

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

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SC Court of Appeals

APPEAL FROM THE ADMINISTRATIVE LAW COURT
Deborah Brooks Durden, Administrative Law Judge

Appellate Case Number: 2023-000521

Glenn C. Odom Appellant,

v.

South Carolina Public Employee Benefit Authority,
South Carolina Retirement Systems Respondent.

RECORD ON APPEAL

Volume I of IX

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Index to Record on Appeal

VOLUME I of IX

Orders, Judgments and Decrees:

The Administrative Law Court's Final Order filed on March 2, 2023	0001

Trial Transcript:

Opening Statement by Mr. Belcher	0033
Opening Statement by Mr. Werner	0048
Opening Statement by Mr. Belcher	0063
Testimony of Glenn C. Odom	
Direct Examination	0067
Cross-Examination.....	0127
Redirect Examination.....	0180
Recross-Examination	0190
Testimony of Karen A. Currin	
Direct Examination	0193
Cross-Examination.....	0204
Redirect Examination.....	0252
Preliminary Matters by Mr. Belcher	0258
Testimony of Tammy Nichols	
Direct Examination	0260
Cross-Examination.....	0313
Redirect Examination.....	0363
Instructions from the Court.....	0370

Exhibits:

Inventory of Exhibits	0375
Appellant/Petitioner's Exhibit 1	0381
Appellant/Petitioner's Exhibit 2	0383
Appellant/Petitioner's Exhibit 3	0385

Appellant/Petitioner’s Exhibit 4	0387
Appellant/Petitioner’s Exhibit 5	0396
Appellant/Petitioner’s Exhibit 6	0402
Appellant/Petitioner’s Exhibit 7	0405
Appellant/Petitioner’s Exhibit 8	0407
Appellant/Petitioner’s Exhibit 9	0410
Appellant/Petitioner’s Exhibit 10	0413
Appellant/Petitioner’s Exhibit 11	0418

VOLUME II of IX

Respondent’s Exhibit 1	0470
Respondent’s Exhibit 2	0726
Respondent’s Exhibit 3	0906

VOLUME III of IX

Respondent’s Exhibit 4	0942
Respondent’s Exhibit 5	0982
Respondent’s Exhibit 6	0990
Respondent’s Exhibit 7	0991
Respondent’s Exhibit 8	0992
Respondent’s Exhibit 9	1000
Respondent’s Exhibit 10	1001
Respondent’s Exhibit 11	1007
Respondent’s Exhibit 12	1008
Respondent’s Exhibit 13	1009

VOLUME IV of IX

Respondent's Exhibit 14	1217
Respondent's Exhibit 15	1453
Respondent's Exhibit 16	1459
Respondent's Exhibit 17	1461

VOLUME V of IX

Respondent's Exhibit 18	1696

VOLUME VI of IX

Respondent's Exhibit 18	2190
Respondent's Exhibit 19	2278
Respondent's Exhibit 20	2289
Respondent's Exhibit 21	2302
Respondent's Exhibit 22	2303
Respondent's Exhibit 23	2313
Respondent's Exhibit 24	2325
Respondent's Exhibit 25	2338
Respondent's Exhibit 26	2351
Respondent's Exhibit 27	2378
Respondent's Exhibit 28	2404
Respondent's Exhibit 29	2430
Respondent's Exhibit 30	2450
Respondent's Exhibit 31	2469
Respondent's Exhibit 32	2489

Respondent's Exhibit 33	2511
Respondent's Exhibit 34	2535
Respondent's Exhibit 35	2554
Respondent's Exhibit 36	2577
Respondent's Exhibit 37	2613
Respondent's Exhibit 38	2634

VOLUME VII of XI

Respondent's Exhibit 39	2664
Respondent's Exhibit 40	2691
Respondent's Exhibit 41	2715
Respondent's Exhibit 42	2739
Respondent's Exhibit 43	2764
Respondent's Exhibit 44	2798
Respondent's Exhibit 45	2822
Respondent's Exhibit 46	2844
Respondent's Exhibit 47	2875
Respondent's Exhibit 48	2910
Respondent's Exhibit 49	2945
Respondent's Exhibit 50	2981
Respondent's Exhibit 51	3016
Respondent's Exhibit 52	3054
Respondent's Exhibit 53	3071
Respondent's Exhibit 54	3088

Respondent’s Exhibit 55	3105
Respondent’s Exhibit 56	3125
Respondent’s Exhibit 57	3139

VOLUME VIII of IX

Respondent’s Exhibit 58	3155
Respondent’s Exhibit 59	3174
Respondent’s Exhibit 60	3188
Respondent’s Exhibit 61	3201
Respondent’s Exhibit 62	3214
Respondent’s Exhibit 63	3231
Respondent’s Exhibit 64	3243
Respondent’s Exhibit 65	3256
Respondent’s Exhibit 66	3269
Respondent’s Exhibit 67	3282
Respondent’s Exhibit 68	3292
Respondent’s Exhibit 69	3490
Respondent’s Exhibit 70	3527
Respondent’s Exhibit 71	3561
Respondent’s Exhibit 72	3583
Respondent’s Exhibit 73	3602
Respondent’s Exhibit 74	3620

VOLUME IX of IX

Respondent’s Exhibit 75	3640

Respondent's Exhibit 76	3661
Respondent's Exhibit 77	3683
Respondent's Exhibit 78	3715
Respondent's Exhibit 79	3765
Respondent's Exhibit 80	3821
Respondent's Exhibit 81	3822
Respondent's Exhibit 82	3823
Respondent's Exhibit 83	3847
Respondent's Exhibit 84	3849

**STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT**

Glenn C. Odom,

Petitioner,

v.

South Carolina Public Employee Benefit
Authority, South Carolina Retirement Systems,

Respondent.

Docket No. 21-ALJ-30-0084-CC

FINAL ORDER

APPEARANCES: For the Petitioner: Reginald W. Belcher, Esquire
For the Respondent: Justin R. Werner, Esquire

STATEMENT OF THE CASE

The above-captioned case is before the Court pursuant to S.C. Code Ann. section 9-21-60 (2019) for a contested case hearing. In this matter, Glenn C. Odom (Petitioner) challenges Final Agency Determination No. 21-004 issued by Respondent South Carolina Public Employee Benefit Authority, South Carolina Retirement Systems (PEBA), on February 12, 2021, in which PEBA determined that certain payments made to Petitioner from the Alligator Rural Water and Sewer Company (Alligator) were not earnable compensation that may be credited to him for the purposes of the South Carolina Retirement System. After timely notice to the parties, a contested case hearing on this matter was held on November 9 and 15, 2022, at the South Carolina Administrative Law Court (ALC or Court) in Columbia, South Carolina.

FINDINGS OF FACT

Having carefully considered the testimony and the arguments of both sides, the Court makes the following Findings of Fact, taking into consideration the burden of proof and the credibility of the witnesses:

Notice of the date, time, place, and subject matter of the hearing was provided to all parties in a timely manner and both parties attended the hearing.

Petitioner is a seventy-three-year-old retired member of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers' Retirement System (PORS) who retired



from those systems effective January 6, 2022. Prior to 2006, Petitioner accrued approximately seven years and nine months of earned and purchased service credit in SCRS in connection with his service as mayor and a municipal judge in the Town of McBee during the 1990s and early 2000s. Petitioner accrued approximately three-and-a-half years of service credit in PORS in connection with his service as a magistrate in Chesterfield County beginning in 2002.

During March, 2006, Petitioner contacted PEBA to obtain estimates of the monthly retirement benefits he would be eligible to receive from SCRS and PORS under several retirement scenarios, including scenarios where he had no further covered employment after June 30, 2006, and scenarios where he worked in covered employment for an additional three years. The estimates produced in response to his inquiries reflected that, if he did not have any further covered employment after June 30, 2006, the maximum benefit he would be eligible to receive upon retirement from SCRS would have been approximately \$161.86 per month and his maximum monthly benefit from PORS would have been approximately \$130.23, for a combined total of about \$292.09 per month, with both benefits based upon an average final compensation of about \$18,257.20.

As part of those communications, on March 28, 2006, a PEBA customer service representative explained to Petitioner that, if he wanted a retirement benefit based upon an average final compensation of \$125,000, he would need to work for three years at the salary with an employer that participates in the retirement systems. During a follow-up call on March 30, 2006, Petitioner indicated he would be working an additional three years with an employer that would be joining the retirement systems and requested benefit estimates based upon earning a salary of \$150,000 per year for those three years. Pursuant to that request, PEBA provided the requested benefit estimates to Petitioner by facsimile on March 31, 2006. As reflected on those estimates, if Petitioner worked for an additional three years in SCRS-covered employment at a salary of \$150,000 and retired on July 1, 2009, his estimated maximum monthly SCRS benefit would increase to \$1,843.31 and his PORS benefit would increase to \$1,069.98 per month, for a monthly total of about \$2,913.39. This new monthly total estimate is approximately ten times greater than the benefit Petitioner would have been eligible for without that additional employment at \$150,000 per year. In his testimony at the hearing, Petitioner acknowledged that, based upon the information he received in 2006, he understood how his SCRS and PORS

benefits would be calculated and how an increased average final compensation would increase those benefit amounts.

By a Retirement Plan Enrollment form received by PEBA on September 20, 2006, Petitioner was reported to PEBA as an employee of Alligator for the purposes of participation in SCRS, effective on September 1, 2006, the date Alligator joined SCRS as a participating employer. On the enrollment form, Petitioner executed both as the employee and as the employer representative, Petitioner listed his position title with Alligator as “General Manager” and his annual salary as \$120,000.

For 2007, the first full calendar year of Alligator’s participation as an employer in SCRS, Alligator reported Petitioner’s earnable compensation from employment with the company was \$112,000. However, the compensation reported to PEBA by Alligator for Petitioner’s work for the company declined over time. For calendar year 2008, Alligator only reported compensation for Petitioner for the first two quarters of the year, for a total compensation for the year of \$36,000. In subsequent years, the earnable compensation reported to PEBA by Alligator for Petitioner’s work decreased further to an annual amount of \$12,000. In particular, Alligator first reported Petitioner’s compensation as \$1,000 per month for the quarter of January through March 2009.¹ With the exception of a slight uptick, in the first half of 2011, Alligator reported Petitioner had earnable compensation of \$3,000 per quarter for every quarter between July, 2010 and March, 2016.

During this period, Petitioner visited PEBA on June 16, 2015, to discuss his retirement benefits. During the visit, PEBA’s customer service representative generated benefit estimates for Petitioner for the proposed retirement date of July 1, 2019. The average final compensation used to prepare those benefit estimates was the system-generated estimated average final compensation of \$75,500, based upon the compensation reported for Petitioner’s first three years of participation in SCRS with Alligator. After reporting Petitioner’s earnable compensation at \$3,000 per quarter for over six years, Alligator reported that Petitioner’s compensation for the single quarter ending June 30, 2016, was \$103,000.

¹ During 2009 and 2010, Alligator failed to report any compensation for Petitioner for several quarters. Alligator subsequently submitted supplemental reporting to retroactively report compensation for Petitioner for those quarters. On the forms, Alligator noted the “funds were not sent by mistake of a former employee.” In a letter enclosed with the reports, Alligator’s office manager stated “[i]t has been brought to my attention by the compan[y]’s CPA: [Petitioner] did not receive a monthly check for nine months in 2009 & 2010.”

For the subsequent quarters of 2016 and early 2017, Alligator resumed reporting Petitioner's earnable compensation at \$3,000 per quarter, but again reported a disproportionately large earnable compensation of \$303,000 for the quarter ending in June, 2017. Since the amount of this reported compensation exceeded the maximum amount of a member's compensation that could be taken into account for the purposes of SCRS in 2017 pursuant to section 401(a)(17) of the Internal Revenue Code,² PEBA emailed Alligator on July 21, 2017, to notify the company the amount of compensation reported for Petitioner would have to be reduced to comply with the \$270,000 limit. PEBA also notified Alligator the excess contributions attributable to amounts above the limit would be returned to Alligator. In a response email on July 25, 2017, Petitioner wrote to PEBA to request more information about the compensation limit. In his email, Petitioner explained "[s]ince I plan to start drawing retirement later this year (2017) it would be in my best interest to have additional wages reported in the next few months." By additional emails on July 25 and 26, 2017, PEBA provided Petitioner with further information regarding the IRS compensation limit and the exclusion of bonuses and other special payments from the earnable compensation includable for the purposes of SCRS. In reply to those explanatory emails, Petitioner indicated he was "[g]lad we talked as the bonus is due in July but I can't put any in till Jan so point is moot" and instead of reporting additional compensation in 2017, "I will wait till Jan 2018."

Given the size of these reporting variances in Petitioner's compensation, PEBA's retirement finance staff reviewed the earnable compensation reported for Petitioner for the June quarters of 2016 and 2017. By a letter dated August 8, 2017, PEBA wrote to Alligator to explain the compensation reported for those quarters appeared to include special payments that were not part of Petitioner's regular annual salary and would not be included in his earnable compensation for the purposes of SCRS. Accordingly, PEBA notified Alligator in the letter it would be returning the contributions Alligator remitted based on earnable compensation for Petitioner in excess of \$3,000 for those quarters. The letter also explained that Petitioner could appeal the determination regarding his earnable compensation to PEBA's Executive Director within one year of the date of the letter.

² See 26 U.S.C. section 401(a)(17) (Westlaw Edge through Pub. L No. 117-262); S.C. Code Ann. § 9-1-1970 (2019). This compensation limit does not restrict the amount of compensation an employee may actually receive from an employer; rather, it limits the amount of such compensation that can be "taken into account" for calculating benefits under a qualified retirement plan. Id.

Although neither Alligator nor Petitioner sought review of PEBA's initial determination regarding Petitioner's earnable compensation, Alligator continued to report excessive compensation for Petitioner. Starting with the 2017-2018 fiscal year, and continuing into the 2018-2019 and 2019-2020 fiscal years, Alligator reported Petitioner's quarterly compensation as \$270,000 (the maximum allowed under the compensation limit) for each year. Consequently, by letters dated August 8, 2018, August 8, 2019, and August 11, 2020, respectively, PEBA returned to Alligator all contributions remitted each fiscal year based on earnable compensation for Petitioner in excess of the \$12,000 annual salary previously reported to PEBA as Petitioner's regular compensation base.

In March, 2017, PEBA received an anonymous report that Alligator was no longer directly employing its personnel, but had contracted its staff out to a private management company, such that its personnel would no longer be eligible to participate in SCRS. The report included a copy of Alligator's 2014 Form 990 filed with the IRS, with a note on page 10 of that form pointing out that Alligator did not report any salaries or payroll taxes on the form. PEBA conducted a separate review during 2017 and 2018 of whether Alligator was continuing to employ personnel who would be eligible to participate in the employee benefit plans administered by PEBA or whether its personnel had been entirely outsourced.

After a period of correspondence between PEBA and Alligator's accountant in late 2018 and early 2019, PEBA completed its review of Alligator's participation in the benefit plans administered by PEBA and notified Alligator, by a letter dated March 26, 2019, that it would allow Alligator's continued participation in those plans. However, PEBA further explained in the letter that, although Alligator would be permitted to continue participation in the benefit plans, its review did not reveal any basis to revisit its prior determinations of August, 2017 and August, 2018 regarding the earnable compensation reportable for Petitioner for the purposes of SCRS. Accordingly, PEBA stated it would "not be able to accept contributions for compensation in excess of the \$12,000 annual compensation reported for the position since 2009 without further documentation that substantiates any increased compensation as earnable compensation from covered employment."

By correspondence received March 25, 2020, Petitioner sought further review of PEBA's initial determination regarding his earnable compensation for the purposes of SCRS before PEBA's Executive Director. Petitioner submitted additional documentation in support of his

request for review on June 5, 2020, and October 7, 2020. On February 12, 2021, PEBA issued Final Agency Determination No. 21-004 in response to Petitioner's request for review. Petitioner requested this contested case hearing before the Court to seek review of PEBA's determination regarding his earnable compensation.

Alligator Rural Water and Sewer Company

Alligator is a non-profit rural water and sewer company incorporated in 1987 that provides water and sewer services in Chesterfield County, South Carolina. Petitioner was one of the original incorporators of Alligator and served on its first board of directors as the company's president. Petitioner has purchased land from, and has sold land to, Alligator over the years. As a tax-exempt entity, Alligator is required to annually file a Form 990, Return of Organization Exempt from Income Tax, with the IRS. The Form 990 requires a tax-exempt entity to report the number of its employees, list the names and compensation of its officers, directors, and key employees, report the independent contractors it works with, and list its expenditures, including wages, payroll taxes, and fees for management services for non-employees.

Odom & Associates, Inc.

Odom & Associates, Inc. (O&A) is a South Carolina corporation incorporated in 1998. Petitioner serves as the president and sole officer of O&A and is the sole owner of the corporation. Petitioner uses O&A's funds for his personal expenses. As reflected in O&A's general ledger, between December 31, 2007, and December 18, 2020, Petitioner drew \$4,492,389.83 in personal expenses from O&A's account, for an annual average of approximately \$345,568 per year in personal expenses. These personal expenses included itemized expenses for matters such as personal travel and meals, alimony payments, and personal vehicle taxes, as well as uncategorized transfers to Petitioner in amounts as large as \$50,000 and \$80,000. At the hearing of this matter, Petitioner stated the president of the Alligator Board of Directors considered owing funds to O&A and owing funds to Petitioner personally as a "similar thing."

Relationship Between Alligator and O&A

On November 19, 2002, Alligator and O&A entered into a Management Agreement under which Alligator outsourced the management and operation of its water and sewer facilities and services to O&A. In the preamble of that Management Agreement, the parties indicated that "the Water Company [i.e. Alligator] desires to avail itself of the services of [O&A] to manage

and operate its water production and sewer facilities and [O&A] desires to provide such services to the Water Company.” The Management Agreement requires O&A to “[p]rovide a general manager, office manager, administrative assistant along with a properly equipped office necessary to carry out its functions under th[e] agreement.” The Management Agreement also requires O&A to cover all office overhead expenses except for telephone costs.

In the “Compensation” section, the Management Agreement provides that, “[f]or all services hereunder,” O&A would receive a base sum of \$60,000 per month, with additional amounts payable based upon the volume of water and sewer services handled by O&A as well as based upon increased sales revenues. The Management Agreement provided for an initial term of twenty years from its effective date. However, at the hearing of this matter, Petitioner testified the Management Agreement had been revised approximately halfway through the initial term to extend the Agreement for an additional twenty years. Thus, the Agreement remains in effect to the current date.

In a bond disclosure document prepared in connection with a \$26 million bond issuance through the South Carolina Jobs-Economic Development Authority, Alligator described its arrangement under the Management Agreement as follows:

Since November 2002, [O&A] (the “Manager”), has managed and operated the System under the direction of the Board of Directors pursuant to the terms of the Management Agreement, dated November 19, 2002 (the “Management Agreement”), between the Manager and the Borrower. The Management Agreement has a stated term ending on November 19, 2022. The Manager provides financial services, office operations and management, and operation and maintenance services for the System, including billing, collection, repairs, as well as grant and loan applications. Pursuant to the terms of the Management Agreement, the Manager provides all essential licensed workers.

The bond disclosure further noted, “[d]uring the past three fiscal years, the Manager’s compensation under the Management Agreement has been \$1,672,937, \$1,489,372, and \$1,510,307, plus expenses pursuant to the terms of the Management Agreement.”

Consistent with the Management Agreement, Alligator has reported on its Form 990s that it has “delegate[d] control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person,” explaining that “[t]he Organization contracts with a management company for the day to day operations.” Pursuant to its outsourcing of management services, Alligator has reported to the IRS, on its Form 990s, that it expended approximately \$13,101,237 in fees for

management services for non-employees for the period between 2006, the year Alligator joined SCRS, and 2019, the most recent year for which federal reporting was available, for an average of about \$935,802 per year for such services.

Although O&A also has some rental property dealings, the majority of its income is derived from its payments under the Management Agreement with Alligator. At the hearing, Petitioner testified the operation of the Alligator water and sewer system is the primary business activity of O&A. Over the years, O&A loaned substantial sums of money to Alligator for purposes ranging from providing operating expenses, paying off existing loans, and making improvements to the water and sewer systems. Alligator's financial statements reflect that the company owed a total of \$1,347,940 to O&A as of December 31, 2014.

By a letter dated June 8, 2017, Karen Currin (Currin), a CPA who performs accounting work and tax filings for Alligator and O&A as corporate entities and for Petitioner in his individual capacity, wrote to Petitioner to explain how certain bookkeeping is handled in connection with the Management Agreement between Alligator and O&A. In the letter, Currin confirmed that, under the Management Agreement, O&A was responsible for providing the personnel to manage and operate the systems. She confirmed that O&A was responsible for approving the hiring of all staff, including those that were reported as Alligator employees. She further explained that, at the end of the year, the general manager would calculate the amounts that were reported as compensation for the staff listed as Alligator employees and deduct those amounts from the management fee payable to O&A.

Similarly, the minutes of the meeting of the Alligator Board of Directors from August 15, 2006, state that, upon Alligator joining SCRS, "[O&A] will pay the premiums" for the workers that are reported as Alligator employees for the purposes of the system. In the 2007 audit of Alligator's financial statements, the auditor found a significant deficiency in how Alligator was handling its contract with O&A. The auditor found that "[i]nternal controls over the management contract payable are absent," such that Alligator "is unable to make meaningful determination of the management contract payable." To correct the deficiency, the auditor recommended that Alligator "implement controls that ensure the management contract payable is calculated and recorded on a monthly basis according to the terms of the contract."

Petitioner's Relationship with Alligator

Petitioner did not have a written or oral employment contract with Alligator. Similarly, there were no written performance reviews made, no job description prepared, no compensation plan or salary schedule created, no written confirmation or statement of Petitioner's salary prepared, no record of sick or annual leave maintained, no hiring or termination actions documented, nor any other similar employment documentation maintained in connection with Petitioner's work with Alligator. The personnel file produced by Petitioner in this matter for his relationship with Alligator consists solely of documents related to his retirement and insurance benefits through PEBA. Petitioner's personnel file includes no records prior to 2006, when Alligator joined PEBA's benefit programs. Alligator has also been inconsistent in reporting Petitioner's status with Alligator on its Form 990s. Between 2006 and 2019, there were five years during which Alligator did not identify Petitioner as a "key employee" of Alligator and did not report compensation for him as a "key employee."

Although Petitioner was initially enrolled in SCRS with Alligator at an annual salary of \$120,000, that salary was reduced by 90% within the next four years to an annual reported compensation of \$12,000. In his testimony at the hearing, Petitioner confirmed there are no records of how the Alligator Board of Directors arrived at this reported 90% reduction in Petitioner's salary. Petitioner also testified that, even though his reported salary was reduced by 90% to \$12,000 per year, he continued to work full-time for Alligator during that period. Additionally, there was a period of nine months during 2009 and 2010 when Petitioner did not receive any monthly paycheck from Alligator.

