THAT SHOW A CHECK WRITTEN FROM A&E TO YOU DATED MARCH 12TH 2004 FOR \$26,000?

A IT DOES.

Q DID A&E PAY YOU THAT MONEY?

A THEY DID.

Q HAVE YOU CREDITED THEM AND GIVEN THEM CREDIT FOR HAVING REIMBURSED YOU THAT MONEY?

A YES.

Q BEHIND THAT, IS THAT THE DEPOSIT SLIP SHOWING WHERE YOU DEPOSITED THAT INTO YOUR ACCOUNT?

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A YES.

Q BEHIND THAT CHECK IS THERE ANOTHER CHECK WRITTEN TO YOU FROM A&E ON MARCH 31ST 2004 FOR \$7,500?

A THERE IS.

Q WHAT WAS THAT CHECK WRITTEN TO YOU FOR?

A LOOKS LIKE ON THE DEPOSIT SLIP THAT HAS BEEN CROSSED OFF.

Q WELL, I THINK MAYBE WHAT YOU'RE LOOKING AT BECAUSE ON MY COPY IT'S HIGHLIGHTED AND WHEN YOU RUN IT THROUGH A COPIER IT MIGHT HAVE COME OUT DARK.

MR. THOMAS: I THINK HE'S ANSWERED THAT HE DOES KNOW.

MS. COOK: WELL, IF HE CAN ANSWER THAT WAY THAT'S FINE.

Q IS IT CROSSED OUT OR DO YOU KNOW IF YOU DEPOSITED THAT CHECK?

A YES, I DID.

Q WAS THIS FOR ANY PARTICULAR THING THAT YOU'RE AWARE OF?

A CAN'T ANSWER THAT.

Q JUST AS SOME OF THE DOCUMENTS IN THIS EXHIBIT HAVE SHOWN WHEN YOU NEEDED TO FUND... WHEN FUNDS WERE NEEDED BY A&E, DID YOU DEPOSIT THOSE FUNDS FROM ONE OF YOUR SOURCES?

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A I DID.

Q AND DID A&E EVER REIMBURSE YOU FROM TIME TO TIME FOR MONEY THAT YOU CONTRIBUTED?

A THEY DID.

Q LIKE IF YOU CONTRIBUTED \$75,000, THEY DIDN'T DOLLAR FOR DOLLAR WRITE YOU A CHECK BACK EXACTLY FOR \$75,000, DID THEY?

A NOT AT ALL TIMES.

MR. DURANT: YES, THEY DID. IT'S RIGHT HERE.

MS. COOK: I'M NOT TALKING ABOUT THAT PARTICULAR SHEET YET. I WILL GO OVER THAT ONE, FRANK.

Q WERE THERE TIMES WHEN YOU LENT CERTAIN AMOUNTS OF MONEY THAT A&E THEN REIMBURSED YOU NOT DOLLAR FOR DOLLAR?

A YES.

Q WHY WOULD A&E MAKE A DECISION ABOUT WHEN AND WHAT AMOUNT YOU WOULD BE REIMBURSED?

A DEPENDS ON OUR BANK ACCOUNT AND HOW THE MONEY CAME IN.

Q SO, IF YOU HAD LENT \$32,000 OR CONTRIBUTED IT AS A CAPITAL CONTRIBUTION, DID A&E WAIT UNTIL THEY HAD EXACTLY \$32,000 TO REIMBURSE YOU TO CLEAR THAT CREDIT AND DEBT?

A NO.

Q NOW, WERE THERE TIMES WHEN THERE WERE REIMBURSEMENTS AND PERHAPS YOU LET... OR CONTRIBUTED AN AMOUNT OF MONEY AND WHEN THE MONEY CAME IN THAT EXACT SAME AMOUNT OF MONEY WAS REIMBURSED TO YOU?

A YES.

Q IF YOU LOOK BEHIND TAB 47 THAT WE JUST WENT OVER. IN OCTOBER YOU CONTRIBUTED \$75,000 TO A&E, CORRECT?

A YES.

Q IF YOU LOOK BEHIND TAB 48, IS THERE A CHECK FROM A&E ON OCTOBER 29TH FOR \$75,000 FROM A&E TO YOU?

A YES.

Q IS THAT ONE SUCH EXAMPLE WHEN THERE WAS SUFFICIENT MONEY AND YOU LENT MONEY FOR A COUPLE DAYS AND THEY PAID YOU RIGHT BACK?

A YES.

Q WERE THERE OTHER TIMES THAT YOU CONTRIBUTED MONEY WHEN A&E DID NOT HAVE THE FUNDS TO PAY YOU RIGHT BACK?

A YES.

Q WERE THERE TIMES WHEN YOU LENT THEM MONEY OR CONTRIBUTED MONEY AND THEY DIDN'T HAVE ENOUGH MONEY IN THE BANK TO PAY YOU IN FULL?

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A YES.

Q AND IN THIS BOOK EXHIBIT 77, WHICH ARE THE PAYMENTS MADE BY ARTHUR VEREEN PERSONALLY, HAVE YOU GOT ALL THE INFORMATION THAT YOU COULD LOCATE WITH REGARD TO PAYMENTS YOU PERSONALLY MADE TO OTHERS ON BEHALF OF A&E AND PAYMENTS YOU CONTRIBUTED INTO A&E?

A YES.

Q HAVE YOU PROVIDED IT AND DO YOU HAVE ALL THE DOCUMENTS YOU CAN LOCATE THAT SHOW ANY REPAYMENTS OR REIMBURSEMENTS TO YOU FOR THOSE CONTRIBUTIONS MADE EITHER IN MONEY DIRECTLY PAID OR IN PAYMENTS TO OTHERS ON BEHALF OF A&E?

A YES.

Q HAVE YOU GONE THROUGH AND TOTALED UP WHAT THE OUTSTANDING BALANCE MAY BE DUE TO YOU PERSONALLY FROM MAKING THOSE CONTRIBUTIONS TO A&E ON BEHALF OF A&E OR WHAT YOU MAY HAVE BEEN OVER REIMBURSED?

A YES.

Q AND HAVE YOU DONE THE SAME THING FOR EACH OF YOUR ENTITIES AS REFLECTED IN EXHIBIT 78, 79 AND 80?

A YES.

Q COULD I DIRECT YOUR ATTENTION TO TAB 66, WHICH

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IS ALSO IN THE YEAR 2005, JUNE 29, 2005. THE FIRST THING IS A DEPOSIT SLIP INTO A&E'S ACCOUNT. BEHIND TAB 66, WOULD YOU TELL THE COURT WHAT THOSE DOCUMENTS REFLECT? I THINK YOU MAYBE TALKED ABOUT THIS SOME YESTERDAY.

A THERE IS A DEPOSIT SLIP AND A COPY OF TWO CHECKS TOTALING \$165,000 AND ONE FOR \$40,000 AND \$125,000.

Q AND ARE THOSE THE CHECKS THAT YOU TALKED... YOU TALKED YESTERDAY ABOUT ELLIS' KNOWLEDGE THAT YOU WERE FUNDING THE OPERATIONS OF A&E. ARE THESE TWO CHECKS THAT YOU WERE TALKING ABOUT WHERE YOU HAD MADE ONE DEPOSIT AND CAME BACK IN AND CARRIE SAID WE NEED MORE MONEY?

A YES.

Q GO TO JUNE 28TH. THE CHECKS WERE WRITTEN TO A&E AND DEPOSITED ON THE 29TH?

A YES.

MS. COOK: YOUR HONOR, DOES YOUR TAB 66 REFLECT A DEPOSIT SLIP FOR \$125,000 AND ONE FOR \$40,000?

JUDGE HOWE: YES.

MS. COOK: THE \$40,000 WAS THE ARTHUR WAYNE VEREEN TO A&E FOR \$40,000? THE SECOND CHECK WAS \$125,000 FROM PARK

PLACE PROPERTIES.

JUDGE HOWE: YES.

MS. COOK: AND THE DEPOSIT SLIP FOR EACH OF THE CHECKS JOINTLY FOR THE 29TH OF JUNE FOR A TOTAL OF \$165,000 CONTRIBUTED TO A&E.

Q NOW, DID A&E PAY YOU BACK \$165,000 DOLLAR FOR DOLLAR TO MATCH EACH OF THOSE PAYMENTS OR WERE YOU PAID OVER TIME AS THE BUSINESS HAD ENOUGH FUNDS TO PAY YOU BACK OR PARK PLACE PROPERTIES BACK?

A PAID OVER TIME.

JUDGE HOWE: ONE OF THEM WAS FOR PARK PLACE.

MS. COOK: NO, MA'AM.

JUDGE HOWE: THE \$125,000 WAS A CHECK FROM PARK PLACE PROPERTIES?

MS. COOK: A&E.

JUDGE HOWE: YEAH. SO, A&E SHOULD HAVE PAID THAT BACK TO PARK PLACE PROPERTIES NOT ARTHUR VEREEN.

Q WERE YOU OR PARK PLACE PROPERTIES EVER PAID BACK... WERE YOU PAID BACK \$40.000 DOLLAR FOR DOLLAR TO MATCH THIS CHECK?

A NO.

Q WAS PARK PLACE PROPERTIES PAID DOLLAR FOR DOLLAR \$125,000 AT ONE SPECIFIC TIME TO PAY THIS BACK?

A NO.

MR. DURANT: YOUR HONOR, I KNOW 40,000 OF THESE CHECKS WENT IN. THEY WERE NOT ON THIS LIST BECAUSE THE ACCOUNT I WAS PROVIDED... THE ACCOUNTING RENDERED IS DIFFERENT THAN THE ONE SHE HAS ON MR. VEREEN'S ACCOUNT. I DON'T DISPUTE IT, BUT IT'S NOT A \$40,000 CHECK IF IT'S FROM ANOTHER ACCOUNT WHICH I HAVE FORGIVEN. I DON'T DISPUTE THAT HE PUT THE MONEY IN THE ACCOUNT BECAUSE HE HAS RECORDS OF EVERY DIME HE HAS PUT IN.

MS. COOK: YOUR HONOR, I CAN'T... ALL I CAN TELL YOU IS THAT WE GAVE TO MR. DURANT A COPY OF EACH OF THESE EXHIBITS 77, 78, 79 AND 80 AND THIS IS IT. SET UP EXACTLY LIKE THE COURT'S IS LIKE THE EXHIBIT IS AND LIKE OURS IS. WHAT MR. DURANT'S DONE WITH IT, I CAN'T HELP HIM WITH. I WILL TELL YOU THAT HE CAME TO MY OFFICE AND...

MR. DURANT: YOUR HONOR, I DON'T DISPUTE THAT HE PUT THE CHECK IN THE CHECKING

ACCOUNT. I'M JUST SAYING THAT I DIDN'T HAVE THIS OTHER ACCOUNT OF MR. VEREEN'S IN THE RECORDS GIVEN TO ME 12/1.

JUDGE HOWE: PARK PLACE PROPERTIES YOU MEAN?

MS. COOK: NO. WAYNE AND LINDA VEREEN, A \$40,000 CHECK, YOUR HONOR, IS WHAT HE'S SAYING.

MR. DURANT: I DON'T DISPUTE IT'S IN THE RECORD.

MS. COOK: I DISPUTE THAT.

MR. DURANT: I'M NOT OBJECTING TO IT.

MS. COOK: I DISPUTE THAT.

JUDGE HOWE: IT LOOKS AS IF IT IS A BRAND NEW ACCOUNT OR A COUNTER CHECK.

A NO, MA'AM. THAT ACCOUNT WAS A B.K.L. WHICH STANDS FOR "BETH, KATHERINE, LINDSEY", MY THREE DAUGHTERS. THAT WAS AN ACCOUNT THAT WE SET UP FOR THEM TO GO TO COLLEGE. WE DIDN'T USE THAT ACCOUNT VERY OFTEN AND WE REALLY DIDN'T HAVE ANYTHING PRINTED ON IT. WE WOULD WRITE CHECKS BACK WHEN THEY WERE IN COLLEGE. THAT'S WHY THAT CHECK WAS WRITTEN LIKE THAT.

JUDGE HOWE: YOU DIDN'T HAVE PRINTED CHECKS?

A NO, MA'AM. WE HAD THAT ACCOUNT WHEN ACHOR BANK WAS IN BUSINESS AND IT ROLLED OVER TO CAROLINA FIRST AND IT'S BEEN THERE SINCE BETH BEGAN COLLEGE IN 1990 AND WENT ALL THE WAY THROUGH KATHERINE AND MY DAUGHTER LINDSEY WENT TO COLLEGE. THAT'S WHAT THAT WAS FOR.

Q MR. VEREEN, COULD I ASK YOU TO LOOK BEHIND TAB 53 FOR THE YEAR 2005. IT IS A CHECK WRITTEN ON MARCH 25TH 2005 FROM YOU TO EES? THE AMOUNT OF THAT CHECK IS \$5,328. YOU GOT THAT MR. VEREEN?

A I DO.

Q DID YOU WRITE A CHECK TO EES FOR \$5,328?

A I DID.

Q WAS EES WORKING ON ANY JOBS OTHER THAN A&E JOBS THAT YOU WOULD HAVE MADE A PAYMENT TO EES FOR?

A IN MARCH OF '05?

Q YES, SIR.

A NO, MA'AM.

Q IS THERE AN INVOICE BACK BEHIND THAT?

A NO, MA'AM.

Q WOULD YOU ABLE TO FIND ANY INVOICE FOR THAT?

A NO, MA'AM.

MR. DURANT: SAME OBJECTION, YOUR HONOR,
TO BEST EVIDENCE. AS WE STATED BEFORE,
THERE IS NO CLAIM MADE BY ARTHUR WAYNE

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VEREEN AGAINST EES IN THIS LAWSUIT.

MS. COOK: WE ARE NOT SEEKING THE MONEY FOR EES. WE ARE SAYING THAT MR. VEREEN... THE MONEY IS SOUGHT AS A REIMBURSEMENT FOR A LEGITIMATE A&E EXPENSE OF A&E. WHERE A&E WAS USING MR. SMITH'S COMPANY TO PERFORM WORK FROM A&E. WE ARE NOT SEEKING ANY MONEY FROM EES. MR. VEREEN IS SEEKING FROM A&E CREDITOR OR REIMBURSEMENT OR SET OFF FOR MONEY THAT HE PERSONALLY OR HIS COMPANIES ADVANCED OR CONTRIBUTED OR LOANED TO PAY THE OPERATING EXPENSES OF A&E.

MR. DURANT: SAME OBJECTION, YOUR HONOR, THE BEST EVIDENCE WOULD BE THE INVOICE SHOWING WHERE IT WAS AND THEY HAVEN'T PRODUCED IT.

MS. COOK: THE BEST INVOICE WOULD BE MR. SMITH NOW SITTING RIGHT HERE IN THIS COURTROOM.

MR. DURANT: YOUR HONOR, I DON'T HAVE THAT ON MY LIST AND I DON'T DISPUTE PERSONAL INTEGRITY. I DON'T HAVE THIS BEING IN HERE. I DID NOT LOOK AT THE

STUFF THAT SHE GAVE ME AFTER
DECEMBER 1ST BECAUSE I THOUGHT IT WAS
IMPROPER. I LOOKED AT THE STUFF SHE
GAVE ME ON DECEMBER 1ST AND I SEE NO
CHECK WRITTEN IN FOR THIS AMOUNT TO EES.
I SEE CHECKS FOR ZERO. I SEE 65, 36, 5.
MS COOK: AGAIN, I DON'T THINK MR.
DURANT WOULD BE INTENTIONALLY DOING
THAT. WHAT HE HAS KEPT TRACK OF AND
WHAT HE HASN'T I CAN'T TELL, YOUR HONOR.
BUT I WILL, YOUR HONOR, KNOW THAT MR.
DURANT DID LOOK AT INVOICES PRODUCED
AFTER YOUR CUT OFF DATE BECAUSE I WAS
WITH HIM IN MRS. BRADY'S. I UNDERSTAND
YOUR ORDER, BUT FOR HIM TO REPRESENT TO
THE COURT THAT HE DID NOT LOOK AT THEM,
HE MAY NOT HAVE CONSIDERED THEM. HE MAY
NOT HAVE INCORPORATED THEM INTO HIS AND
HIS EXPERT'S WORK, BUT FOR HIM TO
REPRESENT TO THE COURT THAT HE DIDN'T
LOOK AT THEM, HE DID. BECAUSE AS WE SAT
IN MRS. BRADY'S OFFICE IF WE WOULD GET
ONE OF THOSE HE WOULD SAY, "WELL, I'M
NOT CONSIDERING THAT BECAUSE IT WASN'T
PRODUCED BY THE DATE." BUT HE DID LOOK

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AT THEM, YOUR HONOR. HE DID.

JUDGE HOWE: BUT HE DIDN'T CONSIDER THEM. I UNDERSTAND THAT.

MR. DURANT: IT'S THE SAME OBJECTION.

JUDGE HOWE: YES, SIR.

Q YOU DID THE SAME THING YOURSELF ARTHUR WAYNE VEREEN IN EXHIBIT 77 FOR ALL THE YEARS THROUGH 2009?

A YES.

Q LET'S LOOK AT THE... MR. VEREEN, THAT'S ALL WE ARE GOING TO LOOK AT FROM YOUR EXHIBIT 77, WHICH IS YOUR PERSONAL NOTEBOOK. MR. VEREEN, I'M GOING TO ASK YOU TO LOOK AT THE PARK PLACE PROPERTIES ACCOUNTS RECEIVABLE DUE FROM A&E NOTEBOOK 2003 TO 2009 EXHIBIT 80, DEFENDANT'S 80. AND I'M GOING TO ASK YOU TO LOOK IN THE YEAR 2004 BEHIND TAB 1 WHICH IS A CHECK DATED NOVEMBER 4TH -- 2004. BEHIND TAB 1 IS A CHECK WRITTEN FROM PARK PLACE PROPERTIES TO THE BELLAMY LAW FIRM IN THE AMOUNT OF \$6,990. NOW, MR. VEREEN, WOULD YOU TAKE A LOOK AT THAT CHECK? IT'S A CHECK FROM NOVEMBER OF 2004. DO YOU KNOW WHY THAT CHECK WAS WRITTEN TO THE BELLAMY LAW FIRM?

MR. DURANT: YOUR HONOR, PLAINTIFFS

WOULD OBJECT BECAUSE THERE WAS NO INVOICE GIVEN AND NO DOCUMENTS TO SUPPORT THE CHECK.

MS. COOK: YOUR HONOR, IT'S ALREADY BEEN INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 38. IT WAS INTRODUCED ON JUNE 15TH 2011. THAT'S A COPY OF A CHECK IN THAT AMOUNT BEING REFUNDED FROM THE BELLAMY LAW FIRM ABOUT A YEAR LATER NOVEMBER 9TH 2005. MADE PAYABLE TO A&E ENDORSED BY MR. SMITH. AND THEN MR. SMITH, THEN... THAT CHECK OR A CHECK IN THAT SAME AMOUNT IN MAY OF 2006 BEING DEPOSITED INTO A COASTAL FEDERAL ACCOUNT. THAT'S ALREADY BEEN INTRODUCED INTO EVIDENCE AND IT WAS INTRODUCED AT THE PART OF THIS TRIAL THAT WAS HELD JUNE 2011 AND IF MEMORY SERVES ME, WHICH COULD BE RIGHT OR WRONG, WELL, I KNOW IT WAS BECAUSE THAT'S WHEN I GOT SICK. I HAD BEEN QUESTIONING ELLIS. IT WAS PUT IN THROUGH MR. SMITH. AND I THINK MR. SMITH TESTIFIED THAT A&E HAD PUT A DEPOSIT DOWN ON A CYPRESS RIVER WALK AND THEY DECIDED NOT TO BUY THAT AND BELLAMY

LAW FIRM THEN REFUNDED THAT, WHICH IS THE CHECK... THE THIRD PAGE OF DEFENDANT'S 38. THAT AMOUNT WAS REFUNDED, BUT IT WAS PAID TO A&E. IT WAS NOT PAID TO PARK PLACE PROPERTIES. I BELIVE THAT WAS IN HIS TESTIMONY AND I THINK THAT HAS BEEN TRANSCRIBED.

MR. DURANT: YOUR HONOR, MY BOOK DOESN'T HAVE ANYTHING UNDER TAB 1. MINE WAS A COPY.

JUDGE HOWE: I DON'T THINK IT'S IN THE BOOK.

MS. COOK: YES, MA'AM. THE ACTUAL CHECK WAS WRITTEN FOR THE 6,000 IS IN THERE.

JUDGE HOWE: DEFENDANT'S 38 IS NOT IN THERE, IS IT?

MS. COOK: NOT IN THERE, YOUR HONOR. THE CHECK WRITTEN FROM PARK PLACE PROPERTIES IN 2004, TO PUT THE DEPOSIT ON THE CYPRESS RIVER LOT IS IN DEFENDANT'S 80 AND THE CHECK REFUNDED THAT MONEY NOT TO PARK PLACE PROPERTIES, BUT TO A&E AND ENDORSED BY MR. SMITH AS IN DEFENDANT'S 68.

JUDGE HOWE: 38.

MS. COOK: I'M SORRY, 38. THANK YOU. THAT'S ALREADY BEEN INTRODUCED INTO EVIDENCE. AND MR. SMITH DID NOT DENY THAT CHECK WAS THE REFUND THAT WAS MADE TO A&E AND THAT HE IN FACT, HAD ENDORSED THE CHECK.

MR. DURANT: YOUR HONOR, I THINK THAT'S CORRECT. THE CHECK WAS ENDORSED BACK INTO A&E. WHAT I DIDN'T HAVE WAS I DON'T HAVE A COPY OF THE CHECK PAID BY PARK PLACE PROPERTIES.

MS. COOK: YOUR HONOR, ALL I CAN TELL YOU IS THAT MR. DURANT PICKED UP THESE EXHIBITS FROM MY OFFICE AND TOOK THEM TO MCGEE/CAD AND HAD THEM RUN OFF.

Q NOW, THAT CHECK THAT WAS MADE PAYABLE TO A&E FROM THE BELLAMY LAW FIRM IT WAS ENDORSED BY YOURSELF AND MR. SMITH, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND HAVE YOU FOUND ANYWHERE IN THE RECORDS OF A&E OR IN THE RECORDS OF ANY OF YOUR COMPANIES WHERE THAT \$6,990 WAS DEPOSITED INTO A&E?

A I HAVE NOT.

Q DO YOU KNOW IF THE CHECK WAS GIVEN TO MR. SMITH?

A YES.

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Q TO YOUR KNOWLEDGE HAS PARK PLACE PROPERTIES BEEN REFUNDED DOLLAR FOR DOLLAR THAT \$6,990?

A NO.

MR. THOMAS: OBJECT TO THE FORM. WHAT'S DOLLAR FOR DOLLAR MEAN? I DON'T UNDERSTAND THE FORM OF THAT QUESTION.

MS. COOK: THAT MEANS, AS MR. DURANT HAS INSISTED, THAT IF WE LOANED \$6,990 TO REPAY IT, IT SHOULD HAVE BEEN PAID BACK IN THE CHECK IN THE AMOUNT OF \$6,990.

MR. THOMAS: OKAY. I WITHDRAW MY OBJECTION.

Q WOULD YOU HAVE USED THAT AMOUNT AS PART OF YOUR CALCULATIONS IN COMING UP WITH WHATEVER NET AMOUNT MIGHT BE OWED TO PARK PLACE PROPERTIES OR WHATEVER NET AMOUNT PARK PLACE PROPERTIES MIGHT OWE A&E?

A YES.

Q AND HOW, MR. VEREEN? I AM NOT GOING TO GO THROUGH EACH OF THOSE NOTEBOOKS AND YOU HAVE TESTIFIED THAT THE METHODOLOGY WAS THE SAME?

A YES.

Q HAVE YOU LOOKED AT AND CONSIDERED WHAT CREDITS OR AMOUNTS MR. SMITH AND HIS EXPERT HAVE LOOKED AT AND SAID, "OKAY. THAT IS A LEGITIMATE

EXPENSE OR WE DO NOT BELIEVE THAT'S A LEGITIMATE EXPENSE?"

A YES.

Q AND HAVE YOU AGREED AND CONCEDED THAT SOME ITEMS THEY HAVE RAISED ARE PERSONAL EXPENSES AND ARE NOT A&E EXPENSES THAT YOU OR YOUR COMPANY MAY OWE TO A&E?

A YES.

Q WHEN MR. SMITH STOPPED COMING TO WORK IN JULY 2007, HE THEREAFTER, LEFT A DEMAND LETTER WITH YOU ASKING YOU TO PAY HIM SOME MONEY, DIDN'T HE?

A YES.

Q WHAT I WOULD LIKE TO GO THROUGH RIGHT NOW IS PLAINTIFF'S EXHIBIT 9. IT WAS INTRODUCED WHEN I WAS CROSS-EXAMINING MR. SMITH. DO YOU RECOGNIZE... DO YOU RECOGNIZE THE FIRST SIX PAGES IS A HANDWRITTEN DOCUMENT ENTITLED, "WAYNE." DO YOU RECOGNIZE THAT DOCUMENT?

A I DO.

Q WHAT IS THAT MR. VEREEN?

A THAT WAS THE FIRST LETTER THAT ELLIS WROTE ME TO DISSOLVE THE COMPANY, TO DETERMINE WHAT PROFITS WERE IN THE COMPANY AND WHAT HE WAS ASKING FOR. ACCORDING TO HIS ACCOUNTING AND WHAT HE FELT LIKE HE WAS DUE.

Q DO YOU RECALL ABOUT... FIRST OF ALL, DO YOU RECALL HOW YOU GOT THIS LETTER?

A IT WAS LEFT ON MY DESK.

Q HE DIDN'T COME SIT DOWN AND TALK TO YOU OR HAND IT TO YOU? HE JUST LEFT IT ON YOUR DESK?

A YES. ACTUALLY I WAS OUT OF TOWN. HE MIGHT HAVE LEFT IT ON THE CHAIR.

Q ACCORDING TO MR. SMITH'S FIRST LETTER, DID HE INDICATE AN AMOUNT THAT HE SAID WAS DUE FOR RENT?

A HE SAID FOR THE PAST 4 MONTHS THE RENT DUE WAS \$48,000. SO, 4 MONTHS WOULD BE \$1,600 A MONTH.

Q YOU HAD TESTIFIED YESTERDAY THAT WHEN Y'ALL MOVED TO THE SMALLER OFFICE FROM THE BIGGER OFFICE THE RENT WENT DOWN FROM \$3,200 TO \$1,600, RIGHT?

A YES.

Q DOES MR. SMITH INDICATE IN HIS LETTER TO YOU HOW MUCH HE SAID HE'S ALREADY RECEIVED FROM A&E?

A HE SAID HE RECEIVED 117,235.31.

Q AND WAS IT THAT AMOUNT THAT WAS MADE UP ACCORDING TO HIM?

A REPORTED MONEY THAT HE RECEIVED FROM A&E FROM OCEAN BLUE.

Q DID YOU KNOW HE GOT ANY MONEY FROM OCEAN BLUE?

A NO.

Q WAS THAT MONEY... WAS OCEAN BLUE AN A&E JOB?

A YES.

Q WAS THAT MONEY THAT WAS DUE TO A&E?

A YES.

Q DID YOU AUTHORIZE HIM TO KEEP ANY MONEY FROM OCEAN BLUE AND NOT PASS IT THROUGH A&E?

A NO.

Q THE FIFTH PAGE, WHAT DID YOU UNDERSTAND THE ITEMS AND THE NUMBERS AND THE TOTAL ON THE FIFTH PAGE TO REPRESENT ACCORDING TO MR. SMITH?

A ACCORDING TO --

MR. DURANT: YOUR HONOR, THE PLAINTIFF WOULD OBJECT TO ANY DISCUSSION AS TO SETTLEMENT DEMAND BECAUSE IT'S NOT EVIDENCE OF ANYTHING.

MS. COOK: IT'S A SETTLEMENT DEMAND, YOUR HONOR.

MR. DURANT: DEMANDED UPON HIM BEFORE HE FILED SUIT AS TO HE WANTS AN ACCOUNTING AND THESE ARE THE THINGS HE THINKS ARE DUE. IT'S NOT EVIDENCE OF ANYTHING ELSE.

MS. COOK: YOUR HONOR, THIS HAS ALREADY BEEN INTRODUCED INTO EVIDENCE AND

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CROSS-EXAMINED TO MR. SMITH ON.

MR. DURANT: IT IS A REQUIREMENT BEFORE BRINGING A SHAREHOLDER'S DERIVATIVE ACTION THAT DEMANDS BE MADE ON THE OTHER SHAREHOLDERS BEFORE SUIT CAN BE BROUGHT UNDER THE CIRCUIT COURT RULES. SO, THAT WAS THE REASON THAT THE DEMAND WAS PLEAD AND PUT INTO EVIDENCE BECAUSE IT'S A REQUIREMENT.

JUDGE HOWE: HOW CAN YOU OBJECT TO THIS LETTER NOW?

MR. DURANT: I DON'T OBJECT, BUT I THINK SHE'S ASKING HIM WHAT THIS LETTER SAYS AND THE LETTER IS IN EVIDENCE.

MS. COOK: I ASKED HIM WHAT HIS UNDERSTANDING OF THESE NUMBERS WAS.

MR. DURANT: YOUR HONOR, THE LETTER IS IN EVIDENCE. IT IS WHAT HE SAYS IT IS AND IT WAS DEMANDED UPON HIM. I DON'T KNOW THAT MR. VEREEN CAN STATE ANY MORE THAN THE LETTERS SAYS.

JUDGE HOWE: I'M GOING TO ALLOW IT.

Q WHAT DID YOU UNDERSTAND THESE NUMBERS TO MEAN, MR. VEREEN?

A WELL, MY CONVERSATION WITH ELLIS WAS A LIST OF

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ITEMS THAT HE SAYS THAT I OWED TO A&E THAT I HAD RECEIVED.

Q THE TOTAL HE HAD DOWN WAS HOW MUCH?

A \$279,412.25.

Q AND YOU AGREED THAT YOU OWED SOME OF THESE AMOUNTS, HAVEN'T YOU?

A I HAVE.

Q AND YOU AGREED AT THE TIME THAT YOU OWED SOME OF THESE AMOUNTS, DIDN'T YOU?

A I DID.

Q THIS NEXT PAGE, IS THIS A SEPARATE LETTER OR DO YOU KNOW IF THIS WAS PART OF THIS FIRST LETTER YOU GOT?

A THAT'S THE SECOND LETTER.

Q ACCORDING TO THE SEPARATE LETTER THAT STARTS, "WAYNE", IT'S GOT CHECKS AND DEPOSITS AND A BALANCE OF \$52,000. WHAT DID YOU UNDERSTAND THIS LETTER FROM ELLIS TO MEAN?

A THAT HE REVISED WHAT HE FELT LIKE I OWED A&E.

Q WHEN YOU GOT THESE LETTERS, DID YOU RESPOND BACK TO MR. SMITH?

A I DID.

Q YOU CAN TELL THE HANDWRITING CHANGES. THE 13 PAGES IN IS KIND OF BLOCK WRITING. IS THIS YOUR HANDWRITING?

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A IT IS.

Q MR. VEREEN, WOULD YOU TELL ME WHAT THESE TWO PAGES ARE IN YOUR HANDWRITING?

A WELL, I LOOKED AT WHAT HE HAD SAID ABOUT THE RENT ON THE OFFICE AND WHAT WAS DUE. I WENT BACK AND FIGURED UP THE TIME AND THE MONTHS THAT WE ACTUALLY OCCUPIED THOSE SPACES AND THAT WAS ONE ITEM.

Q AND WHICH ITEM IS THAT?

A THE FIRST ITEM OF THE COMPANY.

Q HOW MUCH?

A \$394,380.

Q IT WAS YOUR POSITION THAT THAT AMOUNT WAS OWED FROM WHOM TO WHOM?

A THAT WAS OWED FROM A&E BACK TO ME OR ONE OF MY ENTITIES PERSONALLY.

Q DID THAT TAKE INTO ACCOUNT SOME AMOUNT OF RENT THAT HAD BEEN PAID BY A&E?

A YES. THEN THE RECLASSIFICATION OF THE MONEY THAT WAS DEPOSITED INTO THE PLANTATION LAKES, WHICH I WASN'T GIVEN CREDIT FOR.

Q THAT'S THE MONEY THAT WE TALKED ABOUT YESTERDAY ON THE PLANTATION LAKES JOB WHERE RICHARD CRUMPLER HAD LISTED IT ON THE TAX RETURN AS AN AMOUNT DUE TO YOU, THAT WAS OWED TO YOU? BUT IN

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THIS LETTER TO ELLIS, WHAT WERE YOU REPRESENTING?

A I WAS REPRESENTING THAT MONEY SHOULD HAVE GONE INTO THAT A&E ACCOUNT AND I NEED THE CREDIT FOR IT.

Q IN FACT, WAS THAT \$102,000 FROM THE CLOSING OF THE HOUSE TO THE WHITLEY'S DEPOSITED INTO A&E?

A IT WAS.

Q AND YOU WERE EXPECTING THAT BACK, IS THAT CORRECT?

A THAT'S CORRECT.

Q WHAT THE NEXT LINE ITEM?

A THE PLANTATION POINTE WAS HIS HOUSE THAT... ONE OF THE REASONS THAT WE DID A&E WAS TO BE REIMBURSED FOR THE MONEY THAT HE OWED ME FOR ALL THOSE YEARS. I TOOK THAT BALANCE AND APPLIED IT TO THE INTEREST RATE WHICH WAS USED AT THAT POINT IN TIME AND APPROVED IT OVER THE YEARS.

Q THAT'S THE AMOUNT THAT RELATES BACK TO THE PLANTATION LAKES HOUSE THAT HAD TO DO WITH THE BANKRUPTCY THAT HE FILED IN 1991 AND THAT YOU SUBMITTED A PROOF OF CLAIM, BUT NEVER --

MR. DURANT: YOUR HONOR, I OBJECT TO HER LEADING.

MS. COOK: I'M TRYING... I'M TRYING TO

REFRESH THE COURT'S MEMORY. THAT'S
FINE. I WITHDRAW THAT, YOUR HONOR.

Q WHAT IS THE NEXT LINE ITEM?

A NEXT LINE ITEM IS THE MONEY THAT WE HAVE SHOWN
THAT WAS LEFT OWED ON 29TH PLACE ON THE
PROPERTY. THAT WAS THE GOING INTEREST RATE AT
THAT TIME.

Q WHAT IS THE NEXT LINE ITEM?

A NEXT ITEM IS WHERE WE LEARNED THAT ELLIS HAD
ACTUALLY USED MY CONSTRUCTION COMPANY'S LICENSE
TO DO CAROLINA KEYES.

Q A&E'S LICENSE?

A NO. USED ARTHUR VEREEN CONSTRUCTION COMPANY.
AFTER I HAD INITIALLY AGREED TO HELP HIM BASED
ON CERTAIN CONDITIONS. I WAS LATER INFORMED BY
HIM I WASN'T NEEDED. HE AND THE DEVELOPER HAD
FOUND SOMEONE ELSE TO HELP. HE WAS SUPPOSED TO
REIMBURSE ME WITH 10% OF WHATEVER THE COST OF
THE CONSTRUCTION WAS.

Q DID YOU KNOW THAT HE HAD UTILIZED YOUR LICENSE,
ARTHUR VEREEN CONSTRUCTION COMPANY LICENSE TO
PULL THOSE PERMITS?

A I DID NOT.

Q HOW DID YOU LEARN THAT HE HAD?

A BECAUSE WE PULLED A LICENSE AFTER WE... WE

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ACQUIRED BASED ON WHAT I TESTIFIED YESTERDAY, IT MIGHT HAVE BEEN TODAY, I CAN'T KEEP UP WITH THE TIME. THE RELATIONSHIP TO US FINDING OUT THROUGH SANTEE COOPER. ACTUALLY WE ALSO FOUND OUT THROUGH A COMPANY TRYING TO DELIVER A FORKLIFT FOR THE JOB SITE. IT WAS ASKING US EXACTLY WHERE THE LOCATION WAS? THEY CALLED BACK LATER AND SAID THE GATE WAS LOCKED AND THEY COULDN'T GET IN. SO, WE INQUIRED TO THE CITY OF NORTH MYRTLE BEACH TO FIND... ACTUALLY ANOTHER JOB BEING BUILT RIGHT IN NORTH MYRTLE BEACH AT THAT TIME. MARTIN BROWN WAS ACTUALLY ON THE PERMIT. I WAS TOLD IT WAS NOT AN A&E JOB.

Q IN THE POINT OF TIME... WHEN DID YOU FIND OUT THAT MR. SMITH HAD UTILIZED ARTHUR VEREEN CONSTRUCTION'S LICENSE AT CAROLINA KEYES WAS IT BEFORE OR AFTER THIS DISPUTE AROSE WITH MR. SMITH?

A NO. I FOUND OUT AFTERWARDS. WHENEVER WE INQUIRED ABOUT... ONE OF THE THINGS THAT REALLY STARTED THIS WAS WE RECEIVED A PHONE CALL FROM AN INDIVIDUAL THAT HAD BOUGHT A HOME THAT WAS OWED BY BRIAN DAVIS WITH A CONSTRUCTION PROBLEM AND WE WERE CALLED IN REFERENCE TO THAT JOB.

MR. THOMAS: OBJECTION, HEARSAY.

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A WELL, I SPOKE WITH SOMEONE. OKAY. WELL, I LEARNED TO SAY THAT MORE OFTEN MR. THOMAS, BUT I LEARNED --

MR. THOMAS: WE STILL OBJECT. HE'S GETTING READY TO TELL US WHAT SOMEBODY TOLD HIM. THAT'S HEARSAY.

MS. COOK: YOUR HONOR, BOTH OF Y'ALL STOP.

Q LET'S STICK TO CAROLINA KEYES. AS A RESULT OF THE PHONE CALL, DID THAT LEAD YOU TO GO DO SOMETHING AT THE CITY OF NORTH MYRTLE BEACH?

A YES. WE INQUIRED ABOUT... IN NORTH MYRTLE BEACH.

MR. DURANT: YOUR HONOR, WE OBJECT. THE ANSWER WOULD BE WHAT HE DID, NOT WHAT SOMEONE ELSE DID. HE CAN ONLY TESTIFY AS TO WHAT HE DID.

JUDGE HOWE: YES, SIR.

A I'M GOING TO ANSWER THAT QUESTION FOR HIM. "WE" I'M PART OF WE. WE INQUIRED TO --

MR. DURANT: YOUR HONOR --

MS. COOK: JUST WAIT. JUST WAIT. DID YOU THROUGH THE RESULT OF SOME ACTIVITY... WERE YOU PROVIDED COPIES OF PERMITS FOR CAROLINA KEYES?

A I WAS.

Q OKAY. AND YOU GOT THOSE PERMITS AFTER THIS DISPUTE WITH MR. SMITH AROSE AND HE HAD LEFT A&E, IS THAT CORRECT?

A THAT'S CORRECT.

Q LET ME ASK YOU TO LOOK AT THIS GROUP OF DOCUMENTS AND TELL ME WHAT THAT IS?

MS. COOK: YOUR HONOR, THIS WILL BE 114.

Q MR. VEREEN, HAVE YOU LOOKED THROUGH EXHIBIT 114?

A YES, MA'AM.

Q WHAT IS EXHIBIT 114?

A IT'S A NUMBER OF PERMITS PULLED AS... IT DOES SAY ARTHUR VEREEN CONSTRUCTION COMPANY. IT SAYS ARTHUR VEREEN AS THE CONTRACTOR.

Q ON WHAT PROJECT?

A CAROLINA KEYES.

Q WHO ARE THOSE APPLICATION PERMITS SIGNED BY?

A THERE IS SOME SIGNED BY... THEY ARE ALL SIGNED BY ELLIS OR ROBERT GRIFFIN.

Q AND AT THAT TIME, WHEN THOSE PERMITS WERE PULLED, DID YOU KNOW THOSE PERMITS WERE BEING PULLED USING YOUR LICENSE?

A NO, I DID NOT.

Q DID YOU GIVE MR. SMITH PERMISSION TO PULL THOSE PERMITS?

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A UNDER THE CONDITIONS THAT WE HAD DISCUSSED. WE WERE PLANNING ON BEING INVOLVED, BUT AS I SAID, THEY INFORMED ME THAT I WAS NOT NEEDED.

Q SO, YOU GIVE HIM --

A NO, I DID NOT.

Q YOU DID NOT LEARN UNTIL AFTER THE FACT AND AFTER THESE ISSUES WITH MR. SMITH AROSE THAT, IN FACT --

MR. THOMAS: YOUR HONOR, WE OBJECT TO HER LEADING. THE PERMITS ARE COMING IN FOR WHATEVER THEY ARE WORTH.

MS. COOK: THAT'S FINE.

Q ALRIGHT. AS A RESULT OF GETTING THOSE PERMITS, DID YOU FEEL YOU WERE DUE ANY MONEY FROM MR. SMITH?

A I FELT LIKE I WAS DUE WHAT WE HAD ORIGINALLY CONSIDERED.

Q AND WHAT WAS THAT?

A IT WAS 10%. MY GENERAL LIABILITY WAS A MINIMUM OF 4% TO 5%.

Q DID YOU INCLUDE ANY AMOUNT RELATED TO CAROLINA KEYES ON THIS RESPONSE THAT YOU GAVE BACK THAT'S IN EVIDENCE AS PLAINTIFF'S EXHIBIT 9 TO MR. SMITH?

A I DID.

Q WHAT POSITION DID YOU TAKE YOU WERE OWED RELATED TO CAROLINA KEYES?

A WELL, I DID IT BASED ON 5.8 MILLION DOLLARS WORTH OF PERMITS.

Q WAS THAT FROM ADDING UP WHAT WAS ON THOSE APPLICATIONS IN TERMS OF --

A YES.

Q -- THE WORK APPLIED FOR? AND DID YOU FROM THAT ANALYSIS RESPOND BACK TO MR. SMITH AS TO AN AMOUNT YOU FELT HE OWED YOU OR YOUR COMPANIES?

A YES, I DID. I PUT IT IN EXCESS OF \$956,000.

Q ON THE SECOND PAGE, WHAT DOES THIS INFORMATION... DID YOU GIVE THE SECOND PAGE TO MR. SMITH AS WELL?

A I DID.

Q AND WHAT DOES IT REPRESENT?

A I DID PROJECTS... I HAD ATTRIBUTED TO A&E PROJECTS BY AWV THAT I HAD PUT INTO A&E. THE TOTAL OF IT WAS ABOUT \$15 MILLION. AND THIS WAS ACTUAL PROJECTS THAT ELLIS HAD BROUGHT IN TOO.

Q WAS THAT BY WAY OF DEMANDING ANYTHING FROM HIM?

A NO. JUST FOR REFERENCE TO SHOW I WAS WORKING TO KEEP A&E UP. I HAD TO PRODUCE THE MAJORITY OF THE WORK OR 3/4 OF THE WORK.

Q IN ADDITION, THE NEXT FOUR PAGES... WELL, SIX

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PAGES OF PLAINTIFF'S EXHIBIT 9, DO YOU RECOGNIZE THOSE DOCUMENTS?

A YES. THOSE ARE DOCUMENTS THAT I ACTUALLY PULLED UP THAT... OF MONEY THAT HAD BEEN GIVEN TO ELLIS, NUMBER ONE. WE BOUGHT HIS HOUSE AND SOME PROPERTY TAXES THAT HE NEEDED AN ADVANCE ON. THE LAST MONEY HE INDICATED THAT HE GOT FROM OCEAN BLUE, THE DUPLEX, AND EMPLOYEE ADVANCES THAT WE HAD RECEIVED, THOSE KIND OF ITEMS.

Q WHAT'S THE SECOND CATEGORY?

A THE SECOND ONE WAS IT'S POTENTIAL LIABILITY THAT HE PUT ON A&E BY NOT NOTIFYING OUR INSURANCE COMPANY THAT THIS WORK HAD BEEN DONE WITH THESE PARTICULAR JOBS WITHOUT ANY INFORMATION.

Q THESE JOBS YOU HAVE LISTED CARI ANN DAVIS, SEALEY OVER HERE, ARE THESE JOBS THAT WERE DONE WHILE MR. SMITH WAS STILL WITH A&E?

A YES. WELL, LET'S BACK UP. THE CONDOLUX OFFICE WAS NOT. HE HAD LEFT AT THAT TIME.

Q WERE THEY ALL JOBS IN WHICH A&E'S PERMIT WAS USED?

A YEAH.

Q THE SECOND PAGE, WHAT IN GENERAL TERMS DO THESE NUMBERS REFLECT?

A THAT WAS OUR ATTEMPT AND METHOD TO TRY TO SHOW

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THE COST OF EACH JOB, THE EXPENSES RELATED TO EACH JOB, THE PROFIT, WHAT THE OVERHEAD WAS AND WHAT OUR NET PROFIT WAS.

Q IN POINT OF TIME, WHEN YOU GOT THE FIRST AND SECOND DEMAND LETTERS FROM MR. SMITH, HIM NOT COMING BACK TO WORK AFTER JULY 2007, CAN YOU TELL ME ABOUT WHEN YOU GOT THOSE DEMANDS?

A I BELIEVE THE FIRST DEMAND THAT I RECEIVED WAS SOMETIME LATE JUNE.

Q OF '07?

A '07. I BELIEVE THE LAST ONE WAS SOMETIME BEFORE THE END OF '07, I BELIEVE.

Q AND THESE RESPONSES THAT YOU GAVE BACK TO MR. SMITH, THEY ARE IN EXHIBIT 9, ABOUT HOW MUCH TIME ELAPSED WHEN MR. SMITH MADE HIS DEMAND AND YOU RESPONDED BACK TO HIM?

A NOT VERY LONG. I COULD ACTUALLY LOOK IN MY LETTER. I BELIEVE I HAVE A COPY IN MY FILE, MY FOLDER. BASICALLY OUTLINING THIS AND ASKING HIM TO COME UP HIMSELF SO WE COULD GET THIS STRAIGHTENED OUT.

Q DID HE EVER COME AND SIT DOWN WITH YOU --

A NO.

Q FROM YOUR CALCULATIONS AND THE RESEARCH THAT YOU DID AND PROVIDED TO MR. SMITH, WHAT DID YOU

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ESTIMATE AS BEING THE GROSS... THE NET PROFIT OR LOSS FOR A&E?

A IT WAS A NET PROFIT OF AROUND \$75,000.

Q AND WHAT TIME PERIOD DID YOU ESTIMATE AT THIS TIME... WHAT TIME PERIOD DID THAT COVER WHEN YOU DID THIS SCHEDULE?

A '07.

Q AND ACCORDING TO YOUR CALCULATIONS AT THE TIME, HOW MUCH WOULD BE DUE EACH OF YOU?

A 37,000.

Q NOW, SINCE THIS LAWSUIT STARTED AND YOU HAVE COMPILED THESE BOOKS DEALING WITH WHAT YOU BELIEVE YOUR COMPANY IS OWED OR YOUR COMPANIES OWE A&E, DID YOU ALSO LOOK AT WHAT MR. SMITH MAY OWE A&E OR YOUR COMPANIES?

A I DID.

Q DID YOU PREPARE SIMILAR DOCUMENTS THAT LIKE YOURS OUTLINED HIS ACCOUNTS RECEIVABLE OR WHAT HE MIGHT BE DUE?

A I DID.

Q MR. VEREEN, I'M GOING TO SHOW YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 81. TAKE A MOMENT AND LOOK AT THAT. I AM GOING TO ASK YOU WHAT THAT NOTEBOOK REFLECTS?

A OKAY.

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Q NOW, MR. VEREEN, IF YOU WOULD EXPLAIN GENERALLY HOW YOU GOT WHAT'S CONTAINED IN THIS NOTEBOOK AND HOW YOU HAVE IT SET UP. "THIS" DEFENDANT'S EXHIBIT 81?

A ALRIGHT. WE HAVE IT AS... I'M LOOKING AT IT WHERE ELLIS IS REQUIRING ME... WELL, I'M NOT ENTITLED TO SUPERVISORY FEES.

Q LET'S TALK GENERALLY ABOUT WHAT'S IN THIS NOTEBOOK AND HOW YOU HAVE IT SET UP BEFORE WE GET INTO ANY SPECIFIC?

A I'M NOT SURE WHAT YOU ARE ASKING ME.

Q HAVE YOU SET IT UP SIMILARLY TO HOW YOU SET UP YOUR NOTEBOOKS BY YEAR?

A YES.

Q TABBED BY YEAR?

A TABBED YEAR BY INVOICE AND BY PAYMENTS.

Q THESE ARE AMOUNTS THAT YOU ALLEGE ARE DUE BY WHOM TO WHOM?

A THESE ARE AMOUNTS OWED BY EES OR ELLIS SMITH BACK TO A&E.

MR. DURANT: YOUR HONOR, HE'S GOING TO HAVE TO BREAK OUT WHAT CLAIM HE HAS AGAINST... THESE ARE ALL SEPARATE LEGAL ENTITIES. THE CLAIMS ARE GOING TO HAVE TO BE SEPARATELY STATED.

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MS. COOK: AND WE'RE GOING TO DO THAT.
I'M TRYING TO LAY AN OVERVIEW.

JUDGE HOWE: OKAY.

Q NOW, IF YOU WOULD AND I AM NOT GOING TO GO LINE
ITEM BY LINE ITEM THROUGH THIS BOOK EITHER, BUT
IN PUTTING THIS BACK UP TOGETHER, HAVE YOU COME
UP WITH A TOTAL AMOUNT THAT YOU BELIEVE IS DUE
BY ELLIS SMITH AND A TOTAL AMOUNT THAT YOU
BELIEVE IS DUE BY EES?

MR. DURANT: YOUR HONOR, WE OBJECT TO
HIM GIVING ANY TESTIMONY AS TO WHAT THE
TOTAL IS. THERE IS NO FOUNDATION.

MS. COOK: I HAVEN'T... I HAVE ASKED IF
HE CAME UP WITH A NUMBER. I DIDN'T ASK
WHAT THE NUMBER WAS YET.

MR. THOMAS: THIS IS NOT HIS WORK ANYWAY
ACCORDING TO THE EXHIBIT. THIS IS HIS
DAUGHTER'S WORK.

Q MR. VEREEN, IT'S ALREADY BEEN INTRODUCED INTO
EVIDENCE. DID YOU, WITH THE ASSISTANCE OF YOUR
DAUGHTER, COMPILE THIS INFORMATION AND HAVE YOU
LOOKED AT EVERY DOCUMENT AND GONE THROUGH EVERY
DOCUMENT IN THIS NOTEBOOK?

A YES. I HELPED PULL THE INVOICES TO VERIFY THAT
THOSE INVOICES WERE ACCURATE. NOW, DID I

ACTUALLY TYPE THEM ON A PIECE OF PAPER, NO.

Q YOU HAD SOMEBODY ELSE PERFORM THAT AMINISTERIAL DUTY?

A THAT'S CORRECT.

Q AND TO YOUR KNOWLEDGE, ARE ALL OF THESE DOCUMENTS THAT ARE CONTAINED IN TERMS OF ORIGINAL INVOICES, NOT SCHEDULES, THAT MAY HAVE BEEN PREPARED TO BE A TABLE OF CONTENTS OR AN INDEX, BUT THE ACTUAL DOCUMENTS ARE THEY KEPT IN THE NORMAL COURSE OF BUSINESS OF A&E?

A YES.

Q ARE THEY KEPT IN THE A&E OFFICES?

A YES.

Q TO YOUR KNOWLEDGE, WERE EACH OF THE DOCUMENTS MADE CONTEMPORANEOUSLY WITH THE MATTER SET FORTH IN THE DOCUMENT?

A YES.

Q DO YOU CONSIDER THESE BUSINESS RECORDS OF A&E?

A I DO.

MR. THOMAS: YOUR HONOR, I CERTAINLY DON'T THINK THEY ARE BUSINESS RECORDS. YOUR HONOR, HALF OF THEM ARE RECORDS OF PARK PLACE PROPERTIES. SOME OF THEM ARE AND SOME OF THEM AREN'T. TO SAY THAT THEY ARE BUSINESS RECORDS IS SIMPLY NOT

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ACCURATE. IF THEY --

MS. COOK: YOUR HONOR, THEY ARE --

MR. THOMAS: THEY ARE SOMEBODY'S RECORDS, BUT THEY ARE NOT BUSINESS RECORDS OF A&E AND THEY NOT MAINTAINED IN AN ORDINARILY COURSE OF BUSINESS. THEY WERE COMPLIED BY HIS DAUGHTER AS HIS DEFENSE IN THIS LAWSUIT. NOW, THEY ARE IN EVIDENCE SO...

MR. DURANT: I DON'T THINK THEY'RE IN EVIDENCE. I THINK THEY WERE LABELED AS AN EXHIBIT BY BETH BECAUSE YOU WOULD NOT ALLOW HER TO TESTIFY CONCERNING THEM. I DIDN'T HAVE ANY PROBLEM WITH HER LABELING THEM AS AN EXHIBIT, BUT MR. VEREEN HAD TO VERIFY WHAT WAS IN THERE AND TESTIFY TO SUPPORT IT. THERE WAS NO BASIS TO PUT IT IN EVIDENCE AT THE TIME.

MS. COOK: YOUR HONOR, OUR RECORDS REFLECT THAT THEY ARE IN EVIDENCE. ADDITIONALLY, YOUR HONOR --

JUDGE HOWE: MS. COURT REPORTER, WHAT IS MARKED AS DEFENDANT'S 81? IS IT INTRODUCED INTO EVIDENCE?

COURT REPORTER: IT IS INTRODUCED INTO

EVIDENCE AS I HAVE IT ON MY TRANSCRIPT.
MS. COOK: YES, MA'AM. THAT'S WHAT MY
RECORDS REFLECT AS WELL, YOUR HONOR. I
DON'T KNOW EXACTLY WHERE WE ARE, YOUR
HONOR, BECAUSE IT SEEMS LIKE THEIR
OBJECTS SHOULD BE ON CROSS-EXAMINATION,
BUT I'M GOING TO MOVE FORWARD.

MR. THOMAS: IF IT'S IN EVIDENCE, WE'RE
NOT OBJECTING OTHER THAN THE
CHARACTERIZATION OF THE BUSINESSES
ORDINARY COURSE OF BUSINESS, WHICH IT IS
NOT.

JUDGE HOWE: YES, SIR. ORDINARY COURSE
OF BUSINESS FOR THE LAWSUIT.

MR. THOMAS: OF THE LAWSUIT.

JUDGE HOWE: WHICH HAS KIND OF TAKEN ON
A BUSINESS.

Q NOW, MR. VEREEN, CAN I ASK YOU TO LOOK BEHIND
TABS 2, AND I BELIEVE THAT IS FOR THE YEAR 2004.
I DON'T NEED YOU TO GO ITEM BY ITEM, BUT WOULD
YOU EXPLAIN TO THE COURT WHAT IS CONTAINED
BEHIND TAB 2 IN GENERAL TERMS?

A WELL, IN GENERAL TERMS IT'S JOB COSTS ON JOBS
THAT A&E HAD IN PROGRESS IN 2004. THAT IS
BROKEN DOWN INTO A SUPERVISOR AMOUNT, A LABOR

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AMOUNT, AND THE OTHER COULD BE SUB-CONTRACTOR OR MATERIALS AND IT HAS A JOB THAT'S ASSOCIATED WITH IT.

Q NOW, WAS THIS AT THE TIME WHEN A&E STARTED INTO BUSINESS, BUT AS YOU TESTIFIED YESTERDAY THAT MR. SMITH WASN'T WORKING DIRECTLY ON THE PAYROLL OF A&E, BUT WAS WORKING THROUGH EES AS A SUB-CONTRACTOR?

A THAT'S CORRECT.

Q AND FOR EXAMPLE, LET ME FIND... FOR EXAMPLE, IF WE CAN FLIP... IF WE GO BEHIND TAB 2. FOUR INVOICES AND CHECKS IN SO THAT WE ARE AT THE CHECK THAT IS A&E CONSTRUCTORS DATED APRIL 3RD OF 2004 IN THE AMOUNT OF \$2,950 TO EES. IT'S CHECK NUMBER 1063 AND THERE'S AN EES INVOICE BEHIND IT.

JUDGE HOWE: BEHIND TAB 2?

MS. COOK: YES, MA'AM.

JUDGE HOWE: OKAY.

Q THIS PARTICULAR PAYMENT BY A&E IS TO WHO?

A EES CONSTRUCTION.

Q IS THERE AN INVOICE FROM EES?

A YES.

Q NOW, DID EES GIVE YOU ANY BACK UP SHOWING --

MR. THOMAS: YOUR HONOR, TO THE EXTENT

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THAT THEY ARE NOW ATTEMPTING TO GO BACK AND CLAIM THAT AMOUNTS THAT THIS GENTLEMAN SIGNED A CHECK FOR IN 2004, WHAT THEY'RE TRYING TO DO NOW AND PROBABLY MOST OF THIS WHOLE BOOK IS GO BACK AND SAY WE SHOULDN'T HAVE PAID IT BECAUSE WE DID NOT HAVE PROPER BACK UP FOR WHAT WE SIGNED THE CHECK FOR. NOW, THERE IS NOT ALLEGED FRAUD AND THE LAW IS VERY CLEAR WHEN YOU PAY SOMETHING WITH FULL KNOWLEDGE OF WHAT YOU'RE PAYING. YOU CAN'T GO BACK AND MAKE THE CLAIM TO GET YOUR MONEY BACK AND THAT'S EXACTLY WHAT THEY'RE TRYING TO DO. WE CITE FOR THE COURT SHOCKLEY VERSUS WHITE CASE. WE CITE THE BANK OF COMMERCE CHARLOTTE VERSUS WATER CASE. THEY CAN'T PAY AND THEN GO BACK ANY TIME LATER IN GENERAL, BUT FIVE YEARS IN PARTICULAR AND CLAIM THAT THEY SHOULDN'T HAVE PAID AND I WANT MY MONEY BACK.

JUDGE HOWE: SURELY. THAT'S NOT WHAT YOU'RE DOING, IS IT?

MS. COOK: NO, MA'AM. WHAT WE'RE...

EES BY AND THROUGH MY CLIENT HAS ASKED

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FOR AN ACCOUNTING AS WELL, AND THE STANDARD TO WHICH ONE 50% MEMBER OF EES IS TRYING TO HOLD MR. VEREEN TO IS THAT HE MUST HAVE BACK UP, INDEPENDENT BACK UP FROM A THIRD PARTY FOR ANY BILLS OR INVOICES TO PROVE IT'S A LEGITIMATE EES EXPENSE. PART OF WHAT WE UNDERSTAND THE PLAINTIFF'S CLAIMED TO BE AS AN AMOUNT OWED BACK TO EES FROM MR. VEREEN OR HIS ENTITIES ARE SUPERVISOR FEES THAT WERE PAID TO MR. VEREEN BY A&E BECAUSE THEY ARE SAYING THERE IS NOT INDEPENDENT THIRD PARTY DOCUMENTATION. AND WHAT SOME OF THESE DOCUMENTS... SOME OF THESE TABS... THERE ARE OTHER TABS THAT CONSIDER THINGS OTHER THAN BILLING BY EES TO A&E, BUT THIS PARTICULAR TAB SHOWS IN ADDITION TO MATERIALS AND SUPPLIES THAT EES SOUGHT PAYMENT FOR SOME OF WHICH THERE IS A BACK UP INVOICE FROM THAT THIRD PARTY THAT WAS SUBMITTED BY EES TO THE BOOKKEEPER FOR PAYMENT. BUT SOME OF WHICH ARE ON THE EES INVOICES FOR WHICH THERE IS NO BACK UP. ADDITIONALLY, YOUR HONOR, THIS ALSO

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SHOWS AND GOES TO THE CREDIBILITY OF WHAT MR. VEREEN SAID THE AGREEMENT WAS ABOUT; HOW MUCH WAS TO BE PAID IN TERMS OF SALARY OR COMPENSATION TO MR. SMITH AND TO HIMSELF. MR. VEREEN HAVING TESTIFIED THAT THEIR COMPENSATION WAS TO BE A THOUSAND DOLLARS A WEEK AND IN HIS TESTIMONY THEN BEING THAT NONETHELESS, MR. SMITH SUBMITTED INVOICES THAT DIDN'T EQUAL \$1,000 A WEEK, BUT EQUALED TWO THOUSAND DOLLARS A WEEK. AND THIS IS SHOWING THAT IN AN ACCOUNTING WHICH IS A MATTER OF EQUITY THAT IF ONE PERSON IS TO BE HELD TO A CERTAIN STANDARD THAT THE OTHER PERSON SHOULD BE HELD TO THE SAME STANDARD. THAT IF YOU'RE 50/50 PARTNERS, ALTHOUGH ONE PARTNER WASN'T HELPING FUND THE OPERATIONS OF THE BUSINESS IN ANY WAY. THAT YOU SHOULD BE TREATED ALIKE. YOU SHOULD BE TREATED EQUALLY. AND IN DETERMINING THE NET PROFIT OR THE NET LOSS TO EES AND WHAT THAT MAY MEAN IN TERMS OF DISSOLUTION AND PAYMENTS THAT SHOULD BE DISBURSED TO EITHER MEMBER OF THE COMPANY THAT YOU

MUST LOOK AT WHAT WAS SUBMITTED FOR THOSE COSTS TO DETERMINE IF THEY WERE... WE DON'T DENY THEY WERE PAID, BUT AGAIN, WERE THEY LEGITIMATE BUSINESS EXPENSES ACCORDING TO THE AGREEMENT OF THE PARTIES AS TO WHAT WOULD BE PAID FOR. THERE HAS BEEN A COUNTERCLAIM PLED SEEKING AN ACCOUNTING JUST AS MUCH FROM THIS 50% MEMBER OR PARTNER OF THIS BUSINESS AS THERE HAS BEEN FROM THIS 50% PARTNER OF THE BUSINESS.

MR. THOMAS: I THINK SHE HAS JUST CONFIRMED MY POINT. THEY PAID IT AND THEY ARE SORRY THEY PAID IT AND THEY WANT TO GO BACK AND CHARGE IT BACK AGAIN. THEY CAN'T DO THAT. THE DISTINCTION IS THEY HAD THE CHECKBOOK, THEY SIGNED THE CHECKS. THEY REQUIRED WHATEVER THEY REQUIRED TO GIVE US PAYMENT IN THE FIRST PLACE AND THEY CAN'T CHANGE THAT NOW. SO, WE MOVE THAT ALL OF THESE BE STRICKEN BECAUSE THEY SIMPLY CAN'T DO IT. THEY CAN'T MAKE THAT CLAIM.

MS. COOK: YOUR HONOR, I BELIEVE IT'S

FOR YOU TO MAKE A DETERMINATION ABOUT WHAT CLAIM CAN AND CAN'T BE MADE OR WHAT CLAIMS CAN AND CAN'T PREVAIL. WE HAVE CLEARLY PLED ASKING FOR AN ACCOUNTING AND ALL WE ARE DOING IS INTRODUCING THE EVIDENCE TO SHOW WHETHER OR NOT PROPER AND LEGITIMATE PAYMENTS HAVE BEEN MADE AND WHETHER OR NOT THAT SHOULD BE TAKEN INTO CONSIDERATION OR BOTH PARTIES SHOULD BE TREATED THE SAME OR DIFFERENTLY BY THE COURT WHEN YOU COME UP WITH YOUR DETERMINATION AS TO WHAT EXPENSES WILL BE ALLOWED, WHAT CREDITS WILL BE ALLOWED AND THE LIKE.

JUDGE HOWE: WELL, LET ME ASK YOU SOMETHING. IT IS A FACT THAT MR. VEREEN OR HIS BOOKKEEPER HAD CONTROL OF THE CHECKBOOK, IS THAT CORRECT?

MS. COOK: IT IS CORRECT THAT THE ONLY SIGNATORY ON THE CHECKBOOK WAS MR. VEREEN. HE DID SIGN EVERY CHECK AND THAT WAS AT THE REQUEST OF MR. SMITH WHO DID NOT WANT TO BE ON ANY CHECKBOOK.

JUDGE HOWE: SO, BEFORE MR. VEREEN WOULD SIGN A CHECK, MR. VEREEN COULD HAVE

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REQUESTED WHATEVER HE PLEASED BEFORE HE SIGNED THE CHECK?

MS. COOK: YES, MA'AM.

JUDGE HOWE: SO, ISN'T IT A LITTLE LATE TO COME UP 8 YEARS LATER AND SAY THAT REALLY WASN'T ENOUGH. I SHOULD HAVE ASKED FOR MORE DOCUMENTATION BEFORE A SIGNED THAT CHECK?

MS. COOK: WELL, FIRST OF ALL, YOUR HONOR, I WOULD SUBMIT TO YOU IT'S NOT YEARS, 4 YEARS LATER.

JUDGE HOWE: IT'S 8 YEARS LATER, YEAH.

MS. COOK: NO, MA'AM. THIS CASE WAS FILED IN JANUARY 2009.

JUDGE HOWE: BUT IT IS. THIS CHECK WAS WRITTEN APRIL THE 30TH 2004.

MS. COOK: YES, MA'AM. AND I WILL POINT OUT TO THE COURT THAT MR. SMITH WAS AWARE THAT HE WAS SUBMITTING PAYMENTS... HE WAS SUBMITTING THESE BILLS FOR REIMBURSEMENT AND THAT HIS AGREEMENT WITH MR. VEREEN WAS THAT HE WOULD BE PAID A THOUSAND DOLLARS A WEEK, NOT WHAT AMOUNTS TO TWO THOUSAND DOLLARS A WEEK. AND THAT IN 2005 HE AND HIS ACCOUNTANT

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TESTIFIED THAT SHE STARTED INQUIRING OF HIM ABOUT IRREGULARITIES SHE THOUGHT SHE SAW IN THE ACCOUNTING RECORDS BECAUSE SHE WAS THE ACCOUNTANT FOR A&E AND MR. SMITH. I THINK HER TESTIMONY SHOWS. AND I CROSS-EXAMINED MR. SMITH ABOUT THIS TOO. MR. SMITH TOLD HER HE WAS GOING TO GET WITH WAYNE, GET WITH WAYNE AND HE DIDN'T. BUT WHAT HE DID DO WAS HE WAITED UNTIL THE BEGINNING OF 2007 WHILE HIS TRUCK WAS BEING PAID FOR, WHILE HIS INSURANCE ON HIS TRUCK WAS BEING PAID FOR, WHILE HIS TAXES ON HIS TRUCK WAS BEING PAID --

JUDGE HOWE: WELL, YOU DON'T NEED TO MAKE A CLOSING --

MS. COOK: NO, MA'AM. BUT I NEED TO MAKE A RECORD. I NEED TO MAKE A RECORD.

JUDGE HOWE: YOU DO NEED TO MAKE A RECORD, BUT MY POINT IS THAT WE ARE KIND OF GETTING INTO TWO DIFFERENT THINGS. THE DISCOVERY WAS THE ISSUE WITH THE ORDER AND THE CUT OFF DATE.

MS. COOK: YES, MA'AM. AND I --

JUDGE HOWE: WE ARE KIND OF CONFUSING

THAT WITH WHAT YOU'RE NOW SAYING.
WHAT'S GOOD FOR THE GOOSE IS GOOD FOR
THE GANDER. THAT'S KIND OF TWO
DIFFERENT THINGS.

MS. COOK: I AGREE AND NEITHER ONE IS
RELATED TO THE OTHER. I TOTALLY AGREE
WITH YOU, YOUR HONOR. I WOULD POINT OUT
TO YOUR HONOR THAT IT WAS NOT UNTIL I
LOOKED LAST NIGHT. IT WAS NOT UNTIL
NOVEMBER OF 2010 AND I MAY BE MISTAKEN
BECAUSE IT MAY HAVE BEEN OCTOBER 19TH
2010, I ACTUALLY PULLED THE LETTER FROM
MR. DURANT THAT WE GOT MRS. BRADY'S 2007
BOOK COMPLETED WITH HER FIRST SERIES OF
ADJUSTMENTS. IT WAS WHEN SHE WAS ON THE
STAND IN JUNE OF 2011. WHEN WE HAD TO
STOP BECAUSE I BECAME ILL. THAT SHE
HANDED NEW PAPERWORK UP AND IT WAS NOT
UNTIL... ACTUALLY, I GUESS, WE STARTED
GETTING THOSE REPORTS OF HERS 2004
THROUGH 2007 IN THE SUMMER TO FALL OF
2010. IT WAS NOT UNTIL THAT TIME THAT
WE WERE AWARE... WE WERE SHOCKED! WE
WERE HURT! WE WERE -- WHAT WAS THE
OTHER THING BETH THAT WE WERE? THAT

THEY WOULD SEEK BACK AS ACCOUNTS RECEIVABLE OR PAYMENTS FROM MR. VEREEN FOR SUPERVISORY FEES THAT HE BEGAN CHARGING TO BRING HIS AMOUNT UP TO WHAT HIS PARTNER WAS GETTING. AND OUR PLEADINGS CLEARLY ASKED FOR AN ACCOUNTING JUST AS MUCH ON BEHALF OF A&E AS MR. SMITH ASK FOR AN ACCOUNTING OF A&E.

JUDGE HOWE: I DON'T THINK THERE'S ANY QUESTION AS TO THAT.

MS. COOK: NOW, WHAT YOUR HONOR ULTIMATELY DETERMINES AND ALL WE'RE DOING IS MAKING OUR RECORD AND PRESENTING THE EVIDENCE AS TO, IF YOU GOUSED AND GANDERED IT AND TREATED THEM EQUALLY WHAT THE NUMBER WOULD BE. I UNDERSTAND THEIR CROSS-EXAMINATION WILL GO TOWARD. WELL, DIDN'T YOU SIGN THE CHECK? I UNDERSTAND THAT. BUT THIS IS A COURT OF EQUITY, YOUR HONOR, AND IT'S SUPPOSED TO LOOK AT FAIRNESS AND...
ADDITIONALLY, THESE DOCUMENTS WERE PRESENTED WITHIN THE TIMEFRAME, YOUR HONOR. WHILE I DON'T THINK YOUR ORDER

WOULD... I DON'T THINK THAT'S WHERE WE ARE GOING WITH THIS, BUT YOUR ORDER WOULDN'T PRECLUDE THIS IN ANY WAY BECAUSE THIS WAS PROVIDED WELL IN ADVANCE OF YOUR DISCOVERY DEADLINE.

THEY ARE NOT SURPRISED BY THIS. I CAN UNDERSTAND WHY THEY ARE FIGHTING HARD. JUDGE HOWE: NO. I DON'T THINK THAT'S THE BASIS OF THEIR OBJECTION.

MR. THOMAS: IT'S NOT. WE ARE NOT, YOU KNOW... IF HE WANTS TO SAY WHATEVER HE WANTS TO SAY ABOUT LEGITIMIZING OR JUSTIFYING HIS SUPERVISORY FEES HE CAN. OUR OBJECTION IS SIMPLY THEY CAN'T GO BACK AFTER THE FACT, AFTER THEY HAVE HAD THE OPPORTUNITY TO MAKE WHATEVER INVESTIGATION THEY HAD TO REQUIRE WHATEVER THEY NEEDED TO REQUIRE FOR PAYMENT, PAY IT AND COME BACK AND SAY WE MADE A MISTAKE. WE WANT TO BRING AN AFFIRMATIVE CLAIM AGAINST YOU TO PAY THAT MONEY BACK.