In response to PEBA's August 7, 2018, letter returning excess contributions to Alligator, Wade Huggins (Huggins), the President of Alligator's Board of Directors, wrote to PEBA on August 30, 2018, to provide further information regarding Petitioner's reported compensation from Alligator. In the letter, Huggins acknowledged that Petitioner "received \$1000 a month as his wage base for the past nine years," but explained that "[Alligator] has owed [Petitioner] a large sum for years since the inception of the company" and that "[t]his debt was being paid down in lieu of compensation." Huggins further stated in the letter that, because "[t]he amount owed to [Petitioner] has been drastically reduced," Alligator was then able to pay Petitioner an increased salary of \$24,545 per month and \$294,545 annually. At the hearing of this matter, both Petitioner and Currin confirmed there was no documentation reflecting how the Alligator

Board of Directors arrived at that amount. Neither Petitioner nor Currin provided an explanation of how the amount was determined.

Despite this August, 2018 letter stating Petitioner's salary from Alligator was \$294,545, Petitioner's reported compensation from Alligator was reduced to \$282,272 for calendar year 2018 and further reduced to \$247,500 for calendar year 2019. Notably, these reductions resulted in Petitioner's reported compensation from Alligator equaling exactly \$270,000 per year for three fiscal years. These three fiscal years corresponded to July, 2017 through June 2020, which followed Petitioner's notification by PEBA that the maximum amount the IRS would allow for inclusion in his retirement benefit calculations in 2017 was \$270,000 and that special, single-sum payments were also excluded from his retirement benefit calculations. At the hearing, Petitioner stated he had no documentation to support, and could not explain, why his reported salary from Alligator was reduced by over \$24,000 from \$294,545 to \$270,000. During this three-year period when Petitioner's salary was reported at exactly \$270,000 per fiscal year, his compensation was paid in monthly installments rather than in common payroll cycles such as weekly or bi-monthly pay periods. Additionally, there was also a period between November 21, 2019, and February, 27, 2020, when no payments were issued to Petitioner at all, resulting in catch-up payments being reported on February 27, 2020, and March 12, 2020.

Alligator also reported Petitioner received bonus payments of \$100,000 in June, 2016 and \$300,000 in June, 2017. However, the bank and accounting records produced for Alligator do not reflect that these amounts were actually paid to Petitioner from Alligator, but instead reflect that amounts already paid to O&A were reclassified as these reported payments to Petitioner. The check number referenced in Alligator's general ledger for the \$100,000 payment (\$67,190 net of tax and retirement withholding) in June, 2016 is shown in Alligator's actual bank records as a \$456 payment to a separate individual and no check for \$67,190 is shown in the June checks or for the remainder of 2016. Similarly, Alligator's general ledger shows that, in July, 2017, Petitioner paid Alligator \$125,000 to cover federal taxes on the bonus payment that was reported for him and \$60,000 to cover state taxes and retirement contributions for that payment. Notably, the federal tax payment is listed in the ledger as being "From Glenn Odom (from O&A)," and when those excess contributions were returned to Alligator by PEBA, Alligator refunded those member and employer contributions directly to Petitioner two days later. As with the \$100,000

payment in 2016, Alligator's bank records do not show a check for the \$300,000 bonus, either in gross or net, being issued to Petitioner in 2017.

In this matter, Petitioner contends the increased compensation Alligator reported for Petitioner beginning in 2016 was intended to be commensurate with industry averages for other rural water system general managers. However, in a salary survey conducted the same year, the South Carolina Rural Water Association, a group in which Alligator is a member, found the average salary for the general manager of a participating rural water and sewer company in 2016 was \$79,530. Further, the average salary for general managers of the largest systems in the survey with more than 10,000 taps was approximately \$133,000. This is less than half the compensation claimed by Petitioner.

The records in this matter reflect there is an inverse relationship between the contract management fees Alligator reported to the IRS and the compensation Alligator reported to SCRS for Petitioner's salary. For the period between 2008 and 2011, when the contract management fees reported by Alligator on its Form 990s nearly doubled from \$635,194 to \$1,255,534, Petitioner's reported compensation from Alligator decreased to the \$12,000 annual salary that was reported between 2009 and 2016. Similarly, between 2015 and 2017, when Alligator reported that Petitioner's compensation from employment increased from \$12,000 in 2015 to \$428,727 in 2017, it reported on its Form 990s that its contract management fees fell from \$1,182,187 to \$363,629, an amount below the compensation reported for Petitioner.³ Finally, when Alligator reported Petitioner's compensation dropped back down to the IRS compensation limit for 2018 and 2019, the contract management fees reported on its Form 990s increased correspondingly. Petitioner's personal income tax records also reflect a similar inverse relationship between the amounts he reported as corporate income from O&A and the amounts he reported as wages from employment with Alligator. In 2014, when Petitioner reported his wages from employment as \$11,222, he reported corporate income from O&A of \$366,286. However, by 2017, when Petitioner reported wages in the amount of \$471,684, Petitioner reported an income loss of \$65,252 from O&A.

Petitioner stated he terminated employment with Alligator on June 30, 2020. Alligator has not reported any compensation or remitted any retirement contributions for Petitioner to

³ This reduction in management fees is particularly surprising, given that the increases in water and sewer services and revenues that Petitioner asserts as a basis for his reported compensation increases during this period would also have resulted in additional compensation to O&A under the Management Agreement.

PEBA since June 30, 2020. Despite the reported termination of Petitioner's employment with Alligator, Petitioner testified at the hearing that, over two years later, Alligator had not hired another general manager. The record reflects that, in lieu of a general manager, Petitioner is listed as a "consultant" on Alligator's website. The minutes of the Alligator Board of Directors' meetings between Petitioner's reported termination in June, 2020 and the end of 2021 show that Petitioner attended every in-person meeting of the Board during that time and had a role in canceling the meetings that were not held. There is no reference in any of those meeting minutes to a termination of Petitioner's employment for Alligator or any other acknowledgment of a change in his employment status. Additionally, Petitioner continues to use his Alligator email address for his personal email address on file with SCRS for his retirement benefits.

Based upon careful consideration of the testimony and exhibits presented at the hearing of this matter, the Court finds by a preponderance of the evidence that the compensation reported by Alligator to SCRS for the work performed by Petitioner for Alligator for the period between September, 2006 and June, 2020 was not earnable compensation for the purposes of SCRS. Although some of the compensation was reported as compensation from employment for certain purposes, the evidence in this matter shows the substance and true character of the compensation was as payments made to an independent contractor pursuant to the Management Agreement between Alligator and O&A rather than as wages for employment for the purposes of SCRS.

CONCLUSIONS OF LAW

Based on the foregoing Findings of Fact, the Court concludes the following as a matter of law:

This Court has jurisdiction over this contested case pursuant to S.C. Code Ann. section 9-21-60, S.C. Code Ann. section 1-23-600(A) (Supp. 2022), and S.C. Code Ann. sections 1-23-310 to -400 (2005 & Supp. 2022).

A contested case hearing before the ALC is a *de novo* proceeding in which the Court is the sole finder of fact. See EAGLE v. S.C. Dep't of Health & Env'tl. Control, 407 S.C. 334, 344, 755 S.E.2d 444, 449 (2014) ("[T]he ALC conducts a *de novo* hearing in contested cases, complete with the presentation of evidence and testimony . . . [and] presides as the fact-finder."); see also § 9-21-60 (providing that, under the Retirement Systems Claims Procedures Act, the Administrative Law Court must conduct its review "de novo in accordance with its rules of procedure"). "A trial *de novo* is one in which 'the whole case is tried as if no trial whatsoever

had been had in the first instance.” Blizzard v. Miller, 306 S.C. 373, 375, 412 S.E.2d 406, 407 (1991). Because a contested case is a *de novo* proceeding, this Court is not bound to the agency’s factual findings or decision below, but conducts its own contested evidentiary hearing and makes its own findings of fact. See EAGLE, 407 S.C. at 344, 755 S.E.2d at 449.

“Unless otherwise provided by statute, the standard of proof in a contested case is by a preponderance of the evidence.” § 1-23-600(A)(5); see also, Sierra Club v. S.C. Dep’t of Health & Env’tl. Control, 426 S.C. 236, 257, 826 S.E.2d 595, 67 (2019). “A preponderance of the evidence is evidence which convinces the fact finder as to its truth.” Pascoe v. Wilson, 416 S.C. 628, 640, 788 S.E.2d 686, 693 (2016).

The weight and credibility assigned to evidence presented at the hearing of a matter is “peculiarly within the province” of the trier of fact. See S.C. Cable Television Ass’n v. S. Bell Tel. & Tel. Co., 308 S.C. 216, 222, 417 S.E.2d 586, 589 (1992). Furthermore, a trial judge who observes a witness is in the best position to judge the witness’s demeanor and veracity and to evaluate the credibility of the witness’s testimony. See Woodall v. Woodall, 322 S.C. 7, 10, 471 S.E.2d 154, 157 (1996).

The statutes governing SCRS must be interpreted in light of the “elaborate statutory and constitutional scheme designed to protect the independence, integrity and actuarial soundness of the funds.” Wehle v. S.C. Ret. Sys., 363 S.C. 394, 399, 611 S.E.2d 240, 242 (2005).

The basic question presented in this matter is whether payments that Alligator reported as being paid to Petitioner as wages for employment should be considered earnable compensation for the purposes of the calculation of Petitioner’s benefits from SCRS.

As the moving party in this matter, Petitioner bears the burden of establishing, by a preponderance of the evidence, that those reported payments are earnable compensation for the purposes of SCRS. See Sierra Club, 426 S.C. at 257, 826 S.E.2d at 67 (“In general, the party asserting the affirmative issue in an adjudicatory administrative proceeding has the burden of proof.”); see also Leventis v. S.C. Dep’t of Health & Env’tl. Control, 340 S.C. 118, 132-33, 530 S.E.2d 643, 651 (Ct. App. 2000) (holding that the burden of proof in administrative proceedings generally rests upon the party asserting the affirmative of an issue). Petitioner has not met that burden in this matter.

Alligator's Participation in SCRS

The South Carolina General Assembly has found that non-profit corporations, like Alligator, established pursuant to Chapter 36 of Title 33 to provide the local governmental functions of water service or sewage treatment “exist for a public purpose . . . [and] must be treated like special purpose districts” for the purposes of certain state laws. Act 404 of 2000, H.B. 3358, § 1(B). Accordingly, these non-profit corporations “may participate, under the same conditions as afforded special purpose districts, in the State Retirement System.” Id.

Consequently, corresponding provisions of the SCRS statutes authorize “any nonprofit corporation created under the provisions of Chapter 35 of Title 33 [the predecessor of Chapter 36 of Title 33] for the purpose of supplying water and sewer” to become a participating employer in SCRS. S.C. Code Ann. § 9-1-470 (2019). Once such an entity has joined SCRS as a participating employer, “[a]ll persons . . . who are employed” by the entity become members of SCRS, unless the person is eligible, and timely elects, to opt out of membership. S.C. Code Ann. § 9-1-480 (2019).

Membership in SCRS

For the purposes of SCRS, a “member” is defined as “a teacher or employee included in the membership of the system as provided in Article 5 of [Chapter 1 of Title 9].” S.C. Code Ann. § 9-1-10(18) (2019).

For the purposes of determining membership and participation in SCRS, the final determination of employment status does not lie with the participating employer, but instead, “[i]n all cases of doubt, the Board shall determine whether any person is a teacher or employee for the purposes of the System.” S.C. Code Ann. § 9-1-610 (2019); see also § 9-1-10(6) (2019) (providing that, for purposes of Chapter 1 of Title 9, “‘Board’ means the Board of Directors of the South Carolina Public Employee Benefit Authority which shall act under the provisions of this chapter through its Division of Retirement Systems”).

In making a determination of employment status for the purposes of SCRS, PEBA has historically relied upon the common-law test for an employment relationship under South Carolina law. Under this test, “the Court examines four factors which serve as a means of analyzing the work relationship as a whole: (1) direct evidence of the right or exercise of control; (2) furnishing of equipment; (3) method of payment; (4) right to fire.” Shatto v. McLeod Reg'l Med. Ctr., 406 S.C. 470, 476, 753 S.E.2d 416, 419 (2013).

Earnable Compensation for the Purposes of SCRS

The concept of “earnable compensation” forms a key component of how benefits are accrued, funded, and paid under SCRS. In particular, both member and employer contributions to SCRS are set and calculated as a percentage of the “earnable compensation” paid to members. See, e.g., S.C. Code Ann. §§ 9-1-1020, 9-1-1085(A) (2019) (providing that member contributions be deducted from, and made as a percentage of, a member’s earnable compensation); S.C. Code Ann. §§ 9-1-1050, 9-1-1085(A) (2019) (setting employer contributions based upon a percentage of the earnable compensation paid to the members employed by the employer). The SCRS statutes also instruct the system’s actuaries to calculate the normal costs and accrued liability contributions of the system as percentages of the earnable compensation payable to the members of the system. S.C. Code Ann. §§ 9-1-1060, 9-1-1070 (2019).

A member’s earnable compensation also forms the basis of the “average final compensation” used to calculate the member’s monthly benefit upon retirement. The maximum annual service retirement benefit payable to a Class Two member of SCRS who retires after age 65 is equal to 1.82 percent of the member’s average final compensation, multiplied by their years of creditable service. See S.C. Code Ann. § 9-1-1550(B)(1) (2019). The “average final compensation” used in that calculation is defined as “the average annual earnable compensation of a member during the twelve consecutive quarters of his creditable service on which regular contributions as a member were made to the system producing the highest such average.” § 9-1-10(4)(a).

This concept of “earnable compensation” is defined by the SCRS statutes as “the full rate of the compensation that would be payable to a member if the member worked the member’s full normal working time.” § 9-1-10(8)(a). In addition, section 9-1-1020 further clarifies the compensation that is includable in a member’s earnable compensation and upon which contributions are due. That section provides, in relevant part, that “[p]ayments for unused sick leave, single special payments at retirement, bonus and incentive-type payments, or any other payments not considered a part of the regular salary base are not compensation for which contributions are deductible.” Id. The SCRS statutes also provide that, “[f]or work performed by a member after December 31, 2012, earnable compensation does not include any overtime pay not mandated by the employer.” § 9-1-10(8)(b).

As a threshold matter, compensation must be paid to an individual in their capacity as an employee of a participating employer in SCRS and as a member of the system in order to be considered earnable compensation. Further, even if the compensation is paid to the individual in their capacity as an employee, it must reflect the member's normal, regular rate of pay to qualify as earnable compensation. A member's average final compensation, and the earnable compensation used in calculating that figure, is not intended to reflect an abnormal, short-term spike in a member's compensation, but is instead designed to approximate the member's highest normal rate of regular compensation earned over a sustained period of their covered employment. Cf. Duvall v. S.C. Budget & Control Bd., 377 S.C. 36, 659 S.E.2d 125 (2008); Wehle, 363 S.C., 611 S.E.2d; Kennedy v. S.C. Ret. Sys., 345 S.C. 339, 549 S.E.2d 243 (2001) (all rejecting attempts to inflate members' average final compensation with additional leave payouts that would lead to absurd results by causing the payment of actuarially unsound benefits).

It is important to note that the determination that a payment from an employer does not constitute earnable compensation for the purposes of SCRS is not necessarily a finding that the payment is illegitimate or improper or that the payment may not be compensation for other purposes, such as federal or state income taxation. For example, bonuses, severance payments, and certain types of payments for unused leave are all legitimate types of compensation that could be paid to a member by a participating employer and reported as compensation for tax purposes, but that would not be considered earnable compensation for the purposes of SCRS. See § 9-1-1020.

These payments outside of a member's regular salary base are excluded from the definition of earnable compensation not because the payments fail to qualify as compensation, but because the inclusion of those types of irregular or abnormal payments in the calculation of members' retirement benefits would undermine the actuarial basis upon which the system is funded. Member and employer contributions to SCRS are set on an actuarial basis upon which the system is funded. Member and employer contributions to SCRS are set on an actuarial basis as a percentage of employees' earnable compensation, and it is those contributions and the investment earnings on them that, when accrued over time, provide the funds for the lifetime monthly benefits payable to retirees from the System. If member and employer contributions were collected on a lower, regular compensation for most of a member's career, but the

member's lifetime monthly benefit were to be based upon a short-term, irregular spike in compensation at retirement, such as a bonus or severance payment, the resulting gap between the contributions collected over the member's career and the benefits to be paid over their retirement would be a fiscal harm to the System that would weaken its actuarial soundness.

Courts in other jurisdictions have recognized the importance of the concept of regularity in the definitions of the compensation that may be included in the calculation of pension benefits. For example, in construing a similar concept of "regular compensation" for a Boston retirement system, the Massachusetts Supreme Judicial Court recognized that such definitions of the compensation that may be included for the purposes of calculating retirement benefits provide "a safeguard against the introduction into the computations of adventitious payments to employees which could place untoward, massive, continuing burdens on the retirement systems," noting that these safeguards are "needed especially where the public entity that negotiates [the compensation] is not the one that will have to find the funds to pay the continuing retirement benefits." Boston Ass'n of School Administrators & Supervisors v. Boston Ret. Bd., 419 N.E.2d 277, 280-81 (Mass. 1981). In reaching that conclusion, the court explained that the word "'regular,' as it modifies 'compensation,' imports the idea of ordinariness or normality as well as the idea of recurrence" in determining what constitutes compensation for the purposes of calculating retirement benefits. Id. at 280. Similarly, a New York court emphasized the statutory definition of "regular compensation" in sustaining the retirement system's determination that certain longevity payments and certain payments for extra work should not be included in the calculation of the member's benefits because those payments were in the nature of a bonus or other "extraordinary" payments outside the member's employment contract. Martone v. N.Y. State Teachers' Ret. Sys., 481 N.Y.S.2d 781, 782 (App. Div. 1984).

Petitioner's Compensation from Alligator

In this matter, Petitioner contends that the compensation Alligator reported to SCRS as his wages from covered employment should be included in the earnable compensation used to calculate his benefits under SCRS and PORS. In particular, Petitioner asserts that certain large increases in his compensation reported by Alligator beginning in 2016 – namely, a 2,354% increase in reported compensation from \$12,000 annually to \$294,545 per year – should be considered his regular salary and included in his earnable compensation. However, as set forth below, the Court finds Petitioner's claim must fail because he has not shown that his reported

compensation from Alligator between September, 2006 and June, 2020 constitutes earnable compensation. Specifically, the facts of this case show his compensation from Alligator was not paid to him as an employee, but as an independent contractor pursuant to the management agreement between Alligator and O&A.

Petitioner's Relationship with Alligator

Using the four-factor common-law test for employment under South Carolina law, the evidence in this matter shows the substance and true character of the compensation paid by Alligator to Petitioner was as payments made to an independent contractor pursuant to the management contract between Alligator and O&A, and not as wages for employment for the purposes of SCRS.

Direct Evidence of the Right or Exercise of Control

Since 2002, Alligator has entirely outsourced the operation of its water and sewer services, including the position of its general manager, to O&A pursuant to the Management Agreement between Alligator and O&A. The contractor relationship established by the Management Agreement is the sole basis of any control the Alligator Board of Directors has over the operations of the water and sewer services. For example, as explained by Alligator's CPA, O&A was entirely in control of providing and approving any personnel for the operations of the water and sewer system. Further, although Alligator has reported Petitioner as an employee for certain purposes, Alligator did not have any records reflecting the normal level of control that would be expected of a true employment relationship, particularly for a highly-compensated employee. Petitioner did not have any written or oral employment contract with Alligator; did not have a written position description with Alligator; did not have any written performance reviews or evaluations from Alligator; did not have any salary schedule, compensation plan, or other written confirmation of his salary (or any changes to his salary); did not have any records of sick or annual leave accrued or used; and did not have any other comparable documentation that would substantiate an employment relationship with Alligator. In short, as provided in the Management Agreement, it was O&A, not Alligator, that was required to "[p]rovide a general manager" for the water and sewer system.

Furnishing of Equipment

Pursuant to the Management Agreement, O&A is responsible for furnishing the equipment necessary for the operation of the water and sewer system. In particular, the

Management Agreement requires O&A to “[p]rovide a general manager, office manager, administrative assistant along with a properly equipped office necessary to carry out its functions under this agreement.” While Alligator is responsible for telephone expenses, “[a]ll other office overhead expenses, including, but not limited to postage, stationary or account statements shall be paid for by [O&A].”

Method of Payment

Although Alligator reported it paid certain compensation to Petitioner as wages for employment, the method of those reported payments is not indicative of the regular wages or salary of an employment relationship. Petitioner’s reported compensation from Alligator was subject to dramatic fluctuations, such as dropping 90% from \$120,000 to \$12,000 between 2006 and 2010, and then increasing 2,354% from \$12,000 to \$294,545 from 2015 to 2017. Petitioner also experienced unusual gaps in his compensation, such as the period of nine months during 2009 and 2010 when he did not receive a paycheck and the three months between November, 2019 and February, 2020 when he missed two paychecks. Even when Petitioner received regular paychecks, they were paid on a monthly basis, which is an uncommon payroll schedule for an employee.

The record reflects that the large bonus payments that were reported for Petitioner in June, 2016 and June, 2017 were not new payments made by Alligator to Petitioner, but were simply reclassifications of amounts already paid by Alligator to O&A, revised to instead show the payments as having been made directly to Petitioner, for which Petitioner reimbursed Alligator for the tax withholding and retirement conditions. Further, the inverse relationship between the amounts reported by Alligator as contract management fees to non-employees and the salary reported to Petitioner indicates the increased compensation reported for Petitioner was a reclassification of amounts already owed pursuant to the management contract.⁴ This connection was also reflected in the 2017 letter from the President of Alligator’s Board, in which he explained the increased compensation reported for Petitioner occurred because Alligator was no longer making debt payments to O&A in lieu of compensation to Petitioner.

Finally, the amounts reported as salary for Petitioner are not credible as compensation for employment for his position. For example, the \$12,000 annual salary reported as his

⁴ This same inverse relationship holds true for the corporate and employment income reported by Petitioner on his personal tax returns.

compensation from Alligator between 2009 and 2016 would be barely above minimum wage for a year of work as a full-time employee. Similarly, a salary survey conducted by the South Carolina Rural Water and Sewer Association in 2016 shows that the increased compensation reported for Petitioner beginning in 2016 is not consistent with the amounts paid to general managers employed by similarly situated rural water and sewer systems, but would instead be over three times greater than the average salary for such general managers taken as a whole and over twice as great as the average general manager salary for even the largest systems in the survey. Taken as a whole, the method of payment for Petitioner's reported compensation from Alligator is indicative of an independent contractor, sharing in the profits and losses of a business enterprise, which is consistent with the Management Agreement between Alligator and O&A.

Right to Fire

The record does not reflect that Alligator had the right to fire Petitioner from his position as general manager. As noted above, O&A is responsible for providing the general manager position for the water and sewer system under the Management Agreement and has control over all personnel for the system's operations. Furthermore, although Petitioner contends he was terminated from employment with Alligator in June, 2020, the evidence in this case does not demonstrate the termination of an employment relationship. In the two years since Petitioner's reported termination, Alligator has not hired another general manager, Petitioner has continued to organize and attend every Alligator board meeting, and Alligator has not produced any records that document a termination of employment for Petitioner. In addition, at the hearing, Petitioner testified that the Management Agreement between Alligator and his company had been extended and would not be expiring any time soon.

Conclusion

Because Petitioner has not demonstrated that his reported compensation from Alligator between September, 2006 and June, 2020 was paid as wages or salary in an employment relationship with a participating employer, that compensation cannot be considered earnable compensation for the purposes of Petitioner's participation in SCRS. Rather, the preponderance of the evidence in this matter shows the true character of the compensation is payment to an independent contractor made pursuant to the Management Agreement between Alligator and O&A.

Petitioner's Regular Salary Base from Alligator

Although it is clear that the relationship between Alligator and Petitioner is an independent contractor relationship based upon the Management Agreement, even if some of the reported compensation had been paid to Petitioner as an employee of Alligator, the additional payments received by Petitioner from Alligator beginning in 2016 do not constitute earnable compensation for the purposes of SCRS.

As an initial matter, the \$103,000 reported by Alligator as Petitioner's compensation for the April to June quarter of 2016 clearly includes a bonus or other special payment that was not part of Petitioner's regular salary base. For the prior nineteen quarters leading up to that payment, Alligator reported Petitioner's earnable compensation as \$3,000 per quarter. The payment of an additional \$100,000 in that quarter would not be reflective of Petitioner's regular, recurring salary base and, thus, would not be considered earnable compensation for the purposes of SCRS. Similarly, the \$303,000 reported by Alligator as Petitioner's compensation for the April to June quarter of 2017 reflects a special payment that would not be earnable compensation for the purposes of the system. At the time of that reported payment, Alligator had reported Petitioner's earnable compensation as \$3,000 per quarter for twenty-two of the prior twenty-three quarters, with the one exception being the April to June quarter of 2016 when the additional \$100,000 discussed above was reported. Whether characterized as bonuses, incentive pay, or some other form of special payment, these payments of \$100,000 and \$300,000 made in the quarters ending in June, 2016 and June, 2017, respectively, are not consistent with the regular base salary of \$3,000 per quarter that Alligator had been reporting for Petitioner on a recurring and consistent basis since 2010. Therefore, these payments would not be considered earnable compensation for the purposes of SCRS.

Further, the increased compensation Alligator began reporting for Petitioner in July, 2017, in the amount of \$270,000 per year, also fall outside the regular salary base Alligator previously established for Petitioner. To the extent that this increased reported compensation does not reflect bonuses or special payments, this compensation would still include payments that, prior to these final years of his employment before retirement, had not previously been considered part of his regular salary base and had not previously been treated as wages for employment by Alligator. Whether these payments had previously been classified as payments to pay off debt Alligator owed to Petitioner, as payments to O&A pursuant to the Management

Agreement with Alligator, or as some other form of compensation, the payments had not been considered part of Petitioner's normal, regular salary from Alligator and had been paid to Petitioner outside of Alligator's employment payroll prior to 2017. To permit any such non-payroll payments to be reclassified as wages for employment and included in Petitioner's earnable compensation would allow Petitioner's average final compensation – and resulting retirement benefit – to be distorted by a short-term spike in his reported compensation that does not accurately reflect the regular salary base upon which Petitioner and Alligator had remitted contributions for the majority of his employment.⁵

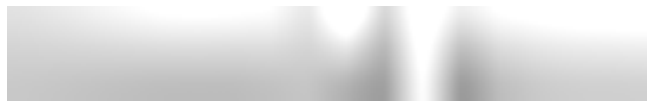
ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law:

IT IS HEREBY ORDERED that the compensation reported by Alligator for Petitioner to Respondent PEBA between September, 2006 and June, 2020 is not earnable compensation for the purposes of SCRS.

IT IS FURTHER ORDERED that, consistent with this determination, Respondent PEBA shall adjust the monthly benefit payable to Petitioner after the date of this Order as required to account for any changes to his service credit and average final compensation resulting from the exclusion of the compensation reported by Alligator as earnable compensation for Petitioner under SCRS.

AND IT IS SO ORDERED.



Deborah Brooks Durden, Judge
S.C. Administrative Law Court

March 2, 2023
Columbia, South Carolina

⁵ For example, if Petitioner's monthly SCRS and PORS benefits were based upon an average final compensation of \$270,000, his total monthly benefit amount across both plans would be nearly \$13,000 a month, such that he would receive a monthly benefit greater than the \$12,000 annual salary that was reported (and contributed upon) for nine years of his participation with Alligator.

CERTIFICATE OF SERVICE

I, Robin E. Coleman, hereby certify that I have this date served this Order upon all parties to this cause by depositing a copy hereof, in the United States mail, postage paid, or by electronic mail to the address provided by the party(ies) and/or their attorney(s).



Robin E. Coleman

Judicial Aide to Judge Deborah Brooks Durden

March 2, 2023
Columbia, South Carolina



STATE OF SOUTH CAROLINA
ADMINISTRATIVE LAW COURT
Docket No. 21-ALJ-30-0084-CC

Glenn C. Odom,)
)
Petitioner,)
)
v.)
)
South Carolina Public Employee)
Benefit Authority, South Carolina)
Retirement Systems,)
)
Respondents.)
-----)

ADMINISTRATIVE HEARING

Wednesday, November 9, 2022

10:15 a.m. - 5:44 p.m.

&

Tuesday, November 15, 2022

12:05 p.m. - to 3:08 p.m.

The hearing before the Honorable Deborah Brooks Durden was taken at the Edgar A. Brown Building, 1205 Pendleton Street, Suite 224, Columbia, South Carolina, on the 9th and 15th days of November 2022, before Cortney N. Glover, Certified Court Reporter and Notary Public in and for the State of South Carolina.



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INDEX

PAGE

Wednesday, November 9, 2022

CALL TO ORDER:

The Court. 9

OPENING STATEMENTS:

Mr. Belcher. 10
Mr. Werner 25
Mr. Belcher. 40

MR. ODOM:

Mr. Belcher . . DIRECT EXAMINATION. 44
Mr. Werner . . . CROSS-EXAMINATION. 104
Mr. Belcher . . REDIRECT EXAMINATION. 157
Mr. Werner . . . RECROSS-EXAMINATION. 167

MS. CURRIN:

Mr. Belcher . . DIRECT EXAMINATION. 170
Mr. Werner . . . CROSS-EXAMINATION. 181
Mr. Belcher . . REDIRECT EXAMINATION. 229



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Tuesday, November 15, 2022

PRELIMINARY MATTERS:

Mr. Belcher 235

MS. NICHOLS:

Mr. Belcher . . . DIRECT EXAMINATION 237

Mr. Werner . . . CROSS-EXAMINATION 290

Mr. Belcher . . . REDIRECT EXAMINATION 340

INSTRUCTIONS FROM THE COURT:

The Court 347

Certificate 352



EXHIBITS

Petitioner's Exhibit Number 1	74
(August 8, 2018, Letter)	
Petitioner's Exhibit Number 2	77,78
(September 27, 2018, Letter)	
Petitioner's Exhibit Number 3	80,81
(August 1, 2020, Letter)	
Petitioner's Exhibit Number 4	82,83
(Final Agency Determination)	
Petitioner's Exhibit Number 5	83,85
(Re: Retirement Eligibility and Estimated Monthly Benefit)	
Petitioner's Exhibit Number 6	85,92
(Payroll Transaction Listing)	
Petitioner's Exhibit Number 7	95,97
(Email Re: Employer Code 713.15)	
Petitioner's Exhibit Number 8	98,99
(Letter Re: Absentee Ballots and Voting)	
Petitioner's Exhibit Number 9	99,100
(McBee SC Concerned Citizens Documents)	
Petitioner's Exhibit Number 10	100,101
(McBee SC Concerned Citizens Documents)	
Petitioner's Exhibit Number 11	102,103
(McBee SC Concerned Citizens Documents)	
 Respondent's Exhibit Number 1	 8,73,74,110
(Documents from Petitioner's Retirement Systems Member File)	
Respondent's Exhibit Number 2	8,304
(Documents from Alligator Rural Water and Sewer Company ("ARWS") Retirement Systems Employer File)	
Respondent's Exhibit Number 3	8,125
(Logs of Petitioner's Contacts with Respondent Regarding His Retirement Benefits)	
Respondent's Exhibit Number 4	8
(South Carolina Retirement System ("SCRS") Member Account Master Service by Fiscal Year)	
Respondent's Exhibit Number 5	8
(South Carolina Police Officers Retirement System ("PORS") Member Account Master Service by Fiscal Year)	
Respondent's Exhibit Number 6	8,201
(Letter from Petitioner's Accountant to Petitioner dated June8, 2017)	

Respondent's Exhibit Number 7	8,74
(Letter from ARWS Board President to Respondent dated August 30, 2018)	
Respondent's Exhibit Number 8	8,139,322
(Email Correspondence Between Petitioner and Respondent of July 25-26, 2017)	
Respondent's Exhibit Number 9	8,320
(Email Correspondence From Respondent to ARWS of July 21, 2017)	
Respondent's Exhibit Number 10	8
(Odom and Associates ("O&A") Management Contract with ARWS)	
Respondent's Exhibit Number 11	8
(O&A Ownership Information)	
Respondent's Exhibit Number 12	8
(O&A Officer Information)	
Respondent's Exhibit Number 13	8,107
(O&A General Ledger Records)	
Respondent's Exhibit Number 14	8
(O&A Bank Records)	
Respondent's Exhibit Number 15	8,169
(O&A W-2 Forms for Petitioner)	
Respondent's Exhibit Number 16	8
(ARWS Articles of Incorporation)	
Respondent's Exhibit Number 17	8,207
(ARWS General Ledger Records)	
Respondent's Exhibit Number 18	8,207
(ARWS Bank Records)	
Respondent's Exhibit Number 19	8
(ARWS Reported SCRS Covered Payroll)	
Respondent's Exhibit Number 20	8,71
(ARWS W-2 Forms for Petitioner)	
Respondent's Exhibit Number 21	8
(ARWS Website Personnel Listing as of October 1, 2021)	
Respondent's Exhibit Number 22	8,182
(ARWS Form 990 for 2004)	
Respondent's Exhibit Number 23	8,182
(ARWS Form 990 for 2005)	
Respondent's Exhibit Number 24	8,182
(ARWS Form 990 for 2006)	
Respondent's Exhibit Number 25	8,182
(ARWS Form 990 for 2007)	
Respondent's Exhibit Number 26	8,182
(ARWS Form 990 for 2008)	
Respondent's Exhibit Number 27	8,182
(ARWS Form 990 for 2009)	

Respondent's Exhibit Number 28		8,182
(ARWS Form 990 for 2010)		
Respondent's Exhibit Number 29		8,182
(ARWS Form 990 for 2011)		
Respondent's Exhibit Number 30		8,182
(ARWS Form 990 for 2012)		
Respondent's Exhibit Number 31		8,182
(ARWS Form 990 for 2013)		
Respondent's Exhibit Number 32		8,182
(ARWS Form 990 for 2014)		
Respondent's Exhibit Number 33		8,182
(ARWS Form 990 for 2015)		
Respondent's Exhibit Number 34		8,182
(ARWS Form 990 for 2016)		
Respondent's Exhibit Number 35		8,182
(ARWS Form 990 for 2017)		
Respondent's Exhibit Number 36		8,182
(ARWS Form 990 for 2018)		
Respondent's Exhibit Number 37		8,182
(ARWS Form 990 for 2019)		
Respondent's Exhibit Number 38		8,167
(ARWS Financial Statements 2006)		
Respondent's Exhibit Number 39		8
(ARWS Financial Statements 2007)		
Respondent's Exhibit Number 40		8
(ARWS Financial Statements 2008)		
Respondent's Exhibit Number 41		8
(ARWS Financial Statements 2009)		
Respondent's Exhibit Number 42		8
(ARWS Financial Statements 2010)		
Respondent's Exhibit Number 43		8
(ARWS Financial Statements 2011)		
Respondent's Exhibit Number 44		8
(ARWS Financial Statements 2012)		
Respondent's Exhibit Number 45		8,118
(ARWS Financial Statements 2013)		
Respondent's Exhibit Number 46		8
(ARWS Financial Statements 2014)		
Respondent's Exhibit Number 47		8
(ARWS Financial Statements 2015)		
Respondent's Exhibit Number 48		8,117
(ARWS Financial Statements 2016)		
Respondent's Exhibit Number 49		8
(ARWS Financial Statements 2017)		
Respondent's Exhibit Number 50		8
(ARWS Financial Statements 2018)		
Respondent's Exhibit Number 51		8
(ARWS Financial Statements 2019)		

Respondent's Exhibit Number 52		8,203
(Minutes of Meeting of the ARWS Board of Directors for 2006)		
Respondent's Exhibit Number 53		8
(Minutes of Meeting of the ARWS Board of Directors for 2007)		
Respondent's Exhibit Number 54		8
(Minutes of Meeting of the ARWS Board of Directors for 2008)		
Respondent's Exhibit Number 55		8
(Minutes of Meeting of the ARWS Board of Directors for 2009)		
Respondent's Exhibit Number 56		8
(Minutes of Meeting of the ARWS Board of Directors for 2010)		
Respondent's Exhibit Number 57		8
(Minutes of Meeting of the ARWS Board of Directors for 2011)		
Respondent's Exhibit Number 58		8
(Minutes of Meeting of the ARWS Board of Directors for 2012)		
Respondent's Exhibit Number 59		8
(Minutes of Meeting of the ARWS Board of Directors for 2013)		
Respondent's Exhibit Number 60		8
(Minutes of Meeting of the ARWS Board of Directors for 2014)		
Respondent's Exhibit Number 61		8
(Minutes of Meeting of the ARWS Board of Directors for 2015)		
Respondent's Exhibit Number 62		8
(Minutes of Meeting of the ARWS Board of Directors for 2016)		
Respondent's Exhibit Number 63		8
(Minutes of Meeting of the ARWS Board of Directors for 2017)		
Respondent's Exhibit Number 64		8
(Minutes of Meeting of the ARWS Board of Directors for 2018)		
Respondent's Exhibit Number 65		8
(Minutes of Meeting of the ARWS Board of Directors for 2019)		
Respondent's Exhibit Number 66		8,144
(Minutes of Meeting of the ARWS Board of Directors for 2020)		
Respondent's Exhibit Number 67		8,144
(Minutes of Meeting of the ARWS Board of Directors for 2021)		

Respondent's Exhibit Number 68	8,199
(SC JEDA Bond Issuance on Behalf of ARWS)	
Respondent's Exhibit Number 69	8
(SCRWA 2005 Salary Survey)	
Respondent's Exhibit Number 70	8,135
(SCRWA 2016 Salary Survey)	
Respondent's Exhibit Number 71	8,219
(Petitioner's Income Tax Returns for 2012)	
Respondent's Exhibit Number 72	8,219
(Petitioner's Income Tax Returns for 2013)	
Respondent's Exhibit Number 73	8,219
(Petitioner's Income Tax Returns for 2014)	
Respondent's Exhibit Number 74	8,219
(Petitioner's Income Tax Returns for 2015)	
Respondent's Exhibit Number 75	8,219
(Petitioner's Income Tax Returns for 2016)	
Respondent's Exhibit Number 76	8,219
(Petitioner's Income Tax Returns for 2017)	
Respondent's Exhibit Number 77	8,219
(Petitioner's Income Tax Returns for 2018)	
Respondent's Exhibit Number 78	8,219
(Petitioner's Income Tax Returns for 2019)	
Respondent's Exhibit Number 79	8,219
(Petitioner's Income Tax Returns for 2020)	
Respondent's Exhibit Number 80	198,199
(Demonstrative Graph of Form 990s)	
Respondent's Exhibit Number 81	228
(Demonstrative Graph of Tax Returns)	
Respondent's Exhibit Number 82	236
(Odom Personnel File)	
Respondent's Exhibit Number 83	236
(Finalized Benefit Letter for SCRS)	
Respondent's Exhibit Number 84	236
(Finalized Benefit Letter for PORS)	

(The original exhibits were retained by Judge Durden.)

STIPULATIONS

It is stipulated and agreed that this hearing is being taken pursuant to the rules of the Administrative Law Court and the South Carolina Rules of Civil Procedure.

1 (Respondent's Exhibit Numbers 1 through 79 were
2 marked prior to the hearing.)

3 CALL TO ORDER:

4 **THE COURT:** All right. We're here this morning for
5 a hearing in the matter of Glenn C. Odom,
6 petitioner, versus South Carolina Public
7 Employee Benefit Authority, South Carolina
8 Retirement Systems, respondent. It's Docket
9 Number 21-ALJ-30-0084. I'm Judge Deborah
10 Durden.

11 And, Mr. Werner, how are you this
12 morning?

13 **MR. WERNER:** Doing well. Thank you, your Honor.

14 **THE COURT:** And we have Mr. Belcher?

15 **MR. BELCHER:** Yes, Judge. Good morning.

16 **THE COURT:** How are you? And let's see, with you
17 you have your client?

18 **MR. BELCHER:** Mr. Odom.

19 **THE COURT:** All right. Very good then. And are
20 there any preliminary matters that we need to
21 take up before we begin the hearing?

22 **MR. BELCHER:** None from Respondent.

23 **MR. WERNER:** None, your Honor.

24 **THE COURT:** Okay.

25 **MR. BELCHER:** Excuse me. Petitioner. I misspoke.

1 **THE COURT:** All right. Okay. All right. In that
2 case, would y'all like to do brief openings?

3 **MR. BELCHER:** Yes, Judge.

4 **THE COURT:** Okay. You can go ahead whenever you're
5 ready.

6 **MR. BELCHER:** Judge what's your protocol? Do you
7 prefer us to stand or to remain seated at the
8 table?

9 **THE COURT:** You can stand up; you can stand at the
10 table; you can stand at the podium,
11 whatever's most comfortable for you.

12 **OPENING STATEMENTS:**

13 **MR. BELCHER:** Good morning, Judge. Again, my
14 name's Reginald Belcher, and I represent the
15 petitioner, Glenn C. Odom. For more than 20
16 years, Mr. Odom was a member of the state of
17 South Carolina's retirement plan, the
18 South Carolina Public Employee Benefit
19 Authority. I'm just gonna refer to it as
20 PEBA for purposes of today's trial.

21 I'm gonna give you a summary, a short
22 executive summary and then give you a littler
23 greater detail. The executive summary is in
24 2016 Mr. Odom's regular salary increased, and
25 PEBA refused to credit his salary increase

1 toward his pension contributions, his earnable
2 compensation, as it's called, under the
3 statute.

4 Despite the salary increase, PEBA
5 continued to credit his retirement
6 contributions based on earnable compensation
7 of only \$3,000 per quarter. We deposed a
8 corporate witness from PEBA during the course
9 of this proceeding, and the witness testified
10 that PEBA did this because it considered
11 Mr. Odom's salary increase as a spike. That
12 term does not appear in the South Carolina
13 Code of Laws or in any South Carolina case
14 interpreting the State retirement statutes.
15 And it's our position that PEBA's actions
16 impermissibly and exorbitantly reduce
17 Mr. Odom's retirement benefits and directly
18 violated the applicable State retirement
19 statute.

20 We're really dealing with two statutes,
21 I think, Judge. One is average final
22 compensation for calculating PEBA retirement
23 benefits. It's South Carolina Code
24 9-1-10(4)(A), and it defines average
25 compensation for calculating PEBA retirement

1 benefits as the average annual compensation of
2 a member during the 12 consecutive quarters
3 of his credible service on which regular
4 contributions as a member were made to the
5 system producing the highest such average.

6 The other statute we're dealing with is
7 the definition of "earnable compensation."
8 South Carolina Code 9-1-1020, and that statute
9 says payments for unused sick leave, single
10 special statements at retirement, bonuses and
11 incentive-type payments or any other payments
12 not considered part of the regular salary
13 base are not compensation for which
14 contributions are deductible.

15 And, again, to wrap up this summary,
16 PEBA calculated Mr. Odom's average final
17 compensation, or AFC, based on contributions
18 during quarters in which he earned his lowest
19 salaries, \$3,000 per quarter, as opposed to
20 the 12 consecutive quarters in which he had
21 the highest average salary.

22 So more broadly, give you some
23 background about who Mr. Odom is and where he
24 worked and so forth. He worked at Alligator
25 Rural Water and Sewer Company. I'll just

1 generically refer to it as Alligator. It's a
2 water company in Chesterfield County,
3 South Carolina. The water company employed
4 Mr. Odom as its manager. It's a role in
5 which he essentially served as a chief
6 executive director, chief executive officer,
7 but his title was manager.

8 He was in charge of the water company
9 from 2006 until his retirement earlier this
10 year. There's been no dispute in the case
11 that Alligator is a statutorily defined
12 employer for purposes of PEBA's retirement
13 system. That's never been contested or
14 challenged. And it's never been contested or
15 challenged everyone agrees that Mr. Odom was
16 a statutorily defined, active member and
17 Alligator's employee for purposes of PEBA's
18 retirement system. So those two are sort of
19 undisputed facts.

20 2006 when Mr. Odom started at the water
21 company, his annual salary was \$40,000. He
22 made \$112,000 in 2007. The next three years
23 his salary dipped into the 30s, 36,000,
24 32,000, 31,000. Then he settled into a
25 period starting in 2012 where for four

1 straight years he earned \$12,000 a year as
2 his salary. That's \$3,000 a quarter. And
3 that's where PEBA gets the -- uses the
4 earnable compensation figure.

5 2016, Mr. Odom's salary increased to
6 112,000. It increased to 428,000 in 2017,
7 282,000 in 2018, and it continued into 2019
8 in the first two quarter of 2020. PEBA's
9 position in the lawsuit has been that those
10 jumps in -- those increases in salaries were
11 actuarial spikes that had -- that have been -
12 - they could exclude from his earnable
13 compensation, and that directly affected his
14 AFC upon retirement. It's our position that
15 those payments were salary; they were not
16 bonuses; they were not special payments of
17 any kind. They were regular and consistent.