JUDGE HOWE: RIGHT. WE PAID THESE CLAIMS AND NOW WE SHOULDN'T HAVE PAID THEM.

MR. THOMAS: WHAT WE ARE SAYING IS IT'S A MATTER OF LAW AND WE DON'T THINK THEY CAN DO THAT.

MS. COOK: WELL, THEY CAN MAKE THE APPROPRIATE MOTION AT THE APPROPRIATE TIME AND THEY CERTAINLY COULD HAVE FILED A MOTION FOR SUMMARY JUDGMENT AND THEY DIDN'T DO THAT, YOUR HONOR. BUT LIKewise... I UNDERSTAND THAT THEY MAY HAVE ANOTHER ARGUMENT AND ANOTHER THEORY AS TO WHY, YOUR HONOR, SHOULD THEY NOT TREAT THESE TWO GENTLEMEN THE SAME WITH REGARD TO SUPERVISORY FEES AND WAGES OR SALARIES THAT THEY GOT. BUT I BELIEVE I AM ENTITLED TO PUT BEFORE YOU --

JUDGE HOWE: MS. COOK, THEY'RE NOT TALKING ABOUT SUPERVISORY FEES. RIGHT NOW WE ARE TALKING ABOUT PAYING A CHECK TO EES CONSTRUCTION FOR BEACH DUNES.

MS. COOK: YES, MA'AM. AND PERHAPS I PULLED OUT AN INCORRECT EXAMPLE WITHIN TAB 2 TO ADDRESS THAT PARTICULAR ISSUE. BUT ALSO THE ONE THAT WE ARE TALKING ABOUT RIGHT NOW, THE INVOICE THAT WAS SUBMITTED BY EES AND THE CHECK THAT WAS

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WRITTEN TO VERIFY THE PAYMENT, IT SHOWS WHAT WAS OR WAS NOT MR. SMITH'S COURSE OF CONDUCT IN BUSINESS IN SUBMITTING FOR REIMBURSEMENT OR PAYMENT OF EXPENSES.

JUST LIKE WHAT MR. VEREEN SUBMITTED OR DID NOT SUBMIT FOR PAYMENT FOR EXPENSES OR OTHER REIMBURSEMENTS TO A&E.

JUDGE HOWE: I THOUGHT HE TESTIFIED THAT THIS IS WHEN EES WAS WORKING AS AN INDEPENDENT CONTRACTOR BEFORE EES CAME ON TO WORK AS A FULL TIME EMPLOYEE.

MS. COOK: HE TESTIFIED THAT THIS WAS DURING THE TIME THAT INSTEAD OF ELLIS WORKING FOR A&E DIRECTLY HE WAS WORKING THROUGH EES AND BEING PAID HIS SALARY OR HIS SUPERVISORY FEES THIS WAY INSTEAD OF BEING PAID DIRECTLY BY THE COMPANY AT A \$52,000 A YEAR LEVEL SALARY THAT MR. VEREEN WAS GETTING PAID.

MR. THOMAS: I DON'T ARGUE WITH TESTIMONY. WE RECALL HE TESTIFIED THE COMPANY WAS PAYING MR. SMITH A THOUSAND DOLLARS AND MR. SMITH WAS GETTING HIS ADDITIONAL COMPENSATION THAT HE SHOULD NOT BE GETTING UNDER SUBCONTRACTOR.

MS. COOK: YOU CAN CROSS-EXAM HIM ON THAT AND MAYBE I WILL CLARIFY THAT I DIDN'T REALIZE THAT WAS NOT CLEAR FROM THE TESTIMONY AND I WILL GO BACK INTO THAT.

JUDGE HOWE: IT WILL SPEAK FOR ITSELF.

MR. THOMAS: REGARDING THAT'S NOT REALLY OUR POINT.

JUDGE HOWE: I UNDERSTAND YOUR POINT. I WILL LET HIM TESTIFY AND YOU CAN CROSS-EXAM BECAUSE IT TAKES TOO LONG TO FUSS ABOUT IT.

MS. COOK: YES, MA'AM. IS IT 5:30 P.M.?

JUDGE HOWE: 5:30. CAN WE GET TO A PRETTY GOOD STOPPING POINT?

MS. COOK: MAYBE WE SHOULD STOP HERE.

(RECESS TAKEN UNTIL ON AUGUST 29, 2012.)

(THIS IS THE BEGINNING OF AUGUST 30, 2012).

JUDGE HOWE: MR. VEREEN, YOU ARE STILL ON THE STAND AND YOU ARE STILL UNDER OATH.

CONTINUE RE-RE-CROSS EXAMINATION BY MS. COOK:

A YES, MA'AM.

Q MR. VEREEN, WHEN WE BROKE YESTERDAY WE HAD KIND OF GONE OVER A BROAD OVERVIEW OF SOME CATEGORIES

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OF HOW THINGS WERE HANDLED WITH A&E BETWEEN YOU AND MR. SMITH. ONE OF THE THINGS THAT WE TALKED ABOUT WERE SOME JOBS THAT ELLIS WAS ENDEAVORING TO GET AND YOUR UNDERSTANDING IS THAT THEY WERE GOING TO BE ROLLED INTO A&E AS YOU WERE DOING THE SAME THING. YOU MENTIONED THAT ONE OF THOSE MATTERS CONCERNED SOME WORK AT GRANDE DUNES AND A FENCE AND SOME WORK AT A MARINA AT THE GRANDE DUNES MARINA. I'M GOING TO HAND YOU WHAT I'VE PRE-MARKED FOR ID AS DEFENDANT'S EXHIBIT 106. TAKE A MINUTE AN LOOK AT THAT. TELL ME WHAT THAT DOCUMENT IS AND IF YOU ARE FAMILIAR WITH IT?

A YES, MA'AM. I AM FAMILIAR WITH IT.

Q AND IS THIS DEALING WITH THE GRANDE DUNES FENCE AND MATTERS YOU AND BETH ON BEHALF OF A&E WERE CONTINUING TO DEAL WITH EVEN AFTER THE MAIN JOBS OF A&E HAD ENDED IN 2007?

A YES.

Q AS A RESULT OF A&E BEING CONTACTED BY THE CITY OF MYRTLE BEACH CONCERNING THE GRANDE DUNES FENCES JOB, DID YOU INSTRUCT YOUR DAUGHTER TO WRITE A LETTER TO MR. DURANT?

MR. DURANT: YOUR HONOR.

MR. THOMAS: YOUR HONOR, WE REALIZE THAT

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WE DON'T HAVE A JURY, BUT WE OBJECT TO CONTINUANCE LEADING OF THE WITNESS AND SHE IS JUST LEADING HIM TOO MUCH. A LITTLE BIT WOULD BE ALRIGHT. WE OBJECT.

Q WHAT IS THIS MR. VEREEN?

A WELL, ACTUALLY JUST TO CORRECT A STATEMENT THAT YOU MADE. WE WERE CONTACTED BY WACCAMAW MANAGEMENT NOT THE CITY OF MYRTLE BEACH AND THAT'S WHEN I INQUIRED WITH WACCAMAW MANAGEMENT EXACTLY WHAT THEY WERE MAKING REFERENCE TO AND SHE INDICATED --

Q DON'T TELL ME WHAT SHE SAID --

A I LEARNED... I LEARNED THAT THERE WAS A PROBLEM WITH THIS FENCE AND EXPLAINED TO HER THAT A&E OR MYSELF HAD NO INVOLVEMENT IN BUILDING THIS FENCE.

Q AS A RESULT OF THAT CONTRACT, DID YOU HAVE THE BUILDING PERMIT PULLED FOR THE PROJECT?

A YES, I DID.

Q AND IS IT ATTACHED ALSO TO WHAT I HAVE PRE-MARKED AS DEFENDANT'S 106?

A YES.

Q BEHIND THAT ARE SOME DOCUMENTS THAT YOU DID DEALING WITH THE PERMIT AT THE CITY OF MYRTLE BEACH. DID YOU GET THIS BACKUP DOCUMENTATION

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FROM THE CITY?

A YES.

MS. COOK: YOUR HONOR, I WOULD LIKE TO INTRODUCE DEFENDANT'S 106 INTO THE RECORD.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: I HAVE NOT HAD THE OPPORTUNITY TO LOOK AT IT YET, YOUR HONOR.

MR. THOMAS: I NEED TO VERIFY IT.

MS. COOK: FOR THE RECORD, I WOULD LIKE TO NOTE THAT THIS WAS A LETTER SENT TO MR. DURANT BECAUSE LITIGATION HAD ALREADY STARTED AND MRS. SISSON IS NOT... IS AN ATTORNEY. SHE DID NOT WANT TO CONTACT ELLIS DIRECTLY.

MR. THOMAS: I DON'T HAVE ANY OBJECTIONS.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: OKAY. DEFENDANT'S 106 SO ADMITTED WITHOUT OBJECTION.

GRANDE DUNES FENCE MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 106.

Q NOW, I WANT TO DIRECT YOUR ATTENTION TO THE ACTUAL COPY OF THE BUILDING PERMIT APPLICATION AND I ACTUALLY HAVE MARKED A BIGGER COPY THAT I PULLED FROM MR. SMITH'S FILES THAT I REVIEWED AND GOT DOCUMENTS FROM IN MR. DURANT'S OFFICE. I WOULD LIKE TO INTRODUCE A MORE LEGIBLE COPY AS DEFENDANT'S EXHIBIT 107. THEY'RE EXACTLY THE SAME.

MR. DURANT: NO OBJECTIONS.

MR. THOMAS: NONE.

MS. COOK: SO, 107 IS ADMITTED?

JUDGE HOWE: DEFENDANT'S 107

ADMITTED WITHOUT OBJECTION.

APPLICATION MARKED FOR

IDENTIFICATION AND INTRODUCED

INTO EVIDENCE AS DEFENDANT'S

EXHIBIT 107.

Q ACCORDING TO THAT APPLICATION, I NOTE THAT THERE DOESN'T HAVE A DATE THAT MR. SMITH APPLIED FOR THE BUILDING PERMIT APPLICATION, BUT DOES IT INDICATE WHETHER THE CITY ISSUED A PERMIT?

A IT WAS ISSUED ON JANUARY 16TH OF '04.

Q ALRIGHT. THE VALUE OF THE WORK BEING DONE, WHAT'S INDICATED ON THE APPLICATION?

A 125,000.

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Q FROM YOUR EXPERIENCE IN APPLYING FOR AND GETTING BUILDING PERMITS FROM THE CITY OF MYRTLE BEACH, WHO MAKES THE DETERMINATION OF THE VALUE OF THE WORK THAT'S PUT ON AN APPLICATION?

A THE CONTRACTOR.

Q ALRIGHT. THEN IS A FEE CHARGED BY THE CITY OR WHATEVER MUNICIPALITY IS ISSUING THE PERMIT BASED ON A PERCENTAGE OF THAT VALUATION OF WORK?

A LET ME BACK UP FROM A STATEMENT THAT I JUST MADE. IN SOME INSTANCES THE CITY OR THE COUNTY OR WHOEVER THE MUNICIPALITY IS PERMITTING, THEY HAVE A STANDARD RULE ON A SQUARE FOOT BASIS AND THAT USUALLY PERTAINS TO CONSTRUCTION OF BUILDINGS, HOUSES, BUILDINGS AND STRUCTURES. ON AN ITEM LIKE A POOL OR A FENCE, THOSE ARE BASED ON WHAT THE CONTRACTOR NORMALLY WOULD PROVIDE THE ACTUAL COST OF THAT.

Q ALRIGHT. AND IN JANUARY OF '04, Y'ALL HAD ALREADY STARTED WORKING AS A&E, CORRECT?

A THAT'S CORRECT.

Q DID MR. SMITH EVER ROLL THIS JOB INTO A&E?

A NO.

Q LET ME SHOW YOU WHAT I HAVE MARKED AS DEFENDANT'S 108. IT'S ENTITLED, "APPLICATION FOR PAYMENT TO GRANDE DUNES, LLC" SHOWING THE

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ORIGINAL CONTRACT AMOUNT AS \$290,000. WERE YOU AWARE OR HAVE YOU BECOME AWARE THAT THE ACTUAL CONTRACT PRICE THAT MR. SMITH ASSIGNED WITH GRANDE DUNES TO BUILD THAT FENCE WAS \$290,000 AS OPPOSED TO THE 125 THAT'S ON THE APPLICATION?

A YES.

Q AND WAS THIS PRESENTED TO YOU AFTER A REVIEW OF MR. SMITH'S DOCUMENTS?

A YES.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE EXHIBIT 108 INTO EVIDENCE. THAT DID COME FROM MR. SMITH'S DOCUMENTS.

MR. THOMAS: WE DON'T HAVE ANY OBJECTIONS. IT'S DATED MARCH OF '03.

MS. COOK: I BELIEVE THERE ARE SEVERAL APPLICATIONS THAT THEY MAKE UP DEFENDANT'S 108.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: DEFENDANT'S 108 SO ADMITTED.

APPLICATION FOR PAYMENT TO GRANDE DUNES MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S

EXHIBIT 108.

- Q** FOR THE RECORD, MR. THOMAS JUST STATED THAT IT WAS DATED MARCH OF '03. THERE ON THE PROBATE, WHAT'S THE DATE?
- A** MARCH OF '03.
- Q** WOULD YOU LOOK AT EACH OF THESE APPLICATIONS THAT MAKE UP EXHIBIT 108 AND STATE WHAT THE DATE ON THE ACTUAL APPLICATION SUBMITTED BY MR. SMITH IS?
- A** MARCH OF '04, APRIL OF '04, JULY OF '04, AND AUGUST OF '04.
- Q** DID A&E RECEIVE ANY FUNDS FOR THE PERFORMANCE OF ANY WORK ON THE GRANDE DUNES FENCE PROJECT?
- A** NO.
- Q** ALSO YESTERDAY WE TALKED ABOUT THE INSURANCE AND WHAT INSURANCE A&E HAD IN PLACE. WHAT INSURANCE EES HAD IN PLACE DURING THE TIMEFRAME THAT THEY WERE DOING WORK FOR A&E. LET ME HAND YOU WHAT I HAVE MARKED AS DEFENDANT'S 105 AND ASK IF YOU CAN IDENTIFY THAT DOCUMENT? IT IS A CERTIFICATE OF INSURANCE?
- A** THIS IS A CERTIFICATE OF INSURANCE FROM PEOPLE'S UNDERWRITERS.
- Q** FROM WHAT COMPANY?
- A** FOR EES CONSTRUCTION.

Q ACCORDING TO --

MS. COOK: YOUR HONOR, WE WOULD LIKE TO
INTRODUCE DEFENDANT'S EXHIBIT 105.

MR. THOMAS: WE HAVE NO OBJECTIONS.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: DEFENDANT'S 105 SO
ADMITTED.

CERTIFICATE OF INSURANCE
MARKED FOR IDENTIFICATION AND
INTRODUCED INTO EVIDENCE AS
DEFENDANT'S EXHIBIT 105.

Q THE FIRST PAGE OF 105, WHAT'S THE TIMEFRAME THAT
THIS INDICATES THE GENERAL LIABILITY COVERAGE
COVERS?

A THE DATE LOOKS LIKE IT'S OCTOBER THE 22ND 2004.

Q DOWN UNDER THE ACTUAL POLICY, DOES IT GIVE A
POLICY TERM? START DATE AND FINISH DATE?

A THE EFFECTIVE DATE WAS OCTOBER THE 20TH 2004 AND
THE EXPIRATION DATE WAS OCTOBER THE 20TH 2005.

Q AND IN TERMS OF INSURANCE PREMIUMS, DOES THE
CHARGE FOR INSURANCE PREMIUMS AND WORKERS'
COMPENSATION PREMIUMS DEPEND ON WHAT KIND OF
COMPANY OR WORK WAS BEING INSURED?

A YES.

Q AND ON DEFENDANT'S EXHIBIT 105, WHAT TYPE OF

WORK WAS BEING INSURED FOR EES?

A CONCRETE CONSTRUCTION.

Q OKAY. DID EES CONTINUE --

MR. THOMAS: I OBJECT TO THE FORM.

MISCHARACTERIZATION OF WHAT IT COVERS.

Q MR. VEREEN, WHAT DOES THE CERTIFICATE OF INSURANCE INDICATE IS THE DESCRIPTION OF OPERATIONS THAT IS BEING COVERED IN THIS POLICY?

A IT SAYS, "CONCRETE CONSTRUCTION".

Q HAVE YOU EVER KNOWN EES TO DO ANY CONCRETE CONSTRUCTION?

A NOT THAT I'M AWARE OF.

Q THE WORK THAT EES IS DOING FOR A&E IN '04 AND '05, WAS ANY OF THAT WORK CONCRETE CONSTRUCTION?

A NO.

Q LET ME SHOW YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 104. IT'S A CHECK DRAWN ON THE A&E ACCOUNT AND AFLAC BILLING INFORMATION. IT'S BEEN PRE-MARKED FOR IDENTIFICATION AS DEFENDANT'S 104. CAN TELL THE COURT WHAT THAT IS?

A THAT'S A PAYMENT TO AFLAC BASED ON THE INDIVIDUALS THAT WERE LISTED ON THE LAST PAGE.

Q AND WHAT TYPE OF INSURANCE WAS BEING PAID FOR WITH THIS CHECK?

A IT WAS FOR CANCER AND SOME ACCIDENTS COVERAGE.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 104 INTO EVIDENCE.

MR. DURANT: NO OBJECTION.

MR. THOMAS: CAN WE INQUIRE AS TO THE RELEVANCE OF THIS?

MS. COOK: IT'S RELEVANT IN THAT THIS IS A CHARGE THAT MR. THOMAS' EXPERT HAS ALLEGED IS AN ACCOUNTS RECEIVABLE FROM MR. VEREEN OR HIS COMPANIES.

MR. DURANT: THAT'S BECAUSE MRS. VEREEN'S CHARGES WERE ON THERE AND SHE'S NOT AN EMPLOYEE OF THE COMPANY.

MS. COOK: WELL, I NEED TO QUESTION HIM ABOUT IT BECAUSE... I UNDERSTAND THAT, BUT I AM PRESENTING THIS TO THE COURT.

MR. THOMAS: WE DON'T OBJECT.

JUDGE HOWE: ALRIGHT. DEFENDANT'S EXHIBIT 104 SO ADMITTED.

CHECK TO AFLAC MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 104.

Q NOW, MR. VEREEN, DID YOU ADMIT THAT THE CHECK

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WRITTEN BY A&E WAS TO COVER FOR THE TYPE OF INSURANCE THAT'S SHOWN ON THE LAST PAGE OF 106 FOR ALL THE PEOPLE LISTED?

A YES.

Q WHICH INCLUDES YOUR WIFE?

A YES.

Q AND IN PERFORMING THE WORK AND DOING THE WORK THAT YOU HAVE DONE IN ORDER TO DO AN ACCOUNTING FOR WHAT MIGHT BE OWED A&E BY EITHER YOU OR MR. SMITH OR WHAT EITHER ONE OF YOU MAY BE OWED, HAVE YOU CONSIDERED THIS INVOICE?

A YES.

Q DO YOU AGREE THAT MR. SMITH ALLOCATIONS ARE CORRECT IN TERMS OF A&E NOT PAYING FOR MRS. VEREEN'S INSURANCE, YOUR WIFE'S INSURANCE OR BETH'S INSURANCE OR CHAD SISSON'S INSURANCE?

A I AGREE, YES.

Q BUT WHAT IS YOUR POSITION WITH REGARD TO THE PAYMENT OF THE INSURANCE PREMIUM OF \$6 FOR CHASE CAMPBELL?

A NO. HE WAS AN EMPLOYEE OF A&E.

Q AND WHAT HE'S SAYING NOW IS THAT... WAS MR. CAMPBELL DEAD IN FEBRUARY OF '07? THE CHECK HAS BEEN MADE, BUT THE INVOICES ARE DATED FEBRUARY OF '07. EXCUSE ME, JANUARY OF '07. I DID THIS

EXHIBIT WRONG. EXCUSE ME JUST A MINUTE.

MR. THOMAS: CAN WE SPOT HIM 6 BUCKS AND MOVE ON?

MS. COOK: IT'S NOT JUST 6 BUCKS BECAUSE IT'S FOR A NUMBER OF MONTHS. IF Y'ALL SPOT US EVERYTHING WE'VE PICKED UP ON THAT Y'ALL DIDN'T GIVE US CREDIT FOR, WE WILL BE HAPPY TO.

MR. DURANT: YOUR HONOR, THE ONLY OBJECTION I HAVE ABOUT THE EXHIBIT IS THE AFLAC BILL FOR '07 WAS AGREED UPON BY THE PARTIES AS BEING \$781.20. THIS IS --

JUDGE HOWE: THAT ONE IS \$492.

MR. DURANT: NO. THE TOTAL AMOUNT FOR THE WHOLE YEAR WAS 781 WHICH WAS AGREED UPON ON THE SHEETS THAT SHE PREPARED. WE ACKNOWLEDGE THAT 781 IS THE CORRECT AMOUNT. IT'S ACTUALLY ON THE SUMMARY ANALYSIS AS BEING AN AMOUNT THAT WAS AGREED UPON.

MS. COOK: YOUR HONOR, THE PROBLEM WITH THAT SHEET AND QUITE FRANKLY, THEIR EXPERT SHEET, IS FROM THE MEETING THAT WE HAD TO TRY TO AGREE ON PERHAPS THINGS

THAT THEY HAD MISSED OR PERHAPS THINGS THAT WE HAD MISSED. MRS. BRADY DID INCLUDE SOME THINGS IN TOTALITY THAT WE PRESENTED. THERE ARE SOME THINGS IN MRS. BRADY'S REPORT WHEN SHE MADE HER ADJUSTMENTS THAT WE BELIEVE MR. SMITH AGREED TO, BUT MRS. BRADY DID NOT PUT IN HER ANALYSIS. AND SO WE HAVE A DIFFERENCE AND THAT'S WHY I'M GOING INTO SOME OF THIS IS BECAUSE WHILE MRS. BRADY CAPTURED SOME OF THIS LINE ITEMS THAT WE PRESENTED WITH BACKUP, THEY LOOKED AT IT BUT SHE DID NOT INCLUDE ALL OF THEM.

MR. DURANT: YOUR HONOR, FOR THE POSITION OF THE PLAINTIFFS IN THIS CASE, IS THIS SHEET WAS PREPARED BY THE DEFENDANTS. THEY SAID WE AGREED ON 781 AND THAT IS THE FIGURE WE USED. SO, THERE IS NO DISPUTE. WHAT'S THE POINT?

JUDGE HOWE: NOW, I'M CONFUSED BECAUSE WHAT MS. COOK JUST SHOWED US 492 --

MR. DURANT: YOUR HONOR, THERE'S ONE FOR EVERY MONTH. THERE WAS A MEETING OVER ALL OF THAT AND WE AGREED THAT 781 WAS THE AMOUNT THAT WE WOULD CHARGE THEM FOR

THE YEAR. THIS IS THEIR SHEET THAT THEY PREPARED AND WE AGREED WITH THEM. NO MORE.

MS. COOK: YOUR HONOR --

JUDGE HOWE: OKAY. SO YOU HAVE ALREADY GONE OVER ALL OF IT AND RETRACTED WHAT YOU DISAGREED ON OR THAT YOU SAID SHOULD NOT BE CHARGED--

MR. DURANT: YES. THERE WAS AN AGREEMENT BETWEEN THE PARTIES. THIS SHEET THAT'S PART OF THE RECORD HERE, THAT WAS PREPARED BY THEM. SAID THAT WE AGREED THAT \$781 WAS DUE --

JUDGE HOWE: AS TO THE AFLAC BILL?

MR. DURANT: YES. THE AFLAC BILL. THAT HAS BEEN A PERSONAL EXPENSE OF THE VEREEN ENTITIES. THIS IS THEIR SHEET AND NOT OURS. WE DIDN'T FIGHT ANY MORE ABOUT IT. THERE'S 12 OF THOSE THERE.

MS. COOK: YOUR HONOR, FIRST OF ALL, SO THAT I CAN CLEAR THINGS UP. I HAD SEPARATED... THERE WERE SUPPOSED TO BE 12... AND THERE ARE 12 PAYMENTS OF AFLAC BILLS FOR THE YEAR OF 2007 THAT... AND THESE ARE THE CHECKS THAT PAID EACH OF

THOSE BILLS THAT COVERED EMPLOYEES OF A&E THAT THEY CONCEDE WAS A LEGITIMATE EXPENSE AND COVER SOME FAMILY MEMBERS THAT THEY ALLEGE SHOULD NOT BE COVERED AND WE AGREE WITH. WHEN THEY PREPARED THEIR INITIAL REPORTS, MRS. BRADY'S 2004, 2005, 2006 AND 2007 REPORT AND THEN ON INTO EXHIBIT 40, WHICH IS THE FINAL EXHIBIT, PLAINTIFF'S 40, WHICH IS THE FINAL EXHIBIT THAT MRS. BRADY PRESENTED TO THE COURT AS BEING HER FINAL NUMBERS BASED ON ADJUSTMENTS THAT SHE HAD GONE BACK AND MADE, EITHER CREDIT OR DEBIT RESULTING FROM EVERYTHING THAT WE HAD PRESENTED AND RESULTING FROM OUR MEETINGS. THERE ARE ITEMS THAT SHE DID NOT INCLUDE THAT ARE ON THE SHEET THAT WE PREPARED RESPONDING TO THEIR ALLOCATIONS. THAT SHE DID NOT EITHER PROPERLY... IN OUR REVIEW OF HER RECORDS, DIDN'T PROPERLY CREDIT OR DIDN'T PROPERLY LEAVE IN PLACE AS WE AGREED THAT THEY WERE CHARGES FROM MR. VEREEN OR HIS CORPORATIONS. WHAT I INTENDED TO INTRODUCE, BUT I HAVE

SEPARATED THEM BECAUSE I THOUGHT THEY WERE EACH COPIES OF DIFFERENT MONTHS INSTEAD OF THE WHOLE YEAR, WAS THE ENTIRE YEAR AND THAT SPEAKS TO THE FACT THAT THEY INITIALLY ALLEGED THAT THE TOTAL OF THE AMOUNT OF MONEY WAS OWED BACK. THEY DID NOT LOOK AT ANY BACKUP TO MAKE THAT DETERMINATION EXCEPT FOR JUST LOOKED AT THE CHECKS. WE THEN PRESENTED THE BACKUP AND AFTER PRESENTING THE BACKUP, SOMETIMES THEY AGREED WITH IT AND SOMETIMES THEY DID NOT AGREE WITH IT. IT GOES TO THE CREDIBILITY OF THE NUMBER THAT HAS BEEN INTRODUCED IN MRS. BRADY EXHIBIT 40 THAT SHE HAS PUT BEFORE THE COURT AS HER EXPERT OPINION.

JUDGE HOWE: SO, WHAT YOU ARE SAYING IS MRS. BRADY'S FIGURE DOESN'T AGREE WITH THE PARTIES AGREEMENT?

MS. COOK: WITH OUR NUMBER. AND TO SOME EXTENT DOESN'T EVEN AGREE WITH WHAT MR. SMITH, AS A RESULT OF THE MEETING IN MRS. BRADY'S OFFICE, AGREED SHOULD NOT BE CHARGED AGAINST MR. VEREEN. SOME OF

THE THINGS SHE PICKED UP AND AGREES TO AND SOME OF THE THINGS SHE DIDN'T. EVEN THOUGH HER CLIENTS ACKNOWLEDGED THEM.

MR. DURANT: YOUR HONOR, NOT TO ARGUE THE WHOLE CASE, BUT THE REASON THE AFLAC BILLS IS EVEN AN ISSUE IS BECAUSE MR. VEREEN WAS TAKING AND PAYING OUT OF HIS COMPANY FOR PEOPLE WHO DID NOT WORK FOR THE COMPANY. THAT'S THE WHOLE REASON IT'S HERE. WE MET AND AGREED BECAUSE YOU ORDERED US TO AND SHE PREPARED THIS AND WE AGREED THAT 781 --

JUDGE HOWE: WHO IS "SHE"?

MR. DURANT: THE DEFENDANTS. THE DEFENDANTS PREPARED THIS SHEET THAT'S IN THERE THAT WAS 781 AND IT WAS AGREED UPON. AND WE AGREED THAT WAS THE ADJUSTMENT THEY OWED FOR THE YEAR. FOR WHATEVER REASON, IT DOESN'T MATTER. WE DIDN'T WANT TO COME HERE AND HAVE TO TRY AN AFLAC BILL FOR 48 BUCKS.

JUDGE HOWE: I UNDERSTAND.

MR. DURANT: WE REACHED AN AGREEMENT AND WE THINK IT SHOULD NOT BE DISPUTED. WHETHER SHE SAW IT AND HAD IT AT ONE

TIME... WE THINK IT'S PROPER FOR A CPA TO MAKE ADJUSTMENTS WITH INFORMATION THAT'S GIVEN. WE LOOKED AT IT AND SHE MAKES THE ADJUSTMENTS FOR THAT. WE ARE WILLING TO ACCEPT THE 781. WE THINK IT IS IRRELEVANT TO GO INTO WHY.

MS. COOK: YOUR HONOR, I BELIEVE IT IS RELEVANT BECAUSE THE RELEVANCY GOES TO THE DUE DILIGENCE AND THE AMOUNT OF THE REVIEW THAT THE EXPERT DID IN COMING UP WITH THE NUMBERS THAT SHE'S PRESENTED TO THE COURT AS AN EXPERT IN TERMS OF WHAT'S AGREED TO AND WHAT'S NOT AGREED TO. THERE ARE SOME MATTERS THAT MRS. BRADY AND THE PLAINTIFFS IN THIS ACTION HAVE ALLEGED SHOULD BE OWED BACK. WHEN THE EVIDENCE IS CLEAR THAT IT WAS FOR PAYMENT OF LEGITIMATE A&E CHARGES EITHER BY A&E OR BY ONE OF MR. VEREEN'S COMPANIES BECAUSE A&E DIDN'T HAVE THE FUNDS AT THE TIME TO PAY THOSE OBLIGATIONS. AND I AGREE THAT WHEN YOU SINGLE OUT THIS PARTICULAR BILL, THEY AGREED TO REDUCE THE AMOUNT THAT THEY FIRST ALLEGED WAS OWED BY MR. VEREEN

BACK TO A&E. SO THAT THE ONLY AMOUNT THAT THEY ARE ALLEGING BACK TO A&E ARE MRS. VEREEN'S CHARGES. BUT THIS IS BUT ONE EXAMPLE OF THAT MATTER AND IT GOES TO THE CREDIBILITY AND THE WEIGHT THAT YOUR HONOR IS GOING TO GIVE TO THIS EXPERT'S OPINION. WE HAVE SPENT MORE TIME ARGUING ABOUT THIS \$6 PER MONTH ISSUE --

JUDGE HOWE: YES, YOU HAVE, BUT IT ALSO MAKES IT VERY CONFUSING BECAUSE MRS. BRADY ISSUED HER REPORT FIRST, IS THAT CORRECT? SHE ISSUED HER REPORT AND THEN YOU CAME TO AN AGREEMENT AND THEN SHE MADE ADJUSTMENTS AFTER THE AGREEMENT, IS THAT CORRECT.

MS. COOK: YES, MA'AM. BUT THE ADJUSTMENTS THAT SHE MADE IN DEFENDANT'S EXHIBIT 40, IN OUR OPINION, DO NOT REFLECT EVERYTHING THAT THE PARTIES AGREED TO. THAT'S THE PROBLEM.

MR. DURANT: YOUR HONOR, THE PROBLEM WAS THAT YOU ORDERED THE PARTIES AND THEIR ACCOUNTANTS TO GET TOGETHER --

JUDGE HOWE: AND THEY HAD NO ACCOUNTANT.

MR. DURANT: AND BETH SHOWED UP WITH MS. COOK AND TRIED TO GO OVER IT WITH OUR ACCOUNTANT.

JUDGE HOWE: AS I RECALL AT THAT MEETING... AT THE CONFERENCE THAT WE HAD IN OUR OFFICE, THE DEFENDANT NOTATED THAT THEY MAY OR MAY NOT HAVE AN EXPERT. I THINK I ORDERED THAT THE DEFENDANTS' EXPERT MEETS WITH THE PLAINTIFFS' EXPERT IF THE DEFENDANTS HAD AN EXPERT. AND AT THAT TIME THE DEFENDANTS WERE NOT SURE IF THEY WERE GOING TO HAVE AN EXPERT.

MR. DURANT: LATER ON THEY DECIDED WITH MR. CRUMPLER IN COURT THAT THEY WERE NOT GOING TO USE HIM. AND THERE WAS --

MS. COOK: NOT AS AN EXPERT. WE SAID WE WERE NOT GOING TO USE MR. CRUMPLER AS AN EXPERT.

MR. DURANT: AS A WITNESS.

MS. COOK: NO, SIR. WHEN SAID WE WERE NOT GOING TO USE HIM AS EXPERT. WE SAID THAT WE RESERVE THE RIGHT TO USE HIM AS A FACT WITNESS.

JUDGE HOWE: BECAUSE HE HAD PREPARED SOME OF THE TAX RETURNS?

MS. COOK: AND HAS REVIEWED... MRS. BRADY TESTIFIED THAT SHE BASED PART OF HER NUMBERS ON MR. CRUMPLER'S NUMBERS. HE CAN'T CRITIQUE... YOU WOULD NOT BE ABLE TO CRITIQUE... HE'S NOT COMING IN AS AN EXPERT TO OFFER HIS OPINION AS TO MRS. BRADY'S REPORT AND WHETHER HER NUMBERS ARE RIGHT OR WRONG, BUT HE WAS THE ACCOUNTANT FOR A&E AS WAS MRS. BRADY FOR A PERIOD OF TIME. AND HE CAN TESTIFY AS A FACT WITNESS AND WE LISTED HIM THAT WAY. WE RESERVED THAT RIGHT.

MR. DURANT: YOUR HONOR, TO MAKE THINGS EASIER, WE WILL WITHDRAW OUR OBJECTION FROM AFLAC. AND DO WHATEVER YOU WANT TO HAVE THE FINAL SAY. PUT THEM ALL IN.

MR. THOMAS: WE WILL AGREE WITH THAT.

MS. COOK: YOUR HONOR, I WOULD LIKE TO MARK THIS AS 104 BECAUSE IT'S BEEN PUT BACK TOGETHER. IT'S THE 12 MONTHS WORTH OF BILLING.

JUDGE HOWE: ALRIGHT.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: THIS IS VERY CONFUSING FOR ME.

Q SOME OF THE FOLKS THAT A&E PAID INSURANCE FOR WERE A&E EMPLOYEES, CORRECT?

A YES, THAT'S CORRECT. I ALSO WOULD LIKE TO NOTE THAT MY NAME DOES NOT APPEAR ON HERE AS RECEIVING ANYTHING FROM AFLAC. I HAD ACTUALLY PURCHASED A POLICY MYSELF FOR MYSELF LIKE 20 YEARS AGO.

Q OKAY. NOW, MR. VEREEN, HAVE YOU REVIEWED EXHIBIT 40, MRS. BRADY'S REPORT?

A YES.

Q I'M GOING TO SHOW YOU WHAT HAS BEEN MARKED AS PLAINTIFF'S EXHIBIT 40 AND UNDER THE TAB FOR MRS. BRADY'S 2005 REVISIONS WHICH WOULD BE THE THIRD TAB BACK. DOES SHE HAVE A LINE ITEM NUMBER 15 FOR CHARGES FROM SIGN WORKS?

A NO. LINE 14.

Q I'M SORRY. AND ACCORDING TO MRS. BRADY'S REPORT, HOW MUCH DID SHE INITIALLY ALLEGE ON BEHALF OF MR. SMITH THAT WAS OWED TO... FROM YOU OR YOUR COMPANIES TO A&E?

A \$5,127.50.

Q AND ACCORDING TO HER REPORT, DOES SHE HAVE AN AMOUNT WHICH IS REFLECTED IN COLUMN B), THAT AFTER THE MEETING THAT PLAINTIFFS AGREED TO ADJUST WHAT THEY HAD... AND REDUCE WHAT THEY HAD

INITIALLY ALLEGED?

A YES.

Q WHAT IS REFLECTED AS WHAT IS... INSTEAD OF THE 5,000 WHAT IS BEING CHARGED AGAINST YOU?

A \$2,500.

Q OKAY. NOW, I'M SORRY. I MISSPOKE ABOUT WHAT COLUMN B) IS?

A SHOULD'VE GOTTEN THE CREDIT.

Q THAT WE CONSENTED THAT WE OWED?

A YES.

Q THAT THEY SHOULD HAVE GOTTEN A CREDIT FOR?

A YES.

Q OKAY. SO, THAT'S WHAT WE... OF THE 5,000, WE AGREED HOW MUCH IS OWED?

A YES.

Q HOW MUCH DID WE AGREED IS OWED?

A 3,500.

Q OKAY. BUT LET ME SHOW YOU WHAT WE HAVE MARKED AS DEFENDANT'S EXHIBIT 103. IT'S AN INVOICE FOR SIGN WORKS AND ASK IF YOU CAN IDENTIFY THAT INVOICE?

A YES. IT'S AN ENTRANCE SIGN THAT SIGN WORKS PRODUCED FOR WILLOUGHBY PLACE.

MS. COOK: OKAY. YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S

EXHIBIT 103.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: NO, YOUR HONOR. WE HAVE ALREADY AGREED TO IT AND GIVE THEM CREDIT FOR THIS AT THE INITIAL TRIAL.

MS. COOK: YOUR HONOR, THAT'S NOT WHAT'S IN THEIR... THAT'S NOT WHAT'S IN THE REPORT. AND MAYBE I WILL HAVE TO BE HONEST WITH YOU. IF SHE TESTIFIED TO THAT AT HER INITIAL TRIAL, I DON'T REMEMBER WHAT SHE SAID AT HER INITIAL TRIAL. AND I'M BETTING YOU DON'T KNOW WHAT SHE SAID IN HER INITIAL TESTIMONY, BUT WHAT YOU WILL HAVE IS THE DOCUMENT. AND I WOULD LIKE TO INTRODUCE 103 TO SHOW THAT EXHIBIT 40 IS NOT REFLECTIVE AS WE SIT HERE TODAY AS TO WHAT WE BELIEVE IS OWED. I DON'T RECALL HER SAYING AT THE INITIAL TRIAL --

MR. DURANT: YOUR HONOR, THE INITIAL AMOUNT WAS 1.7. THE DEFENDANT AMOUNT WAS 3,500, THE DIFFERENCE IS 16,027.50.

MS. COOK: THAT'S CORRECT. AND WHAT HIS TESTIMONY WILL GO TO 16,027.50 IS WE BELIEVE THAT WE ARE ALSO NOT LIABLE FOR

THAT AMOUNT OF MONEY BECAUSE IT WAS...
BUT THEY HAVE STILL ALLEGED THAT WE ARE
LIABLE FOR THAT AMOUNT ON THEIR REPORT
BECAUSE MRS. BRADY DID NOT TAKE THAT
AMOUNT OFF. AND THIS IS TO SHOW THAT IT
WAS ASSIGNED FOR WILLOUGHBY PLACE WHICH
WAS AN A&E JOB. SO, IT WAS A LEGITIMATE
CHARGE TO A&E.

MR. DURANT: YOUR HONOR, WE HAVE AGREED
THAT THIS IS A LEGITIMATE CHARGE. I
BELIEVE IT WAS NOT GIVEN TO US DURING
THE TIME PERIOD BY YOUR ORDER AND WE
STILL AGREED TO IT.

MS. COOK: YES, IT WAS, YOUR HONOR.

MR. DURANT: WELL, THE FAX ON IT IS
1/23/11. IT DOESN'T MATTER. JUST PUT
IT IN.

JUDGE HOWE: I'M CONFUSED. I THOUGHT
THIS DOCUMENT SAID THAT THE AMOUNT
CONSENTED TO IS \$3,500?

MS. COOK: YOUR HONOR, MAYBE I CAN WALK
YOU THROUGH THAT. ON EXHIBIT 40 THE
SPREADSHEETS OF MRS. BRADY LINE ITEM BY
LINE ITEM FOR YEAR GO THROUGH AS I
UNDERSTAND IT. WHAT IS THE PLAINTIFFS'

POSITION WAS OWED OR IS OWNED BY MR. VEREEN BACK TO A&E. THAT'S WHAT THE FIRST... THAT'S WHAT ALL THE COLUMNS THROUGH COLUMN A) WOULD REFLECT. WHEN YOU GET TO COLUMN B) IT IS WHERE MRS. BRADY HAS RECORDED WHAT WE... THE DEFENDANT AGREED OF THE AMOUNT THE PLAINTIFF WAS CHARGING AGAINST THE DEFENDANT. WHAT WE AGREED WAS OWED. AND WHAT THEY HAD AGREED TO ACCEPT. WHAT IS NOT REFLECTED AND WHAT THIS INVOICE GOES TO... THAT FRANK HAS NOW ACKNOWLEDGED, BUT IS NOT FROM THE TESTIMONY AT TRIAL OR FROM HIS CONCEDED IT AT THE FIRST OR THIRD, WHATEVER, THAT I DON'T REMEMBER, BUT HE'S RECONFIRMED IT TODAY IS THAT --

MR. DURANT: YOUR HONOR, THAT PLAINTIFF IS GOING TO TAKE THIS OFF HER FINAL REPORT BECAUSE IT OCCURRED DURING TRIAL. WE WILL AGREE TO REMOVE THAT FROM MRS. BRADY'S REPORT. SHE'S ALREADY GOT IT MARKED ON HERE TO REMOVE.

JUDGE HOWE: WHEN SHE DOES HER REPLY TESTIMONY.

MS. COOK: OKAY. WELL, I HAVE NO WAY OF KNOWING THAT, YOUR HONOR. I WOULD LIKE TO PUT... AND THOSE ARE SOME OF THE ITEMS THAT WE'RE TALKING ABOUT. AND DURING HER REPLY TESTIMONY... I HAVE NO WAY OF KNOWING IF THEY ARE GOING TO UP HER IN REPLY. I GUESS NOW I KNOW THEY ARE GOING TO UP HER IN REPLY. BEFORE THAT I DID NOT KNOW THEY WERE GOING TO PUT HER UP IN REPLY. SO, I WOULD LIKE TO INTRODUCE 103. I THINK THEY DID NOT OBJECT. NOW FRANK HAS CONCEDED THAT ALTHOUGH IT'S NOT REFLECTED ON THIS PURPOSE, THEY WILL AGREE TO REDUCE WHAT THEY ALLEGE MR. VEREEN OWES BY THAT AMOUNT. DO I UNDERSTAND THAT CORRECTLY?

MR. DURANT: THAT IS CORRECT, YOUR HONOR?

JUDGE HOWE: CAN WE TAKE A QUICK BREAK?
(DISCUSSION OFF THE RECORD.)

Q MR. VEREEN, WITHIN EXHIBIT 81 THE ACCOUNTS RECEIVABLE YOU ALLEGE ON BEHALF OF A&E ARE DUE BY ELLIS OR HIS COMPANY, I WOULD LIKE YOU TO LOOK AT A CHECK AND SOME DOCUMENTS THAT ARE STAPLED BEHIND IT THAT WE HAVE MARKED WITHIN

EXHIBIT 81 THAT'S ALREADY BEEN INTRODUCED AS 81-A. COULD YOU LOOK AT THAT CHECK AND THE DOCUMENTS STAPLED TO IT AND TELL THE COURT WHAT THAT IS?

A THE CHECK WAS WRITTEN FROM A&E TO EES CONSTRUCTION WITH ATTACHED INVOICES.

Q HOW MUCH IS THE CHECK FOR?

A \$9,215.

Q ON THE TOP PART OF THE CHECK DOES IT INDICATE... IS THAT AMOUNT OF THE CHECK TO PAY OR COVER SEVERAL CHARGES?

A YES.

Q WHAT DOES THE CHECK INDICATE THAT THE TOTAL AMOUNT COVERS?

A IT COVERS \$9,215.

Q WHAT BUSINESS OR ACTIVITY WERE YOU PAYING FOR THAT 9,000 WHATEVER DOLLARS?

A IT PERTAINED TO FOUR DIFFERENT JOBS.

Q WHAT JOBS?

A WILLOUGHBY PLACE, TAHITIAN PRINCESS, THE BUCCANEER AND FOR SCOTT LONG'S OFFICE.

Q WERE THOSE JOBS A&E'S JOBS?

A YES.

Q DID YOU HAVE A PERSONAL JOB DOING ANY WORK, YOU PERSONALLY OR ANY OF YOUR COMPANIES; THOSE

BEING, PARK PLACE PROPERTIES, PARKWAY OFFICES OR ARTHUR VEREEN CONSTRUCTION COMPANY DOING WORK FOR WILLOUGHBY, TAHITIAN PRINCESS, BUCCANEER OR SCOTT LONGS OFFICE?

A NO.

Q NOW, WHAT JOB WAS A&E DOING FOR SCOTT LONG?

A AN OFFICE BUILDING FOR HIM.

Q THAT TOTAL SUM THE 9,000 AND CHANGE, WHAT WAS THE VERIFICATION OR THE SUPPORTING DOCUMENTATION THAT WAS PROVIDED... AND YOU DID SIG THAT CHECK, RIGHT?

A I DID.

Q WHAT WAS PROVIDED TO A&E TO SUPPORT THE PAYMENT OF 9,000 AND CHANGE TO EES?

A THERE'S BEEN A LOT OF REFERENCES FOR ME SIGNING CHECKS AND I DID SIGN THOSE CHECKS. I DID NOT VERIFY INVOICES. THOSE INVOICES WERE VERIFIED BY --

MR. THOMAS: YOUR HONOR, COULD WE NOTE A CONTINUING OBJECTION TO ALL OF THESE, NOT ONLY TO THE EXHIBIT ITSELF, BUT TO TESTIMONY WHERE THE PURPOSE IS TO RECOVER THE MONEY ON THE CHECKS THAT HE SIGNED SO WE DON'T HAVE TO KEEP INTERRUPTING EVERY TIME HE STARTS

TALKING ABOUT IT?

JUDGE HOWE: SURE.

Q GO AHEAD, MR. VEREEN.

A YOU ASKED ME A QUESTION AND I WAS TRYING TO ANSWER IT. ELLIS REVIEWED SUB-CONTRACTORS MATERIAL FOR A&E AND HE WOULD PRESENT THOSE TO CARRIE FOR A CHECK TO BE PROCESSED. CARRIE WOULD LAY THOSE ON MY DESK TO BE SIGNED WITHOUT ANY BACK UP, WITHOUT ANY INVOICES BECAUSE HE'S THE ONE THAT WOULD SAY, "OKAY".

Q NOW, WOULD HE OKAY ALL PAYMENTS TO BE MADE FOR A&E?

A NO, NO. THE ONLY INVOICES THAT I WOULD ACTUALLY REVIEW WERE FOR A&E'S INSURANCE BILLS, UTILITY BILLS AND SUCH.

Q AND ANY OTHER BILLS FOR A&E... WHAT TYPE OF BILLS DID ELLIS REVIEW AND APPROVE FOR PAYMENT AS OPPOSED TO YOU REVIEWING AND APPROVING FOR PAYMENT FOR A&E?

A HE DID MATERIALS FROM SUPPLIERS AS WELL AS SUB-CONTRACTORS.

Q NOW, WHEN THIS PARTICULAR CHECK WAS SUBMITTED TO YOU FOR PAYMENT, WERE YOU SUBMITTED THE BACK UP THAT'S WITH THAT CHECK?

A NO. I JUST STATED EARLIER THE CHECKS WERE

PRESENTED... I MEAN, FOR ME... A STACK OF CHECKS WERE LAYING ON MY DESK WITH THE INVOICES. IT COULD TAKE UP TWO OR THREE TABLES AT TIMES.

Q WOULD YOU LOOK AT THE DOCUMENTS THAT ARE ATTACHED TO THOSE CHECKS AND TELL ME WHAT EACH OF THE BACK UP DOCUMENTATION SHOWS?

A THIS SAYS, "SUPERVISION AND CLEAN UP..." AND I CAN'T READ THAT.

Q TELL THE COURT WHO THE INVOICE IS FROM AND THE DATE OF THE INVOICE?

A IT'S FROM EES ON NOVEMBER THE 2ND 2004 FOR THE WILLOUGHBY PLACE.

Q WHAT'S THE TOTAL AMOUNT OF THE INVOICE?

A \$1,250.

Q IS THAT ITEMIZED AS ONE OF THE AMOUNTS... THAT INVOICE IS BEING ONE OF THE AMOUNTS AS BEING PAID IN THIS CHECK NUMBER 2035?

A YES.

Q OKAY. WHO OKAYED THIS INVOICE FOR PAYMENT?

A ELLIS.

Q NOW, DID... TO YOUR KNOWLEDGE, WAS A&E PROVIDED ANY BACK UP FOR THIS SUPERVISION FEE THAT'S SHOWN ON THE INVOICE FOR \$1,125?

A I DON'T KNOW. I HAVEN'T SEEN ANY.

Q HAVE YOU LOOKED FOR --

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A YES.

Q -- WHETHER THERE WAS ANY BACK UP?

A I HAVE.

Q WHAT TYPE OF BACK UP WOULD YOU HAVE LOOKED FOR THAT TYPE OF FEE?

A I WOULD HAVE LOOKED UP FOR HIS HOURS AND WHAT HE WAS CHARGING.

Q PER HOUR?

A YES.

Q THE NEXT INVOICE THAT'S COVERED IN THE \$9,000 CHECK, WHAT DOES IT SHOW? WHO IS IT FROM AND THE DATE?

A IT'S FROM EES ON NOVEMBER THE 2ND OF '04 TO A JOB AT THE TAHITIAN PRINCESS. THE SUPERVISION IS FOR \$2,135. LOOKS LIKE CLEAN UP OF... I'M NOT SURE WHAT THAT SAYS.

Q WHAT'S THE TOTAL AMOUNT OF THAT EES INVOICE?

A \$2,870. (PHONE RINGING).

(OFF THE RECORD) .

Q AND THE NEXT INVOICE THAT IS COVERED BY THAT CHECK PAYMENT?

A CHECK NUMBER --

Q THE CHECK?

A INVOICE FROM EES ON NOVEMBER 2ND 2004 FOR SUPERVISION FOR THE BUCCANEER.

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Q WAS THE BUCCANEER AN A&E JOB?

A YES.

Q WHAT DID YOU DO AT THE BUCCANEER?

A IT WAS A TEAR DOWN.

Q DEMOLITION?

A YES.

Q HOW MUCH WAS THAT INVOICE FROM EES?

A \$735.

Q WHO APPROVED THAT INVOICE?

A ELLIS.

Q WHAT OFFICE DID ELLIS HOLD WITH THE COMPANY?

A PRESIDENT.

Q WHAT OFFICE DID YOU HOLD?

A I WAS SECRETARY.

Q AND YOU WERE THE ONLY ONE WHO HAD STATUTORY
AUTHORITY ON THE CHECKS, CORRECT?

A YES.

Q WHY WAS THAT?

A I WAS THE ONLY ONE WHO WENT TO THE BANK AND
SIGNED THE SIGNATURE CARD. HE COULD HAVE PUT
HIS NAME ON THERE, BUT HE ELECTED NOT TO.

Q DURING THE TIME A&E WAS IN OPERATION, WHERE DID
YOU KEEP THE CHECKING ACCOUNT RECORDS AND THE
CHECKBOOK OF A&E?

A INSIDE THE OFFICE.

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Q WAS IT AVAILABLE FOR MR. SMITH TO SEE?

A YES.

Q DID HE EVER LOOK AT THE RECORDS, THE FINANCIAL RECORDS, THE CHECKING ACCOUNT TO YOUR KNOWLEDGE?

A I DON'T KNOW.

Q DID HE EVER ASK OR INQUIRE OF YOU ABOUT ANY MATTERS CONCERNING THE FINANCES OF THE COMPANY UNTIL 2007?

A WELL, IN 2005, HE ASKED ME ONE MORNING ABOUT... PRIOR TO 2007 WITH REFERENCE TO MY LAUNDRY BILLS.

Q OKAY?

A THE COMPANY HAD ALWAYS PAID MY LAUNDRY BILLS AND I ALWAYS HAD TO REIMBURSE IT. SO, I EXPECTED TO DO THAT.

Q ALRIGHT. CAN WE FLIP ON OVER BEHIND TAB 2 TO THE NEXT ITEM THAT WE MARKED AS EXHIBIT 81B. WHAT IS THAT CHECK FOR AND WHO WAS IT WRITTEN TO AND THE DATE OF THE CHECK?

A THE DATE IS NOVEMBER THE 18TH 2004 TO EES CONSTRUCTION IN THE AMOUNT OF \$8,893 AND IT WAS INVOLVING FOUR JOBS WITH SCOTT LONG, KEMP, WILLOUGHBY PLACE AND TAHITIAN PRINCESS.

Q AND WERE THOSE JOBS ALL A&E JOBS?

A YES.

Q YOU SIGNED THAT CHECK?

A I DID.

Q DID YOU REVIEW ANY BACK UP BEFORE MAKING THAT PAYMENT?

A NO.

Q WHOSE JOB WAS IT FOR A&E TO REVIEW THE BACK UP TO AUTHORIZE PAYMENT?

A ELLIS REVIEWED THE SUB-CONTRACTOR AND THE MATERIALS.

Q AND EES, AT THAT TIME, WAS A SUB-CONTRACTOR?

A YES.

Q WOULD YOU LOOK AT WHAT'S PAPER CLIPPED TOGETHER THERE BEFORE YOU GET TO THE NEXT CHECK. IS THAT THE BACK UP THAT YOU HAVE LOCATED THAT CORRESPONDS TO WHAT IS INDICATED ON THE CHECK AS BEING PAID?

A YES.

Q THE DOCUMENTS... THERE'S AN INDICATION ON SCOTT LONG'S JOB THE CHECK COVERS A CHARGE OF \$2,513. WHO WAS THE INVOICE FROM FOR THAT CHARGE?

A SAYS, "EES, TRIM, LABOR AND CLEAN UP."

Q IS THERE A CHARGE REPRESENTED IN THE CHECK OF \$5,080 THAT THE CHECK COVERS PAYMENT OF THAT INVOICE AS WELL?

A YES.

Q WHO'S THAT INVOICE FROM?

A IT'S FROM EES ON TAHITIAN PRINCESS.

Q HOW MUCH IS THE TOTAL AMOUNT OF THAT INVOICE?

A \$5,080.

Q IS ANY AMOUNT OF THAT ON THE INVOICE REPRESENTED TO BE FOR SUPERVISORY FEES?

A YES.

Q HOW MUCH?

A \$2,650.

Q NOW, MR. VEREEN, WHEN WE TALKED EITHER YESTERDAY OR THE DAY BEFORE WHEN YOU AND ELLIS STARTED A&E, WHAT WAS YOUR ARRANGEMENT AS TO HOW EACH OF YOU WAS GOING TO BE COMPENSATED BY A&E? WHEN YOU STARTED THE BUSINESS IN 2004?

A A \$1,000 A WEEK.

Q WAS THAT TO BE PAID BY A&E TO EACH OF YOU PERSONALLY?

A YES.

Q DID THAT HAPPEN IN 2004 AND 2005?

A WELL, IT DID HAPPEN IN THE LATE... WELL, MIDDLE OF 2005. BEFORE THAT, 2004 TO THE MIDDLE OF 2005, IT DID NOT.

Q AND HOW WERE YOU COMPENSATED IN 2004 TO THE MIDDLE OF 2005? HOW WERE YOU COMPENSATED?

A \$1,000 A WEEK.

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Q HOW WAS ELLIS COMPENSATED?

A HE WAS COMPENSATED THROUGH EES AS SUPERVISION.

Q IN GOING BACK AND LOOKING AT ALL THESE DOCUMENTS, HAVE YOU GONE BACK AND LOOKED AT ALL THESE DOCUMENTS AND CALCULATED HOW MUCH YOU BELIEVE ELLIS OR HIS COMPANIES OWE A&E?

A I HAVE.

Q AND IN DOING THAT WORK AND MAKING THOSE CALCULATIONS FROM THE REVIEW OF THE DOCUMENTS, DID YOU LEARN HOW MUCH MR. SMITH WAS BEING PAID IN 2004 TO THE MIDDLE OF 2005 PER WEEK BY BEING PAID HIS SUPERVISION FEE?

A YES.

Q HOW MUCH?

A \$2,000.

Q DID YOU GET \$2,000 A WEEK DURING THAT TIMEFRAME?

A NO.

Q WHEN THE MATTER CHANGED, WHEN THE METHOD OF COMPENSATION TO YOU AND MR. SMITH CHANGED IN 2005, HOW DID IT CHANGE?

A WE BOTH WERE RECEIVING THE SAME AMOUNTS.

Q I THINK YOU TESTIFIED EARLIER THAT THAT WAS THE POINT IN TIME WHEN YOU TOLD ELLIS HE HAD TO COME ON TO WORK FOR A&E?

A YES.

Q AND AT THAT POINT IN TIME, WERE SUPERVISORY FEES PAID IN ADDITION TO A SALARY?

A YES.

Q AND AT THAT POINT IN TIME, DID YOU DRAW YOUR SALARY AND YOU WERE LIKEWISE PAID SUPERVISION FEES?

A THAT'S RIGHT.

Q SO, FROM MID-2005 UNTIL WORK STOPPED AT THAT POINT IN TIME, BOTH YOU AND HE WERE PAID SALARIES AND PAID SUPERVISORY FEES FOR THE JOBS THAT YOU WERE WORKING ON, IS THAT CORRECT?

A SUPERVISORY FEES WERE NOT EVERY WEEK BUT WE DID RECEIVE SUPERVISORY FEES.

Q ALRIGHT. DID THERE BECOME A POINT IN TIME THAT YOU SAID \$1,000 A WEEK IS WHAT Y'ALL AGREED TO AT THE BEGINNING AND THAT WOULD BE \$52,000 A YEAR? WAS THERE A POINT IN TIME, WHEN YOU AND ELLIS ARRANGED WHAT YOUR SALARY PORTION OF COMPENSATION WAS?

A WE DID.

Q ABOUT WHEN WAS THAT?

A I DON'T KNOW. IT WAS PROBABLY IN 2006 MAYBE. I REALLY DON'T KNOW, BUT I THINK WE ARRANGED \$1,400 A WEEK.

Q ARE THE RECORDS IN THE EXHIBITS THAT HAVE BEEN

INTRODUCED SHOW THE PAYROLL RECORDS AND SHOW HOW MUCH EACH OF YOU WERE BEING PAID?

A YES.

Q DO YOU HAVE A POSITION AS TO WHAT, IF ANY, MONEY A&E MIGHT BE OWED WITH REGARD TO SUPERVISORY FEES IN THE 2004 TO MID 2005 TIMEFRAME? DO YOU HAVE THE POSITION OF BEHALF OF A&E WITH REGARD TO THAT?

A YES.

Q WHAT'S THAT POSITION?

A SHOULD BE REIMBURSED.

Q SHOULD ALL OF IT BE REIMBURSED?

A ALL OF IT BUT A \$1,000.

Q SO, TO THE EXTENT THE SUPERVISORY FEES WERE \$1,000 A WEEK, THAT SHOULD BE REIMBURSED TO A&E?

A YES.

Q NOW, IN EXHIBIT 81 LET'S GO TO THE YEAR 2005, AND I WOULD LIKE TO GO TO TAB 6. NOW, MR. VEREEN, BEHIND TAB 6 THERE ARE TWO CHECKS. WHAT IS THE FIRST CHECK? WHO MADE IT? I MEAN, WHO IS IT FROM? WHO IS IT TO AND THE DATE AND THE AMOUNT?

A A&E WROTE A CHECK TO ELLIS SMITH ON JUNE 20TH '05 IN THE AMOUNT OF \$51,875.86. CHECK NUMBER 3613.

Q DO YOU KNOW WHAT THAT CHECK WAS FOR?

A YES.

Q WHAT WAS IT FOR?

A IT WAS WHEN HE WAS PURCHASING A HOUSE WHERE HE'S LIVING AT NOW.

Q WAS THAT A CASH ADVANCE OR A DISTRIBUTION TO MR. SMITH?

A YES. IT AN WAS ADVANCE ON THE JOB TO ELLIS.

Q DID YOU LIKEWISE GET AN ADVANCE IN THAT AMOUNT?

A NO.

Q AT THAT TIME, DID YOU GET AN ADVANCE OF ANY AMOUNT?

A NO.

Q BUT YOU AGREED AT ELLIS' REQUEST THAT THE COMPANY WOULD GO AHEAD AND GIVE HIM THAT AMOUNT OF MONEY?

A I DID. I ACTUALLY WROTE THAT CHECK.

Q THAT'S YOUR HANDWRITING?

A THAT'S MY HANDWRITING.

Q NOW, THE CHECKS BEHIND THAT, WHAT'S THE DATE OF THE CHECK, THE AMOUNT, THE CHECK NUMBER, WHO IT'S FROM AND WHO IT'S TO?

A IT'S AN ADVANCE TO ELLIS SMITH ON OCTOBER THE 19TH 2005 FOR \$11,466.

Q WHY DID A&E PAY MR. SMITH THAT AMOUNT ON THAT

DAY?

A I DON'T HAVE A COPY OF THE BACK UP. SO, I REALLY DON'T RECALL.

Q DO YOU KNOW IF THAT WAS ANOTHER... DOES THE TOP OF THE CHECK INDICATE WHAT IT IS?

A IT SAYS, "EMPLOYEE ADVANCE".

Q SO, THAT WAS SIMILAR TO WHAT YOU HAD DONE WITH THE \$51,000 CHECK?

A YES.

Q THAT WASN'T FOR SALARY OR WORK THAT MR. SMITH HAD DONE FOR A&E? IT WAS AN ADVANCE TO HIM, SOME OF HIS SHARE OF MONEY FROM A&E, CORRECT?

A YES.

Q DID YOU GET AN ADVANCE OF THAT AMOUNT ON THAT DAY?

A NO.

Q DID YOU GET AN ADVANCE OF ANY AMOUNT ON THAT DAY?

A NO.

Q COULD I ASK YOU TO LOOK BEHIND TAB 8 AND GO TO 9 PAGES TO A CHECK NUMBER 2435. IT'S A CHECK FROM A&E TO EES CONSTRUCTION IN THE AMOUNT OF \$3,000 DATED JUNE 6TH 2005.

JUDGE HOWE: JANUARY 6TH.

MS. COOK: THANK YOU. I'M SORRY.

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Q WHO IS THE CHECK TO AND FOR WHAT AMOUNT?

A IT'S WRITTEN TO EES CONSTRUCTION ON JANUARY THE 6TH 2005 FOR \$3,000 FOR DIXIE MOTEL AND AMBASSADOR EAST.

Q WAS THE DIXIE MOTEL AN A&E JOB?

A YES.

Q WAS THE AMBASSADOR EAST AN A&E JOB?

A YES.

Q WHAT DID THOSE JOBS INVOLVE?

A MOSTLY DEMOLITION.

Q WHEN IT SAYS, "42 AND 78 LOADS" LOOK AT THE PAGE BEHIND THAT AND TELL ME WHAT IT REFLECTS AS FAR AS THE AMOUNT OF THE INVOICE FROM EES?

A THE AMOUNT IS 42 LOADS FOR THE DIXIE FOR \$1,050 AND 78 TO THE AMBASSADOR EAST FOR \$1,950.

Q IS THAT WHAT IS ALSO NOTED WITH THE SAME AMOUNT ON THE TOP OF THE CHECK?

A THAT'S CORRECT.

Q NOW, WAS THIS INVOICE SUBMITTED TO YOU FOR REVIEW AND VERIFICATION?

A NO.

Q WHO WOULD HAVE REVIEWED THIS INVOICE?

A ELLIS.

Q THEN THE CHECK WAS SUBMITTED TO YOU FOR PAYMENT?

A THAT'S CORRECT.

Q TO YOUR KNOWLEDGE, IS THAT THE ONLY EES INVOICE, THE ONLY BACK UP THAT YOU HAVE BEEN ABLE TO LOCATE IN THE RECORDS OF A&E OR ANY OTHER RECORDS OF YOUR COMPANIES THAT YOU HAVE LOOKED AT THAT CORRESPONDED WITH THE DATE AND THE AMOUNT OF THE CHECK?

A THAT'S CORRECT.

Q NOW, CAN I ASK YOU IN EXHIBIT 81 TO LOOK BEHIND TAB 9. I BELIEVE THERE IS A CHECK AND AN INVOICE. THAT'S FOR OPPOSING COUNSEL'S INFORMATION, IS A CHECK FROM A&E TO EES DATED JANUARY 26TH 2005, CHECK NUMBER 2556 IN THE AMOUNT OF \$7,160. HAVE YOU LOCATED THAT?

A YES.

Q DID YOU SIGN THIS CHECK?

A I DID.

Q DOES IT INDICATE AN AMOUNT... WHAT'S THE TOTAL AMOUNT OF THAT CHECK?

A \$7,160.

Q DOES THE TOP OF THE CHECK INDICATE WHAT THAT AMOUNT IS TO PAY FOR?

A SUPERVISION ON WILLOUGHBY FOR \$650, SUPERVISION ON TAHITIAN PRINCESS FOR \$5,110 AND TOOLS AT \$1,400.

Q AND IF YOU WILL LOOK AT THE NEXT PAGE TAB 6,

WHAT IS THAT?

A IT'S A BILL FROM ELLIS SMITH TO A&E FOR \$1,400 FOR TOOLS.

Q DID YOU LOCATE ANY BACK UP DOCUMENTATION, RECEIPTS OR INVOICES FOR WHERE MR. SMITH ACTUALLY PURCHASED \$1,400 FOR TOOLS?

A NO.

Q DID YOU LOOK IN YOUR BOOKS AND RECORDS, THE BOOKS AND RECORDS OF YOUR OTHER COMPANIES AS WELL AS A&E'S RECORDS, TO SEE IF THERE WAS ANY BACK UP?

A YES.

Q DID YOU FIND ANY?

A NO.

Q WHO WOULD HAVE APPROVED THE PAYMENTS OF THE AMOUNTS THAT ARE SHOWN ON THIS CHECK FOR 7,000 AND CHANGE?

A ELLIS.

Q WHEN ELLIS STOPPED COMING TO WORK IN JULY OF 2007, DID HE LEAVE THESE TOOLS? THE TOOLS THAT THIS CHECK BOUGHT?

A I AM NOT SURE WHAT TOOLS THOSE REPRESENT. I HAVEN'T GOTTEN ANY NEW TOOLS SO I HAVEN'T SEEN THEM.

Q OKAY. WOULD TOOLS THAT A&E... DO YOU HAVE A

POSITION AS TO WHETHER... WHAT... WHO WOULD OWN TOOLS PURCHASED WITH FUNDS, WHO SHOULD THEY BELONG TO?

A A&E.

Q IF I COULD HAVE YOU TURN TO TAB 13. WE ARE INTO 2006 AT THIS POINT. IF YOU TURN TO TAB 16, I BELIEVE THAT WOULD BE A CHECK FOR A&E TO ELLIS SMITH ON JULY 18TH 2006 FOR \$15,000, CHECK NUMBER 6067.

MR. DURANT: NO PROBLEM.

A YES.

Q DID YOU SIGN THAT CHECK?

A I DID.

Q WHAT WAS THAT CHECK GIVEN TO ELLIS FOR?

A IT WAS A DISTRIBUTION AT THAT TIME.

Q DID YOU GET A DISTRIBUTION OF THE SAME AMOUNT?

A I DID.

Q AND TO YOUR KNOWLEDGE, FROM REVIEWING THE REPORT OF MR. SMITH AND THE DOCUMENTS OF MR. SMITH AND MRS. BRADY, HAVE THEY ASKED MR. SMITH TO PAY BACK THIS DISTRIBUTION TO A&E?

A NO.

Q HAVE THEY ASKED YOU TO PAY BACK YOUR DISTRIBUTION OF THE SAME AMOUNT TO A&E?

A THEY HAVE.

Q DO YOU HAVE A POSITION WITH REGARD TO IF YOU'RE REQUIRED TO PAY THE DISTRIBUTION BACK, DO YOU HAVE A POSITION ON BEHALF OF A&E AS TO WHAT SHOULD BE DONE WITH ELLIS' ADVANCE?

A IT SHOULD BE THE SAME.

Q IN MAKING YOUR CALCULATIONS ON BEHALF OF YOUR COMPANY AND ON BEHALF OF A&E AS TO WHAT IS OWED TO A&E OR TO YOUR COMPANIES, HAD YOU IN MAKING THOSE CALCULATIONS PUT BACK IN ANY ADVANCES THAT YOU AND/OR MR. SMITH GOT FROM A&E?

A YES.

Q IN DOING YOUR CALCULATIONS?

A YES.

Q COULD I ASK YOU TO LOOK BEHIND TAB 17. IT INCLUDES A CHECK FOR A&E TO SHERWIN-WILLIAMS DATED NOVEMBER 15TH 2006 FOR \$3,470.86. HAVE YOU FOUND THAT CHECK?

A YES.

Q IS THERE AN INVOICE FROM SHERWIN-WILLIAMS BEHIND THAT CHECK IN THE SAME AMOUNT AS THE CHECK WAS MADE PAYABLE FOR?

A YES.

Q DID YOU SIGN THIS CHECK?

A I DID.

Q WHO WOULD HAVE BEEN IN CHARGE OF APPROVING THIS

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INVOICE FOR PAYMENT?

A ELLIS.

Q DO YOU KNOW WHAT THIS INVOICE WAS FOR?

A IT WAS FOR PERSONAL CARPET FOR ELLIS.

Q FOR ELLIS?

A YES.

MR. DURANT: YOUR HONOR, WE STIPULATED THAT WE OWED THAT MONEY AT THE FIRST DAY OF THE TRIAL.

MS. COOK: THAT'S FINE. WE NEED TO VERIFY WHERE ALL THESE NUMBERS ARE GOING TO COME FROM ABOUT HIS OPINION.

MR. THOMAS: WHAT?

MS. COOK: WE HAVE GOT TO VERIFY WHERE ALL THE NUMBERS ARE GOING TO COME FROM.

Q DID MR. SMITH TALK TO YOU ABOUT BUYING THE CARPET FOR HIMSELF PERSONALLY AND A&E PAYING FOR IT?

A NO.

Q NOW, LAST, I'M GOING TO ASK YOU TO TURN TO TAB 19. WELL, NOT LAST, BUT LAST FOR THE YEAR 2006. WHAT DOES THAT CHECK... IT'S A CHECK FOR A&E TO ELLIS, DATED DECEMBER 22, 2006 FOR \$1,055.78. WHAT IS THAT CHECK FOR?

A IT'S A PAYROLL CHECK, SALARY CHECK.

Q DOES THE TOP OF THAT CHECK SHOW WHAT MR. SMITH'S GROSS SALARY IN 2006 IS REPORTED AS BEING AS OF THE PAYROLL ENDING ON... ACCORDING TO THE CHECK DECEMBER 27TH 2006?

A IT DOES, \$70,800.

Q AT THAT TIME WAS THAT WHAT YOUR SALARY WAS AS WELL?

A YES.

Q IN 2006, 2005, 2004 DID YOU COME TO LEARN THAT MR. SMITH WAS DOING JOBS SEPARATE AND APART FROM THE A&E JOBS?

A YES.