18 For example, when you look at the
19 numbers, he had 15 consecutive months, 15
20 consecutive months where he earned \$22,500 a
21 month. And so over the course of these 12
22 quarters, the evidence will show his salary
23 increased or decreased some. But for the
24 most part for 15 straight months, he earned
25 the same salary, \$22,500 a month.

1 And it's explainable in this regard, the
2 water company is not a typical State agency
3 in South Carolina. The water company's sort
4 of a hybrid. It has some elements of State
5 agency, and it's those elements that afforded
6 the opportunity to be a statutorily covered
7 employer in the retirement system.

8 But in many respects the water company
9 is like a private sector business. Its
10 ability to pay employees like Mr. Odom is
11 based on the revenues of the company. If the
12 company's business improves, it can pay more
13 in the salary to Mr. Odom or other employees.
14 Conversely if its revenues diminish, it has
15 less wherewithal. It doesn't receive any
16 funding from the general assembly to pay
17 salaries. So in this regard, it's more like
18 a private sector business.

19 And the evidence will show you that
20 starting in 2016 the water company got a new
21 big customer, Nestle. Bottles water. Bought
22 a lot of water from the water company.
23 Mr. Odom, in his role as manager of the water
24 company, played a key role in recruiting
25 Nestle to Chesterfield County. When

1 Chesterfield County came in and started buying
2 really large amounts of water from the water
3 company, the water company's revenues
4 increased substantially, enough that it was
5 able to pay Mr. Odom more in line with market
6 standards for essentially chief executive
7 officers of water companies or public
8 utilities.

9 So in August of 2018, PEBA sent Mr. Odom
10 a letter or it was a letter to Alligator
11 saying that his wage increase in -- from
12 September 2017 through June 2018 were
13 ineligible wages for purposes of calculating
14 his earnable compensation. So PEBA at that
15 time said to Mr. Odom, we're only calculating
16 your earnable compensation on \$3,000 a quarter
17 because that's what you had for five straight
18 years earned.

19 So Alligator responded to PEBA and
20 explained the reasoning for his increase in
21 salary. Part of its explanation was a letter
22 from Alligator's chairman of the board. The
23 chair of the board of directors for Alligator
24 wrote a letter explaining that this is a
25 salary increase. He specifically said in

1 that letter this is not a bonus. It's not a
2 special payment. Now, during Mr. Odom's
3 employment with the company, the evidence is
4 gonna show that he never had a bonus plan; he
5 never had an agreement for a bonus; nobody
6 from the water company ever agreed to pay him
7 a bonus or any type of special payment. It
8 was always a salary throughout his employment
9 from 2006 until he retired in 2022 earlier
10 this year.

11 In attempting to explain this to PEBA,
12 Mr. Odom provided a letter from the chair of
13 the board, multiple letters from Karen Currin,
14 who's here to testify today. She's an
15 accountant that does all the accounting work
16 for Alligator, an outside third-party
17 accountant; a couple letters from legal
18 counsel, including a memorandum of law. And
19 PEBA continued to reject Mr. Odom's position
20 and continued to calculate his AFC based on
21 earnable compensation of only \$3,000 a
22 quarter.

23 Now, the 12 consecutive quarters where
24 he earned the highest average compensation was
25 the third quarter of 2017 until the end of

1 the second quarter of 2020. In those 12
2 consecutive quarters, he never earned less
3 than \$45,000 for any one quarter. And yet
4 PEBA still continuously, even on their
5 calculation of AFC that they sent to him this
6 year, continued to calculate his retirement
7 benefits on earnable compensation of only
8 \$3,000 a quarter. And for his 12 best
9 quarters, he never earned less than \$45,000 a
10 quarter.

11 At one point PEBA sent Mr. Odom or sent
12 Alligator a big check and said we're not
13 accepting any more retirement contributions
14 that are in excess of \$3,000 a month, and so
15 they refunded that money. Neither Alligator
16 or Mr. Odom had ever cashed that check. PEBA
17 issued its final agency determination that led
18 us to your court today. The final agency
19 determination they continue -- PEBA continued
20 to calculate his earnable compensation only
21 \$3,000 a month. They cited a case from
22 Massachusetts saying that PEBA's a fiduciary
23 and has an obligation to avoid actuarial
24 spikes.

25 Well, PEBA cited the case from

1 Massachusetts because, again, the
2 South Carolina Code on these retirement
3 statutes, they don't use the word "spike."
4 There's no language in there at all about a
5 spike. And PEBA has no authority, Judge, by
6 statute, regulation, or the common law in
7 South Carolina, no authority to lower his
8 earnable compensation -- earnable quarterly
9 compensation just because PEBA believes that
10 there's a spike. It's not supported by the
11 law, and that's why they had to cite a case
12 from Massachusetts.

13 Now, in the deposition we took of the
14 PEBA corporate witness, PEBA testified that it
15 concluded that Mr. Odom's salary increase is
16 constituted, quote, one-time special payments
17 because they were not regular and consistent
18 from quarter to quarter. But the evidence is
19 just the opposite. From quarter to quarter
20 he never made less than \$45,000. And for 15
21 consecutive months during that 12-quarter
22 span, he made exactly the same salary. His
23 salary fluctuated a little bit based on
24 business circumstances that the water company
25 faced during various time periods during that

1 12-month quarter.

2 But, Judge, the statute doesn't require
3 that salary remain constant over the course
4 of the 12-quarter period. It doesn't say
5 that at all. I've already read the statute
6 to you. In fact, as I've said before, the
7 term "spike" or "actuarial spike" does not
8 appear in the South Carolina Code, the
9 regulations, or any of the cases in
10 South Carolina.

11 The corporate witness for PEBA also
12 admitted during the deposition that PEBA has
13 no formula for determining whether a salary
14 increase is an impermissible spike, explaining
15 that it's, quote, a judgment based on the
16 fluctuation. PEBA has always admitted that
17 Mr. Odom never acted fraudulently and that
18 Alligator's payments to him were not illegal,
19 illegitimate, or inaccurate for any reason.
20 So it's not a case about fraud on the system
21 or anything like that. It's a simple case
22 where PEBA refused to accept Mr. Odom's
23 legitimate salary starting in 2016 until he
24 retired in 2022.

25 I think it's also interesting that in

1 the corporate deposition the PEBA deponent
2 said that it would rely on an employer's HR
3 policies and guidelines in determining whether
4 pay constituted salary or a special payment
5 or a bonus. And the Code doesn't define any
6 of these terms. But PEBA said it would rely
7 on an employer's policy or HR guidelines.
8 But yet in this instance, PEBA refused to
9 rely on a letter from the water company's
10 chairman of the board, multiple letters from
11 its outside third-party accountant, letters
12 from its outside legal counsel, and a
13 memorandum of law.

14 So we're here today, Judge, because
15 Mr. Odom is requesting an order from the
16 Court requiring PEBA to base Mr. Odom's
17 retirement contributions and benefits on his
18 total earnable compensation over those 12
19 quarters starting in the third quarter of
20 2017 through the end of the second quarter of
21 2020. Those are the 12 consecutive quarters.
22 It's not the quarters where he earned the
23 least amount of money.

24 And here's where we really have a
25 problem with the way PEBA has handled this.

1 PEBA easily could have gone in and said,
2 well, we think it's a spike -- which it
3 wouldn't have been correct. It would have
4 been incorrect do this, but PEBA could have
5 said, well, this is -- there's a spike here
6 and so we're gonna base your earnable
7 compensation and ultimately your average final
8 compensation based on the years 2006 to 2010.
9 Pick the 12 highest quarters there where he
10 made substantially more money.

11 Or it could have taken the figures
12 from -- that I've given you, those 12
13 quarters and said, well, a couple of quarters
14 he made more than 45,000, so we're just gonna
15 base his earnable compensation, and ultimately
16 his AFC based on 45,000. They did neither of
17 those things. Instead PEBA went to the years
18 where he earned the least amount of money and
19 based his earnable compensation, and
20 ultimately his AFC, based on his lowest
21 earning years. And that's a direct, direct
22 contradiction of the South Carolina statute.

23 And our position on the statute, Judge,
24 is cardinal rule of statutory construction is
25 the Court is required to look at the plain

1 unambiguous language of the statute in order
2 to understand the intent of the legislature.
3 There's nothing in the statute that gives
4 PEBA the authority or the discretion to do
5 what it's done in this case.

6 **THE COURT:** Let me ask you a question about my
7 role.

8 And, Mr. Werner, I would like you, when
9 you get up, maybe to address this issue as
10 well.

11 And that is, you know, this is a very
12 unusual trajectory of payment, which -- you
13 know, and I have a role as a finder of fact
14 here. And so my question is: Where does my
15 role as finder of fact begin and end with my
16 discretion to determine how much of this was
17 some kind of a artificially low payment that
18 then he was -- you know, being compensated
19 for? Or how much discretion do I have in
20 saying, okay, it looks to me like the
21 employer here had these crazy low salaries
22 for a few years and then they tried to repay
23 him for a couple of years and then they put
24 him back down to where, you know, maybe they
25 really intended for him to be? You know, do

1 I have any discretion to find something like
2 that or not?

3 **MR. BELCHER:** In my opinion, you do not because the
4 evidence is undisputed. The only evidence of
5 why the company did what it did rests in the
6 documents, Mr. Odom's testimony. Ms. Currin's
7 testimony, it's undisputed why the company did
8 what it did it was the wherewithal to pay.
9 It was there wherewithal to pay.

10 **THE COURT:** All right. That becomes though what is
11 the substantial evidence that ends up being
12 before me at the end of the case. So what
13 you're saying there is that I couldn't find
14 something like what I was suggesting because
15 there will be no evidence of it.

16 But my question is something different.
17 My question is: If there were evidence of
18 it, would I have any authority to make such a
19 finding? Or am I -- is it a straight up and
20 down, I chose some -- certain quarters of
21 what his pay was and I either find that or I
22 don't, you know.

23 **MR. BELCHER:** I think you choose the quarters
24 because that's what the statute says.
25 There's nothing in the statute that says,

1 hey, we're suspicious that he went from
2 12,000 to over 100,000. There's nothing in
3 the statute that says -- that gives anybody
4 any discretion to question that. Even if it
5 did, even if it did though, Judge, PEBA's
6 already said in its own final agency
7 determination that it didn't find anything
8 fraudulent, improper, or illicit of any kind.
9 This is straight up. There's no fraud on the
10 system here.

11 The statute just talks about crediting
12 somebody with their best 12 quarters, and
13 that's it. And that's all we want. It sure
14 doesn't say you get to go back and someone
15 with a 16 -- well, more than a 20-year career
16 in the system and pick out their lowest 12
17 quarters, which is what PEBA did here.

18 **THE COURT:** Yeah. I see that. Okay.

19 **MR. BELCHER:** Thank you, Judge.

20 **THE COURT:** Thank you.

21 **OPENING STATEMENTS:**

22 **MR. WERNER:** Thank you, your Honor. So to start in
23 with the question you had just asked, I think
24 you actually do have the discretion to decide
25 what Mr. Odom's earnable compensation is for

1 the purposes of the South Carolina Retirement
2 System.

3 There's really -- and this is where
4 the -- you know, and Mr. Belcher cited all
5 the correct statutory references, which are
6 the statutes we're looking at. But there's
7 several different -- you know, we need to be
8 careful on how we delineate the different
9 types of compensation and different -- you
10 know, different definitions and what we're
11 doing with each of those things.

12 For example, and the main think we're
13 here to talk about is earnable compensation.
14 Now, that's not just what you got paid. That
15 has a very specific statutory definition.
16 And Mr. Belcher referenced it in Section
17 9-1-10 of the Code of Laws. 9-1-10
18 Subsection 8 says, Your earnable compensation
19 means the full rate of compensation that
20 would be payable to a member if the member
21 worked the member's full normal working time.

22 And then as Mr. Belcher referenced in
23 Section 9-1-1020 the statutes provide
24 additional detail about what constitutes
25 earnable compensation for the purpose of the

1 retirement system. And it says, Payments for
2 unused sick leave, special single payments at
3 retirement, bonuses, incentive-type
4 payments -- and this is the key portion -- or
5 any other payments not considered part of the
6 regular salary base are not compensation for
7 which contributions are deductible.

8 So there is a whole world of
9 compensation you can receive from employment.
10 You can bet get a bonus. That's still
11 compensation. That'll show up on your W-2
12 and you'll get that bonus. But the statutes
13 say that that's not earnable compensation for
14 the retirement system. You don't contribute
15 on that. That doesn't go into your benefit
16 calculation.

17 Again, severance payments at retirement,
18 that's compensation. That'll show up on your
19 W-2. You'll pay taxes on it. It's
20 compensation to you in the general sense. It
21 may be for federal tax purpose or State tax
22 purposes. But it is not "earnable
23 compensation" as that term is defined for the
24 purpose of the South Carolina Retirement
25 System.

1 And so that's the distinction there. So
2 there's gon' be a lot of compensation, but
3 the question is: All right. Which of this
4 compensation is actually includable earnable
5 compensation that can be used to calculate
6 someone's retirement benefit. And that's --
7 the other kind of term that is seen. So it's
8 earnable compensation that as you go along a
9 new career, you contribute based upon earnable
10 compensation. Then when you go to retire,
11 there's a concept called average final
12 compensation, or AFC, and that looks at your
13 12 highest quarters of earnable compensation
14 that produces the highest, you know, annual
15 average. And that's what's used ---

16 **THE COURT:** And so ---

17 **MR. WERNER:** --- in the benefit calculation.

18 **THE COURT:** --- that leads me to another question.

19 I'm sorry to interrupt.

20 **MR. WERNER:** Yeah. No. Go ahead.

21 **THE COURT:** But Mr. Belcher raised a good point.

22 How do you justify choosing the quarters that
23 are his lowest?

24 **MR. WERNER:** Well, and that's -- your Honor, thanks
25 for asking that. I was gonna clarify that.

1 That's not -- well, couple things -- time
2 line of things to -- let me establish a line
3 time first. When the final decision was
4 written, Mr. Belcher -- I mean, Mr. Odom had
5 not retired yet. So he had -- no -- there
6 had not been a calculation of his average
7 final compensation.

8 **THE COURT:** I see.

9 **MR. WERNER:** The final determination was about the
10 quarterly reporting, what was earnable
11 compensation for the quarterly contributions
12 that were coming into the system. He has
13 since earlier this year retired and there was
14 a calculation of an AFC done to base his
15 retirement benefit on. Now, as a -- again,
16 that issue has not been ---

17 **THE COURT:** So that's the check that was returned
18 to him because you ---

19 **MR. WERNER:** The quarterly ---

20 **THE COURT:** --- he has taken the position -- well,
21 you tell me.

22 **MR. WERNER:** Well, I'm sorry, your Honor. No.
23 Yeah, your Honor. Yeah. When some of those
24 high dollar reported for his quarterly
25 contribution amounts, those were sent back as

1 excess contributions. The average final
2 compensation used to calculate his benefit was
3 not based on his lowest quarters. It
4 actually was based on the exact quarters that
5 Mr. Belcher referenced, those years that
6 produced an AFC of about \$75,000.

7 So that's the AFC that was used to
8 calculate his retirement benefit currently.
9 Now, that's a -- you know, how that would --
10 that could change based on how this case
11 comes out as far as what his earnable
12 compensation ends up being. So no but ---

13 **THE COURT:** So which quarters did you use to
14 calculate his final ---

15 **MR. WERNER:** His average -- so for that preliminary
16 benefit he's receiving now, that is using the
17 first three years he was reported as an
18 employee of Alligator. So those first three
19 years is what went into ---

20 **THE COURT:** So ---

21 **MR. WERNER:** And that -- it ends up being about --
22 and that's those years where it was like
23 96,000, 92,000. And then it drops down to
24 about 30,000. So that gives an AFC of about
25 75,000.

1 **THE COURT:** So you're talking in quarters. But
2 what I'm looking at here, I think, is annual
3 salary so ---

4 **MR. WERNER:** Yeah. And I also want to think, your
5 Honor -- and I apologize in advance -- will
6 be confusing. Most the retirement report is
7 gonna be based fiscal years. But then
8 obviously W-2s and federal tax, that's gonna
9 be on calendar years. And so we'll look at
10 the Form 990, and some of those things are
11 gonna be based on calender years so ---

12 **THE COURT:** So we're gonna talk about quarters
13 rather than years?

14 **MR. WERNER:** Right. And quarters, and -- that's --
15 now, again, the final decision that's on --
16 you know, that was -- that led to this case
17 was not really -- again, was not a finding
18 about his average final compensation. But
19 just to clean up the record, it was -- we did
20 not use his lowest quarters. We used --
21 actually gonna be those -- those first three
22 years produced the highest average if you
23 held him at 12,000 for the rest of the way
24 from 2010 on.

25 But, again, to -- the AFC is gonna still

1 gonna go back, and it's gonna base on what
2 your earnable compensation is. And that's
3 what I want to highlight. His earnable
4 compensation is really a core piece of how
5 this defined benefit plan is operating and
6 how -- I mean, all of the member
7 contributions are made as a percentage of
8 their earnable compensation. The employer
9 contributions that come in from the system
10 are made as a percentage of the earnable
11 compensation. And, again, as we just
12 discussed, when you come to draw on your
13 monthly retirement for the rest of your life,
14 that calculation is an AFC that is based on
15 the earnable -- the highest earnable
16 compensation you had as an employee.

17 So, again, all the money that comes in
18 to fund the benefits and the benefits that
19 get paid out themselves, all of this derives
20 from earnable compensation. So, again, it's
21 a key component of this system and how it's
22 funded and how it's paid. And that's where
23 those key terms and those statutes come in.
24 It's -- you're looking at the normal working
25 time. You know, you're looking at the

1 regular salary base.

2 No, there's no particular percentage
3 attached to those things. There's no
4 regulation that puts some hard breaks on what
5 is, you know, regular or not regular. But we
6 do have a statute that tells you you look at
7 if there are special payments or things that
8 are, you know, irregular that are distorting
9 what would be a regular salary base or the
10 normal working time salary. Those are things
11 you don't contribute on. Those are not
12 earnable compensation. What you're looking
13 for is, is this the regular salary base.

14 And that's something our folks do every
15 day. Every time someone retires, every time
16 there's a -- you know, that you're looking at
17 quarterly reports, you're looking to see, you
18 know, is there something in here that's
19 irregular. Is there something that maybe was
20 a bonus, not reported as a bonus, but as a
21 bonus embedded in here or there's a unused
22 leave payout that wasn't made at retirement
23 that is, you know, making a particular
24 quarter double what the person's usual
25 quarters are and you got to go -- you know,

1 there's a dialogue with the employer to see
2 what is this payment; why is this quarter so
3 much higher than this quarter?

4 And you'll research it to figure out is
5 this a special payment that should be -- that
6 should have not been included in earnable
7 comp, or is this something that is and truly,
8 in fact, part of the regular salary base?
9 And that's something a basic control our
10 claims department does hundreds of times a
11 day to make sure that the right contributions
12 are coming in, to make sure the right
13 benefits are being paid out.

14 And so what you have in this case is,
15 again, you have Petitioner claiming a salary
16 increase of 2,354 percent. An over 2,000
17 percent increase in salary is still part of
18 the regular salary base and should be
19 included in earnable compensation. That's
20 'cause you see calculated the benefits. So
21 even being paid for six or nine years at a
22 low rate of \$12,000 a year, an increase of
23 over 2,000 percent increase to nearly \$300,000
24 a year is -- their argument is that's the
25 regular salary base. And I think what you'll

1 is see is that argument will not hold up.

2 I do want to clarify they're the moving
3 party. So, again, they have the burden of
4 proof in this de novo proceeding. I think it
5 is -- again, as a de novo proceeding, I think
6 we do have the discretion to say whether
7 these payments are considered earnable
8 compensation or not for the purposes of his
9 participation in the retirement system.

10 And I think they're gonna fail to meet
11 that burden for two reasons: One, they're
12 not gonna be able to show that these
13 increases -- this increased compensation was
14 paid to him in the context of an employment
15 relationship, rather these payments appear to
16 be part of an independent contractor
17 arrangement he has with his company, Odom &
18 Associates and Alligator Rural Water and
19 Sewer.

20 But, your Honor, even if these payments
21 were paid as part of the employment
22 relationship with Alligator Water, they're not
23 gonna be earnable compensation. As we just
24 talked at length, these are not like anything
25 like a regular salary base. This is not --

1 again, there was no change in job title, job
2 duties, job description, responsibilities.
3 He's been in the exact same job and there's a
4 2,354 percent increase in salary. That
5 raises a red flag, to say the very least.

6 So obviously we have a lot of documents,
7 you know, to walk through. There are a lot
8 of moving pieces here. There's Alligator
9 Rural Water Service. There's Odom &
10 Associates that has a management contract to
11 run Alligator's operations. And then there's
12 Mr. Odom's personal finances as well. So
13 there's a lot to go through. But I think,
14 again, when you look at the totality of that,
15 the petitioner would not be able to prove its
16 burden that these payments are earnable
17 compensation for the purposes of the
18 retirement system.

19 Oh, we do have for Plaintiff's Exhibits
20 1 through 79 that I believe we're willing to
21 stipulate to the admissibility of.

22 **MR. BELCHER:** Yes, Judge, we don't object to that.
23 We both produced every document we've, and
24 neither one of us objected it. We've gotten
25 along real well.

1 (Respondent's Exhibit Numbers 1 through 79 were
2 admitted into evidence.)

3 THE COURT: All right. So we've got -- these are
4 respondent's ---

5 MR. WERNER: Respondent's Exhibits 1 through 79.

6 MR. BELCHER: And, Judge, my exhibits I didn't
7 number, but they're going to be redundant
8 with his. And I only have a handful.

9 THE COURT: Okay. Were all of yours included in
10 his 1 through 79?

11 MR. BELCHER: I don't know that. Probably. I
12 don't know that though.

13 MR. WERNER: I think a majority -- I don't know for
14 certain if every single exhibit is, but a lot
15 of it is.

16 MR. BELCHER: Well, we can go one by one on mine.
17 I only have a handful.

18 THE COURT: Okay. I'd like to suggest, for keeping
19 things easy, if you -- if your document is
20 identical to his, if we could just refer to
21 the one that's been admitted by
22 stipulation ---

23 MR. BELCHER: Sure, sure.

24 THE COURT: --- to that number.

25 MR. BELCHER: Sure.

1 **THE COURT:** And then if you have one that's
2 different in any way or, you know, has
3 additional pages to it.

4 **MR. BELCHER:** Sure.

5 **THE COURT:** If there's anything different -- I'm
6 not trying to discourage you from ---

7 **MR. BELCHER:** I understand.