Q AND DOES A&E HAVE... DO YOU ON BEHALF OF A&E HAVE A POSITION AS TO WHAT... FROM YOUR REVIEW OF MR. SMITH AND MRS. BRADY'S WORK, HAVE THEY INCLUDED AN AMOUNT THAT MR. SMITH BELIEVES SHOULD BE REIMBURSED TO THE COMPANY OF YOUR SALARY?

A YES.

Q AND DO YOU HAVE A POSITION IF PART OF YOUR SALARY IS ORDERED BY THE COURT TO BE REIMBURSED TO THE COMPANY IF ANY AMOUNT SHOULD BE REIMBURSED TO THE COMPANY FROM ELLIS' SALARY?

A YES.

Q WHAT IS THAT OPINION?

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A IT'S THE OPINION THAT IF HE WAS DOING THE SIDE JOBS HE WAS DOING AND NOT WORKING FOR A&E, THE COMPANY SHOULD BE REIMBURSED.

Q AND ON BEHALF OF THE COMPANY, WHAT PERCENTAGE DOES THE COMPANY BELIEVE ELLIS SHOULD REIMBURSE A&E?

A 50%.

Q AND THESE SIDE JOBS, IF YOU WOULD, NAME A COUPLE OF THE SIDE JOBS IN '04, '05 AND '06 THAT YOU LEARNED MR. SMITH WAS DOING?

A I'M NOT SURE ON ALL OF THEM. I THINK I MISSPOKE WHEN I SAID, "SIDE JOBS". IN MY OPINION THOSE JOBS THAT HE WAS PERFORMING SHOULD HAVE BEEN PERFORMED BY A&E BECAUSE THOSE ARE JOBS THAT HE HAD INDICATED THAT HE WAS GOING TO BRING IT TO A&E AS I WAS BRINGING JOBS INTO A&E. THOSE JOBS SPECIFICALLY WERE THE PEREZ HOUSE, THE BURROUGHS AND CHAPIN JOB AT THE FENCE AND THE WORK AT THE GRAND DUNES. I HAD INQUIRED SEVERAL TIMES AND I WAS TOLD THAT THOSE JOBS WERE NOT ONGOING, BUT I FOUND OUT LATER THAT THEY WERE ACTUALLY COMPLETED.

Q AND DID YOU LEARN THAT THERE WERE OTHER JOBS THAT YOU DIDN'T KNOW THAT WERE ONGOING OR YOU DIDN'T KNOW HE WAS EVEN DOING?

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A YES.

Q WERE THOSE JOBS THAT MR. SMITH WAS DOING THAT WERE IN DIRECT COMPETITION WITH HIS OWN COMPANY A&E?

A YES.

Q COULD I ASK YOU TO LOOK BEHIND TAB 21, PLEASE SIR? DOES THAT SHOW A... THE FIRST DOCUMENT SHOWS A CHECK DATED JANUARY 2, 2007 PAYABLE FROM A&E TO SPRINT IN THE AMOUNT OF \$368.66 BEING CHECK NUMBER 6909?

A YES.

Q DID YOU SIGN THAT CHECK?

A I DID.

Q WHAT WAS THAT CHECK FOR?

A FOR EES CONSTRUCTION, EES CONSTRUCTION.

Q SO, THAT WAS A SPRINT CELL PHONE BILL THAT THE ACCOUNT WAS IN THE NAME OF EES?

A YES.

MR. DURANT: IS THERE AN INVOICE FOR THAT?

MS. COOK: YES.

Q AS PART OF THE BUSINESSES EXPENSE OF A&E, DID YOU AND ELLIS AGREE AS TO PAYMENT FOR CELL PHONES FOR EACH OTHER OR FOR YOURSELVES?

A YES. NOW, I ACTUALLY HAD A CELL PHONE AND HE

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HAD A NEXTEL, WHICH HAD A PHONE ATTACHED TO IT.

Q AND THIS EES ACCOUNT, DOES IT REFLECT WHOSE CELL CHARGES ARE INCLUDED IN THE TOTAL OF THIS CELL PHONE BILL?

A IT SAYS, "JUNIOR" AND I GUESS, THAT'S EWELL.

Q HIS SON?

A YES. AND JOANN, HIS WIFE AND DENNIS. I WOULD ASSUME THAT'S RANDY LONG.

Q RANDY LONG GOES BY BOTH THE NAMES DENNIS AND RANDY, IS THAT RIGHT?

A YES.

Q DID A&E... DID YOU AGREE WITH ELLIS ON BEHALF OF A&E THAT YOU WOULD PAY RANDY LONG'S CELL PHONE BILL?

A NO.

Q DID YOU AGREE WITH ELLIS ON BEHALF OF A&E THAT YOU WOULD PAY HIS WIFE'S CELL PHONE BILL?

A NO.

Q DID YOU AGREE ON BEHALF OF A&E THAT YOU WOULD PAY EWELL, HIS SON'S CELL PHONE BILL?

A NO.

Q DID YOU AGREE YOU WOULD PAY HIS CELL PHONE BILL?

A YES. LIKE I PAID MINE.

Q NOW, WHO WAS RESPONSIBLE FOR REVIEWING AND AUTHORIZING PAYMENT OF THE CELL PHONE BILLS?

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A THOSE WERE ELLIS'. ELLIS IS THE ONE WHO GAVE US THESE BILLS TO CARRIE FOR PAYMENT.

Q OKAY. WHAT I DID WAS THE CHECK ON JANUARY 2ND WAS FOR \$368.66 AND THAT WAS THE TOTAL INVOICE FOR THE SERVICE PROVIDED FOR ALL OF THOSE FOLKS WE JUST WENT OVER, CORRECT?

A THAT'S CORRECT.

Q AND A&E PAID THE TOTAL BILL?

A YES.

Q AND BEHIND THAT SAME TAB WOULD YOU HAVE THE CHECK FOR PAYMENT OF THAT CELL PHONE BILL FOR ALL OF 2006 WITH THE BACK UPS FOR THE INVOICES?

A YEAH.

MS. COOK: YOUR HONOR, WE WON'T GO THROUGH EVERY ONE OF THOSE.

Q NOW, CAN I ASK YOU TO LOOK AT TAB 29. WHAT IS THAT TAB 29?

A IT'S A PAYROLL JOURNAL FOR ELLIS SMITH.

Q FROM A&E?

A YES.

Q BEHIND TAB 29, DOES IT HAVE FROM JANUARY '07 TO THE END OF '07 OR DOES IT START SOME OTHER DAY?

A IT ACTUALLY STARTS JUNE 6TH OF '07.

Q AND IT WENT TO THE END OF THE YEAR?

A YES.

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Q SO, THAT PART OF THE PAYROLL JOURNAL WOULD SHOW PER INDIVIDUAL CHECK WHAT ELLIS WAS PAID BY A&E FROM JUNE TO DECEMBER, CORRECT, OF '07?

A WELL, THAT PART OF IT IS IN HERE, BUT THE TOTAL AMOUNT SHOWS --

Q AT THE END OF THE JOURNAL IT SHOWS --

A YES.

Q NOW, YOU'VE TOLD THE COURT WHAT YOUR POSITION ON BEHALF OF A&E IS WITH REGARD TO ELLIS' SALARY AND ANY PERCENTAGE HE MIGHT BE DUE BACK, WHICH I BELIEVE YOU TESTIFIED WAS 50%. DO YOU HAVE A POSITION THAT'S ANY DIFFERENT ON BEHALF OF A&E FOR WHAT A&E PAID ELLIS FROM JULY OF 2007 WHEN HE STOPPED COMING TO WORK UNTIL DECEMBER OF 2007?

A WELL, I DIDN'T AT THE TIME BECAUSE... UNTIL I FOUND OUT THAT HE WAS ACTUALLY WORKING BUILDING MARTIN BROWN'S OFFICE BUILDING. MY OPINION AT THAT POINT IS ONCE THAT STARTED WHEN HE STOPPED COMING TO A&E THAT THAT MONEY SHOULD BE REIMBURSED.

Q AND I THINK WE SAW IN EVIDENCE YESTERDAY THE ACTUAL PERMIT WAS APPLIED FOR IN APRIL OF 2007, BUT HE DID CONTINUE COMING TO A&E UNTIL SOME TIME IN THE BEGINNING OF JULY, CORRECT?

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A HE CAME TO A&E VERY SPARSELY.

Q YOU DON'T KNOW WHAT HE DID WHEN HE LEFT THE OFFICE?

A WELL, HE DIDN'T COME TO THE OFFICE EVERY DAY. HE STOPPED COMING TO A&E IN JULY.

Q AND YOU LEARNED AFTER THE FACT THAT EVEN THOUGH A&E WAS PAYING HIM, HE WAS DOING HIS OWN JOBS LIKE MARTIN BROWN'S OFFICE BUILDING AND OTHER JOBS, IS THAT CORRECT?

A THAT'S CORRECT.

Q SO, THE BACK UP THAT'S BEHIND 29, IT WOULD SHOW HOW MUCH THAT WAS FROM JULY THROUGH THE END OF THE YEAR?

A I BELIEVE IT TOTALS UP THE ENTIRE YEAR.

Q YES. BUT YOU COULD LOOK AT EACH OF THE JOURNAL ENTIRES, COULD YOU NOT?

A YES.

Q AND FROM THAT YOU COULD CALCULATE HOW MUCH WAS OWED?

A CORRECT.

Q IN FACT, HAVE YOU DONE THAT TO COME UP WITH WHAT YOU BELIEVE A&E IS OWED?

A WE HAVE.

JUDGE HOWE: MR. VEREEN, YOU WERE THE ONE WHO WROTE THE CHECKS TO MR. SMITH

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AFTER JULY OF 2007?

A I DID.

JUDGE HOWE: EVEN THOUGH MR. SMITH
WASN'T COMING TO WORK?

A WELL, WHAT HE HAD INDICATED, YOUR HONOR, WAS HE
WAS GOING TO TAKE SOME TIME OFF FOR VACATION
TIME THAT HE FELT LIKE HE WAS DUE AND HE WAS
GOING TO COME BACK TO WORK. HIS SON WAS STILL
WORKING FOR US AT THE TIME BUT HE NEVER
RETURNED.

JUDGE HOWE: DID HE SAY HOW LONG HE WAS
GOING TO TAKE OFF WORK FOR VACATION?

A JUST A FEW WEEKS BUT HE JUST NEVER CAME BACK.

JUDGE HOWE: OKAY. THANK YOU.

Q NOW, WE TALKED BRIEFLY YESTERDAY ABOUT THE TRUCK
THAT A&E PURCHASED THAT MR. SMITH DROVE AND WHEN
HE STOPPED COMING TO WORK, HE TOOK THAT TRUCK
THAT Y'ALL PAID FOR AND WHEN IT WAS PAID OFF THE
TITLE WAS TRANSFERRED TO MR. SMITH, DO YOU
RECALL THAT?

A YES.

Q WHO OWNED THE TRUCK?

A A&E.

Q DID THE TRUCK HAVE A VALUE AT THE TIME YOU
SIGNED THE TITLE OVER TO MR. SMITH?

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A IT DID.

Q DID YOU DO ANY RESEARCH TO DETERMINE WHAT THE VALUE OF THAT TRUCK MIGHT HAVE BEEN?

A WE JUST DID A BASIC --

Q WHAT DID YOU --

A WENT ON THE INTERNET AND PULLED UP A BASIC VALUE OF THE TYPE OF TRUCK.

Q I'M HANDING YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 115. IS THAT A KELLY BLUE BOOK INQUIRY DONE IN 2011 AS TO THE VALUE OF THE SAME TYPE AND MODEL OF TRUCK AS MR. SMITH GOT FROM A&E?

A YES.

Q DO YOU HAVE REASON TO DISPUTE THE VALUES THAT ARE SHOWN THERE AS BEING A FAIR VALUE FOR THAT TYPE OF VEHICLE?

A NO.

Q DID A&E PAY FOR ALL THE REPAIRS AND UPKEEP AND MAINTENANCE OF THAT TRUCK WHEN MR. SMITH WAS WORKING FOR YOU?

A YES.

Q OR WITH YOU?

A YES.

Q IN YOUR OPINION, WHAT CONDITION WAS THE TRUCK IN WHEN ELLIS LEFT WITH IT?

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A IT WAS IN GOOD SHAPE.

Q DID A&E HAVE AN OPINION OR A POSITION WITH REGARD TO WHAT, IF ANYTHING, ELLIS OWED BACK TO A&E FOR THE VALUE OF THE TRUCK HE GOT OR IF THAT SHOULD BE COUNTED AS HIM RECEIVING A DISTRIBUTION OF VALUE AS A RESULT OF THE TRUCK HE GOT?

A YES. IT SHOULD BE THE FAIR VALUE OF THE TRUCK.

Q HAVE YOU CONSIDERED THAT IN DOING YOUR CALCULATIONS?

A I HAVE.

Q MR. VEREEN, LET ME SHOW YOU A DOCUMENT AND ASK IF YOU CAN IDENTIFY IT. THIS WILL BE PRE-MARKED DEFENDANT'S 116. NOW, IF YOU WILL REVIEW THAT AND TELL THE COURT WHAT IT IS?

A IT IS AN ACCOUNTING THAT I PREPARED BASED ON EVERY DOLLAR IN AND EVERY DOLLAR OUT.

MS. COOK: YOUR HONOR, I DON'T KNOW THAT I ASKED THAT 115 BE INTRODUCED AS AN EXHIBIT?

MR. DURANT: YOUR HONOR, I DON'T THINK IT'S PROFFERED IN EVIDENCE, BUT WE WILL STIPULATE THAT THE VALUE OF THE TRUCK WAS \$16,425 AS SHOWN ON THAT.

JUDGE HOWE: THANK YOU. WE DON'T NEED

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THE EXHIBIT, CORRECT?

Q NOW, MR VEREEN, THE BASIS OF THESE CALCULATIONS THAT YOU SHOW ON YOUR A&E CALCULATION, HOW IN GENERAL TERMS, HOW DID YOU COMPILE THESE NUMBERS? BEFORE WE GET INTO SPECIFICS, JUST GENERALLY WHAT DID YOU DO TO COMPLY THESE NUMBERS?

A WE STARTED WITH OUR CONVERSATION... I STARTED WITH A CONVERSATION THAT WE HAD WITH MRS. BRADY OF WHAT WE ALLEGED AND WHAT WE AGREED TO AND THE AMOUNT OF MONEY THAT WE AGREED TO. WE FELT LIKE IT WAS WHAT WE... WHAT I OWED BACK TO A&E. WE THEN WENT TO... I KEEP SAYING "WE". I WENT TO LOOK AT MY RECORDS FOR MYSELF AND ANY PART OF THE COMPANIES THAT I WAS INVOLVED IN HAD CONTRIBUTED TO A&E IN THE FORM OF A DEPOSIT OR PAYING A SUPPLIER OR BILL ON BEHALF OF A&E. YOUR HONOR, SORRY FOR MY VOICE. PAYING THE INVOICES OR DEPOSITS THAT WERE DEPOSITED DIRECTLY INTO A&E. WHAT INVOICES WERE PAID ON BEHALF OF A&E. I ALSO LOOKED AT THE MONIES THAT MAY HAVE BEEN DEPOSITED BY A&E REIMBURSED BACK TO A&E OR FROM ONE OF HIS JOB SITES OR THAT HE HAD OR THAT WE HAD RECEIVED FUNDS FOR. WE DID AN ACCOUNTING ON ALL OF THAT. THEN I LOOKED AT

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FROM... REPORTS THAT MRS. BRADY AND ELLIS, IN OUR MEETINGS HAD SAID, "WELL, YOU HAVE GOT TO GIVE BACK SOME OF YOUR SALARY. YOU'VE GOT TO GIVE BACK YOUR SUPERVISION FEES, WHATEVER THOSE WERE" AND I SAID, "IF I'VE GOT TO DO IT, ELLIS HAS TO DO IT." SO, I WENT BACK THROUGH ELLIS' INVOICES. WE DIDN'T HAVE ANY BACK UP FOR ANY CHECKS THAT WERE WRITTEN TO EES OR TO ELLIS AND I INCLUDED THOSE IN MY WORKSHEET. I DID THAT LIKewise FOR ME AS WELL. AND THEN I SAID ONE OF THE CONTENTIONS HAS BEEN THAT EVEN THOUGH HE HAS AGREED THAT HE OWES X AMOUNT OF MONEY ON RENT ON THE OFFICE BUILDINGS, I JUST TOOK IT OUT. I TOOK OUT ANY TRUCK EXPENSES.

Q WHEN YOU SAY, "TOOK IT OUT"?

A I JUST DELETED IT. IT WASN'T CLAIMED.

Q THERE WAS NO CLAIM AGAINST IT?

A NO, NONE. WELL, YOU KNOW, WE GOT A TRUCK RENTAL AND EQUIPMENT THAT I FURNISHED THAT WE HAD AGREED THAT WE WERE GOING TO PAY FOR AND I DELETED IT.

Q NOT CLAIMING THAT AT ALL?

A NOT CLAIMING IT. I THEN LOOKED AT THE WAREHOUSE THAT WE USED AS A SHOP AREA, WORK AREA AND I DELETED THAT EXPENSE. I DELETED THE ENTIRE

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AMOUNT OF HISPANIC LABOR THAT WAS PAID BY MYSELF OR ONE OF MY BUSINESSES ON BEHALF OF A&E.

Q AND WE REALLY HAVEN'T TALKED ABOUT THAT A WHOLE LOT, BUT COULD YOU GO INTO A LITTLE BIT MORE DETAIL ABOUT THE HISPANIC LABOR ASPECT? EVEN THOUGH IN EXHIBIT 116, THAT'S BEEN MARKED FOR ID YOU'RE NOT CHARGING IT. EXPLAIN WHAT IT WAS --

MR. DURANT: YOUR HONOR, WE OBJECT TO ANY TESTIMONY UNLESS HE CHARGING IT AS AN EXPENSE. IT'S IRRELEVANT.

MS. COOK: YOUR HONOR, ON THIS EXHIBIT HE'S NOT CHARGING IT, BUT WE GOT ANOTHER EXHIBIT.

Q WOULD YOU EXPLAIN A LITTLE BIT ABOUT WHAT WAS THE HISPANIC LABOR AND WHAT WAS IT USED FOR?

A WELL, I THINK I EVEN TESTIFIED TO THIS IN MY FIRST...

Q WHEN MR. DURANT --

A THE FIRST DAY I WAS UP HERE. THAT WE HAD HIRED HISPANIC LABOR TO HELP US ON OUR JOB SITES.

Q WHO IS "WE"?

A A&E HAD HIRED HISPANIC LABOR. AND SO TO KEEP THIS... THEY WORKED ON OUR JOB SITES.

Q A&E'S JOB SITES?

A A&E JOB SITES. SO, I TOOK THAT OUT JUST TO KEEP

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FROM HAVING --

Q BUT DID THEY WORK ON PARK PLACE PROPERTIES --

A YES.

Q OTHER JOB SITES AS WELL?

A THEY DID.

JUDGE HOWE: WHAT DOES THAT MEAN,
ILLEGAL LABOR?

A THEY WERE. YES, MA'AM.

Q YOU HAVE TAKEN THAT COMPLETELY OUT?

A YES.

Q NOT CHARGED THAT AGAINST ELLIS AND NOT CHARGING
THAT AS A LEGITIMATE CHARGE FOR A&E, CORRECT?

A THAT'S CORRECT.

Q AND BASED ON ALL THOSE CALCULATIONS, HAVE YOU
ARRIVED AT AN AMOUNT THAT THROUGH YOUR
CALCULATIONS YOU BELIEVE THE COMPANY SHOULD HAVE
HAD AT THE END OF 2007?

A YES.

Q IS THAT INFORMATION CONTAINED ON EXHIBIT 116?

A YES.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO
INTRODUCE DEFENDANT'S EXHIBIT 116 INTO
EVIDENCE.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: YOUR HONOR, I JUST DON'T

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UNDERSTAND WHAT HE DID.

MS. COOK: WELL, IF YOU WANT US TO GO THROUGH IT LINE ITEM BY LINE ITEM FIRST AND WE INTEND TO DO THAT.

MR. DURANT: I THINK YOU NEED TO BEFORE YOU INTRODUCE IT.

MS. COOK: OKAY.

JUDGE HOWE: ALL I KNOW RIGHT NOW IS IT IS A DOCUMENT THAT MR. VEREEN HAS PREPARED.

MS. COOK: FROM HIS WORK AND CALCULATIONS OF REVIEWING ALL THE BACK UP DOCUMENTATION AND EXHIBITS THAT HAVE BEEN INTRODUCED.

A YOUR HONOR, CAN I GO TO THE RESTROOM?

JUDGE HOWE: OKAY. 5 MINUTE BREAK.

(RECESS TAKEN.)

Q NOW, MR. VEREEN ON THE DOCUMENT THAT YOU'VE GOT ENTITLED... THAT WE'VE MARKED FOR ID AS 116, THE FIRST SHEET SHOWS YOUR CALCULATIONS FROM '04 THROUGH '07, CORRECT?

A CORRECT.

MR. DURANT: I HAVE A MATTER TO TAKE UP WITH THE COURT ON THIS. COULD THE DEFENDANTS BE REQUIRED TO ASK MR. VEREEN

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FIRST DID HE PREPARE THIS DOCUMENT? IS IT FROM THE BOOK OF THE A&E DOCUMENTS?

JUDGE HOWE: DEFENDANT'S 116?

MR. DURANT: YES, MA'AM. THE ONE FOR ID PURPOSES? YES, MA'AM. BEFORE WE GET INTO IT, I WANT TO KNOW IF MR. VEREEN PREPARED THIS DOCUMENT IF HE'S GOING TO TESTIFY ABOUT IT.

Q DID YOU PREPARE THIS DOCUMENT?

A I DID PREPARE IT. I DIDN'T TYPE IT.

Q WHO TYPED IT?

A I THINK BETH DID.

Q BUT THE NUMBERS --

A THE NUMBERS I PREPARED.

Q OKAY. DID YOU UTILIZE THE BOOKS AND RECORDS OF A&E AND YOUR THREE COMPANIES AND YOUR PERSONAL DOCUMENTS THAT HAVE BEEN INTRODUCED INTO EVIDENCE?

A THAT'S CORRECT.

Q THE FIRST PAGE COVERS WHAT TIME PERIOD? THESE ARE YOUR CALCULATIONS FOR WHAT TIME PERIOD OF BUSINESS THAT A&E WAS IN?

A FROM '04 TO 12/31/07.

Q THE SECOND PAGE, DOES IT COVER A DIFFERENT TIME PERIOD?

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A YES.

Q WHAT TIME PERIOD?

A IT COVERS THROUGH '08 THROUGH '09.

Q WHY DID YOU DO ONE THAT IS YOUR CALCULATIONS JUST THROUGH '07 AND THEN ONE THAT IS CALCULATIONS FROM 2004 TO 2007? THERE IS A SECOND SHEET THAT COVERS 2004 TO 2009?

A I DID IT THROUGH THE TIME THAT ELLIS WAS ACTUALLY BEING PAID BY A&E WHICH WAS TO THE END OF 2007.

Q IS THAT ALSO YOUR UNDERSTANDING OF THE TIMEFRAME THAT MRS. BRADY'S REPORT GOES THROUGH?

A THAT'S CORRECT. BUT A&E WAS STILL ONGOING WORK THROUGH '09.

Q ALRIGHT.

A SO, I LOOKED AT THE EXPENSES THAT OCCURRED IN '08 AND '09.

Q OKAY. NOW, THE DOCUMENTS THAT ARE BEHIND THE FIRST TWO SHEETS, WHAT ARE THEY?

A JUST A FEW MINUTES AGO I HAD MENTIONED THAT WE HAD STARTED WITH A NUMBER AFTER OUR MEETING WITH SUSAN BRADY OF WHAT WAS ALLEGED AND WHAT WE AGREED WAS DISPUTED AND WE STARTED WITH THAT, \$652,048.54.

Q AND IS THIS DOCUMENT, THE THIRD PAGE OF 116, IS

IT THE COVER SHEET FOR WHAT'S ALREADY BEEN INTRODUCED AS DEFENDANT'S EXHIBIT 82?

A YES.

Q DEFENDANT'S EXHIBIT 82 WAS PREPARED AFTER MEETING WITH SUSAN GETTING THE TOTALS OF WHAT ELLIS ALLEGED AND THEN OUR LOOKING AT THE DOCUMENTATION AND SETTING FORTH, BY YEAR, BY LINE ITEM? WHAT WE AGREED --

A WAS JUSTIFIED.

Q -- WAS DUE BACK BY YOU OR YOUR COMPANY?

A YES.

Q NOW, LET'S START AT THE TOP OF YOUR 2007. YOUR OPINION THAT GOES TO 2007. THE NUMBER \$47,134, WHERE DID YOU GET THAT NUMBER AND WHAT IS IT?

A WHERE ARE YOU AT NOW?

Q DEFENDANT'S 116.

A TOP PAGE.

Q I'M SORRY. I'M MOVING YOU AROUND.

A THAT TOP NUMBER WAS ACTUALLY THE MONEY THAT WAS IN THE BANK AS OF 12/31/07.

Q THAT WAS THE BANK BALANCE OF A&E AS OF 12/31/07?

A YES.

Q AND ALL THE BANKING STATEMENTS OF A&E HAVE BEEN INTRODUCED AS COURT'S EXHIBIT 1, CORRECT?

A YES.

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Q SO, YOU STARTED WITH THE ACTUAL BANK BALANCE OF A&E?

A YES.

Q IN THE NEXT CATEGORY OF AMOUNTS, SAYS, "BRADY WORK PAPER REPORTS." WHAT ARE THOSE NUMBERS AND WHERE DID YOU GET THEM FROM?

A THOSE NUMBERS I GOT FROM WHAT WE JUST DISCUSSED ON EXHIBIT 82. FROM WHAT WE AGREED IN THE MEETING WITH MRS. BRADY.

Q SO, THESE ARE AMOUNTS PER YEAR THAT YOU AGREE --

A THROUGH 2007.

Q OKAY -- THAT YOU AGREE YOU OWE OR PARK PLACE PROPERTIES OWES, OR PARKWAY OFFICES OWES OR ARTHUR VEREEN CONSTRUCTION COMPANY OWED BACK TO A&E?

A YES.

Q AND THOSE ARE THE SAME NUMBERS THAT ARE REFLECTED TOTALS OF EXHIBIT 82, CORRECT?

A THAT'S CORRECT.

Q AND THAT TOTAL... HOW MUCH DO YOU AGREE THAT YOU AND YOUR COMPANIES OWE BACK TO A&E?

A \$652,048.54.

Q AND IN DOING THOSE CALCULATIONS, DID YOU ADD BACK IN MONEY THAT YOU GOT THAT WERE DISBURSEMENTS OR CAPITAL CONTRIBUTIONS LIKE THE

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\$15,000 CHECK? DID YOU ADD THAT ALL BACK IN?

A TO GET THIS NUMBER?

Q YES.

A NO.

Q DID YOU ADD BACK IN ANYTHING HAVING TO DO WITH ANYTHING YOU BELIEVE YOU OWE A&E FOR ANYTHING THAT YOU DID NOT HAVE A RECEIPT OR VERIFICATION FOR?

A NO.

Q NOW, THE NEXT SUB-CATEGORY OF ITEMS SAYS, "VEREEN WORK PAPERS REPORT ALLEGED, DUE TO WAYNE, DUE TO..." AND IT LISTS EACH OF YOUR COMPANIES. HOW DID YOU ARRIVE AT EACH OF THOSE NUMBERS AND WHAT DOES THAT REPRESENT?

A I ACTUALLY WENT AND PULLED ACTUAL CHECKS, DEPOSITS THAT WERE WRITTEN ON BEHALF OF A&E BY EITHER MYSELF, ARTHUR VEREEN CONSTRUCTION COMPANY, PARK PLACE PROPERTIES OR PARKWAY OFFICES.

Q SO, IT'S ANY CHECKS THAT YOUR COMPANIES WROTE AND DEPOSITED INTO A&E TO HELP FUND A&E'S OPERATIONS?

A OR PAY ON BEHALF OF A&E, YES.

Q SO, IT INCLUDES MONIES YOU DEPOSITED OR YOUR COMPANIES OR CHECKS YOU OR YOUR COMPANIES WROTE

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PAYING FOR MATERIALS OF SUB-CONTRACTORS ON A&E JOBS?

A YES.

Q AND YOU DID THAT BY COMPANY? YOU DID THAT YOURSELF INDIVIDUALLY AND BY EACH COMPANY?

A YES.

Q FROM THOSE RECORDS THAT ARE IN EVIDENCE?

A YES.

Q AND HOW MUCH DID THAT ADD UP TO BE?

A \$482,560.

Q SO, THAT'S WHAT YOU ALLEGE A&E OWES TO YOU AND YOUR COMPANIES?

A THAT'S CORRECT.

Q DID YOU INCLUDE IN THAT NUMBER ANYTHING SAYING THAT A&E OWED YOU OR YOUR COMPANIES ANYTHING FOR RENT ON THE BUILDING THAT IT OCCUPIED?

A NO.

Q DID YOU INCLUDE ANY AMOUNT FOR RENT FOR THE WAREHOUSE SPACE THAT YOU LOGGED?

A NO.

Q DID YOU INCLUDE ANYTHING FOR THE EQUIPMENT, THE BIG EQUIPMENT, THAT A&E USED THROUGHOUT IT'S LONGEVITY TO PERFORM IT'S WORK?

A NO.

Q DID YOU INCLUDE ANY AMOUNT FOR THE USE BY A&E OF

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ALL THE OFFICE FURNITURE, FIXTURES, COMPUTERS THAT A&E USED FOR IT'S BUSINESS THAT WERE YOURS OR YOUR COMPANIES?

A NO.

Q DID YOU INCLUDE ANYTHING FOR ANY CHARGES FOR YOUR PERSONAL TRUCK THAT YOU PAID FOR, THAT A&E DID NOT PAY FOR? DID YOU INCLUDE ANYTHING FOR YOUR TRUCK?

A NO.

Q BUT ELLIS DROVE AN A&E TRUCK?

A YES.

Q DO YOU INCLUDE ANYTHING FOR THE HISPANIC LABOR THAT BOTH A&E USED AND PARK PLACE PROPERTY USED?

A NO.

Q YOU ARE NOT HOLDING A&E RESPONSIBLE FOR ANY OF THAT MONEY?

A NO.

Q DID YOU INCLUDE ANYTHING FOR YOUR FINDERS FEES OR PROFIT AND OVERHEAD FOR ANY OF THE JOBS THAT YOU HAD BEEN WORKING ON TO GET BEFORE 2003 THAT YOU ROLLED IN 2004? ANYTHING FOR YOUR TIME OR YOUR EFFORTS OTHER THAN JUST THE DIRECT OUT-OF-POCKET COSTS? DID YOU ADD ANYTHING IN FOR YOUR WORK IN GETTING THOSE JOBS AND ROLLING THEM INTO A&E?

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A NO.

Q NOW, AFTER YOU CALCULATED THE AMOUNT DUE FROM YOU OR YOUR ENTITIES BACK TO A&E AND THE AMOUNT YOU SAY IS OWED TO YOU OR YOUR ENTITIES FROM A&E, DID YOU SUBTRACT THEM FROM EACH OTHER TO COME UP WITH WHAT THE NET WAS DUE AND OWING TO A&E WAS? WHAT WAS THE AMOUNT THAT A&E OWED YOU AND YOUR COMPANY?

A SAY THAT AGAIN?

Q OKAY. HOW DID YOU ARRIVE AT WHAT YOU SAY ARE "WAYNE'S ACCOUNTS RECEIVABLE" THE \$169,000? HOW IS THAT ARRIVED AT?

A (NO RESPONSE).

Q DO YOU SEE WHERE I'M TALKING ABOUT WHERE YOU'VE GOT "WAYNE ACCOUNTS RECEIVABLE" RIGHT HERE? LET ME ASK IT THIS WAY. ACCORDING TO YOUR CALCULATIONS, HOW MUCH DID A&E OWE YOU OR YOUR COMPANIES?

A THE TOTAL THAT WAS OWED WAS \$482,560.

Q HOW MUCH DID YOU OWE A&E?

A I OWED ABOUT \$168,489.

Q BEFORE YOU... HOW DID YOU ARRIVE AT THAT 169,000?

A I'VE GOT TO THINK A FEW MINUTES.

Q MR. VEREEN, LET ME ASK IT THIS WAY. FROM YOUR

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CALCULATIONS AND REVIEWING SUSAN'S REPORT, YOU AGREE THAT YOU AND YOUR COMPANIES OWED \$652,049, CORRECT?

A YES.

Q AND THEN YOU FROM YOUR CALCULATIONS?

A I JUST SUBTRACTED THAT FROM WHAT SUSAN BRADY HAD INDICATED WAS OWED.

Q YOU TOOK WHAT YOU AGREED YOU OWED AND SUBTRACTED WHAT YOU SAID YOU WERE OWED FROM THEM AND GOT THE DIFFERENCE IN NET?

A YES, YES.

Q I THINK MY QUESTION WAS CONFUSING. SO, THE NET FROM WHAT YOU OWED A&E ACCORDING TO YOUR CALCULATIONS MORE THAN A&E OWED YOU BY \$169,000 AND CHANGE, CORRECT?

A ACCORDING TO WHAT I HAVE AGREED TO, WHICH IS THAT \$652,000 SOME ODD DOLLARS AND WHAT I HAD CONTRIBUTED THROUGH WAY OF DEPOSITS OR PAYING INVOICES AND WHAT I HAD RECEIVED BACK, I BALANCED THAT OUT.

Q DIRECTLY?

A DIRECTLY. I HAD \$482,000 AND SOME CHANGE. I JUST SUBTRACTED WHAT I AGREE THAT I OWED AND WHAT I HAD RECEIVED AND MY BALANCE WAS \$169,000 AND SOME CHANGE.

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Q AND THAT DOESN'T PAY YOU OR YOUR COMPANIES ANYTHING FOR THE THINGS YOU'VE EXCLUDED? IT DOESN'T COMPENSATE YOU IN ANY WAY FOR THE RENT THAT ELLIS ADMITS HE AGREED A&E WOULD PAY FOR THE BUILDING, RIGHT?

A THAT'S CORRECT.

MR. DURANT: YOUR HONOR, I AM GOING TO OBJECT AT THIS STAGE OF THE GAME. IF HE'S GOING TO BE DOING THE ACCOUNTING WITH US THAT SHE ASK A DIRECT QUESTION AND FOLLOW THE RULES OF EVIDENCE AND NOT TO LEAD HIM ON THESE OTHER CONCLUSIONS THAT WE HAVE NOT SEEN BEFORE TODAY. I'M NOT TALKING ABOUT THE BACKUP. WE HAVE NOT SEEN THIS SHEET. IF HE'S GOING TO BE THE WITNESS, HE'S NEEDS TO TESTIFY OF HIS OWN KNOWLEDGE.

JUDGE HOWE: I THINK HE HAD TO REFRESH HIS MEMORY.

MR. DURANT: THAT'S CORRECT, BUT NOT FOR HER LEADING HIM.

JUDGE HOWE: YOUR ULTIMATE OBJECTION WAS LEADING?

MR. DURANT: YES, YOUR HONOR.

MR. THOMAS: COULD WE ASK FOR JUST A

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CLARIFICATION OF THESE NUMBER?

JUDGE HOWE: YES.

MR. THOMAS: IN THE VEREEN WORK PAPERS REPORTS UNDER "DUE WAYNE", WHAT DO THE NEGATIVE NUMBERS MEAN?

JUDGE HOWE: I THINK THAT MEANS WHAT HE OWES.

MS. COOK: YES, MA'AM.

A IT DOES.

Q NOW, DID YOU CALCULATE WHAT ELLIS OWES TO A&E?

A I DID. I LOOKED AT IT EQUALLY BETWEEN WHAT SUSAN AND ELLIS WERE SAYING I WASN'T ENTITLED TO. I SAID, "WELL, IF I'M NOT ENTITLED TO SUPERVISORY FEE AND I AM NOT ENTITLED TO MY \$15,000 BONUS I GOT OR WHATEVER THAT HAPPENED TO BE" I SAID, "IT SHOULD BE THE SAME FOR US TO TRY TO FIGURE OUT EXACTLY WHERE WE WERE." SO, WHAT I DID WAS I WENT THROUGH... THEY'RE SAYING, "YOU ARE NOT GOING TO BE PAID FOR ANYTHING THAT YOU CANNOT..." EVEN THOUGH I HAVE A CHECK. "WE ARE NOT GOING TO PAY YOU FOR ANYTHING THAT YOU DON'T HAVE A SPECIFIC INVOICE FOR." I WENT BACK AND LOOKED AT THE AMOUNT OF TIME THAT ELLIS WAS INVOLVED IN OTHER PROJECTS. WE TOOK IT YEAR BY YEAR. THAT'S HOW I ARRIVED AT THE NUMBER ON THE

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BOTTOM THAT WAS DUE BACK FROM ELLIS.

Q HOW MUCH IS THAT NUMBER THAT A&E IS DUE BACK FROM ELLIS?

A \$558,370.

Q IS THE BACKUP FOR ALL THAT CONTAINED IN DEFENDANT'S 81 THAT WE WERE LAST GOING OVER, THAT NOTEBOOK?

A YES.

Q DID YOU MAKE A DETERMINATION AS TO HOW MUCH ELLIS HAD PUT INTO THE COMPANY?

A I DID. ZERO.

Q DID YOU... FROM THAT, HOW DID YOU CALCULATE OR HOW DID YOU COME UP WITH YOUR NUMBER FOR THE PROFIT IN A&E AS OF THE END OF 2007?

A I ADDED WHAT WAS ACCOUNTS RECEIVABLE FOR ELLIS AND ACCOUNTS RECEIVABLE FROM MYSELF AND TOTALED THAT UP AND IT WAS \$774,993.

Q AND BASED ON THAT IF THIS WAS A 50/50 PARTNERSHIP OR 50/50 OWNERSHIP IN THE COMPANY, HOW DID YOU ARRIVE AT WHAT WAS DUE EACH OF YOU?

A THAT ALSO INCLUDES THE MONEY THAT WAS IN THE BANK AT THE TIME. WE SPLIT IT 50/50.

Q NOW FOR... ON THE NEXT SHEET THAT GOES THROUGH 2009, HOW DID YOU ARRIVE AT THOSE NUMBERS?

A THOSE ARE THE SAME AS I DID ON THE OTHER YEARS.

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I WENT THROUGH MY CHECK RECORDS AND SOME MONIES THAT I HAD ACTUALLY PLACED INTO A&E TO KEEP IT IN OPERATION OR BILLS I HAD PAID ON BEHALF OF A&E.

Q AND WHEN YOU TOOK THE NUMBERS THROUGH 2009, WHAT DID YOU COME UP WITH IN TERMS OF THE PROFIT INTO A&E?

A THROUGH 2009 THE TOTAL PROFIT WAS 295,568.

Q NOW, THAT REPRESENTS THE AMOUNT THAT IT IS YOUR POSITION ON BEHALF OF YOUR COMPANIES THAT A&E ARE DUE, CORRECT?

A THAT'S CORRECT.

Q AND THIS IS FROM DIRECT DEPOSIT THAT YOU MADE INTO THE COMPANY OR PAYMENTS YOU MADE INTO OTHER FOLKS ON BEHALF OF A&E?

A AS WELL AS PAYMENTS THAT I HAD RECEIVED FROM A&E OR ON OTHER JOB SITES.

Q THESE ARE DIRECT COSTS?

A YES.

Q DID YOU ALSO, EVEN THOUGH...

MS. COOK: YOUR HONOR, AT THIS POINT WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 116?

JUDGE HOWE: ANY OBJECTION TO DEFENDANT'S 116 COMING INTO EVIDENCE?

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MR. DURANT: NONE, YOUR HONOR.

MR. THOMAS: NONE, YOUR HONOR.

JUDGE HOWE: DEFENDANT'S 116 SO
ADMITTED?

LETTER FROM A&E OF PROFIT
MARKED FOR IDENTIFICATION AND
INTRODUCED INTO EVIDENCE AS
DEFENDANT'S EXHIBIT 116.

Q NOW, DID YOU ALSO MAKE OTHER CALCULATIONS OTHER
THAN DEALING WITH JUST WHAT THESE DIRECT COSTS
IN AND OUT WERE?

A I DID INDIRECT COSTS THAT WERE PAID TO OTHERS.

Q LET ME SHOW YOU WHAT WE HAVE MARKED AS
DEFENDANT'S 117. JUST GENERALLY, WOULD YOU TELL
THE COURT THE DIFFERENCE BETWEEN 116 AND 117 IN
TERMS OF WHAT YOUR METHODOLOGY WAS. WHAT IS
REFLECTED ON DEFENDANT'S 117?

A THIS IS THE EXACT OR CLOSE TO THE SAME AS I
APPROACHED IT THE FIRST TIME, BUT IT ALSO
INCLUDES THE COSTS THAT I HAD DELETED FROM THE
BEGINNING WHICH WAS THE RENTALS OF THE OFFICE
AND THE TRUCK. THOSE ITEMS THAT I DID NOT
INCLUDE ON MY FIRST APPROACH.

Q DOES IT INCLUDE THE HISPANIC LABOR?

A YES.

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Q SO, EXHIBIT 117 WOULD INCLUDE THE THINGS THAT YOU --

A INCLUDED ITEMS --

Q DELETED FROM 116?

A YES. THAT I MADE NOTE ON IN 116.

Q WHEN YOU ADD THOSE THINGS THAT YOU DELETED ON 116 BACK IN, WHAT DO YOU COME UP WITH THAT THE PROFIT IN A&E WOULD HAVE BEEN ON DECEMBER 31ST 2007? IF YOU HAD ADDED BACK IN THOSE THINGS AS BEING OWED SUCH AS RENT, THE EQUIPMENT RENTAL, THE RENTAL FOR THE OFFICE SPACE, FF&E AND THOSE KINDS OF THINGS, WHAT WOULD THE PROFIT HAVE BEEN?

A \$673,855.

Q AND THAT WOULD HAVE BEEN THROUGH 2007?

A YES.

Q DID YOU DO THE SAME THING THROUGH 2009?

A I DID.

Q WHAT IS THAT NUMBER?

A THAT CHANGES TO \$24,204.

MS. COOK: YOUR HONOR, WE ASK TO
INTRODUCE DEFENDANT'S EXHIBIT 117 INTO
EVIDENCE.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: YOUR HONOR, I HAVEN'T EVEN

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HAD A CHANCE TO LOOK AT IT. THIS IS THE FIRST TIME WE HAVE SEEN ANY OF THIS. I THINK HE CAN TESTIFY... I DON'T KNOW THAT THIS IS EVIDENCE OF ANYTHING. THE OBJECTION IS, I HAVEN'T HAD A CHANCE TO LOOK AT IT. NUMBER TWO, HE'S CONTINUING TO GIVE TESTIMONY BASED UPON OTHER PEOPLE'S TESTIMONY. AND SHE STILL HASN'T ASKED IF HE'S PREPARED THIS HIMSELF FROM HIS OWN INFORMATION. I DON'T KNOW WHO PREPARED THIS DOCUMENT. IT LOOKS LIKE HE'S ATTEMPTED THROUGH BOTH OF THESE REPORTS TO COMBINE ALL THESE ENTITIES AS IF THEY WERE ONE AND THEY CAN'T BE ONE IN THE EYES OF THE LAW. THE LEGAL ENTITIES HERE THAT WE HAVE SUED ARE ALL TREATED AS SEPARATE AND DISTINCT LEGAL ENTITIES. AND THE RESPONSIBILITY WILL RISE AND FALL AS TO EACH ENTITY AND ITS RELATIONSHIP TO THE PLAINTIFF IN THIS CASE.

JUDGE HOWE: I GUESS, YOU WOULD NEED TO GO THROUGH AND ASK MR. VEREEN WHO PREPARED IT AND --

MS. COOK: YES, MA'AM. I WILL LAY A

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BETTER FOUNDATION.

Q EXHIBIT 117, WHO PREPARED THIS DOCUMENT?

A I THOUGHT I HAD ANSWERED IT A FEW MINUTES AGO THAT I PREPARED DOCUMENT 116 AND I PREPARED DOCUMENT 117. I DID NOT TYPE THESE OUT. I ACTUALLY WENT THROUGH THE NUMBERS. I PULLED THE INVOICES. I PULLED THE CHECKS. I PULLED THE DEPOSITS. I VERIFIED THEM AND I WROTE THEM OUT.

Q ALRIGHT.

MS. COOK: YOUR HONOR, I BELIEVE PROPER FOUNDATION HAS BEEN LAID AND I AGAIN MOVE TO INTRODUCE DEFENDANT'S EXHIBIT 117?

MR. DURANT: YOUR HONOR, THE OBJECTION TO DEFENDANT'S NOW BEING, IF SHE HAS LAID THE FOUNDATION, IS THAT YOU CAN'T COMBINE THE PAYABLE AND RECEIVABLE FROM ONE LEGAL ENTITY TO THE OTHERS. IT'S LIKE THE VEREEN ENTITIES AGREED WE OWE THIS AMOUNT OF MONEY AND I DON'T THINK IT'S PROPER. EACH ARE SEPARATE LEGAL ENTITIES THAT THE PLAINTIFF HAS FILED SUIT FOR THINGS THAT THEY ALLEGE THAT THAT ENTITY DID OR DIDN'T DO, INCLUDING HIM PERSONALLY.

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JUDGE HOWE: WELL, HE'S GOT THEM SEPARATED AND THEN HE'S GOT A SUB-TOTAL OF ALL OF THEM.

MR. DURANT: CORRECT.

MS. COOK: YOUR HONOR, LET ME RESPOND TO A COUPLE OF THINGS MR. DURANT JUST SAID. HE HAS HAD ALL THE BACKUP INFORMATION AND WE DIDN'T GET MRS. BRADY'S REVISED NUMBERS UNTIL SHE GOT ON THE STAND ON JUNE 2012 --

JUDGE HOWE: WE DON'T NEED TO GO INTO ALL THAT.

MS. COOK: OKAY. BUT THEY ARE SEPARATELY BROKEN OUT. AND THE ANSWER COUNTERCLAIM AND THIRD PARTY COMPLAINT SETS OUT THAT EACH OF MR. VEREEN'S ENTITIES AND HIMSELF PERSONALLY HAVE MADE CLAIMS AGAINST A&E AND MR. SMITH AND MR. SMITH'S ENTITIES INDIVIDUALLY.

JUDGE HOWE: WELL, I'M GOING TO ALLOW IT AS A SUMMARY BASICALLY OF HIS TESTIMONY AND I WILL ALLOW YOU TO CROSS-EXAM. I THINK IT'S PROBABLY HIS SUMMARY OF WHAT HE IS ABOUT TO TESTIFY TO?

LETTER OF A&E PROFIT MARKED

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FOR IDENTIFICATION AND
INTRODUCED INTO EVIDENCE AS
DEFENDANT'S EXHIBIT 117.

Q NOW, FROM YOUR REVIEW OF ALL THE RECORDS, HOW MUCH PROFIT DID A&E HAVE AFTER TAKING INTO CONSIDERATION THE EXPENSES PAID BY OTHERS FOR A&E, THE DEPOSITS PAID BY OTHERS INTO A&E, THE AMOUNTS THAT ARE DUE FROM YOU TO A&E, THE AMOUNTS THAT ARE DUE FROM ELLIS INTO A&E? HOW MUCH PROFIT THROUGH THE END OF 2007 DID A&E HAVE IN IT IF YOU EXCLUDED THE INDIRECT COSTS SUCH AS THE WAREHOUSE, THE RENT FOR THE OFFICE THOSE INDIRECT COSTS? HOW MUCH PROFIT SHOULD HAVE BEEN IN A&E?

A \$774,993.

Q THROUGH 2009, HOW MUCH PROFIT SHOULD HAVE BEEN IN A&E?

A \$295,568.

Q NOW, IF YOU ADD TO THAT THOSE THINGS THAT WE CALL INDIRECT COSTS, HOW MUCH SHOULD HAVE BEEN IN A&E AT THE END OF 2007?

A \$673,855.

Q AND HOW MUCH SHOULD HAVE BEEN IN A&E AT THE END OF 2009 ADDING IN THOSE INDIRECT COSTS?

A \$24,204.

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Q I THINK THAT'S ALL THE QUESTIONS I HAVE OF MR. VEREEN.

JUDGE: GOOD. LET'S BREAK FOR LUNCH

MR. DURANT: YOUR HONOR, WE ASK THIS WITNESS NOT TO TALK WITH COUNSEL UNTIL WE RETURN.

JUDGE HOWE: YES, SIR.

A I'M TIRED OF TALKING ANYWAY.

US BANKRUPTCY COURT FOR SMITH MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 99.

LETTER FROM AVC TO BANKRUPTCY MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 100.

**LETTER FROM SMITH TO VEREEN
MARKED FOR IDENTIFICATION AND
INTRODUCED INTO EVIDENCE AS
DEFENDANT'S EXHIBIT 101.**

INVOICE FROM SIGNWORKS MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 103.

BRIGMAN COMPANY FAX MARKED FOR

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IDENTIFICATION AND INTRODUCED
INTO EVIDENCE AS DEFENDANT'S
EXHIBIT 113.

CITY OF NMB PERMIT MARKED FOR
IDENTIFICATION AND INTRODUCED
INTO EVIDENCE AS DEFENDANT'S
EXHIBIT 114.

*KELLEY BLUE BOOK FOR TRUCK
MARKED FOR IDENTIFICATION AND
INTRODUCED INTO EVIDENCE AS
DEFENDANT'S EXHIBIT 115.*

A&E CHECK TO VEREEN MARKED FOR
IDENTIFICATION AND INTRODUCED
INTO EVIDENCE AS DEFENDANT'S
EXHIBIT 120.

(RECESS FOR LUNCH.)

**(THE REST OF THE DAY WAS CORRUPTED ON COURT
REPORTERS FILES FROM 8/29/12).**

(START OF AUGUST 30, 2012).

RE-CROSS EXAMINATION BY MR. THOMAS:

MR. THOMAS: MAY WE PROCEED, YOUR HONOR?

JUDGE HOWE: YES.

Q MR. VEREEN, WE ARE BACK NOW TO PLAINTIFF'S
EXHIBIT 1, WHICH IS MRS. BRADY'S 2004 REPORT AND
I THINK YOU CAN TURN TO WHERE IT SAYS AT THE TOP

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"A&E CONSTRUCTOR AND CONSULTANTS, INC. BALANCE SHEET 2004". DO YOU SEE THAT?

A YES.

Q DO YOU SEE THAT "PER TAX RETURN" COLUMN?

A WHICH PAGE IS THAT ON?

Q LET ME SEE IF I CAN'T SIMPLIFY IT. TURN TO...
FLIP THE PAGE ONE TIME. NOW, THAT'S RIGHT
BEFORE TAB NUMBER 1. ACCESS IS THE SHEET I'M
LOOK AT. ACCORDING TO MRS. BRADY'S ACCOUNTING
WORK, MR. VEREEN, HOW MUCH DID YOU OWE THE
COMPANY AT THE END OF DECEMBER 31ST 2004?

A ACCORDING TO WHAT SHE SAYS \$673,253.56.

Q SO, IF SHE IS RIGHT, THEN YOU OWE THE COMPANY...
I KNOW YOU SAID... BUT I PUT THIS IN AND TOOK
THIS OUT. BUT IF SHE'S RIGHT AS OF THE END OF
THE VERY FIRST YEAR YOU OWED THE COMPANY ALMOST
\$700,000M, IS THAT RIGHT?

A THAT'S THE MAGIC WORD "IF" YES, SIR.

Q IF SHE'S RIGHT?

A IF.

Q CONTEND THAT SHE'S NOT RIGHT. NOW, I THINK THAT
YOU HAVE ADMITTED THAT YOU REALLY DON'T
UNDERSTAND WHAT SHE DID OR WHAT PROCESS SHE WENT
THROUGH?

A I THINK THAT'S PRETTY OBVIOUS THAT I DON'T

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UNDERSTAND.

Q OKAY. DO YOU BELIEVE SHE'S A CAPABLE, CERTIFIED PUBLIC ACCOUNT?

A I THINK SHE'S CAPABLE.

Q AND I THINK THAT MRS. SISSON SAID THAT SHE THOUGHT SHE CAME TO HER CONCLUSION BECAUSE OF BIAS. DO YOU THINK THAT'S WHY SHE CAME TO HER CONCLUSION?

A WELL, IF YOU'RE ASKING ME THAT QUESTION, I WOULD SAY YES. IF YOU WANT ME TO GIVE YOU AN EXPLANATION, I WILL BE GLAD TO GIVE THAT TO YOU. IT'S THE... DURING THIS LAWSUIT AND THE NUMBERS THAT WE HAVE COME UP WITH, SHE DIDN'T RELY ON ANY PAPERWORK. SHE DIDN'T RELY ON ANY BACKUP. SHE LITERALLY TOOK WHAT MR. SMITH SAID, "NO, NO, NO. THAT'S NOT MY BILL. I SHOULDN'T HAVE TO PAY THAT." SO, SHE WOULD TAKE IT OFF. SHE WOULD PUT IT ON MY SIDE OF THE PAGE. WE'VE GONE BACK AND SHOWN THAT THAT'S INCORRECT. AND WE PROVIDED IN OUR DOCUMENTATION. THERE ARE COPIES OF WHAT THOSE PAYMENTS SHOULD'VE BEEN THAT WAS PUT ON MY SIDE OF THE PAGE THAT SHOULD HAVE BEEN PUT ON A&E'S SIDE OF THE PAGE.

Q LET ME ASK YOU THIS, SIR, YOU MADE THIS STATEMENT IN DIRECT TESTIMONY AND I WROTE DOWN

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THIS, "I ACKNOWLEDGE THE WAY IT WAS HANDLED HAS MADE IT DIFFICULT TO TRACK TO SAY THE LEAST."

DID YOU MAKE THAT STATEMENT?

A I DID. I THINK THAT I FURTHER WENT ON TO SAY, MR. THOMAS, THAT THE WAY IT WAS HANDLED WAS NOT SOLELY MY RESPONSIBILITY. IT WAS THE RESPONSIBILITY OF ELLIS SMITH AND WAYNE VEREEN.

Q NOW, MR. SMITH HAD NOTHING TO DO YOU GETTING CHECKS FOR A&E WORK AND DEPOSITING IT INTO ONE OF YOUR OTHER COMPANIES, DID HE?

A (NO RESPONSE).

Q HE HAD NOTHING TO DO WITH YOU DECIDING TO PAY BILLS OUT OF ONE OF YOUR OTHER COMPANIES THAT WERE FOR YOUR JOB, DID HE?

A (NO RESPONSE).

Q THAT'S JUST SOMETHING THAT YOU DID?

A I DID DO... I DID DO... DO... I HAVE NOT MISTAKEN... I SAID I HAVE DONE THAT, BUT I'VE ACCOUNTED FOR THOSE. IT ALSO... I WENT ON... I WENT ON FURTHER TO SAY, MR. THOMAS, THAT I ALSO PAID INVOICES ON BEHALF OF A&E, BILLS ON BEHALF OF... ELLIS. WHEN WE DID... FOR EXAMPLE, WHENEVER WE DID THE MATHI JOB IN CAROLINA FOREST AND THE METAL BUILDING WAS DELIVERED, THAT GENTLEMAN WAS WITH ME IN MY TRUCK, THE BUILDING

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CAME EARLIER. WE WENT TO THE BANK... HE WAS WITH ME. I WENT TO THE BANK AND GOT A CASHIERS CHECK AND I WROTE THE STINKING CHECK AND GOT FUNDS. HE WAS AWARE THAT I HAD DONE THOSE THINGS. ALL I HAVE ASKED FOR IS... IS... IS... I WANTED CREDIT FOR MONIES THAT I HAD PUT IN AND I WANTED TO BE RESPONSIBLE FOR MONIES THAT I OWE AND THAT'S WHAT I HAVE DONE.

Q WOULD YOU AGREE WITH ME THAT WHEN SOMETHING HAPPENS LIKE THAT AND THE BILL COMES IN, IT'S AN A&E BILL AND YOU PAY IT OUT OF ARTHUR VEREEN OR PARK PLACE OR WHOEVER YOU PAY IT FROM? THE A&E RECORDS DON'T REFLECT THAT, RIGHT?

A ALL I KNOW, MR. THOMAS, IS THAT I KNOW... I KNOW I PRESENTED THAT STUFF AND IT WAS PUT IN THE OFFICE... NOW, WHERE CARRIE TOOK IT AND PLACED IT WHERE SHE SHOULD HAVE... IN MOST CASES, IT LOOKS LIKE THAT WASN'T DONE.

Q SO, WE ARE BACK TO CARRIE, THAT CARRIE DIDN'T DO IT RIGHT?

A THAT'S RIGHT.

Q YEAH, OKAY. WASN'T THE PROPER WAY TO DO IT WOULD HAVE BEEN FOR YOU TO PUT A CHECK INTO A&E AND THEN WRITE A CHECK OUT OF A&E TO THE SUPPLIER OR THE VENDOR SO THAT IT COULD BE

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TRACKED?

A I THINK THAT WOULD HAVE BEEN THE CORRECT... BUT YOU GOT... BUT... BUT... JUST FOR AN EXAMPLE, OF THE SIZE OF THIS METAL BUILDING. DONALD FAIRCLOTH, WHICH WAS A \$22,000 CHECK THAT I WROTE TO DONALD FAIRCLOTH TO TEAR DOWN... DOING SOME SITE WORK AT TAHITIAN PRINCESS. I PAID THAT BILL BECAUSE I MET DONALD ON THE JOB SITE AND HE FINISHED AND HE GAVE ME THE BILL AND I HAD A CHECK AND I PAID HIM. SO NOW... WAS I... HE WANTED HIS MONEY. I GUESS I COULD HAVE DRIVEN BACK TO MYRTLE BEACH, DEPOSITED THAT CHECK INTO THE ACCOUNT AND DRIVEN BACK UP THERE AND GIVEN IT TO HIM BUT I DIDN'T DO THAT. I GAVE HIM A CHECK.

Q WOULD YOU AGREE WITH ME THAT WHAT MADE IT SO DIFFICULT FOR MRS. BRADY OR ANYBODY THAT TRIED TO MAKE SENSE OUT OF THESE RECORDS IS THE FACT THAT YOU CAN'T LOOK AT THE A&E RECORDS ALONE? YOU'VE GOT TO LOOK AT THE A&E RECORDS. YOU'VE GOT TO LOOK AT THE ARTHUR VEREEN RECORDS. YOU'VE GOT TO LOOK AT YOUR PERSONAL RECORDS. YOU'VE GOT TO LOOK AT THE PARK PLACE. DON'T YOU HAVE TO LOOK AT ALL THOSE RECORDS TO COME UP WITH A CONCLUSION AS TO WHO OWES WHAT TO WHO?

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A I AGREE WITH YOU. WE HAVE GONE TO THE EFFORTS TO PROVIDE ALL THAT DOCUMENTATION. THEY JUST DIDN'T WANT TO LOOK AT IT.

Q BUT IF IT HAD BEEN DONE PROPERLY TO START WITH YOU WOULDN'T HAVE HAD TO GO THROUGH ALL THAT EXERCISE, WOULD YOU AGREE WITH ME ON THAT?

A YES.

Q YOU TOLD MS. COOK THAT YOU KNEW YOU WERE PAYING SOME PARK PLACE BILLS OUT OF A&E AND TAKING SOME MONEY THAT WAS COMING INTO A&E AND PUTTING IT SOMEPLACE ELSE, BUT I THINK YOU SAID YOU WEREN'T KEEPING A... YOU KIND OF HAD IT IN YOUR MIND WHO OWED WHAT TO WHO?

A NO. I THINK WHAT I SAID... WELL, I KNOW WHAT I SAID, MR. THOMAS, WAS I WROTE THOSE NUMBERS DOWN ON PAPER ON MY DESK. SO, I DID HAVE A GENERAL IDEA OF THOSE TRANSACTIONS IN AND OUT.

Q YEAH. ALRIGHT. WHEN YOU SAY, "A GENERAL IDEA" IF YOU HAD NUMBERS DID YOU HAVE AN EXACT IDEA?

A WELL, I MAY NOT HAVE WRITTEN DOWN \$12,235.29 IT COULD HAVE BEEN ROUNDED OFF AT THAT POINT.

Q BUT IN YOUR MIND IT WAS PRETTY CLOSE?

A ABSOLUTELY.

Q THIS WAS CONFIRMED BY YOUR NOTES THAT YOU MADE IN YOUR OFFICE?

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A THAT'S RIGHT.

Q HAVE YOU EVER PRODUCED THOSE SO CALLED NOTES THAT YOU MADE TO ANYBODY TO ASSIST WITH THE ACCOUNTING WORK?

A WELL, I DID THAT IN THE FORM OF THE CHECK THAT WAS WRITTEN AND WHO THAT CHECK WAS WRITTEN TO. THAT'S WHAT I'VE DONE. AS WELL AS SHOWN THE DEPOSITS THAT WERE PUT INTO PARK PLACE OR WHATEVER COMPANY THAT WAS.

Q BUT AS FAR AS YOUR NOTES THAT SHOWED WHEN YOU SAY YOU THOUGHT YOU WERE SQUARE, THE WHOLE TIME YOU NEVER PRODUCED THOSE?

A I DON'T THINK ANYONE HAS EVER ASKED ME TO PRODUCE THOSE.

Q DON'T YOU THINK THAT WOULD HAVE BEEN HELPFUL TO MRS. BRADY IN DOING HER ACCOUNTING?

A I'M NOT SURE IF IT WOULD OR NOT, MR. THOMAS, FOR THE SIMPLE REASON THAT MOST OF THOSE NOTES OR MOST OF THE CLAIMS THAT I HAVE REQUESTED TO BE PUT ON MY SIDE OF THE PAPER... WAS SAID, "NO. WE'RE NOT GOING TO PAY FOR THAT." SO, THE ANSWER TO YOUR QUESTION IS AND TO WHAT I TESTIFIED TO YESTERDAY WAS, THOSE THAT WE HAVE REQUESTED CREDIT FOR THAT WE COULD NOT PRODUCE AN INVOICE TO BACK IT UP, WE DID NOT TAKE CREDIT

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FOR IT. BUT I EXPECT THOSE PAYMENTS THAT WERE PAID TO EES, ELLIS SMITH OR WHOEVER THAT COULDN'T BE BACKED UP BY AN INVOICE THAT HE DOESN'T RECEIVE CREDIT FOR.

Q AND THAT'S THAT --

A AND THAT'S WHAT WE'VE DONE THROUGH THOSE... THROUGH OUR ACCOUNTING THAT WE PERFORMED.

Q LET'S TALK ABOUT POINTE MARSH FOR A MINUTE. WHO WAS THE CONTRACTOR ON POINTE MARSH AS FAR AS THE WORLD WAS CONCERNED?

A A&E.

Q WHEN YOU DID POINTE MARSH, DID YOU UTILIZE A&E SUPPLIERS AND VENDERS? DID YOU USE THEIR CREDIT, A&E'S?

A SIR, A&E'S CREDIT CAME FROM ARTHUR VEREEN CONSTRUCTION COMPANY. NOW, THE VENDERS THAT WE WERE USING HAD BEEN VENDORS THAT I HAD USED FOR NUMBERS AND NUMBERS OF YEARS.

Q BUT THIS WAS NOT AN A&E PROJECT, WAS IT?

A NO.

Q WHOSE PROJECT WAS IT?

A IT WAS MY PROJECT.

Q WELL, PERSONALLY?

A NO. IT WAS ACTUALLY PARK PLACE PROPERTIES PROJECT.

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Q AND PARK PLACE PROPERTIES USED THE CREDIT LINES THAT THE VENDERS OF A&E HAD SET UP, RIGHT?

A (NO RESPONSE) .

Q IN OTHER WORDS, THE BILLS WENT TO A&E, IS THAT RIGHT?

A THEY WENT TO OUR ADDRESS, YES, SIR.

Q TO A&E?

A YES, SIR.

Q AND AS FAR AS THEY KNEW, A&E WAS THE CONTRACTOR, IS THAT RIGHT? AS FAR AS THE CITY OF NORTH MYRTLE BEACH KNEW, A&E WAS THE CONTRACTOR?

A AS FAR AS THE CITY OF NORTH MYRTLE BEACH KNEW, YES, SIR.

Q WHERE WAS THE OFFICE FOR THE POINTE MARSH PROJECT?

A OFFICE?

Q YES, SIR.

A I HAVE AN OFFICE ON GRISSOM PARKWAY, BUT I ALSO HAVE A SMALL OFFICE IN THE BACK OF THE ARCADE AT POINTE MARSH. AND I ALSO HAVE AN OFFICE INSIDE THE ICE CREAM SHOP.

Q WHERE DID YOU KEEP YOUR BOOKS AND RECORDS FOR THE POINTE MARSH PROJECT?

A THEY WERE KEPT AT 511 AND 501 GRISSOM.

Q IS THAT A&E?

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A YES. THE BUILDING THAT I OWN. MY WIFE OWNS.

Q THAT WAS ACTUALLY A HUGE PROJECT, WASN'T IT? 23
SINGLE FAMILY DETACHED RESIDENCES WITH AN
AVERAGE SALE PRICE \$650,000?

A I'M NOT SURE IF THE AVERAGE SALE PRICE WAS 650,
BUT IT WAS BETWEEN 550, 600.

Q IF MY MULTIPLICATION IS RIGHT THAT'S ALMOST
\$15 MILLION GIVE OR TAKE A MILLION OR TWO?

A THAT'S FAIR.

Q AND IT EXTENDED OVER A NUMBER OF YEARS?

A WELL, IT EXTENDED OVER A NUMBER OF TWO YEARS.

Q AND DURING THAT TIME YOU WERE WORKING ON POINTE
MARSH, BETH WAS WORKING ON POINTE MARSH, IS THAT
RIGHT?

A NO.

Q SHE CLOSED A LOT OF THEM.

A I BEG YOUR PARDON. SHE NEVER CLOSED ANY OF
THEM. NO, NO, NO, SIR.

Q SHE DIDN'T DO ANY WORK ON POINTE MARSH?

A SHE DID... SHE DID VERY LITTLE WORK ON POINTE
MARSH. WAS NO MORE THAN TYPING UP A LETTER FOR
ME OR WRITING A LETTER FOR ME IF I WANTED HER TO
WRITE IT OUT.

Q WELL, SOMEBODY DID --

A I HIRED A SUPERINTENDENT, BASIL KIRTON, THAT

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WORKED FOR A&E WHICH WE HAVE ACCOUNTED FOR HIS EXPENSES. IT'S IN OUR ACCOUNTING. I PERSONALLY... I SAY "PERSONALLY" PARK PLACE PROPERTIES PAID RANDY LONG FOR HIS SUPERINTENDENT WORK AT THAT PROJECT.

Q WELL, YOU HAD TO HAVE SOMEBODY OTHER THAN A SUPERINTENDENT THAT WAS BUILDING. YOU HAD TO HAVE SOMEBODY OVERSEEING CONSTRUCTION, OVERSEEING SALES, OVERSEEING THE FINANCING, OVERSEEING THE MARKETING. YOU DID ALL OF THAT, DIDN'T YOU?

A I DID THAT BEFORE I EVER STARTED AS FAR AS SETTING UP THE FINANCING. AND AS FAR AS THE SALES, WE HAD A SALES AGENT. IT WAS TWO SALES COMPANIES. THEY ARE REPETITIOUS. YOU BUILD ONE HOUSE, THEN YOU BUILD 23 HOUSES.

Q WHY DID YOU PAY YOUR CONSTRUCTION LOAN INTEREST ON THE POINTE MARSH PROJECT OUT OF A&E?

A I THINK I HAVE... REPETITIOUS OF WHAT I'VE BEEN STATING, IS THAT PARK PLACE PROPERTIES HAD BEEN PAYING INVOICES AND SUPPLIERS AND SUBCONTRACTORS ON BEHALF OF A&E AND I TREATED THAT AS PAYMENT BACK TO PARK PLACE PROPERTIES.

Q THE BURROUGHS AND CHAPIN FENCE, WHAT KIND OF FENCE WAS THAT? A CONCRETE BLOCK WITH A

COVERING ON IT?

A THAT'S WHAT I FOUND OUT THAT IT IS. THE REASON THAT I FOUND OUT ABOUT IT WAS I THINK I TESTIFIED THAT WE HAD A PHONE CALL FROM --

Q DON'T TELL ME WHAT SOMEBODY TOLD YOU ON THE PHONE.

A NO. I'M NOT GOING TO. NO, I'M NOT GOING TO. I HAD A PHONE CONVERSATION WITH... ANYWAY, I BELIEVE IT WAS FROM WHOEVER THE PROPERTY MANAGEMENT COMPANY IS FOR BURROUGHS AND CHAPIN IN REFERENCE TO A PROBLEM ON THE FENCE.

Q MR. VEREEN, I HAVEN'T ASKING YOU ABOUT ANY OF THAT NOW.

A WELL, YOU ARE ASKING ME ABOUT... NO, I'M --

Q WELL, IF YOU WOULD EXPLAIN THE ANSWER TO THE QUESTION I'M ASKING YOU.

A THAT'S EXACTLY WHAT I'M TRYING TO DO. THAT'S WHAT I'M LEADING UP TO WHY I VISITED THAT SITE AND THAT'S HOW I DETERMINED AND FOUND OUT WHAT KIND OF FENCE IT WAS. I DIDN'T KNOW PRIOR TO THAT.

Q WHY CAN'T YOU JUST TELL ME WHAT KIND OF FENCE IT WAS?

A WELL... WELL... WELL, I'M JUST... YOU'RE --

Q WAS IT A CONCRETE BLOCK FENCE WITH SOME TYPE OF

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COVER OVER IT OR WHAT WAS IT?

A YES.

Q OKAY. THAT WAS MY QUESTION. IS THAT CONCRETE WORK IN YOUR JUDGMENT?

A CONCRETE WORK?

Q YES.

A I WOULD SAY THAT THE FOUNDATION WORK WAS CONCRETE WORK. THE BLOCK WALL IN MASONRY. THE STUCCO WAS A STUCCO APPLICATION. THAT'S WHAT I WOULD SAY IT WAS.

Q AND I THINK YOU TESTIFIED THAT YOU HAVE NEVER KNOWN EES TO DO ANY CONCRETE WORK, BUT IT WAS CONCRETE WORK A LOT OF IT IN CONNECTION WITH THAT FENCE, IS THAT RIGHT?

A SIR, THE ONLY PART OF THAT FENCE THAT IS CONCRETE IS THE FOOTER, THE FOUNDATION.

Q SO, YOU WOULDN'T CONSIDER A CONCRETE BLOCK WALL TO BE CONCRETE WORK?

A NO, SIR.

Q OKAY. WELL, LET'S GO BACK TO YOUR REPORTS AND I'M JUST ABOUT DONE. IF I LOOK AT 116 AND I LOOK AT "VEREEN WORK PAPERS AND REPORTS" WHERE IT SAYS, "DUE TO WAYNE, DUE TO WAYNE, DUE TO WAYNE, DUE TO WAYNE", DO YOU SEE THAT?

A I DO.

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Q DO YOU SEE WHERE YOU HAVE COME UP WITH A DIFFERENT NUMBER FOR EVERY YEAR AND EVEN ON YOUR FIGURES OF 2004 THROUGH 2007, ARTHUR VEREEN CONSTRUCTION COMPANY WAS IN THE HOLE 143,651 AND PWO, WHO IS PWO?

A PARKWAY OFFICE.

Q 16,983, IS THAT RIGHT?

A THAT'S CORRECT.

Q NOW, THE BACKUP FOR THAT CALCULATION, WHERE IS THAT?

A IT'S IN THOSE BOOKS RIGHT THERE.

Q WHICH ONE?

A ONE THAT SAYS --

Q IF I WANTED TO LOOK, WHERE WOULD I LOOK?

A WHICH ONE DO YOU WANT TO LOOK AT?

Q THE ONE THAT'S THE BACKUP FOR VEREEN'S WORK PAPERS REPORTS.

A THE ONE THAT SAYS, " WAYNE VEREEN" THIS BOOK.

(77) AND THE ONE THAT SAYS, "ARTHUR VEREEN CONSTRUCTION COMPANY" IS IN BOOK 78 AND PARKWAY OFFICES IS IN BOOK 79 AND PARK PLACE PROPERTIES IS EXHIBIT 80.

Q AND THOSE BOOKS CONTAIN RECORDS OF THOSE ENTITIES?

A THAT'S CORRECT.

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Q SO, IF I WANT TO FIGURE OUT HOW MUCH YOU OWN OR

--

MS. COOK: OBJECTION TO THE FORM OF THE QUESTION. THAT DOES NOT ACCURATELY CHARACTERIZE EVERYTHING THAT'S IN THAT BOOK. THERE ARE OTHER DOCUMENTS OTHER THAN DOCUMENTS THAT ARE JUST THOSE ENTITIES RECORDS. SO, I OBJECT TO THE INACCURATE CHARACTERIZATION OF THE EXHIBIT. THEY SPEAK FOR THEMSELVES.

Q DID YOU HAVE TO LOOK IN ORDER TO COME UP WITH THESE NUMBERS? WOULD YOU AGREE WITH ME THAT IN THESE BOOKS OR WHEREVER I HAD TO LOOK, I HAD TO LOOK AT A LOT OF STUFF, A LOT OF PAPERS THAT WERE NOT A&E RECORDS?

A YES.

Q NOW, ON 116 I NOTICE YOU'VE GOT, I GUESS, TWO ALTERNATIVES THAT YOU WANT THE COURT TO CONSIDER BY 116 AND 117, RIGHT?

A YES. BOTH DOCUMENTS.

Q AND ON 116 YOU'VE GOT SOMETHING I DON'T KNOW ANYTHING ABOUT; "FINDERS FEE". IF THERE HAS BEEN TESTIMONY ABOUT A FINDERS FEE, I APOLOGIZE, I DON'T REMEMBER. WHAT IS THE FINDERS FEE THAT YOU'RE TALKING ABOUT?

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A THE FINDERS FEE COMPRISES OF... IN MY EARLIER TESTIMONY AND IN MY DEPOSITION WAS AND ONE I READ THIS MORNING, THAT I EXPECTED TO BE REPAID FOR THE EXPENSES THAT I INCURRED FROM 2002 TO 2004 SPECIFIC ON WILLOUGHBY PLACE. THAT'S WHERE THAT FINDERS FEE IS. IT'S NOT SAYING IT WAS TO GO GET 10% FOR BRING FIVE MILLION DOLLARS FROM WILLOUGHBY. THAT'S NOT WHAT THAT SAYS.

Q I WASN'T CLEAR. YOU ARE JUST ASKING FOR REIMBURSEMENT?

A THAT'S RIGHT.

JUDGE HOWE: HOW MUCH DO YOU EXPECT AS A FINDERS FEE?

A IT'S NOT A PERCENTAGE, YOUR HONOR. ALL I WAS ASKING IS TO BE REIMBURSED FOR MY EXPENSES.

JUDGE HOWE: WELL, DO YOU KNOW WHAT THAT IS?

A WELL, WE'VE DONE IT.

JUDGE HOWE: YOU'VE GOT THAT WRITTEN DOWN SOMEWHERE?

A YES.

JUDGE HOWE: AS A FINDERS FEE? SO, YOUR EXPENSES ARE THE FINDERS FEE?

A YES, MA'AM.

Q NOW, LETS TALK FOR JUST A MINUTE ABOUT YOUR

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EXPENSES THAT YOU ARE CHARGING STARTING IN 2008 AND 2009. NOW, AS I UNDERSTAND IT, YOU HAD THESE ON JOBS AFTER 2007, IS THAT RIGHT?

A YES. THAT'S CORRECT.

Q ANY EXPENSES THAT YOU'RE CLAIMING AFTER 2007 THOSE ARE PRIMARY EXPENSES; YOUR SALARY, BETH'S SALARY AND OFFICE EXPENSES, IS THAT RIGHT?

A NO. WE HAD SOME EMPLOYEES SALARIES. WELL...

Q EMPLOYEES OF A&E?

A OF A&E. WE WERE DOING REPAIR WORK AND PUNCH WORK ON PROJECTS THAT WE HAD ONGOING THAT WERE COMPLETED, BUT WE STILL HAD ONGOING WORK.

Q IS THERE A BREAKOUT ON WHAT WAS FOR REPAIR WORK AND WHAT WAS FOR YOUR SALARY AND BETH'S SALARY?

A (NO RESPONSE).

Q AT THIS TIME HAD BETH OPENED UP HER BUILDING BUSINESS?

A I'M NOT SURE ABOUT THAT, THE EXACT DATE WHEN THAT HAPPENED, MR. THOMAS. YOU'LL FIND ALL THESE RECORDS IN THOSE BOOKS RIGHT THERE.

Q I UNDERSTAND. MR. VEREEN, LET'S GET BACK TO CAUSE OF ACTION 3. HAVE YOU HAD THE OPPORTUNITY TO GIVE THAT SOME MORE CONSIDERATION AS TO WHETHER I NEED TO TALK TO YOU ABOUT THAT OR NOT?

MS. COOK: YOUR HONOR, DO YOU KNOW WHAT

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HE MEANS WHEN HE SAYS, CAUSE OF ACTION
3?

A I'M ASSUMING THAT'S BACK TO CAROLINA KEYES.

Q I'M SORRY.

A THIS IS IN REFERENCE TO CAROLINA KEYES?

Q YES, SIR. CAROLINA KEYES. AND THE QUESTION
THAT I ASKED BEFORE IS, ARE YOU STILL INTENDING
TO SUE... YOU ARE ASKING THE COURT TO AWARD YOU
MONEY OR ACTUALLY ARTHUR VEREEN MONEY FOR THE
CAROLINA KEYES PROJECT?

A YES.

Q LET'S TALK ABOUT THAT. NOW, YOU'VE GOT IN
EVIDENCE SOME OF THESE BUILDING PERMITS AND I
DON'T KNOW THE EXHIBIT NUMBER, BUT WOULD YOU
AGREE WITH THE BUILDING PERMITS THAT I'M LOOKING
AT START IN 1998, IS THAT RIGHT?

A I WOULD HAVE TO LOOK AT THEM. I WOULD BE GLAD
TO LOOK AT THEM.

Q SURE. THAT'S NOT ACTUALLY THE EXHIBIT, BUT I
THINK IT'S A COPY?

MS. COOK: THE EXHIBIT IS DEFENDANT'S
EXHIBIT 114.

A DO YOU HAVE IT IN ORDER?

Q I DON'T KNOW.

A CALENDAR ORDER?

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Q OKAY. EXHIBIT 114, YOU'RE ASKING THE COURT --

A IT LOOKS LIKE THAT IT WAS JANUARY 13TH... THAT IT WAS APPLIED FOR JANUARY 13TH, 1998 AND WE HAVE AN ACTUAL COPY OF THE PERMIT.

MS. COOK: YOUR HONOR, WE WILL STIPULATE THAT THEY GO FROM WHATEVER THE DATE WAS... IT GOES THROUGH JANUARY 1998 AND I BELIEVE THE LAST ONE IS ACTUALLY MARCH 2, 2002. WE WILL STIPULATE THAT.

Q SO, YOU ARE ASKING THE COURT TO AWARD YOU SOME MONEY OR AWARD ARTHUR VEREEN SOME MONEY AGAINST MR. SMITH SO LET'S TALK ABOUT THAT. IS ARTHUR VEREEN CONSTRUCTION STILL IN GOOD STANDING, THE COMPANY?

A I WOULD THINK WE WERE.

Q YOU DO KNOW OR DO YOU NOT KNOW?

A YEAH. WE FILE TAX RETURNS.

Q SO, YOU STILL FILE TAX RETURNS?

A YES, WE DO. WE ARE STILL LICENSED WITH THE STATE.

Q HOW MUCH DO YOU CLAIM THAT MR. SMITH OWES ARTHUR VEREEN CONSTRUCTION COMPANY?

A I THINK THAT WAS IN OUR COMPLAINT. IT WAS...

Q \$580,000?

A I WILL BE GLAD TO LOOK AT IT.

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Q PAGE 9?

A CORRECT.

Q AND YOU ARE ASKING 580. HOW DO YOU GET
\$580,000?

A I THINK IF YOU LOOK AT LINE ITEMS 51 JUST BELOW
50 THAT'S WHERE THAT IS --

Q SO, YOU BELIEVE 10% OF THE VALUE OF CONSTRUCTION
IS WHAT YOU'RE ENTITLED TO AS REFLECTED BY THE
BUILDING PERMIT?

A YES, SIR. YEAH. WHEREVER THAT 10% CAME FROM
BECAUSE IT DIDN'T COME FROM ME. THAT'S WHAT I
WAS OFFERED.

Q WHAT?

A THAT'S WHAT I WAS OFFERED TO BE INVOLVED IN THE
CONSTRUCTION AT CAROLINA KEYS. WHAT I WAS GOING
TO PROVIDE WAS A NUMBER OF THINGS; PROVIDE MY
LICENSE TO HAVE CAROLINA KEYS BUILT. BUT TO DO
THAT, NUMBER ONE IS I HAD TO INFORM MY LIABILITY
INSURANCE COMPANY THAT ARTHUR VEREEN
CONSTRUCTION COMPANY WAS GOING TO HAVE ANOTHER
LIABILITY ISSUE THERE BY BUILDING CAROLINA
KEYES, WHICH I OBTAINED AN ESTIMATE OF WHAT
THOSE ADDITIONAL INSURANCE PREMIUMS WERE GOING
TO COST. AND THEY WANTED TO DO THREE
INSPECTIONS A WEEK. I WANTED A COPY OF THE

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CONTRACTS. I WANTED A COPY OF THE LIABILITY INSURANCE FROM EES. I WANTED A COPY OF THE LIABILITY INSURANCE FROM THE DEVELOPER. I WANTED TO REVIEW ALL THE SUBCONTRACTORS THAT WERE GOING TO BE DOING WORK ON THE JOB TO MAKE SURE THEY WERE INSURED AND LICENSED. I WANTED TO SEE COPIES OF THE DAY REQUESTS AS THEY WERE DONE. AND I WANTED TO DO THOSE INSPECTIONS THREE TIMES VERY WEEK. THAT'S WHAT I WANTED. THOSE WERE MY TERMS AND THAT'S WAS WHAT AGREED UPON.

Q WAS THAT A WRITTEN AGREEMENT OR WAS THAT SOMETHING THAT WAS TALKED ABOUT?

A THAT'S WHAT WE TALKED ABOUT.

Q BUT IT NEVER WAS REDUCED TO WRITING?

A IT WASN'T BECAUSE I TESTIFIED SEVERAL TIMES THAT ELLIS STOPPED AT MY... I CAN TELL YOU RIGHT NOW THAT I WAS SITTING IN MY CONFERENCE ROOM WORKING AT MY DESK AND THERE IS A WINDOW SEAT RIGHT THERE... NOT AT MY DESK WORKING, AT THE CONFERENCE ROOM TABLE. HIS TRUCK PULLED UP AND HE OPENED THE DOOR, LEFT THE TRUCK RUNNING, CAME INTO MY OFFICE AND CAME INTO THE CONFERENCE ROOM AND SAID, "WAYNE, THE DEVELOPER HAS FOUND ANOTHER CONTRACTOR THAT WILL DO THIS AT EASIER

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TERMS AND THAT'S THE DIRECTION WE'RE GOING."
AND I SAID, "WHO DO YOU HAVE IN THE TRUCK WITH
YOU?" "THAT'S ROBERT FOSTER. HE WAS ASSOCIATED
WITH THEM, BUT I NEVER MET THE MAN. AND THAT'S
THE SCOPE OF HOW THIS HAPPENED. I WAS NOT
AWARE... IN FACT, I ACTUALLY... I KNOW I
TESTIFIED TO THIS IN MY DEPOSITION. I STOPPED
BY CAROLINA KEYES. IT WAS PROBABLY 75 TO
80% FINISHED BECAUSE I WENT BY THERE TO SEE
ROBERT SEALEY THAT DOES CONCRETE WORK, POURS
CONCRETE SLABS. I WENT BY TO SEE HIM BECAUSE HE
WAS SUPPOSED TO BE POURING A SLAB FOR ME
SOMEWHERE. AND SO I KNEW THE PROJECT WAS GOING
ON, BUT I HAD NO IDEA THAT I WAS INVOLVED IN THE
FIRST --

Q AND WHEN YOU WENT ONSITE, YOU DIDN'T SEE THE
PERMIT?

A NO. I DIDN'T GO LOOK AT THE PERMIT.

Q SIR, YOU'RE UNDER OATH?

A I DIDN'T CARE WHO WAS BUILDING IT --

Q OKAY. YOU HAVE TOLD THE COURT WHAT YOU WERE
SUPPOSED TO DO TO EARN YOUR FEE, IS THAT RIGHT?

A THAT'S CORRECT.

Q TELL THE COURT OUT OF THAT WHAT DID YOU DO?

A I ALLOWED THEM... I DIDN'T ALLOW THEM. THEY

USED MY LICENSE WHICH THEY COULD NOT HAVE BUILT THOSE FIRST NUMBER OF BUILDINGS WITHOUT ME.

Q DID YOU INSPECT THREE TIMES A WEEK?

A I DID NOT.

Q DID YOU NOTIFY YOUR LIABILITY INSURANCE CARRIER?

A I DID NOT.

Q DID YOU DO ANY OF THE THINGS THAT YOU SAID YOU WOULD DO OTHER THAN LET HIM USE YOUR NAME ON THE BUILDING PERMIT?

A NO, SIR, I DID NOT.

Q AND YOU DIDN'T KNOW ABOUT THAT, RIGHT?

A NO, SIR.

Q DO YOU AGREE WITH ME THAT YOU CAN PAY SOMEBODY A FEE TO USE YOUR LICENSE, IS THAT TRUE? WITHOUT BEING INVOLVED --

A ABSOLUTELY.

Q SO, WHAT YOU'RE ASKING THIS COURT TO DO IS TO AWARD YOU MONEY BASED ON A CONTRACT THAT A), NEVER HAPPENED AND B), WOULD HAVE BEEN ILLEGAL UNLESS YOU DID WHAT YOU WERE SUPPOSED TO DO?

A THAT'S CORRECT.

Q THANK YOU. THAT'S ALL I HAVE.

MR. COOK: YOUR HONOR, I THINK I HAVE ABOUT AN HOUR. DO YOU WANT ME TO DO IT NOW?

A I'M READY TO EAT.

JUDGE HOWE: MAKES NO DIFFERENCE TO ME.

MS. COOK: LET'S TAKE ABOUT AN HOUR.

(RECESS TAKEN OF LUNCH.)

RE-RE-CROSS EXAMINATION BY MS. COOK:

Q MR. VEREEN, I'M GOING TO ASK YOU TO LOOK BACK AT DEFENDANT'S EXHIBIT 116 AND 117, WHICH ARE YOUR SUMMARIES, THE TWO OPINIONS IN YOUR SUMMARIES. I BELIEVE WHEN MR. THOMAS WAS QUESTIONING YOU, HE QUESTIONED YOU ABOUT WHETHER OR NOT YOU WERE STILL TAKING THE POSITION THAT ARTHUR VEREEN CONSTRUCTION WAS OWED ANY MONEY TOWARDS OR AS A RESULT OF THE UNAUTHORIZED AND KNOWN USE OF ARTHUR VEREEN CONSTRUCTION LICENSE ON CAROLINA KEYS? YOU COULD NOT INCLUDE ANY... IN THE TOTALS THAT YOU'VE COME UP WITH IN THE ACCOUNTINGS, YOU'VE NOT INCLUDED ANY MONIES FOR THAT ITEM, CORRECT?

A THAT'S CORRECT.

Q HOWEVER, LET ME ASK YOU THIS. I THINK FROM THE EXHIBIT THAT'S IN THE RECORD, THOSE PERMITS ARE FROM 1998 TO MARCH OF 2000 AND WHILE YOU ADMIT THAT YOU DIDN'T DO ANY OF THE WORK OR SERVICES THAT YOU HAD AGREED WOULD BE JUSTIFICATION FOR YOUR 10%, DO YOU HAVE ANY CONCERNS ABOUT WHAT,

IF ANY, LIABILITY MAY FLOW TO YOUR COMPANY IN THE FUTURE AS A RESULT OF THE UNKNOWN USE OF THAT LICENSE?

A I AM AWARE THAT THEY HAVE HAD SOME CONSTRUCTION ISSUES AT CAROLINA KEYES BECAUSE I HAVE SPOKEN WITH RUSS WALTER, WHICH WAS THE OWNER/DEVELOPER OF THE PROJECT. I EXPRESSED CONCERN WITH HIM... I ACTUALLY VISITED WITH HIM AND I EXPRESSED CONCERN ABOUT THOSE LIABILITY ISSUES AND HE TOLD ME, "DON'T WORRY ABOUT IT..."

MR. DURANT: OBJECT.

MR. THOMAS: OBJECT TO THE FORM.

Q MY QUESTION IS, ARE YOU AWARE THAT THOSE BUILDINGS HAVE JUST... OR SOME OF THOSE BUILDINGS HAVE JUST NOW BEEN TURNED OVER TO THE HOMEOWNERS ASSOCIATION?

A YES.

Q ARE YOU WILLING TO DROP ANY CLAIM YOU'VE GOT FOR MONIES DEALING WITH CAROLINA KEYES OR ARTHUR VEREEN CONSTRUCTION FOR CAROLINA KEYES IF MR. SMITH IS WILLING TO SIGN AN INDEMNITY AGREEMENT BACK TO ARTHUR VEREEN CONSTRUCTION AND YOU IDENTIFYING YOU? WOULD YOU DO THAT NOW?

A I WOULD. AND I WOULD ALSO ASK FOR A COPY OF HIS LIABILITY INSURANCE THAT WAS IN PLACE AT THAT

TIME.

Q BACK IN '98 AND '99 ARE YOU AWARE OF WHETHER THE STATUTE OF REPOSE WITH REGARD TO CONSTRUCTION WAS 13 YEARS?

A IT WAS 13 YEARS.

Q WHAT IS IT NOW?

A IT'S 8.

Q THANK YOU. NOW, YESTERDAY WHEN MR. DURANT WAS CROSS EXAMINING YOU, HE WENT INTO SOME MATTERS DEALING WITH THE PLANTATION LAKES HOUSE THAT WAS CONSTRUCTED BY A&E AND SOLD TO THE WHITLEYS. DO YOU REMEMBER THAT LINE OF QUESTIONING?

A YES.

Q AND THERE HAS BEEN DISCUSSION HERE ABOUT BY THE FACT THAT THE PERMIT FOR THAT HOME WAS... WAS PULLED BY A&E, CORRECT?

A CORRECT.

Q AND WAS A&E THE SELLER OF THAT HOME TO THE WHITLEYS?

A IT WAS.

Q LET ME SHOW YOU WHAT I HAVE PRE-MARKED AS DEFENDANT'S EXHIBIT 118. IT'S AN AGREEMENT TO BUY REAL ESTATE DATED OCTOBER 2, 2004 WITH THE BUYERS BEING THE WHITLEYS AND THE SELLER BEING A&E CONSTRUCTION. DO YOU RECOGNIZE THAT

DOCUMENT?

A THIS IS THE AGREEMENT TO BUY AND SELL THIS PROPERTY.

Q DID YOU SIGN THIS CONTRACT ON BEHALF OF A&E?

A I DID.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 118 INTO THE RECORDS.

MR THOMAS: WE DON'T OBJECT.

JUDGE HOWE: DEFENDANT'S 118 SO ADMITTED.

AGREEMENT TO BUY AND SELL REAL ESTATE MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 118.

Q NOW, THERE WAS DISCUSSION YESTERDAY ALSO ABOUT THE CONSTRUCTION LOAN WITH Horry COUNTY STATE BANK TO BUILD THE HOUSE THAT INITIALLY STARTED AS THE SPEC HOME AND THEN THE WHITLEYS SIGNED A CONTRACT FOR PLANTATION LAKES. WAS THAT A LOAN THAT WAS TAKEN OUT OR WAS IT A LINE OF CREDIT THAT WAS TAKEN OUT?

A LINE OF CREDIT.

Q DO YOU RECALL IF A&E DREW DOWN ALL THE FUNDS ON

THAT LINE OF CREDIT OR DID YOU NOT HAVE TO DRAW SOME FUNDS?

MR. DURANT: YOUR HONOR, I BELIEVE THE LOAN WAS FROM MR. VEREEN PERSONALLY NOT FROM A&E.

MS. COOK: I'M SORRY IF I MISSPOKE.

Q THE LINE OF CREDIT WAS IN YOUR NAME?

A YES.

Q AND WAS THAT A LINE OF CREDIT THAT WAS USED TO BUILD THE SPEC HOME?

A IT WAS.

Q IN ADDITION TO THE CONSTRUCTION COST, WAS ANY PART OF THAT LINE OF CREDIT USED TO PAY OFF THE LOAN FOR THE ACQUISITION COSTS FOR THE LOT ITSELF?

A THERE WAS.

Q TAKE A LOOK AT WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT 121. IT'S A MORTGAGE ON LOT 19 PLANTATION LAKES AT CAROLINA FOREST IN THE AMOUNT OF \$63,800 DATED JUNE 11, 2002. DO YOU RECOGNIZE THAT MORTGAGE?

A THIS IS WHEN THE PROPERTY WAS PURCHASED BY LONG BAY DEVELOPMENT, WHICH I WAS A PARTNER IN.

Q AND I THINK YOU TESTIFIED YESTERDAY THAT LONG BAY DEVELOPMENT PURCHASED LOT 19 AND THEN YOU

TOOK IT OVER FOR LONG BAY, YOUR OTHER PARTNER, I CAN'T REMEMBER WHAT HIS NAME WAS?

A SHANE HOLLY.

Q YOU HAD TO ASSUME THAT LIABILITY AND TAKE THAT OVER?

A I DID.

Q AND AS PART OF THE MONEY THAT WAS INCLUDED IN YOUR PERSONAL LINE OF CREDIT FOR LOT 19 AND THE CONSTRUCTION OF THAT HOME, DID YOU HAVE TO PAY OFF THAT MORTGAGE?

A YES.

MS. COOK: YOUR HONOR, I WOULD LIKE TO INTRODUCE 121 INTO EVIDENCE. I'M SORRY. I DO NOT HAVE AN EXTRA COPY.

MR. DURANT: YOUR HONOR, THIS IS NOT A SIGNED COPY OF ANYTHING. IF SHE SAYS THIS IS WHAT WAS RECORDED, I DON'T REFUTE IT.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: NONE FROM US.

MR. THOMAS: NONE.

JUDGE HOWE: DEFENDANT'S 121 SO ADMITTED.

MORTGAGE OF LOT 19 MARKED FOR IDENTIFICATION AND INTRODUCED

INTO EVIDENCE AS DEFENDANT'S
EXHIBIT 121.

Q AND ABOUT HOW MUCH DID YOU HAVE TO UTILIZE OF
THE CONSTRUCTION LOAN TO PAY OFF THE LOT
ACQUISITION LOAN?

A I PAID THE FULL AMOUNT.

Q WHAT WAS THE FULL AMOUNT?

A \$63,800.

Q THAT LOAN AND THE MORTGAGE THAT SECURED IT WAS
AN INTEREST-ONLY LOAN?

A THAT'S RIGHT.

Q NOW, THERE WAS SOME CONFUSION YESTERDAY SO I
WANTED TO TAKE A FEW MINUTES AND SEE IF WE CAN'T
MAKE SURE EVERYBODY UNDERSTANDS ABOUT THE
SUPERVISION FEES THAT WERE PAID TO MR. SMITH AND
EES AND TO YOU AND HOW THAT ALL CAME ABOUT.
WHEN YOU INITIALLY STARTED A&E WHAT DID YOU AND
ELLIS AGREE OR HOW DID YOU AND ELLIS AGREE YOU
WERE GOING TO BE COMPENSATED?

A WE WERE SUPPOSED TO BE COMPENSATED A THOUSAND
DOLLARS PER WEEK.

Q AND THAT WOULD BE PAID TO YOU DIRECTLY AND TO
ELLIS DIRECTLY?

A THAT'S CORRECT.

Q SO, THAT WOULD BE AN... Y'ALL WOULD BE ON

SALARY, IS THAT CORRECT?

A THAT'S CORRECT.

Q THAT WOULD BE A SALARY OF HOW MUCH?

A \$52,000.

Q IS THAT HOW YOU WERE COMPENSATED FOR A PORTION OF 2004?

A YES.

Q NOW, IS THAT HOW ELLIS WAS COMPENSATED IN 2004?

A NO.

Q WHEN DID YOU LEARN THAT HE WAS NOT DRAWING A SALARY?

A WHEN I NOTICED... AS I STATED YESTERDAY, THAT I JUST HAPPENED TO NOTICE ON ONE OF THE CHECKS THE DIFFERENT ITEMS THAT WERE STUCK ON THERE AND I INQUIRED WITH CARRIE EXACTLY WHAT THOSE WERE.

Q LET ME STOP YOU RIGHT THERE. YOU NOTICED THAT FROM A COPY OF A CHECK THAT CARRIE GAVE TO YOU, IS THAT CORRECT?

A CORRECT.

Q OR THE ACTUAL CHECK SHE GAVE TO YOU? DID SHE GIVE YOU ANY BACKUP WITH THAT CHECK THAT SUPPOSED WHAT THE CHECK WAS TO COVER?

A NO.

Q BUT YOU NOTICED IT FROM THE ANNOTATIONS ON THE TOP PART OF THE CHECK STUB ITSELF?

A YES.

Q AND AFTER MAKING THAT INQUIRY OF CARRIE, DID YOU LEARN AT THAT TIME THAT ELLS, THROUGH EES WAS MAKING... GETTING PERSONAL MONIES THROUGH EES RATHER THAN A SALARY?

MR. DURANT: YOUR HONOR, LEADING.

MR THOMAS: OBJECTION. LEADING. ASKED AND ANSWERED THREE TIMES.

JUDGE HOWE: SUSTAINED.

Q LET ME SHOW YOU THIS. I'M GOING TO SHOW YOU WHAT WE HAVE MARKED AS DEFENDANT'S EXHIBIT 119. IT IS A CHECK WITH THE TOP PORTION INTACT, CHECK 1640 DATED SEPTEMBER 1, 2004 FROM A&E TO EES CONSTRUCTION IN THE AMOUNT OF \$13,884.36. FOR THE COURT AND OPPOSING COUNSELS INFORMATION THIS IS ONE OF THE CHECKS THAT IS INCLUDED IN EXHIBIT 81, WHICH IS THE ELLIS SMITH ACCOUNTS RECEIVABLE DUE A&E IN 2004. SO, THE CHECK IS CONTAINED WITHIN 81, BUT TO MAKE IT EASIER, I HAVE PULLED ANOTHER COPY OF IT. MR. VEREEN, WOULD YOU LOOK AT THAT CHECK AND SEE IF YOU RECOGNIZE THAT AS A CHECK OF A&E MADE PAYABLE TO EES?

A YES.

MS. COOK: YOUR HONOR, I WANT TO

INTRODUCE THIS SEPARATELY INTO EVIDENCE

JUST FOR EASE OF REFERENCE.

MR. THOMAS: IF IT'S ALREADY IN, WE WILL MAKE THE SAME OBJECTION WE MADE WHEN IT WENT IN THE FIRST TIME.

MS. COOK: DO YOU REMEMBER IF YOU MADE AN OBJECTION THE FIRST TIME?

MR. THOMAS: I'M SURE WE DID.

MS. COOK: I'M SURE YOU MIGHT HAVE MADE AN OBJECTION TO THE BOOK, BUT IT WAS OVERRULED AND THE BOOK IS IN SO...

MR. THOMAS: ALRIGHT.

MS. COOK: I WILL MAKE WHATEVER ARGUMENT I MADE AT THE TIME.

JUDGE HOWE: AND I WILL MAKE THE SAME RULING I MADE.

MR. DURANT: YOUR HONOR, DON'T LEAVE ME OUT. I MAKE THE SAME ARGUMENT TOO,

MS. COOK: SO, AS I UNDERSTAND IT EXHIBIT 119 HAS BEEN ADMITTED INTO EVIDENCE.

JUDGE HOWE: YES. 119 ADMITTED.

CHECK FROM SEPTEMBER 1, 2004

FROM A&E TO EES MARKED FOR

IDENTIFICATION AND INTRODUCED

INTO EVIDENCE AS DEFENDANT'S

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EXHIBIT 119.

Q NOW, AT THE TOP OF THE CHECK, DOES IT REFLECT AN AMOUNT THAT HAS BEEN ATTRIBUTED TO PARTICULAR JOBS?

A YES.

Q DOES IT SAY ON THAT CHECK ANYTHING ABOUT SUPERVISORY FEES?

A NO.

Q I'M NOT SAYING THAT, THAT IS THE CHECK. I'M JUST GIVING THAT AS AN EXAMPLE. WHEN YOU... IS THAT THE TYPE OF CHECK THAT YOU LOOKED AT AND WOULD HAVE QUERIED MRS. DREWETT ABOUT AND LEARNED THAT ELLIS THROUGH EES WAS RECEIVING PERSONAL MONEY ON JOBS?

A YES.

Q WHAT FROM THAT WOULD HAVE CALLED YOUR ATTENTION TO EES BEING PAID MONEY FOR THINGS OTHER THAN MATERIALS OR THE LABOR OF... I DON'T KNOW WHETHER IT WAS THAT CHECK, BUT FROM THAT TYPE OF ANNOTATION, WHAT WOULD HAVE CALLED YOUR ATTENTION TO THE FACT THAT THERE WAS SOMETHING THAT CAUSED YOU TO ASK QUESTIONS ABOUT THE MATTER ATTRIBUTED ON WHATEVER CHECK IT WAS AT THE TIME WAS PRESENTED TO YOU?

A BASICALLY, IT'S BILLS ON JOBS AND I WAS CURIOUS

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ABOUT WHAT MADE UP THOSE AMOUNTS.

Q DID SHE TELL YOU THAT WHAT MADE UP THOSE AMOUNTS... DID SHE USE THE TERM "SUPERVISORY FEE", TO YOUR RECOLLECTION?

MR. THOMAS: OBJECT. FIRST OF ALL, THAT WOULD BE HEARSAY.

Q OKAY. DID YOU LEARN AT THAT TIME THAT ANY AMOUNT OF THAT MONEY WAS --

MR. THOMAS: SAME OBJECTION.

Q -- FOR SUPERVISORY FEES?

MR. THOMAS: OBJECTION. HIS RESPONSE IS BASED ON HEARSAY. SHE'S ASKING HIM TO SPECULATE ON WHAT CHECK HE MAY HAVE LOOKED AT. WE DON'T KNOW WHEN HE LOOKED AT THE CHECK. THE ONLY CHECK IN EVIDENCE HAS GOT SUPERVISORY FEES ON IT WAS IN 2005. WE OBJECT TO THE ANSWER HAS HEARSAY.

MS. COOK: THAT IS CORRECT.

JUDGE HOWE: SUSTAINED.

Q DO YOU RECALL WHAT YOU TESTIFIED YESTERDAY AS TO THE TIMING OF WHEN YOU LEARNED THAT ELLIS SMITH WAS RECEIVING PERSONAL FUNDS?

A YES, I DO.

Q ABOUT WHEN WAS THAT?

A SOMETIME IN LATE 2004 I BELIEVE IT WAS. I DIDN'T REALIZE IT WAS... SHE TOLD ME THAT IT WAS... I LEARNED THAT IT WAS FROM...

MR. THOMAS: OBJECT TO WHAT HE LEARNED FROM WHAT HE WAS TOLD.

MS. COOK: YOUR HONOR, HE ANSWERED THIS EXACT SAME WAY WHEN MR. DURANT WAS QUESTIONING HIM AND SO... MR. DURANT OPENED THE DOOR CONCERNING THIS VERY ISSUE.

MR. DURANT: YOUR HONOR, HE TESTIFIED ON CROSS-EXAMINATION THAT HE GOT A CHECK THE VERY FIRST TIME MR. SMITH HAD AN EES PAYMENT AND THE RECORDS WILL SHOW IT WAS WRITTEN THE SAME DAY. I THINK HE HAD A DIFFICULT TIME EXPLAINING THAT.

MS. COOK: YOUR HONOR, I'M TRYING TO PUT IN SOMETHING TO CLARIFY THAT BECAUSE YOUR HONOR ASKED A SPECIFIC QUESTION GOING TO THIS AREA YESTERDAY. NOW, I DO THINK HE CLARIFIED HIS ANSWER, BUT I JUST WANTED TO MAKE SURE THE RECORD OF THE COURT WAS CLEAR ON WHAT MR. VEREEN ACTUALLY SAW THAT CAUSED HIS INQUIRY TO THE BOOKKEEPER AND WHEN THEN OCCURRED

WITH REGARD TO HIS RECEIVING CHECKS IN LIKE AMOUNT WITH ELLIS SMITH AFTER THAT TRANSPIRED.

JUDGE HOWE: SO THIS LINE OF QUESTIONING IS TO A QUESTION I ASKED HIM?

MS. COOK: YES, MA'AM. WHEN MR. DURANT WAS QUESTIONING MR. VEREEN YESTERDAY, WHEN HE WAS CROSS-EXAMINING MR.

VEREEN... IN THIS LINE OF QUESTIONING MR. VEREEN SAID, "I LOOKED AT IT..." AND HE DID SAID, "IT" BECAUSE IT WAS CONFUSING. I LOOKED AT IT AND AFTER I SAW IT I TOOK SOMETHING TO THE EFFECT, I TOLD CARRIE, "WELL, TREAT ME THE SAME WAY." AND FROM THAT POINT CARRIE WOULD WRITE A CHECK TO ME WHEN SHE WROTE A CHECK TO ELLIS. YOUR HONOR, LATER ON AS WE MOVED THROUGH THAT LINE OF QUESTIONING, YOU ASKED MR. VEREEN, YOU SAID, "WAIT A MINUTE. I THOUGHT YOU SAID YOU LOOKED AT THE BACKUP." AND MR. VEREEN, SAID "NO. YOU MISUNDERSTOOD ME OR MAYBE I MISSPOKE. WHAT I SAW WAS THE CHECK." AND I ASKED AS A RESULT OF THE CHECK, THIS IS NOT THE FIRST ONE BUT

IT'S ONE SUCH CHECK. THIS IS JUST AN EXAMPLE TO SHOW WHAT WAS ON THE CHECK TO EES. I NEXT HAVE A COPY OF ANOTHER CHECK THAT IS ALREADY IN EVIDENCE AND IT IS A CHECK FROM A&E... NO. I THEN HAVE EXHIBIT 120 THAT IS ALREADY ALSO IN EVIDENCE THAT SHOWS THE SAME AMOUNT OF MONEY BEING... A CHECK BEING WRITTEN FOR THE SAME AMOUNT OF MONEY AS IS SHOWN ON DEFENDANT'S 119.

JUDGE HOWE: WELL, THE CHECKS ARE COMING IN --

MS. COOK: THEY ARE IN EVIDENCE. I WAS JUST TRYING TO MAKE SURE THE COURT WAS CLEAR ON THAT.

JUDGE HOWE: I THINK THE OBJECTIONS WERE TO MR. VEREEN TESTIFYING TO WHAT HE LEARNED FROM SOMEBODY'S TELLING HIM SOMETHING. IS THAT CORRECT?

MR. THOMAS: THAT'S CORRECT.

Q ALRIGHT. AT SOME POINT, DID YOU BECOME... DID YOU START RECEIVING CHECKS THAT YOU SIGNED THAT WERE PAYABLE BY A&E TO YOU?

MR. DURANT: YOUR HONOR, HOW CAN HE NOT ANSWER THAT IF HE WROTE THE CHECK? WE

ALL KNOW THAT HE WROTE THE CHECK TO EES AND HE WROTE THE CHECK TO HIMSELF. SO, THERE'S NO NEED TO ASK THE QUESTION. THIS IS RE-DIRECT AND THOSE QUESTIONS ARE ALREADY IN EVIDENCE. THEY'RE NOT NEW MATTERS THAT WE BROUGHT UP ON CROSS-EXAMINATION.

MS. COOK: YOUR HONOR, I WILL JUST PUT IN 119 AND 120 AND LEAVE IT AT THAT AND MOVE ON.

JUDGE HOWE: ALRIGHT.

Q MR. DURANT AND THEN MR. THOMAS TODAY ASKED YOU ABOUT TAX FILINGS, BOTH YOUR PERSONAL TAX FILINGS AND THE TAX FILING OF A&E IN 2004 AND 2005. HAVE YOU RECEIVED ANY NOTIFICATION FROM EITHER STATE OR FEDERAL TAXING AUTHORITIES THAT THEY HAD ANY ISSUES WITH ANYTHING THAT'S BEEN FILED TO DATE ON BEHALF OF A&E?

A NO.

Q AND MR. DURANT WAS ASKING YOU A QUESTION ABOUT THE LEASE AND YOU SAID THAT YOU HAD NO LEASE. DID YOU HAVE AN ORAL AGREEMENT WITH MR. SMITH ABOUT RENT FROM BUILDINGS?

A YES.

Q IN FACT, IT'S EXHIBIT... PLAINTIFF'S EXHIBIT 9,

WHICH WAS A SERIES OF A COUPLE OF DEMAND LETTERS FROM ELLIS TO YOU AND YOUR RESPONSES BACK. DOES HE STATE IN THERE DIFFERENT FIGURES FOR RENT --

MR. DURANT: YOUR HONOR, WE OBJECT TO ANY DEMAND LETTERS AS BEING EVIDENCE OF ANY AMOUNT DUE. WE WENT THROUGH THIS ON CROSS-EXAMINATION. IT'S ALREADY BEEN HASHED AND RE-HASHED. IT'S NOT PROPER EVIDENCE.

JUDGE HOWE: THE DEMAND LETTERS FROM MR.

--

MR. DURANT: YES, MA'AM. THEY WERE REQUIREMENTS. SO, THAT HE COULD SAY, I WILL GIVE YOU THE RENT IF YOU PAY THE REST OF THE MONEY. THAT WAY --

MS. COOK: THAT'S NOT WHAT THEY SAY, YOUR HONOR. PLAINTIFF'S EXHIBIT 9 SPEAKS FOR ITSELF AND IT SETS OUT THE AMOUNT THAT MR. SMITH SAYS AT THAT TIME THAT A&E OWED FOR RENT.

MR. DURANT: YOUR HONOR, WE WENT THROUGH THAT BEFORE ON CROSS-EXAMINATION AND DIRECT-EXAMINATION. IT'S NOT A NEW MATTER TO BE BROUGHT UP ON RE-DIRECT.

MS. COOK: THAT'S FINE. I WILL MOVE ON.

Q I'M GOING TO HAND YOU WHAT WAS MARKED YESTERDAY AS PLAINTIFF'S EXHIBIT 48. IT'S A JOB LEDGER FROM A&E. YOU TESTIFIED YESTERDAY THAT THE 3,200 SERIES OF JOBS WAS WHAT JOB IN THE PEACHTREE SYSTEM?

A PARKWAY OFFICES.

Q AND HE QUESTIONED YOU ABOUT AN ENTRY, IT'S KIND OF MIDWAY DOWN THE PAGE. NO. IT'S AT THE BOTTOM. AN ENTRY OF DECEMBER 6TH, 2007 TO HARRELSON CONSTRUCTION COMPANY FOR 2,855.10.

A YES.

Q WAS THAT PAVING AT PARKWAY OFFICES?

A NO.

Q WOULD YOU EXPLAIN TO THE COURT AGAIN WHAT THAT COST WAS FOR?

A THIS WAS AT THE COMPLETION OF WILLOUGHBY PLACE PROJECT ON 44TH AVENUE THAT WE HAD PAVED THE ROAD BACK DURING CONSTRUCTION AND THERE WAS SOME DAMAGE DONE TO THE PAVEMENT BY CONSTRUCTION TRAFFIC AND THAT WE AGREED, ALONG WITH THE HOA, WHICH IS CHICORA PROPERTIES, THAT WE WOULD PAY HALF AND THEY WOULD PAY HALF. THE HOMEOWNERS ASSOCIATION PAID HALF AND THIS WAS DONE AT WILLOUGHBY PLACE.

Q DID YOU HAVE ANYTHING WITH THAT... DID YOU

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PERSONALLY HAVE ANYTHING TO DO WITH THAT PARTICULAR BILL BEING POSTED ON THE PARKWAY OFFICES JOB LEDGER?

A NO.

Q WHAT JOB LEDGER SHOULD THAT HAVE BEEN ENTERED ON?

A SHOULD HAVE GONE TO WILLOUGHBY PLACE.

Q I'M GOING TO SHOW YOU WHAT HAS BEEN MARKED EARLIER AS DEFENDANT'S EXHIBIT 33 AND MR. DURANT YESTERDAY WAS ASKING YOU, WERE THERE ANY JOBS THAT ELLIS DID THAT YOU DIDN'T KNOW ABOUT AND YOU MENTIONED A FEW AND I WANT TO SHOW YOU DEFENDANT'S EXHIBIT 33, WHICH IS A CHECK FROM A&E TO GRAND STRAND DISPOSAL AND IT HAS SOME MORE CHECKS AND BACKUP. WOULD YOU LOOK AT THOSE AND TELL THE COURT IF ANY OF THOSE EXPENSES PAID BY A&E WERE FOR A&E JOBS OR WERE THEY FOR JOBS THAT YOU WERE NOT AWARE OF THAT WERE IN A&E'S BOOK OF BUSINESS?

A YES. THERE WERE SEVERAL.

Q WHAT JOBS WERE THOSE THAT A&E PAID FOR THAT WERE NOT IN A&E'S BOOK OF BUSINESS?

A THERE IS ONE AT 5313 HIGHWAY 17 BUSINESS THAT SAYS "SOLD TO EES CONSTRUCTION".

Q WAS THAT MARTIN BROWN'S GAS STATION UP BY --

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MR. DURANT: I OBJECT TO HER LEADING THE WITNESS. THIS IS HER OWN WITNESS. WE HAVE GONE THROUGH ALL OF THIS BEFORE ON DIRECT-EXAMINATION.

JUDGE HOWE: PLEASE TRY NOT TO LEAD YOUR WITNESS.

MR. COOK: YES, MA'AM.

Q DO YOU KNOW WHAT THAT CHARGE WAS FOR?

A YES. IT WAS A GAS STATION UP ON KINGS HIGHWAY OR 17.

Q CAN YOU IDENTIFY ANY OTHER PAYMENTS BY A&E?

A THERE'S A DISPOSAL DUMPSTER THAT WAS SOLD TO EES CONSTRUCTION AND WAS DELIVERED TO 1716 CLIFFWOOD DRIVE AND IT'S BEEN MARKED OUT AND PUT AS WILLOUGHBY PLACE.

Q DID A&E HAVE A JOB AT CLIFFWOOD DRIVE?

A NO.

Q MR. VEREEN, BEFORE THIS LITIGATION STARTED, DID YOU TRUST ELLIS SMITH?

A YES.

Q MR. DURANT AND MR. THOMAS WERE ASKING YOU ABOUT THE BOOKKEEPER AND MR. THOMAS WAS ASKING YOU ABOUT YOUR OPINION OF CARRIE'S COMPETENCY. CARRIE LIVES WHERE AT THIS TIME, MR. VEREEN?

A WELL, THE LAST CONTACT I HAD WITH HER, I

ACTUALLY BUMPED INTO HER AT COSTCO. SHE AND HER HUSBAND WAS GETTING GAS AND THEY WERE MOVING.

Q WHERE DID THEY MOVE TO?

A THERE SON HAS AN AUTOMOBILE DEALERSHIP IN VIRGINIA AND THEY MOVED ON THE LINE SOMEWHERE BETWEEN NORTH CAROLINA AND VIRGINIA RIGHT ON THE BORDERLINE. I'M NOT SURE WHAT TOWN. I KNOW IT'S RIGHT ON THE LINE. SHE WAS GOING TO LIVE IN NORTH CAROLINA.

Q BUT HER DEPOSITION HAS BEEN TAKEN, RIGHT?

A YES.

MS. COOK: YOUR HONOR, FOR THE COURT THAT IS MARKED AND IS IN EVIDENCE ALREADY AS PLAINTIFF'S EXHIBIT 7.

Q MR. THOMAS ASKED ABOUT AMOUNTS OWED TO EES AND ELLIS SMITH. WOULD YOU LOOK AT DEFENDANT'S EXHIBIT 116?

A YES.

Q ON THE LAST SHEET OF EXHIBIT 116, DO YOU SET OUT AMOUNTS BY YEAR? WHAT DOES THAT LAST PAGE REFLECT?

A IT REFLECTS WHAT I HAVE TESTIFIED TO EARLIER OF THE WAY THAT SUSAN BRADY AND ELLIS WERE TREATING MONIES THAT I HAD RECEIVED. TREATING HIM BACK THE SAME WAY WITH THESE SUPERVISORY FEES AS WELL

AS MONIES THAT HE RECEIVED, AS WELL AS MONIES HE RECEIVED WITHOUT ANY BACKUP.

Q WHILE YOU COULDN'T GIVE AN EXACT AMOUNT FROM MEMORY TO MR. THOMAS AT THAT TIME, HAVE YOU PUT IN THE DOCUMENTATION AND THE BACKUP TO SHOW THOSE AMOUNTS?

A I HAVE.

Q ALRIGHT. IS THAT CONTAINED IN BOTH DEFENDANT'S 116 AND 117?

A YES.

Q NOW, IN BOTH EXHIBITS 116 AND 117 YOUR SUMMARIES, I THINK YOU TESTIFIED TO MR. THOMAS THAT YOU DON'T INCLUDE IN THOSE SUMMARIES ANY PROFIT OR OVERHEAD OR MONIES FOR CAROLINA KEYS AND THAT YOU WENT OVER A SERIES OF JOBS THAT YOU TESTIFIED THAT YOU WEREN'T WORRIED ABOUT. HAVE YOU INCLUDED AMOUNTS FOR JOBS THAT UTILIZED A&E'S LICENSE THAT WERE UNKNOWN TO YOU BEING PERFORMED AFTER MR. SMITH STOPPED COMING TO THE A&E OFFICE IN '07 AND '08?

A NO.

Q YOU HAVE NOT INCLUDED... IN EXHIBIT 116 YOU HAVE NOT --

MR. THOMAS: YOUR HONOR, SHE ASKED A QUESTION, BUT DIDN'T --

MS. COOK: THAT'S FINE. THE DOCUMENTS
WILL SPEAK FOR THEMSELVES.

Q THAT'S ALL THE QUESTIONS I HAVE FOR MR. VEREEN.

JUDGE HOWE: ANYTHING ON RE-CROSS?

MR. DURANT: NOTHING.

MR. THOMAS: WE DON'T HAVE ANYTHING.

JUDGE HOWE: VERY WELL. MR. VEREEN, YOU
MAY STEP DOWN.

MR. COOK: YOUR HONOR, THE ONLY OTHER
THING THAT WE HAVE WOULD BE MRS.

DREWETT. SHE IS LIVING ON THE BORDER
NOW EVEN FURTHER THAN SHE HAD IN 2010
WHEN WE TOOK HER DEPOSITION. SHE LIVED
IN THE SOUTHPORT AREA AND WE TOOK HER
DEPOSITION IN NORTH CAROLINA. AS I
SAID, THAT EXHIBIT WAS HER FULL
DEPOSITION TRANSCRIPT AND I THINK THE
FULL BOOK OF EXHIBITS THAT WENT WITH IT
HAVE BEEN INTRODUCED AS PLAINTIFF'S... I
KNOW THE DEPOSITION TRANSCRIPT IS
PLAINTIFF'S 7.

MR. DURANT: THEY ARE.

MS. COOK: THERE ARE CERTAIN PORTIONS OF
HER DEPOSITION I THOUGHT I WOULD PUT IN
BY THE WAY OF PUBLISHING, BUT TO SAVE

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THE COURT'S RESOURCES AND TIME WHAT I WOULD LIKE TO DO IS EITHER BY WAY OF POST TRIAL SUPPLEMENT, BUT I WILL JUST BE DOING A LIST FROM THE DEFENDANTS OF WHAT WE WOULD PARTICULARLY LIKE FOR YOU TO READ. I KNOW YOU WILL READ THE WHOLE THING ANYWAY. AND WE WILL, OF COURSE, SEND THAT TO OPPOSING COUNSEL SO THAT IF THEY WANT TO SPECIFICALLY DRAW THE COURT'S ATTENTION TO ANY PARTICULAR PART OF THAT DEPOSITION, WE HAVE NO OBJECTION TO THAT AS WELL. BUT I THOUGHT THAT WOULD SAVE TIME IF WE COULD RESERVE THE RIGHT TO SEND YOU THAT SUPPLEMENTAL LIST THAT WE WOULD LIKE TO DRAW THE COURT'S PARTICULAR ATTENTION TO.

JUDGE HOWE: CERTAINLY.

MR. DURANT: NO PROBLEM WITH ME.

MS. COOK: WITH THAT WE HAVE NOTHING FURTHER, YOUR HONOR.

(RECESS TAKEN).

(DIDN'T COME BACK ON THE RECORD).

END OF TRIAL AUGUST 30, 2012.

SOUTH CAROLINA,

CERTIFICATE

HORRY COUNTY.

I, PEPPER M. MCCARTHY, A NOTARY PUBLIC AND VERBATIM REPORTER IN AND FOR THE STATE OF SOUTH CAROLINA DO HEREBY CERTIFY THAT PRIOR TO THE TAKING OF HEARING THAT THE WITNESS WAS SWORN AND THE FOREGOING (SIX-HUNDRED AND SEVENTY-SEVEN) (677) PAGES CONSTITUTE A TRUE AND ACCURATE TRANSCRIPT OF THE EVIDENCE AS GIVEN BY SAID WITNESS AND AS TAKEN DOWN AND TRANSCRIBED BY ME. I FURTHER CERTIFY THAT THE PERSONS WERE PRESENT AS STATED IN THE CAPTION. A PORTION OF THE LAST DAY OF THE HEARING WAS CORRUPTED IN THE COURT REPORTERS FILES SINCE AUGUST, 2012.

I FURTHER CERTIFY THAT I AM NOT OF COUNSEL FOR NOR IN THE EMPLOY OF ANY OF THE PARTIES TO THIS ACTION NOR AM I INTERESTED EITHER DIRECTLY OR INDIRECTLY IN THE RESULTS THEREOF.

I FURTHER CERTIFY THAT I AM NOT RELATED BY BLOOD OR MARRIAGE TO ANY OF THE PARTIES TO THIS ACTION.

THIS THE 14, DAY OF JULY 2016.

Pepper M. McCarthy
 PEPPER M. MCCARTHY,
 VERBATIM REPORTER AND
 NOTARY PUBLIC

MY COMISSION EXPIRES:
 FEBRUARY 2, 2022

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003116

STATE OF SOUTH CAROLINA)
) COURT OF COMMON PLEAS
COUNTY OF Horry) CASE NO: 2009-CP-26-620

ELLIS E. SMITH, INDIVIDUALLY, AND ON BEHALF OF)
A & E CONSTRUCTORS AND CONSULTANTS, INC.,)
A SOUTH CAROLINA CORPORATION,)

Plaintiff,)

COPY)

-versus-)

ARTHUR WAYNE VEREEN, PARK PLACE)
PROPERTIES OF MYRTLE BEACH, LLC, PARKWAY)
OFFICES, LLC, ARTHUR VEREEN CONSTRUCTION,)
INC., AND LINDA C. VEREEN,)

Defendants.)

AND)

ARTHUR WAYNE VEREEN, INDIVIDUALLY AND ON)
BEHALF OF A & E CONSTRUCTORS AND CONSULTANTS,)
INC., AND 29TH PLACE DEVELOPERS, INC.,)

Third-Party Plaintiffs,)

-versus-)

E. SMITH AND SONS CONSTRUCTION, LLC, EES)
CONSTRUCTION AND CONSULTING, INC., AND ELLIS E.)
SMITH, INDIVIDUALLY,)

Third-Party Defendants.)

(REVISED TO SHOW CORRECT DATE)

**THE HEARING BEFORE THE HONORABLE
CYNTHIA GRAHAM-HOWE**

November 17th, 2014
4:17 p.m. – 4:54 p.m.

The hearing in the above-noted matter, taken on the 17th day of November, 2014, at the
HORRY COUNTY GOVERNMENT AND JUSTICE CENTER, Master-in-Equity, located at 1301 Second
Avenue, Conway, South Carolina 29526.

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003117

APPEARANCES:

FOR THE PLAINTIFFS:

Frank H. DuRant, Esquire
DURANT & MARTIN, P.A.
Post Office Box 960
Myrtle Beach, South Carolina 29578

FOR THE DEFENDANTS:

Kathryn M. Cook, Esquire
Post Office Box 4086
North Myrtle Beach, South Carolina 29597

FOR THE THIRD-PARTY DEFENDANTS:

J. Jackson Thomas, Esquire
THOMAS & BRITAIN, P.A.
1314 Professional Drive
Myrtle Beach, South Carolina 29577

ALSO PRESENT:

Stewart Miller, Law Clerk
Arthur Vereen
Beth Sisson
Ellis Smith

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PROCEEDINGS

1
2 THE COURT: This is the case of
3 Ellis E. Smith, individually, and on
4 behalf of A & E Constructors and
5 Consultants, Inc., a South Carolina
6 Corporation v. Arthur Wayne Vereen, Park
7 Place Properties of Myrtle Beach, LLC,
8 Parkway Offices, LLC, Arthur Vereen
9 Construction, Inc. and Linda C. Vereen.
10 It's Civil Action Number: 2009-CP-26-
11 620. There is an order of reference and
12 it is signed by the Honorable Larry B.
13 Hyman, Jr. It's dated June the 23rd,
14 2009; therefore, this Court does have
15 jurisdiction of this matter. And,
16 today, there is a hearing on the
17 defendant's motion to reopen the hearing
18 for taking testimony and evidence
19 effecting the subject matter and the
20 relief sought in the case. All right.
21 Ms. Cook, I will hear from you.
22 ATTORNEY COOK: Yes, ma'am. Your
23 Honor, you may remember that this is the
24 case that over ---
25 THE COURT: I remember.

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1 ATTORNEY COOK: --- several sessions of
2 the Court we tried this accounting case
3 between -- it's an accounting case for a
4 construction company with Mr. Ellis
5 Smith and Mr. Wayne Vereen being the two
6 shareholders of that corporation, or
7 members of that corporation. Your
8 Honor, no judgment has been rendered in
9 this case. And one of the things that
10 is an issue in the case that we had, on
11 behalf of the defendants, vehemently
12 asked the Courts was that this matter is
13 not right for dissolution, which is one
14 of the avenues of relief, or one of the
15 remedies sought by the plaintiff in this
16 case, because it was a construction
17 company. And as we had feared since the
18 conclusion of testimony, which the last
19 testimony taken in this case was in
20 August of 2012; since the conclusion of
21 that case, at least two different
22 lawsuits have been filed by third
23 parties against A & E, the corporation
24 that is the subject of the accounting,
25 and that the plaintiff is seeking to be

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1 dissolved. Your Honor, that is the
2 underlying grounds of this motion to
3 reopen the case for testimony with
4 regard to those two pieces of
5 litigation. We have now, the Court, who
6 has been asked to do an accounting of
7 profits, losses of this corporation,
8 determine assets of the corporation, and
9 as we, during the trial of this matter
10 said that there were potentially
11 contingent liabilities out there, which
12 at least two of them have now come to
13 fruition. We have construction
14 projects that this company did while it
15 was actively in business. We have
16 construction projects that were done by
17 Ellis Smith at another corporation,
18 allegedly, and we say fraudulently,
19 using our license after he left our
20 corporation. And those two facts are
21 what bring about the two lawsuits that
22 are presently pending in this Court.
23 There are other projects, the statute of
24 limitations and the statute of repose
25 has not run yet, so we have two existing

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1 third party claims, and know of one
2 other claim that may come to fruition.
3 And it is A & E's insurance that has
4 been in some way, shape, or form
5 defending one of these actions, but
6 based on the fact that we've got matters
7 that have occurred since the closing of
8 testimony back in 2012, these claims and
9 liabilities, due to third parties now,
10 as alleged against A & E will affect the
11 Court's determination of assets,
12 profits, losses, liabilities that are
13 going to be necessary in order for the
14 Court to do an accounting; they're
15 matters of public record. We have asked
16 in our pleadings with this motion that
17 you take judicial notice of these
18 actions. And it clearly brings into
19 issue what we have defended against all
20 along; that the relief sought of
21 dissolution of this corporation not take
22 place, and in fact, it would be a
23 violation of one of the very reasons a
24 corporation incorporates is to dissolve
25 the corporate entity with the potential

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1 of then personal liability going both to
2 Mr. Smith and Mr. Vereen. For
3 particulars, Your Honor, let me mention
4 the two cases that are presently pending
5 to you, okay? And what I did with
6 regard to the motion, I attached to my
7 motion to reopen this case, a copy of
8 the complaint in the action Tahitian
9 Princess Homeowners Association v. A & E
10 Constructors and Consultants, Tahitian
11 Princess, LLC, et al. I attached the
12 complaint. I also attached the
13 complaint and what is a premises
14 liability case: Nora Rose Beckner v.
15 Condolux, Inc., and A & E Constructors
16 and Consultants and E. Smith and Sons.
17 I attached both of those complaints as
18 Exhibits to this motion, but I have
19 further asked that Your Honor take
20 judicial notice of all the pleadings
21 that are in those two files. For the
22 record, Your Honor, the first action,
23 which is a construction suit, Tahitian
24 Princess HOA v. Tahitian Princess, LLC,
25 which was the developer, A & E

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1 Constructors and Consultants, which was
2 the general contractor, that case
3 originally was filed as Civil Action
4 number: 2013-26-979. That action was
5 40J'd. Bobby Wiley represents the
6 plaintiff in that action. In that
7 action, Frank DuRant represents A & E.
8 Tahitian Princess is represented by
9 another party, and I can't remember who
10 else now. Oh, it was E. Smith and Sons
11 in that action is represented by Collins
12 and Lacy; that's in the construction
13 deficiency suit, Your Honor. In that
14 construction deficiency suit, a 40J was
15 taken on September 12th of this year; an
16 order restoring that case was filed on
17 October 6th of this year. It now bears
18 Civil Action Number: 2014-26-6572.

19 THE COURT: And Collins and Lacy
20 must be pursuant to some insurance
21 policy?

22 ATTORNEY COOK: Your Honor, I can't
23 answer that question. In both of these
24 cases, my understanding is -- and I
25 don't -- I'm not involved in the cases;

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1 although it may very well be that I've
2 got to make a motion to intervene to
3 protect my client's interest, and his
4 interest as fifty percent owner of A &
5 E. But the insurance in both of these
6 cases, it's my understanding, is messed
7 up, to put it politely. There's another
8 word I could use, but ---

9 THE COURT: Let's not use that
10 other word.

11 ATTORNEY COOK: No; I'm not going to,
12 Your Honor. But your Honor, there are
13 issues where insurance is involved. In
14 fact, in both of these cases, one of
15 these cases, already the carrier has
16 said -- well, let me finish with this
17 one and then I'll -- so it's now been
18 re-filed as a 2014 case.

19 THE COURT: Yes, ma'am, 6572.

20 ATTORNEY COOK: 6572; yes, ma'am. And
21 in that case, the homeowners
22 association, represented by Mr. Wiley,
23 has brought basically a typical
24 construction deficiency action against
25 the developer, Tahitian Princess, which

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1 is owned by Martin Brown, and against A
2 & E as the general contractor. A & E
3 has now been subjected to a cross-claim
4 from Tahitian Princess and there are
5 issues about insurance coverage. Right
6 now, it's my understanding that A & E is
7 being defended under a reservation of
8 rights, but we have been told that they
9 will not, and they have sent us the
10 letter spelling out why there is not
11 coverage in this action for this
12 construction deficiency case. With
13 regard to the second action, Your Honor,
14 Nora Rose Beckner v. Condolux, Inc. and
15 A & E Constructors and Consultants, this
16 is a premises liability case. Ms.
17 Beckner is represented by Stacy Stanley;
18 that was the Civil Action Number: 2013-
19 CP-26-7578. In that case, Ms. Beckner
20 allegedly fell at the Condolux office
21 building that was the subject of part of
22 the testimony in this suit, wherein it
23 was acknowledged by Mr. Smith, under
24 oath, that A & E did not build that
25 project; that he had utilized A & E's

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1 business license, construction license,
2 but he confirmed under oath, and Mr.
3 DuRant, on the record, likewise
4 confirmed that the builder in the
5 Condolux case for the Condolux building
6 was E. Smith and Sons. Nonetheless,
7 Your Honor, the allegations underlying
8 that case, Your Honor, are that Ms.
9 Beckner fell on a brick landing outside
10 of the office building; that the tread
11 and steps were not the correct height,
12 and ---

13 ATTORNEY DURANT: That's not correct.

14 ATTORNEY COOK: Well, that's what the
15 allegations say, as well as the fact
16 that there was no handrail associated
17 with the steps; the way the building was
18 constructed. That carrier has said that
19 they will not insure. And, in fact,
20 more troubling in this particular case
21 is that as you may recall, Martin Brown,
22 the owner of Condolux, Inc.,
23 acknowledged, and the plaintiff's
24 candidly acknowledged that, that was an
25 E. Smith and Sons' job; that my client

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1 didn't know it was being built at the
2 time under the license of A & E
3 Constructors. A & E Constructors has,
4 nonetheless been sued, and Mr. DuRant is
5 defending A & E. And in that defense,
6 strangely enough, admits that A & E was
7 the general contractor. Additionally,
8 Your honor, once Mr. DuRant, on behalf
9 of his client and my client admitted
10 that A & E was the contractor, it was
11 brought to the attention of the
12 plaintiff's attorney that E. Smith and
13 Sons, Mr. Ellis Smith's new company he
14 formed with his son sometime after
15 leaving A & E, but did not bother to get
16 a license for it for quite some time was
17 brought into the case. Condolux has now
18 filed an indemnity claim back against A
19 & E and E. Smith and Sons. But
20 interestingly enough, and I know why Mr.
21 DuRant has not filed a claim by A & E
22 against E. Smith and Sons. He would be
23 prohibited from doing that because of
24 the conflict of interest rules.

25 THE COURT: Did you say Condolux

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1 filed an indemnity claim?
2 ATTORNEY COOK: Yes, ma'am.
3 THE COURT: I would think that A &
4 E would file the indemnity claim instead
5 of Condolux, but Condolux ---
6 ATTORNEY COOK: No, ma'am. Condolux is
7 saying if they're held responsible for
8 Ms. Beckner, for her slip and fall, it's
9 as a result of the act of negligence of
10 A & E in building the steps as they
11 built it; with all parties and under
12 oath we have everyone acknowledging A &
13 E didn't build this building, but yet
14 Mr. DuRant, on behalf of A & E, admits
15 in the pleadings that they did. But A &
16 E in the pleadings has not sought
17 indemnity, contribution, or a cross-
18 claim against E. Smith and Sons.
19 THE COURT: Well Condolux doesn't
20 know who it hired?
21 ATTORNEY COOK: Yes, they do.
22 THE COURT: But it still filed an
23 indemnity claim?
24 ATTORNEY COOK: Yes, ma'am. They did.
25 And Mr. DuRant, on behalf of A & E, has

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1 not filed a cross-claim, contribution
2 claim, indemnity claim back against E.
3 Smith and Sons. He can't because he
4 would be conflicted out under the
5 professional rules of ethics. And so if
6 A & E were to be held responsible, they
7 have no indemnity. They have no claim
8 at this time. Additionally, A & E
9 should be cross-claiming, as far as I'm
10 concerned, against Condolux, and if they
11 don't, they're going to waive that.
12 Your Honor, our position is that given
13 the fact that there is no order or
14 finding in this case that the potential
15 liability and assets, and any income
16 that may be there or should be
17 contributed back by either of these two
18 parties to the corporation needs to be
19 preserved in the event that there is a
20 verdict against the corporation. And,
21 clearly, we, again, this is the very
22 reason we objected to the relief sought
23 of dissolution of this corporation and
24 request that the case be reopened so
25 that testimony on these matters can go

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1 forward. The more I've looked at this,
2 Your Honor, I believe I'm probably going
3 to have to, or get somebody else to file
4 a motion to intervene in both of these
5 lawsuits because it's clear to me that A
6 & E, and my client's interest in A & E
7 is not being properly protected and
8 defended and affirmed to the claims
9 raised in either piece of this
10 litigation. These are the matters of
11 litigation. So, Your Honor, at the very
12 least, we would ask first that it be
13 reopened so that the testimony on this
14 can come in, and figure into your
15 accounting, which it must. Or at the
16 least, that your ruling, which has not
17 come forward yet, that your ruling be
18 stayed until these matters are resolved
19 so that Your Honor will have all the
20 facts before her in order to do a proper
21 accounting, or to order a third party to
22 do a proper accounting of this case.

23 THE COURT: Well, just as a devil's
24 advocate, what do you propose? I mean
25 it sounds as if I'd have to leave it

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1 open until the statute of repose for all
2 of the properties has ---
3 ATTORNEY DURANT: Thirteen years.
4 ATTORNEY COOK: Yes, ma'am.
5 THE COURT: Thirteen years for each
6 one of the properties?
7 ATTORNEY COOK: Yes, ma'am. And we put
8 into evidence when that day would
9 expire. And it is not thirteen years
10 from today. It is not ---
11 THE COURT: You put it into what?
12 ATTORNEY COOK: Evidence.
13 THE COURT: You put it into
14 evidence for each one of the properties?
15 ATTORNEY COOK: We've put into evidence
16 ---
17 THE COURT: And when was the last
18 property built; just refresh my memory?
19 ATTORNEY COOK: And we put that into
20 evidence. The last one was built in
21 2007.
22 THE COURT: To 2020?
23 ATTORNEY COOK: Uh-huh (affirmative
24 response).
25 ATTORNEY DURANT: Twenty-one, probably,

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1 Your Honor.

2 THE COURT: I don't think Court
3 administration would allow me to leave
4 it open 'til 2020.

5 ATTORNEY COOK: Well, Your Honor, and
6 they may not, but at least we've got two
7 cases. One of them was on the trial
8 roster, actually, before they took the
9 40J. But we've got two liabilities that
10 are sitting there right now, Your Honor,
11 so until these two cases are resolved,
12 either by way of trial, by way of
13 settlement, Your Honor cannot possibly
14 do a proper accounting with regard to
15 this corporation.

16 THE COURT: Okay. Let me hear from
17 Mr. DuRant.

18 ATTORNEY DURANT: Your Honor, if it
19 please the Court, first of all, to give
20 you a skinny or an update on the two
21 pending actions. The one involving
22 Tahitian Princess ---

23 THE COURT: Yes, sir.

24 ATTORNEY DURANT: --- I was not involved
25 in. E. Smith and Sons is not a

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1 defendant in the case. The case is
2 being insured, defended by the insurance
3 carrier for A & E, and I understand that
4 there may be a reservation of rights,
5 but there was coverage purchased for
6 that. That was done during the time
7 that Mr. Smith and Mr. Vereen were both
8 working for A & E. There's no issue as
9 to anybody wrongfully using the license.
10 As to the Beckner case ---

11 THE COURT: But could you tell me
12 just for the record who is defending A &
13 E in that case? You said the insurance
14 carrier?

15 ATTORNEY DURANT: The carrier has an,
16 there's an attorney in Charleston and
17 they've been dealing directly, I believe
18 with Mr. Vereen's daughter, who assisted
19 in the presentation of the case. And I
20 have actually talked ---

21 ATTORNEY COOK: No, that is correct.
22 There is insurance. But it's in that
23 case, that's defending the case, and
24 that is Mr. Dean Best on behalf of the
25 carrier.

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1 ATTORNEY DURANT: So that case is up and
2 whether there is coverage or not, it's
3 got to be relevant to me. It's a
4 construction case and there may or may
5 not be. And I don't think it's the
6 province of this Court to wait in
7 determining the liability because this
8 particular case involves wrong-doing by
9 a shareholder in this company. And if
10 this Court were to rule in favor of the
11 plaintiff in this case, then it would
12 provide a way, or money to pay the
13 claim, f they were successful and we
14 don't have insurance. As to the Beckner
15 claim, I was involved in defending it;
16 primarily, Your Honor, because nobody
17 else would. And in terms with A & E,
18 there was problems with insurance
19 coverage as to being at the time of the
20 accident or any later. So I came in
21 because nobody else would. Mr. Smith,
22 as the president, said Frank, we don't
23 want to let it go into default; defend
24 it. This is a elderly lady walking
25 outside the building on a area where

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1 there's platforms. There's a nineteen-
2 inch drop in height and she's leaving
3 the building walking. She stumbles on
4 the flat area, not the steps, and falls,
5 and she doesn't even know why. We just
6 took her deposition. I'm dumbfounded
7 because she says I don't know why I
8 fell. And I was looking back at my son-
9 in-law and I don't know why I fell. And
10 she didn't fall on the steps. When she
11 fell down, she got severely injured.
12 There's no person that saw her fall and
13 she doesn't know why she fell, so that's
14 a different case. It was not the issue.
15 There is an issue. It's should there
16 have been a handrail there or not? If
17 there wasn't, did that cause her to
18 fall? And I think that her testimony is
19 that there's not a good chance that she
20 will succeed in the case. There's
21 liability insurance there for the owner
22 of the property. There was a claim made
23 by that carrier against A & E, who I'm
24 defending. I've been told by counsel
25 that they were, they're going to write

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1 me a letter and confirm that they were
2 withdrawing their claim against A & E,
3 mainly because there's no contractual
4 indemnity with them now. The issue came
5 up as to the propriety. We entered this
6 case with A & E being in it and E. Smith
7 being in it. E. Smith and Sons has
8 insurance coverage, although they are
9 suing us in this separate action, the
10 D.J., to claim that they don't have
11 coverage but we do have a lawyer
12 defending that case, or attempting to
13 defend the case. And I think I may get
14 my facts messed up here, but my
15 understanding is when we talked to
16 plaintiff's counsel, we cured the
17 problem of me asserting a claim against
18 E. Smith because of the conflict of
19 interest, because the plaintiff made a
20 direct claim against E. Smith and Sons
21 for improper construction causing the
22 injury to the plaintiff.

23 THE COURT: But E. Smith was not
24 named initially?

25 ATTORNEY DURANT: They were not, but we

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1 got in touch with the plaintiff's lawyer
2 and said, look; we have a carrier, an
3 insurance carrier. Insurance was filed
4 for liability for E. Smith and Sons and
5 he amended the pleadings to bring E.
6 Smith in. I didn't have to file a
7 cross-claim because it's a direct claim
8 brought against E. Smith and Sons. And
9 so I don't know where that's going to
10 go. I suspect that that case will be
11 settled, but that's not here or there.
12 She fell and she didn't -- it wasn't,
13 there's nothing, defective construction
14 in the case. So was there a requirement
15 of a handrail or not and the City of
16 North Myrtle Beach said there was none.