8 **THE COURT:** --- hindering anything. Only I -- it
9 would make it easier for me when I'm trying
10 to get a handle on all these documents after
11 y'all aren't here to flip me to the right
12 page if we could ---

13 **MR. BELCHER:** Be as efficient as possible.

14 **THE COURT:** --- keep it consistent with the number.

15 **MR. BELCHER:** I understand.

16 **MR. WERNER:** Yes, your Honor. Definitely. I'll
17 try to make sure that he's got -- I know
18 what's in our exhibits. I'll try and point
19 that out ---

20 **THE COURT:** Okay.

21 **MR. WERNER:** --- as we kind of cross-reference ---

22 **MR. BELCHER:** Can I have a brief rebuttal on the
23 opening?

24 **THE COURT:** Oh.

25 **MR. WERNER:** Yeah. Well, let me -- do you want the

1 exhibits first?

2 **THE COURT:** Okay. So --

3 Yes. But hold on.

4 **MR. BELCHER:** All right.

5 **THE COURT:** What is that box?

6 **MR. WERNER:** This is -- I've got three sets of the
7 exhibits. This is a copy for the Court to
8 keep. And then I've got a copy for the
9 witness and a copy for us to use as the
10 attorneys. So ---

11 **THE COURT:** Okay. And is it in notebooks, in
12 files ---

13 **MR. WERNER:** Files, tabs. Rebecca did a very nice
14 job. There's an exhibit list in the front
15 and they're premarked with exhibit stickers.

16 **THE COURT:** Okay. So are these the original
17 exhibits then?

18 **MR. WERNER:** Yes. This will be the original set
19 for the Court to ---

20 **THE COURT:** That are marked?

21 **MR. WERNER:** They are marked.

22 **THE COURT:** Okay.

23 **MR. WERNER:** I just -- leave this here, or do you
24 want them up there with you? Whatever your
25 Honor's preference is.

1 **THE COURT:** Why don't we put that -- this courtroom
2 is very awkward.

3 **MR. WERNER:** I know. We can't get to each other.

4 **THE COURT:** Can you just hand me that, and I'm
5 gonna put it up here between me and Byron
6 unless somebody has -- unless anybody has an
7 objection to us just keeping these up here
8 and y'all looking at the others ---

9 **MR. WERNER:** Yeah. I mean, I've got -- these are
10 identical. These are all -- there are three
11 identical sets, your Honor, of what was just
12 produced in that box.

13 **THE COURT:** Okay. And that way if we need to look
14 at something that's -- I can look at these
15 copies. Let's take that lid off up here.
16 Okay. All right. Very good.

17 All right. So is that the end of your
18 opening then?

19 **MR. WERNER:** Yes, Your Honor, that concludes my
20 opener. Thank you.

21 **THE COURT:** All right. Your rebuttal then?

22 **OPENING STATEMENTS:**

23 **MR. BELCHER:** I just wanted a brief two-minute
24 rebuttal, Judge, because it goes to sort of
25 the heart of the case here. You heard

1 Mr. Werner eloquently say, well, Mr. Odom
2 went and got a salary increase. It was
3 2,000 percent and he didn't have any change
4 in job duties, job titles, or
5 responsibilities.

6 That's the way the world works. That's
7 the way the water company worked. That's the
8 way it works at my law firm. And it's a key
9 difference between -- again, this water
10 company is sort of a hybrid entity. It's
11 State agency pursuant to participation in the
12 retirement system. But for most other
13 purposes, it operates like a private sector
14 business.

15 At my law firm, if I have a big year and
16 knock it out, bring in a lot of money, I'm
17 gon' get a big increase. And if it's a 2,000
18 percent increase, that's just good for me.
19 And many times in the course of my working
20 career, I've gotten a salary increase and I
21 didn't get a change in job duties, job
22 titles, or responsibilities. That's not
23 required. That is simply not required. And
24 to say that somebody gets a big percentage
25 increase doesn't mean anything. That just

1 means the water company did real well. And
2 you're gonna hear that evidence.

3 If the water company has this big, new
4 customer and Mr. Odom's responsible for
5 recruiting that customer and that customer's
6 all of a sudden buying millions of gallons of
7 water from the water company and the revenues
8 go through the roof, yeah, I can afford to
9 pay him more. And it's not a bonus; it's not
10 an incentive; it's not a special payment.
11 It's a salary.

12 The last thing that I wanted to remind
13 the Court is that PEBA said many times in the
14 corporate deposition that it has fiduciary
15 responsibilities to the benefit plan. And it
16 does. I don't dispute that. But I will
17 remind the Court that under South Carolina
18 Code 9-16-40 in the retirement system statute
19 that particular section discusses standards
20 for discharge of duty, a fiduciary duty.
21 PEBA owes, according to the statute, a
22 fiduciary duty not only to the plan, to the
23 system itself, but to the participants and
24 beneficiaries. 9-16-40-1 -- or excuse me --
25 9-16-40, Subsection 1 says PEBA has to to act

1 solely in the interest of the retirement
2 system, the participants, and the
3 beneficiaries. And it's our position that it
4 did not act as a fiduciary with regard to
5 Mr. Odom as a participant. Thank you, Judge.

6 **THE COURT:** All right. And how do you want to
7 proceed then?

8 Mr. Belcher, do you want call your first
9 witness now? Do y'all need a break to look
10 at -- look through the documents and make
11 sure everything is ...

12 **MR. BELCHER:** We're ready to go.

13 **THE COURT:** Okay.

14 **MR. BELCHER:** We're ready to go. If we need to do
15 that, we can take a time-out.

16 **THE COURT:** Okay.

17 **MR. BELCHER:** Would you rather me sit or stand,
18 Judge?

19 **THE COURT:** Whatever you want do is fine. Whatever
20 works best.

21 **MR. BELCHER:** Justin, do you want to sit or stand?

22 **MR. WERNER:** I don't really have a preference.
23 Either way.

24 **MR. BELCHER:** We'll just sit, if that's all right
25 with the Court.

1 **THE COURT:** Okay.

2 **PETITIONER'S CASE IN CHIEF:**

3 **MR. BELCHER:** All right. We call Glenn Odom as our
4 first witness.

5 **THE COURT:** Mr. Odom, if you'll step up here, the
6 court reporter will swear you in.

7 **GLENN ODOM,** having been duly sworn, testifies as
8 follows:

9 **MR. BELCHER:** Judge, I'm gonna go ahead and stand.
10 I think it'll be easier for Mr. Odom to see
11 me if he needs to.

12 **THE COURT:** That's fine.

13 **MR. ODOM - DIRECT EXAMINATION BY MR. BELCHER:**

14 Q: Good morning, Mr. Odom.

15 A: Morning.

16 Q: Would you state your full name for the
17 record?

18 A: Glenn Carlisle [ph] Odom.

19 Q: What's your date of birth, Mr. Odom?

20 A: 6/26/1949.

21 Q: What's your current address?

22 A: 49 West Oak Street, McBee.

23 Q: Is that in Chesterfield County?

24 A: That's correct.

25 Q: During your working career, were you a member

1 participant in the PEBA Retirement System?

2 A: Yes, sir.

3 Q: Who were your employers during the time
4 period you were a member of the PEBA
5 Retirement System?

6 A: Alligator Rural Water Company.

7 Q: Anyone else?

8 A: I was magistrate. But I believe it was
9 before that date that PEBA's attorney talked
10 about. And I've served as a mayor and that
11 type thing. And I think maybe there's some
12 benefits. But that's the -- what do you call
13 it? -- PORS. So I think we're talking two
14 different animals there.

15 Q: What year did you begin working with
16 Alligator?

17 A: Somewhere, as paid, in early 2000s. I don't
18 remember exactly. It may have been '06.

19 Q: When did you finally retire from Alligator?

20 A: The last day of June 2020.

21 Q: June of 2020?

22 A: Yes, sir.

23 Q: I think I misspoke earlier and said 2022.

24 A: Right.

25 Q: Roughly how many years of service credit do

1 you have under the retirement system?

2 A: I don't remember whether it's 28 or 30,
3 because I think there's other years. I'm not
4 sure how they coexist or intermingle either,
5 so I'm not sure.

6 Q: Is Alligator a covered employer for purposes
7 of the PEBA Retirement System?

8 A: Yes, sir.

9 Q: Describe for the Court the business operations
10 of Alligator Rural Water and Sewer Company.
11 In other words, what does the company do?

12 A: Alligator Water and Sewer Company started out
13 originally as a small, rural water company
14 that provided water to 100 rural customers.
15 Along the way, it's added another 1900
16 customers, several large industries. One
17 of -- you had mentioned Nestle came in in
18 2015 and started purchasing a lot of water.
19 We also added sewer services along the way,
20 which brought in more revenue. But Alligator
21 has signed contracts with every town in
22 Chesterfield County except Cheraw that we
23 supply the water to all of them. So now we
24 are a large water wholesaler.

25 The first year that we were in

1 operation, we pumped 700,000 gallons. Last
2 year we pumped 1,100,000,000 gallons. And we
3 did about 50 million gallons of sewer. So
4 the company has grown a whole lot more than
5 2,000 percent.

6 Q: Is the company set up as a not-for-profit
7 business?

8 A: Yes, it is.

9 Q: You heard me in my opening statement say that
10 Alligator Water Company has many
11 characteristics similar to a private sector
12 business. Would you agree with that?

13 A: Yes, sir.

14 Q: In what respects?

15 A: The company was set up under the old Farmers
16 Home Administration, but it was State
17 legislation that kind of went hand-in-hand
18 with it to set it up like that so it would be
19 able to operate at the cheapest way so the
20 rural customers could afford it. So State
21 benefits, we purchased under State contract.
22 We buy our fuel under State contract and
23 things like that.

24 So -- but we have to make technically a
25 profit to keep the company open, to keep

1 the -- you know, make your payments and that
2 type thing. So in that way, we are a
3 for-profit even though we're set up under
4 nonprofit. And the big thing is we don't
5 have to pay federal income tax. And that's
6 why that was done by the government to start
7 with.

8 Q: Would it be fair and accurate to say that
9 even though Alligator is set up as a
10 not-for-profit business or entity that
11 generating revenues is extremely important to
12 the survivability of the company?

13 A: Yes, sir.

14 MR. WERNER: Objection, your Honor. That's a
15 leading question.

16 A: Yes, sir. We have to pay for it.

17 THE COURT: Okay. When an objection is made, I
18 need you to stop ---

19 MR. ODOM: Okay.

20 THE COURT: --- until I rule on the objection.

21 MR. ODOM: Okay.

22 THE COURT: Thank you. All right.

23 MR. BELCHER: I'll rephrase.

24 THE COURT: Okay. Thank you.

25 Q: Does the company rely on generation of

1 revenues to survive?

2 A: Yes. Like any business.

3 Q: To your knowledge, has PEBA ever contested or
4 denied that you were a member in the
5 retirement system?

6 A: No, sir.

7 Q: To your knowledge, has PEBA ever contested
8 that Alligator was a covered employer in the
9 retirement system?

10 A: No, sir.

11 Q: What was your job title when you retired at
12 Alligator?

13 A: General manager of Alligator Water and Sewer
14 Company.

15 Q: Did you ever have any other job title during
16 your employment at Alligator?

17 A: Yes. In the beginning I had no title. And
18 then it went to manager of Alligator. When
19 we went to sewer and water, for some reason
20 they just -- the board wanted me to be the
21 general manager. There again, it's a title
22 tacked up on the door that doesn't mean
23 anything.

24 Q: Did your job duties change at all when you
25 went from manager to general manager?

1 A: Not in writing. But they did because of
2 sewer. And they also wanted me to join in
3 with the county economic development team to
4 bring companies to Chesterfield County. And
5 I've had hundreds and hundreds of meetings
6 with Fortune 500 companies and the likes to
7 be able to bring some -- we've brought
8 several companies, and we've kept several
9 companies. So it did change a good bit from
10 the 700,000 gallons a year to a billion
11 so ...

12 Q: What year roughly did you become general
13 manager?

14 A: I -- I'm thinking somewhere 2014, 2015 time
15 frame.

16 Q: Describe for the Court your job duties and
17 your role as general manager of the water
18 company.

19 A: I manage 15 or 18 employees. We have 14
20 Wells. We have a major water treatment
21 plant. We have 10 or 12 large sewer
22 industrial contracts. We have contracts with
23 all the towns in Chesterfield County and the
24 other rural customer, Chesterfield rural
25 customer. And I interact with the County

1 economic development board and the electric
2 industries that -- we meet often there to be
3 able to discuss bringing somebody else. So
4 the duties have changed many, many times
5 since the beginning -- over the course of
6 time.

7 Q: Did you have a written job description for
8 your role as general manager?

9 A: No.

10 Q: You mentioned in your earlier testimony that
11 you recruited companies to conduct business in
12 Chesterfield County; did I get that correct?

13 A: Yes, sir.

14 Q: Besides Nestle, can you give us some examples
15 of other companies who you successfully
16 recruited?

17 A: Carpenter Industries is a stainless steel
18 manufacturer. They were sold and had no
19 sewer. And I was able to work with them to
20 bring sewer. They invested about
21 \$200 million, and that saved 200 jobs.

22 A.O. Smith is one of the largest
23 employers in Chesterfield County. They're in
24 our area. They had close to 1,000 employees
25 and they were going to have to shut down

1 because of no sewer. And, again, I was
2 instrumental in putting together, through the
3 federal government and State government to
4 bring suer and was able to save those jobs.

5 We're working with four different
6 industries right now, and we have made --
7 they're top of the list because we have
8 plenty of water. And we're one of the few
9 that has plenty of water.

10 I also worked with President Obama's
11 administration. Our area is known for
12 peaches. Anybody says McBee, they say good
13 peaches. But they are treated with chemicals
14 to kill things, and it got in the aquifer.
15 And DHEC and the EPA had found so much poison
16 in wells. But I was able to work with
17 President Obama's administration to get
18 \$25 million to build a treatment plant. We
19 got 21 million in grants. So, you know, I
20 deal with the State economic development. I
21 deal with State funded and that type thing.
22 So there's something different every week.

23 Q: Of the companies that you mentioned, were you
24 directly responsible for recruiting them to
25 Chesterfield County?

1 A: I was directly responsible for keeping them.
2 They would have left. But also a subsidiary
3 of Carpenter Industries, I helped bring them
4 in. They probably have 30 or 40 employees.

5 There's a trucking company we brought in
6 to work with Nestle. So there are a lot of
7 support businesses that we've brought.

8 Q: Were all of those companies commercial
9 customers of the water company?

10 A: Yes, sir.

11 Q: Would you deem them major customers based on
12 their water and sewage usage?

13 A: Yes, sir.

14 Q: Even though your job title was general
15 manager, I described earlier to the judge
16 that you essentially served as the water
17 company's chief executive director or chief
18 executive officer. Was I correct in that
19 description?

20 A: Yes. I started out with a shovel and ended
21 as the general manager so ...

22 Q: Throughout your career at Alligator, did you
23 report to the company's board of directors?

24 A: Yes, sir. All the time.

25 Q: How many members are on the water company's

1 board of directors?

2 A: Seven.

3 Q: Was that number roughly consistent throughout
4 your employment there?

5 A: Ever since it was created.

6 Q: You heard Mr. Werner in his opening say you
7 were not an employee of Alligator, that you
8 were an independent contractor; do you recall
9 that?

10 A: Yes, sir.

11 Q: Throughout your employment with Alligator, did
12 the company pay you a salary?

13 A: Yes, sir.

14 Q: Did it report your wages to the Internal
15 Revenue Service via a Form W-2?

16 A: Yes, sir.

17 Q: Did Alligator ever pay you with a Form 1099?
18 And I'm talking about you personally.

19 A: No, sir.

20 Q: When you worked at Alligator, did the company
21 provide you with any employee benefits?

22 A: Yes, sir.

23 Q: What employee benefits did you receive?

24 A: State insurance, State retirement, whatever
25 was customary. Just like Chesterfield Rural's

1 our sister water company. It's set up under
2 the same rules, and they have the same
3 benefits as we do.

4 Q: Did the company provide you with any paid or
5 unpaid time off like vacation time or sick
6 pay or anything like that?

7 A: Yes, sir. Vacation and sick time.

8 Q: Did Alligator maintain workers' compensation
9 insurance on you during your employment?

10 A: Yes, sir.

11 Q: Did Alligator Water Company -- I misspoke --
12 Alligator Rural Water and Sewer Company pay
13 payroll taxes to the State and federal
14 government on your behalf?

15 A: I'm not sure of the -- I mean, they were
16 paid. They -- there again, the accountant
17 took them out and paid them. So I paid them
18 but through the water company, is what I'm
19 trying to say.

20 Q: Did the water company maintain a personnel
21 file for you?

22 A: Yes, sir.

23 Q: Did the water company provide the equipment,
24 supplies, and materials necessary for you to
25 perform your job?

1 A: Yes, sir.

2 Q: Did you ever have to provide or come out of
3 pocket and pay for equipment, supplies, and
4 materials that were necessary for you to
5 perform your job?

6 A: No, sir.

7 Q: Throughout your employment with Alligator, did
8 the company always maintain the right to
9 discipline you as an employee?

10 A: Yes, sir.

11 Q: Did the company maintain the right to
12 discharge you, to fire you?

13 A: Yes, sir.

14 Q: Did the board of directors hold you to any
15 performance expectations?

16 A: Yes, sir.

17 Q: Did the board of directors evaluate your job
18 performance?

19 A: Yes, sir.

20 Q: Did the company maintain an employee handbook
21 containing policies and procedures?

22 A: Yes, sir.

23 Q: Did the company require you to follow those
24 policies and procedures?

25 A: Yes, sir.

1 Q: Throughout your employment with Alligator,
2 were you subject to all of the company's
3 policies and procedures?

4 A: Yes, sir.

5 Q: Were you subject to discipline, up to and
6 including discharge, if you failed to follow
7 those policies and procedures?

8 A: Yes, sir.

9 Q: Who would have been in charge of disciplining
10 or firing you?

11 A: The executive committee, which is the
12 chairman, vice chairman, secretary, and
13 treasurer.

14 Q: In your role as manager and then subsequent
15 as general manager, were you required to
16 administer and enforce the policies and
17 procedures of the company?

18 A: Yes, sir.

19 Q: Were you in charge of disciplining or
20 discharging employees?

21 A: Yes, sir.

22 Q: Did you have employees who you directly
23 supervised?

24 A: Yes, sir.

25 Q: Give me a ballpark figure on the number of



1 employees at any one given time who you
2 directly supervised at Alligator?

3 A: 15 to 18.

4 Q: There were several -- well, let me ask this:
5 Were there several years where your salary at
6 Alligator was \$12,000 a year?

7 A: Yes, sir.

8 Q: Would you consider that to be a low salary
9 for someone with your job responsibilities?

10 A: Yes, sir.

11 Q: Why did you accept such a low salary?

12 A: I was -- I essentially started the water
13 company, and it took a while to build it up.
14 And, you know, because of -- especially 2008,
15 2009. Those years were downturns. The money
16 just did not come in. And then things turned
17 around. Nestle came in. We signed the
18 contract selling a lot of wholesale water
19 that brought in \$200,000 a month from that.

20 And things went up and the board
21 increased the pay.

22 Q: During the years that you earned \$12,000 a
23 year, did the company have the financial
24 wherewithal to pay you more?

25 A: No, sir.

1 Q: During your employment at Alligator, did the
2 board of directors set your pay?

3 A: Yes, sir.

4 Q: During your employment at Alligator, did you
5 have the authority to set your own pay?

6 A: No, sir.

7 Q: During your employment at Alligator, did the
8 company ever pay you based on the completion
9 of a particular project or job assignment?

10 A: No, sir. I've done 18 separate water phases
11 through federal or State government. And
12 none of that impacted my pay. It just made
13 us larger and made us bring in more money.
14 But no bonus or if you bring in X number of
15 dollars you're gon' get this; no, sir.

16 Q: You were never incentivized, in other words?

17 A: No, sir.

18 Q: Did the board of directors tell you this is
19 gonna be your pay for a particular time
20 period and that was it?

21 A: No, sir.

22 Q: How did it work?

23 A: The board looked at end of the year, reviewed
24 where we were financially with the auditor's
25 report and saw that, you know, everything was

1 going fine, making money or whatever. And
2 they either gave me a raise or left things as
3 it was.

4 Q: Did the board evaluate your job performance
5 each year?

6 A: Yes, sir.

7 Q: Did your pay fluctuate at any time based on
8 your job performance?

9 A: I can't answer that. The board evaluated and
10 they either left my pay the same or gave me
11 a -- they met in executive session, so I
12 don't know their reasoning.

13 Q: Did you ever have an employment contract, a
14 written employment contract with the water
15 company?

16 A: No, sir.

17 Q: Did you ever have a verbal employment
18 contract?

19 A: No, sir.

20 Q: You are an at-will employee; correct?

21 A: Yes, sir.

22 Q: You understand what that term means?

23 A: Yes, sir.

24 Q: That means -- and correct me if I'm wrong --
25 does that mean that the water company had the

1 right to fire you at any time for any or no
2 reason?

3 A: That's correct.

4 Q: Did the water company maintain regular
5 business hours?

6 A: Yes, sir.

7 Q: What were the business hours of the water
8 company?

9 A: Our regular hours are 8:00 to 5:00, Monday
10 through Friday. But my hours are 24/7, 365.
11 So a lot of 3:00 o'clock in the morning
12 calls.

13 Q: For emergencies and so forth?

14 A: Yes, sir.

15 Q: Did the water company require you to work the
16 regular 8:00 to 5:00?

17 A: Yes, sir.

18 Q: Monday through Friday?

19 A: Yes, sir.

20 Q: Did you ever have a written contract
21 guaranteeing you a bonus of any kind?

22 A: No, sir.

23 Q: Did you ever have a verbal agreement with the
24 board of directors that would pay you a bonus
25 of any kind?

1 A: No, sir.

2 Q: How about did you ever have any agreement at
3 all, written or verbal, guaranteeing you an
4 incentive payment if you did certain things?

5 A: No, sir.

6 Q: Did the board of directors have the right to
7 establish your job duties?

8 A: Yes, sir.

9 Q: Did the board of directors have the right to
10 change your job duties?

11 A: Yes, sir.

12 Q: Did the board require to you follow its
13 instructions and direction?

14 A: Yes, sir.

15 Q: Did you hear Mr. Werner earlier reference an
16 entity called Odom & Associates?

17 A: Yes, sir.

18 Q: Describe for the Court the business purpose
19 or function of Odom & Associates. In other
20 words, what is Odom & Associates?

21 A: Odom & Associates is a company that -- I have
22 rental properties, probably 50 of those. I
23 have farms. I have -- I harvest pine straw.
24 I have big warehouses that does warehousing,
25 a myriad of other things. And I had a Huddle

1 House restaurant.

2 And the contract was that -- between
3 Odom and Alligator that I would -- my company
4 would provide some services, a number of
5 employees, and an on-call service-type thing.