17 THE COURT: Well I'm not here to
18 determine whether there was a conflict
19 between you, with you representing A & E
20 and E. Smith and Sons in the other
21 lawsuit. It's my understanding I'm only
22 here to determine whether ---

23 ATTORNEY DURANT: We should leave the
24 record open?

25 THE COURT: --- this lawsuit that's

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1 before me should be left open to bring
2 in new evidence or I should not dissolve
3 ---

4 ATTORNEY DURANT: Correct.

5 THE COURT: --- the entity before
6 me, whether we should leave it open
7 until at least the statute of repose has
8 passed ---

9 ATTORNEY DURANT: Your Honor ---

10 THE COURT: --- which is 2020?

11 ATTORNEY COOK: Your honor, at least
12 where these two pending lawsuits are
13 concerned because they have ---

14 THE COURT: Well my concern is not
15 just -- I mean what's fair is fair. I
16 mean why just these two lawsuits?

17 ATTORNEY COOK: Well, Your Honor, in
18 the event that another lawsuit is filed
19 before -- I mean people can't -- three
20 years from when you knew or should have
21 known, Your Honor. And so if another
22 lawsuit is filed between now and when
23 these two actions are settled or
24 resolved, however they're going to
25 allegedly be resolved, which we've been

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1 hearing that for quite some time, Your
2 Honor, and it has not come to fruition
3 yet, then I would be back before you
4 asking this same thing; however, that's
5 not what's before us now. So we have
6 two claims against the entity that
7 you're being asked to dissolve and to
8 determine the accounting for profits,
9 losses, monies. And, Your Honor, while
10 Mr. DuRant may have convinced Mr.
11 Stanley to bring in, in the premises
12 liability case, a direct action against
13 A & E ---

14 THE COURT: But that's against E.
15 Smith and Sons.

16 ATTORNEY COOK: I mean E Smith and
17 Sons, leave that where it is. We now
18 have a cross-claim by Condolux against
19 E. Smith. I mean A & E, but not against
20 the entity that built the building for
21 him, which he's acknowledged E. Smith
22 and Sons. And we have no one protecting
23 A & E. And the indemnity claim being
24 sought by Condolux was not based on
25 contractual indemnity. What is pled is

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1 equitable indemnity, Your Honor, and we
2 have no one trying to cross-claim on
3 behalf of A & E back against Condolux
4 saying you didn't even use us to build
5 your building and you knew that. And we
6 have no one on behalf of A & E bringing
7 a contribution or an indemnity claim at
8 this juncture against E. Smith and Sons
9 who is the acknowledged builder of the
10 building. Now, whether or not this
11 plaintiff can ultimately prevail, I
12 don't know.

13 THE COURT: That's the other issue.
14 It's not really 2020. I mean as long as
15 they bring the lawsuit in 2020. It
16 could go on another five years after
17 that. We know lawsuits go on forever.

18 ATTORNEY COOK: Yes, ma'am. They do.

19 THE COURT: And so we don't have a
20 judgment out. All we have are two
21 lawsuits pending. We don't have a
22 judgment. We've just got two lawsuits
23 pending, right?

24 ATTORNEY COOK: That's correct. We
25 have two contingent liabilities that the

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1 corporation is well aware of, and under
2 the statute you cannot dissolve the
3 corporation in that vein.

4 ATTORNEY DURANT: Your Honor, I think
5 before getting to the merits of events,
6 Your Honor, its ripeness of the thing,
7 Your Honor, we asked for dissolution
8 because the company is not doing
9 business. It's winding up of affairs
10 that could last for years and years, but
11 we don't stop with a lawsuit; where the
12 plaintiff alleges here that someone
13 wrongfully converted the assets of the
14 company because a claim by a third
15 creditor. So if anything, a decision on
16 the merits of this case will provide
17 monies to pay a claim by a third party
18 and adjustments can be made after the
19 fact, but we're not ripe. But
20 otherwise, we don't know if tax returns
21 have been filed. A lot of things have
22 to be done to wind up the affairs of a
23 company that will occur after this
24 decision is finalized, whether by this
25 Court issuing an order. It is

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1 anticipated there will be an appeal of
2 this order.

3 THE COURT: Probably.

4 ATTORNEY DURANT: So delaying this any
5 further, justice delayed is not justice
6 not served; what's the word? If we've
7 got to make a decision on the merits,
8 all of the parties to this action have
9 spent probably five years on this case
10 and we do a decision. I can't imagine
11 or fathom how it will be equitable for
12 the parties to delay this decision for
13 another five years or eight years or ten
14 years, and the record is there. And
15 opening this record at this stage, there
16 is nothing to take, or no evidence to
17 receive that's going to change your
18 decision at all. It couldn't be done
19 later on after a decision is final. And
20 that's the position of the defendants,
21 and I think that would be Mr. Thomas,
22 also, is we could just leave this record
23 open forever and the tax man comes and
24 says you didn't make proper filings or
25 there's a lot of things that could

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1 affect it that don't necessarily involve
2 the Court every time. The affairs of
3 this company will have to be winding
4 down and it will eventually be closed
5 with or without money. That's all.

6 THE COURT: Mr. Thomas, do you have
7 anything to add?

8 ATTORNEY THOMAS: Just briefly, Your
9 Honor.

10 THE COURT: Yes, sir.

11 ATTORNEY THOMAS: As I recall, the
12 statement was made that it has been the
13 defendant's position all along that
14 dissolution was inappropriate. As we
15 recall, the defendant's position,
16 initially, was the same as that of the
17 plaintiff; that the corporation should
18 be dissolved. We believe the original
19 pleadings will reflect that was their
20 position. But somewhere along the way,
21 apparently they determined for some
22 reason, probably strategically, that
23 maybe they're better off if they oppose
24 dissolution so that nothing happens in
25 this case until 2020 or whenever those

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1 cases get done with. This is exactly
2 the same argument that they made when we
3 finished the testimony in this case two
4 years ago; that is, gosh, we don't know
5 what creditors might be out there. We
6 listened for at least half a day to all
7 the potential claims out there that
8 could be, could be asserted successfully
9 against this corporation later on down
10 the road, somewhere possibly. We submit
11 that there is absolutely no reason for
12 them to try now, two years later, to
13 reopen and take more testimony about the
14 same old thing and delay the decision
15 any longer. Thank you, Your Honor.

16 THE COURT: Ms. Cook, practically
17 speaking, help me here. I'm having
18 trouble envisioning how you think this
19 case would ever end?

20 ATTORNEY COOK: Well, Your Honor, it
21 clearly would end in the event that
22 these two pending actions, when they are
23 resolved, whether by way of settlement
24 or by way of verdict, if there are
25 monies that are then owed to the HOA in

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1 the Tahitian Princess case or if there
2 is monies that are owned to Ms. Beckner
3 in the premises liability case, if there
4 is a judgment or a settlement, then it's
5 requiring the infusion of money from A &
6 E. Then that infusion of money, Your
7 Honor, has got to be paid as a
8 legitimate debt of the corporation.

9 THE COURT: So if I rule in your
10 favor and allow you to allow this case
11 to be reopened, this case would not end
12 until these two other cases end?

13 ATTORNEY COOK: Or are resolved; yes,
14 ma'am.

15 THE COURT: Or resolved?

16 ATTORNEY COOK: By way of settlement or
17 by way of verdict; yes, ma'am. Once I
18 look at this, I'm not saying Your
19 Honor's got to take testimony, but
20 because these are two liabilities that
21 have to come into play, they are ripe
22 liabilities. They are no longer, as I'm
23 learning in my teaching arena, inchoate
24 liabilities. They are now choate
25 liabilities. They are ---

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1 THE COURT: I remember those words.
2 ATTORNEY COOK: Well ---
3 THE COURT: As we probably all
4 remember those words.
5 ATOTNEY COOK: Well I'm having to
6 revisit ---
7 THE COURT: They are still
8 contingent liabilities.
9 ATTORNEY COOK: Yes, ma'am. They are
10 still contingent liabilities. And when
11 an accountant does an accounting for a
12 corporation, they have to take into
13 consideration those contingent
14 liabilities.
15 THE COURT: Do you by any chance
16 have any case law?
17 ATTORNEY COOK: No, ma'am. I do not.
18 All I can tell you is that with regard
19 to this, both Rule 59 and Rule 60 of the
20 South Carolina Rules of Civil Procedure
21 do allow Your Honor, after judgment, to
22 take into consideration new evidence or
23 matters that have occurred since
24 judgment was rendered. So that's even a
25 step beyond that, so we would be

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1 probably right back here when that
2 occurs if it's within the timeframe
3 allowable. But, Your Honor, when you
4 look at Rule 13 of the South Carolina
5 Rules of Civil Procedure, that is the
6 rule that deals with counterclaims and
7 cross-claims. And Rule 13E provides
8 that a party can bring a counterclaim
9 that matures or is acquired after
10 pleading. And based on these
11 liabilities or contingent liabilities,
12 especially the liability with regard to
13 the premises liability case where we
14 have the sworn testimony of the
15 president of A & E that A & E did not
16 build this building; then we clearly
17 would have a counterclaim. Actually, it
18 would be a cross-claim, Your Honor,
19 against E. Smith and Sons for indemnity.
20 A & E would; for indemnity and having to
21 defend this slip and fall case, because
22 that would be an asset of A & E. And so
23 our Court rules envision both before
24 verdict or judgment, and even after
25 verdict and judgment that the Court does

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1 and should, and especially sitting in an
2 equity Court, take into consideration
3 things that occur during litigation and
4 after litigation.

5 THE COURT: Okay. I'm going to
6 take that one into consideration. Mr.
7 DuRant, Mr. Thomas, have either one of
8 you found any case law that talks about
9 accounting cases that are left open?

10 ATTORNEY DURANT: Your Honor, I think
11 that the statutory law of the state
12 provides for the winding down of the
13 affairs of the corporation.

14 THE COURT: Okay.

15 ATTORNEY DURANT: Which would always
16 occur whether or not you ruled or didn't
17 rule, but the problem we have in this
18 case: there is no money in the company
19 because the plaintiff alleges the
20 defendant took the money. So your
21 ruling would only mean if we are
22 successful, is there's a possibility
23 that some monies may come back in. And
24 if Mr. Smith's company has some
25 liability, then that will be something

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1 that will have to be dealt with after
2 that fact occurs, but not before.
3 THE COURT: All right. Thank you.
4 Are there any other issues?
5 ATTORNEY COOK: No, ma'am, Your Honor.
6 ATTORNEY DURANT: Nothing.
7 THE COURT: All right. I just
8 recall there being some case law being
9 attached to the motion that did not
10 appear to have anything to do with this
11 particular issue, but maybe I was wrong.
12 ATTORNEY COOK: Your Honor, it could
13 have been that I let a wrong document --
14 -
15 THE COURT: The Babb v. Rothrock
16 case was attached.
17 ATTORNEY DURANT: That was me.
18 ATTORNEY COOK: Mr. DuRant might be
19 able to speak to that inasmuch as he has
20 handled a lot of those cases.
21 THE COURT: Was that attached to
22 yours?
23 ATTORNEY DURANT: I don't think so, Your
24 Honor.
25 THE COURT: Well it wound up in

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1 here somehow.

2 ATTORNEY COOK: I think I may have ---

3 THE COURT: And the Dixie Bell v.

4 Red case.

5 ATTORNEY COOK: Well those are two

6 cases. I don't know that I meant to

7 attach those, Your Honor. Those are

8 both accounting cases and the Dixie Bell

9 case does speak a lot to accounting

10 cases. It doesn't address this

11 particular one.

12 ATTORNEY DURANT: I believe Babb v.

13 Rothrock, the Judge was involved in that

14 case, also.

15 THE COURT: Well those two cases

16 appear to deal with prejudgment

17 interest?

18 ATTORNEY DURANT: Correct.

19 ATTORNEY COOK: And I may just have

20 inadvertently ---

21 THE COURT: Stuck them in here?

22 ATTORNEY COOK: --- stuck them in here.

23 I know that those are two cases I was

24 looking at in connection with this case,

25 but I don't ---

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1 THE COURT: They're attached to
2 your complaints in the Nora Rose Beckner
3 case.
4 ATTORNEY COOK: I think perhaps that
5 might have just gotten in there wrong --
6 -
7 THE COURT: Stuck in there?
8 ATTORNEY COOK: --- by mistake.
9 THE COURT: Okay. Well I was
10 wondering what they had to do with it,
11 but there they were.
12 ATTORNEY COOK: I believe that might
13 have been my mistake.
14 THE COURT: All right. Thank you
15 very much.
16 (The hearing concluded at 4:54 p.m.)
17
18
19
20
21
22
23
24
25

CERTIFICATE

I, Melissa M. Decker, Notary Public in and for the State of South Carolina, do hereby certify that there appeared before me the foregoing witness;

That said witness was sworn by me to state the truth, the whole truth and nothing but the truth;

That the testimony was recorded by me, by open tape and Stenomask, reduced to typewriting and proofed under my direct supervision and the foregoing consecutively numbered pages are a complete and accurate record of the testimony given at said time by said witness;

That the undersigned is neither of kin nor in anywise associated with any of the parties to said cause of action, nor any counsel thereto, and that I am not interested in the event(s) thereof.

IN WITNESS WHEREOF I have hereunto set my hand and seal this the 22nd day of June, 2015.



Melissa M. Decker
Court Reporter
Notary Public in and for
The State of South Carolina
My Commission Expires: 2-06-24

CP-26 REPORTING

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STATE OF SOUTH CAROLINA)
) COURT OF COMMON PLEAS
COUNTY OF Horry) CASE NO: 2009-CP-26-620

ELLIS E. SMITH, INDIVIDUALLY, AND ON BEHALF OF)
A & E CONSTRUCTORS AND CONSULTANTS, INC.,)
A SOUTH CAROLINA CORPORATION,)

Plaintiff,)

-versus-)

ARTHUR WAYNE VEREEN, PARK PLACE)
PROPERTIES OF MYRTLE BEACH, LLC, PARKWAY)
OFFICES, LLC, ARTHUR VEREEN CONSTRUCTION,)
INC., AND LINDA C. VEREEN,)

Defendants.)

AND)

ARTHUR WAYNE VEREEN, INDIVIDUALLY AND ON)
BEHALF OF A & E CONSTRUCTORS AND CONSULTANTS,)
INC., AND 29TH PLACE DEVELOPERS, INC.,)

Third-Party Plaintiffs,)

-versus-)

E. SMITH AND SONS CONSTRUCTION, LLC, EES)
CONSTRUCTION AND CONSULTING, INC., AND ELLIS E.)
SMITH, INDIVIDUALLY,)

Third-Party Defendants.)

THE HEARING BEFORE THE HONORABLE
CYNTHIA GRAHAM-HOWE
Monday, May 11th, 2015
1:20 p.m. – 2:04 p.m.

The hearing in the above-noted matter, taken on the 17th day of November, 2014,
at the **Horry County Government and Justice Center, Master-in-**
Equity, located at 1301 Second Avenue, Conway, South Carolina 29526.

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APPEARANCES:

FOR THE PLAINTIFFS:

Frank H. DuRant, Esquire
DURANT & MARTIN, P.A.
Post Office Box 960
Myrtle Beach, South Carolina 29578

FOR THE DEFENDANTS:

Kathryn M. Cook, Esquire
Post Office Box 4086
North Myrtle Beach, South Carolina 29597

FOR THE THIRD-PARTY DEFENDANTS:

J. Jackson Thomas, Esquire
THOMAS & BRITAIN, P.A.
1314 Professional Drive
Myrtle Beach, South Carolina 29577

ALSO PRESENT:

Stewart Miller, Law Clerk
Arthur Vereen
Beth Sisson
Ellis Smith

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(Plaintiff's Post-Trial Memorandum)	

****THIS TRANSCRIPT MAY CONTAIN QUOTED MATERIAL. SUCH MATERIAL IS REPRODUCED AS READ OR QUOTED BY THE SPEAKER.***

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PROCEEDINGS

1
2 THE COURT: This is the case of
3 Ellis E. Smith, individually, and on
4 behalf of A & E Constructors and
5 Consultants, Inc., v. Arthur Wayne
6 Vereen, et al. It's Civil Action
7 Number: 2009-CP-26-620. We already have
8 a judgment in this case. I believe it
9 was filed on March the 24th, 2015. The
10 action was referred by order of the
11 Honorable Larry B. Hyman, Jr., dated
12 July 23rd, 2009; therefore, this Court
13 does have jurisdiction of this matter.
14 Today is a hearing on the defendants and
15 thirty-party plaintiffs' motion to
16 reconsider. This Court filed judgment.
17 Ms. Cook, are you going to do the
18 arguing of the motion?

19 ATTORNEY COOK: Yes, ma'am.

20 THE COURT: All right. I'll hear
21 from you.

22 ATTORNEY COOK: Your Honor, this is the
23 defendant and third-party plaintiffs'
24 motion to reconsider two orders that
25 Your Honor issued, one on March 24th and

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1 one on March 25th. There are a number
2 of grounds in the motion to reconsider
3 itself, but I'm just going to hit a few
4 of them, and let the motion and the
5 grounds that are in that and the matters
6 before the Court stand for others that I
7 do not discuss on the record. The first
8 ground for this motion to reconsider is
9 my position that the Court erred in
10 relying on and adopting Susan Brady's
11 opinion and testimony with regard to
12 this accounting action, an action for
13 judicial dissolution. Several of the
14 factual and legal matters that made it
15 improper, I believe to adopt, in
16 essence, Ms. Brady's opinion in TOTO,
17 from what I can tell. And I think the
18 Court states that is the fact that Ms.
19 Brady, herself, testified unequivocally
20 that she had not done an accounting in
21 this case. She testified that she had
22 gone through the books and records of A
23 & E; that she had looked at all the
24 deposits into A & E, and she testified
25 that she had also looked at her issues

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1 or questionable items of expense, and or
2 deposits, or lack of recovery of assets
3 that Mr. Smith, as president of the
4 corporation had, but she candidly
5 admitted that she had not looked and not
6 done a complete accounting in this
7 matter. And, therefore, the Court could
8 come up with a judicial accounting as
9 was requested by both parties in this
10 matter. The Court would have to do more
11 work or issue an order requiring a full
12 accounting, not just a limited purview
13 that she looked at. I would point out
14 to the Court several cases in South
15 Carolina that address what an accounting
16 is in this type of situation. The
17 preeminent case that's rather recent,
18 2009, that's pretty recent in South
19 Carolina law anyway, the Historic
20 Charleston Holdings case, which was
21 issued by the South Carolina Supreme
22 Court in 2009 at 673 SE 2d 448, quotes
23 the general proposition as to what the
24 definition of an accounting is in this
25 type of case and in dealing with a

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1 judicial dissolution; an accounting
2 between two shareholders and or officers
3 and directors, which is what we have
4 here. The case holds that an accounting
5 is defined as an adjustment of the
6 account of the parties and a rendering
7 of a judgment for any balance
8 ascertained to be due. The case quotes
9 several other South Carolina cases and
10 quotes AMJUR and CJS, and the case
11 specifically states that as in AMJUR, an
12 adjustment of accounts of the parties
13 requires that the Court determine and
14 look at the assets, the assets of the
15 corporation, all of the obligations of
16 the corporation, amounts due to
17 creditors, and then distribute the
18 surplus to members. And I would
19 particularly point out to Your Honor,
20 just as a proponent of defending that
21 case, where he's stated that to do a
22 full accounting as is required under
23 corporate law. And in that case it was
24 an LLC as opposed to our case, which is
25 a corporation. But whether you look at

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1 the LLC statute, or you look at the
2 corporation's statute itself, in order
3 to do a judicial dissolution or a
4 consent dissolution of the corporation,
5 and both parties asked for that. In
6 addition to the accounting, you have got
7 to -- the Court has to look at, under
8 33-14-310, all of the assets, all of the
9 liabilities, not just potential
10 liabilities or issues that are pointed
11 out by one party. And in this case,
12 that's exactly what your Honor adopted
13 Ms. Brady's report in TOTO, in
14 contradiction, or without considering,
15 or considering and not processing to do
16 a full accounting of all assets, all
17 obligations, and all liabilities. The
18 other matter is that the record and the
19 testimony in this case were before you.
20 Following along that same line of
21 thought, Your Honor, one of the things
22 that the Court did, and was one of the
23 reasons that we filed prior to Your
24 Honor issuing your order in March of
25 this year, we filed, the defendant and

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1 thirty-party plaintiffs filed in August
2 of last year, 2014, a motion to reopen
3 this case as a result of liabilities and
4 obligations of the corporation, A & E,
5 that had occurred and come to light
6 since Your Honor took this case under
7 advisement in 2012. Your Honor, we
8 filed that motion in October. You had a
9 hearing in that matter in November of
10 2014, but you have never, as of this
11 day, March 11th, 2015, ruled on that
12 motion. I guess by issuing your order,
13 I guess I could assume it's denied, but
14 Your Honor has never sent us an order on
15 that matter. And the reason we made
16 that motion to reopen at that juncture
17 of 2014, at that point in time, is to do
18 a judicial accounting in this matter.
19 It requires consideration of the assets
20 and obligations and liabilities.

21 THE COURT: Well let me ask you
22 something: Besides that, because we
23 don't know what those liabilities or
24 assets may be from that hearing then,
25 that case is still pending?

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1 ATTORNEY COOK: There's several cases
2 pending, Your Honor.
3 THE COURT: There's several cases
4 that may be pending. Besides that, what
5 assets or liabilities did I not
6 consider?
7 ATTORNEY COOK: You did not consider
8 the assets and the liabilities of Mr.
9 Ellis Smith with regard to the
10 accounting in this case.
11 THE COURT: How do you know that?
12 How do you know I didn't consider them?
13 ATTORNEY COOK: Well, perhaps you did,
14 but you did not address them in the
15 order, Your Honor. And you say in your
16 order that you adopt her report in TOTO.
17 That's what you say in your order, Your
18 Honor. That's what you state in the
19 order. That was the law of the case at
20 this time. So ---
21 THE COURT: If it was brought up in
22 the testimony, then I would have
23 considered it; would I not?
24 ATTORNEY COOK: I have no idea, Your
25 Honor. I can only go by what your order

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1 says. Additionally, Your Honor ---
2 THE COURT: Anything else?
3 ATTORNEY COOK: Yes, ma'am.
4 THE COURT: I know that. But any
5 other assets or liabilities that I did
6 not consider?
7 ATTORNEY COOK: Yes, ma'am, the assets
8 and liabilities with regard to -- if
9 you'll let me go through, which is two
10 particular matters.
11 THE COURT: Okay.
12 ATTORNEY COOK: Your Honor, with
13 regard to assets and liabilities that
14 you erred with regard to in the
15 uncontroverted testimony in this case, I
16 want to first address the issue dealing
17 with the Plantation Point house. You
18 address that particular job in this
19 case, and Your Honor found that there
20 were a hundred and thirty-two thousand
21 seven hundred and thirty-three dollars
22 in construction costs, when in fact the
23 testimony and the records set forth that
24 the actual cost of construction of that
25 home was three hundred and thirty-five

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1 thousand dollars, of which a hundred and
2 thirty-two thousand seven thirty-three
3 was paid by A & E, but the balance of
4 the construction cost of two hundred and
5 ten thousand dollars was paid by the
6 construction loan, taken out to pay for
7 the construction of that home. Your
8 Honor stated in your order that the
9 proceeds of that loan were not used for
10 the house. And Your Honor did not
11 address, and the evidence shows that two
12 hundred and ten thousand dollars of the
13 construction loan were used to pay for
14 the construction of the house in
15 addition to the hundred and thirty-two
16 thousand because the construction cost
17 of the home was three hundred and
18 thirty-five thousand dollars. Your
19 Honor, likewise ---

20 THE COURT: That may be that I just
21 didn't agree or did not find, or did not
22 agree with that evidence. It doesn't
23 mean that I didn't consider it.

24 ATTORNEY COOK: Your Honor, I'm
25 preparing my record on appeal; you don't

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1 address it. I want -- you say that in
2 your order you have adopted her findings
3 in TOTO and I've got to make my records
4 for appeal, Your Honor.

5 THE COURT: I understand that, but
6 I did consider the assets, and I did
7 consider the liabilities, and I did
8 consider the liabilities there, but I
9 just didn't necessarily adopt your
10 client's testimony there.

11 ATTORNEY COOK: Well not just
12 testimony, Your Honor. There was also
13 written evidence. Your Honor, likewise,
14 with regard to the Plantation Point
15 home, well not home, development, Your
16 Honor found in her order that -- well
17 bear with me just a second, Your Honor.
18 Your Honor found that of the cost of
19 construction, two hundred and twenty-
20 eight thousand four hundred and sixty-
21 two dollars were due in profit and
22 overhead, which is the amount that was
23 determined in the before of the expert
24 Ms. Brady; that amount is twenty-three
25 percent of the nine hundred fifty-nine

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1 thousand two hundred and eighty-seven
2 dollars in costs that Your Honor found,
3 which is what was stated by Ms. Brady in
4 her report as being paid for that
5 development by A & E, Your Honor, and
6 that equals a twenty-three percent
7 profit and overhead. Both Ellis Smith
8 and Susan Brady testified that in her
9 determination of what she had looked at,
10 she was allocating fifteen percent
11 profit and overhead. But if you do the
12 simple math, that is twenty-three
13 percent. Additionally, Your Honor, with
14 regard to the Plantation Point; excuse
15 me, not Plantation Point. The Marsh
16 Development, Your Honor also found that
17 there was an additional three million
18 seven hundred sixty-seven thousand one
19 hundred and seventy-two dollars in
20 construction cost for those homes. Your
21 Honor's order said that, that
22 construction cost, that the construction
23 loans that were taken out by the
24 developer for Point Marsh were not used
25 to pay the construction costs, when in

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1 fact Your Honor had stated it in your
2 order and as adopting Ms. Brady's
3 report, that there were an additional
4 three million seven hundred and sixty-
5 seven thousand and change in
6 construction costs, and the
7 uncontroverted testimony by Mr. Smith in
8 this case was that he was offered, he
9 was offered to be a partner as the
10 developer. He did not have the money to
11 participate, but yet Your Honor has
12 awarded fifteen percent profit and
13 overhead of the amount that Your Honor
14 adopted from Ms. Brady's report, three
15 million seven hundred sixty-seven
16 thousand and change. There is a fifteen
17 percent profit overhead allocated in one
18 instance and a twenty-three percent
19 allocated in another instance. Your
20 Honor adopted that in her allocation
21 directly from Ms. Brady's report. Your
22 Honor, you also, with regard to
23 Plantation Point, found that my client
24 did in fact pay into Point Marsh certain
25 monies, but then Your Honor did not,

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1 adopting part of Susan Brady's report,
2 give credit to additional amounts that
3 Ms. Brady even found that my client had
4 awarded. So those are some -- you asked
5 for particulars with regard to
6 obligations, assets, liabilities. With
7 regard to the next issue, Your Honor,
8 I'd like to point out that while there
9 are two liabilities that are contingent
10 at this point, which is why we filed
11 that motion to reopen, the law on
12 judicial dissolution does not allow you
13 to discard those, Your Honor. And we're
14 entitled to an order as to your
15 reasoning, if you are going to discard
16 of those potential liabilities, because
17 that could impose more liability on
18 these gentleman individually down the
19 road. Your Honor, the next issue we
20 believe the Court erred in was in
21 piercing the corporate veil and awarding
22 damages jointly and severally in this
23 case. Your Honor, I would point out to
24 you a couple of cases with regard to the
25 joint and several liability. I'm going

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1 to point out to you a case from Horry
2 County: Jordan v. Holt; tried by
3 Henrietta Golding as one counsel. It's
4 at 608 SE 2d 129, and that's a 2005
5 case, Your Honor.

6 THE COURT: May I have that cite
7 again; 608 what?

8 ATTORNEY COOK: Southeast 2d ---

9 THE COURT: Okay.

10 ATTORNEY COOK: --- 129. That had to
11 do with Dr. Jordan and another doctor in
12 town coming up with the bright idea to
13 open a sports bar. I think it was
14 called Winner's Circle. Factually it
15 was very, it was similar in the -- that
16 was an LLC case as opposed to a
17 corporate case, Your Honor. But in that
18 case, it was asked for a judicial
19 dissolution as well as an accounting.
20 And in that case, we're citing that in
21 here because it stands from the
22 proposition that the Court stated in
23 that case that you had to determine, of
24 the alleged plaintiff, because the
25 plaintiff in that case ending up having,

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1 after the accounting was done, owing
2 money back, that there had to be a
3 determination as to how much the
4 corporate entity owed; how much the
5 daddy, Dr. Jordan, owed, how much the
6 son, his son owed, so that the assets
7 and liabilities in doing the accounting
8 had to be allocated to the proper party
9 who took out too much money, or used the
10 money, not jointly and severally. And
11 in this case, Your Honor, we say that
12 Your Honor needed to allocate. If Your
13 Honor found that Park Place Properties
14 owed "X" number of dollars, then that
15 amount, that finding should have been in
16 the order and held liable for that.
17 When you look at the pleadings in this
18 case, Your Honor, they did not seek the
19 piercing of the corporate veil in this
20 case. And so we believe that the
21 correct procedure in this case, and
22 given the case law in South Carolina is,
23 that Your Honor should properly
24 allocate, once there is a full
25 accounting done, between which entities,

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1 if any, or individuals, if any, owe what
2 amount, if any, back to A & E. There
3 must be an allocation of as to what Mr.
4 Vereen owes, if any; what Mr. Smith
5 owes, if any; what Park Place Property
6 owes, if any; what Parkway Offices owes,
7 if any. And Your Honor, commiserate
8 with that argument, also, is there is
9 nothing in this record that will allow
10 Your Honor to issue an order against the
11 trust of Mr. and Mrs. Vereen that own
12 the home. Your Honor, if you find that
13 there is some information or some
14 obligation owed by Mr. Vereen or Park
15 Place Properties, or Mrs. Vereen, or
16 Parkway Offices or Arthur Vereen
17 Construction, for any assets that were
18 converted on a job building that home,
19 then the judgment should be against
20 them, not against the trust. The trust
21 did not own the home at the time that
22 the work was done, Your Honor.
23 Additionally, Your Honor, surprisingly
24 to me, never once mentions in this order
25 that Mr. Smith was the president of the

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1 company, a fifty percent shareholder and
2 had just as much access to all the books
3 and records, and in fact, as did Mr.
4 Vereen because he owed the same
5 obligations to the company as did Mr.
6 Vereen. He had the same opportunity to
7 look at anything he wanted. And the
8 uncontroverted testimony of the expert,
9 Ms. Brady, who testified at length,
10 first, that she had for years and years
11 and years been Mr. Smith's accountant;
12 did all the accounting work for Mr.
13 Smith's previous business and his new
14 businesses as we were trying that case.

15 THE COURT: Wait a minute. I don't
16 mention in the order that Mr. Smith is a
17 fifty percent owner?

18 ATTORNEY COOK: You address in the
19 order that he is a fifty percent
20 shareholder. You never say that he's
21 the president. You never say in the
22 order that he had access to the
23 information. You never say that Ms.
24 Brady was his accountant. And I'm not
25 saying you've got to say she was his

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1 accountant, but Ms. Brady testified on
2 the stand, and we have the transcript.
3 She testified on the stand that it was
4 Mr. Smith who hired her in 2004 to do
5 the 2004, 2005, 2006 taxes. That it was
6 Mr. Smith who brought her the
7 information in late 2005, and it was Ms.
8 Brady who never did the taxes in '05,
9 '06 or '07, such that at some point Ms.
10 Brady said she didn't want to be the
11 accountant doing the taxes. She would
12 be the accountant helping them as the
13 expert with a lawsuit. And it's at that
14 time that the information then had to be
15 turned over to Smith Sapp. It was Ms.
16 Brady who was the accountant for this
17 business as she testified from its
18 inception when it was licensed in 2004
19 through 2006 when she decided she didn't
20 want to be the accountant. And there
21 should have been tax returns filed in
22 '04, '05 and '06. Now, Your Honor, when
23 Ms. Brady testified to that information,
24 she also said that it was Mr. Smith who
25 brought to her a printout from the

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1 Peachtree accounting system that had all
2 the information on it. So he had access
3 and all the information as the president
4 of this company for the entire time that
5 the company was in business. Yet, Your
6 Honor, in this order, you talk about the
7 corporate conflict of interest rules and
8 the duties and obligations of an officer
9 and director and shareholder to the
10 corporation as regards to Mr. Vereen,
11 but you never once talked about that
12 matter as regards to Mr. Smith and the
13 fact that he had, and not just had
14 access, but he was in charge of having
15 the tax returns prepared until 2006.

16 THE COURT: Mr. Vereen signed all
17 the checks; did he not?

18 ATTORNEY COOK: Yes, ma'am, he did.
19 And the testimony in there from Ellis
20 Smith completely, candidly said that he
21 was the one that requested he not be a
22 signatory. The fact that Mr. Vereen
23 signed the checks and was the signatory
24 does not negate or have anything to do
25 with whether or not the president of the

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1 company had obligations, opportunity,
2 and in fact took that opportunity to
3 have access to all the books and
4 records. And, Your honor, that is clear
5 in the testimony. Your Honor did not
6 address that at all in the order. And
7 to only address the obligations of one
8 fifty-percent shareholder when that
9 fifty percent shareholder likewise
10 counterclaimed for an accounting of this
11 corporation is, we believe, error.

12 THE COURT: Well one party can't
13 have an accounting if the other party
14 doesn't have an accounting. An
15 accounting is an accounting.

16 ATTORNEY COOK: Yes, ma'am, and we've
17 never had one. And that is our position
18 in this case. The code requires, and we
19 argued to Your Honor, and Susan Brady,
20 in her testimony, was very candid that
21 she had not done a complete accounting
22 of this corporation.

23 THE COURT: Well whose fault is it
24 that you didn't get an accounting?

25 ATTORNEY COOK: Well, Your Honor, we

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1 had a ---

2 THE COURT: Wait a minute. We had
3 a three-week hearing. And we had all
4 the records, and Mr. DuRant begged your
5 side to get an accountant to go through
6 the records. And I said Mr. DuRant, I
7 cannot make them get an accountant. I
8 cannot make Mr. Vereen's attorney get an
9 accountant. And you said, if I
10 remember, it's not rocket science, Mr.
11 DuRant. It's just adding and
12 subtracting. The attorneys can do it.
13 We do not need to get an accountant; is
14 that not what you said?

15 ATTORNEY COOK: That is exactly what I
16 said, Your Honor. And at that time, we
17 had not worked with Susan and had no
18 idea that Susan had picked and chosen
19 what she was going to look at. And Your
20 Honor, the judicial dissolution that is
21 asked for, and the case law gives you
22 the obligation, and we believe the
23 right, and we believe in this case you
24 should. We believe it was error for
25 Your Honor not to find in this case that

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1 there had not been a complete accounting
2 done. And order that a complete
3 accounting be done just like was in the
4 Charleston Holdings case.

5 THE COURT: So I should have
6 ordered you to get an accountant?

7 ATTORNEY COOK: No, ma'am. What you
8 order is that they'll be an accountant
9 to do, that has to do a complete
10 accounting; that is what a judicial
11 dissolution and an accounting case in
12 conjunction with that requires, Your
13 Honor. Last, Your Honor, I have two
14 more issues. We believe it was error
15 for Your Honor to infer, and an abuse of
16 your discretion, to infer any negative
17 connotations that Mr. Crumpler did
18 testify, Your Honor. And the other
19 matter, Your Honor, is ---

20 THE COURT: Wait; what was that?
21 For Mr. Crumpler not to testify?

22 ATTORNEY COOK: That Your Honor felt
23 that it was suspicious, and Your Honor
24 put weight on the fact that Mr. Crumpler
25 did not testify. We believe that was an

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1 abuse of discretion, Your Honor. And
2 Your Honor, we also believe, and we
3 would cite to you the Charleston
4 Holdings case. They found it was an
5 error in that case, and we believe,
6 likewise, that it's error in this case
7 for Your Honor to award any prejudgment
8 interest. And I will rely on that case
9 and ask Your Honor to look at that. The
10 prejudgment interest was not allowed in
11 that case and should not be allowed in
12 this case because there was no method
13 for determining, as was found by the
14 Supreme Court, the prejudgment interest.

15 THE COURT: Okay. I'm sorry; what
16 case are you relying on?

17 ATTORNEY COOK: The Charleston Holdings
18 ---

19 THE COURT: Back to the same case
20 that you just mentioned earlier?

21 ATTORNEY COOK: Well I've mentioned
22 two cases so far.

23 THE COURT: The Historic Charleston
24 Holdings case?

25 ATTORNEY COOK: The Historic Charleston

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1 Holdings case and the Jordan v. Holt
2 case. Your Honor, I would also like to
3 point out that Your Honor has had this
4 case under advisement for three years,
5 and a huge chunk of this four million
6 plus judgment is prejudgment interest;
7 it has accrued under the three years
8 Your Honor had the case under
9 advisement. I don't think that is going
10 to become that relevant, because if you
11 look at the Historic Charleston case, I
12 believe Your Honor can see that this
13 case, factually, is exactly where that
14 case was in terms of the Supreme Court
15 saying it was not proper to award
16 prejudgment interest. And I'd also like
17 to point out to Your Honor that what we
18 believe, and what we ask Your Honor to
19 do as a result of this motion to
20 reconsider on these grounds, that I put
21 on the record, but, additionally, the
22 other issues that I've put in the motion
23 itself is to issue an order requiring
24 that there be a full accounting done of
25 this corporation from its inception in

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1 October of 2003 through today, Your
2 Honor. Because, Your Honor, another
3 part of your order cuts off in the
4 accounting in 2007. Well the
5 corporation is still in existence, while
6 the building was still ongoing after
7 2007. There were punch matters that had
8 to be done. There were corporate
9 matters that had to be undertaken and
10 are still being undertaken. There's a
11 defense of two lawsuits going on in this
12 matter, Your Honor. And so to do this
13 arbitrary date of 2007 when the
14 corporation hasn't been dissolved, and
15 in fact your order still doesn't
16 dissolve the corporation. You say in
17 the beginning of the order that both
18 parties have definitively asked for a
19 dissolution. And then Your Honor, in
20 the order, doesn't dissolve it. I agree
21 with Your Honor. I don't think there's
22 been a full accounting done in this case
23 that would allow a judicial dissolution
24 as is set forth in the corporate code.
25 And according to the corporate code:

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1 specifically, 33-14-106. And then the
2 judicial dissolution statutes which are:
3 33-14-300, 310, 320 and 330, we request
4 that Your Honor issue an order requiring
5 that a full and complete accounting be
6 done of this corporation, from its
7 inception in October of 2003 up through
8 and including whenever the full
9 accounting gets finished, but at least
10 through May 11th, 2015. There are
11 ongoing obligations of this corporation.
12 And with the judicial accounting, and
13 with the statutory guidance as to how
14 that is handled, we believe that would
15 be the proper thing, Your Honor, for
16 justice and equity to come out in this
17 matter.

18 THE COURT: It would have been
19 great if you had asked for that when you
20 walked in this courtroom three years
21 ago. That's not what you asked for when
22 you walked in this courtroom.

23 ATTORNEY COOK: We actually walked
24 into the courtroom longer than three
25 years ago.

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1 THE COURT: Well, if you would have
2 asked for that when you walked in this
3 courtroom; that's not what you asked.

4 ATTORNEY COOK: Your Honor, I believe
5 if you look at the pleadings ---

6 THE COURT: That is not what you
7 asked for. That's not what you asked
8 for. Let me hear from you.

9 ATTORNEY DURANT: Your Honor, if it
10 please the Court? First of all, Your
11 Honor, it is the plaintiff's position
12 that the motion to reconsider was not
13 timely filed. I have a memorandum on
14 that issue. And I will address her ---

15 THE COURT: When was it filed?

16 ATTORNEY DURANT: Well the issue really
17 revolves around when did she receive the
18 judgment of the Court under the Court
19 rules?

20 THE COURT: Yes, sir.

21 ATTORNEY DURANT: And I believe my
22 memorandum addresses those dates. If
23 you look at a snapshot on the -- if
24 you'll reference, for the purpose of the
25 Court, you'll see the motion was filed

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1 twenty something days after the judgment
2 was rendered. I believe you signed your
3 order the 23rd day of March.
4 THE COURT: It doesn't matter when
5 I signed it. It matters ---
6 ATTORNEY DURANT: That is correct. And
7 it was recorded the next day. And your
8 law clerk sent us a copy of the order by
9 email on the 24th; that's not service
10 authority, Your Honor, but Ms. Cook
11 acknowledged in her letter to the Court
12 that she received it. On the 25th, my
13 office sent a copy of the Form 4 and the
14 judgment of the Court by mail to Ms.
15 Cook, as required by the rules. On the
16 25th, you signed a nunc pro tunc order.
17 That order corrected an error in the
18 computation of the prejudgment interest
19 and that order was emailed to all
20 attorneys by your law clerk here. And
21 on the 27th, I sent that order, by mail,
22 to the attorneys for the parties as
23 required by the Court rules. So using
24 the 27th as being the last day, she has
25 ten days to respond and make her

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1 motions. Under Rule 6, she has five
2 more days because it was sent by mail,
3 so ten plus five is fifteen. One of
4 those days fell on the weekend so she
5 had until the following Monday. Now,
6 Your Honor, well past that fifteen days
7 plus the weekend, Ms. Cook sent you a
8 letter directly to the Court. And why
9 she sent it to you saying: Please send
10 me Page 37 because Page 37 was left out
11 and I believe that we would all agree
12 that somewhere in the scanning of the
13 documents, probably by your law clerk or
14 Ms. Susan in your office, maybe Page 37
15 was skipped over, but the order and the
16 Form 4 was sent to all the parties by
17 me, even if the order was missing Page
18 37. And, Your Honor, the rules only
19 require that the party be served with
20 notice that the order has been filed.
21 The Form 4 is clocked. The order is
22 clocked. It's a public record filed
23 with the Clerk of Court of Horry County
24 on the date it was filed, and you got
25 notice from the date you know that it

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1 was filed. She had all of those or both
2 of those and on multiple dates including
3 the law clerk's email, which she
4 acknowledged she got. So the question
5 really is: Does the old issue of one
6 page of an order reset the Appellate
7 rules or the Court rules concerning when
8 you must file your motion for
9 reconsideration? Your Honor, it's my
10 opinion that it does not. And you have
11 no power to even enlarge that time under
12 the Court rules, under Rule 6, unless
13 she would have asked for extra time
14 before the time expired. And there was
15 no request. This was clearly a week
16 later; giving her the benefit of all
17 doubts. And it was too late for her to
18 file it and she can't file it later.
19 When you don't file it, you don't file.
20 In this particular case, it has other
21 problems, because if the motion is not
22 timely filed, it doesn't stay the time
23 to file the notice of intent to appeal.
24 So, Your Honor, what happens is this
25 case, it may be over right now, unless -

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1 - I believe I told you in a memorandum
2 what the dates were and I don't think
3 they're in dispute. And we don't
4 dispute that Page 37 wasn't in the
5 order. What we assert to the Court is:
6 That doesn't make any difference. The
7 order is in the Clerk's office. And if
8 you get notice that it's there and
9 there's a page missing, you go to the
10 clerk; you ask her to send it to you or
11 go get it, because you don't even have
12 to send the order to the party. But I
13 know that the defendant doesn't agree
14 with my position, but that's all I have
15 to say unless the Court has a question
16 of me concerning that particular issue,
17 then I'll address legally, but that was
18 our argument.

19 THE COURT: Ms. Cook, what do you
20 have to say about that?

21 ATTORNEY COOK: Well, Your Honor, a
22 couple of things. First of all, Your
23 Honor, I don't think anybody disputes
24 the fact that when your law clerk scans
25 your order, or whoever scans your order,

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1 that what was sent to me, Frank and Jack
2 on that day, when we were sent the
3 order, which did not have the judgment
4 with it, which the order did not have
5 Page 37.

6 THE COURT: That's correct.

7 ATTORNEY COOK: And that I did not get
8 Page 37, which is a crucial page in the
9 order, Your Honor, until I had notified
10 Your Honor and Frank, and Jack because I
11 wanted to make sure it wasn't on my end
12 an error. I did go back and check your
13 law clerk's email to me, to find it; to
14 make sure just in my arena that it
15 wasn't incorrect. Went back and looked
16 at the actual orders that were sent to
17 me by Mr. DuRant. Mr. DuRant sent the
18 orders both to my old law office
19 address, as well as my home address, so
20 I got two copies of them. So I double
21 checked to make sure Page 37 wasn't,
22 that he hadn't gotten it, and to make
23 sure. But, initially, Your Honor, I
24 would say that your order was not final
25 until -- and my time for filing the

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1 motion to consider did not even start
2 running until we had gotten the nunc pro
3 tunc order, because that order didn't
4 just change a mathematical computation,
5 it added another party in terms of who
6 the judgment was against. It wasn't
7 just taking that out of the computation.
8 And that mathematical computation that
9 it changed in the March 25th order was
10 independent of, Your Honor, I believe,
11 and don't quote me on that, but I
12 believe it was close to two million
13 dollars, Your Honor. It was a large sum
14 of money. But more importantly, it
15 added a judgment. It changed the order
16 to add a judgment against another party
17 that it was in Your Honor's March 24th
18 order. So, at that point, Your Honor,
19 the time to file the motion to
20 reconsider could not be filed because I
21 didn't even ever have a complete order
22 until I got the Page 37, which completed
23 the order, compiled with the nunc pro
24 tunc order as delivered by Mr. DuRant.
25 And if you read the rule and the case

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1 law, the time for filing a motion to
2 reconsider is ten days from the party's
3 receipt of the order, not when Mr.
4 DuRant mailed the order.
5 THE COURT: No; it's ten days from
6 receipt of the entry of the order.
7 ATTORNEY COOK: From notice, from
8 notice of the ---
9 THE COURT: --- entry of the
10 order.
11 ATTORNEY COOK: --- entry of the
12 order.
13 THE COURT: Not from receipt of the
14 order, from notice of the entry of the
15 order?
16 ATTORNEY COOK: Yes, ma'am.
17 THE COURT: The nunc pro tunc order
18 changed the number, but it also added
19 the party to the Form 4, not to the
20 order itself?
21 ATTORNEY DURANT: I'm not contending to
22 go from the mailing of the nunc pro tunc
23 order the second day, not the first day.
24 I do not contend it's the day she was
25 sent the first order. It's the date of

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the second order. It's the 27th of
March.

THE COURT: Yes, sir. Is that
right?

ATTORNEY COOK: Your Honor, I contend
that I did not file a motion to
reconsider the order until I knew what
the order said. And I didn't know what
the order said until I got Page 37, Your
Honor.

ATTORNEY DURANT: Your Honor, she should
have called and asked for it or went to
the clerk and picked it up.

ATTORNEY COOK: And I did that, Your
Honor.

ATTORNEY DURANT: You don't ask the
Judge for a copy. It's a recorded
document; isn't that right? It's my
position these things are so particular
and this order was for such an amount of
money that if you were missing Page 37,
but you had all the other pages saying
it's a four point two million dollar
judgment, plus the Form 4 that said it's
filed, you're going to know that you

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1 can't make this mistake. And you'll
2 say, Frank, give me the page or go to
3 the clerk and get it, because it's a
4 totally recorded document. And there's
5 no requirement for anybody to give it to
6 you.

7 THE COURT: I suppose neither one
8 of y'all has done any research on this
9 issue?

10 ATTORNEY COOK: No, ma'am, but I'll be
11 happy to.

12 ATTORNEY DURANT: Your Honor, I didn't
13 do any research. I researched the
14 issue. That exact issue. It's not been
15 before the Supreme Court. However,
16 there is research and there are cases
17 concerning the accounting application of
18 these rules being ---

19 THE COURT: I know.

20 ATTORNEY DURANT: --- ten plus five on
21 the motions. On the appeal, thirty days
22 from the date the lawyer or an officer
23 of the Court says I've got an order and
24 they give great deference to what the
25 lawyer says the day I got it. But, as

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1 to the motion, it's ten days plus five,
2 plus the weekend is the time.

3 THE COURT: I understand that. I
4 mean we all understand that part. And
5 my guess is there are no South Carolina
6 cases on nunc pro tunc orders and ---

7 ATTORNEY COOK: And getting paid and -
8 --

9 THE COURT: --- and getting paid
10 and that kind of thing. There may be
11 some cases.

12 ATTORNEY DURANT: Didn't find any.

13 THE COURT: Oregon or ---

14 ATTORNEY DURANT: I didn't find any in
15 the resources available to the South
16 Carolina Bar's research.

17 THE COURT: Okay.

18 ATTORNEY DURANT: Your Honor, with that
19 being said, though, would you like for
20 me to finish?

21 THE COURT: Yes, sir. Let's go
22 ahead.

23 ATTORNEY DURANT: Your Honor, on the
24 accounting issue ---

25 THE COURT: Yes, sir.

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1 ATTORNEY DURANT: --- and the pleadings,
2 just for the record, Your Honor, I gave
3 you a post-trial memorandum. This was
4 three years ago, but I want to put it in
5 the record because I don't know if this
6 is in the record. Your Honor told us at
7 the close of the trial ---

8 ATTORNEY COOK: Your Honor -- I'm
9 sorry.

10 ATTORNEY DURANT: --- told us to send a
11 post-trial memorandum as to the relief
12 that we sought ---

13 THE COURT: Yes, sir.

14 ATTORNEY DURANT: --- in the case, and
15 you asked us to do it within two weeks.
16 And I think you instructed us to do it
17 by email and send copies to the other
18 parties.

19 **PLAINTIFF'S EXHIBIT NUMBER ONE MARKED**
20 **AND OFFERED INTO EVIDENCE.**

21 THE COURT: Yes, sir.

22 ATTORNEY DURANT: The plaintiffs sent
23 theirs, and the defendant never sent a
24 post-trial memorandum as to the relief
25 they sought. I state this to show that

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1 the allegation and the piercing of the
2 veil were discussed in there. It was
3 also discussed, Your Honor, and I also
4 filed a pretrial memorandum before we
5 started the trial, which I'd like to
6 mark the Court's Exhibit also. I think
7 you got this earlier concerning these
8 very issues.

9 ATTORNEY COOK: Your Honor, before you
10 go, I would object to this being put in
11 the record. Rule 16 is very clear of
12 the South Carolina Rules of Civil
13 Procedure that a pretrial brief is not
14 part of the record.

15 THE COURT: Well, I don't know
16 that he wants it as part of the record
17 other than to show that he actually
18 filed a substantive.

19 ATTORNEY DURANT: Yes.

20 THE COURT: He just wants it to be
21 part of the record. And you don't have
22 to make it as an Exhibit, really, but it
23 will be part of the record to show that
24 you actually filed a pretrial brief. Is
25 there any part of this pretrial brief

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1 that you want part of the record?

2 ATTORNEY DURANT: Your Honor, over the
3 course of this case, the disregarding
4 the corporate entities was discussed and
5 hammered through all during this trial.

6 THE COURT: Okay.

7 ATTORNEY DURANT: And we ask right now
8 to conform our pleadings. The proof,
9 the whole proof was that, you see the
10 defendants always considered themselves
11 as one. The whole trial was the
12 defendants agree this; the Vereen
13 entities agree that. They all treated
14 themselves as one. And, Your Honor, we
15 ask you in the memorandum to treat them
16 as one for the purposes of the Court.
17 And it should come as no surprise three
18 years later that you said that's a
19 premise, because the money was going
20 here, there and everywhere, but all
21 going to the entities who are the named
22 defendants.

23 THE COURT: Well, if there's ever
24 been a case of amalgamation, this is
25 one. I mean I can't imagine there being

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1 a clearer case of amalgamation than this
2 case.

3 ATTORNEY DURANT: Your Honor, we ask that
4 they mark this as plaintiff's Exhibit 1
5 and 2 for the record, just to show that
6 there was no surprise when this was
7 pointed out during the whole trial of
8 this thing, because the trial took
9 nineteen months, Your Honor, to get
10 these sixteen or seventeen days that we
11 were here. And none of this is a
12 surprise that someone would say hey,
13 after, one is after the other because
14 the money was going into all these
15 accounts. So I ask that for the record
16 to show that they can't say when they
17 got this order that they were surprised.
18 They knew at the close of the trial,
19 Your Honor, that this is where we were
20 going. And we ask you, Your Honor, now
21 to amend the pleadings to prove, I think
22 Rule 15 allows the motion to be made
23 after the judgment, if that's an issue
24 before the Court.

25 THE COURT: It certainly was tried

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that way.

ATTORNEY DURANT: Yes, ma'am.

THE COURT: Do you disagree that
amalgamation was tried?

ATTORNEY COOK: I disagree that it was
tried, that there would be joint and
several liability, Your Honor. I do not
disagree that all of the corporations
and the money in and the money out was
talked about. And I would like to
reiterate for the record, and I believe
everybody was very well aware of this:
That in terms of using the Vereen
entity, we used that so that I didn't
have to speak and say all of those
entities. That did not mean that we
were disregarding the corporate
formalities or the individual
formalities. And, Your Honor, the
pleadings are very clear that they do
not ask in the pleadings for the
piercing of the corporate veil. And,
Your Honor, in an accounting, as we
stated in the Jordan case and in the
pathology of the Jordan case and the

1 case law present before that in
2 accounting cases, the findings of the
3 Court have segregated out who owed what
4 to whom, and not joint and several
5 liability. We vehemently object to, at
6 this stage, a Rule 15 amendment, and
7 we're three-and-a-half years since the
8 last time testimony was taken in this
9 case. And, Your Honor, we even came
10 back before you a year ago, less than a
11 year ago and asked to reopen this case.
12 And to now try to conform the pleadings
13 to the testimony we believe is way late
14 and is certainly prejudicial. The
15 corporation, the information before the
16 Court to make its findings as to what
17 these entities or individuals owe any
18 money to this corporation, A & E. And,
19 Your Honor, in terms of the Exhibits
20 that Mr. DuRant wants to enter into the
21 record, Rule 16 is very clear that
22 pretrial briefs are not part of the
23 record. They are not filed. They are
24 sent to the Judge. Additionally, Your
25 Honor, the memorandum, the post-trial

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1 memorandum, Your Honor, additionally,
2 that's not testimony or evidence in the
3 case and that should not be marked as an
4 Exhibit in this matter.

5 THE COURT: I'm trying to figure
6 out why all of these parties are part of
7 the pleadings then?

8 ATTORNEY COOK: Your honor, because in
9 doing an accounting, you have to bring
10 into the jurisdiction of the Court. If
11 the Court was going to order that
12 Parkway Properties owed A & E "X" amount
13 of dollars, in order for Your Honor to
14 have jurisdiction over that party, you
15 would have to have it as part of the
16 case. If you were going to find that
17 Mr. Vereen, individually, owed A & E "X"
18 amount of dollars, then Mr. Vereen,
19 individually, would have to be a member;
20 the same with Parkway Offices, the same
21 with Arthur Vereen Construction Company,
22 Your Honor.

23 ATTORNEY DURANT: Your Honor, the
24 plaintiffs alleged in the complaint that
25 the defendants, that they believe the

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1 defendants conspired together to take
2 the money from the company in various
3 and sundry ways. The theories we're
4 talking about piercing the corporate
5 veils, it's just a further extension of
6 what he said they did: They stole all
7 our money. Now, in the trial of the
8 case, Mr. Vereen's testimony was: I take
9 it all back. I said what do you mean;
10 you didn't write any checks? He said
11 well when I say Vereen, I mean Arthur
12 Vereen Construction, or Park Place, or
13 my wife or whomever, and the whole trial
14 was like that. And we went about asking
15 them to bring new records to us to
16 establish what happened with this money.
17 Your Honor, I'll go forward when you're
18 finished with that order. I don't want
19 to make comments while you're looking at
20 the records.

21 THE COURT: That's okay. You can
22 go forward.

23 ATTORNEY DURANT: The comments about Mr.
24 Crumpler, Your Honor, we did, in the
25 trial of the case, there was detailed

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1 discovery concerning what this man, what
2 Mr. Vereen did or didn't do. And his
3 testimony in the discovery, which he was
4 required to be put under oath, is that
5 my accountant's Crumpler and his
6 associate, there was another Huggins
7 that they were getting all that
8 information together. And his
9 accountants were going to provide that
10 information and show that he put more
11 money in than he took out. But bearing
12 in mind, Your Honor, it wasn't money
13 that Mr. Vereen put back in. It was
14 money that Park Place or Arthur Vereen
15 Construction or any other entity he had
16 put back in.

17 THE COURT: Wait just one moment.
18 I have looked at the complaint.

19 ATTORNEY DURANT: Uh-huh (affirmative
20 response).

21 THE COURT: The complaint does say
22 granting the plaintiff and A & E
23 judgment against the defendants jointly
24 and severally.

25 ATTORNEY DURANT: Correct.

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1 ATTORNEY COOK: Yes, ma'am, in the
2 prayer for relief it does, but it does
3 not have included in it, the pleadings,
4 any theory under which you could award
5 joint and several liability. It asks
6 for it in the prayer, but it does not
7 plead in any of the causes of action
8 piercing of the corporate veil, or any
9 other theory that would allow, because
10 there was not a conspiracy cause of
11 action, Your Honor, because they don't
12 allege any special damages over and
13 above or different than the accounting
14 causes of action and the judicial
15 dissolution causes of action. And so
16 there is no theory that it was pled in
17 this case, and they did not plead
18 piercing of the corporate veil to allow
19 joint and several liability. And in a
20 judicial accounting case, Your Honor,
21 the Court has to make a determination of
22 all the assets, all the liabilities, and
23 the entities and parties, and the
24 amounts that are owed back to the
25 company, if any, and then to determine

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1 how those assets, if there is a positive
2 balance, should be distributed.

3 THE COURT: All right. Go ahead
4 Mr. DuRant. Your Honor, going back to
5 Mr. Crumpler, Mr. Vereen testified in
6 his discovery: I've employed my
7 accountants to do this. Now, the
8 discussion concerning Ms. Brady, Ms.
9 Brady was engaged by the plaintiff, Mr.
10 Smith, to eventually do the tax returns.
11 And this was in late 2005 or 2006. And
12 her testimony was that there were
13 unanswered questions about unauthorized
14 disbursements made and she did not feel
15 comfortable doing the tax returns, and
16 that Mr. Vereen never provided the
17 answers to the questions she wanted.
18 So, she did, in fact, certify the
19 valuation of assets for the company so
20 they could get a license, but she
21 declined to do the tax returns. She
22 also was hired for the purpose of being
23 an expert on the amount of money that
24 the entity earned on the one particular
25 construction case where there was a

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1 lawsuit over the plans being done. And
2 she said even then there was probably
3 incorrect information given to her by
4 Mr. Vereen because she was unaware of
5 these: the profits that he took it and
6 put it in another account of A & E. Ms.
7 Brady also testified, Your Honor; how do
8 you do an accounting for a corporation?
9 You look at their books. The books
10 consist of the computer records, the
11 bank statements; they only had one, the
12 checks going in ---

13 THE COURT: One bank, one bank
14 account?

15 ATTORNEY DURANT: One bank account and
16 you would look at the deposits and
17 disbursements that have come in; that's
18 what she did. She says I can't do an
19 accounting of this company by looking at
20 Arthur Vereen Construction's records,
21 because the records for the company is
22 supposed to be in the company posted
23 records, which they are required to
24 maintain and report to the state and
25 federal taxing authorities.

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1 THE COURT: Uh-huh (affirmative
2 response).
3 ATTORNEY DURANT: So, in regards to Mr.
4 Crumpler, when he made the statement
5 that Crumpler was going to do this, and
6 Mr. Crumpler came over here that day in
7 Court and said, hey, I was told not to
8 talk to DuRant. And you said, yes, you
9 can talk with him. And you also said
10 are you going to be the witness? And
11 they notified you at that time that we
12 are not going to use an accountant as an
13 expert. We don't need one. And, Your
14 Honor, this is America and you can do
15 what you want to, so they didn't engage
16 one. And I think it's perfectly proper
17 for the Court to say, hey, you had an
18 accounting lawsuit. You told the Court
19 in the responses that you were going to
20 use Mr. Crumpler as your accountant, to
21 straighten out this accounting mess that
22 he created, these defendants, and you
23 did not. And you have these problems
24 and you make your comments. There's
25 certainly nothing wrong with that. And

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1 it's entirely proper. So, on the other
2 issues: You've got to do a complete
3 accounting. What are you supposed to
4 do, Your Honor? Are you going to tell
5 each of us to give you twenty-five
6 thousand dollars and you're going to
7 hire a separate firm to do an
8 accounting? Well there's no money for
9 that. We asked the Court to look at the
10 records and look at the books and
11 determine: Did one party improperly take
12 assets; steal money from this company?
13 And we presented ample proof to you,
14 beyond any doubt at all, that monies
15 that belonged to this company were not
16 being taken by Mr. Vereen and his
17 entities. Your Honor, the discovery was
18 very specific in questions concerning
19 did you take money either that was meant
20 for this company or you billed for this
21 company and put it in your accounts or
22 accounts other than A & E, and he
23 stated, under oath, in his interrogatory
24 responses that he did not. Now, he
25 comes back later and says, well, yes, I

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1 did, but the Vereen entities put in more
2 than they took out. And that is
3 entirely different than what he said at
4 the beginning of the case. Your Honor,
5 this is corporate fraud. The defendants
6 who are involved in these cases are the
7 people that received the benefits of
8 them. They're all tied together by
9 common denominator. Mr. Vereen and his
10 family, they controlled all of these
11 entities. We don't have two or three
12 separate entities over there with other
13 third parties in them. Someone took the
14 money and put it in an account and they
15 started for the very first shot. The
16 testimony concerning Plantation Lakes or
17 what she said had happened, I think Mr.
18 Smith testified he didn't know anything
19 about the company not getting paid. I'm
20 not aware of any testimony as to what
21 Arthur Vereen Construction paid for this
22 house to be constructed. All we knew
23 from looking at the books and the
24 records of the company is a hundred and
25 thirty-two thousand dollars of money was

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1 paid for A & E to construct this house,
2 and there was no bill and no accounting
3 for the money. And the suspicious
4 things that he did on the date of the
5 closing. I don't think the Court or
6 anybody else believed that he thought
7 this was an asset of the company, but he
8 transferred title in the morning, and
9 then transferred title to the buyer in
10 the afternoon, and then filed the tax
11 returns and says the hundred and thirty-
12 two thousand dollars is a loan from him
13 to the company; knowing later on when he
14 was paid for extras which were billed by
15 this plaintiff and take the money and
16 put it in his other accounts. This went
17 on from the get-go, Your Honor. Money
18 was taken that clearly belonged to this
19 company. The jobs here in the answers
20 to interrogatories, they said that every
21 major job we did was a Arthur Vereen
22 Construction Company job and we're
23 supposed to do it at cost. I'm telling
24 you: That's his statement under oath and
25 those were filed with the record. Now

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1 the story goes on, well, wait a minute,
2 I guess Arthur Vereen should be able to
3 make some money on jobs. Your Honor,
4 this is corporate fraud in its worst.
5 It's every single defendant participated
6 in the fraud. Now Mr. Vereen controlled
7 all these accounts, nobody else but him.
8 And it was his family member, his wife,
9 who says in her deposition, it's put in
10 the record, that hey, I authorized him
11 to do everything that he did, and I
12 stand behind him today. And she chose
13 not to even appear and testify in the
14 case and that's her choice, Your Honor.
15 Your Honor, I think the Court ruled
16 properly. The Court ruled on what was
17 before it. And I think when you said I
18 want to keep the record open for future
19 developments, you did, Your Honor. You
20 said, I believe your words were: Well,
21 as for these things, that will be for a
22 later day, because if there's a judgment
23 rendered against the company later, Your
24 Honor, we are fully aware that A & E
25 would be responsible for that day when

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1 it comes. And you said I can't make
2 that decision today. And you're right,
3 you can't. But you don't stop and
4 finish the accounting that we started
5 today and you don't end the corporate
6 wrong-doing just because we don't know
7 whether or not the verdict is rendered
8 in a case of faulty construction. Your
9 Honor, that's all I have.

10 THE COURT: Any reply?

11 ATTORNEY COOK: Just very briefly, Your
12 Honor. And as to Mr. DuRant's last
13 comment, I totally agree, Your Honor.
14 The code in South Carolina dealing with
15 corporations and their judicial
16 dissolution provides an avenue when
17 there are contingent liabilities and a
18 judicial dissolution as to what the
19 Court has the discretion and the
20 authority to act in the power to do with
21 regards to that matter. And, Your
22 Honor, to the crux of what Mr. DuRant
23 just said. He said: "All we knew from
24 looking at the books and records of A &
25 E." And that is all that Ms. Brady did.

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1 But the evidence before the Court went
2 far beyond looking at the books and
3 records of A & E. It did go and look at
4 the books and records of Mr. Vereen and
5 the other related companies. There was
6 no law in South Carolina or anywhere
7 else that says to do an accurate
8 equitable accounting of assets and
9 liabilities of a business that you can
10 only look at the books and the records
11 of that particular corporation. In
12 fact, Your Honor, some of the cases that
13 I cited you, Your Honor, they do have to
14 look at other companies and see what
15 happened. The testimony before Your
16 Honor, and Your Honor even found in the
17 order, appropriately so, that from
18 October of 2003 through about June of
19 2004, all of the bills, all of the
20 expenses, all of the obligations in
21 order to conduct jobs of A & E were paid
22 for by Arthur Vereen Construction
23 Company. It wasn't until June of 2004
24 that A & E started paying any bills for
25 A & E, Your Honor. And Your Honor found

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1 that. And that is the testimony; that
2 is the evidence which isn't just the
3 discovery. All the documents, all the
4 notebooks, Your Honor; Your Honor knows
5 how much paperwork there was.

6 THE COURT: It was lined up around
7 this courtroom.

8 ATTORNEY COOK: Yes, ma'am. And, Your
9 Honor, that's really the crux or the
10 issue. Your Honor had the judicial
11 authority to order an accounting, a full
12 accounting, looking at wherever needs to
13 be looked out to find out what assets
14 and what obligations of this corporation
15 had taken place from '03 until today,
16 and the code gives Your Honor the power
17 to do that. It gives Your Honor the
18 power to consider the equitable remedies
19 that Your Honor can undertake once that
20 full accounting has been done to provide
21 for contingent liabilities that are out
22 there. Your Honor, when we were here
23 before you on the motion to reopen the
24 case, given the two lawsuits that have
25 already been filed, and we talked about

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1 this. One of the things Mr. Thomas said
2 was, well, the statute, are you going to
3 leave this open for thirteen years?
4 Well from the point in time when this
5 corporation started, the statute with
6 regard to the statute of repose in
7 construction cases had changed to eight
8 years. From the last time we are aware
9 of when A & E's license was used on a
10 job, unbeknownst to us, used by Mr.
11 Smith, the eight years would be up in
12 another year-and-a-half. Now, there may
13 be other jobs that Mr. Smith, before his
14 new company got licensed, used A & E's
15 license for that we don't know about.
16 But the last job we know about, the
17 eight years statute would be up in
18 another year-and-a-half. At that point,
19 one would hope that there would be no
20 more potential liability for anything
21 that's not already filed, but that's
22 where we are, Your Honor. And both
23 parties asked for a judicial dissolution
24 and asked for a full accounting of this
25 case. And Mr. DuRant is perfectly

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1 right. Ms. Brady looked at the books
2 and records of A & E.
3 ATTORNEY DURANT: Your Honor, to follow
4 up on that: Ms. Brady testified that she
5 should be able to look at the books and
6 records of A & E and it was properly and
7 lawfully done. The bills, the charges,
8 and the payments would be in those
9 records. And in the defendants'
10 answers, he said they were. And what we
11 found out through detailed discovery,
12 which was very expensive, we introduced
13 records from the affiliated defendants
14 and showed you, beyond any doubt, that
15 the defendants took the money that
16 belonged to the plaintiff and put it
17 into their accounts. And that is the
18 records that Ms. Brady looked at.
19 Records that we had to find through
20 discovery because the defendants said
21 they didn't do it. And we proved that
22 they did do it. And then he said, well,
23 wait a minute. Now that I did do it, I
24 paid more in than I paid out, and the
25 presumption is in the law, that if

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1 you're going to do that, you're going to
2 have to prove it. And we went into how
3 you're going to prove it and we were
4 promised this work by his CPAs, which
5 was not brought forth to the Court. And
6 then we made an appearance in Court to
7 say, Your Honor, we can't get credit
8 cards from six years ago that just say
9 Amoco Shell and determine that's a bill
10 that's a proper expense of this company
11 because it wasn't charged on a company
12 account. And you issued your order that
13 said, look, you said you were going to
14 do it for years, to bring it to the
15 Court, and you have to have the invoice
16 and the check paying it. And then when
17 you do that, it can be considered by the
18 Court and also be considered by Ms.
19 Brady as a proper expense, because then
20 it was six years after the fact. And
21 that's when we got into the broohoo over
22 did you meet the standard required by
23 the Court?

24 THE COURT: That's right.

25 ATTORNEY DURANT: And they did not. On

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1 the majority of the stuff, there was
2 nothing to support it.

3 THE COURT: That's true.

4 ATTORNEY DURANT: So, Your Honor, to the
5 extent that Ms. Brady looked at other
6 records, it was solely because they were
7 ultra vires transactions that the
8 defendants did and that they shouldn't
9 have done under law.

10 THE COURT: I know about your big
11 fuss during Court, but that they didn't
12 produce the documents before the cut-
13 off?

14 ATTORNEY DURANT: Correct.

15 ATTORNEY COOK: Your Honor, that's
16 what Your Honor found, but that is
17 another ground of our motion to
18 reconsider. And they were produced.
19 Your order did not say they had to be
20 stapled together. They were put in a
21 notebook like Ms. Brady wanted them to
22 be. And that is another ground in our
23 motion to reconsider.

24 THE COURT: No, I didn't say they
25 had to be stapled together. I think I

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1 said that you needed to have the invoice
2 and the payment.

3 ATTORNEY COOK: And we -- yes, ma'am.

4 THE COURT: And they were
5 proffered?

6 ATTORNEY COOK: Yes, ma'am. We
7 proffered all of that up, Your Honor.
8 In all those notebooks they were
9 proffered. There were certain notebooks
10 Your Honor did allow in. There were
11 other notebooks Your Honor did not allow
12 in and we proffered those.

13 THE COURT: Well, because they
14 weren't submitted timely.

15 ATTORNEY COOK: Your Honor, they were
16 submitted timely. I understand, Your
17 Honor. I'm not arguing with Your Honor.

18 THE COURT: Well I don't know why I
19 wouldn't ---

20 ATTORNEY COOK: I'm not arguing with --
21 -

22 THE COURT: --- have let them in.

23 ATTORNEY COOK: I can't answer that,
24 Your Honor. I wish I could.

25 THE COURT: Because I should have

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1 let them in if they were sent in timely,
2 because that's what the order said, so I
3 can't imagine why I didn't. But,
4 anyway, I know we got into a fuss over
5 the evidence, but anyway, I know Ms.
6 Brady, I know that her bill was what;
7 over a hundred thousand dollars?

8 ATTORNEY DURANT: A hundred and forty-
9 two thousand.

10 THE COURT: A hundred and forty-
11 two thousand dollars, so I know an
12 accounting is very expensive. Her bill
13 was a hundred and forty thousand dollars
14 so I know that's very expensive. I
15 don't know where this money is going to
16 come from.

17 ATTORNEY COOK: Well, Your Honor, I
18 believe you can order one of the parties
19 to pay for it.

20 ATTORNEY DURANT: You did.

21 ATTORNEY COOK: No, sir.

22 THE COURT: Well, what he's saying
23 is I ordered Ms. Brady's bill be part of
24 the judgment. But, no, I didn't order a
25 Court accountant.

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1 ATTORNEY COOK: Correct, Your Honor.
2 THE COURT: But nobody asked me to
3 do that. That's why I find it
4 disturbing that somebody's coming into
5 Court later saying that's what you
6 should have done, Judge, when nobody
7 asked me to do that. And I know, Ms.
8 Cook, you're saying: Well, you should
9 have done that. But you didn't ask me
10 to do that to begin with. Now you're
11 saying it's your duty; you should have
12 done it. Nobody, nobody in this
13 courtroom should come in here now and
14 say: You should have done it. It was
15 your judicial duty to do it, when nobody
16 -- don't tell me you asked me to do it.
17 Because nobody came in here and said
18 that's what you should have done. Ms.
19 Cook, don't stand up and say that's what
20 you should have done, because that's not
21 what you anticipated. That's not what
22 you came in here two years ago, or three
23 years ago and asked me to do. That's
24 was not what the parties anticipated.
25 Mr. DuRant, is that what you anticipated

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1 me to do?

2 ATTORNEY DURANT: No, ma'am. We asked -

3 --

4 THE COURT: No.

5 ATTORNEY DURANT: --- that the accounting
6 be paid out of the funds that we
7 recovered. And you ordered that.

8 THE COURT: And that's not what you
9 and Ms. Cook talked about. That's not
10 what was anticipated.

11 ATTORNEY DURANT: That's correct. And
12 Your Honor, on the attorney's fees, we
13 didn't ask the other side to pay it. We
14 asked under the statute that you approve
15 my fees because it was an action filed
16 as a derivative action, the payment of
17 fees is something you must approve.

18 THE COURT: If that's what was
19 anticipated, I would have thought before
20 y'all went forward, Ms. Cook, you would
21 have said Judge, who are you going to
22 appoint? Who is the accountant?

23 ATTORNEY COOK: Well, Your Honor, to
24 be perfectly candid, when Ms. Brady said
25 and acknowledged before Your Honor,

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1 under oath, that she had not done a full
2 accounting; she had only looked at
3 certain things that Mr. Smith had
4 pointed out. And I made a point, on the
5 record, Your Honor, of saying: Do you
6 agree that there will have to be more
7 done in order to have a full accounting
8 of this corporation; might not have been
9 phrased exactly like that, but to that
10 extent, and she said yes. And I
11 believe, Your Honor, and we've got bits
12 and pieces of this record already, I
13 believe Your Honor said: Well am I
14 allowed to do that? And Your Honor, the
15 statute says that the Court can order a
16 judicial accounting and a judicial
17 dissolution.

18 THE COURT: Well I don't recall
19 saying that, but I know Ms. Brady was
20 Mr. DuRant's and Mr. Thomas' accountant,
21 not Mr. Vereen's accountant?

22 ATTORNEY COOK: That's correct. Yes,
23 ma'am.

24 ATTORNEY DURANT: Your Honor, she said,
25 look, I can't go find every invoice to

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1 match every check, but I looked at every
2 check and I matched it to the computer
3 and it balances. And I testified under
4 oath today that every deposit that went
5 into that account has been accounted
6 for. And she said, also, that Mr.
7 Vereen and Mr. Smith got checks from the
8 company for reimbursement, which were
9 entered into the computer record and
10 charged to a job. And as to those, she
11 assumed them to be true because they
12 were charged to a building account which
13 they had for jobs. And she admitted
14 those things and we don't challenge
15 every check. We looked at the records
16 and found out these are things we know
17 or we suspect we can prove our ultra
18 vires actions by Mr. Vereen. And other
19 than that, he could have looked at any
20 record and done the same thing himself.
21 But his problem was, Your Honor, is he
22 wrote all the checks. We wrote none.
23 So the presumption here is if we ask for
24 something and he approves it and signs
25 the checks, then he's already approved

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1 the check.

2 THE COURT: And where is the

3 checkbook kept?

4 ATTORNEY DURANT: In the office. And the

5 statements are kept in the office and

6 they're balanced in the office every

7 month, at least through 2007.

8 THE COURT: In the office that's

9 owned by Mrs. Vereen? But was ---

10 ATTORNEY DURANT: Correct. And Parkway.

11 ATTORNEY COOK: But was utilized by A

12 & E and which Mr. Smith, the president

13 of the company, a fifty percent

14 shareholder, had unfettered access,

15 until he abandoned the company in the

16 spring of 2007.

17 ATTORNEY DURANT: It seems like she's

18 arguing that we had a key to the

19 building so that means we're then

20 somehow stealing ---

21 THE COURT: I understand.

22 ATTORNEY DURANT: --- and spying.

23 THE COURT: I understand. I

24 understand. I mean it was fifty-fifty

25 shareholders. I understand that. Okay.

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1 Anything further?
2 ATTORNEY DURANT: Nothing from the
3 plaintiff.
4 THE COURT: And everybody has had
5 his or her say ---
6 ATTORNEY COOK: Yes, ma'am.
7 THE COURT: --- on the motion for
8 reconsideration?
9 ATTORNEY THOMAS: Briefly, Your Honor --
10 -
11 THE COURT: Yes, sir.
12 ATTORNEY THOMAS: --- as the Court is
13 aware, I represent E. Smith and Sons and
14 EES Construction.
15 THE COURT: On the counterclaim?
16 ATTORNEY THOMAS: Yes, ma'am, and Ellis
17 E. Smith. I didn't understand Ms. Cook
18 to say anything about my client in her
19 argument, so I'm not going to say
20 anything in response. And I'm only
21 going to say that to the extent that she
22 says anything, that you got anything
23 wrong in the order regarding my clients,
24 we disagree.
25 THE COURT: Okay.

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1 ATTORNEY THOMAS: And one additional
2 thing regarding the accounting. There
3 were actually two versions of an
4 accounting presented to this Court,
5 over, Frank says sixteen days. It
6 seemed more like sixty days to me.

7 THE COURT: I agree.

8 ATTORNEY THOMAS: But he had boxes all
9 around the courtroom. Mr. Vereen had
10 his boxes on that side of the courtroom
11 all around presenting their alternative
12 view of what an accounting ought to be,
13 and nobody said Judge, you're wasting
14 all of our time because you didn't order
15 this accounting that we think you now
16 ought to do. We think to the extent
17 that was ever right, and we don't think
18 it was, there's certainly a way to find
19 out because they presented their own
20 accounting.

21 THE COURT: There were. I mean Mr.
22 Vereen's daughter did her own
23 accounting. I mean she had plenty of
24 books and records herself. She acted as
25 Mr. Vereen's accountant. There were

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1 plenty of accounting records presented
2 on behalf of Mr. Vereen.

3 ATTORNEY COOK: Yes, ma'am. There
4 were plenty of records.

5 THE COURT: And just because I
6 don't set it out in the order doesn't
7 mean I didn't consider it. I mean I
8 didn't sit here and close my ears when
9 she was testifying. I didn't fall
10 asleep while she was testifying.

11 ATTORNEY COOK: No, ma'am. You
12 didn't.

13 THE COURT: I sat here and I
14 listened to everything she had to say.
15 And I don't know how many days she was
16 on, but she probably thought she was on
17 the witness stand for two weeks. But
18 she was on the witness stand for quite
19 some time and did a very good job. And
20 I listened to everything she had to say
21 and she had plenty of written records.
22 So I considered everything she had to
23 say. And y'all did a great job and
24 bombarded me with testimony and Exhibits
25 and records. And I am not an accountant

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1 by any means. And I'm not a
2 mathematician by any means. And I knew
3 it was going to come down to an order
4 that no one, probably no one's happy
5 with. I know that Mr. DuRant prepared a
6 proposed order, and I certainly didn't
7 sign the one he proposed. I tore it all
8 to pieces. Right after he sent me a
9 proposed order, it took me months after
10 he sent the proposed order to do one.
11 But ---

12 ATTORNEY COOK: Your Honor, Mr. DuRant
13 sent you a proposed order?

14 THE COURT: I asked for proposed
15 orders from both sides.

16 ATTORNEY COOK: Hmm ---

17 THE COURT: Yes, ma'am, I did.

18 ATTORNEY COOK: You asked for post-
19 trial briefs, Your Honor.

20 THE COURT: I asked for a proposed
21 order from both sides. And I never
22 received one.

23 ATTORNEY DURANT: She sent an email
24 stating that she would have a proposed
25 order a week after I sent mine.

CP-26 REPORTING

Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-MAIL: melissadecker@sc.rr.com

1 ATTORNEY COOK: This is on the record,
2 so I believe all the emails can be put
3 on the record, because I remember we
4 kind of had a conversation with Susan,
5 your paralegal, because it appeared,
6 which I knew that there was no ex-parte,
7 but we had this big discussion about
8 proposed orders with Susan. And I
9 believe Your Honor sent something back:
10 No, I haven't asked anybody for a
11 proposed order.

12 THE COURT: I did later. I did
13 later. I said that.

14 ATTORNEY COOK: And you sent me an
15 email?

16 THE COURT: Yes, ma'am. All
17 right. We're adjourned. Thank you very
18 much.

19 ATTORNEY DURANT: Thank you, Your Honor.

20 ATTORNEY COOK: Could I ask: Frank, do
21 you still have that email that you could
22 send to me?

23 THE COURT: I probably do.

24 ATTORNEY DURANT: I think how it was is
25 you were in the Atlanta airport or

CP-26 REPORTING

Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-MAIL: melissadecker@sc.rr.com

1 something and I had sent some order to
2 you, because I thought Susan wanted me
3 to do it. And you said I'll prepare one
4 and I'll get it to you by next week. I
5 sent it to your email.

6 ATTORNEY COOK: Well, Your Honor, if
7 you have an email independent that
8 you've asked for both of us to send
9 proposed orders, I ---

10 THE COURT: Either I did it or my
11 law clerk did it.

12 ATTORNEY COOK: If you could find
13 that, I would certainly appreciate
14 getting it because I do not recall it.

15 THE COURT: All right.

16 ATTORNEY COOK: I remember having a
17 big harangue with Susan about that,
18 because I remember saying I think the
19 email came from you because it was
20 saying I haven't asked anybody for an
21 order.

22 THE COURT: It was after that.

23 ATTORNEY COOK: It was after that?

24 ATTORNEY DURANT: Frank, do you have an
25 email to that effect?

CP-26 REPORTING

Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-MAIL: melissadecker@sc.rr.com

1 THE COURT: And I waited and
2 waited and waited.
3 ATTORNEY DURANT: Well, Your honor, I
4 think what your email said, because I
5 looked all the stuff up yesterday. You
6 asked for a memorandum as to the relief
7 we requested, which Jack and I sent
8 together to you, which I put in the
9 record then. And she did not provide
10 that. And you did send her an email, or
11 your law clerk, or Susan did, and you
12 never got that. Then afterwards, I
13 forgot how it happened. I sent you a
14 proposed order because I thought I was
15 supposed to, incorrectly. And we had a
16 conversation by email concerning this
17 and Kif said that she would send her
18 proposed order by Monday of the
19 following week.
20 THE COURT: Okay. That's what it
21 was.
22 ATTORNEY COOK: I ---
23 THE COURT: Yeah, you did say you
24 would send one the following week.
25 ATTORNEY COOK: That was not a

CP-26 REPORTING

Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-MAIL: melissadecker@sc.rr.com

1 proposed order, Your Honor. That was
2 the post-trial memorandum.
3 THE COURT: Well we never got it.
4 ATTORNEY COOK: And I've never, ever
5 gotten anything that said you wanted a
6 proposed order or that Frank had sent
7 you a proposed order.
8 ATTORNEY DURANT: What did that say; you
9 got my proposed order?
10 ATTORNEY COOK: I never got a proposed
11 order from you, Frank. I got a post-
12 trial memorandum. But I -- Your Honor,
13 I never got a proposed order.
14 ATTORNEY DURANT: I think you're wrong.
15 THE COURT: Well, I'll go back and
16 look at all the memos.
17 ATTORNEY COOK: Yes, ma'am, and I'll
18 likewise look at mine as well.
19 ATTORNEY DURANT: Okay.
20 (The hearing concluded at 2:40 p.m.)
21
22
23
24
25

CP-26 REPORTING

Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-MAIL: melissadecker@sc.rr.com

CERTIFICATE

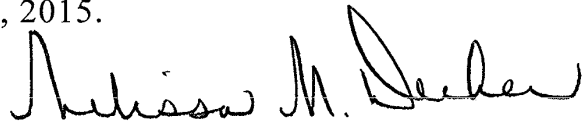
I, Melissa M. Decker, Notary Public in and for the State of South Carolina, do hereby certify that there appeared before me the foregoing witness;

That said witness was sworn by me to state the truth, the whole truth and nothing but the truth;

That the testimony was recorded by me, by open tape and Stenomask, reduced to typewriting and proofed under my direct supervision and the foregoing consecutively numbered pages are a complete and accurate record of the testimony given at said time by said witness;

That the undersigned is neither of kin nor in anywise associated with any of the parties to said cause of action, nor any counsel thereto, and that I am not interested in the event(s) thereof.

IN WITNESS WHEREOF I have hereunto set my hand and seal this the 3rd day of July, 2015.

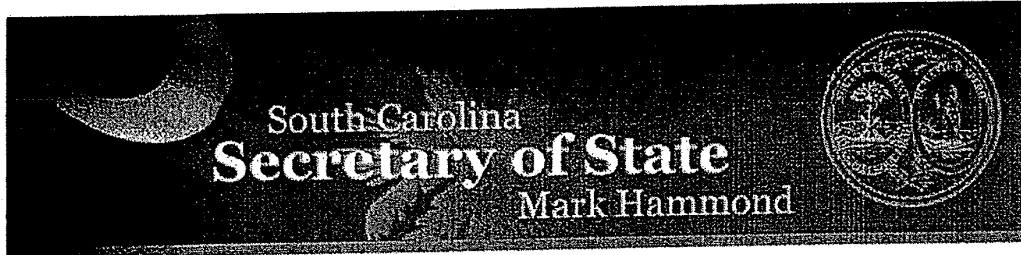


Melissa M. Decker
Court Reporter
Notary Public in and for
The State of South Carolina
My Commission Expires: 2-06-24

CP-26 REPORTING

Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-MAIL: melissadecker@sc.rr.com

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E. SMITH AND SONS CONSTRUCTION, LLC

*Note: This online database was last updated on 7/8/2009 6:02:54 PM.
See our Disclaimer.*

DOMESTIC / FOREIGN:	Domestic
STATUS:	Good Standing
STATE OF INCORPORATION / ORGANIZATION:	SOUTH CAROLINA Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:	ELLIS E. SMITH
ADDRESS:	711 JASMINE AVENUE
CITY:	MYRTLE BEACH
STATE:	SC
ZIP:	29577
SECOND ADDRESS:	
FILE DATE:	04/03/2007
EFFECTIVE DATE:	04/03/2007
DISSOLVED DATE:	//

Corporation History Records

CODE	FILE DATE	COMMENT	Document
Domestic LLC	04/03/2007	SCBOS Filing: AT WILL	

Disclaimer: The South Carolina Secretary of State's Business Filings database is provided as a convenience to our customers to research information on business entities filed with our office. Updates are uploaded every 48 hours. Users are advised that the Secretary of State, the State of South Carolina or any agency, officer or employee of the State of South Carolina does not guarantee the accuracy, reliability or timeliness of such information, as it is the responsibility of the business entity to inform the Secretary of State of any updated information. While every effort is made to insure the reliability of this information, portions may be incorrect or not current. Any person or entity who relies on information obtained from this database does so at his own risk.



Office of Licensure and Compliance
 110 Centerview Drive, Columbia, SC 29210
 PO Box 12817, Columbia, SC 29211
 Telephone (803) 896-4501 Fax (803) 896-4570

\$350⁰⁰⁰⁰ $\Delta 19$
 #1131

MAY 04 2009

Indert

GENERAL OR MECHANICAL CONTRACTORS' LICENSE APPLICATION

Document #185

APPLICATION MUST BE TYPED OR PRINTED IN INK

OFFICE USE ONLY
 AMOUNT \$ _____ BATCH# _____
 DATE OF ISSUE: _____
 G _____ M _____
 OP _____ CLASS _____

6

NOTE: Personal information provided in this application may be subject to public scrutiny, or release under the State Freedom of Information Act or other provisions of federal and state law.

FEE SCHEDULE
 Select one: General Contractor Mechanical Contractor
 \$175 (until 8/31/08) \$350 (until 8/31/08)
 \$350 (after 8/31/08) \$175 (after 8/31/08)
 \$175 (after 8/31/08) \$350 (after 8/31/08)

ATTENTION CHECK WRITERS: BY PROVIDING US YOUR CHECK, YOU AUTHORIZE US TO: (1) USE INFORMATION FROM THE CHECK TO MAKE A ONE-TIME ELECTRONIC FUND TRANSFER FROM YOUR ACCOUNT, OR, TO PROCESS THE PAYMENT AS A CHECK TRANSACTION, AND, (2) TO COLLECT A FEE THROUGH ELECTRONIC FUND TRANSFER FROM YOUR ACCOUNT IF YOUR PAYMENT IS RETURNED UNPAID.

- Are you a current or previous S.C. Contractor? Yes No Your Previous S.C. License# _____
- Is this a reinstatement application? Yes No • Is this a name change or style of business change? Yes No

1. LICENSEE INFORMATION: This section to be completed by the person or entity seeking a license. The name listed in this section (the "Licensee") is the owner of the license. You must sign contracts, apply for permits, conduct business and advertise in the same name that will appear on your license. See Sections 40-11-20, 130, 230, 240 and 370(B) in the General and Mechanical Contracting Act of SC for further clarification.

Licensee (DBA) Name: F. Smith & Sons Construction Inc.
(The name to put on the license to work and pull permits)
 DBA - "Doing Business As" Name (Legal name in which this entity will be conducting business in S.C.)
(Financial statement must be in this same name, unless a Sole Proprietorship)

Select your DBA's style of business:
 Sole Proprietorship Partnership Corporation LLC LLP
Contact SC Secretary of State (803-734-2188) if you want to register your entity in South Carolina

Mailing Address: P.O. Box 1248 Myrtle Beach SC 29578 Horry
(i.e. P.O. Box) City State Zip County

Business Address: 711 Jasmine Ave Myrtle Beach SC 29577 Horry
Physical Street Address (no P.O. Boxes) City State Zip County

Business Telephone #: (843) 459-0076 Federal ID #: _____
FOR AN S-CORP, J-CORP, LLC or LLP REGISTER WITH S.C. SECRETARY OF STATE at 803-734-3188

Fax Telephone #: _____
 Email Address: F.Smith4599@AOL.COM

2. QUALIFYING PARTY "QP" INFORMATION: This is the individual(s) that is qualifying the licensee by exam or waiver, or, if you are reinstating your license, this section could also be filled out by a "grandfather" qualifier. Make a copy of this page and page 3 for each qualifier. **NOTE: THE LICENSE DOES NOT BELONG TO THE "QP" UNLESS THIS LICENSE WILL BE IN THE QP's PERSONAL NAME, OR IF THE QP IS THE OWNER/PRESIDENT OF THE COMPANY. THE LICENSE BELONGS TO THE "DBA" NAME LISTED ABOVE IN SECTION 1** (see Section 40-11-230, 40-11-20(18), and Regulation 20-2).

Qualifying Party (QP) Name: Ellis E Smith
This is the individual(s) qualifying this license by Examination or Waiver

Home Address: 711 Jasmine Ave Myrtle Beach SC 29577 Horry
Street City State Zip County

Home Telephone #: (843) 449 9278 Position/Title with this Entity: President

Date of Birth: _____ Driver's License # and State issued: _____

WALK-IN

La

APPLICATION CHECK LIST
(for ~~new~~ licensees only/~~and~~ reinstatements)

(Select 1 of the 3 options below; then complete bottom section):

I AM APPLYING FOR A LICENSE BY:

1) **PSI Examination:**

- I have enclosed the passing technical exam score sheet(s)
- I have enclosed the passing business management / law exam score sheet

----- OR -----

2) **Reciprocity/Agreement** (cannot have been "grandfathered" or waived in from another state not listed below; must have taken the exam in the state selected below). Enclose a current "License Verification Letter" from the state you selected (copies of a license card or certificate are ~~not~~ accepted).

- ALABAMA:** Electrical
- GEORGIA:** Electrical (Non-Restricted Electrical) Heating & Air Conditioning (Non-Restricted Conditioned Air, if exam passed after 6/30/80)
- LOUISIANA:** Asphalt Paving (Asphalt Hot & Cold Plant Mix and Asphalt Surface Treatment) Bridges (Concrete, Steel, & Wood Bridges) Building (Building Construction) Concrete Paving (Paved Highways, Concrete & Soil Treatment) Pipelines (Transmission Pipeline) Boring & Tunneling (Tunnels) Grading (Earthwork, Drainage, & Levees) Pressure & Process Piping (Industrial Piping) Water & Sewer Lines (Sewer, Storm Drains & Waterlines) Water & Sewer Plants (Filter Plants and Water Purification)
- MICHIGAN:** Building Electrical
- NORTH CAROLINA:** Intermediate or Unlimited Electrical Building Water & Sewer Lines Water & Sewer Plants Grading Highway (if exam passed prior to 4/1/80) Roofing
*You must apply in the same name with South Carolina as you are licensed in North Carolina
- PENNSYLVANIA:** Electrical - from Reading, Pennsylvania ONLY
- ILLINOIS:** Building (Limited Building - BC-b, BC-C or Unlimited Building - BC, BC-B, BC-BC) Plumbing (CMC-A) Electrical (CE) Air Conditioning & Refrigeration (CMC-C) Air Conditioning, Refrigeration & Plumbing (CMC/Mechanical)
- TEXAS:** Air Conditioning & Heating (Class A Air Conditioning/Refrigeration or Class A Air Conditioning) Packaged Equipment (Class B Air Conditioning or Class B Air Conditioning/ Refrigeration) Refrigeration (Class A Refrigeration)
- UTAH:** Unlimited Building Limited Building (R100) Concrete (S260) Grading (S310) Heating (S353) Glass & Glazing (S240) Air Conditioning (S360 HVAC) Packaged Equipment (S361) Refrigeration (S360) General Roofing (S280) Structural Framing (S320) Swimming Pools (S360) Water & Sewer Lines (S300)

----- OR -----

3) **The Municipal Association of South Carolina (MASC)**

- I have enclosed (1) a copy of my certification letter, or (2) a copy of my current certification card from MASC. This board only reciprocates the Master Plumber and the Master Electrician certifications.

EVERY APPLICANT MUST ENCLOSE THE FOLLOWING:

- This application, Doc #165, completed, signed & notarized in all indicated areas
 - The S.C. Code of Laws (Doc #176) answer sheet and signature page
 - The appropriate Financial Statement:
 - Self-Prepared (Group 1 or 2) (must be dated & notarized)
 - "Compiled" or "Reviewed" (Group 3 or 4) (from a licensed PA, CPA or Accounting Practitioner)
 - "Audited" (Group 5) (from a licensed CPA only)
 - S.C. Secretary of State certification - for Partnerships, Corporations, LLC's, or LLP's (this is optional - for entities that want to register their business name with this state - 803-734-2166)
- South Carolina Department of Labor, Licensing and Regulation
PO Box 11329
Columbia, SC 29211

South Carolina Department of Labor, Licensing and Regulation
PO Box 12517
Columbia, SC 29211

AFFIDAVIT OF ELIGIBILITY

Pursuant to Section 8-29-10 SC Code of Law, ALL applicants for a South Carolina license after July 1, 2008 are required to complete and sign this Affidavit of Eligibility.

Section A: LAWFUL PRESENCE in the United States.

1. (please print your full name) Glenn E Smith, swear or affirm under penalty of perjury under the laws of the State of South Carolina that (check 1, 2 or 3 below):

1. I am a United States citizen or legal permanent resident eighteen years of age or older; or
2. I am not a US citizen but am lawfully present in the US as evidenced by one of the following
 - a. I am a qualified alien as defined in 8 U.S.C. sec 1641, eighteen years of age or older.
 - b. I am a nonimmigrant under the "Immigration and Nationality Act," Federal Public Law 82-414 as amended, eighteen years of age or older.
3. I am not physically present in the US under 8 U.S.C. sec 1621 (c) (2) (c) or employed in the US pursuant to 8 U.S.C. 1621 (c) (2) (a) (check either a or b below):
 - a. I am a US citizen, not physically present or employed in the United States.
 - b. I am a Foreign National, not physically present or employed in the United States.

If you selected either 1.a. or 3.a., you do not need to complete Section B. Skip to Section C.

Section B: Secure and Verifiable Document. This section must be completed if you checked number 1 or 2 in Section A.

1. Please check one of the following acceptable secure and verifiable documents. Complete documentation must be provided upon request only.

- Any South Carolina Driver License, South Carolina Driver Permit or South Carolina Identification Card, expired less than one year.
- Out-of-state issued photo Driver's License or photo identification card, photo driver's permit expired less than one year. State: _____
- Valid Temporary Resident Card
- Certificate of Naturalization with intact photo
- Certificate of (US) Citizenship with intact photo
- Other: (Name of verifiable document) [REDACTED]

2. Enter the state or the federal agency name where this secure and verifiable document was issued.

_____ (If issued by a state agency, include both the state and agency name.)

3. What is the secure and verifiable document number? [REDACTED]

[REDACTED]
Social Security Number

4. What is the expiration date of your secure and verifiable document? _____ (month/day/year)

(If you hold a document without an expiration date, such as a military ID or naturalization certificate, write N/A.)

Section C: Attestation.

- I understand that this sworn statement is required by law because I have applied for or hold a professional or commercial license regulated by § U.S.C. sec. 1621. I understand that state law requires me to provide proof that I am lawfully present in the United States. I may also be required to provide proof of lawful presence.
- I understand that in accordance with section §-29-10 false statements made herein are punishable by law. I state under penalty of perjury that the above statements are true and correct.
- I am the person identified above and the information contained herein is true and correct to the best of my knowledge. I understand that under South Carolina law, providing false information is grounds for denial, suspension or revocation of a license, certificate, registration or permit.
- I understand that the above information must be disclosed to the Department of Labor, Licensing and Regulation upon request and is subject to verification.

Ellie E Smith
Signature

5/1/09
Date

Ellie E Smith
Please print your name as shown on your secure and verifiable document.

Professional License Type: Group #2 General Contractor

License Number (if already licensed): [REDACTED]

The South Carolina Code of Laws requires that every individual who applies for an occupational or professional license provide a social security or other identification number for use in the establishment, enforcement and collection of child support obligations and for reporting to certain databases established by law. Failure to provide your social security number for these mandatory purposes will result in the denial of your license application. Social security numbers may also be disclosed to other governmental regulatory agencies and for identification purposes to testing proctors and organizations involved in professional regulation. Your social security number will not be released for any other purpose not provided for by law.

QUALIFYING PARTY "QP" INFORMATION

Are you currently or previously a QP with a SC General or Mechanical Contractor? Yes No License #

I am requesting to transfer my qualifications from the above license.

I am requesting to be a dual qualifier for both entities (you must submit Doc #173 with this application and meet all four requirements).

3. BACKGROUND INFORMATION of QUALIFYING PARTY and OWNER/PRESIDENT: To be answered by each qualifying party AND the owner/president. Attach documents and/or a written explanation for each "Yes" answer.
(Owner/president - answer only one of these pages if there are additional QP pages)

- Have you ever had a license, certification or registration cancelled, surrendered, revoked, suspended, restricted or disciplined by any federal, state or local authority or contracted without a proper license?
Qualifying Party: Yes No Owner/President: Yes No
- Is any investigation or disciplinary action currently pending against you or an organization of which you are or were an officer, principal, qualifying party or major shareholder?
Qualifying Party: Yes No Owner/President: Yes No
- Have you or an organization of which you are or were an officer, principal, qualifying party or major shareholder ever been issued a Cease and Desist Order for unauthorized practice?
Qualifying Party: Yes No Owner/President: Yes No
- Have you ever been arrested, charged, indicted or convicted for violation of any federal, state or local law (other than a minor traffic violation)?
Qualifying Party: Yes No Owner/President: Yes No
- Are you currently or have you ever been licensed or registered in any profession in any federal or state jurisdiction?
Qualifying Party: Yes No Owner/President: Yes No
- Within the last 10 years, have you or any business entity of which you are or were an officer, principal, or major shareholder received any notice of any final judgments, liens or claims of any kind?
Qualifying Party: Yes No Owner/President: Yes No

4. AFFIDAVIT OF QUALIFYING PARTY and the OWNER/PRESIDENT: See Section 40-11-130 (A)(8) for further certification. I, the Qualifier based on this application, am a full-time employee in a responsible management position with the applicant requesting this license. I, the Qualifier, and I, the owner/president affirm that all statements contained herein are true and correct to the best of our knowledge. We further understand that false or incorrect information provided by either of us may result in the cancellation or denial of a license issued pursuant to this application and may be subject to civil and criminal proceedings. We agree that all information in this application can be verified and investigated. We have read, and are familiar with the South Carolina Code of Laws Act regulating contracting and hereby agree to abide by such laws.

Signature of Qualifying Party: Ellis E Smith Title: Pres Date: 5/1/09
Signature Owner/President: Ellis E. Smith Title: Pres Date: 5/1/09

Signed and Subscribed before me this 1st day of May 2009
Notary Public: [Signature] My Commission Expires 7-10-2011
State of South Carolina County of Horry

--- (NOTE: MUST BE SIGNED & NOTARIZED OR APPLICATION WILL BE RETURNED.) ---

5. EMPLOYMENT INFORMATION: This section must be completed; state the name(s) of the owner of this license and any additional representatives (see Sections 40-11-20(7), 340 (A)(1), (D), and 370).

List names of owner/president and principal officers, along with the additional information requested.

Name	Title	DOB	Address	Telephone#
ELLIS E SMITH	Pres	[REDACTED]	711 JOSEPHINE AVE MYRTLE BEACH SC 29577	943-449-9278
ELLIS E SMITH Sr	Sec	[REDACTED]	705 4TH AVE NW MYRTLE BEACH SC 29577	943 241 4477

Driver's License # and state issued (for president/owner): DL#: [REDACTED] State: [REDACTED]

CLASSIFICATIONS and CONTRACT LIMITS

1. GENERAL CONTRACTORS: Select the Classification(s) and Contract Limit/Group Limitation below for which you are applying; select only the classifications for which you have tested or are approved by reciprocity.

Building Classifications:

- Limited Building Contractors Exam
(Construction limited to three stories in height, except interior work)
- General Contractors Exam
(Unlimited Building)

Specialty Sub-classifications:

- | | |
|---|--|
| <input type="checkbox"/> Boring and Tunneling ** | <input type="checkbox"/> Specialty Roofing |
| <input type="checkbox"/> Concrete | <input type="checkbox"/> Structural Framing |
| <input type="checkbox"/> Interior Renovation ** | <input type="checkbox"/> Structural Shapes ** |
| <input type="checkbox"/> Marine | <input type="checkbox"/> Swimming Pools |
| <input type="checkbox"/> Masonry** | <input type="checkbox"/> Wood Frame Structures |
| <input type="checkbox"/> Pre-Engineered Metal Buildings | <input type="checkbox"/> Public Utility Electrical |
| <input type="checkbox"/> Railroad Lines** | <input type="checkbox"/> Boiler Installation |
| <input type="checkbox"/> General Roofing | <input type="checkbox"/> Glass & Glazing |

Highway Sub-classifications:

- Asphalt Paving
- Concrete Paving
- Bridges
- Incidental **
- Grading

Public Utilities Sub-classifications:

- Pipelines
- Water and Sewer Lines
- Water and Sewer Plants

**A technical examination is not required for this classification; however, you must pass (1) the Business Management/Law Exam, (2) the SC Code of Laws Take Home Exam, and, (3) show two years of actual work experience in the last five years for each classification you are requesting.

Contract Limit/Group Limitations For General Contractors:

Please check the group limitation for which you are applying.

Submit a Self-Prepared Financial Statement that is Notarized

- | | | | |
|---|------------------------------|--------------------------|-----------|
| <input type="checkbox"/> Group # 1 | \$ 30,000 limit per contract | -- Net worth requirement | \$ 6,000 |
| <input checked="" type="checkbox"/> Group # 2 | \$100,000 limit per contract | -- Net worth requirement | \$ 20,000 |

Submit a Certified Financial Statement prepared by CPA, PA, or Accounting Practitioner

- | | | | |
|------------------------------------|------------------------------|--------------------------|-----------|
| <input type="checkbox"/> Group # 3 | \$350,000 limit per contract | -- Net worth requirement | \$ 70,000 |
| <input type="checkbox"/> Group # 4 | \$750,000 limit per contract | -- Net worth requirement | \$150,000 |

Submit an Audited Financial Statement prepared by a CPA only (must attach "Notes")

- | | | | |
|------------------------------------|----------------------------------|---------------------------|-----------|
| <input type="checkbox"/> Group # 5 | \$ Amount unlimited per contract | --- Net worth requirement | \$250,000 |
|------------------------------------|----------------------------------|---------------------------|-----------|

*NOTE: A "REVIEWED" FINANCIAL STATEMENT IS ONLY GOOD FOR GROUP 3 OR 4; NOT GROUP 5.

2. MECHANICAL CONTRACTORS: Select the Classification(s) and Contract Limit/Group Limitation below for which you are applying; select only the classifications for which you have tested or are approved by reciprocity.

Classifications:

- Plumbing
- Heating
- Electrical
- Lightning Protection Systems
- Air Conditioning
- Pressure and Process Piping/2P
- Refrigeration
- Packaged Equipment (Limited to 25 tons cooling and 500,000 BTU/HR heating per unit. Heat pumps and split systems are covered under this classification).

Contract Limit/Group Limitations For Mechanical Contractors:

Please check the group limitation for which you are applying.

Submit a Self-Prepared Financial Statement that is Notarized

- | | | | |
|------------------------------------|------------------------------|--------------------------|----------|
| <input type="checkbox"/> Group # 1 | \$ 17,500 limit per contract | -- Net worth requirement | \$ 3,500 |
| <input type="checkbox"/> Group # 2 | \$ 30,000 limit per contract | -- Net worth requirement | \$ 6,000 |

Submit a Certified Financial Statement prepared by CPA, PA, or Accounting Practitioner

- | | | | |
|------------------------------------|------------------------------|--------------------------|-----------|
| <input type="checkbox"/> Group # 3 | \$ 50,000 limit per contract | -- Net worth requirement | \$ 10,000 |
| <input type="checkbox"/> Group # 4 | \$125,000 limit per contract | -- Net worth requirement | \$ 25,000 |

Submit an Audited Financial Statement prepared by a CPA only (must attach "Notes")

- | | | | |
|------------------------------------|----------------------------------|--------------------------|-----------|
| <input type="checkbox"/> Group # 5 | \$ Amount unlimited per contract | -- Net worth requirement | \$100,000 |
|------------------------------------|----------------------------------|--------------------------|-----------|

*NOTE: A "REVIEWED" FINANCIAL STATEMENT IS ONLY GOOD FOR GROUP 3 OR 4; NOT GROUP 5.

WORK EXPERIENCE AFFIDAVIT

To be completed by every new qualifying party individual, except if you are applying by one of the following:
(check one, if applicable)

- Exam waiver from a reciprocal state, or the BABC certification
- Reinstating an expired license using the same qualifier(s)
- A current/previous SC commercial qualifier (not lapsed more than 4 years)

19. **WORK EXPERIENCE:** You must show 2 years of **ACTUAL** work experience in the past 8 years as a full-time employee in the classification(s) you are requesting. Only **COMMERCIAL** experience is accepted.

TO COMPLETE THIS FORM CORRECTLY, PLEASE GO TO SECTION 46-11-412 OF THE SC CODE OF LAWS BOOKLET AND READ THE INSTRUCTIONS FOR EACH CLASSIFICATION YOU ARE APPLYING FOR. THEN, IN YOUR DESCRIPTION OF WORK, YOU MUST LIST THE ACTUAL PROJECTS YOU HAVE ACTUALLY WORKED ON WITHIN THE CLASSIFICATION OF DUTY.

DO NOT USE BROAD TERMS LIKE "PROJECT MANAGER", "ESTIMATOR", "SUPERVISOR", "BUILDER", "ELECTRICIAN", ETC. EXPLAIN THESE TERMS AND OTHERS AS THEY RELATE SPECIFICALLY TO THE CLASSIFICATION(S) YOU ARE REQUESTING.

(You may substitute this form with a notarized resume detailing the same information requested below. Copy this page as necessary.)

Qualifying Party Name: Ellis E Smith
 Classification(s) requested: _____

Project Name(s) (largest projects or 30000 or more)	Describe Actual Job Duties (application will be returned if DETAILED work not shown)	Project Dates (dates must equal 2 years or more)	Contact Person	Address/Telephone #
Condolux Office	Construction & Management	6/07 - 6/09	Martin Brown	1703 17th Ave South NMB SC 843 446 1739
Scott Long Law Office	il. \$450,000	1/05 - 10/05	Scott Long	843 213 0853
Fountains Condominiums	Total Cost of project \$4.9 million	1/05 - 2/07	Tim Kuhn	
Tahitian Princess	Total Construc \$1.5m	3/04 - 3/05	Martin Brown	843 446 1739
Tahitian Prince II	" 1.5m	4/05 9/06	"	"
Acadusion	Total const 790,000	3/06 1/07	"	"

I was **VERY** detailed above in describing my actual job duties in each specific classification I am applying for, and, hereby state that, I meet the above experience requirements based upon the requirements found in Section 46-11-230 of the 1976 South Carolina Code of Laws Act as amended.

Qualifying Party Signature: Ellis E Smith Title: Owner Date: 5/1/09
 Subscribed before me this 7th day of May 2009
 My Commission Expires 7-10-2011
 Notary Public: [Signature] County of: Horry
 State of: South Carolina

Note: Must be signed & notarized or application will be returned.

Δ 21

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

LAND SALES CONTRACT

This is a Land Sales Contract by and between _____

29th Place Developers, Inc.

hereinafter referred to as

"SELLER", and Ellis E. Smith

hereinafter

referred to as "PURCHASER", dated this 1st day of July

A.D. 19 92 .

Seller agrees to sell and Purchaser agrees to purchase the following property to wit:

ALL AND SINGULAR, that certain piece, parcel or lot of land, situate, lying and being near the City of Myrtle Beach, Horry County, South Carolina, shown and designated as Lot Fourteen (14) on a plat of 29th Place of Carriage Row, prepared for 29th Place Developers, Inc., by Culler Land Surveying, said plat being dated June, 1988, and recorded September 8, 1988, in the Office of the Register of Mesne Conveyances for Horry County in Plat Book 101 at Page 156, reference to said plat being craved for a more complete description.

Subject to the terms and conditions of those certain Declaration of Covenants, Conditions and Restrictions for 29th Place at Carriage Row, dated October 19, 1990, and recorded in said Register's Office on October 29, 1990, and recorded in said REGISTER's Office on October 29, 1990, in Deed Book 1431 at Page 271, and the By-Laws of 29th Place at Carriage Row Association, Inc., and all easements and restrictions of record.

This being the identical property conveyed unto the Grantor herein by Deed of Quinn Lowe Development Group, Inc. dated May 26, 1988, and recorded June 29, 1988, in Deed Book 1229 at Page 419, and in Deed Book 1229 at Page 422, records of the Office of the Register of Mesne Conveyances for Horry County, South Carolina.

The Purchase price is Fifty Five Thousand Seven Hundred & Fifty Dollars

(\$ 55,750.00)

Dollars shall be paid as follows:

1. The sum of Seventeen Thousand Dollars XX/XXX

(\$ 17,000.00) Dollars

shall be paid this date, receipt of which is hereby acknowledged, and

the balance of Thirty Eight Thousand Seven Hundred Fifty Dollars XX/XXX

(\$ 38,750.00) Dollars

shall be financed for 5 years at the rate of Ten Percent

(10) percent interest per annum, to be made in

(60) equal Interest Only installments of

Three Hundred Twenty Two Dollars 92/100 (\$ 322.92)

Dollars, said payments to commence on July 31, 92

and continuing on the 31 day of each Month thereafter

until June 30, 1997, when the entire principal of 38,750.00 is due in full.

2. Payments shall be payable to 29th Place Developers, Inc.

3. The Purchaser shall have the right to pay the balance due on this Land Sales Contract at any time without penalty upon payment of all remaining principal and interest accrued to the date of payment.

Upon payment of the full purchase price, and interest, as set out above, Seller hereby covenants and agrees and binds 29th Place

Developers, Inc. (his, her, their) heirs and assigns, executors and administrators, to convey the property described herein

unto the said Purchaser, (his her, their)heirs and assigns, in fee simple, by proper deed, with covenants of general warranty, free from all encumbrances, except as are herein referred to.

Upon tender of such deed to the Purchaser, Purchaser agrees that the Seller has met his entire obligation under the terms of this Land Sales Contract. All taxes and assessments shall be prorated to the date of this sale. The title shall be made subject to all covenants, restrictions, zoning ordinances and easements imposed on the property herein described and appearing of record. The deed shall be tendered by the Seller with sufficient funds to purchase any documentary stamps necessary to be placed on deed.

Possession of the property herein shall be with the Purchaser, immediately upon the execution of this Land Sales Contract, and all improvements made to subject property from this date forward shall be at the expense of the Purchaser, and the Purchaser further agrees that he will save and hold Seller harmless from all liability that may result from the Purchaser's possession. Purchaser also agrees to carry, at his own expense, fire insurance on the buildings on the property herein described of an amount equal to the balance of the loan, showing the Seller as first mortgagee.

Should the Purchaser be placed in Bankruptcy, Receivership or abandon the subject property for a period of TEN (10) days, then this contract may be deemed null and void by the Seller without further notice to the Purchaser.

The Purchaser shall be liable for the payment of all ad valorem taxes, house and lot assessments for the year 1992, and thereafter,

and shall pay said taxes and/or assessments no later than thirty (30) days after a copy of said statement has been furnished to the Purchaser by the Seller.

If the Seller has not received any amount of the Monthly payment within 45 after payment is due, all rights of Purchaser under this Land Sales Contract shall be terminated and Seller shall retain all amounts paid as liquidated damages. Time is of the essence, and no extension, forbearance or any contemporaneous or subsequent agreement in any way modifying the above payment schedule shall be valid unless executed in writing by the Seller.

Should Seller not be in a position to tender marketable title in fee simple at the time all payments are made by the Purchaser, Seller's sole responsibility unto the Purchaser shall be to return to Purchaser all amounts paid.

1
1

The within written document constitutes the entire agreement between the parties and is binding on them, their heirs and assigns, and may be modified only by subsequent writing signed by all parties. Purchaser shall have no rights to assign this Land Sales Contract unless said assignment is approved in writing by the Seller, which approval Seller shall have no obligation to give.

WITNESS the hands and seals of the undersigned this _____ day
of _____, 19 _____.

△ 22

<u>Vendor</u>	<u>Date</u>	<u>Expense</u>	
Coastal Fasteners	12/4/91	\$20.84	
Coastal Fasteners	12/4/91	\$1.04	
Unicon	12/10/91	\$1,968.75	
Unicon	12/10/91	\$49.35	
City of MB	11/19/91	\$2,214.38	
Horry County	11/19/91	\$208.00	
Home Builders Ins	12/12/91	\$136.56	
Equipment Rental	12/13/91	\$35.70	
Elvis Service	12/6/91	\$44.10	
Santee Cooper	12/3/91	\$47.49	
Mike's Landscape	12/6/91	\$252.00	
Seaside Concrete	12/13/91	\$630.00	
Best Exterminating	12/9/91	\$283.50	
Payroll	11/21/91	\$545.25	
Lowe's	11/21/91	\$417.43	
City of MB	12/13/91	\$14.72	
Total a/o 12/31/91			\$6,869.11
Lowe's	1/16/92	\$7,274.25	
Payroll	1/12/92	\$221.00	
City of MB	1/16/92	\$14.72	
Total a/o 1/31/92			\$7,509.97
Lowe's	2/7/92	\$3,782.47	
Chamber	2/7/92	\$142.00	
Santee Cooper	2/2/92	\$32.17	
City of MB	2/27/92	\$14.72	
Payroll	2/15/92	\$366.12	
Unicon	2/15/92	\$378.19	
Seaside Concrete	2/15/92	\$120.00	
Total a/o 2/28/92			\$4,835.67
Lowe's	3/12/92	\$4,112.92	
Payroll	3/15/92	\$768.15	
Roosevelt Grissett	3/27/92	\$1,237.50	
Waccamaw Clay	3/27/92	\$1,063.13	
Unicon	3/27/92	\$223.13	
City of MB	3/27/92	\$14.72	
Chambers	3/7/92	\$112.65	
Surfside Door	3/15/92	\$73.33	
Coastal Fasteners	3/15/92	\$73.33	
Bill Jacobs	3/27/92	\$97.00	
Pee Dee Drywall	3/2/92	\$1,225.16	
Bobby Locklear	3/7/92	\$1,512.00	
Total a/o 3/31/92			\$10,513.02
Gateway	4/6/92	\$168.00	
Easton Ind.	4/21/98	\$291.66	
MB Lighting	4/21/92	\$576.12	
Lowe's	4/6/92	\$3,101.61	
Waccamaw Clay	4/23/92	\$98.63	
Maxine Tyler	4/3/92	\$315.00	
Santee Cooper	4/6/92	\$35.08	

Chambers	4/10/92	\$382.00	
Elvis Svs	4/10/92	\$137.83	
City of MB	4/12/92	\$14.72	
Payroll	4/12/92	\$367.54	
Total a/o 4/30/92			\$5,488.19
Unicon Concrete	5/11/92	\$730.80	
Seaside Concrete	5/11/92	\$210.00	
Chambers	5/7/92	\$76.45	
City of MB	5/7/92	\$14.72	
Santee Cooper	5/7/92	\$17.16	
Lowe's	5/6/92	\$2,172.16	
Prime Equip	5/24/92	\$63.42	
Payroll	5/12/92	\$295.16	
Total a/o 5/31/92			\$3,579.87
Mortgage	7/92-7/96		\$17,150.00
Grand Total			\$55,945.83

FLOOD ZONE X

BFE _____

PANEL # 6944

ECERT REQ _____

APPROVED MJD
9-25-03

(Must be fully completed in ink)

HORRY COUNTY PERMIT APPLICATION

Planned 451⁰²
24

DATE IN 9-24-03

FEES PD \$ 476⁰⁰

CLERK (CS)

REVIEW # 94341

REF # _____

DATE OUT 9-26-03

APPROVED 88

Name of Owner (as listed on Tax book) Roberto Perez + Obdulia Perez

Mailing Address [REDACTED] Telephone [REDACTED]

Site Address Pinestrick, Surtside Beach Subdivision 29575 Pinestrick Lot # 205

Project Name 1346 Links Rd. Bldg _____ # of Units _____

Type of Work: New() Addition() Alter() Repair() Move() Demolish() Other _____

Use of Improvements: Single Family() Mobile Home() Duplex() Apartment() Commercial() Institutional() Utility()

Warehouse() Manufacturing() Condo() Industrial() Farm Building() Sign() Other _____

Type of Construction: Metal() Wood() Steel() Concrete() Other _____

Exterior: Brick() Conc. Block() Stone() Brick Veneer() Stucco() Metal() Wood() Glass() Vinyl() Other _____

No of Stories 2 No. of Bedrooms 3 No. of Baths 5 No. of Half Baths 0 Total No. of Rooms 14

Type of Heating: Hot Air() Hot Water() Central Air Cond.() Heat Pump() Other _____

Type of Fuel: Oil() Gas() Electricity() Wood() Other _____ No. of Masonry Fireplaces 0

Unheated areas: Garage () Carport () Porches () Decks () 203 008

Total No. of Square Feet 4510 5203 Heated Space 3904 Unheated 605 1299

Remarks: 2 story single family house (MJA) 36,372

Value of Construction \$ 250,000

Building Permit Fees \$ 1300.75

Zoning Fees \$ _____

M I G C Fire Fee \$ _____

\$ _____

\$ _____

\$ _____

Total Fees \$ _____

Contractor or Builder Self State License # _____

Address _____ Telephone # _____

Architect or Engineer ARES & ASSOC INC Telephone # 843-651-5868

Address PO Box 1315 MURRELLS INLET SC 29576 Fax # 843-651-5654

3/31/04 186-21-01-011 60 PUD MJA

Estimated Date of Completion TMS # _____ Dist # _____ Zone 25-40-10 Verified 9-24-03

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By B Staley

Date 10-1-03

[Signature]
Owner () Contractor () # 24 6-13-11
PMM

DEFENDANT'S EXHIBIT

HORRY COUNTY PERMIT APPLICATION

44150

(Must be fully completed in ink)

FLOOD ZONE X
BFE _____
PANEL# 670
ECERT REQ _____
APPROVED [Signature]

DATE IN 2-8-05
FEES PD \$ 416.25 P/R 25.2
CLERK [Signature]
REVIEW # 105986
REF _____
DATE OUT 2-7-05
APPROVED [Signature]

Name of Owner (as listed on Tax book) Cari Ann Davis

Mailing Address _____ Telephone _____

Site Address _____ Subdivision Beaconstee Lot# A

Project Name _____ Bldg _____ # of Units _____ Occupant Load _____

Type of Work: New (Addition) (Alter) (Repair) (Move) (Demolish) (Other) _____

Use of Improvements: Single Family (Mobile Home) (Duplex) (Apartment) (Commercial) (Institutional) (Utility) (Warehouse) (Manufacturing) (Condo) (Industrial) (Farm Building) (Sign) (Other) _____

Types of Construction: Metal () Wood () Steel () Concrete () Other _____

Exterior: Brick () Concrete Block () Stone () Brick Veneer () Stucco () Metal () Wood () Glass () Vinyl () Other _____

No of Stories 2 No. of Bedrooms 4 No. of Baths 3 No. of Half Baths 1 Total # Rooms 10

Type of Heating: Central Air Cond. () Heat Pump () Other _____ Sprinkler Req. _____ Provided N/A

Type of Fuel: Oil () Gas () Electricity () Wood () Other _____

Unheated areas: Garage () Carport () Porches () Decks () Masonry Fireplaces # _____

Total No. of Square Feet 4165 Heated Space 3509 Unheated 656

Remarks: 2 story single family MGA

Value of Construction \$ <u>165,000</u> <u>200836</u>	Permit # <u>105986</u>
Building Permit Fees \$ <u>1041.25</u>	Mobile Home Sticker # _____
Zoning Fees \$ <u>25.00</u> <u>MGA</u>	Fire Receipt # _____
M I G C Fire Fee \$ _____	Farm # _____
TOTAL FEES \$ <u>1041.25</u>	Business License # _____
	Plan / Bin # _____

Contractor or Builder A+E Constructors Telephone # 458 0076
Address PO Box 2296 MBS SC 29579 State License # C109530

Architect or Engineer Pyramid Engineering Telephone # 361-4444
Address 1000 2nd Ave S. N Myrtle Beach SC 29582 Fax # _____

Estimated Date of Completion 9-1-2005 TMS # _____ Dist # 63 Zone CFA Verified MGA

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By C. Stevens
Date 3-23-05

Signature Cari Davis
Signature Owner () Contractor () Agent ()
Cari Davis
Please print name

2-8-05

HORRY COUNTY PERMIT APPLICATION

FLOOD ZONE X
 BFE _____
 PANEL# 563
 ECERT REQ _____
 APPROVED mark
9-8-05

(Must be fully completed in ink)

DATE IN 9-7-05
 FEES P.D. 493.10 P/R 25.00 Z
 CLERK MGA
 REVIEW # 112554
 REF _____
 DATE OUT 9-14-05
 APPROVED mark
MGA

Name of Owner (as listed on Tax book) Stephen L. McMillan Jr. & Holly T. McMillan

Mailing Address _____ Telephone _____

Site Address _____ Subdivision Black Creek Plantation #2

Project Name New Home Construction Bldg _____ # of Units _____ Occupant Load _____

Type of Work: New () Addition () Alter () Repair () Move () Demolish () Other _____

Use of Improvements: Single Family () Mobile Home () Duplex () Apartment () Commercial () Institutional () Utility ()

Warehouse () Manufacturing () Condo () Industrial () Farm Building () Sign () Other _____

Type of Construction: Metal () Wood () Steel () Concrete () Other _____

Exterior: Brick () Conc. Block () Stone () Brick Veneer () Stucco () Metal () Wood () Glass () Vinyl () Other B

No of Stories 2 No. of Bedrooms 4 No. of Baths 3.0 No. of Half Baths 1 Total # Rooms 13

Type of Heating: Central Air Cond. () Heat Pump () Other _____ Sprinkler Req. _____ Provided _____ N/A _____

Type of Fuel: Oil () Gas () Electricity () Wood () Other _____

Unheated areas: Garage () Carport () Porches () Decks () Masonry Fireplaces # _____

Total No. of Square Feet 4931.53 Heated Space 4028 Unheated 903.1363

Remarks: 2 story single family MGA 28164

Value of Construction \$ 370,000.00 Permit # 112554

Building Permit Fees \$ 1347.75 Mobile Home Sticker # _____

Zoning Fees \$ 25.00 MGA Fire Receipt # _____

M I G C Fire Fee \$ _____ Farm # _____

Contractor or Builder McMillan, Stephen Telephone # _____

Address _____ State License # _____

Architect or Engineer Brad Odum - Odum Home Design Telephone # 843-238-8338

Address 1500 Hwy 17 S. Surfside Beach, SC 29575 Fax # 843-238-8994

Estimated Date of Completion 165-00-01-14 TMS # _____ Dist # 100 Zone FA MGA Verified 9-7-05

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE. BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By Cynthia Livingston
9/21/05
 Date _____

Signature Stephen L. McMillan, Jr.
 Owner () Contractor () Agent ()
 Please print name Stephen L. McMillan, Jr.

HORRY COUNTY PERMIT APPLICATION

no zoning pd

FLOOD ZONE X
 BFE _____
 PANEL# 679
 ECERT REQ _____
 APPROVED MDL
11-30-6

(Must be fully completed in ink)

DATE IN 11/29/06
 FEES PD \$ 25.00 P/R _____ Z
 CLERK JM
 REVIEW # 126848
 REF _____
 DATE OUT 4-23-07
 APPROVED Jzy
3-206

Review
 Permitted Addt
 x 2
 Roof

Name of Owner (as listed on Tax book) Robert A. Sealey
 Mailing Address _____ Telephone _____

Site Address _____ Subdivision Waterford Lot# 1

Project Name Roof Repair Custom Fabrication Bldg _____ # of Units _____ Occupant Load N/A

Type of Work: New () Addition () Alter () Repair () Move () Demolish () Other _____

Use of Improvements: Single Family () Mobile Home () Duplex () Apartment () Commercial () Institutional () Utility ()

Warehouse () Manufacturing () Condo () Industrial () Farm Building () Sign () Other _____

Type of Construction: Metal () Wood () Steel () Concrete () Other "B" OCC

Exterior: Brick () Conc. Block () Stone () Brick Veneer () Stucco () Metal () Wood () Glass () Vinyl () Other _____

No of Stories 1 No. of Bedrooms 0 No. of Baths 1 No. of Half Baths _____ Total # Rooms _____

Type of Heating: Central Air Cond. () Heat Pump () Other _____ Sprinkler Req N Provided N/A

Type of Fuel: Oil () Gas () Electricity () Wood () Other _____

Inheated areas: Garage () Carport () Porches () Decks () Masonry Fireplaces # _____

Total No. of Square Feet 420 Unheated 420

Remarks: CHANGE OF USE / NEW ROOF / Added AREA

Value of Construction \$ 8,000 Permit # 126848

Building Permit Fees \$ 126 Mobile Home Sticker # _____

Zoning Fees \$ _____ Fire Receipt # _____

M I G C Fire Fee \$ _____ Farm # _____

DBL FEE \$ 126.00 Business License # _____

TOTAL FEES \$ _____ Plan / Bin # _____

Contractor or Builder Sealey Construction - Chris Porter 1248 MBSC Telephone # 843-393-4634

Address 5007 W Waterford Dr. M. Bch. State License # SR0109530

Architect or Engineer Raymid Engineering Telephone # 843-454007

Address Suite 110 1000 2nd Ave So. N. M. Bch Fax # _____

Estimated Date of Completion 10-23-07 TMS # 180-17-02-001 Dist # 63 Zone R-4 Verified HA

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By [Signature]
 Date 4-23-07

Signature Robert A. Sealey
 Owner () Contractor () Agent ()
 Please print name Robert A. Sealey

PERMIT TYPE	PERMIT NUMBER	PROPERTY NO	ADR1 LAST NAME	ADR2 LAST NAME	ADDR	AD	ADR2 STREET N	ISSUE DATE	EST VALUE	TYPE	CLOSE DATE
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582



BUILDING PERMIT

PERMIT # : BLD2005-00350

To Schedule Inspections
Call before 4:00 pm
24 Hours in Advance
843-280-5560

APPLIED: 2/25/2005
ISSUED: 4/20/2005
EXPIRES: 10/20/2005

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 300 33RD AVE S
ASSESSOR'S PARCEL NO.: 1560315028

PROJECT: TAHITIAN PRINCESS II

DESCRIPTION OF WORK: CONSTRUCT NEW 5 UNIT RESIDENTIAL BLDG PER APPROVED ENGINEERED PLANS (BLDG SPRINKLED)(TOWNHOUSE STYLE BLDG PER ZONING DEFINITION(6BED & 7 BATH PER UNIT)

OWNER/APPLICANT
BROWN, MARTIN/ O'CONNEL, DAVID
PO BOX 4465
N MYRTLE BEACH SC 29597

CONTRACTOR
A&E CONSTRUCTION
PO BOX 2276
MB SC 29578

TYPE OF WORK: **New**
TYPE OF USE: **Multi-Family Residential**
CENSUS CATEGORY: **105**

Flood Zone: X

Valuation of Work: 0.00
Actual Valuation \$ 1,748,918.52

ZONING: **R-4**

Occupancy Groups

1: **R-2** 2:
3: 4:

Construction Types

1: **V-A** 2:
3: 4:

AREA

LOT: 0 sf
1ST FLR: 20,349 sf
2ND FLR: 0 sf
BASEMENT: 0 sf
GAR/CARPORT: 0 sf
OTHER: 2,754 sf

NUMBER OF UNITS: 5
STORIES: 4
BUILDING HEIGHT: 51 ft

REQUIRED SETBACKS:

FRONT: 15.00 ft
SIDE 1: 0.00 ft
SIDE 2: 0.00 ft
REAR: 20.00 ft

REQUIRED PARKING

TOTAL: 0
HANDICAPPED: 0
COMPACT: 0
IMPRV SURF: 0 sf

FEES			
Type	By	Date	Amount
PRMT	MRC	4/20/2005	\$4,173.00
PLAN	MRC	4/20/2005	\$2,086.50
Total:			\$6,259.50

CONDITIONS OF APPROVAL:

- 1 Fire Marshall Must Inspect and Sign-Off on all Devices and Systems Prior to CO Inspection
- 2 Contractor shall Provide Sanitary Facilities for all Employees on Jobsite prior to temporary service pole inspection.
- 3 Contractor to submit sub-contractors roster to Business License Dept for approval prior to scheduling a Final Inspection.
- 4 Contractor to submit first floor "Elevation Certificate" to Building Official prior to wall framing.

Contractor to submit a final "Elevation Certificate" to Building Official prior to requesting a final inspection.

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by SA PAID Applicant or Owner's Signature

APR 20 2005

DEFENDANT'S EXHIBIT
#4/10-15-11
PMM

City of North Myrtle Beach
 1018 2nd Avenue S. N. Myrtle Beach, SC 29582
 BUILDING DIVISION



To Schedule Inspections
 Call before 4:00 pm
 24 Hours in Advance
 843-280-5560

PERMIT

PERMIT # : BLD2007-00007

APPLIED: 1/4/2007
 ISSUED: 1/17/2007
 EXPIRES: 7/17/2007

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 3309 S OCEAN BLVD

ASSESSOR'S PARCEL NO.: 1560719055

PROJECT: OCEAN BLUE DUPLEX POOL

DESCRIPTION of WORK: Install a 12' x 24' inground swimming pool , a 7' x 10' kiddie pool, and a 6' x 10' jacuzzi. Per OCRM letter of approval dated 1/05/2007 on file.

OWNER/APPLICANT

MARTIN BROWN
 MYRTLE BEACH SC 29577

CONTRACTOR

A&E CONSTRUCTION & CONSULTANTS
 P.O. BOX 2296
 MYRTLE BEACH SC 29577

TYPE OF WORK: **New**

Flood Zone:

Valuation of Work: 30,000.00

TYPE OF USE: **Swimming Pool / 1 & 2 Fz**

AREA

Actual Valuation \$

CENSUS CATEGORY: **329**

REQUIRED SETBACKS:

ZONING: **R-4**

Occupancy Groups

1: 2:
 3: 4:

LOT: 0 sf
 1ST FLR: 0 sf
 2ND FLR: 0 sf
 BASEMENT: 0 sf
 GAR/CARPORT: 0 sf
 OTHER: 418 sf

FRONT: 0.00 ft
 SIDE 1: 5.00 ft
 SIDE 2: 5.00 ft
 REAR: 0.00 ft

Construction Types

1: 2:
 3: 4:

NUMBER OF UNITS: 0
 STORIES: 0
 BUILDING HEIGHT: 0 ft

REQUIRED PARKING

TOTAL: 0
 HANDICAPPED: 0
 COMPACT: 0
 IMPRV SURF: 0 sf

FEES			
Type	By	Date	Amount
POL1	BFV	1/8/2007	\$50.00
Total:			\$50.00

CONDITIONS OF APPROVAL:

JAN 17 2007

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by

BV

Applicant or Owner's Signature

DEFENDANT'S EXHIBIT

#48 10-15-11
 PMM



Case Activity Listing

Case #: BLD2007-00007

2/11/2009
11:46:29AM

Issued Date 1/17/2007
Expiration 7/17/2007

Project Address 3309 S OCEAN BLVD

Description: Install a 12' x 24' inground swimming pool , a 7' x 10' kiddie pool, and a 6' x 10' jacuzzi. Per OCRM letter of approval dated 1/05/2007 on file.

Received Date 1/4/2007

Owner : MARTIN BROWN
[REDACTED]
MYRTLE BEACH SC 29577

Activity	Description	Date	Date	Date	Hold	Date	By	Date	By
BLDA010	Application Received			1/4/2007	None		BFV	1/4/2007	BFV
BLDA020	Verify Contractor License			1/8/2007	Warn	DONE	SMH	1/8/2007	SMH
BLDB030	Building Dept Review	1/4/2007		1/8/2007	HwO			1/8/2007	SMH
BLDB055	Zoning Review	1/4/2007		1/17/2007	HwO	APPR		1/17/2007	BEC
BLDB050	DHEC/OCRM Review			1/4/2007	None	DONE	SMH	1/8/2007	SMH
BLDD010	ISSUE PERMIT			1/17/2007	None	DONE	BFV	1/17/2007	BFV
BLDD110	PRINT INSPECTION PLACARD			1/17/2007	None	DONE	BFV	1/17/2007	BFV



Case Activity Listing
Case #: BLD2007-00007

2/11/2009
11:46:29AM

Issued Date 1/17/2007
Expiration 7/17/2007

Project Address 3309 S OCEAN BLVD

Description: Install a 12' x 24' inground swimming pool , a 7' x 10' kiddie pool, and a 6' x 10' jacuzzi. Per OCRM letter of approval dated 1/05/2007 on file.

Received Date 1/4/2007

Owner : **MARTIN BROWN**
MYRTLE BEACH SC 29577

Activity	Description	Date 1	Date 2	Date 3	Hold	Done	Assigned To	Done By	Subject
BLDC040	Grounding-Pool Bond	1/30/2007	1/31/2007	2/1/2007	None	PASS	JP	2/1/2007 JP	
BLDC040	Grounding-Pool Bond	2/13/2007	2/14/2007	2/14/2007	None	PASS	JP	2/14/2007 JP	
BLDC230	Other Inspection	2/19/2007	2/20/2007	2/20/2007	None	PASS	JT	2/20/2007 JT	long plumbing / pool
BLDC230	Other Inspection	3/5/2007	3/6/2007	3/7/2007	None	PASS	GW	3/7/2007 GW	Deck grounding
BLDM500	Hold			11/29/2007	Hold	DONE	JBC	11/29/2007 JBC	Enclosure does not comply with adopted zoning or building codes. OCRM guidelines not followed, awaiting report.
BLDD020	Reprint Permit				None	DONE	SMH	2/11/2009 SMH	

HORRY COUNTY PERMIT APPLICATION

44150

FLOOD ZONE X
BFE _____
PANEL# 6707
ECERT REQ _____
APPROVED [Signature]

(Must be fully completed in ink)

DATE IN 2-8-05
FEES PD \$ 416.25 P/R 252
CLERK [Signature]
REVIEW # 105986
REF _____
DATE OUT 2-7-05
APPROVED [Signature]

Name of Owner (as listed on Tax book) Cari Ann Davis

Mailing Address _____ Telephone _____

Site Address _____ Subdivision Seawater Lot# A

Project Name _____ Bldg _____ # of Units _____ Occupant Load _____

Type of Work: New () Addition () Alter () Repair () Move () Demolish () Other _____

Use of Improvements: Single Family () Mobile Home () Duplex () Apartment () Commercial () Institutional () Utility ()

Warehouse () Manufacturing () Condo () Industrial () Farm Building () Sign () Other _____

Type of Construction: Metal () Wood () Steel () Concrete () Other _____

Exterior: Brick () Conc. Block () Stone () Brick Veneer () Stucco () Metal () Wood () Glass () Vinyl () Other _____

No. of Stories 2 No. of Bedrooms 4 No. of Baths 3 No. of Half Baths 1 Total # Rooms 10

Type of Heating: Central Air Cond. () Heat Pump () Other _____ Sprinkler Req. _____ Provided _____ N/A _____

Type of Fuel: Oil () Gas () Electricity () Wood () Other _____

Unheated areas: Garage () Carport () Porches () Decks () Masonry Fireplaces # _____

Total No. of Square Feet 4165 Heated Space 3509 Unheated 656

Remarks: 2 story single family MGA

Value of Construction \$ 165,000 200836

Building Permit Fees \$ 1041.25

Zoning Fees \$ 25.00 MGA

M I G C Fire Fee \$ _____

\$ _____

TOTAL FEES \$ 1041.25

Contractor or Builder A+E Constructors

Address PO Box 2296 Myrtle SC 29579

Architect or Engineer Pyramid Engineering

Address 1000 2nd Ave S. N Myrtle Beach SC 29582

9-1-2005 185-00-02-238 63 CFA MGA

Estimated Date of Completion _____ TMS# _____ Dist# _____ Zone _____ Verified _____

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By C. Stevens Cari Davis

Date 3-23-05 Signature Owner () Contractor () Agent ()

Cari Davis
Please print name

DEFENDANT'S EXHIBIT
#49 10.13.11
DMM

ZONING CHECKLIST

Tax Map Number verified (TMS# 185-00-02-238)

Property owner of record verified

Tax District Verified

Use on Building Permit Application verified to be the same as on Certificate of Zoning Compliance and initialed and dated. This applies to all applications at the time of issuance of the Certificate of Zoning Compliance.

CFA Zoning district verified as per Zoning map (GIS, Zoning Map)

Zoning fee verified on Building Permit Application (List amount even if \$0)

yes Is this property in an overlay or special district? If so, specify. Hwy 544
off-site sign on Hwy 707
& B Parkway

N/A Is this in Conway Bombing/Gunnery Range? Note on Zoning Compliance and keep copy of zoning compliance in a separate folder.

Residential Only

Proposed use is in compliance with the zoning district in which it is located

Site plan is drawn to scale showing the location of all existing and proposed structures/additions. Required setbacks are shown on site plan by dashed lines.

Parcel on site plan verified to be same as on the current tax map from the Horry County Tax Assessors Office; and if located in a subdivision, subdivision map has been reviewed to verify there are no encroachments into any easements.

Proposed structure/addition meets the required location, distance from other structures and setbacks.

Commercial Only

N/A Interior remodeling with no change of use of footprint of existing structure. (All other commercial applications must be reviewed by a commercial plans reviewer).

Temporary Permits Only

N/A Applicable section of the ordinance has been verified to allow proposed temporary use and is in compliance with all conditions as stated therein.

Mary J. Allen
Reviewers Signature

2-8-05
Date

Permit #: 105986 Building Permit Entered: STEVENSC
Date: 3/23/2005 INQUIRY Void(V): -
Owner: DAVIS CARI ANN

Location: [REDACTED] MYRTLE BEACH SC 29588 0000 0002939251
Subdivision: SOCASLEE/BURGESS
Lot #: [REDACTED] Block #: [REDACTED] Set Backs: F 25.00 LS 10.00 RS 10.00 R 15.00
Type of Work: SF SINGLE FAMILY Occupant Load: [REDACTED] Occ Group [REDACTED]
Use: 101 SINGLE-FAMILY HOUSE Units: 1 Public(P): [REDACTED]
Construction: FR FRAME Exterior: VL VINYL
Stories: 2.0 Bedrooms: 4 Baths: F 3 H 1 Rooms: 10 BFE: 0000
Type of Heating: HP HEAT PUMP Type of Fuel: EL ELECTRICITY
of Fireplaces: [REDACTED] Garage/Carport: G Zone: CFA Flood Zone Code: X C/R R
Square Feet: 4165 Heated Space: 3509 Unheated Space: 656
Value of Construction: 200836 Fire Receipt: [REDACTED] Panel#: 0670
Comment: SFR W/GARAGE / SEWER ON FILE Sprinkler Provided: 1 Req: -
State License: G109530 City License: [REDACTED] Mobile Home: [REDACTED]
Contractor: A & E CONSTRUCTION & CONSULTANTS IN PO BOX 2296
MYRTLE BEACH SC SC 29577 Telephone #: 8434483741

Architect: [REDACTED] Telephone #: [REDACTED]
Est. Comp.: 9/23/2005 MBP: 185 2 238 Tax District: 630 Bin#: 0031
Fee: 1,041.25 3/23/2005 1,041.25
CO App Code: 2000 IRC CMD08 - Plan Rev Collected: STEVENSC
CMD09 - Inspection Inq CMD15 - Memo Inq CMD17 - Occ Card Inq ENTER - Continue

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 **426450**

PERMIT # 105986

DATE 4/5/05

POWER PERMIT # 96842

NAME Cari Ann Davis

LOCATION 7758 Moss Creek Rd.