6 Q: So let's back up for a second. Are you the
7 owner of Odom & Associates?

8 A: Yes, sir.

9 Q: Is it a private-sector business?

10 A: Yes, sir.

11 Q: Does it have employees?

12 A: Yes, sir.

13 Q: Roughly how many employees does Odom &
14 Associates have at a given time?

15 A: Three, I believe.

16 Q: And did Alligator and Odom & Associates have
17 a contractual relationship with each other?

18 A: Yes, sir.

19 Q: Are Alligator and Odom & Associates separate
20 and distinct business entities?

21 A: Yes, sir. The three employees of Odom are
22 not covered under State benefits, experience
23 no State retirement, no State health plan.
24 They are employees of Odom & Associates.

25 Q: Was your employment at Alligator separate and

1 distinct from your role at Odom & Associates?

2 A: Yes, sir.

3 Q: Did Alligator directly pay Odom & Associates
4 for services that Odom & Associates performed
5 on behalf of the water company?

6 A: There again, let me think there. And there
7 again, yes.

8 Q: The payments that Alligator made to Odom &
9 Associates, were those separate and distinct
10 from your salary with Alligator?

11 A: Yes, sir.

12 Q: I think you testified earlier -- and correct
13 me if I'm wrong -- did Alligator increase
14 your salary roughly in or about 2016?

15 A: I think that's correct; yes, sir.

16 Q: Did your role with Odom & Associates affect
17 your salary with Alligator in any way?

18 A: No, sir.

19 Q: Did the Alligator board of directors approve
20 the contract between Odom & Associates and
21 Alligator?

22 A: Yes, sir. And the federal government.

23 Q: Did you have the authority to approve the
24 business relationship or the contract between
25 Odom & Associates and Alligator?

1 A: No, sir.

2 Q: Did Alligator ever pay you, as part of your
3 salary at the water company, for work that
4 Odom & Associates performed?

5 A: No, sir.

6 Q: Did you ever seek to defer any of your
7 compensation with Alligator to a later date?

8 A: No, sir.

9 Q: Why did Alligator increase your salary in
10 2016?

11 A: A large upswing in income. And that was also
12 sent to PEBA by the auditor or whatever that
13 points out how much more money was coming in
14 and there was -- you know, to keep me in line
15 with what other managers in the state were
16 making.

17 Q: Was it your impression or your understanding
18 that other water company operators made more
19 money than you?

20 A: Yes, sir.

21 Q: How do you know that?

22 A: I have a lot of friends in the industry, and,
23 you know, they would tell me what they were
24 making. They were making 240, 250 and
25 whatever so ---

1 Q: When you say 240, 250, do you mean 240 to
2 \$250,000 per year?

3 A: Correct.

4 Q: And that was in 2016?

5 A: That's correct.

6 Q: And it's your understanding that's the
7 industry average for water company operators?

8 A: Best of my knowledge; yes, sir.

9 Q: In the state of South Carolina?

10 A: Yes, sir.

11 Q: Did you ever renegotiate a wastewater
12 treatment contract with the City of
13 Hartsville?

14 A: Yes, sir.

15 Q: Did you mention that earlier? Was that part
16 of your earlier testimony?

17 A: No, sir.

18 Q: This is in addition to that?

19 A: Yes, sir.

20 Q: That would have been in roughly 2014?

21 A: Yes, sir.

22 Q: When did Nestle Waters begin conducting
23 business in Chesterfield County?

24 A: I believe they opened up -- it was sometime
25 in 2015. I don't remember the date.

1 **MR. BELCHER:** Permission to approach Mr. Odom? I
2 want to show him a document to refresh his
3 recollection on some data, your Honor.

4 **THE COURT:** Okay.

5 Q: I'm gonna show you a document that you had
6 previously -- it's an affidavit that you
7 swore, Mr. Odom.

8 A: Okay.

9 Q: And I want you to refer to that. I'm gonna
10 ask you some questions.

11 A: All right.

12 Q: Did you ever ask an accounting firm to
13 provide a financial analysis of Alligator for
14 the period of 2010 to 2018?

15 A: Yes, sir.

16 Q: Was the accounting firm Phillips, Currin &
17 Company?

18 A: Yes, sir.

19 Q: Does that company serve as Alligator's outside
20 accountants or auditors?

21 A: Yes, sir.

22 Q: I want you to refresh your recollection by
23 looking -- starting at paragraph 26,
24 Mr. Odom, in that affidavit. According to
25 the third-party accountant's analysis, did

1 Alligator Sewer revenues increase from 2010 to
2 2018?

3 A: Yes, sir.

4 Q: By how much?

5 A: From three ---

6 Q: An increase of how much in dollars?

7 A: From 311,000 to 658,000.

8 Q: What was the percentage increase in those
9 sewer revenues?

10 A: 111 percent.

11 Q: According to the accountant's analysis, did
12 Alligator's water revenues increase from 2010
13 to 2018?

14 A: Yes, sir.

15 Q: By what dollar amount did the water revenues
16 increase during that eight-year period?

17 A: 1,185,225.

18 Q: And what percentage increase was that?

19 A: 62 percent.

20 Q: And looking at paragraph 28 to refresh your
21 recollection, how much did the company's total
22 water and sewer revenues increase for that
23 eight-year period in dollars?

24 A: \$1,531,779.

25 Q: And what percentage increase was that?

1 A: 69 percent.

2 Q: And you said -- I want you to refer to
3 paragraph 31 to refresh your recollection.
4 What year did Nestle come into Chesterfield
5 County to conduct business?

6 A: It came in on 2014. But I believe they began
7 operation January 1st, 2015. But it could
8 have been in '14. It's hard to remember.

9 Q: And after Nestle came in, did Alligator's
10 annual water revenues increase between 2013
11 and 2018?

12 A: Yes, sir.

13 Q: By how much?

14 A: \$699,009.

15 Q: And what percentage increase was that?

16 A: 29 percent.

17 Q: Did Alligator enjoy its highest water and
18 sewer revenues ever during the period 2016 to
19 2018?

20 A: Yes, sir.

21 Q: I want to you look at paragraph 37 to refresh
22 your recollection. Just to clarify for the
23 Court, what did Alligator base your annual
24 compensation on?

25 A: Alligator based my annual compensation on my

1 job performance and the company's financial
2 success and ability to pay.

3 Q: What were the three highest revenue-producing
4 years in Alligator's history?

5 A: 2016, 2017, 2018.

6 Q: Have you engaged at any time in any fraud in
7 attempting to receive your State retirement
8 benefits?

9 A: No, sir.

10 Q: How about any misrepresentation of any kind?

11 A: No, sir.

12 Q: Have you acted unlawfully in any way during
13 this process?

14 A: No, sir.

15 Q: Did Alligator always consistently report all
16 of your quarterly earnings to PEBA?

17 A: Yes, sir.

18 Q: I'm gonna show you a multipage exhibit that
19 we produced in discovery.

20 **MR. BELCHER:** If I could approach the witness,
21 Judge?

22 **THE COURT:** Uh-huh.

23 Q: Mr. Odom, these are a series of documents
24 that I ---

25 **THE COURT:** Have they been marked?

1 **MR. BELCHER:** We've marked them. We haven't marked
2 these an exhibit yet, Judge. We've marked
3 them as Petitioner 224 through 234.

4 **MR. WERNER:** Your Honor, they may be -- I think
5 this cross reference -- these will be, I
6 think, let's see -- hang on just a second.

7 **THE COURT:** Take your time.

8 **MR. WERNER:** Yeah, Judge, I think that same packet
9 is Respondent's Exhibit 20.

10 **MR. BELCHER:** I think it's 15 -- no.

11 **MR. WERNER:** No.

12 **MR. BELCHER:** Never mind. Number 20?

13 **MR. WERNER:** Yeah.

14 **MR. BELCHER:** Okay. It's Exhibit 20, Judge.

15 **THE COURT:** Okay.

16 Q: It's Exhibit 20, Mr. Odom. Mr. Odom, I'd
17 like you to flip through this exhibit and
18 identify and tell the Court what this exhibit
19 is.

20 **(Respondent's Exhibit Number 20 was referenced at**
21 **this time.)**

22 A: I've had cataract surgery, but it looks like
23 W-2s and statements of earnings, that type
24 thing.

25 Q: You would agree these are W-2 forms that

1 Alligator provided to you and the federal
2 government based on your earnings of the
3 company?

4 A: Yes, sir.

5 Q: For the time period 2010 to 2018; is that
6 correct?

7 A: Yes, sir.

8 Q: And I think your testimony earlier was
9 Alligator always paid you via W-2; correct?

10 A: Yes, sir.

11 Q: You can, I guess, give that to the court
12 reporter, Mr. Odom. We're finished with that
13 exhibit.

14 **MR. BELCHER:** I don't know the number, Justin.

15 **MR. WERNER:** I think it's gonna be in there. We
16 can keep that separate, if you want.

17 **MR. BELCHER:** Yeah. We'll just mark this as
18 Petitioner's 1.

19 **MR. WERNER:** Sure.

20 **MR. BELCHER:** I'm gonna show Mr. Odom an exhibit,
21 if I could approach?

22 We're gonna mark this as Petitioner's
23 Exhibit 1.

24 **THE COURT:** Can you present it to the court
25 reporter and have her mark it?

1 **MR. BELCHER:** Yes. Petitioner's Exhibit 1.

2 **(Petitioner's Exhibit Number 1 was marked for**
3 **identification purposes.)**

4 **THE COURT:** Thank you.

5 Q: Mr. Odom, do you recognize this document?

6 A: Yes.

7 Q: Describe to the Court what this document is.

8 A: It's a letter to the office manager from PEBA
9 stating a check for \$58,204.79, which
10 represents ineligible contributions were
11 omitted to SCRS for special payments made to
12 Glenn Odom during fiscal year 2018.

13 Q: Stated differently, this letter is showing you
14 that PEBA is sending you back, refunding
15 retirement contributions that Alligator made
16 on your behalf?

17 A: Yes, sir. It also says wages allowed for
18 four quarters \$3,000 per quarter.

19 Q: And let me ask this. And this is a PEBA
20 document for the quarter September 2017.
21 What were the wages recorded?

22 A: \$49,090.90.

23 Q: And then what were the wages recorded for the
24 December, March, and June quarters?

25 A: 73,636,035 for all three quarters.

1 Q: Each quarter.

2 A: I'm sorry.

3 Q: Each quarter was that amount; correct?

4 A: Each -- same amount each quarter, 73 -- yeah.

5 **MR. BELCHER:** We move to enter this Petitioner's 1.

6 **MR. WERNER:** No objection, your Honor.

7 **THE COURT:** Petitioner's 1 is admitted.

8 **(Petitioner's Exhibit Number 1 was admitted into**
9 **evidence.)**

10 **MR. WERNER:** This is Respondent's 7.

11 **MR. BELCHER:** This is 7?

12 **MR. WERNER:** Yeah.

13 **MR. BELCHER:** Judge, this exhibit that I'm gonna
14 show Mr. Odom has already been entered as
15 Respondent's 7.

16 **THE COURT:** Okay.

17 Q: I'm gonna show you a one-page document,
18 Mr. Odom, and tell me if you recognize this
19 document.

20 **(Respondent's Exhibit Number 7 was referenced at**
21 **this time.)**

22 A: Yes, sir. It's a letter dated August 30th,
23 2018, to Ms. Tammy B. Nichols, CPA, executive
24 director of South Carolina PEBA. And it's
25 from Mr. Wade Huggins, board president of

1 Alligator.

2 Q: Is this Alligator's board chair, his response
3 to the previous exhibit?

4 A: Yes, sir.

5 Q: When PEBA sent you the refund, Alligator
6 responded with this letter?

7 A: Yes, sir.

8 Q: And I'm gonna read a sentence out of this
9 letter. You tell me if I read it wrong.
10 We're gonna publish this sentence to the
11 Court.

12 **THE COURT:** Can I interrupt for just a moment?

13 **MR. BELCHER:** Yes, Judge.

14 **THE COURT:** This exhibit is missing from my box.
15 There is no 7 in this box. We go straight
16 from 6 to 8. They're nicely numbered.

17 **MR. WERNER:** Okay.

18 **THE COURT:** Okay.

19 **MR. WERNER:** Sorry about that, your Honor.

20 **THE COURT:** Thank you. I've got it now.

21 **MR. WERNER:** Okay.

22 **THE COURT:** You can resume your questioning.

23 Q: Tell me if I read this correctly, Mr. Odom.

24 Alligator's board chair wrote to PEBA
25 and said the organization's able to pay his

1 base salary -- referring to you -- to be in
2 line with other executive directors of water
3 companies as well, as his time spent to grow
4 infrastructure in Chesterfield County, which
5 in turn grows the water company customer
6 base.

7 Mr. Odom has been very instrumental in
8 bringing new industry into the county. One
9 example is the Nestle water company, as well
10 as the new IGA and the satellite location for
11 Northeastern Technical College to be located
12 at the Alligator Industrial Park.

13 Mr. Odom's gross monthly pay is \$24,545,
14 which is \$294,545.40 a year.

15 Did I read that correctly?

16 A: Yes.

17 Q: Is there anything inaccurate in this letter?

18 A: No, sir.

19 Q: You can give that to the court reporter.
20 It's already been accepted into evidence.

21 **MR. BELCHER:** Judge, we're gonna mark this exhibit
22 as Petitioners 2.

23 **THE COURT:** Okay.

24 Q: Mr. Odom, I'm gonna give you this and ask you
25 to ask the court reporter to mark as

1 Petitioner's 2.

2 **(Petitioner's Exhibit Number 2 was marked for**
3 **identification purposes.)**

4 Q: Do you recognize this document, Mr. Odom?

5 A: Yes, sir.

6 Q: Is this document PEBA's response to the board
7 chair's letter that you just testified about?

8 A: Yes, sir.

9 Q: And in this letter, am I correct for the
10 first time PEBA says, Alligator Rural
11 Water-Sewer has no longer directly employed
12 its workers but is contracted with the
13 private entity Odom & Associates; correct?

14 A: Yes.

15 Q: So in this letter PEBA's, for the first time,
16 taken the position that somehow you're not an
17 employer; you're an independent contractor.
18 Is that what you took this letter to mean?

19 A: Yes, sir.

20 Q: Do you disagree with that?

21 A: I disagree.

22 Q: You can give that to the court reporter.

23 **MR. BELCHER:** We'll move to enter that into
24 evidence as Exhibit -- Petitioner's Exhibit 2.

25 **MR. WERNER:** No objection, your Honor.

1 **THE COURT:** Petitioner's 2 is admitted without
2 objection.

3 **(Petitioner's Exhibit Number 2 was admitted into**
4 **evidence.)**

5 **MR. BELCHER:** Judge, is it time to take a short
6 break?

7 **THE COURT:** Yeah.

8 **MR. BELCHER:** We've been going for a long time.

9 **THE COURT:** It is. Are you -- are we at a place --
10 are you finished with this witness or ---

11 Q: I'm not finished, but I would like to take a
12 short break.

13 **THE COURT:** Okay. All right. I'm always up for a
14 break. I appreciate it when people let us
15 know that it's time. Let's do that. Let's
16 take a ten-minute break.

17 **(A break was taken from 11:46 a.m. until**
18 **12:05 p.m.)**

19 **THE COURT:** Whenever you're ready.

20 **MR. BELCHER:** Thank you, Judge.

21 Q: Mr. Odom, did PEBA send multiple
22 correspondence either to you or Alligator or
23 Ms. Currin during 2018, 2019 about these
24 issues?

25 A: Yes, sir.

1 Q: And did someone respond on your behalf each
2 time?

3 A: Yes, sir.

4 Q: And I mentioned her name. Who is Karen
5 Currin?

6 A: Ms. Currin is sitting over here. She is
7 the -- owns the company that keeps books for
8 Alligator and does financials, that type
9 thing.

10 Q: Ms. Currin's a certified public accountant;
11 correct?

12 A: That's correct.

13 Q: Does she work at Phillips, Currin & Company?

14 A: Yes, sir.

15 Q: An accounting firm?

16 A: Yes.

17 Q: And that's a company that's outside of
18 Alligator; correct?

19 A: That's correct. She's located in Hartsville.

20 Q: Did she respond to PEBA more than once on
21 your behalf on these issues?

22 A: Yes, sir.

23 Q: And we've already entered into evidence the
24 board chair responded once; correct?

25 A: Yes.

1 Q: Did your legal counsel respond to PEBA on
2 multiple occasions regarding these issues?

3 A: Yes.

4 Q: And PEBA continuously disagreed with your
5 position; correct?

6 A: Yes.

7 Q: I'm next gonna show you a document.

8 **MR. BELCHER:** And we'll mark this as Petitioner's
9 Exhibit 3.

10 Q: Mr. Odom, I would ask that you provide this
11 to the court reporter so she can mark this as
12 Petitioner's Exhibit 3.

13 **(Petitioner's Exhibit Number 3 was marked for**
14 **identification purposes.)**

15 Q: This looks to be a letter from PEBA to Gail
16 Edwards at Alligator Rural and Water -- Rural
17 Water and Sewer Company; is that correct?

18 A: Correct.

19 Q: What's the date on this letter, Mr. Odom?

20 A: August 11th, 2020.

21 Q: And what's the gist of this letter?

22 A: Notice: Advise Alligator that a check in the
23 matter of \$63,364.80 has been issued and will
24 be mailed to the above address from SCRS for
25 special payments made to Glenn Odom during

1 the fiscal year.

2 Although Mr. Odom has filed an appeal
3 regarding his earnable compensation, that
4 appeal is still ongoing and PEBA's prior
5 decision regarding his earnable compensation
6 will remain the status quo while that appeal
7 is pending.

8 Q: And this letter indicates that PEBA is
9 allowing \$3,000 a quarter to be credited as
10 your earnable compensation; correct?

11 A: Correct.

12 Q: Despite each of the four quarters listed on
13 here being substantially more than that;
14 correct?

15 A: Correct.

16 Q: If you give that document to the court
17 reporter?

18 **MR. BELCHER:** And I'll move to enter that as
19 Petitioner's Exhibit 3.

20 **THE COURT:** Is there any objection to the admission
21 of Petitioner's 3?

22 **MR. WERNER:** No. Sorry. There's no objection,
23 your Honor.

24 **THE COURT:** It's admitted without objection.

25 **(Petitioner's Exhibit Number 3 was admitted into**

1 **evidence.)**

2 Q: I'm next gonna show you a multipage exhibit
3 that we'll mark as Petitioner's Exhibit 4.

4 Mr. Odom, I'd like, again, for you to
5 give this to the court reporter and ask her
6 to mark that as Petitioner's Exhibit 4.

7 **(Petitioner's Exhibit Number 4 was marked for**
8 **identification purposes.)**

9 Q: This looks to be a document issued by PEBA.
10 It's titled Final Agency Determination, and
11 the date on the back is February 12, 2021.
12 Do you recognize this document, Mr. Odom?

13 A: Yes, sir.

14 Q: Do you recognize this as PEBA's final
15 decision on the issues that we're in court
16 today about?

17 A: Yes, sir.

18 Q: Did you read this document?

19 A: Yes, sir.

20 Q: And I'm assuming you disagreed with PEBA's
21 conclusions?

22 A: Yes, sir.

23 Q: You can give that to the court reporter.

24 **MR. BELCHER:** And we'll move to enter that as
25 Petitioner's Exhibit 4.

1 **MR. WERNER:** No objection, your Honor.

2 **THE COURT:** It's admitted.

3 **(Petitioner's Exhibit Number 4 was admitted into**
4 **evidence.)**

5 Q: I'm gonna show you, Mr. Odom, a multipage
6 exhibit that PEBA provided to us -- or PEBA
7 sent to you, I should say. I'd ask that you
8 give that to the court reporter so she can
9 mark this as Petitioner's Exhibit 5.

10 **(Petitioner's Exhibit Number 5 was marked for**
11 **identification purposes.)**

12 Q: Date on this letter says May 2, 2022. Do you
13 agree with that, Mr. Odom?

14 A: Yes, sir.

15 Q: Is this a letter from PEBA to you?

16 A: Yes, sir.

17 Q: And what does this letter indicate?

18 A: Retirement eligibility and estimated monthly
19 benefits.

20 Q: Does it give you an estimated gross monthly
21 benefit?

22 A: Yes, sir.

23 Q: What's the amount of the estimated gross
24 monthly benefit?

25 A: \$1,136.58.

1 Q: If you'll go to the third page of this
2 document where it says average final
3 compensation. Did PEBA calculate your average
4 final compensation based on your highest
5 earning years -- your highest earning
6 quarters, I should say?

7 A: No, sir.

8 Q: What were your highest earning quarters,
9 Mr. Odom? What years would those have been?

10 A: That would have been 2017 through 2020.

11 Q: Have you done the math ever to see what your
12 estimated gross monthly benefit would have
13 been had PEBA calculated your AFC based on
14 your highest 12 quarters?

15 A: Yes, sir.

16 Q: What did your calculation show your estimated
17 monthly benefit should have been?

18 A: I'm sorry. I don't remember what those are.
19 It's been so long ago.

20 Q: Was it more than \$10,000 a month?

21 A: Yes, sir. Yes, sir.

22 Q: If you give that to the court reporter.

23 **MR. WERNER:** And we'll move to enter this document
24 as Petitioner's Exhibit 5.

25 **MR. BELCHER:** All right. Any objection to the

1 Petitioner's 5?

2 **MR. WERNER:** No objection, your Honor.

3 **THE COURT:** It's admitted.

4 **(Petitioner's Exhibit Number 5 was admitted into**
5 **evidence.)**

6 Q: I'm next gonna show you, Mr. Odom, an exhibit
7 that we produced to PEBA, and it's titled
8 Payroll Transaction Listing. I'd like you to
9 give this to the court reporter, and she can
10 mark that as Petitioner's Exhibit 6.

11 **(Petitioner's Exhibit Number 6 was marked for**
12 **identification purposes.)**

13 Q: Do you recognize this document, Mr. Odom?

14 A: Yes.

15 Q: Who created this document?

16 A: Karen Currin.

17 Q: Did she do you -- do so per your instruction
18 or your request?

19 A: Yes, sir.

20 Q: Is this document a summary?

21 A: Yes, sir.

22 Q: What does it summarize?

23 A: Summarizes what payroll is from
24 6/18/22 monthly -- I'm sorry -- from
25 2/27/20 through 6/18/20. But the other back

1 pages -- I'm going backwards. I'm sorry.

2 Q: Let me help you here. Does this document
3 show your monthly salary at Alligator starting
4 in January 2018 through the middle of 2020?