TIME ARRIVED 845 TIME DEPART 855

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION

P I

P I

TEMP SERVICE

FOUNDATION

PILASTER

SLAB / POLY WIRE

BOND BEAM

ROUGH PLUMBING

SLAB PLUMBING

ROUGH ELECTRICAL

NAILING

BRICK FLASHING

FRAMING

WINDOW FLASHING

ROUGH MECHANICAL

ROUGH FIRE

INSULATION

FINAL

FINAL FIRE

C/OCCUPANCY

MOBILE HOME

SWIMMING POOL

SIGN

METER SERVICE

C/O/S

TILE SIZE

REMARKS OK to Power

INSPECTOR

Paul Clayton 50

RECEIVED BY

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 **430083**

PERMIT # 105986

DATE 4/20/05

POWER PERMIT # _____

NAME Cari Ann Davis

LOCATION 7758 Moss Creek

TIME ARRIVED 810 TIME DEPART 835

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	___	___	FOUNDATION	___	X
PILASTER	___	___	SLAB / POLY WIRE	___	___
BOND BEAM	___	___	ROUGH PLUMBING	___	___
SLAB PLUMBING	___	___	ROUGH ELECTRICAL	___	___
NAILING	___	___	BRICK FLASHING	___	___
FRAMING	___	___	WINDOW FLASHING	___	___
ROUGH MECHANICAL	___	___	ROUGH FIRE	___	___
INSULATION	___	___	FINAL	___	___
FINAL FIRE	___	___	C/OCCUPANCY	___	___
MOBILE HOME	___	___	SWIMMING POOL	___	___
SIGN	___	___	METER SERVICE	___	___
C/O/S	___	___	TILE SIZE	___	___

REMARKS Finish foundation per details on page 3, steel has to be in place for inspection (Eng.)

Do not pour concrete

INSPECTOR Paul Clayton (50)

RECEIVED BY _____

Way, SC 29526
205-5090 430083

DATE 4/20/05

reek

TIME DEPART 835

RT _____ RR _____

TYPE INSPECTION

		P	J
TEMP SERVICE	_____	_____	_____
PILASTER	_____	_____	_____
BOND-BEAM	_____	_____	_____
SLAB PLUMBING	_____	_____	_____
NAILING	_____	_____	_____
FRAMING	_____	_____	_____
ROUGH MECHANICAL	_____	_____	_____
INSULATION	_____	_____	_____
FINAL FIRE	_____	_____	_____
MOBILE HOME	_____	_____	_____
SIGN	_____	_____	_____
C/O/S	_____	_____	_____
	<u>FOUNDATION</u>	_____	<u>X</u>
	SLAB / POLY WIRE	_____	_____
	ROUGH PLUMBING	_____	_____
	ROUGH ELECTRICAL	_____	_____
	BRICK FLASHING	_____	_____
	WINDOW FLASHING	_____	_____
	ROUGH FIRE	_____	_____
	FINAL	_____	_____
	C/OCCUPANCY	_____	_____
	SWIMMING POOL	_____	_____
	METER SERVICE	_____	_____
	TILE SIZE	_____	_____

REMARKS Finish foundation per details on page 3, steel has to be in place for inspection (Eng.)

Do not pour concrete

INSPECTOR Paul Clayton (50)

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 **430118**

PERMIT # 105 986

DATE 4/21/05

POWER PERMIT # _____

NAME Cari Ann Davis

LOCATION 7758 Moss Creek

TIME ARRIVED 1310 TIME DEPART 1325

SETBACKS: FR 25 ✓ LT 10 ✓ RT 10 ✓ RR 15 ✓

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	___	___	<u>SFR/2/G</u>	___	___
PILASTER	___	___	FOUNDATION	___	___
BOND BEAM	___	___	SLAB / POLY WIRE	___	___
SLAB PLUMBING	___	___	ROUGH PLUMBING	___	___
NAILING	___	___	ROUGH ELECTRICAL	___	___
FRAMING	___	___	BRICK FLASHING	___	___
ROUGH MECHANICAL	___	___	WINDOW FLASHING	___	___
INSULATION	___	___	ROUGH FIRE	___	___
FINAL FIRE	___	___	FINAL	___	___
MOBILE HOME	___	___	C/OCCUPANCY	___	___
SIGN	___	___	SWIMMING POOL	___	___
C/O/S	___	___	METER SERVICE	___	___
			TILE SIZE	___	___

REMARKS OK to Pour

INSPECTOR Paul Clayton (50)

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 436475

PERMIT # 105986

DATE 5/19/05

POWER PERMIT # _____

NAME DAVIS

LOCATION 7758 MOSS CREEK

TIME ARRIVED 1240 TIME DEPART 1252

SETBACKS: FR _____ LT _____ RT _____ RR _____

<u>TYPE INSPECTION</u>	<u>P</u>	<u>I</u>		<u>P</u>	<u>I</u>
TEMP SERVICE	___	___	FOUNDATION	___	___
PILASTER	___	___	SLAB / POLY WIRE	___	___
BOND BEAM	___	___	ROUGH PLUMBING	___	___
<u>SLAB PLUMBING</u>	___	___	ROUGH ELECTRICAL	___	___
NAILING	___	___	BRICK FLASHING	___	___
FRAMING	___	___	WINDOW FLASHING	___	___
ROUGH MECHANICAL	___	___	ROUGH FIRE	___	___
INSULATION	___	___	FINAL	___	___
FINAL FIRE	___	___	C/OCCUPANCY	___	___
MOBILE HOME	___	___	SWIMMING POOL	___	___
SIGN	___	___	METER SERVICE	___	___
C/O/S	___	___	TILE SIZE	___	___

REMARKS _____

OK TO COVER USP

INSPECTOR _____

RECEIVED BY 49

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 **436497**

PERMIT # 105986

DATE 5/20/05

POWER PERMIT # _____

NAME DAVIS

LOCATION ~~LOT~~ 7758 MOSS CREEK

TIME ARRIVED 1347 TIME DEPART 1405

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I	P	I
TEMP SERVICE	___	___	___	___
PILASTER	___	___	___	___
BOND BEAM	___	___	___	___
SLAB PLUMBING	___	___	___	___
NAILING	___	___	___	___
FRAMING	___	___	___	___
ROUGH MECHANICAL	___	___	___	___
INSULATION	___	___	___	___
FINAL FIRE	___	___	___	___
MOBILE HOME	___	___	___	___
SIGN	___	___	___	___
C/O/S	___	___	___	___
FOUNDATION	___	___	___	___
SLAB / POLY WIRE	___	___	___	___
ROUGH PLUMBING	___	___	___	___
ROUGH ELECTRICAL	___	___	___	___
BRICK FLASHING	___	___	___	___
WINDOW FLASHING	___	___	___	___
ROUGH FIRE	___	___	___	___
FINAL	___	___	___	___
C/OCCUPANCY	___	___	___	___
SWIMMING POOL	___	___	___	___
METER SERVICE	___	___	___	___
TILE SIZE	___	___	___	___

REMARKS ① INTERIOR SPOT FOOTINGS IN PLACE, NO ENGINEER DETAIL FOR INTERIOR LOADS - WIND DESIGN SUMMARY SHEET INDICATES NO INTERIOR LOADS

OK TO POUR

INSPECTOR _____

RECEIVED BY ①49

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 **441528**

PERMIT # 105986

DATE 6/20/05

POWER PERMIT # _____

NAME DAVIS

LOCATION 7758 MOSS CREEK

TIME ARRIVED 1443 TIME DEPART 1500

SETBACKS: FR _____ LT _____ RT _____ RR _____

<u>TYPE INSPECTION</u>	<u>P</u>	<u>I</u>		<u>P</u>	<u>I</u>
TEMP SERVICE	___	___	FOUNDATION	___	___
PILASTER	___	___	SLAB / POLY WIRE	___	___
BOND BEAM	___	___	ROUGH PLUMBING	___	___
SLAB PLUMBING	___	___	ROUGH ELECTRICAL	___	___
<u>NAILING</u>	___	___	BRICK FLASHING	___	___
FRAMING	___	___	WINDOW FLASHING	___	___
ROUGH MECHANICAL	___	___	ROUGH FIRE	___	___
INSULATION	___	___	FINAL	___	___
FINAL FIRE	___	___	C/OCCUPANCY	___	___
MOBILE HOME	___	___	SWIMMING POOL	___	___
SIGN	___	___	METER SERVICE	___	___
C/O/S	___	___	TILE SIZE	___	___

REMARKS _____

OK TO WRAP

INSPECTOR _____

RECEIVED BY 49

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 449178

PERMIT # 105986

DATE 7/28/05

POWER PERMIT # _____

NAME DAVIS

LOCATION 7758 MOSS CREEK RD- Socastee

TIME ARRIVED 10:13 TIME DEPART 11:16

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I	P	I
TEMP SERVICE	___	___	___	___
PILASTER	___	___	___	___
BOND BEAM	___	___	___	___
SLAB PLUMBING	___	___	___	___
NAILING	___	___	___	___
FRAMING	___	X	___	___
ROUGH MECHANICAL	___	X	___	___
INSULATION	___	___	___	___
FINAL FIRE	___	___	___	___
MOBILE HOME	___	___	___	___
SIGN	___	___	___	___
C/O/S	___	___	___	___
FOUNDATION	___	___	___	___
SLAB / POLY WIRE	___	___	___	___
ROUGH PLUMBING	___	___	___	X
ROUGH ELECTRICAL	___	___	___	X
BRICK FLASHING	___	___	___	___
WINDOW FLASHING	___	___	___	___
ROUGH FIRE	___	___	___	___
FINAL	___	___	___	___
C/OCCUPANCY	___	___	___	___
SWIMMING POOL	___	___	___	___
METER SERVICE	___	___	___	___
TILE SIZE	___	___	___	___

REMARKS Plumbing - (2603.2.1) Stud guards per code
2" Min above & below joist plates (2) Rough in pipes
for whirlpool tub not comp / Mechanical. (1) No Access
hole to A/C UNIT MARKED (1305.1.3) (2) 2' walkway
to A/c unit (1305.1) (3) NO visible dryer duct (1501.3)
(4) NO visible pipe for condensate disp in Consp. location
(1411.3.1(2)) (4) NO DUCT HOSE for BATH fans to ext.
(303.3) (5) A/C UNIT for playroom cannot be sup-
ported by Truss webs (802.10.4) Electrical (1) Cable

INSPECTOR needs to be stapled within 8" of Elec Boxes
 RECEIVED BY (3805.3.2) (2) STUD GUARDS THROUGHOUT (3702.1)
(3) NO visible whirlpool wire for MBE BATH →

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 **451385**

PERMIT # 105986

DATE 8/4/05

POWER PERMIT # _____

NAME CARI DAVIS

LOCATION 7758 Moss Creek RD - Socastee

TIME ARRIVED 13:29 TIME DEPART 13:50

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I	P	I
TEMP SERVICE	---	---	---	---
PILASTER	---	---	---	---
BOND BEAM	---	---	---	---
SLAB PLUMBING	---	---	---	---
NAILING	---	---	---	---
FRAMING	---	---	---	---
ROUGH MECHANICAL	---	---	---	---
INSULATION	---	---	---	---
FINAL FIRE	---	---	---	---
MOBILE HOME	---	---	---	---
SIGN	---	---	---	---
C/O/S	---	---	---	---
FOUNDATION	---	---	---	---
SLAB / POLY WIRE	---	---	---	---
ROUGH PLUMBING (R)	---	---	✓	X
ROUGH ELECTRICAL (R)	---	---	✓	*
BRICK FLASHING	---	---	---	---
WINDOW FLASHING	---	---	---	---
ROUGH FIRE	---	---	---	---
FINAL	---	---	---	---
C/OCCUPANCY	---	---	---	---
SWIMMING POOL	---	---	---	---
METER SERVICE	---	---	---	---
TILE SIZE (2603.2.1)	---	---	---	---

REMARKS Plumbing - Stud guards per code must extend min 2" above sole plate & below top plate
~~Electrical - Bond to copper tubing~~
~~no stud guards (4109.4) * Only Plumb~~
ing & Electrical was called in, please call plan review on stairs and have ^{All} mechanical ready for next insp.
Check plans * please

INSPECTOR M. James # 54

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 451423

PERMIT # 105986

DATE 8/8/05

POWER PERMIT # _____

NAME CARI DAVIS

LOCATION lot 7758 Moss Creek Rd

TIME ARRIVED 14:04 TIME DEPART 14:50

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I	P	I
TEMP SERVICE	___	___	___	___
PILASTER	___	___	___	___
BOND-BEAM	___	___	___	X
SLAB PLUMBING	___	___	___	___
NAILING	___	___	___	___
FRAMING (1)	___	X	___	___
ROUGH MECHANICAL (2)	___	X	___	___
INSULATION	___	___	___	___
FINAL FIRE	___	___	___	___
MOBILE HOME	___	___	___	___
SIGN	___	___	___	___
C/O/S	___	___	___	___
FOUNDATION	___	___	___	___
SLAB / POLY WIRE	___	___	___	___
ROUGH PLUMBING (2)	___	___	___	X
ROUGH ELECTRICAL	___	___	___	___
BRICK FLASHING	___	___	___	___
WINDOW FLASHING	___	___	___	___
ROUGH FIRE	___	___	___	___
FINAL	___	___	___	___
C/OCCUPANCY	___	___	___	___
SWIMMING POOL	___	___	___	___
METER SERVICE	___	___	___	___
TILE SIZE	___	___	___	___

REMARKS Plumbing (1) Stud Guards needed in DR for w/h / mechanical - (1) No flue pipe for fireplace in Great Rm / Framing - (1) Strap Headers for 2nd floor windows Above Kitchen, Above front door, Play Room window per plans (2) Ext corners less than 27" from Door or window need cont header, 1st floor DR, 2nd floor BBR #4 & BRK Room by kitchen per plans (3) Splts in Sill plates strapped and per plans (4) Garage wall not supported (3) 2x4 Kings & left side JACK studs not supported (5) NO Porch columns visible for Front Porch. Please fix & call for Reinspect
Trusses still not inspected
M. James #54

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 **451668**

PERMIT # 105986

DATE 8-11-05

POWER PERMIT # _____

NAME Cari Davis

LOCATION 7758 Moss Creek Rd.

TIME ARRIVED 9:20 TIME DEPART 9:35

SETBACKS: FR _____ LT _____ RT _____ RR _____

<u>TYPE INSPECTION</u>	<u>P</u>	<u>I</u>		<u>P</u>	<u>I</u>
TEMP SERVICE	___	___	FOUNDATION	___	___
PILASTER	___	___	SLAB / POLY WIRE	___	___
BOND BEAM	___	___	<u>ROUGH PLUMBING</u> <i>R</i>	<input checked="" type="checkbox"/>	___
SLAB PLUMBING	___	___	ROUGH ELECTRICAL	___	___
NAILING	___	___	BRICK FLASHING	___	___
<u>FRAMING</u> <i>R</i>	<input checked="" type="checkbox"/>	___	WINDOW FLASHING	___	___
<u>ROUGH MECHANICAL</u> <i>R</i>	<input checked="" type="checkbox"/>	___	ROUGH FIRE	___	___
INSULATION	___	___	FINAL	___	___
FINAL FIRE	___	___	C/OCCUPANCY	___	___
MOBILE HOME	___	___	SWIMMING POOL	___	___
SIGN	___	___	METER SERVICE	___	___
C/O/S	___	___	TILE SIZE	___	___

REMARKS O.K. To Insulate

INSPECTOR DR # 19

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 453782

PERMIT # 105946

DATE 8/15/05

POWER PERMIT # _____

NAME DAVIS

LOCATION 7758 MOSS CREEK

TIME ARRIVED 956 TIME DEPART 1009

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I	P	I
TEMP SERVICE	—	—	—	—
PILASTER	—	—	—	—
BOND BEAM	—	—	—	—
SLAB PLUMBING	—	—	—	—
NAILING	—	—	—	—
FRAMING	—	—	—	—
ROUGH MECHANICAL	—	—	—	—
INSULATION	✓	✗	—	—
FINAL FIRE	—	—	—	—
MOBILE HOME	—	—	—	—
SIGN	—	—	—	—
C/O/S	—	—	—	—
FOUNDATION	—	—	—	—
SLAB / POLY WIRE	—	—	—	—
ROUGH PLUMBING	—	—	—	—
ROUGH ELECTRICAL	—	—	—	—
BRICK FLASHING	—	—	—	—
WINDOW FLASHING	—	—	—	X
ROUGH FIRE	—	—	—	—
FINAL	—	—	—	—
C/OCCUPANCY	—	—	—	—
SWIMMING POOL	—	—	—	—
METER SERVICE	—	—	—	—
TILE SIZE	—	—	—	—

REMARKS (1) WINDOW & DOOR FLASH NOT INSPECTED
- MUCH COVERED BY SIDING - FLASHING
THAT IS VISIBLE IS DONE INCORRECTLY -
SIDING NEEDS TO BE REMOVED AROUND
~~NEED BATH TUB~~ WINDOWS &
DOORS FOR THOROUGH INSPECTION

OK TO COVER INSIDE

INSPECTOR _____

RECEIVED BY 549



A & E CONSTRUCTORS & CONSULTANTS, INC.

RESIDENTIAL • COMMERCIAL • INDUSTRIAL CONSTRUCTION

511 Robert Grissom Parkway • P.O. Box 2296
Myrtle Beach, SC 29578



Bus. (843) 443-3741 • Fax: (843) 626-6284

September 12, 2005

Horry County Code Enforcement
Building Department
Conway, SC

Reference:

*7758 Moss Creek Rd
Davis Lane*

The roof sheeting on Building has been installed and fastening in compliance with the engineer's drawing specification as submitted. The shingles are installed per manufacturer specifications, and IBC 2005 code.

Ellis E. Smith

*Subscribed and sworn to
before me this the 11th
day of October, 2005*

*Carrie M. Brewitt, Notary
my Comm. expires: 4-29-2013*

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

462906

PERMIT # 105986

DATE 10/5/05

POWER PERMIT # _____

NAME Davis Cari Ann

LOCATION 7758 Moss Cr Burgess

TIME ARRIVE 800 TIME DEPART 830

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I	P	I
TEMP SERVICE	_____	_____	_____	_____
PILASTER	_____	_____	_____	_____
BOND BEAM	_____	_____	_____	_____
SLAB PLUMBING	_____	_____	_____	_____
NAILING	_____	_____	_____	_____
FRAMING	_____	_____	_____	_____
ROUGH MECHANICAL	_____	_____	_____	_____
INSULATION	_____	_____	_____	_____
FINAL FIRE	_____	_____	_____	_____
MOBILE HOME	_____	_____	_____	_____
MOBILE HOME UNDERPINNING	_____	_____	_____	_____
SIGN	_____	_____	_____	_____
C/O/S	_____	_____	_____	_____
OTHER	_____	_____	_____	_____
FOUNDATION	_____	_____	_____	_____
SLAB / POLY WIRE	_____	_____	_____	_____
ROUGH PLUMBING	_____	_____	_____	_____
ROUGH ELECTRICAL	_____	_____	_____	_____
BRICK FLASHING	_____	_____	_____	_____
WINDOW FLASHING	_____	_____	_____	_____
ROUGH FIRE	_____	_____	_____	_____
<u>FINAL</u>	_____	_____	_____	<u>X</u>
C/OCCUPANCY	_____	_____	_____	_____
ZONING C/OCCUPANCY	_____	_____	_____	_____
SWIMMING POOL	_____	_____	_____	_____
POOL / DECK GROUNDING	_____	_____	_____	_____
METER SERVICE	_____	_____	_____	_____
TILE SIZE	_____	_____	_____	_____

REMARKS ① Terminate wire in upstairs closet
② Seperate Ground and neutrals
③ Install Bonding screws in Both Boxes
④ Terminate wires and cover open slot in left side disconnect
⑤ Need SEWER STICKER

*No Flashing inspection done on windows/doors

INSPECTOR RC Sle

RECEIVED BY ①49

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

464385

PERMIT # 105986

DATE 10/6/05

POWER PERMIT # 102937

NAME Cari Ann Davis

LOCATION 7758 Moss Creek Rd

TIME ARRIVE 1540 TIME DEPART 1610

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I	P	I
TEMP SERVICE	___	___	___	___
PILASTER	___	___	___	___
BOND BEAM	___	___	___	___
SLAB PLUMBING	___	___	___	___
NAILING	___	___	___	___
FRAMING	___	___	___	___
ROUGH MECHANICAL	___	___	___	___
INSULATION	___	___	___	___
FINAL FIRE	___	___	___	___
MOBILE HOME	___	___	___	___
MOBILE HOME UNDERPINNING	___	___	___	___
SIGN	___	___	___	___
C/O/S	___	___	___	___
OTHER	___	___	___	___
FOUNDATION	___	___	___	___
SLAB / POLY WIRE	___	___	___	___
ROUGH PLUMBING	___	___	___	___
ROUGH ELECTRICAL	___	___	___	___
BRICK FLASHING	___	___	___	___
WINDOW FLASHING	___	___	___	___
ROUGH FIRE	___	___	___	___
FINAL	___	___	___	✓
C/OCCUPANCY	___	___	___	___
ZONING C/OCCUPANCY	___	___	___	___
SWIMMING POOL	___	___	___	___
POOL / DECK GROUNDING	___	___	___	___
METER SERVICE	___	___	___	___
TILE SIZE	___	___	___	___

REMARKS OK to power

INSPECTOR Paul Clayton

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT ROSTER CARD

OWNER Cari A Davis
 PERMIT NUMBER 105986 DATE _____

TRADE	CONTRACTOR	SC STATE LICENSE	COUNTY BUSINESS LICENSE	PHONE#	INSPECTOR
PLUMBER	5 PLOCKS Plumbing	33968	00057849	385 8335	
ELECTRICIAN	TNT	40013	63056	480 8735	
HEATING & AC	Sandpiper	105519	57273	910-443 1842	
SIDING	Affordable Home Improvements	39023	105065	293 51028	
INSULATION	31-W	5027143	62951	293 3376	
ROOFER	Affordable Home Improvements	39023	105065	293 51028	
FLOOR COVERING	Shawndell	44561	65972	444-0111	
MASON	R/R	9419	59435	457 6393	
DRY WALL	Integrity	39953	67413	385 0177	
CARPENTER	A/E Const	109590	63560	458 0071	
WALLPAPERER					
PAINTER	Affordable Home Improvements	39023	105065	293 51028	
MOBILE HOME SETUP					
POOL					
SIGN					
FIRE SPRINKLER					
FIRE ALARM					
LANDSCAPING					
HOME MOVER					
PILE DRIVING					
DOCKS/SEA WALLS					
INTERIOR RENOVATION					
FOUNDATION/SLAB	A/E Const	109590	63560	458 0071	
PEST CONTROL	Coastal SPM	6-2187	59343	997-3654	
INTERIOR TRIM	Coastal SPM	42273	3597	446-3516	
HOMEBUILDER					
GENERAL CONTRACTOR	A/E Const	109590	63560	458 0071	
OTHER					

SIGNED ELG & Co DATE 10/11/05

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

466764

PERMIT # 105986

DATE 10/13/05

POWER PERMIT # _____

NAME Cari Davis

LOCATION 7758 Moss Creek

TIME ARRIVE 1520 TIME DEPART 1540

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION P I P I

TEMP SERVICE _____ FOUNDATION _____

PILASTER _____ SLAB / POLY WIRE _____

BOND BEAM _____ ROUGH PLUMBING _____

SLAB PLUMBING _____ ROUGH ELECTRICAL _____

NAILING _____ BRICK FLASHING _____

FRAMING _____ WINDOW FLASHING

ROUGH MECHANICAL _____ ROUGH FIRE _____

INSULATION _____ FINAL _____

FINAL FIRE _____ C/OCCUPANCY PC

MOBILE HOME _____ ZONING C/OCCUPANCY _____

MOBILE HOME UNDERPINNING _____ SWIMMING POOL _____

SIGN _____ POOL / DECK GROUNDING _____

C/O/S _____ METER SERVICE _____

OTHER _____ TILE SIZE _____

REMARKS ① Mark Breaker Boxes Correctly

② Hand rails need to return to wall

INSPECTOR Paul Clayton (50)

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

466765

PERMIT # 105986

DATE 10/14/05

POWER PERMIT # _____

NAME Cari Ann Davis

LOCATION 7758 Moss Creek Rd.

TIME ARRIVE 800 TIME DEPART 830

SETBACKS: FR _____ LT _____ RT _____ RR

TYPE INSPECTION P I P I

TEMP SERVICE	___	___	FOUNDATION	___	___
PILASTER	___	___	SLAB / POLY WIRE	___	___
BOND BEAM	___	___	ROUGH PLUMBING	___	___
SLAB PLUMBING	___	___	ROUGH ELECTRICAL	___	___
NAILING	___	___	BRICK FLASHING	___	___
FRAMING	___	___	WINDOW FLASHING	___	___
ROUGH MECHANICAL	___	___	ROUGH FIRE	___	___
INSULATION	___	___	FINAL	___	___
FINAL FIRE	___	___	C/OCCUPANCY <u>PC</u>	___	<input checked="" type="checkbox"/>
MOBILE HOME	___	___	ZONING C/OCCUPANCY	___	___
MOBILE HOME UNDERPINNING	___	___	SWIMMING POOL	___	___
SIGN	___	___	POOL / DECK GROUNDING	___	___
C/O/S	___	___	METER SERVICE	___	___
OTHER	___	___	TILE SIZE	___	___

REMARKS OK to C/O

Paper Work is in File

INSPECTOR Paul Clayton (50)

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

466765

PERMIT # 105486

DATE 10/14/05

POWER PERMIT # _____

NAME Cari Ann Davis

LOCATION 7758 Moss Creek Rd.

TIME ARRIVE 8:00

TIME DEPART 8:30

SETRACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION P I P I

TEMP SERVICE	___	___	FOUNDATION	___	___
PILASTER	___	___	SLAB / POLY WIRE	___	___
BOND BEAM	___	___	ROUGH PLUMBING	___	___
SLAB PLUMBING	___	___	ROUGH ELECTRICAL	___	___
NAILING	___	___	BRICK FLASHING	___	___
FRAMING	___	___	WINDOW FLASHING	___	___
ROUGH MECHANICAL	___	___	ROUGH FIRE	___	___
INSULATION	___	___	FINAL	___	___
FINAL FIRE	___	___	C/OCCUPANCY <u>PC</u>	___	<u>✓</u>
MOBILE HOME	___	___	ZONING C/OCCUPANCY	___	___
MOBILE HOME UNDERPINNING	___	___	SWIMMING POOL	___	___
SIGN	___	___	POOL / DECK GROUNDING	___	___
C/O/S	___	___	METER SERVICE	___	___
OTHER	___	___	TILE SIZE	___	___

REMARKS OK to C/O

Wagner Work is in file

INSPECTOR Paul Clayton (50)

RECEIVED BY _____

466764

01C003

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

COPY

This Certificate is issued pursuant to the requirements of the edition of the applicable Building Code currently in force, certifying that at the time of issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and the the structure is approved for occupancy at this time. For the following:

Owner of the Building DAVIS CARI ANN

Owner Address [REDACTED]

Building Address [REDACTED] / SOCASTEE/BURGESS, N BEACH/SURFSID

Units 0001 Use 101 Use classification SINGLE-FAMILY HOUSE

Type of Construction FR Occupant Load _____ Sprinkler Provided NO Required NO

Applicable Code 2000 IRC Permit# 0000105986 Report# 0466765

[Signature]
Building Official

PAUL CLAYTON [Signature]
Inspector

October 14, 2005
Date

DEFENDANT'S EXHIBIT

#50 10-11-11
PMM

HORRY COUNTY PERMIT APPLICATION

NO Zoning P.

FLOOD ZONE X
 BFE _____
 PANEL# 679
 ECERT REQ _____
 APPROVED [Signature]
11-30-6

(Must be fully completed in ink)

DATE IN 11/29/06
 FEES PD \$ 25.00 P/R _____
 CLERK Y.M
 REVIEW # 126848
 REF _____
 DATE OUT 4-23-07
 APPROVED [Signature]
3-206

Review Permit Addt x 2 Roof -

Name of Owner (as listed on Tax book) Robert A. Sealey
 Mailing Address _____ Telephone _____

Site Address _____ Subdivision Watergate Lot# 1

Project Name Roof Repair Custom Bldg _____ # of Units _____ Occupant Load N/A

Type of Work: New () Addition () Alter () Repair () Move () Demolish () Other _____
 Use of Improvements: Single Family () Mobile Home () Duplex () Apartment () Commercial () Institutional () Utility ()
 Warehouse () Manufacturing () Condo () Industrial () Farm Building () Sign () Other _____

Type of Construction: Metal () Wood () Steel () Concrete () Other Block

Exterior: Brick () Conc. Block () Stone () Brick Veneer () Stucco () Metal () Wood () Glass () Vinyl () Other _____

No. of Stories 1 No. of Bedrooms 0 No. of Baths 1 No. of Half Baths _____ Total # Rooms _____

Type of Heating: Central Air Cond. () Heat Pump () Other _____
 Type of Fuel: Oil () Gas () Electricity () Wood () Other _____
 Sprinkler Req N Provided N/A

Heated areas: Garage () Carport () Porches () Decks () Masonry Fireplaces # _____
 Total No. of Square Feet 420 Unheated 420

Remarks: CHANGE OF USE / NEW ROOF / Added AREA

Value of Construction \$ 8,000
 Building Permit Fees \$ 126
 Zoning Fees \$ _____
 M I G C Fire Fee \$ _____
 DBI Fee \$ 126.00
 TOTAL FEES \$ _____

Permit # 126848
 Mobile Home Sticker # _____
 Fire Receipt # _____
 Farm # _____
 Business License # _____
 Plan / Bin # _____

*A+E construction Ellis Smith
 LES Const*

Contractor or Builder [Signature] Address 5007 W Watergate Dr M. Bch.
 Telephone # 843-393-4634

Architect or Engineer [Signature] Address Suite 110 1000 2nd Ave So. N. M. Bch.
 Telephone # 843-456007

Estimated Date of Completion 10-23-07 TMS# 180-17-02-001 Dist # 103 Zone R-4

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

DEFENDANT'S EXHIBIT

Issued By [Signature]
 Date 4-23-07

Signature Robert A. Sealey
 Owner () Contractor () Agent ()
 Please print name Robert A. Sealey

HORRY COUNTY CODE ENFORCEMENT

1301 Second Ave. Suite 1D09
 Conway, South Carolina 29526
 Ph. (843)915-5090 Fax # (843)915-6090

COMMERCIAL PLAN REVIEW CHECK LIST

(This section for office use only)

Date Plans Submitted 11-29-06

Review # 126848 Ref # _____ Bin # 206
 Project: Sealey Roof Repair / Custom Fabrication (Flat to A Frame)
 Owner: _____ TMS# 180-17-02-001

Comments: _____

<u>12-19-06</u>	<u>[Signature]</u>	<u>4-23-07</u>	<u>[Signature]</u>
Date Assigned	Assigned To	Date Completed	Approved By

(Customer Information)

Required		Rec'd
_____	Sewer Receipt/Septic Approval	_____
_____	OCRM Letter(if applicable) - Contact Bill Kregloe at (843)238-4528	_____
_____	County Stormwater Permit/Exemption - Contact Craig Hobart at (843)365-2097	_____
_____	MI/GC Fire Letter(if in Dist# 61) - Contact Gary Mocarski at (843)651-5143	_____
<input checked="" type="checkbox"/>	Zoning Compliance - Contact the Zoning Department at (843)915-5340	_____
<input checked="" type="checkbox"/>	Applicable Contractor's License	_____
_____	Letter of Authorization - Notarized (if anyone other than license holder)	_____
_____	Planning Approval (if applicable) - Contact Planning Dept. at (843)915-5340	_____
_____	Flood Zone (if so, additional information may be required)	_____
_____	E-911 Address - Contact Flora Watson at (843)915-5345	_____
_____	Horry County Airport Letter (if applicable)	_____
_____	Other: _____	_____
_____	_____	_____
_____	_____	_____

NOTE: Items checked "Required" above must be received prior to issuance of building permit.

Plans Acceptable: Yes: _____ No: _____ Acceptance Authorized By: Jay Gauge

If not accepted, explain: _____

Form reviewed with and copy given to Customer: Yes: _____ No: _____

** An application for a permit for any proposed work shall be deemed to have been abandoned 180 days after the date of filing, unless such application has been pursued in good faith or a permit has been issued; except that the building official is authorized to grant one or more extensions of time for additional periods not exceeding 90 days each. The extension shall be requested in writing and justifiable cause demonstrated.

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

562595

PERMIT # Per 00030 J.

DATE 3-13-07

POWER PERMIT # _____

NAME Building on Watergate Dr.

LOCATION No Address shown

TIME ARRIVE 1515 TIME DEPART 1600

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	___	___	FOUNDATION	___	___
PILASTER	___	___	SLAB / POLY WIRE	___	___
BOND BEAM	___	___	ROUGH PLUMBING	___	___
SLAB PLUMBING	___	___	ROUGH ELECTRICAL	___	___
NAILING	___	___	BRICK FLASHING	___	___
FRAMING	___	___	WINDOW FLASHING	___	___
ROUGH MECHANICAL	___	___	ROUGH FIRE	___	___
INSULATION	___	___	FINAL	___	___
FINAL FIRE	___	___	C/OCCUPANCY	___	___
MOBILE HOME	___	___	ZONING C/OCCUPANCY	___	___
MOBILE HOME UNDERPINNING	___	___	SWIMMING POOL	___	___
SIGN	___	___	POOL / DECK GROUNDING	___	___
DOORS	___	___	METER SERVICE	___	___
WATER	___	___	TILE SIZE	___	___

REMARKS Pickets show Awnings have
Been Removed on Right Side &
Back.

INSPECTOR Randy [Signature] 4620

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

PERMIT # 126848 568382
 DATE 3-2-07

POWER PERMIT # _____

NAME Sealey Robert

LOCATION 5002 water gate

TIME ARRIVE 1300 TIME DEPART 1350

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	—	—	FOUNDATION	—	✓
PLASTER	—	—	SLAB / POLY WIRE	—	—
BOND BEAM	—	—	ROUGH PLUMBING	—	—
SLAB PLUMBING	—	—	ROUGH ELECTRICAL	—	—
NAILING	—	—	BRICK FLASHING	—	—
FRAMING	—	—	WINDOW FLASHING	—	—
ROUGH MECHANICAL	—	—	ROUGH FIRE	—	—
INSULATION	—	—	FINAL	—	—
FINAL FIRE	—	—	C/OCCUPANCY	—	—
MOBILE HOME	—	—	ZONING C/OCCUPANCY	—	—
MOBILE HOME UNDERPINNING	—	—	SWIMMING POOL	—	—
SIGN	—	—	POOL / DECK GROUNDING	—	—
WATER	—	—	METER SERVICE	—	—
	—	—	TILE SIZE	—	—

REMARKS ① Need Revision showing Post
Supporting Roof on outside of not
Inside of Building

INSPECTOR Robert McHenry #25

RECEIVED BY Robert A Sealey

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

570582

PERMIT # 126848

DATE 3-11-07

POWER PERMIT # _____

NAME Sealy Robert

LOCATION Watergate Blvd.

TIME ARRIVE 1045 TIME DEPART 1135

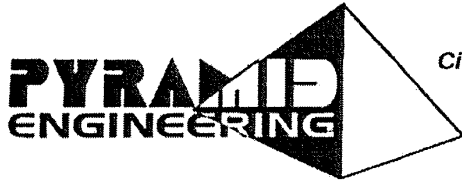
SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	—	—	FOUNDATION	✓	—
PILASTER	—	—	SLAB / POLY WIRE	—	—
BOND BEAM	—	—	ROUGH PLUMBING	—	—
SLAB PLUMBING	—	—	ROUGH ELECTRICAL	—	—
NAILING	—	—	BRICK FLASHING	—	—
FRAMING	—	✓	WINDOW FLASHING	—	—
ROUGH MECHANICAL	—	—	ROUGH FIRE	—	—
INSULATION	—	—	FINAL	—	—
FINAL FIRE	—	—	C/OCCUPANCY	—	—
MOBILE HOME	—	—	ZONING C/OCCUPANCY	—	—
MOBILE HOME UNDERPINNING	—	—	SWIMMING POOL	—	—
SIGN	—	—	POOL / DECK GROUNDING	—	—
W/S	—	—	METER SERVICE	—	—
OTHER	—	—	TILE SIZE	—	—

REMARKS O.K. to pour footing.
Strapping to existing R/W OK.

INSPECTOR Robert Sealy #25

RECEIVED BY _____



PYRAMID ENGINEERING, INC.
Civil / Structural / Geotechnical / Sanitation / Construction / Pile Installation

128 Highway 17 S., N. Myrtle Beach, SC 29582
Phone: (843) 280-3766 | Fax: (843) 280-3767

April 18, 2007

Reference: Robert Sealey Property
Lot #1 Block D
Socastee, SC

Dear Sirs:

This letter is in reference to an inspection conducted by a Professional Engineer from our office on April 18, 2007 to the above listed property.

The results are as follows:

- 1) The foundation is attached to each pile with a Simpson HDQ8.
- 2) The sheathing is attached to the new manufactured trusses with a Simpson LSTI Strap Tie.
- 3) The girder is attached to the column with an HT22 with Simpson Nails according to manufacturer's specification.
- 4) The girder is notched into the pile.

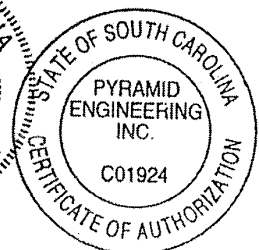
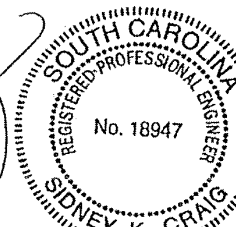
The structural tie-downs and anchor hold-downs are adequate and sufficient to sustain 130 mph wind loading and seismic category D loading.

I hereby certify that all construction meets or exceeds the standards to conform to the IBC 2003.

Please feel free to contact our office at (843) 280-3766 if any additional information is needed.

Sincerely,

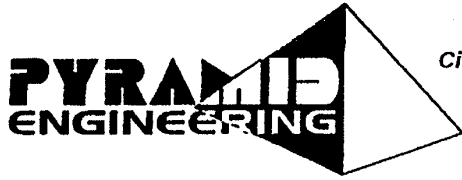

S.K. Craig, P.E.



www.pyramidengineering.com

04/18/07

Permit 126848
Rct



PYRAMID ENGINEERING, INC.
Civil / Structural / Geotechnical / Sanitation / Construction / Pile Installation

128 Highway 17 S., N. Myrtle Beach, SC 29582
Phone: (843) 280-3766 | Fax: (843) 280-3767

*May, 3, 2007
Horry County
Building Enforcement
Inspections Department*

*Contractor: Robert Sealy
5007 Watergate Dr.
Myrtle Beach, SC 29588*

Reference: 5002 Watergate Dr.

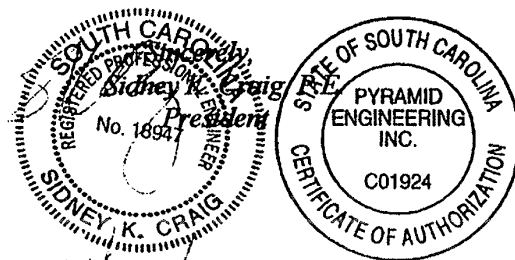
Dear Sir,

This letter is in reference to 5002 Watergate Dr. We are addressing the changes that the contractor has brought to our attention.

The piers have been moved 8" from the inside of the brick wall to just outside the brick wall. This does not cause any structural changes.

I hereby certify that all construction has been completed using current building practice and the construction conforms to the requirements of the 2003 IRC.

Please feel free to contact our office at (843) 280-3766 if any additional information is required.



www.pyramidengineering.com

003293

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

PERMIT # 126848

572121

POWER PERMIT # _____

DATE 5-18-07

NAME Sealey / Roof Repair / Custom FA

LOCATION 5002 Watergate dr

TIME ARRIVE 1915 TIME DEPART 1544

NETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	___	___	FOUNDATION	___	___
PLASTER	___	___	SLAB / POLY WIRE	___	___
BOND BEAM	___	___	ROUGH PLUMBING	___	___
LAB PLUMBING	___	___	ROUGH ELECTRICAL	___	___
RAILING	___	___	BRICK FLASHING	___	___
FRAMING	✓	___	WINDOW FLASHING	___	___
ROUGH MECHANICAL	___	___	ROUGH FIRE	___	___
INSULATION	___	___	FINAL	___	___
FINAL FIRE	___	___	C/OCCUPANCY	___	___
MOBILE HOME	___	___	ZONING C/OCCUPANCY	___	___
MOBILE HOME UNDERPINNING	___	___	SWIMMING POOL	___	___
IGN	___	___	POOL / DECK GROUNDING	___	___
Y	___	___	METER SERVICE	___	___
THER	___	___	TILE SIZE	___	___

REMARKS all metal straps ok

SPECTOR Jimmy Price # 69

RECEIVED BY _____

Permit 126848
RET

HORRY COUNTY CODE ENFORCEMENT ROSTER CARD

OWNER _____
 PERMIT NUMBER 126848 DATE _____

TRADE	CONTRACTOR	SC STATE LICENSE	COUNTY BUSINESS LICENSE	PHONE#	INSPECTOR
PLUMBER					
ELECTRICIAN					
HEATING & AC					
SIDING	Sealey	RB8 11533	93956		
INSULATION					
ROOFER	Sealey	RB5 11533	93956		
FLOOR COVERING					
MASON					
DRY WALL					
CARPENTER	Sealey	RB5 11533	93956		
WALLPAPERER					
PAINTER					
MOBILE HOME SETUP					
POOL					
SIGN					
FIRE SPRINKLER					
FIRE ALARM					
LANDSCAPING					
HOME MOVER					
PILE DRIVING					
DOCKS/SEA WALLS					
INTERIOR RENOVATION					
FOUNDATION/SLAB					
PEST CONTROL					
INTERIOR TRIM					
HOMEBUILDER					
GENERAL CONTRACTOR	H. E. Cant	RB-109530	84632		
OTHER					

SIGNED X Robert A. Sealey DATE X 7-30-07

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

PERMIT # 126848 584534

POWER PERMIT # _____ DATE 8-10-07

NAME Sealy Robert A.

LOCATION 5002 Watergate Dr.

TIME ARRIVE 1440 TIME DEPART 1515

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	___	___	FOUNDATION	___	___
PILASTER	___	___	SLAB / POLY WIRE	___	___
BOND BEAM	___	___	ROUGH PLUMBING	___	___
SLAB PLUMBING	___	___	ROUGH ELECTRICAL	___	___
NAILING	___	___	BRICK FLASHING	___	___
FRAMING	___	___	WINDOW FLASHING	___	___
ROUGH MECHANICAL	___	___	ROUGH FIRE	___	✓
INSULATION	___	___	FINAL	___	✓
FINAL FIRE	✓	___	C/OCCUPANCY	ret	✓
MOBILE HOME	___	___	ZONING C/OCCUPANCY	___	___
MOBILE HOME UNDERPINNING	___	___	SWIMMING POOL	___	___
SIGN	___	___	POOL / DECK GROUNDING	___	___
VS	___	___	METER SERVICE	___	___
OTHER	___	___	TILE SIZE	___	___

REMARKS O.K. to go

No zoning or stormwater Required

Rastercard, Roof & Shingle letters Picked up.

(New Roof over existing BUDG) O.K. R.A.

INSPECTOR Sealy Robert A.

RECEIVED BY Robert A. Sealy

Permit 12684
RET

A & E CONSTRUCTORS & CONSULTANTS, INC.



RESIDENTIAL • COMMERCIAL • INDUSTRIAL CONSTRUCTION

511 Robert Grissom Parkway • P.O. Box 2296
Myrtle Beach, SC 29578



Bus: (843) 448-3741 • Fax: (843) 626-6284

HORRY COUNTY CODE INFORCMENT

Dear Sir,

The following job permit number 126848 at address 5002 Wafarato Dr roof shingles were nailed per manufacture specifications and meet or exceed all IBC 2003 requirements. Also the roof sheeting was nailed per plans and specs and meet or exceed all IBC 2003 requirements.

Thanks,

Ellis E. Smith
Ellis E. Smith, Pres.

KELLEY S. GILL
Notary Public, South Carolina
My Commission Expires
June 25, 2017

K. Gill
9/16/07

HORRY COUNTY PERMIT APPLICATION

(Must be fully completed in ink)

FLOOD ZONE X
 BFE _____
 PANEL# 563
 ECERT REQ _____
 APPROVED mark
9-8-5

DEFENDANT'S EXHIBIT

#53 10.13.11
PLUM

DATE IN 9-7-05
 FEES PD \$ 493.10 P/R 25.00 z
 CLERK mga
 REVIEW # 112554
 REF _____
 DATE OUT 9-14-05
 APPROVED ot
mga

Name of Owner (as listed on Tax book) Stephen L. Memillan Jr. & Holly T. Memillan
 Mailing Address [REDACTED] Myrtle Beach, SC 29572 Telephone [REDACTED]
 Site Address [REDACTED] MB, SC 29579 Subdivision Black Creek Plantation Lot # 2

Project Name New Home Construction Bldg _____ # of Units _____ Occupant Load _____
 Type of Work: New () Addition () Alter () Repair () Move () Demolish () Other _____
 Use of Improvements: Single Family () Mobile Home () Duplex () Apartment () Commercial () Institutional () Utility ()
 Warehouse () Manufacturing () Condo () Industrial () Farm Building () Sign () Other _____
 Type of Construction: Metal () Wood () Steel () Concrete () Other _____
 Exterior: Brick () Conc. Block () Stone () Brick Veneer () Stucco () Metal () Wood () Glass () Vinyl () Other _____
 No of Stories 2 No. of Bedrooms 4 No. of Baths 3.0 No. of Half Baths 1 Total # Rooms 13
 Type of Heating: Central Air Cond. () Heat Pump () Other _____ Sprinkler Req. _____ Provided _____ N/A _____
 Type of Fuel: Oil () Gas () Electricity () Wood () Other _____

Unheated areas: Garage () Carport () Porches () Decks () Masonry Fireplaces # _____
 Total No. of Square Feet 4931.55 Heated Space 4028 Unheated 903.1363
 Remarks: 2 story single family mga 209,456 28164

Value of Construction \$ <u>370,000.00</u>	Permit # <u>112554</u>
Building Permit Fees \$ <u>1347.75</u>	Mobile Home Sticker # _____
Zoning Fees \$ <u>25.00</u> mga	Fire Receipt # _____
M I G C Fire Fee \$ _____	Farm # _____
Add'l P. Rev. \$ <u>46.00</u>	Business License # _____
TOTAL FEES \$ <u>1393.75</u>	Plan / Bin # _____

Contractor or Builder McMillan, Stephen Telephone # _____
 Address 202 S. FRC P.E. State License # _____
 Architect or Engineer Brad Odum - West Home Design Telephone # 843-238-8338
 Address 1500 Hwy 17 S. Surfside Beach, SC 29575 Fax # 843-238-8994
 Estimated Date of Completion 10-01-05 TMS # _____ Dist # 100 Zone FA Verified mga
9-7-05

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE. BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By Cynthia P. Smith Signature Stephen L. Memillan, Jr.
 Date 9/21/05 Please print name _____
 Signature Owner () Contractor () Agent ()

ZONING DEPARTMENT
1301 SECOND AVE
Conway, S. C. 29526

9/07/2005
16:11:31



(843)915-5490
(843)756-2121
Fax: (843)915-6490

01ZON1

APPLICATION AND CERTIFICATE OF ZONING COMPLIANCE

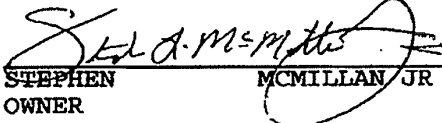
RESIDENTIAL

TAX MAP NUMBER: 165-00-01-146

ZONE: FA
FRONT SETBACK: 25.00
REAR SETBACK: 15.00
LEFT SETBACK: 10.00
RIGHT SETBACK: 10.00
HEIGHT OF STRUCTURE: 035
UNITS RESIDENTIAL: 0000
DISTANCE BETWEEN BLDGS: 006
SQUARE FOOTAGE:
MOBILE HOME STICKER #: 00000

OF UNITS: 000
ROOMING UNITS: 000
MIN. LOT SIZE:
TOTAL ACRES:
STORIES: 002
OF STREET PARKING SPACES: 0002
UNITS BUSINESS: 0000
TYPE OF USE: 001 - SF
STREET FOOTAGE:

I hereby make application for a Zoning Compliance Certificate for this property to be used as shown above.
All statements are true and have been verified by me.


STEPHEN MCMILLAN JR
OWNER

9-7-05
DATE

ADDRESS: 3007 HOLLY BERRY CONSTRUC
CITY: MYRTLE BEACH
PHONE:

STATE: SC ZIP: 29588

The use of the building(s) and/or land as shown above conforms to the requirements of the zoning ordinance of Horry County. This is subject to the following conditions, restrictions and limitations:

BLACK CREEK PLANTATION LOT 2. HAVE OVERHANGS MAY ENCROACH 18"
INTO SETBACKS UNLESS BLDING CODES INDICATE OTHER REQUIREMENT
s no structure placed in any easement. one dwelling per tract
of land.

This Certificate is subject to cancellation if any misrepresentations have been made or if any changes are made which violate any Zoning Ordinance provisions.

This Certificate is based on the above application.

9-7-05
DATE


MARY ALLEN
ZONING ADMINISTRATOR

ZONING CHECKLIST

- Tax Map Number # 165-00-01-146 verified
- Property owner of record verified Black Creek Plantation
Lot 2
- Tax District Verified
- Use on Building Permit Application verified to be the same as on Certificate of Zoning Compliance and initialed and dated. This applies to all applications at the time of issuance of the Certificate of Zoning Compliance.
- EA Zoning district verified as per GIS Zoning Map ___ Sub'd Map ___ Other ___
- Zoning fee verified on Building Permit Application (List amount even if \$.0)
- NO Is this property in an overlay or special district? If so, specify.
- NO Is this in Conway Bombing/Gunnery Range? Note on Zoning Compliance and keep copy of zoning compliance in a separate folder?
- X Is property located in flood zone?

Residential Only

- Proposed use is in compliance with the zoning district in which it is located
- Site plan is drawn to scale showing the location of all existing and proposed structures/additions. Required setbacks are shown on site plan by dashed lines.
- Parcel on site plan verified to be same as on the current tax map from the Horry County Tax Assessors Office; and if located in a subdivision, subdivision map has been reviewed to verify there are no encroachments into any easements.
- Proposed structure/addition meets the required location, distance from other structures and setbacks.

Commercial Only

- N/A Interior remodeling with no change of use of footprint of existing structure. (All other commercial applications must be reviewed by a commercial plans reviewer).

Temporary Permits Only

- N/A Applicable section of the ordinance has been verified to allow proposed temporary use and is in compliance with all conditions as stated therein.

Mary J. Allen
Reviewers Signature

9-7-05
Date

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

470217

PERMIT # 112554

DATE 10-31-05

POWER PERMIT # _____

NAME Stephen M. Millan

LOCATION 3007 Hollyberry Ct / Black Creek Plant.

2012
TIME ARRIVE 10:31 TIME DEPART 10:48

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P		I	
	P	I	P	I
TEMP SERVICE	___	___	___	___
PILASTER	___	___	___	___
BOND BEAM	___	___	___	___
SLAB PLUMBING	___	___	___	___
NAILING	___	___	___	___
FRAMING	___	___	___	___
ROUGH MECHANICAL	___	___	___	___
INSULATION	___	___	___	___
FINAL FIRE	___	___	___	___
MOBILE HOME	___	___	___	___
MOBILE HOME UNDERPINNING	___	___	___	___
SIGN	___	___	___	___
C/O/S	___	___	___	___
OTHER	___	___	___	___
FOUNDATION	___	___	___	___
SLAB / POLY WIRE	___	___	___	___
ROUGH PLUMBING	___	___	___	___
ROUGH ELECTRICAL	___	___	___	___
BRICK FLASHING	___	___	___	___
WINDOW FLASHING	___	___	___	___
ROUGH FIRE	___	___	___	___
FINAL	___	___	___	___
C/OCCUPANCY	___	___	___	___
ZONING C/OCCUPANCY	___	___	___	___
SWIMMING POOL	___	___	___	___
POOL / DECK GROUNDING	___	___	___	___
METER SERVICE	___	___	___	___
TILE SIZE	___	___	___	___

REMARKS _____

OK to pour footer

INSPECTOR Delane Fouchett (55)

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

477499

PERMIT # 112554

DATE 12-9-05

POWER PERMIT # 105401

NAME McMILLAN STEPHEN

LOCATION LOT 2 3007 HOLLYBERRY CT

TIME ARRIVE 910 TIME DEPART 925

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION P I P I

TEMP SERVICE FOUNDATION _____

PLASTER _____ SLAB / POLY WIRE _____

BOND BEAM _____ ROUGH PLUMBING _____

SLAB PLUMBING _____ ROUGH ELECTRICAL _____

NAILING _____ BRICK FLASHING _____

FRAMING _____ WINDOW FLASHING _____

ROUGH MECHANICAL _____ ROUGH FIRE _____

INSULATION _____ FINAL _____

FINAL FIRE _____ C/OCCUPANCY _____

MOBILE HOME _____ ZONING C/OCCUPANCY _____

MOBILE HOME UNDERPINNING _____ SWIMMING POOL _____

SIGN _____ POOL / DECK GROUNDING _____

C/O/S _____ METER SERVICE _____

OTHER _____ TILE SIZE _____

REMARKS

OK TO POWER TRIM
105401

INSPECTOR RCSA

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

PERMIT # 112554 478771
DATE 12/14/05

POWER PERMIT # _____
NAME McMillan

LOCATION lot 2 Black Creek Plant

TIME ARRIVE 920 TIME DEPART 930

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	_____	_____	FOUNDATION	_____	_____
PILASTER	_____	_____	SLAB / POLY WIRE	_____	_____
BOND BEAM	_____	_____	ROUGH PLUMBING	_____	_____
SLAB PLUMBING	_____	✓	ROUGH ELECTRICAL	_____	_____
NAILING	_____	_____	BRICK FLASHING	_____	_____
FRAMING	_____	_____	WINDOW FLASHING	_____	_____
ROUGH MECHANICAL	_____	_____	ROUGH FIRE	_____	_____
INSULATION	_____	_____	FINAL	_____	_____
FINAL FIRE	_____	_____	C/OCCUPANCY	_____	_____
MOBILE HOME	_____	_____	ZONING C/OCCUPANCY	_____	_____
MOBILE HOME UNDERPINNING	_____	_____	SWIMMING POOL	_____	_____
SIGN	_____	_____	POOL / DECK GROUNDING	_____	_____
C/O/S	_____	_____	METER SERVICE	_____	_____
OTHER	_____	_____	FILE SIZE	_____	_____

REMARKS _____

OK TO COVER

INSPECTOR Lee Hall #17

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

PERMIT # 112554

DATE 12/19/05 **478813**

POWER PERMIT # _____
NAME Mc MILLAN

LOCATION LOT 2 BLACK CREEK PLANT

TIME ARRIVE 1105 TIME DEPART 1120

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION P I P I

TEMP SERVICE	_____	_____	FOUNDATION	_____	_____
PILASTER	_____	_____	SLAB / POLY WIRE <u>Fiber</u>	_____	<input checked="" type="checkbox"/>
BOND BEAM	_____	_____	ROUGH PLUMBING	_____	_____
SLAB PLUMBING	_____	_____	ROUGH ELECTRICAL	_____	_____
NAILING	_____	_____	BRICK FLASHING	_____	_____
FRAMING	_____	_____	WINDOW FLASHING	_____	_____
ROUGH MECHANICAL	_____	_____	ROUGH FIRE	_____	_____
INSULATION	_____	_____	FINAL	_____	_____
FINAL FIRE	_____	_____	C/OCCUPANCY	_____	_____
MOBILE HOME	_____	_____	ZONING C/OCCUPANCY	_____	_____
MOBILE HOME UNDERPINNING	_____	_____	SWIMMING POOL	_____	_____
SIGN	_____	_____	POOL / DECK GROUNDING	_____	_____
C/O/S	_____	_____	METER SERVICE	_____	_____
OTHER	_____	_____	TILE SIZE	_____	_____

REMARKS OK TO POUR W/ FIBER
INT. FOOTING MARKED ON SLABS

INSPECTOR [Signature] **1077**

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

500249

PERMIT # 112554

DATE 3/21/06

POWER PERMIT # _____

NAME McMillan

LOCATION Lot 2 Black creek Pit,

TIME ARRIVE 935 TIME DEPART 1015

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I	P	I
TEMP SERVICE	___	___	___	___
PILASTER	___	___	___	___
BOND BEAM	___	___	___	___
SLAB PLUMBING	___	___	___	___
NAILING	___	___	___	___
FRAMING	___	X	___	___
ROUGH MECHANICAL	___	X	___	___
INSULATION	___	___	___	___
FINAL FIRE	___	___	___	___
MOBILE HOME	___	___	___	___
MOBILE HOME UNDERPINNING	___	___	___	___
SIGN	___	___	___	___
C/O/S	___	___	___	___
OTHER	___	___	___	___
FOUNDATION	___	___	___	___
SLAB / POLY WIRE	___	___	___	___
ROUGH PLUMBING	___	___	✓	___
ROUGH ELECTRICAL	___	___	✓	___
BRICK FLASHING	___	___	___	___
WINDOW FLASHING	___	___	___	___
ROUGH FIRE	___	___	___	___
FINAL	___	___	___	___
C/OCCUPANCY	___	___	___	___
ZONING C/OCCUPANCY	___	___	___	___
SWIMMING POOL	___	___	___	___
POOL / DECK GROUNDING	___	___	___	___
METER SERVICE	___	___	___	___
TILE SIZE	___	___	___	___

REMARKS ① 802.10 Need Engineered Truss
Pack ② Vent bath Fans to
Exterior, 303.3.

(Do Not Insulate)

INSPECTOR F. Barnhill # (51)

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

500198

PERMIT # 112554

DATE 3/24/06

POWER PERMIT # _____

NAME McMillan

LOCATION Lot 2 Blackcreek

TIME ARRIVE 1016 TIME DEPART 1035

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION P I P I

TEMP SERVICE _____ FOUNDATION _____

PILASTER _____ SLAB / POLY WIRE _____

BOND BEAM _____ ROUGH PLUMBING _____

SLAB PLUMBING _____ ROUGH ELECTRICAL _____

NAILING _____ BRICK FLASHING

FRAMING R WINDOW FLASHING _____

ROUGH MECHANICAL R ROUGH FIRE _____

INSULATION _____ FINAL _____

FINAL FIRE _____ C/OCCUPANCY _____

MOBILE HOME _____ ZONING C/OCCUPANCY _____

MOBILE HOME UNDERPINNING _____ SWIMMING POOL _____

SIGN _____ POOL / DECK GROUNDING _____

C/O/S _____ METER SERVICE _____

OTHER _____ TILE SIZE _____

REMARKS Ok to Insulate

INSPECTOR J. B. [Signature] # (51)

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

525334

PERMIT # 112554

DATE 7/5/06

POWER PERMIT # 111887

NAME McMillan

LOCATION Lot 2 Black Creek

TIME ARRIVE 1020 TIME DEPART 1040

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION P I P I

TEMP SERVICE _____ FOUNDATION _____

PILASTER _____ SLAB / POLY WIRE _____

BOND BEAM _____ ROUGH PLUMBING _____

SLAB PLUMBING _____ ROUGH ELECTRICAL _____

NAILING _____ BRICK FLASHING _____

FRAMING _____ WINDOW FLASHING

ROUGH MECHANICAL _____ ROUGH FIRE

INSULATION _____ FINAL

FINAL FIRE _____ C/OCCUPANCY _____

MOBILE HOME _____ ZONING C/OCCUPANCY _____

MOBILE HOME UNDERPINNING _____ SWIMMING POOL _____

SIGN _____ POOL / DECK GROUNDING _____

C/O/S _____ METER SERVICE _____

OTHER _____ TILE SIZE _____

REMARKS ① need slope + grade complete,
* windows AT back door, and master bath
must be tempered glass. by C.O.
(C.O. Required)

OK to Power

INSPECTOR F. Barnhill (51)

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

530021

PERMIT # 112554

DATE 7.27.06

POWER PERMIT # _____

NAME McMillian

LOCATION 3007 Holly Berry Ct / Lot 2 Black Creek

TIME ARRIVE 1025 TIME DEPART 1115

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION P I P I

TEMP SERVICE _____ FOUNDATION _____

PILASTER _____ SLAB / POLY WIRE _____

BOND BEAM _____ ROUGH PLUMBING _____

SLAB PLUMBING _____ ROUGH ELECTRICAL _____

NAILING _____ BRICK FLASHING _____

FRAMING _____ WINDOW FLASHING _____

ROUGH MECHANICAL _____ ROUGH FIRE _____

INSULATION _____ FINAL _____

FINAL FIRE _____ C/OCCUPANCY AB ✓

MOBILE HOME _____ ZONING C/OCCUPANCY _____

MOBILE HOME UNDERPINNING _____ SWIMMING POOL _____

SIGN _____ POOL / DECK GROUNDING _____

C/O/S _____ METER SERVICE _____

OTHER _____ TILE SIZE _____

REMARKS Ok TO GO

All Paper work on file

INSPECTOR Amy Beatt #66

RECEIVED BY _____

112554
7-27-06
H566

HORRY COUNTY CODE ENFORCEMENT

ROSTER CARD

OWNER Mc Miller

PERMIT NUMBER 112554 DATE 7-29-06

TRADE	CONTRACTOR	SC STATE LICENSE	COUNTY BUSINESS LICENSE	PHONE#	INSPECTOR
PLUMBER					
ELECTRICIAN	TNT	40013	63056	4505735	
HEATING & AC	Teff Aulse	95974	57999	3851680	
SIDING	Affordable	89023	65065	2413699	
INSULATION	In City	502083	62851	8476241	
ROOFER	Affordable	89023	65065	2413699	
FLOOR COVERING	Shirley W/Co	485691	65972	414011	
MASON	R+K	35451	68741	74262	
DRY WALL	Self	39953	67413	3850177	
CARPENTER	Self	39714	66588	2674262	
WALLPAPERER					
PAINTER	Self	544732	65666	2413699	
MOBILE HOME SETUP					
POOL					
SIGN					
FIRE SPRINKLER					
FIRE ALARM					
LANDSCAPING					
HOME MOVER					
PILE DRIVING					
DOCKS/SEA WALLS					
INTERIOR RENOVATION	Self				
FOUNDATION/SLAB	Self	34457	58741		
PEST CONTROL	Wilson	81951	63111	622-961	
INTERIOR TRIM	Self				
HOLDERS	Self				
GENERAL CONTRACTOR	Self				
OTHER					

SIGNED Steven L. Mc Miller

DATE 7/24/06

01C003

COPY

CERTIFICATE OF OCCUPANCY

COUNTY OF Horry

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the applicable Building Code currently in force, certifying that at the time of issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and the structure is approved for occupancy at this time. For the following:

Owner of the Building MCMILLAN STEPHEN L JR & HOLLY T BLACK CREEK PLANTATION

Owner Address [REDACTED] / MYRTLE BEACH, SC

Building Address [REDACTED] / BLACK CREEK PLANTATION, CONWAY

Units 0001 Use 101 Use classification SINGLE-FAMILY HOUSE

Type of Construction FR Occupant Load _____ Sprinkler Provided NO Required NO

Applicable Code 2003/IRC Permit # 0000112554 Report # 0530021

David D. Jacobs
Building Official

Andy Bell
ANDY BELL
Inspector

July 27, 2006
Date

DEFENDANT'S EXHIBIT
#54 10-11-11
pmm

DEFENDANT'S EXHIBIT

#55 10-11-11 PMM

Planned 451⁰³

FLOOD ZONE X

BFE _____
PANEL # 694H

ECERT REQ _____
APPROVED MOA
9-25-03

(Must be fully completed in ink)

HORRY COUNTY PERMIT APPLICATION

DATE IN 9-24-03
FEES PD \$ 476⁰³
CLERK (CS)
REVIEW # 94341
REF # _____
DATE OUT 9-26-03
APPROVED 88

Name of Owner (as listed on Tax book) Roberto Perez + Obdulia Perez

Mailing Address _____ Telephone _____

Site Address Prestrick, Sureside Beach Subdivision 29575 Prestrick Lot # 205

Project Name 1346 Links Rd. Bldg _____ # of Units _____

Type of Work: New () Addition () Alter () Repair () Move () Demolish () Other _____

Use of Improvements: Single Family () Mobile Home () Duplex () Apartment () Commercial () Institutional () Utility ()
Warehouse () Manufacturing () Condo () Industrial () Farm Building () Sign () Other _____

Type of Construction: Metal () Wood () Steel () Concrete () Other _____

Exterior: Brick () Conc. Block () Stone () Brick Veneer () Stucco () Metal () Wood () Alum Vinyl () Other _____

No of Stories 2 No. of Bedrooms 3 No. of Baths 5 No. of Half Baths 6 Total No. of Rooms 14

Type of Heating: Hot Air () Hot Water () Central Air Cond. () Heat Pump () Other _____

Type of Fuel: Oil () Gas () Electricity () Wood () Other _____ No. of Masonry Fireplaces 0

Unheated areas: Garage () Carport () Porches () Decks () 203 008

Total No. of Square Feet 5610 5203 Heated Space 3904 Unheated 605 1299

Remarks: 2 story single family house (MOA) 36,372

Value of Construction \$ 250,000

Building Permit Fees \$ 1300.75

Zoning Fees \$ _____

M I G C Fire Fee \$ _____

\$ _____

\$ _____

Total Fees \$ _____

Contractor or Builder Self State License # _____

Address _____ Telephone # _____

Architect or Engineer ARES & ASSOC INC Telephone # 843-651-5868

Address PO Box 1315 MURRELLS INLET SC 29576 Fax # 843-651-5654

Estimated Date of Completion 3/31/04 TMS # 186-21-01-011 Dist # 60 Zone PUD Verified MOA
25-40-10 9-24-03

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By B Staley Roberto Perez
Owner () Contractor () Agent ()

915-5620

~~915-5620~~

HORRY COUNTY CODE ENFORCEMENT #94341 ROSTER CARD

OWNER Roberto Perez

PERMIT NUMBER 94341

DATE 9-30-2003

TRADE	CONTRACTOR	SC STATE LICENSE	COUNTY BUSINESS LICENSE	PHONE#	INSPECTOR
PLUMBER	<u>Adkins</u>	<u>36211</u>	<u>0000 43384</u> <u>24472</u>	<u>448-5341</u>	<u>45384</u>
ELECTRICIAN	<u>JOT</u>	<u>40013</u>	<u>0000 5654</u>	<u>450-5135</u>	
HEATING & AC	<u>Sandpiper</u>	<u>39443</u>	<u>0000 27465</u> <u>39659</u>	<u>200-579-4497</u>	
SIDING					
INSULATION	<u>31W</u>	<u>29746</u>	<u>0000 42731</u>	<u>877-241-4563</u>	
ROOFER	<u>Houma</u>	<u>9473</u>	<u>0000 39730</u>		
FLOOR COVERING					
MASON	<u>RFR</u>	<u>39210</u>	<u>0000 42013</u> <u>39114</u>	<u>457-2363</u>	<u>42013</u>
DRY WALL	<u>Langford</u>	<u>29431</u>	<u>0000 44321</u>		
CARPENTER	<u>Hanna</u>	<u>39731</u>	<u>0000 39730</u>		
WALLPAPERER					
PAINTER	<u>DR. Mow</u>	<u>32244</u>	<u>0000 47975</u> <u>32614</u>	<u>349-5000</u>	<u>47975</u>
MOBILE HOME SETUP					
POOL	<u>Pooler US</u>	<u>36411</u>	<u>0000 46418</u> <u>24432</u>	<u>241-2521</u>	
SIGN					
FIRE SPRINKLER					
FIRE ALARM					
LANDSCAPING	<u>Owner</u>			<u>458-3208</u>	
HOME MOVER					
PILE DRIVING					
DOCKS/SEA WALLS					
INTERIOR RENOVATION					
FOUNDATION/SLAB	<u>Schwarz</u>	<u>29016</u>	<u>0000 27465</u>	<u>458-0076</u>	
PEST CONTROL	<u>Land S</u>	<u>8000184</u>	<u>0000 47019</u>	<u>238-9995</u>	
INTERIOR TRIM	<u>Hanna</u>	<u>34731</u>	<u>0000 39730</u>		
HOME BUILDER					
GENERAL CONTRACTOR					
OTHER					

SIGNED [Signature]

DATE 11-04-2004

39391

CALL: 915-5090 / 205-5090 / 756-2121

010

HORRY COUNTY, SOUTH CAROLINA BUILDING PERMIT

ISSUED TO: PEREZ ROBERTO & OBDULIA

PERMIT #: 94341
DATE: 9/30/2003
TMS: 186-21-01-011
DIST: 600

MYRTLE BEACH

SC 29575 5316

CONTRACTOR: PEREZ ROBERTO

COMMENT: SFR / SEWER

LOCATION: 1346 LINKS RD

SUBDIVISION: PRESTWICK PH III-A

LOT: 205

BLOCK:

SETBACKS: LEFT: 10.00 RIGHT: 10.00

FRONT: 25.00 BACK: 40.0

WORK TYPE: SF SINGLE FAMILY

STORIES: 2.0 FIREPLACES:

GARAGE/CARPORT: G

IMPROVEMENT USE: 101 SINGLE-FAMILY HOUSE "R-3"

FIRE RECEIPT#

SQUARE FEET: 5,203

HEATED: 3,904

UNHEATED: 1,299

ZONE: PUD

FLOOD ZONE: X

SPRINKLER REQUIRED

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	<input type="checkbox"/>	<input type="checkbox"/>		
FOUNDATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10/17/03	R
PILASTER	<input type="checkbox"/>	<input type="checkbox"/>		
SLAB PLUMBING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11/20/03	R
SLAB / POLYWIRE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11-26-03	TS 46
ROUGH PLUMBING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3/16/04	TS 46
NAILING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1/23/04	J
FRAMING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3/16/04	TS 46
E / CERT	<input type="checkbox"/>	<input type="checkbox"/>		
ROUGH ELECTRICAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3/16/04	TS 46
ROUGH MECHANICAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3/16/04	TS 46
ROUGH FIRE INSPECTION	<input type="checkbox"/>	<input type="checkbox"/>		
INSULATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3/19/04	TS 46
FINAL INSPECTION	<input type="checkbox"/>	<input type="checkbox"/>		
FINAL FIRE INSPECTION	<input type="checkbox"/>	<input type="checkbox"/>		
CERTIFICATE OF OCCUPANCY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10/13	J

HORRY COUNTY CODE ENFORCEMENT DIVISION

(843) 915-5090 / (843) 205-5090

355098

PERMIT # 94341

DATE 10/17/03

POWER PERMIT # _____

NAME ROBERTO PEREZ

LOCATION LOT 205 LINKS RD PRESTWICK

TIME ARRIVED 14:55 TIME DEPART 15:18

SETBACKS: FR 25 ✓ LT 10 ✓ RT 10 ✓ RR 40 ✓

TYPE INSPECTION	P	I	SFR/2.0/6	P	I
TEMP SERVICE	—	—	FOUNDATION	✓	—
PILASTER	—	—	SLAB / POLY WIRE	—	—
SLAB PLUMBING	—	—	ROUGH PLUMBING	—	—
NAILING	—	—	ROUGH ELECTRICAL	—	—
FRAMING	—	—	BRICK FLASHING	—	—
ROUGH MECHANICAL	—	—	ROUGH FIRE	—	—
INSULATION	—	—	FINAL	—	—
FINAL FIRE	—	—	C/OCCUPANCY	—	—
MOBILE HOME	—	—	SWIMMING POOL	—	—
SIGN	—	—	METER SERVICE	—	—
C/O/S	—	—	TILE SIZE	—	—
			<u>520 SQUARE FT INS TIME</u>		

REMARKS NOTE: OK to Pour

INSPECTOR [Signature] #10

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

(843) 915-5090 / (843) 205-5090

356641

PERMIT # 94341

DATE 10/28/03

POWER PERMIT # 85491

NAME Roberto Perez

LOCATION 205 1346 Linden Rd Prestwick

TIME ARRIVED 1255 TIME DEPART 1710

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	✓	—	FOUNDATION	—	—
PILASTER	—	—	SLAB / POLY WIRE	—	—
SLAB PLUMBING	—	—	ROUGH PLUMBING	—	—
NAILING	—	—	ROUGH ELECTRICAL	—	—
FRAMING	—	—	BRICK FLASHING	—	—
ROUGH MECHANICAL	—	—	ROUGH FIRE	—	—
INSULATION	—	—	FINAL	—	—
FINAL FIRE	—	—	C/OCCUPANCY	—	—
MOBILE HOME	—	—	SWIMMING POOL	—	—
SIGN	—	—	METER SERVICE	—	—
C/O/S	—	—	TILE SIZE	—	—

REMARKS Ok to Power Pole

INSPECTOR Shaneel Juh 42
RECEIVED BY _____



COMMERCIAL FLOORCOVERING QUOTE AND CONTRACT

Date: 10/18/06

Customer Name: Vereen Construction Phone: _____

Complex/Subdivision: Ocean Blue Fax: _____

Installation Address: 33rd Avenue South Purchase Order: _____

City, State, Zip: N, Myrtle Beach, SC Billing Address: A & B

Measurement Date: _____ Type of Order: Interior Carpet

DESCRIPTION/SCOPE OF WORK	BREAKDOWN	COST	SQ. FT.	SELLING PRICE
Shaw Hospitality Messina Collection				
Style Batajo Color #82360 garden path	12 x 548	1.71	6576	\$11,244.96
8 lb 1.4 pad		0.35	6576	\$2,301.80
Sales Tax				\$677.39
Labor to install	760.67 sy	\$3.00		\$2,282.01
Total material and labor				\$16,505.90

Purchase/Installation: Customer agrees to purchase and Sherwin-Williams agrees to sell and, if specified above, deliver and arrange for the installation of the materials listed above and on any specifications and drawings attached hereto ("Specifications"). Sherwin-Williams may subcontract for the installation of the materials. Customer must provide 30 day written notice to cancel or terminate this Contract.