5 A: That's correct.

6 Q: Now, we want to look at this -- I want you to
7 look at this quarterly. And let's start from
8 2018, Mr. Odom. First quarter of 2018, based
9 on this document, would you agree that your
10 quarterly -- for Quarter 1 in 2018 your
11 earnings were \$73,636?

12 A: Yes, sir.

13 Q: For Quarter 2, April, May, and June, your
14 quarterly earnings were the same, \$73,636?

15 A: Yes, sir.

16 Q: For the third quarter of 2018, would you
17 agree your quarterly earnings were \$67,500?

18 A: Yes, sir.

19 Q: For the fourth quarter of 2018, would you
20 agree that your quarterly earnings were
21 \$67,500?

22 A: Yes, sir.

23 Q: Go to the second page that summarizes your
24 earnings in 2019. Do you see that?

25 A: Yes, sir.

1 Q: For each of the first three quarters of the
2 year, what were your quarterly earnings,
3 \$67,500?

4 A: Correct.

5 Q: For each of the first three quarters?

6 A: Yes, sir.

7 Q: The fourth quarter, your earnings dropped to
8 45,000; correct?

9 A: That's correct. But hold -- I'm just ---

10 Q: Is that correct only because you're not
11 showing a December in that quarter?

12 A: That's correct.

13 Q: If you go to the first page, these are your
14 earnings in 2020; correct?

15 A: Correct.

16 Q: And you didn't have any earnings in 2020 for
17 the third and fourth quarter; is that right?

18 A: That's correct.

19 Q: For the first quarter, were your earnings
20 \$90,000?

21 A: I'm a little confused on here. There's --
22 2/27/20's the first one, and 2/27/20 is the
23 second one. And those three add up to be
24 sixty-seven five.

25 Q: It does look like you've got a redundant

1 entry, doesn't it?

2 A: Yes, sir.

3 Q: Would have been paid twice on February 27th?

4 A: No. It sounds like though that one of those
5 should have been January's pay. I think
6 this ...

7 Q: So either the 90,000's correct, but that
8 entry is wrong; it should have been January?
9 Or it's a redundant entry and you pay was
10 67,500?

11 A: Five.

12 Q: Correct?

13 A: That's correct.

14 Q: And your pay for the same quarter was 67,500;
15 correct?

16 A: Correct.

17 Q: Now, the previous exhibit, do you recall your
18 quarterly earnings for the third and fourth
19 quarter of 2017?

20 A: (No response.)

21 Q: I'm gonna help you with that.

22 A: No.

23 Q: I'm gonna help you with that.

24 A: I don't remember.

25 **MR. WERNER:** If I could get the court reporter to

1 show Mr. Odom Petitioner's Exhibit 1?

2 Q: So let's run through it, Mr. Odom. According
3 to PEBA, your quarterly earnings in
4 September 2017 were what?

5 A: 49,090.

6 Q: Just over 49,000?

7 A: Correct.

8 Q: And your quarterly earnings for December 2017
9 were what?

10 **MR. WERNER:** Objection. Real quick, your Honor,
11 I'm just making sure to the phrase of the
12 question. Because according to PEBA, these
13 were his wages. We're just saying what was
14 reported to us by -- so this is not us
15 finding those were his actual wages.

16 **MR. BELCHER:** I'm just saying according to PEBA
17 because it's on a PEBA document.

18 **MR. WERNER:** Yeah. I just want to be clear that
19 this is not a finding that we have made.
20 Those are his wages.

21 **THE COURT:** Okay.

22 **MR. BELCHER:** These are wages that Alligator
23 reported to PEBA on Mr. Odom's behalf.

24 **MR. WERNER:** Yeah.

25 **THE COURT:** Okay. So tell me what document we're

1 in. We're in number ---

2 **MR. BELCHER:** We're looking at Exhibit 1,
3 Petitioner's Exhibit 1.

4 **THE COURT:** Oh, I'm looking in the wrong place
5 then. That's my problem. Petitioner's 1. I
6 don't think I have that one. Okay.

7 Q: Your quarterly earnings in September 2017 were
8 just over \$49,000?

9 A: Correct.

10 Q: And Alligator reported earnings for the fourth
11 quarter in 2017 of 73,636; correct?

12 A: Correct.

13 Q: And then what we just established through
14 Exhibit 6, which is the document to your
15 left, when we go into 2018, your earnings you
16 just testified were -- the first two quarters
17 each were 73,636; correct?

18 A: Correct.

19 Q: The next two quarters 67,500?

20 A: Correct.

21 Q: Then you flip the page to 2019, the middle
22 page. And you just testified that your
23 quarterly earnings for the first three
24 quarters each month -- each quarter were
25 67,500?

1 A: Correct.

2 Q: And then 45,000 for Q4?

3 A: Correct.

4 Q: And then on the very first page wrapping this
5 up is the -- these are the 11th and 12th
6 quarters for this 12-quarter consecutive
7 series. Your reported earnings were either
8 90,00 or 67,500 for Quarter 1 depending on
9 whether that was a mistake; correct?

10 A: Correct.

11 Q: And then 67,500 for Quarter 2; correct?

12 A: Correct.

13 Q: So based on these documents in this
14 12-quarter period, the lowest earnings that
15 Alligator ever reported to PEBA on your
16 behalf was \$45,000; correct?

17 A: Correct.

18 Q: When you look at Exhibit 6, Mr. Odom, I want
19 you to tell me how many consecutive months
20 your pay was \$22,500 a month -- or 22,500 a
21 pay period, I should say. How many pay
22 periods consecutively?

23 A: 24.

24 Q: 24 consecutive pay periods you had exactly
25 the same pay?

1 A: Correct.

2 MR. BELCHER: We'll move to introduce Exhibit 6 --
3 move to admit it.

4 THE COURT: Any objection to Petitioner's 6?

5 MR. WERNER: No objection, your Honor.

6 THE COURT: It's admitted.

7 (Petitioner's Exhibit Number 6 is admitted into
8 evidence.)

9 Q: Did Alligator report all of the earnings that
10 you just reviewed in Exhibit 6 to PEBA?

11 A: Yes, sir.

12 Q: As a general practice, did Alligator always
13 consistently report all of your quarterly
14 earnings to PEBA?

15 A: Yes.

16 Q: I think you mentioned earlier that you were,
17 at one point, the mayor of the town of McBee?

18 A: Yes.

19 Q: About how many years were you mayor?

20 A: Two.

21 Q: So you've been a mayor. You've also been ---

22 A: Magistrate.

23 Q: Magistrate? In McBee?

24 A: Yes.

25 Q: So you've been somewhat of a public figure in

1 Chesterfield County?

2 A: Yes. And been municipal court judge also.

3 Q: How many years?

4 A: I believe that was three years.

5 Q: Have you ever heard of a group called the
6 McBee South Carolina Concerned Citizens?

7 A: Yes, sir.

8 Q: What is that group?

9 A: It's kind of a -- it's created by a couple of
10 business men that were anti-Alligator Water
11 Company. And we still don't know the reason
12 why they were anti-Alligator Water Company.

13 Q: Had they had clashed with you publicly on any
14 issue?

15 A: Several times.

16 Q: Give us an example of the types of disputes
17 that the citizens -- McBee south Carolina
18 Concerned Citizens have had with you.

19 A: Alligator was to receive an \$18 million
20 funding from the Department of Agriculture.
21 They flew lobbyists and political people to
22 Washington to stop us building our own
23 wastewater treatment plant, even though we had
24 obtained the permit for it.

25 Q: Has there ---

1 A: The same people that had poisoned the aquifer
2 with the peach poison.

3 Q: Has there ever been litigation between you
4 and the McBee SC Concerned Citizens Group?

5 A: Yes. And there's on going. We're scheduled
6 for December 6th. I have sued the present
7 mayor of McBee for libel, defamation, slander,
8 conspiracy. And Mr. McLeod, the owner of the
9 peach farm, we are scheduled to go to court
10 December 6. Plus I have an on going lawsuit
11 against Mr. McLeod, the peach owner for
12 contaminating my spring well sites.

13 Q: Did any of these disputes that you've had
14 with the McBee SC Concerned Citizens Group,
15 did any of those disputes involve your
16 participation in the State Retirement System?

17 A: Not to my knowledge. I've been told that,
18 but I don't have first-hand knowledge.

19 Q: Is your participation in the South Carolina
20 Retirement System a subject of any of the
21 litigation you've had with these groups or
22 individuals?

23 A: No, sir.

24 Q: I'm gonna show you a document that we
25 received from PEBA.

1 **MR. BELCHER:** And we'll mark this as Petitioner's
2 Exhibit 7.

3 **Q:** And I would like you to give this to the
4 court reporter, and she'll mark that at
5 Petitioner's Exhibit 7.

6 **(Petitioner's Exhibit Number 7 was marked for**
7 **identification purposes.)**

8 **Q:** It's a two-page document. It looks to be an
9 email exchange from various individuals at
10 PEBA; is that correct?

11 **A:** Yes, sir.

12 **Q:** Who's the email from on the first page of
13 this exhibit on page 759?

14 **A:** From tnichols@peba2m ---

15 **Q:** In the signature block does it say Tammy B.
16 Nichols, CPA?

17 **A:** That's correct.

18 **Q:** What does it list her job title as?

19 **A:** Retirement finance director.

20 **Q:** I'd like to publish this into the record,
21 this email. And I want to you correct me if
22 I read it wrong, Mr. Odom. From Ms. Nichols.
23 And what's the date of this, Mr. Odom?

24 **A:** The date is March 10th, 2017.

25 **Q:** Correct me if I read this wrong.

1 Can someone with access to Facebook look
2 at a page called McBee SC Concerned Citizens
3 and print a copy of any information related
4 to facts concerning one of our covered
5 employers Alligator Rural Water and Sewer
6 Company.

7 Also please print anything on that page
8 that you see that is related to one of their
9 members, Glenn Odom or to Odom & Associates.
10 Let me know when you have something, and I'll
11 be glad to come get it. Or if you want to
12 copy and send us the electronic version, that
13 would be great too. Thank you.

14 Did I read that correctly?

15 A: That's correct.

16 Q: Do you recall receiving this as part of the
17 pre-trial discovery in this case?

18 A: Correct.

19 Q: What was your response when you saw this?

20 A: I was very concerned what did that have do
21 with my State retirement or for this to be in
22 my retirement file at the State. I mean,
23 it -- I have fought with these people for
24 years. They've reported me and Alligator to
25 Office of Inspector General, Department of

1 Agriculture, I've been investigated and been
2 audited by them twice. Nothing found wrong.
3 I've been investigated by SLED on three
4 occasions. 82 complaints. And that's part
5 of this on going lawsuit.

6 These same people filed a fictitious
7 lawsuit, and they've tried to withdraw it
8 against Glenn Odom. It's been ten years of
9 this constant harassment. And what is this
10 doing in my PEBA file?

11 Q: Were you surprised that PEBA asked for this
12 information?

13 A: Very surprised.

14 Q: Were you surprised that it was part of your
15 file with PEBA?

16 A: Very surprised.

17 Q: I'm next gonna show you a multipage exhibit
18 that we'll --

19 **MR. BELCHER:** Oh, I'd move to enter Exhibit 7 into
20 evidence, Judge.

21 **MR. WERNER:** No objection, your Honor.

22 **THE COURT:** Petitioner's 7 is admitted.

23 **(Petitioner's Exhibit Number 7 is was admitted into**
24 **evidence.)**

25 Q: I'm next gonna show you, Mr. Odom, a

1 multipage exhibit that we will ask the court
2 reporter to mark as Exhibit 8, Petitioner's
3 Exhibit 8.

4 **MR. BELCHER:** There's another sticker on there.
5 You can ignore that.

6 **(Petitioner's Exhibit Number 8 was marked for**
7 **identification purposes.)**

8 Q: Mr. Odom, that is a document that PEBA marked
9 with 8/21 to 8/23 on the numbering. I'd like
10 you to review this document and tell me when
11 you're finished.

12 A: Okay.

13 Q: What is this document?

14 A: That is a document that was filed on behalf
15 of some people that have run for mayor and
16 run for town council that same time that I
17 did contesting an election. I'm trying to
18 find the date.

19 Q: Some election where you ran for mayor;
20 correct?

21 A: Yes, sir.

22 Q: Does this have anything at all to do with
23 your retirement benefits?

24 A: I don't know the retirement law, but I can't
25 see why it does.

1 Q: Were you surprised this was in your file when
2 we received it from PEBA?

3 A: Very, very.

4 **MR. BELCHER:** We'll move to enter this into
5 evidence as Petitioner's Exhibit 8.

6 **MR. WERNER:** No, objection, your Honor.

7 **THE COURT:** Petitioner's 8 is admitted.

8 **(Petitioner's Exhibit Number 8 was admitted into**
9 **evidence.)**

10 Q: I'm next gonna show you a multipage exhibit,
11 Mr. Odom, that, again, we received from PEBA
12 in discovery.

13 **MR. BELCHER:** We'll ask the court reporter to mark
14 this as Petitioner's Exhibit, I think, 8.

15 **COURT REPORTER:** 9.

16 **MR. BELCHER:** 9. Excuse me.

17 **(Petitioner's Exhibit Number 9 was marked for**
18 **identification purposes.)**

19 Q: This is a document that appears to be from
20 the McBee SC Concerned Citizens; is that
21 correct?

22 A: Correct?

23 Q: What does this document say or describe?

24 A: It's saying that I'm running for mayor and
25 that if they don't vote the right way that

1 Alligator Water will take over the town of
2 McBee's water system.

3 Q: This is a hit piece against you; correct?

4 A: Yes, sir.

5 Q: Basically telling people don't vote for you
6 because of these political reasons; right?

7 A: Yes, sir.

8 Q: Were you surprised this was in your file,
9 your PEBA file?

10 A: Again, very much.

11 Q: Does it have anything at all to do with your
12 application or receipt of State retirement
13 benefits?

14 A: No, sir.

15 Q: Give that to the court reporter. We'll move
16 to enter that as Petitioner's Exhibit 9.

17 **MR. BELCHER:** No objection, your Honor.

18 **THE COURT:** Petitioner's 9 is admitted.

19 **(Petitioner's Exhibit Number 9 was admitted into**
20 **evidence.)**

21 Q: I'm next gonna show you a multipage exhibit
22 that we received from PEBA, Mr. Odom. And if
23 you'll ask the court reporter to mark that as
24 Petitioner's Exhibit 10.

25 **(Petitioner's Exhibit Number 10 was marked for**

1 **identification purposes.)**

2 Q: Mr. Odom, this looks like it's a court order
3 of some kind, and it's titled Municipal
4 Election Commission. You're listed as the
5 respondent. What's all this about?

6 A: Well, the -- me and the two ladies. I won
7 the mayor and the two ladies won town
8 council. And these losers appealed to the
9 MEC, the election.

10 Q: Does this have anything at all to do with
11 your application for or receipt of State
12 retirement benefits?

13 A: Not to the best of my knowledge.

14 Q: Were you surprised this was in our PEBA file?

15 A: Again, very surprised.

16 Q: You give that to the court reporter.

17 **THE COURT:** We'll move to enter that as
18 Petitioner's Exhibit 10.

19 **MR. WERNER:** No objection, your Honor.

20 **THE COURT:** Petitioner's 10 is admitted.

21 **(Petitioner's Exhibit Number 10 was admitted into**
22 **evidence.)**

23 Q: I'm gonna show you one last exhibit,
24 Mr. Odom. It's been a long morning. This is
25 another multipage exhibit that PEBA produced

1 to us.

2 **MR. BELCHER:** We'll mark this as Petitioner's
3 Exhibit 11. It's a long document. I want
4 you to flip through it and tell me if you
5 recognize it and ask the court reporter to
6 mark it as Petitioner's 11.

7 **(Petitioner's Exhibit Number 11 was marked for**
8 **identification purposes.)**

9 Q: Mr. Odom, does this appear to be a document
10 or series of documents from the McBee SC
11 Concerned Citizens Group?

12 A: Yes, sir.

13 Q: Mr. Odom, does this document accuse you of
14 all kinds of wrongdoing?

15 A: Yes, sir.

16 Q: Do you dispute, deny the allegations in this
17 document?

18 A: Yes, sir.

19 Q: Would you describe this document as a
20 political hit piece?

21 A: Yes, sir.

22 Q: Does this document have anything at all to do
23 with your application for or receipt of State
24 retirement benefits?

25 A: No, sir.

1 Q: Were you surprised this was in your PEBA
2 retirement file?

3 A: Yes.

4 Q: Can you give that to the court reporter?

5 **MR. BELCHER:** And we'll move to enter that as
6 Petitioner's Exhibit 11.

7 **MR. WERNER:** No objection, your Honor.

8 **THE COURT:** All right. Petitioner's 11 is
9 admitted.

10 **(Petitioner's Exhibit Number 11 was admitted into**
11 **evidence.)**

12 Q: So, Mr. Odom, we discussed various exhibits
13 starting with Exhibit 8 all the way through
14 Exhibit 10 on what you described as political
15 hit pieces. Why do you think that they were
16 in your PEBA file?

17 A: I have no idea.

18 Q: By including them in your PEBA file -- well,
19 first by requesting them and then including
20 them in your PEBA file, do you believe PEBA
21 considered those in making its decisions with
22 regard to your retirement benefits?

23 A: Yes, I do.

24 **MR. BELCHER:** I don't have any other questions for
25 Mr. Odom.

1 **THE COURT:** All right. Do y'all want to take a
2 lunch break now? I assume you're gonna have
3 some cross-examination for this witness?

4 **MR. WERNER:** Yeah. And it's fairly lengthy, so I
5 think it makes sense to go ahead and do lunch
6 now.

7 **MR. BELCHER:** All right. Is an hour enough for
8 everybody? It's 12:35. Do y'all want to be
9 back at 1:30, or would y'all like a little
10 more time?

11 **MR. WERNER:** An hour seems fine.

12 **THE COURT:** Is that good for everybody?

13 **MR. BELCHER:** We're okay with whatever the Court
14 wants.

15 **THE COURT:** All right. 1:30 then.

16 **(A recess was taken from 12:40 p.m. until**
17 **1:38 p.m.) THE COURT:** All right. So just remind
18 you, Mr. Odom, that you're still
19 under oath.

20 **MR. ODOM:** Yes, ma'am.

21 **THE COURT:** And some cross-examination probably
22 from the Department?

23 **MR. WERNER:** Yes. Thank you, your Honor.

24 **THE COURT:** Okay.

25 **MR. ODOM - CROSS-EXAMINATION BY MR. WERNER:**

1 Q: Good afternoon, Mr. Odom.

2 A: Good afternoon.

3 Q: How are you?

4 A: I feel a lot better. I got something just to
5 cover this insulin I took.

6 Q: Okay. I want to ask you a few questions and
7 kind of work our way through a couple of the
8 documents we have before us here today. I
9 might just start by talking about your
10 history with Alligator Rural Water and Sewer.
11 You were one of the original incorporators of
12 Alligator Water; correct?

13 A: Yes, sir.

14 Q: That was back in 1987?

15 A: That's correct.

16 Q: Okay. All right. And you actually -- were
17 you the first president of Alligator Water?

18 A: Yes, sir.

19 Q: All right. I assume you were on the board of
20 directors at that time?

21 A: Correct.

22 Q: Okay. When did you come off the board of
23 directors from Alligator Water?

24 A: I think it was around 1991.

25 Q: '91, okay. And from 1991 through 2006, what

1 was your role with Alligator Water?

2 A: I worked at Sunoco, so I -- it's hard to
3 remember that long ago. But, I mean, most of
4 that time I worked at Sunoco and didn't have
5 a relationship. Maybe as an unpaid trying
6 help the board or whatever, but I -- not an
7 active -- working role, I guess, I'm saying.

8 Q: And then let me ask you about the company,
9 Odom & Associates. You incorporated that
10 company back in 1998?

11 A: Yes, that's correct.

12 Q: And I think Mr. Belcher covered some of this,
13 but you're the sole owner of Odom &
14 Associates; correct?

15 A: That's correct. At that time, me and my wife
16 operated it, but we're divorced now.

17 Q: And you're the president of Odom &
18 Associates?

19 A: That's correct.

20 Q: And there are no other officers?

21 A: No, sir.

22 Q: Okay. I'll go ahead and hand you a copy of
23 what's been marked as Respondent's Exhibit 13.

24 So take a look at that. So this appears
25 to be the -- a general ledger for Odom &

1 Associates; correct?

2 (Respondent's Exhibit Number 13 was referenced at
3 this time.)

4 A: Correct.

5 Q: All right. And then on this first page there
6 there's a category, a code there where it
7 says drawing-personal; do you see that?

8 A: Yes.

9 Q: And it looks like that continues through to
10 page 52. Are those transactions in that
11 category drawing-personal, those are personal
12 transactions that you have made with the Odom
13 & Associates account?

14 A: Correct.

15 Q: So that can include things like -- it looks
16 like there's taxes on your automobiles or,
17 looks like, alimony payments in there, travel
18 expenses, things like that?

19 A: Correct.

20 Q: Okay. And we get to the -- on page 52, the
21 end of that category, the drawing-personal,
22 there's an amount listed for the total
23 account activity. How much is that amount?

24 A: 4 million 37 -- well, that's credit. I'm
25 sorry. Total account, 4,492,389.83.

1 Q: All right. So nearly \$4 and a half million
2 between -- going back to the first page, it
3 looks like it starts on 12/31/2007; is that
4 correct?

5 A: Correct.

6 Q: And the last entry here back on page 52 is
7 12/18/2020; correct?

8 A: Correct.

9 Q: So there's a 13-year period. And so that --
10 so would you agree that that \$4.4 million
11 over that 13 years averages about to \$345,000
12 a year? Does that sound right?

13 A: I would agree; yes, sir.

14 Q: Okay. And let's flip ahead to page 147.
15 There's another code -- let's talk about
16 page -- another code there labeled Income.
17 And then from page 147 to page 208 it appears
18 that category includes all of the income that
19 came in to Odom & Associates for that 13-year
20 time period; is that correct?

21 A: Correct.

22 Q: Now, would you agree that the majority of the
23 income that came in during that time period
24 is from Alligator Water -- Rural Water
25 Service or it shows as ARW or ARWS on

1 these -- on this ledger?

2 A: Without going over all of it, I don't really
3 know that. I'm looking at what you're
4 saying. It's got credits. But I don't know
5 where the credits are coming from. I mean,
6 there's Brunson, Incorporated. I see some
7 ARWS but ---

8 Q: Right.

9 A: --- McBee Builders; contractors; Domtar;
10 Brunson, LLC; Republic Contractors; McLeod
11 Farms. I don't know what that total
12 breakdown would be.