Prices: Prices of floorcoverings are based on estimates of the square footage and may vary based upon the actual measurements.

Credit: This Contract is subject to Sherwin-Williams' satisfactory review and approval of Customer's credit as determined by Sherwin-Williams in its discretion. In the event credit is approved, Customer agrees to pay to Sherwin-Williams the total balance due net 20th of the month following the invoice date of purchase. In the event credit is not approved, Customer may pay cash in advance or Sherwin-Williams may cancel this Contract.

Change Orders: Any changes to the materials or Specifications may be made only by a written change order signed by both Sherwin-Williams and Customer.

WARRANTY: EXCEPT FOR ANY EXPRESS WRITTEN WARRANTY ISSUED TO CUSTOMER, SHERWIN-WILLIAMS EXPRESSLY DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE.

Force Majeure: Sherwin-Williams shall not be liable for any delays in or failure to complete delivery or installation of the materials due to fire or other casualties, labor disputes, shortages or delays in delivery of materials, war, governmental regulations or any other cause beyond the reasonable control of Sherwin-Williams.

Entire Agreement: This Contract, including any Specifications and written change orders, constitutes the entire agreement between the parties. There are no representations, warranties, understandings or agreements, oral or written, between the parties with respect to the subject matter hereof except as set forth in this Contract, the Specifications and any written change orders.

Store Name: Myrtle Beach Store Address: 1203 Mr. Joe White Ave

Store Phone: 444-0111 Store Fax: 448-6183

Prices good through: _____ THE SHERWIN-WILLIAMS COMPANY

Customer Name: _____

Signature: _____

Title: _____

Store Signature: Maria Gray

Title: Sales Representative



COMMERCIAL FLOORCOVERING QUOTE AND CONTRACT

Date: 10/10/06

Customer Name: Vereen Construction Phone: _____

Complex/Subdivision: Ocean Blue Fax: _____

Installation Address: 33rd Aven S Purchase Order: _____

City, State, Zip: N. Myrtle Beach, SC 29577 Billing Address: _____

Measurement Date: _____ Type of Order: _____

DESCRIPTION/SCOPE OF WORK	BREAKDOWN	COST	SQ. FT.	SELLING PRICE
Exterior Balcony Carpet				
Shaw Southerland #91200 Wicker	12 x 150	\$1.00	1800	\$1,800.00
Sales tax				\$90.00
Labor to install exterior carpet		\$2.75	200 sy	\$550.00
Total material and labor for exterior balconies				\$2,440.00

Purchase/Installation: Customer agrees to purchase and Sherwin-Williams agrees to sell and, if specified above, deliver and arrange for the installation of the materials listed above and on any specifications and drawings attached hereto ("Specifications"). Sherwin-Williams may subcontract for the installation of the materials. Customer must provide 30 day written notice to cancel or terminate this Contract.

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Store Name: Myrtle Beach Store Address: 1203 Mr. Joe White Ave, Myrtle Beach, SC 29577

Store Phone: 444-0111 Store Fax: 448-6183

Prices good through: _____ **THE SHERWIN-WILLIAMS COMPANY**

Customer Name: _____

Signature: _____ Store Signature: *Myron Hoag*

Title: _____ Title: *Sales Rep*

FROM :SHERWIN-WILLIAMS #2296

FAX NO. :843-448-6183

Aug. 02 2007 02:46PM P1



SHERWIN-WILLIAMS.

SHERWIN-WILLIAMS
1203 MR JOE WHITE AVE STE
MYRTLE BEACH SC 29577

Visit www.sherwin-williams.com
Store 2296 RAYMOND
(843)444-0111
Fax - (843)448-6183

CHARGE
INVOICE
No. 2800-2

ACCOUNT: 6744-9671-6 JOB 65 OCEAN BLUE

SHIPPED TO:

PO:OCEAN BLUE
ORDER:0E0007981A2296
DATE: 11/03/06
TIME: 4:59 PM

WILKINSON CONST. CO. INC*ARTHUR
PO BOX 2296
MYRTLE BEACH SC 29578 2296

OCEAN BLUE
TILE

2-4577
E16/13912 11

(843)448-6183

TERMS:NET PAYMENT DUE ON DEC. 20th

TONYA COWING

SALES NUMBER	QUANTITY	DESCRIPTION	QTY	PRICE	VALUE
587-1840	EACH	1/4X4X4FIBEROCK UNDR Color:GRAY Loc/Cut:245 SHEETS	245	9.52	2332.40
587-8517	EACH	12X12 TILE Color:CH79-BUCKSKIN Loc/Cut:GROUT: 145-LIGHT BMO	3795	1.65	6261.75
713-0354	EACH	INHERIT METAL Color:SILVER Loc/Cut:	72	1.69	121.68
581-5709	EACH	BULLNOSE 3.25X13 Color:CH79-BUCKSKIN Loc/Cut:	175	2.49	435.75
		LABOR (NO TAX) install underlayment for til e	3795	1.25	4743.75 N
		LABOR (NO TAX) install floor tile	3289	2.75	9044.75 N
		LABOR (NO TAX) install wall tile	506	4.00	2024.00 N

Thank You
receipt required for refund

SUBTOTAL 24964.08
5.000% SALES TAX:1-412957704 457.58
CHARGE \$25421.66

MERCHANDISE RECEIVED IN GOOD ORDER BY:

TONYA COWING-INSTALLER

DATE (CENTRALIZED INVOICE)

003320

State of South Carolina
Department of Labor, Licensing and Regulation
Contractors' Licensing Board

E SMITH & SONS CONSTRUCTION INC
PO BOX 2248
MYRTLE BEACH SC 29578
GENERAL CONTRACTOR

License Number: G115120
Date of issue: 10/07/2010
Expiration Date: 10/31/2012
First Issuance Date: 05/22/2009

**DEFENDANT'S
EXHIBIT**
#59 10.11.11
PMM

State of South Carolina
Department of Labor, Licensing and Regulation
Contractors Licensing Board

Licensed in the classification(s) of



(See back of card for Classification Abbreviations and
Dollar Limit Per Contract)

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

CONTRACTOR'S
ACKNOWLEDGMENT, CONSENT TO
ASSIGNMENT AND LIEN
SUBORDINATION AGREEMENT

"BORROWER" means Brown Investments, LLC.

"LENDER" means Beach First National Bank.

"PROJECT" means Borrower's development of an office building to be located in North Myrtle Beach, Horry County, South Carolina.

"ASSIGNMENT" means Assignment of Construction Documents given by Borrower to Lender in connection with Lender's loan to Borrower for the Project.

"CONTRACT" means Contractor's Contract dated _____ for Lots 1 and 2, Block 7, Crescent Beach, Section, North Myrtle Beach, South Carolina, between Contractor and Borrower.

"CONTRACTOR" means A & E Constructors.

FOR VALUE RECEIVED, Contractor hereby:

1. Agrees, in the event of a default by Borrower under the Contract, not to terminate the Contract without prior written notice to Lender, which notice shall specify the nature of the default and afford Lender thirty (30) days from the date of such notice, to cure such existing default. If the default cannot be cured within thirty (30) days, Lender shall have thirty (30) days to commence and to thereafter diligently pursue such cure. All notices to Lender shall be sent to Lender via certified mail, return receipt requested to : 3751 Grissom Parkway, Myrtle Beach, South Carolina, 29577.

2. Agrees that upon receipt of written notice referred to in the Assignment, Contractor shall perform all its remaining obligations under the Contract for the benefit of Lender.

3. Irrevocably and unconditionally subordinates to the lien of Lender's Real Estate Mortgage and Assignment of Leases and Rents any present or future right of Contractor to file a mechanic's lien or any other lien against the Project and the land on which the Project shall be located.

4. Certifies that Contractor has full authority under all state or local laws and regulations to perform all of its obligations under the Contract in accordance with the terms thereof.

EXECUTED as of the 27th day of August, 2007.

CONTRACTOR:

A & E CONSTRUCTORS

By: _____

Its: _____

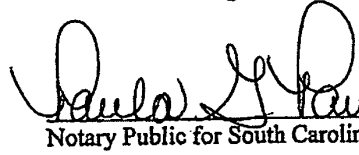
**DEFENDANT'S
EXHIBIT**

#105 10-11-11
PMM

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ACKNOWLEDGMENT

On August 27, 2007 before me personally came A & E CONSTRUCTORS by its authorized signatory, to me known to be the person described in and who executed the foregoing Acknowledgment, Consent to Assignment and Lien Subordination Agreement and acknowledged that he executed the same.

 (S.)
Notary Public for South Carolina

My Commission Expires: 2-15-2017

City of North Myrtle Beach
 1018 2nd Avenue S. N. Myrtle Beach, SC 29582
 BUILDING DIVISION



To Schedule Inspections
 Call before 4:00 pm
 24 Hours in Advance
 843-280-5560

PERMIT

PERMIT # : BLD2007-00548

APPLIED: 4/5/2007
 ISSUED: 8/2/2007
 EXPIRES: 2/2/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 311 17TH AVE S

ASSESSOR'S PARCEL NO.: 1560421001

PROJECT: CONDOLUX NMB

DESCRIPTION of WORK: CONSTRUCT NEW, 3/STORY COMMERCIAL OFFICE BUILDING PER APPROVED ENGINEERED PLANS. (TO BE SPRINKLERED)

OWNER/APPLICANT
 MARTIN/EVE BROWN
 MYRTLE BEACH SC 29577

CONTRACTOR
 A&E CONSTRUCTION & CONSULTANTS
 P.O. BOX 2296
 MYRTLE BEACH SC 29578

TYPE OF WORK: **New**

TYPE OF USE: **Commercial Building - N**

CENSUS CATEGORY: 324

ZONING: RC

Occupancy Groups

1: B 2:
 3: 4:

Construction Types

1: 2: II
 3: 4:

Flood Zone:

AREA

LOT: 0 sf
 1ST FLR: 0 sf
 2ND FLR: 8,062 sf
 BASEMENT: 0 sf
 GAR/CARPOR: 3,516 sf
 OTHER: 0 sf

NUMBER OF UNITS: 1
 STORIES: 3
 BUILDING HEIGHT: 0 ft

Valuation of Work: 0.00
 Actual Valuation \$ 1,287,547.20

REQUIRED SETBACKS:

FRONT: 15.00 ft
 SIDE 1: 10.00 ft
 SIDE 2: 10.00 ft
 REAR: 10.00 ft

REQUIRED PARKING

TOTAL: 0
 HANDICAPPED: 0
 COMPACT: 0
 IMPRV SURF: 0 sf

FEES			
Type	By	Date	Amount
PLAN	DCS	8/2/2007	\$1,625.50
PRMT	DCS	8/2/2007	\$3,251.00
Total:			\$4,876.50

CONDITIONS OF APPROVAL:

- 1 Contractor shall Provide Sanitary Facilities for all Employees on Jobsite prior to temporary service pole inspection.
- 2 Contractor to submit sub-contractors roster to Business License Dept for approval prior to scheduling a Final Inspection.

DEFENDANT'S EXHIBIT

#66 10-11-11
 PMM

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by

Copy

Applicant or Owner's Signature

c/o issued 5-27-08

City of North Myrtle Beach
 1018 2nd Avenue S. N. Myrtle Beach, SC 29582
 BUILDING DIVISION



To Schedule Inspections
 Call before 4:00 pm
 24 Hours in Advance
 843-280-5560

PERMIT

PERMIT # : BLD2007-00981

APPLIED: 6/4/2007
 ISSUED: 7/6/2007
 EXPIRES: 1/6/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 311 17TH AVE S
 ASSESSOR'S PARCEL NO.: 1560421001

PROJECT: MR G'S (DEMO)

DESCRIPTION of WORK: DEMOLITION OF A 16 X 25 BLOCK BUILDING WITH A PLYWOOD ROOF, 5 SINKS, 2 BATHROOMS. DHEC PROJECT ID: N0706381

OWNER/APPLICANT
MARTIN/EVE BROWN
 MYRTLE BEACH SC 29577

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
 P.O. BOX 2296
 MYRTLE BEACH SC 29578

TYPE OF WORK: **Dem**
 TYPE OF USE: **Demolition - Commercial**
 CENSUS CATEGORY: **649**

Flood Zone:

AREA

ZONING:

Occupancy Groups	
1:	2:
3:	4:

Construction Types

1:	2:
3:	4:

LOT:	0	sf
1ST FLR:	0	sf
2ND FLR:	480	sf
BASEMENT:	0	sf
GAR/CARPORT:	0	sf
OTHER:	250	sf
NUMBER OF UNITS:	0	
STORIES:	1	
BUILDING HEIGHT:	0	ft

Valuation of Work: 2,500.00
 Actual Valuation \$

REQUIRED SETBACKS:

FRONT:	0.00	ft
SIDE 1:	0.00	ft
SIDE 2:	0.00	ft
REAR:	0.00	ft

REQUIRED PARKING

TOTAL:	0	
HANDICAPPED:	0	
COMPACT:	0	
IMPRV SURF:	0	sf

FEES			
Type	By	Date	Amount
DEMO	SMH	7/6/2007	\$100.00
Total:			\$100.00

CONDITIONS OF APPROVAL:

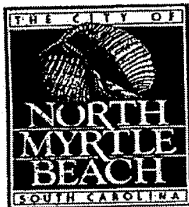
DEFENDANT'S EXHIBIT
 #107 10-11-11
 P.M.M.

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by

Applicant or Owner's Signature

City of North Myrtle Beach
 1018 2nd Avenue S. N. Myrtle Beach, SC 29582
 BUILDING DIVISION



To Schedule Inspections
 Call before 4:00 pm
 24 Hours in Advance
 843-280-5560

PERMIT

PERMIT # : BLD2008-00409

APPLIED: 3/18/2008
 ISSUED: 3/19/2008
 EXPIRES: 9/19/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 311 17TH AVE S
 ASSESSOR'S PARCEL NO.: 1560421001

PROJECT: CONDOLUX

DESCRIPTION of WORK: INSTALL NEW 274' L X 66" H METAL FENCE WITH BRICK COLUMNS ON PROPERTY.
 (24' FROM CORNERS TO BE 30" H) PER APPROVED PLANS .

OWNER/APPLICANT
 MARTIN/EVE BROWN
 MYRTLE BEACH SC 29577

CONTRACTOR
 A&E CONSTRUCTION & CONSULTANTS
 P.O. BOX 2296
 MYRTLE BEACH SC 29578

TYPE OF WORK: **New**
 TYPE OF USE: **Fences**
 CENSUS CATEGORY: **000**

ZONING:

Occupancy Groups	
1:	2:
3:	4:

Construction Types

1:	2:
3:	4:

Flood Zone:

AREA	
LOT:	0 sf
1ST FLR:	0 sf
2ND FLR:	0 sf
BASEMENT:	0 sf
GAR/CARPORT:	0 sf
OTHER:	0 sf
NUMBER OF UNITS:	0
STORIES:	0
BUILDING HEIGHT:	0 ft

Valuation of Work: 21,000.00
 Actual Valuation \$

REQUIRED SETBACKS:	
FRONT:	0.00 ft
SIDE 1:	0.00 ft
SIDE 2:	0.00 ft
REAR:	0.00 ft
REQUIRED PARKING	
TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES			
Type	By	Date	Amount
FENC	BFV	3/19/2008	\$15.00
Total:			\$15.00

CONDITIONS OF APPROVAL:

DEFENDANT'S EXHIBIT
 #68 10-11-11
 PAM

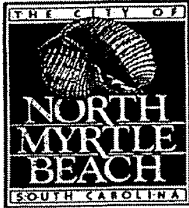
I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by

Copy

Applicant or Owner's Signature

City of North Myrtle Beach
 1018 2nd Avenue S. N. Myrtle Beach, SC 29582
 BUILDING DIVISION



To Schedule Inspections
 Call before 4:00 pm
 24 Hours in Advance
 843-280-5560

PERMIT

PERMIT # : BLD2007-00516

APPLIED: 4/2/2007
 ISSUED: 5/23/2007
 EXPIRES: 11/23/2007

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 1906 S OCEAN BLVD

ASSESSOR'S PARCEL NO.: 1560430007

PROJECT:

DESCRIPTION of WORK: NEW PLUMBING, SIDING, CABINETS, FIXTURES, A/C. * NO CHANGE TO FOOTPRINT.* AE15+1=16 **NO CHANGE TO FOOTPRINT***

DEFENDANT'S EXHIBIT

#69 10-11-11 P.M.M

OWNER/APPLICANT
MARTIN BROWN
 MYRTLE BEACH SC 29577

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
 P.O. BOX 2296
 MYRTLE BEACH SC 29578

TYPE OF WORK: **ALT**
 TYPE OF USE: **Alteration 1 & 2 Family**
 CENSUS CATEGORY: **434**

Flood Zone:

Valuation of Work: 60,000.00
 Actual Valuation \$

ZONING: **R-4**

Occupancy Groups

1:	2:
3:	4:

Construction Types

1:	2:
3:	4:

AREA

LOT:	0 sf
1ST FLR:	0 sf
2ND FLR:	0 sf
BASEMENT:	0 sf
GAR/CARPORT:	0 sf
OTHER:	0 sf
NUMBER OF UNITS:	0
STORIES:	0
BUILDING HEIGHT:	0 ft

REQUIRED SETBACKS:

FRONT:	0.00 ft
SIDE 1:	0.00 ft
SIDE 2:	0.00 ft
REAR:	0.00 ft

REQUIRED PARKING

TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES			
Type	By	Date	Amount
REPR	SMH	5/23/2007	\$315.00
STOP	SMH	5/23/2007	\$315.00
Total:			\$630.00

CONDITIONS OF APPROVAL:

- Contractor to submit sub-contractors roster to Business License Dept for approval prior to scheduling a Final Inspection.
- All work must be done by licensed contractor. Homeowner or employee of homeowner not authorized to do any portion of work.

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by Copier

Applicant or Owner's Signature _____

City of North Myrtle Beach
 1018 2nd Avenue S. N. Myrtle Beach, SC 29582
 BUILDING DIVISION



To Schedule Inspections
 Call before 4:00 pm
 24 Hours in Advance
 843-280-5560

PERMIT

PERMIT # : BLD2008-00637

APPLIED: 4/23/2008
 ISSUED: 4/24/2008
 EXPIRES: 10/24/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 4310 S OCEAN BLVD

ASSESSOR'S PARCEL NO.: 1560619009

PROJECT:

DESCRIPTION of WORK: REPAIR EXISTING FRONT DECK TO INCLUDE, REPLACE ROTTEN WOOD ON DECK & HANDRAILS. * NO CHANGE TO FOOTPRINT * PER ALL APPLICABLE CODES AND ORDINANCES.

OWNER/APPLICANT

BROWN, MARTIN E & EVELYN G
 MYRTLE BEACH SC 29577

CONTRACTOR

A&E CONSTRUCTION & CONSULTANTS
 P.O. BOX 2296
 MYRTLE BEACH SC 29578

TYPE OF WORK: Rep

Flood Zone: **AE-EL16+**

Valuation of Work: 1,500.00
 Actual Valuation \$

TYPE OF USE: Repairs / 1 & 2 Family Re

AREA

REQUIRED SETBACKS:

CENSUS CATEGORY: 000

ZONING:

LOT: 0 sf
 1ST FLR: 0 sf
 2ND FLR: 0 sf
 BASEMENT: 0 sf
 GAR/CARPORT: 0 sf
 OTHER: 0 sf

FRONT: 0.00 ft
 SIDE 1: 0.00 ft
 SIDE 2: 0.00 ft
 REAR: 0.00 ft

Occupancy Groups

1: 2:
 3: 4:

REQUIRED PARKING

Construction Types

1: 2:
 3: 4:

NUMBER OF UNITS: 0
 STORIES: 0
 BUILDING HEIGHT: 0 ft

TOTAL: 0
 HANDICAPPED: 0
 COMPACT: 0
 IMPRV SURF: 0 sf

FEES			
Type	By	Date	Amount
REPR	BFV	4/24/2008	\$35.00
Total:			\$35.00

CONDITIONS OF APPROVAL:

DEFENDANT'S EXHIBIT
 #70 10-11-11 PMM

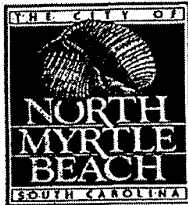
I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by

Copely

Applicant or Owner's Signature

City of North Myrtle Beach
 1018 2nd Avenue S. N. Myrtle Beach, SC 29582
 BUILDING DIVISION



To Schedule Inspections
 Call before 4:00 pm
 24 Hours in Advance
 843-280-5560

PERMIT

PERMIT # : BLD2008-01027

APPLIED: 6/24/2008
 ISSUED: 6/26/2008
 EXPIRES: 12/26/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 1705 MADISON DR

ASSESSOR'S PARCEL NO.: 1431617004

PROJECT: CONDO LUX REAL ESTATE OFFICE

DESCRIPTION of WORK: Bring existing bldg. to code: move interior wall to make bathroom handicap accessible, Remove walls from 24x30 porch to return to open porch, Remove other porch addition added without permit. Add 3 interior walls to make office space for real estate office.

OWNER/APPLICANT
 BROWN INVESTMENTS LLC
 NMB SC 29597

CONTRACTOR
 A&E CONSTRUCTION & CONSULTANTS
 P.O. BOX 2296
 MYRTLE BEACH SC 29578

TYPE OF WORK: **ALT** Flood Zone: Valuation of Work: 8,800.00
 TYPE OF USE: **Alteration - Commercial** Actual Valuation \$
 CENSUS CATEGORY: **437** AREA: REQUIRED SETBACKS:

ZONING: **NC**

Occupancy Groups	
1:	2:
3:	4:

Construction Types	
1:	2:
3:	4:

LOT:	0 sf
1ST FLR:	0 sf
2ND FLR:	0 sf
BASEMENT:	0 sf
GAR/CARPORT:	0 sf
OTHER:	0 sf
NUMBER OF UNITS:	0
STORIES:	0
BUILDING HEIGHT:	0 ft

FRONT:	0.00 ft
SIDE 1:	0.00 ft
SIDE 2:	0.00 ft
REAR:	0.00 ft
REQUIRED PARKING	
TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES			
Type	By	Date	Amount
REPR	SMH	6/26/2008	\$70.00
STOP	SMH	6/26/2008	\$70.00
Total:			\$140.00

CONDITIONS OF APPROVAL:

DEFENDANT'S EXHIBIT

#71 10-11-11
PMM

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by

Copy

Applicant or Owner's Signature

City of North Myrtle Beach
 1018 2nd Avenue S. N. Myrtle Beach, SC 29582
 BUILDING DIVISION



To Schedule Inspections
 Call before 4:00 pm
 24 Hours in Advance
 843-280-5560

PERMIT

PERMIT # : BLD2004-01824

APPLIED: 10/25/2004
 ISSUED: 10/25/2004
 EXPIRES: 4/25/2005

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 401 S OCEAN BLVD

ASSESSOR'S PARCEL NO.: 1441020002

PROJECT:

DESCRIPTION of WORK: REMOVE & DEMO LANDSCAPE, POOL, JACUZZI, DECKS AND PARKING LOT
 AMENDED TO INCLUDE BUCCANEER MOTEL BLDG PER M. COX

OWNER/APPLICANT
 CAPITAL PARTNERS IV LLC
 1000 2ND AVE S
 SUITE 120

CONTRACTOR
 A&E CONSTRUCTION & CONSULTANTS
 P.O. BOX 2296
 MYRTLE BEACH SC 29578

TYPE OF WORK: **Dem**
 TYPE OF USE: **Demolition - Commercial**
 CENSUS CATEGORY: **649**

Flood Zone:

AREA

Valuation of Work: 5,000.00
 Actual Valuation \$

REQUIRED SETBACKS:

ZONING: **R-4**

Occupancy Groups	
1:	2:
3:	4:

Construction Types	
1:	2:
3:	4:

LOT:	0	sf
1ST FLR:	0	sf
2ND FLR:	0	sf
BASEMENT:	0	sf
GAR/CARPORT:	0	sf
OTHER:	0	sf
NUMBER OF UNITS:	0	
STORIES:	0	
BUILDING HEIGHT:	0	ft

FRONT:	0.00	ft
SIDE 1:	0.00	ft
SIDE 2:	0.00	ft
REAR:	0.00	ft
REQUIRED PARKING		
TOTAL:	0	
HANDICAPPED:	0	
COMPACT:	0	
IMPRV SURF:	0	sf

FEES			
Type	By	Date	Amount
DEMO	JD	10/25/2004	\$100.00
Total:			\$100.00

CONDITIONS OF APPROVAL:
 1 AMENDMENT TO PERMIT 11/28/2004. DHEC LETTER OF 10/21/2004 AUTHORIZING DEMOLITION OF BUCCANEER MOTEL BLDG. SUBMITTED AND IS IN THE FILE. M. COX

DEFENDANT'S EXHIBIT
 #72 10-11-11
 PNM

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by Cox

Applicant or Owner's Signature

ARTHUR VEREEN CONSTRUCTION CO., INC.

P. O. Box 2296
Myrtle Beach, SC 20577

(803) 448-3741

fax (626-6284)

Ellis Smith
2940 Carriage Row Lane
Myrtle Beach, S.C. 29577

Re: July 23, 1996 Note

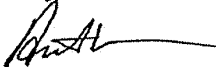
Ellis:

I have enclosed the note you and I executed to assist you in obtaining financing on the above referenced address.

As you know, you have not made any payments on this note to date. Please let me know how we are going to handle this going forward.

It appears that the interest is now approximately \$2,072.90. Call me at home or at work.

Wayne



**DEFENDANT'S
EXHIBIT**
#174 10.11.11
PMM

NOTE

July 23, 1996

2940 Carriage Row Lane, Myrtle Beach, SC 29577
[Property Address]

1. **BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$17,850.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is Arthur Wayne Vereen. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder".

2. **INTEREST**

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 9.0000%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. **PAYMENTS**

(A) **Time and Place of Payments**

I will pay principal and interest by making payments quarterly.

I will make my quarterly payments on October 23, 1996; January 23, 1997; April 23, 1997 and July 23, 1997. I will make these payments every quarter until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My quarterly payments will be applied to interest before principal. If, on July 23, 1997, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date".

I will make my quarterly payments at P.O. Box 2296, Myrtle Beach, SC 29578 or at a different place if required by the Note Holder.

(B) **Amount of Quarterly Payments**

My quarterly payment will be in the amount of U.S. \$4,716.31.

4. **BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my quarterly payment unless the Note Holder agrees in writing to those changes.

5. **LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge collected shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. **BORROWER'S FAILURE TO PAY AS REQUIRED**

(A) **Late Charge for Overdue Payments**

If a Note Holder has not received the full amount of any quarterly payment by the end of seven (7) calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) **Default**

If I do not pay the full amount of each quarterly payment on the date it is due, I will be in default.

(C) **Notice of Default**

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on the amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. These expenses include, for example, reasonable attorney's fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of the amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED

 (Seal)
Ellis Ewell Smith - Borrower

Borrower

(Sign Original Only)

Loan Amortization Report

Long, Long & Monckton, P.A.
 601 21st Avenue N., Suite 201
 Myrtle Beach, SC 29577
 803-946-6556

Prepared: July 24, 1996

Payments	Payment	Type	INT%	Balance
3	4,716.31	Q	9.000	4,612.52
1	4,716.30	Q	9.000	.00

Loan Amount: 17,850.00
 Total Payments: 18,865.23
 Prepayment Charge: 1,015.23

First Payment: October 23, 1996
 Last Payment: July 23, 1997

Loan Amortization Schedule
 Principal printed is after payment is applied

Due Date	No.	Payment	Principal Payment	Interest Payment	Principal
23/96	1	4,716.31	4,314.68	401.63	13,535.32
6 Totals		4,716.31	4,314.68	401.63	
23/97	2	4,716.31	4,411.77	304.54	9,123.55
23/97	3	4,716.31	4,511.03	205.28	4,612.52
23/97	4	4,716.30	4,612.52	103.78	0.00
7 Totals		14,148.92	13,535.32	613.60	

TURNER PADGET
TURNER PADGET GRAHAM & LANEY P.A.

**DEFENDANT'S
EXHIBIT**

#87 10-12-11
PMM

CHARLESTON
COLUMBIA
FLORENCE
GREENVILLE
MYRTLE BEACH

REPLY TO:
Timothy D. St. Clair
Registered Patent Attorney

TStClair@TurnerPadget.com
Writer's Direct Dial: (864) 552-4642
Writer's Direct Fax: (864) 282-5956

July 30, 2007

Mr. Harry G. Willoughby
Willoughby Family Investments, LLC
1548 Crooked Pine Dr
Myrtle Beach, SC 29575-5250

Mr. Wayne Vereen
A&E Constructors & Consultants, Inc.
Post Office Box 2296
Myrtle Beach, South Carolina 29578

Re: Allora, LLC v. Willoughby Family Investments, LLC et al.

Dear Gentlemen:

I had written to you on July 20 to report outstanding accounts receivable for my Firm's services and disbursements of \$57,780.78.

I am very pleased to report that, shortly thereafter, Builders Mutual Insurance Company paid a total of \$39,465.08. Beth Sisson spoke with a representative of Builders Mutual and was told that, of the bills constituting the \$57,780.78, Builders Mutual simply added up the entries occurring after the date on which it agreed to provide a defense to A & E, and paid them all.

I view this to be very good news. I was concerned for how Builders Mutual might try to apportion the bills, since we are defending both A & E, which is insured under the Builders Mutual policy, and Willoughby Family Investments, which is not insured under the Builders Mutual policy. However, evidently Builders Mutual is content to proceed in the fashion it explained to Beth outlined above.

BUSINESS • LITIGATION • SOLUTIONS

200 East Broad Street • Suite 250 (29601) • PO Box 1509 • Greenville, SC 29602
Phone (864) 552-4600 • Fax (864) 552-4620 • turnerpadget.com

003337

TURNER PADGET

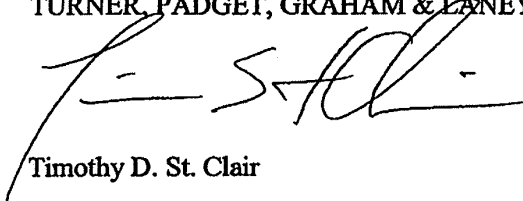
Mr. Harry Willoughby
Mr. Wayne Vereen
July 30, 2007
Page 2

With Builders Mutual's payment, the account receivable total has been reduced to \$18,315.70. Can you please confer between yourselves and decide how to get this outstanding issue resolved?

Of course, if I can provide any additional information in these regards, please contact me immediately.

Yours very truly,

TURNER, PADGET, GRAHAM & LANEY, P.A.



Timothy D. St. Clair

cc: J. Calhoun Land, IV, Esquire

003338

2/7/2011
1:08 PMRice, MacDonald & Hicks, P.A.
A/R Transaction Listing

Page 1

Selection Criteria

Acco. Classification Open
Client (hand select) Include: A&E-Mullinix

'B' for Billed. 'P' for Posted.

ID	Date	Type	Invoice #	Client	Check Number	Value
14760	1/18/2008	INV	G:18906	B A&E-Mullinix		60.00
			Invoice No. 18906			
14886	1/29/2008	PAY	G:19135	B A&E-Mullinix	8527	(60.00)
					Payment - thank you. Check No. 8527	
15089	2/19/2008	INV	G:19135	B A&E-Mullinix		195.00
			Invoice No. 19135			
15215	3/10/2008	PAY	I:4231	B A&E-Mullinix	8645	(195.00)
					Payment - thank you. Check No. 8645	
15609	5/1/2008	INV	G:19448	B A&E-Mullinix		67.50
			Invoice No. 19448			
15926	6/9/2008	INV	G:19636	B A&E-Mullinix		67.50
			Invoice No. 19636			
16439	7/31/2008	PAY	G:20672	B A&E-Mullinix	8923	(120.00)
					Payment - thank you. Check No. 8923	
16816	9/8/2008	CRED	G:20672	B A&E-Mullinix		(15.00)
					Credit per DJM	
17669	12/4/2008	INV	G:20672	B A&E-Mullinix		100.00
			Invoice No. 20672			

DEFENDANT'S
EXHIBIT#88 10-12-11
PMM

2/7/2011
1:08 PMRice, MacDonald & Hicks, P.A.
A/R Transaction Listing

Page 2

ID	Date	Type	Invoice #	Client	Check Number	Value
17833	12/15/2008	PAY	G:21065	B A&E-Mullinix	9157	(100.00)
				Payment - thank you. Check No. 9157		
18300	2/9/2009	INV	G:21065	B A&E-Mullinix		37.50
				Invoice No. 21065		
18445	2/17/2009	PAY	G:21247	B A&E-Mullinix	1180	(37.50)
				Payment - thank you. Check No. 1180		
18659	3/10/2009	INV	G:21247	B A&E-Mullinix		85.00
				Invoice No. 21247		
18867	3/27/2009	PAY	G:21502	B A&E-Mullinix	1225	(85.00)
				Payment - thank you. Check No. 1225		
19090	4/21/2009	INV	G:21502	B A&E-Mullinix		75.00
				Invoice No. 21502		
19799	6/12/2009	PAY	I:5528	B A&E-Mullinix	1337	(75.00)
				Payment - thank you. Check No. 1337		
19830	6/29/2009	PAY	I:5528	B A&E-Mullinix	1361	(75.00)
				Payment - thank you. Check No. 1361		
20827	10/13/2009	INV	G:22792	B A&E-Mullinix		75.00
				Invoice No. 22792		
Grand Total						
Invoice						762.50
Payment						(747.50)
Credit						(15.00)

⑆053000206⑆
01/27/2008
L326732498

This is a LEGAL COPY of
your check. You can use it
the same way you would
use the original check.

⑆032022⑆ 01/28/2008
5 50009972210385
⑆032022⑆ 01/28/2008

ALL CHECKS MUST
BE DEPOSITED IN
A FEDERAL BANK


CHECK #

01/28/08

01/28/08

0437

First National City of Georgia
200 Atlantic Street, Suite 200
Savannah, GA 31401

DATE 01/28/08
AMOUNT \$400.00


01/28/08

⑆013000204⑆
05/11/2004
443343204

This is a LEGAL COPY of
your check. You can use
the same only you would
use the original check

⑆02⑆
051104⑆
443343204⑆



McCLURE'S
CONSTRUCTION
CORPORATION, INC.
MEMBERSHIP CORPORATION
MEMBER S&P CLEARING

ACCOUNT NO. 00000000000000000000
CHECK NO. 00000000000000000000

Four Thousand Fifty and 00/100 Dollars
City, McClure's, 4100 West, P.A.
100 McClure's, Suite 200
Myrtle Beach, SC 29577-0000

DATE

SIGNATURE

⑆052000201⑆
03/19/2008
653654837

This is a LEGAL COPY of
your check. You can use it
the same way you would
use the original check.

⑆052000201⑆ 03/19/2008
⑆8900095229000⑆
⑆032028503⑆

FARMVILLE FLORESTA OF MARYLENE BEACH LLC
03/19/2008
Date March 19, 2008
Pay to the order of \$15.00
Five and No/100
Five and No/100
950 40th Avenue South, Suite 200
Myrtle Beach, SC 29577-6406
FOR DEPOSIT ONLY (MICR)

5069

03/19/08

\$15.00

OK



**A & E CONSTRUCTORS
& CONSULTANTS, INC.**
P.O. BOX 2228 8032-448-2741
MYRTLE BEACH, SC 29576

CHEVOLA FIRST

6923

67-218-433

CHECK NO. 6923

DATE

AMOUNT



7/6/08



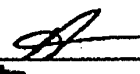
302.50


FOR Three Hundred Two and 50/100 Dollars
TO THE Rice, MacDonald, & Winters, P.A.
ORDER OF 850 42th Avenue N., Suite 200
Myrtle Beach, SC 29577-5408



AUTHORIZED SIGNATURE

	A & E CONSTRUCTORS & CONSULTANTS, INC. P.O. BOX 2294 4947 444 3741 MYRTLE BEACH, SC 29578	CARDINAL PRINT	8157
		47-218-439	CHECK NO. 8157
		DATE	AMOUNT
		12/10/08	237.50
PAY TO THE ORDER OF	Two Hundred Thirty Seven and 50/100 Dollars Rica, MacDonald, Breeden & Hicks, PA 930 48th Avenue N., Suite 200 Myrtle Beach, SC 29577-5406		

	A & E CONSTRUCTORS AND CONSULTANTS, INC. <small>INCORPORATED IN PA 811 GIBBS STREET, SUITE 201, WYOMING WYOMING, CO 80677</small>	1180 <small>MEMBER OF THE CONSTRUCTION</small>
	DATE Feb. 11, 2009	
PAY TO THE ORDER OF	Rice, MacDonald, Breden & Hicks, PA	\$ 90.00
Ninety and No/100		DOLLARS
		
FOR PROFESSIONAL SERVICE/ CFC, INC. and Greenkeeper		


 **A & E CONSTRUCTORS AND CONSULTANTS, INC.**
PH. 645-44-2761
611 ROBERT CRUCIA PARKWAY
MYRTLE BEACH, SC 29577

1225

DATE Mar. 18, 2009

PAY TO THE ORDER OF Rice, MacDonald, Bredon & Hicks P.A. \$ 282.50

Two Hundred Eighty-Two and 50/100 DOLLARS


Professional Services.
CFC, Inc./Crescent

04/03/09

1225

\$282.50

A & E CONSTRUCTORS AND CONSULTANTS, INC
P.O. BOX 480-0241
610 BOGERTY GARDENS PLAZA
MYRTLE BEACH, SC 29577

1331
CHECK NO.


DATE June 3, 2009

PAY TO THE ORDER OF Hisa, MacDonald, Braden & Hicks P.A. \$ 620.00

Six Hundred Twenty and No/100 DOLLARS

CASH ON HAND

FORCES, Inc. (Debt Collection)



1266

GRAND STRAND BUILDERS LLC
P.O. BOX 2298
MYRTLE BEACH, SC 29576
(843) 446-3741

PORT PALMETTO BANKING BANK
CAMDEN, SC 29822
67-7101232

DATE
September 16, 2010

AMOUNT
\$ 82.50

EIGHTY-TWO AND 50/100

PAY TO THE ORDER OF:
Rico MacDonald & Hicks, P.A.

Rico MacDonald
AUTHORIZED SIGNATURE

1266

1266

09/28/10

\$82.50

GRAND STRAND BUILDERS LLC
P.O. BOX 2298
MYRTLE BEACH, SC 29576
(843) 449-3741

FIRST PALMETTO SAVINGS BANK
CAMDEN, SC 29202
67-7791202E

1313

DATE

October 22, 2010
AMOUNT

\$ 150.00

PAY
TO THE
ORDER
OF:

ONE HUNDRED, FIFTY AND NO/100

Rice MacDonald & Hicks, P.A.

[Handwritten Signature]
AUTHORIZED SIGNATURE

1313

10/26/10

\$150.00

2/4/2011
10:27 AMRice, MacDonald & Hicks, P.A.
Payment Register

Page 1

Selection Criteria

Acco.Classification Open
 Acco.Transaction T Payment
 Client (hand select) Include: A&E-CFC, Inc.

'B' for Billed. 'P' for Posted.

ID	Date	Type	Invoice #	Client	Check Number	Value
14885	1/29/2008	PAY	G:19134	B A&E-CFC, Inc.	8527	(180.00)
				Payment - thank you. Check No. 8527		
15214	3/10/2008	PAY	G:19234	B A&E-CFC, Inc.	8645	(255.00)
				Payment - thank you. Check No. 8645		
15309	3/17/2008	PAY	G:19447	B A&E-CFC, Inc.	5069	(15.00)
				Payment - thank you. Check No. 5069		
16438	7/31/2008	PAY	G:20352	B A&E-CFC, Inc.	8923	(182.50)
				Payment - thank you. Check No. 8923		
17832	12/15/2008	PAY	G:21064	B A&E-CFC, Inc.	9157	(137.50)
				Payment - thank you. Check No. 9157		
18444	2/17/2009	PAY	G:21246	B A&E-CFC, Inc.	1180	(52.50)
				Payment - thank you. Check No. 1180		
18866	3/27/2009	PAY	G:21501	B A&E-CFC, Inc.	1225	(197.50)
				Payment - thank you. Check No. 1225		
19630	6/4/2009	PAY	I:5321	B A&E-CFC, Inc.	1331	(620.00)
				Payment - thank you. Check No. 1331		
20562	9/15/2009	PAY	G:22791	B A&E-CFC, Inc.		(75.00)
				Transfer of credit balance from companion file - thank you!		

**DEFENDANT'S
EXHIBIT**

89 10.12.11
PMM

2/4/2011
10:27 AM

Rice, MacDonald & Hicks, P.A.
Payment Register

Page 2

ID	Date	Type Invoice #	Client Check Number	Value
24393	9/17/2010	PAY G:25425	B A&E-CFC, Inc. 1266	(82.50)
		Payment - thank you. Check No. 1266		
24647	10/25/2010	PAY G:25826	B A&E-CFC, Inc. 1313	(150.00)
		Payment - thank you. Check No. 1313		
Grand Total Payment				<u>(1947.50)</u>

DEFENDANT'S EXHIBIT
 #102 8-28-12
 PMM

RV

RECEIVED

REVISION APPLICATION
 Document #180 OCT 02 2007



S.C. Department of Labor, Licensing, and Regulation
South Carolina Contractors' Licensing Board
 110 Centerview Drive, Columbia, SC 29210
 P.O. Box 11329, Columbia, SC 29211-1329
 Phone (803) 896-4686 Fax (803) 896-4701
 www.llr.state.sc.us/pol/contractors/

FOR OFFICE USE ONLY

Action taken:

Upgraded from # _____ to # _____

Name change Address change

Added new QP Arthur W. Vereen
 QP# UB1 / #8854

Added new class(es) _____

Other: _____

Date Action Completed: 10/31/07

Employee initials: cd

NOTE: Personal information provided in this application may be subject to public scrutiny or release under the S.C. Freedom of Information Act or other provisions of federal and state law.

Select one of the following: Requesting Inactive Status Submitting a Revision:

Increasing limit Decreasing limit
 Name change Address change
 Adding qualifier(s) Adding new classification(s)

SECTION A

LICENSEE INFORMATION (as it currently appears on your license card)

CURRENT SC Licensed Name: A+E Contractors + CONSULTANTS INC SC License#: G10953C

Business Address: 511 ORISSON PARKWAY MYRTLE BEACH SC 29578 Horry
Street City State Zip County

Mailing Address: P.O. Box 2296 MYRTLE BEACH SC 29578 Horry
P.O. Box/Street City State Zip County

Business Telephone: (843) 448-3741 Fax: (843) 626-6284

Name of Owner/President: ELLIS E SMITH Federal I.D. #: [REDACTED]

Email Address: ARTHUR.VEREEN@SC.CCI.COM

SECTION B

CHANGE \$\$ LIMITS: Select the group for increase/decrease. Attach the appropriate financial statement.
 (Groups 1-2 - "self-prepared"; Groups 3-4 - "compiled/reviewed"; Group 5 - "audited")

GENERAL CONTRACTORS		MECHANICAL CONTRACTORS	
<input type="checkbox"/> Group #1 \$ 30,000 limit per contract-- Net worth of \$ 6,000	<input type="checkbox"/> Group #1 \$ 17,500 limit per contract-- Net worth of \$ 3,500	<input type="checkbox"/> Group #2 \$ 100,000 limit per contract-- Net worth of \$ 20,000	<input type="checkbox"/> Group #2 \$ 30,000 limit per contract-- Net worth of \$ 6,000
<input type="checkbox"/> Group #3 \$350,000 limit per contract-- Net worth of \$ 70,000	<input type="checkbox"/> Group #3 \$ 50,000 limit per contract-- Net worth of \$ 10,000	<input type="checkbox"/> Group #4 \$750,000 limit per contract-- Net worth of \$150,000	<input type="checkbox"/> Group #4 \$125,000 limit per contract-- Net worth of \$ 25,000
<input type="checkbox"/> Group #4 \$750,000 limit per contract-- Net worth of \$150,000	<input type="checkbox"/> Group #5 \$Amt unlimited per contract-- Net worth of \$250,000	<input type="checkbox"/> Group #5 \$Amt unlimited per contract-- Net worth of \$100,000	

SECTION C

CHANGE OF BUSINESS NAME, CORPORATE OFFICERS and/or ADDRESS: Attach amended corporate charter if this is a corporation name change. If the federal ID changed, do not complete this form. You must submit a new application (Document #165) and meet all initial application requirements.

New Business Name: _____ Federal I.D.#: _____

New Physical Address: _____
Street City State Zip County

New Mailing Address: _____
P. O. Box City State Zip County

Business Telephone: () Fax: ()

Style of Business: Individual/Sole Proprietorship Partnership Corporation LLC LLP

Corporate Name Changes: List the names of principal officers, title, SSN and date of birth.

Name	Title	SSN	DOB

03/13/05

RV

SECTION D

ADDING/TRANSFERRING IN NEW QUALIFIER(S) or ADDING NEW CLASSIFICATION(S):

I am requesting to transfer my qualifications from G-S to this license.

EXAM QUALIFYING PARTY INFORMATION: The applicant may have an unlimited number of exam qualifiers for each classification. For each additional exam qualifier, make a copy of this section and complete the section for each exam qualifier who meets the requirements. For further clarification concerning exam qualifying parties, see Section 40-11-230, and 40-11-20(18) and Regulation 29-2 in the S.C. Code of Laws for General and Mechanical Contracting.

ADDING: Primary Qualifier Additional Qualifier

Name of New Qualifying Party: Arthur W Vereen Soc. Sec. #: [REDACTED]
Individual Qualifying by Examination

Home Address: 4765 Bus 17 Marrells Inlet SC 29576 Georgetown
Street City State Zip County

Home Telephone #: (843) 651-2557 Position with the License Applicant: V-Pres. + Owner

Date of Birth: [REDACTED] Driver's License #/State Issued: [REDACTED]

Currently or within the last five years, if you (qualifying party) answer yes to the following questions, attach an explanation on a separate page.

Have you been arrested, indicted, or convicted, pled guilty, or pled nolo contendere for violation of any federal, state, or local law related to general or mechanical contracting? Is any complaint or violation pending, under investigation, or has any action been taken against your license in any jurisdiction? Have you been denied a license to practice general or mechanical contracting in this state or any other state? Have any judgments, liens or claims been filed against you or any business you were associated with? Yes No

I have read, understand and meet all criteria pertaining to the classification(s) in which I qualify from Section 40-11-230 of the S.C. General and Mechanical Contracting Act and hereby agree to abide by these laws and codes. I hereby give permission to the Contractors Licensing Board to verify and investigate information in this application. I understand that false or incorrect information provided by me may result in the denial of a license and may be subject to appropriate civil and criminal proceedings.

Arthur W Vereen V-Pres. 10-2-07
Qualifying Party Signature Title Date

Sworn and subscribed before me this: _____ day of _____, 20 _____

My Commission Expires _____ State of _____ County _____

SECTION E

SIGNATURE OF OWNER/PRESIDENT AND NOTARIZATION (this section must be completed):

Arthur W Vereen
Owner/President Printed Name:

Currently or within the last five years, if you answer yes to the following questions, attach an explanation on a separate page.

Have you been arrested, indicted, or convicted, pled guilty, or pled nolo contendere for violation of any federal, state, or local law related to general or mechanical contracting? Is any complaint or violation pending, under investigation, or has any action been taken against your license in any jurisdiction? Have you been denied a license to practice general or mechanical contracting in this state or any other state? Have any judgments, liens or claims been filed against you or any business you were associated with? Yes No

I have read, understand and meet all criteria pertaining to the classification(s) in which I qualify from Section 40-11-230 of the SC General and Mechanical Contracting Act and hereby agree to abide by these laws and codes. I hereby give permission to the Contractors Licensing Board to verify and investigate information in this application. I understand that false or incorrect information provided by me may result in the denial of a license and may be subject to civil and criminal proceedings.

Arthur W Vereen V-Pres. 10-2-07
Owner/President Party Signature Title Date

Sworn and subscribed before me this: _____ day of _____, 20 _____

My Commission Expires _____ State of _____ County _____



Sending Form
by: FAX

South Carolina Department of Labor, Licensing and Regulation
CONTRACTORS' LICENSING BOARD
110 Centerview Drive
Post Office Box 11329
Columbia, South Carolina 29211-1329
PH: (803) 896-4686 / FAX: (803) 896-4701

OCTOBER 29, 2007

ATTN: ELLIS SMITH
A & E CONSTRUCTION & CONSULTANTS INC
PO BOX 2296
MYRTLE BEACH, SC 29577

Your application or revision cannot be completed for the following reason:

- Application incomplete. (Please see highlighted areas). Check not enclosed. Please submit \$_____
- You only took the limited exam. You must take the unlimited exam to upgrade.
- You did not submit the passing results score sheet of the: _____ technical exam, the Business Management/Law exam; if you took this/these exam(s), please enclose the passing score sheets with this correspondence. Otherwise, contact PSI at (800)-733-9267 to take the exam(s).
- Qualifier (_____) did not submit the SC Code of Laws exam. (Exam enclosed).
- You did not submit the required two years of work experience in the last 5 years. (Your qualifier(s) must submit a detailed description of work experience for the classification(s) for which you are applying).
- You did not submit a financial statement in your "DBA" (doing business as) name.
- Your financial statement does not meet the required net worth.
- Your financial statement must be dated within 12 months of the request.
- Your financial statement is not accompanied by a cover letter stating that the financial statement is:
 - "Compiled" (Group 3 or 4-licensed LPA or CPA) "Audited" (Group 5-licensed CPA only)
- Financial statement Net Worth (Assets minus Liabilities = Net Worth) reflects a deficit of \$_____. A positive net worth is required for licensure/upgrading. See attachment of net worth requirements and Group limits and resubmit a corrected financial statement.
- You were issued a license under the Grandfather Clause. You must pass the technical exam to upgrade your contract limit (PSI examination packet enclosed); or, hire a primary qualifying party employee who has been properly examined and has met all requirements under Section 40-11-230.
- You must contact the _____ State Board to request a Letter of Reciprocity or Waiver Letter. Our policy does not allow us to accept a copy of a license or certificate.
- Your request to change the name of your corporation must include a copy of the amended corporate charter showing the name change.
- Your request requires a new application instead of a revision application - fee: \$350.
You must complete a new application for the following reason (application enclosed):
 - Your Federal ID number is new or has changed (See SC Code of Laws, Section 40-11-240)
 - This is a "style of business" change (See SC Code of Laws, Section 40-11-240)
- Other: You must have the signatures on the following page notarized, you may fax to the number listed above.

Mechanical License Renewals are currently being processed by our office, therefore no applications will be held in this office for pending documents.

If your application package is incomplete or missing required items for processing the entire application package will be returned.

Thank you

RV

SECTION D

ADDING/TRANSFERRING IN NEW QUALIFIER(S) or ADDING NEW CLASSIFICATION(S):

I am requesting to transfer my qualifications from G-S to this license.

EXAM QUALIFYING PARTY INFORMATION: The applicant may have an unlimited number of exam qualifiers for each classification. For each additional exam qualifier, make a copy of this section and complete the section for each exam qualifier who meets the requirements. For further clarification concerning exam qualifying parties, see Section 40-11-230, and 40-11-20(18) and Regulation 29-2 in the S.C. Code of Laws for General and Mechanical Contracting.

ADDING: Primary Qualifier Additional Qualifier

Name of New Qualifying Party: Arthur W Vereen Soc. Sec. #: [REDACTED]
Individual Qualifying by Examination

Home Address: 4765 Bus 17 Murrells Inlet SC 29576 Georgetown
Street City State Zip County

Home Telephone #: (843) 651-2557 Position with the License Applicant: V-Pres + Owner

Date of Birth: [REDACTED] Driver's License #/State Issued: [REDACTED]

Currently or within the last five years, if you (qualifying party) answer yes to the following questions, attach an explanation on a separate page.

Have you been arrested, indicted, or convicted, pled guilty, or pled nolo contendere for violation of any federal, state, or local law related to general or mechanical contracting? Is any complaint or violation pending, under investigation, or has any action been taken against your license in any jurisdiction? Have you been denied a license to practice general or mechanical contracting in this state or any other state? Have any judgments, liens or claims been filed against you or any business you were associated with? Yes No

I have read, understand and meet all criteria pertaining to the classification(s) in which I qualify from Section 40-11-230 of the S.C. General and Mechanical Contracting Act and hereby agree to abide by these laws and codes. I hereby give permission to the Contractors Licensing Board to verify and investigate information in this application. I understand that false or incorrect information provided by me may result in the denial of a license and may be subject to appropriate civil and criminal proceedings.

Arthur W Vereen V-Pres 10-2-07
Qualifying Party Signature Title Date
Sworn and subscribed before me this 27th day of October, 2007
Elizabeth V. Sisson My Commission Expires _____ State of SC County Horry
My Commission Expires January 26, 2010

SECTION E

SIGNATURE OF OWNER/PRESIDENT AND NOTARIZATION (this section must be completed):

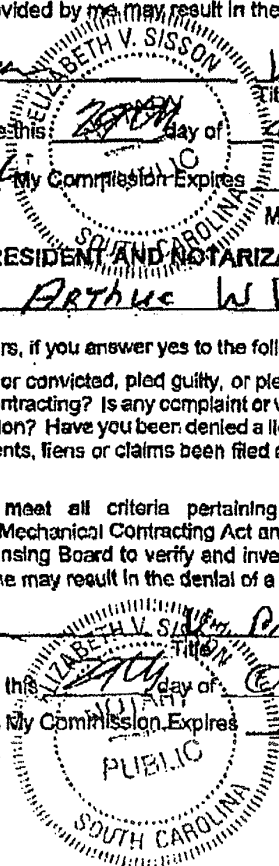
Owner/President Printed Name: Arthur W Vereen

Currently or within the last five years, if you answer yes to the following questions, attach an explanation on a separate page.

Have you been arrested, indicted, or convicted, pled guilty, or pled nolo contendere for violation of any federal, state, or local law related to general or mechanical contracting? Is any complaint or violation pending, under investigation, or has any action been taken against your license in any jurisdiction? Have you been denied a license to practice general or mechanical contracting in this state or any other state? Have any judgments, liens or claims been filed against you or any business you were associated with? Yes No

I have read, understand and meet all criteria pertaining to the classification(s) in which I qualify from Section 40-11-230 of the SC General and Mechanical Contracting Act and hereby agree to abide by these laws and codes. I hereby give permission to the Contractors Licensing Board to verify and investigate information in this application. I understand that false or incorrect information provided by me may result in the denial of a license and may be subject to civil and criminal proceedings.

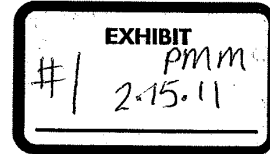
Arthur W Vereen V-Pres 10-2-07
Owner/President Party Signature Title Date
Sworn and subscribed before me this 27th day of October, 2007
Elizabeth V. Sisson My Commission Expires _____ State of SC County Horry
My Commission Expires January 26, 2010



Ellis E. Smith, individually and on behalf of
A & E Constructors and Consultants, Inc.

v.

Arthur Wayne Vereen, et al



2004

A. n | tion Consultants, Inc.
 Analysis of Non Corporate Activity

Payee/Description	Ref	Debit			Credit		
		Acct	Descr.	Amount	Acct	Descr.	Amount
Income per Page 4 Form 1120S			(209,658.00)				
Wayne Vereen-supervisory fees(not on W-2)	1	11200	A/R - Wayne	103,760.68	50200	Construction Cost	88,550.68
Overhead Expense charged to Constr. Cost		11200	A/R - Wayne		50200	Construction Cost	5,200.00
Reimbursement for Willoughby job		11200	A/R - Wayne		50200	Construction Cost	10,010.00
Prudential Ins-Wayne's Life Ins.	2	11200	A/R - Wayne	3,050.60	61310	Life Insurance	3,050.60
Green Turtle- Bahamas-Wayne's Vacation Hd	3	11200	A/R - Wayne	3,608.12	14000	Const-in-Progress	3,608.12
John Hancock-Wayne's Life Ins	4	11200	A/R - Wayne	3,601.50	61300	Life Insurance	3,601.50
Personal Warehouse Rental/Acorn	5	11200	A/R - Wayne	2,400.00	65300	General Expense	2,400.00
Shell-Wayne's Daughter	6	11200	A/R - Wayne	372.52	61101	Gas	372.52
29th Place HOA-Wayne's property	7	11200	A/R - Wayne	630.00	69200	Dues & Subscriptions	630.00
Surfside Cleaners	8	11200	A/R - Wayne	1,699.54	65300	General Expense	1,699.54
SunCom for Wayne's Wife-not employed	9	11200	A/R - Wayne	273.49	68100	Telephone	273.49
Cks Dep into AVC for Willoughby	10	11200	A/R - Wayne	113,480.00	21000	Deferred Revenue	113,480.00
Cks Dep into AVC for SS Cardiology	11	11200	A/R - Wayne	57,562.00	21000	Deferred Revenue	57,562.00
Cks Dep into AVC for Tahitian Princess	12	11200	A/R - Wayne	15,000.00	21000	Deferred Revenue	15,000.00
Cks to Arthur Vereen Construction	13	11200	A/R - Wayne	113,724.00	21000	Deferred Revenue	113,724.00
Ck to Carolina First-Wayne's Property Tax	14	11200	A/R - Wayne	21,320.15	69500	Taxes - Other	3,893.35
					50200	Construction Cost	17,426.80
Park Place Exp - Payroll	15	11200	A/R - Wayne	941.50	14000	Const-in-Progress	941.50
Park Place Exp - Other	15	11200	A/R - Wayne	27.10	14000	Const-in-Progress	27.10
Park Place Exp - Other	15	11200	A/R - Wayne	150.00	14000	Const-in-Progress	150.00
Park Place Exp - Other	15	11200	A/R - Wayne	93.24	14000	Const-in-Progress	93.24
Pointe Marsh Expenses	16	11200	A/R - Wayne	4,300.85	14000	Const-in-Progress	4,300.85
Parkway Offices - Payroll	17	11200	A/R - Wayne	8,286.59	14000	Const-in-Progress	8,286.59
Parkway Offices - Other Expenses	17	11200	A/R - Wayne	12,431.14	14000	Const-in-Progress	12,431.14
Parkway Offices -	17	11200	A/R - Wayne	5,291.57	14000	Const-in-Progress	5,291.57
Parkway Offices - Other	17	11200	A/R - Wayne	2,048.83	14000	Const-in-Progress	2,048.83
Checks to Parkway Offices	17	11201	A/R - Wayne	13,123.21	40000	Sales	13,123.21
Plantation Lakes -	18	11200	A/R - Wayne	10.91	14000	Const-in-Progress	10.91
Plantation Lakes - Payroll	18	11200	A/R - Wayne	3,385.76	14000	Const-in-Progress	3,385.76

003358

Analysis of Non Corporate Activity
 A on || bition Consultants, Inc.

Handwritten: 4/15/04

Plantation Lakes -	18	11200	A/R - Wayne	70,221.76	14000	Const-in-Progress	70,221.76
Plantation Lakes -	18	11200	A/R - Wayne	25,636.10	14000	Const-in-Progress	25,636.10
Plantation Lakes -	18	11200	A/R - Wayne	7,317.20	14000	Const-in-Progress	7,317.20
Gail Perry House	19	11200	A/R - Wayne	2,405.36	14000	Const-in-Progress	2,405.36
Gail Perry House	19	11200	A/R - Wayne	2,600.00	14000	Const-in-Progress	2,600.00
Gail Perry House	19	11200	A/R - Wayne	61.65	14000	Const-in-Progress	61.65
Litchfield Medical Center-Payroll	20	11200	A/R - Wayne	35.63	14000	Const-in-Progress	35.63
Litchfield Medical Center	20	11200	A/R - Wayne	450.51	14000	Const-in-Progress	450.51
Litchfield Medical Center	20	11200	A/R - Wayne	710.00	14000	Const-in-Progress	710.00
Litchfield Medical Center-	20	11200	A/R - Wayne	45.00	14000	Const-in-Progress	45.00
Seven Oaks Payroll Exp	21	11200	A/R - Wayne	1,768.25	50200	Construction Cost	1,768.25
Seven Oaks Expenses	21	11200	A/R - Wayne	13,796.45	50200	Construction Cost	13,796.45
Seven Oaks -	21	11200	A/R - Wayne	1,820.57	50200	Construction Cost	1,820.57
Long Bay Job	22	11200	A/R - Wayne	319.20	50200	Construction Cost	319.20
Brain Mauldin	23	11200	A/R - Wayne	7,571.46	14000	Const-in-Progress	7,571.46
				625,332.44			625,332.44
		Total					
Journal Entry							
Accounts Receivable-Wayne Vereen				625,332.44			
Construction Cost							138,891.95
Construction- Progress							157,630.28
Life Insurance							6,652.10
General Expense							4,099.54
Gas							372.52
Dues & Subscription							630.00
Telephone							273.49
Deferred Revenue							299,766.00
Taxes - Other							3,893.35
Sales							13,123.21

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SMITH ET AL VS. VEREEN ET AL CASE 2009-CP-26-620
A & E CONSTRUCTORS AND CONSULTANTS, INC.
Proposed Statement of Assets, Liabilities and Equity
As of December 31, 2004

ASSETS

CURRENT ASSETS

A/R - W. Vereen & Associated Entities	\$	673,388.52
CIP		<u>3,109,794.31</u>

Total Current Assets		<u>3,783,182.83</u>
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PROPERTY AND EQUIPMENT

Automotive		33,795.00
Less: Accumulated Depreciation		<u>(17,743.00)</u>

Net Property and Equipment		<u>16,052.00</u>
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TOTAL ASSETS	\$	<u><u>3,799,234.83</u></u>
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LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	120,877.60
Cash Overdraft		40,702.70
Deferred Revenue		3,594,497.11
SUTA Payable		768.32
FUTA Payable		<u>180.78</u>

Total Current Liabilities		<u>3,757,026.51</u>
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LONG-TERM LIABILITIES

N/P - GMAC		33,795.00
N/P - Shareholder (Ellis)		<u>135.00</u>

Total Long-Term Liabilities		<u>33,930.00</u>
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Total Liabilities		<u>3,790,956.51</u>
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STOCKHOLDERS' EQUITY

Common Stock		200.00
Additional Paid in Capital		49,800.00
Profit or (Loss) YTD		<u>(41,721.68)</u>

Total Stockholders' Equity		<u>8,278.32</u>
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	<u><u>3,799,234.83</u></u>
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Prepared by Susan Brady, CPA
 Bartlett Buie CPA, P. A.

SMITH ET AL VS. VEREEN ET AL CASE 2009-CP-26-620
A & E CONSTRUCTORS AND CONSULTANTS, INC.
Proposed Statement of Revenues & Expenses

12 Months Ended
December 31, 2004

Sales	
Sales - Residential	\$ 171,423.21
Total Sales	<u>171,423.21</u>
Cost of Sales	
Construction Costs - Open Jobs	(3,267,424.59)
Construction Costs	1,227,526.41
Contract Services	<u>1,765,451.27</u>
Total Cost of Sales	<u>(274,446.91)</u>
Gross Profit	<u>445,870.12</u>
Operating Expenses	
Auto Expense	9,790.84
Gas	(372.52)
Insurance	35,854.93
Workers' Comp Insurance	12,407.91
Life Insurance	(1,600.10)
Repairs & Maintenance - Equip	2,510.94
Office Expense	6,180.62
Advertising	2,114.00
Bank Charges	246.95
Permits	60,865.30
Freight	238.71
Contributions	3,535.00
General Expense	2,255.72
Dues & Subscriptions	1,286.63
Surveyors & Engineering	8,215.00
Entertainment - Limited	2,394.00
Telephone	3,571.61
Utilities	6,033.94
Rental - Uniforms & Other	1,490.83
Dues & Subscriptions	(630.00)
Taxes - Other	5,431.83
Salaries	134,045.01
Payroll Taxes	13,064.41
Rent	8,400.00
Equipment Rental	<u>33,935.82</u>
Total Operating Expenses	<u>351,267.38</u>
Operating Income (Loss)	<u>94,602.74</u>
Other Income (Expense)	
Discounts Earned	58.25
Other Expense	(118,639.67)
Depreciation Expense	<u>(17,743.00)</u>
Total Other Income (Loss)	<u>(136,324.42)</u>
Net Income (Loss)	<u>\$ (41,721.68)</u>

Prepared by Susan Brady, CPA
Bartlett Buie CPA, P. A.

A & E CONSTRUCTORS AND CONSULTANTS, INC.
Trial Balance Worksheet

2202L2004

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Basis: Adjusted

Account	T	Description	Dec 31, 2004 Unadjusted	Adjustments	Dec 31, 2004 Adjusted
10200	A	Operating - Carolina First 8.02 Adjustments for litigation 2004	(40,702.70)	40,702.70	0.00
11200	A	A/R - W. Vereen & Associated Entities 8.01 Adjustments for litigation 2004	48,056.08	625,332.44	673,388.52
14000	A	CIP 8.01 Adjustments for litigation 2004	3,267,424.59	(157,630.28)	3,109,794.31
15200	A	Automotive	33,795.00		33,795.00
19999	A	Accumulated Depreciation	(17,743.00)		(17,743.00)
20000	L	Accounts Payable	(120,877.60)		(120,877.60)
20500	L	Cash Overdraft 8.02 Adjustments for litigation	0.00	(40,702.70)	(40,702.70)
21000	L	Deferred Revenue 8.01 Adjustments for litigation 2004	(3,294,731.11)	(299,766.00)	(3,594,497.11)
24100	L	SUTA Payable	(768.32)		(768.32)
25000	L	FUTA Payable	(180.78)		(180.78)
29005	L	N/P - GMAC	(33,795.00)		(33,795.00)
29006	L	N/P - Shareholder (Ellis)	(135.00)		(135.00)
39001	L	Common Stock	(200.00)		(200.00)
39003	L	Additional Paid in Capital	(49,800.00)		(49,800.00)
40000	R	Sales - Residential 8.01 Adjustments for litigation 2004	(158,300.00)	(13,123.21)	(171,423.21)
50100	E	Construction Costs - Open Jobs	(3,267,424.59)		(3,267,424.59)
50200	E	Construction Costs 8.01 Adjustments for litigation 2004	1,366,418.36	(138,891.95)	1,227,526.41
50300	E	Contract Services	1,765,451.27		1,765,451.27
50400	E	Other Expense	118,639.67		118,639.67
50500	R	Discounts Earned	(58.25)		(58.25)
61000	E	Auto Expense	9,790.84		9,790.84

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A & E CONSTRUCTORS AND CONSULTANTS, INC.

2202L2004

Basis: Adjusted

Trial Balance Worksheet

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Account	T	Description	Dec 31, 2004 Unadjusted	Adjustments	Dec 31, 2004 Adjusted
61101	E	Gas 8.01 Adjustments for litigation 2004	0.00	(372.52)	(372.52)
61300	E	Insurance	35,854.93		35,854.93
61303	E	Workers' Comp Insurance	12,407.91		12,407.91
61310	E	Life Insurance 8.01 Adjustments for litigation 2004	5,052.00	(6,652.10)	(1,600.10)
61900	E	Repairs & Maintenance - Equip	2,510.94		2,510.94
62000	E	Office Expense	6,180.62		6,180.62
62300	E	Advertising	2,114.00		2,114.00
63100	E	Bank Charges	246.95		246.95
63300	E	Permits	60,865.30		60,865.30
63400	E	Freight	238.71		238.71
63000	E	Contributions	3,535.00		3,535.00
65000	E	Depreciation Expense	17,743.00		17,743.00
65300	E	General Expense 8.01 Adjustments for litigation 2004	6,355.26	(4,099.54)	2,255.72
65500	E	Dues & Subscriptions	1,286.63		1,286.63
66500	E	Surveyors & Engineering	8,215.00		8,215.00
67000	E	Entertainment - Limited	2,394.00		2,394.00
68100	E	Telephone 8.01 Adjustments for litigation 2004	3,845.10	(273.49)	3,571.61
68300	E	Utilities	6,033.94		6,033.94
68400	E	Rental - Uniforms & Other	1,490.83		1,490.83
69200	E	Dues & Subscriptions 8.01 Adjustments for litigation 2004	0.00	(630.00)	(630.00)
69500	E	Taxes - Other 8.01 Adjustments for litigation 2004	9,325.18	(3,893.35)	5,431.83

A & E CONSTRUCTORS AND CONSULTANTS, INC.
Trial Balance Worksheet

Basis: Adjusted

Account	T	Description	Dec 31, 2004 Unadjusted	Adjustments	Dec 31, 2004 Adjusted
75150	E	Salaries	134,045.01		134,045.01
75500	E	Payroll Taxes	13,064.41		13,064.41
84500	E	Rent	8,400.00		8,400.00
85000	E	Equipment Rental	33,935.82		33,935.82
		Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
		Profit/(Loss)	<u>(209,657.84)</u>	<u>167,936.16</u>	<u>(41,721.68)</u>

Current Year: Current Profit/(Loss) (41,721.68) Year To Date Profit/(Loss) (41,721.68)