13 Q: Right.

14 A: There's a lot of other entries besides ARWS.

15 Q: And if you look at the ARWS entries like on
16 page, let's say, 177, it looks like we have a
17 entry for \$20,000 in May of '13 from
18 Alligator, another \$5,000 in May of '13 from
19 Alligator, another 2500 in May of '13. Do
20 you see -- and let's see, another 3600 in May
21 of 2013.

22 A: Yes.

23 Q: Yes. And then going down for June we see
24 4,000 from Alligator, 10,000 in June, 20,000
25 in June, another 2,000. Let's see, 1300,

1 3,000, 1,000, and then a 35,000 all in June
2 from Alligator Rural Water?

3 A: Correct.

4 Q: And then looking at that same time frame --
5 right -- there are entries for Belger Farms.
6 Looks like those Belger Farm entries are for
7 \$300, most of them?

8 A: Yes.

9 Q: Okay.

10 A: Brunson, around 7800, different entries for
11 different kind of businesses that I do
12 business with.

13 Q: Right. Let's see, can we look at exhibit ---

14 **THE COURT:** Can we start stop for just a moment?
15 We're having a technical difficulty up here.
16 We've got a computer that's decided to reboot
17 itself.

18 **(Off the record.)**

19 **MR. WERNER:** Thank you, your Honor.

20 Q: Let's see, Mr. Odom, let me hand you pages 85
21 through 90.

22 You can hold on to that just a second.
23 Might come back to that. 85 through 90 of
24 Respondent's Exhibit Number 1.

25 **(Respondent's Exhibit Number 1 was referenced at**

1 **this time.)**

2 **THE COURT:** Number 1? Okay. I've got it. Okay.

3 **MR. WERNER:** Thank you, your Honor.

4 **Q:** So, Mr. Odom, on page 86, paragraphs 9 -- can
5 you read paragraphs 9 and 10 of your
6 affidavit?

7 **A:** Odom & Associates has substantial income
8 generating real estate holdings that are
9 unrelated and unaffiliated with Alligator.
10 For example, Odom & Associates owns a -- owns
11 roughly 40 rentals and approximately
12 1200 acres of land. Odom & Associates
13 primarily leases warehouse space for large
14 paper mills, which is another business
15 practice that is unrelated and unaffiliated
16 with Alligator.

17 **Q:** So in this affidavit, your assertion is that
18 the primary business of Odom and Associates
19 is the leasing of warehouse space?

20 **A:** Not the primary.

21 **Q:** Okay.

22 **A:** But it's a substantial income bearer for
23 them.

24 **Q:** Okay. And then it also mentions the real
25 estate rental properties. Are those rental

1 properties in this ledger, in the Exhibit 13
2 ledger?

3 A: Yes.

4 Q: Okay. And do any of those rental properties
5 generate income at the same level as the
6 payments from Alligator Rural Water and Sewer?

7 A: I don't believe they bring in as much as
8 that.

9 Q: Okay.

10 A: But they're a separate group of Odom
11 employees that handles the rentals. They're
12 not covered by State insurance or State
13 benefits.

14 Q: Right. So what would you describe as the
15 primary business activity of Odom &
16 Associates?

17 A: The operation of the water and sewer system
18 is the biggest item.

19 Q: Okay. I just want to -- if you look at
20 Exhibit 13 again and turn to page 36 and 37.
21 And this is back in the -- still in the
22 category of drawing-personal. On page 36
23 about four items under from the bottom, do
24 you see a transaction on July 6th of 2016,
25 that's a transfer of \$8,000 to you from Odom

1 & Associates?

2 A: Yes.

3 Q: Okay. And then on page 37 about four down
4 from the top, do you see a transaction from
5 September 26th, 2016, transferring \$50,000 to
6 you from Odom & Associates?

7 A: Yes.

8 Q: Okay. And these are all in the category of
9 personal expenditures; correct?

10 A: Yes. That's from Odom & Associates to me.
11 That's correct.

12 Q: Okay. If I could get that exhibit back -- or
13 are you done with the exhibit?

14 A: Yeah, yeah. I'm sorry.

15 Q: No. I was making sure your satisfied.

16 A: I'm trying to figure out how much money I'm
17 making here. This one?

18 Q: Sure, yeah. I'll take that. Thank you.

19 I'm trying keep as much of this paper in
20 order if I can.

21 **MR. BELCHER:** I beg the Court's indulgence as I
22 shuffle the papers around.

23 Q: And, Mr. Odom, I'm gonna hand you what's been
24 marked as Petitioner -- I mean, Respondent's
25 Exhibit Number 10. And I'll ask you if you

1 can identify that document.

2 **(Respondent's Exhibit Number 10 was referenced at**
3 **this time.)**

4 A: It's a management agreement between Odom &
5 Associates and Alligator Rural Water Company.

6 Q: Okay. And turning to page 2, looks like this
7 was executed in November of 2002?

8 A: Correct.

9 Q: Okay. And then looking at the third
10 paragraph of the preamble, it states, whereas
11 the water company desires to avail itself of
12 the services of Odom & Associates to manage
13 and operate its water production and sewer
14 facilities. And Odom & Associates desired to
15 provide such services to the water company.

16 So that's the purpose of this contract?

17 A: Correct.

18 Q: Okay. I'm turning you over to page 3. And
19 then in Section 2, Item Number 1 under Office
20 Management, what does that first paragraph
21 require from Odom & Associates?

22 A: Provide a general manager, office manager,
23 administrative assistant, along with a
24 properly equipped office necessary to carry
25 out its functions under this agreement.

1 Q: So under the contract, Odom & Associates was
2 to provide the general manager, the office
3 manager, and administrative assistant for
4 running the water company, as well as
5 providing a properly equipped office?

6 A: Yes.

7 Q: All right. And then moving forward to page
8 5. And let's see, in the second to last
9 paragraph before Section 6 indicates, the
10 water company shall pay for all telephone
11 expenses incurred by Odom & Associates which
12 is directly related to water company business.
13 All other office overhead expenses, including
14 but not limited to, postage, stationery, or
15 account statements shall be paid for by Odom
16 & Associates; is that correct?

17 A: Correct.

18 Q: So that provision required Odom & Associates
19 to cover all office overhead except for
20 telephone?

21 A: Correct.

22 Q: Okay. And I see that this agreement was for
23 20 years beginning in November of 2002. So
24 is it set to expire next month?

25 A: No, sir. There's been an addendum to that.

1 I don't remember the date of addendum. But
2 there's a signed copy with an addendum to it
3 adding -- I think it added maybe 20 years to
4 it. But it was about the middle of the
5 contract time.

6 Q: So it's not gonna expire any time soon?

7 A: No, sir.

8 Q: Okay. Now, has Odom & Associates loaned
9 money to Alligator Rural Water Service?

10 **MR. BELCHER:** Objection; irrelevant.

11 **MR. WERNER:** Your Honor, I think it's very relevant
12 if the -- I mean, if you're looking at how
13 the money's moving to these two entities that
14 are closely related.

15 **THE COURT:** I'm gonna overrule the objection.

16 You can answer the question.

17 **MR. ODOM:** I'm trying to think, your Honor. I'm
18 sorry.

19 A: I truly can't remember loaning Alligator
20 money. I could have, but I don't remember
21 now.

22 Q: Let me hand you what's been marked as
23 Respondent's Exhibit 48 and ask you to turn
24 to page 12 of that exhibit.

25 And looking at the -- on page 12 there's

1 four paragraphs from the bottom. There's --
2 do you see the paragraph that starts with the
3 water company obtained a loan for the
4 management company for \$226,663?

5 **(Respondent's Exhibit Number 48 was referenced at**
6 **this time.)**

7 A: Yes.

8 Q: Okay. And then the next paragraph references
9 a loan from the management company for
10 \$56,401?

11 A: Yes.

12 Q: And in the next paragraph references a loan
13 from the management company for \$23,541?

14 A: Yes.

15 Q: And if you'll turn to the front of Exhibit
16 48, can you just tell us what Exhibit 48 is?

17 A: That is Alligator Rural Water and Sewer,
18 Incorporates -- it's the annual audits.

19 Q: Financial statements?

20 A: Yeah. Annual audit.

21 Q: Gotcha. And can you turn to page 14 as well.

22 And if you look at the top of 14, are
23 there some additional loans there from the
24 management company for the sewer system?

25 A: Yes.

1 Q: Okay. And it looks like there's -- well,
2 part of that 226,000 referenced earlier, part
3 of that looks like -- was there 112,000 that
4 was for the -- no. 112 for the water fund;
5 is that correct?

6 A: Correct.

7 Q: And then 114,000 for the sewer fund?

8 A: Correct.

9 Q: And then the next item we've got 61,000 for
10 the sewer?

11 A: Correct.

12 Q: And then the next item there's a \$204,000
13 loan for the sewer?

14 A: Correct.

15 Q: Okay. And now I'm gonna hand you what been
16 marked as Respondent's Exhibit 45 and ask you
17 to turn to page 16.

18 Well, sorry. Let me back up. What
19 is -- can you take a look at Exhibit 45 and
20 tell what that document is?

21 **(Respondent's Exhibit Number 45 was referenced at**
22 **this time.)**

23 A: Yes. It's the audit for Year 2014.

24 Q: Thank you. So turning to page 16 under Note
25 E Contracts.

1 What is that first paragraph? Give me
2 that first paragraph under Note E Contracts.

3 A: The water company owes the management company
4 1,347,940 as of December 31st, 2014, compared
5 to 1,123,306 as of December 31st, 2013. This
6 amount is classified as long-term debt.
7 Management expects it will be three years
8 before substantial debt payments will be made.

9 Q: Okay. So as of the end of 2014, Alligator
10 owed Odom & Associates \$1.3 million?

11 A: Yes, sir.

12 Q: Okay. And what were those debts from?

13 A: Prior years accumulated over 10, 15 years
14 that -- in our agreement where they had
15 agreed to pay X number of dollars a month.
16 Again, Alligator was a rapidly growing
17 company, and we kept getting new phases, new
18 loans. And they could not afford to pay Odom
19 & Associates, so I just let it stand as an
20 outstanding debt with no interest to me.

21 Q: Have you ever purchased land from Alligator
22 Rural Water and Sewer Company?

23 A: Yes, I have.

24 Q: About how many parcels or properties would
25 you estimate?

1 A: I believe it was one.

2 Q: One. Okay. And do you know how much the
3 sale price on that was, ballpark?

4 A: 700,000 or so.

5 Q: Have you ever sold any land to Alligator
6 Rural Water and Sewer?

7 A: I sold them two acres many years ago in the
8 early 1990s after the engineer picked out
9 where several sites where wells needed to go.
10 And he had no knowledge of who owned the
11 land. And, of course, I didn't -- I wasn't
12 in executive session. And the board made
13 that decision with the engineer. And I think
14 it was a total of maybe 14 or \$15,000.

15 Q: Okay. I want you to turn now and talk a
16 little bit about -- I want to go back to
17 2006. I want to talk a little bit about when
18 Alligator joined the retirement systems and
19 you began participating through Alligator
20 Water.

21 I'll hand you what's been marked as
22 Respondent's Exhibit 1. And these are pages
23 25 through 28 of Respondent's 1.

24 Do you recall having seen those benefit
25 estimates before?

1 A: Yes.

2 Q: So in March of 2006 you had contacted
3 retirement systems to talk over -- get some
4 benefit estimates and talk over your potential
5 retirement amounts if you were to retire
6 within the next -- either in 2006 or within
7 the next three years?

8 A: I guess -- I don't remember that
9 conversation.

10 Q: Yeah, it has been some time ago. Let's see,
11 if you would look at those benefit estimates
12 that I've handed you. So on page 25 up at
13 the top, that's a PORS monthly benefit
14 estimate; correct?

15 A: Yes.

16 Q: And that's the Police Officers Retirement
17 System?

18 A: Yes.

19 Q: And that's where your service as a magistrate
20 is; correct?

21 A: Yes.

22 Q: Yeah. And so on that benefit estimate shows
23 a date of retirement. Do you see it on the
24 top right of July 1st, 2006? And then a
25 maximum benefit amount of about \$130 per

1 month; do you see all that?

2 A: Yes.

3 Q: Okay. And then on page 27 looking at the
4 top, looks like this is an SCRS monthly
5 benefit estimate; correct?

6 A: Yes.

7 Q: And SCRS is the regular State Retirement
8 System, and that's where your service on the
9 McBee council and as a municipal judge would
10 be; right?

11 A: Yes, sir.

12 Q: And looking at that one, that's got a date of
13 retirement of June 26, 2009, and a maximum
14 monthly benefit in the amount of about \$161
15 per month; correct?

16 A: Yes, sir.

17 Q: Okay. So between the two systems, it looks
18 like if you had retired in 2006 and police in
19 2009 and SCRS in what you had back then, you
20 would be looking at a the total of about \$292
21 per month ---

22 A: Yes, sir.

23 Q: --- between the two systems?

24 And those were generated on, looks like,
25 March 24th of 2006 -- correct? -- if you look

1 at the top left?

2 A: Yes.

3 Q: Okay. All right. We're gonna stay in
4 Exhibit 1. I'm gonna hand you another set of
5 documents.

6 All right. So this looks like, on that
7 page 42 of Exhibit 1, that front there is a
8 fax cover sheet. So what is that -- so the
9 first paragraph is from one of our customer
10 service field education representatives. And
11 can you read that first paragraph of his
12 remarks to you?

13 A: You should have received 21 pages of
14 information concerning your estimated benefit
15 should you continue to work for an employer
16 covered by State Retirement System.

17 7/1/2006: You were provided four
18 scenarios and each estimated benefit estimate
19 was based on the projected salary you
20 provided of \$150,000 per year over the next
21 three years beginning 7/1/06. I hope the
22 information provided will give you the
23 solution you are looking for.

24 Q: Thank you for reading that. And then so
25 turning to page 44. So this is what's been

1 labeled as Scenario 1.

2 Under the terms here it says, will work
3 until June 30, 2009. There's no transfers of
4 service between SCRS and PORs. And this uses
5 the \$150,000 estimated average final
6 compensation that you provided. Where did
7 you get the \$150,000 projected AFC to use for
8 these?

9 A: At that time, I was offered a job from
10 another water company to go to work with them
11 for \$150,000 a year.

12 Q: Okay. And looking on this Scenario 1, looks
13 like with that \$150,000 in AFC, the SCRS
14 maximum option monthly benefit amount goes to
15 \$1,843 per month?

16 A: Yes.

17 Q: And the police officers system maximum benefit
18 goes to about \$1,069 per month?

19 A: Yes, sir.

20 Q: For a total monthly benefit of about \$2,913
21 per month?

22 A: Yes, sir.

23 Q: And that would be ten times greater than the
24 292 that we're looking at in those earlier
25 estimates; correct?

1 A: Correct.

2 Q: I'm just gonna hand you what's been marked
3 as -- oops -- Respondent's Exhibit 3. I'm
4 gonna hand you pages 9 and 10 of Respondent's
5 3.

6 These are the contact log reflecting in
7 a conversation between one of our customer
8 service representatives and you in -- on
9 March 30th of 2006. You'll give that a quick
10 read-over?

11 **(Respondent's Exhibit Number 3 was referenced at**
12 **this time.)**

13 A: Yes, I have.

14 Q: Do you recall that conversation?

15 A: No, sir. I'm afraid not.

16 Q: Okay. Is what's in here consistent with what
17 was in the benefits estimates we just
18 reviewed?

19 A: Correct.

20 Q: And it was all part of the retirement
21 information you were gathering in March of
22 2006 leading up to potentially coming in the
23 system in July of 2006?

24 A: Correct.

25 Q: And so by that time looking at these

1 estimates, you understood how the benefits
2 worked and then how increased AFC would
3 increase your benefit amount?

4 A: Correct.

5 Q: I'll take that off your hands.

6 Now I'm gonna to hand you Respondent's
7 Exhibit 1, page 1. And can you tell what
8 this document is?

9 A: Retirement plan enrollment in the state of
10 South Carolina.

11 Q: So this looks like the enrollment form you
12 executed in 2006 when you joined the system
13 in connection with your work with Alligator
14 Rural Water System?

15 A: Correct.

16 Q: And going down towards the bottom of the form
17 in Box 22, it lists your date of membership
18 as September 1st, 2006?

19 A: Correct.

20 Q: And Box 23 provides your position title as
21 general manager?

22 A: Correct.

23 Q: And then Box 24 it gives you an annual salary
24 of \$120,000?

25 A: Correct.

1 Q: And that was your annual salary from
2 Alligator Water as of September 2006?

3 A: I really don't remember whether that was -- I
4 was expecting that amount or if I actually
5 drew that. I don't remember what my income
6 was.

7 Q: Okay.

8 A: It may have been wishful thinking.

9 Q: In Box 21, which says the original date of
10 hire with the employer listed, what date does
11 it give?

12 A: 1/1/05.

13 Q: Okay. So this form reports that you started
14 employment with Alligator Rural Water in
15 January 1st of 2005?

16 A: Correct.

17 Q: Your -- as we mentioned earlier, the
18 management contract with Odom & Associates,
19 that goes back to 2002?

20 A: Correct.

21 Q: So who is general manager between November of
22 2002 and January of 2005?

23 A: My ex-wife, Peggy Odom.

24 Q: Was general manager of Alligator Water?

25 A: That's correct.

1 Q: And when did she start as general manager?

2 A: I don't recall the date that she began. It
3 was in the '90s, but I just don't remember
4 which year.

5 Q: So this form, again, we mentioned earlier, it
6 has the \$120,000 annual salary?

7 A: Yes.

8 Q: But you didn't actually receive \$120,000 in
9 the ensuing years as an annual amount?

10 A: There again, depends on which year we're
11 talking about. Not that first year, I don't
12 think.

13 Q: Right. In 2007 it was not 120. Or 2008 or
14 2009; correct?

15 A: I need to look at.

16 Q: Okay.

17 A: I'm not disagreeing with you.

18 Q: Oh, I understand.

19 A: I just don't see it so ...

20 But I will take your word for it. I've
21 found you an honest fellow, sir.

22 Q: I'm trying to think of the best piece of
23 paper to have that on there.

24 A: And I think that's where some of that that
25 they couldn't pay me what the salary was, and

1 that is why that built up.

2 Q: Right.

3 A: They didn't ---

4 Q: Right.

5 A: --- have the funds to pay it.

6 Q: So looking at what's been marked Petitioner's
7 Exhibit Number 4, and that's the final agency
8 determination, there's some numbers in there.
9 So those are the -- so for the -- for 2007,
10 08, and '09, none of those years did the
11 salary reach the 120,000?

12 A: No, sir.

13 Q: And going back to the enrollment form. So
14 you were hired as the general manager on
15 January 1st of 2005?

16 A: Correct.

17 Q: And what led to that hiring event?

18 A: Well, I believe the divorce was in '04, and
19 she left the company in '04. So I stepped in
20 as the general manager after that.

21 Q: Gotcha. So I think, as we've discussed
22 previously, the initial -- again, when you
23 enrolled, there's an initial reported salary
24 of \$120,000, but by July of 2010 your salary
25 was then reported as just \$12,000 a year?

1 A: Correct.

2 Q: So a 90 percent reduction in your salary?

3 A: Correct.

4 Q: Are there any records of how the board
5 arrived at that new salary amount?

6 A: Not as I'm aware of. Our CPA and lawyer says
7 to retain things for three years. And we
8 don't -- I don't think we have anything back
9 before three years. And rural development
10 has us to maintain for three years, so we
11 wouldn't keep all that.

12 Q: Okay. So you don't have any records of how
13 the board reaches that amount or how that
14 amount was determined?

15 A: No.

16 Q: Okay. And was there a period for nine months
17 during 2009 and 2010 where you did not
18 receive a monthly check at all?

19 A: There may have been. That -- you're in the
20 2008 recession. It was nip and tuck. I can
21 tell -- I remember it would be 300, \$400 in
22 the bank at Alligator at the end of the
23 month, and employees had to be paid before I
24 did.

25 Q: So looking at your relationship with Alligator

1 Rural Water, when we asked for a copy -- you
2 mentioned earlier in your direct testimony
3 there was a personnel for you at Alligator
4 Rural Water. Is there anything in that
5 personnel file from before 2006 that you're
6 aware of?

7 A: I can't -- I don't maintain that, so I can't
8 answer that.

9 Q: Okay. Do you know if there's anything in
10 there other than your benefit forms related
11 to your participation in the retirement
12 systems and the State health plan?

13 A: No; I don't know.

14 Q: And some of this was mentioned earlier in
15 your direct as well, but I want to just make
16 sure we're clear on it. You had no contract
17 with Alligator Rural Water and Sewer, no
18 employment contract ---

19 A: That's correct.

20 Q: --- personally?

21 There were no written performance
22 reviews done at any point?

23 A: Some.

24 Q: There were some?

25 A: There were some, yes.

1 Q: Okay. But none of that made it into your
2 personnel file?

3 A: And, again, I can't answer that 'cause ---

4 Q: Well, we subpoenaed that, and the documents
5 we got did not have anything like that in
6 them.

7 A: Well, must not be any.

8 Q: There's none of that. That wasn't provided.

9 There was no written salary schedule for
10 your salary from Alligator Rural Water?

11 A: Well, there was. And the board told the
12 office manager and CPA what I was make -- to
13 make each month. So I ---

14 Q: Just verbally? Was that done verbally or is
15 there anything in writing with that on there?

16 A: I'm assuming that was verbal.

17 Q: Okay. So there was no written confirmation
18 of your salary amount?

19 A: No. They would meet in executive session and
20 go over what kind of job I'd done. And they
21 would tell the office manager, and then she
22 would tell the CPA how to set it up. But I
23 wasn't involved in any of that.

24 Q: So you never would have had a letter that
25 said, Mr. Odom, you know, effective

1 January 1st your new salary amount is XYZ?

2 You would not have gotten a letter like that?

3 A: No.

4 Q: And it would not be in your file?

5 A: (No audible response.)

6 Q: And you had no written position description?

7 A: No.

8 Q: I think the handbook, the Alligator Water
9 employee handbook that was produced as part
10 of your appeal has provisions that referenced
11 all positions needing a written position
12 description. But you're not aware of one
13 existing for the general manager position?

14 A: No, I'm not aware.

15 Q: You mentioned earlier in your direct testimony
16 that you would have vacation and sick leave
17 from Alligator Rural Water and Sewer. Do you
18 have any records of those leave balances or
19 accrue -- you know, taking those leave days?

20 A: I'm sure the office manager would. But knock
21 on wood, I hadn't been sick so ...

22 Q: If they were there, I guess they were not
23 part of your personnel file if it was not
24 provided to us?

25 A: I agree with your statement. I'm not sure.

1 Q: Okay. I'm gonna hand you what's been marked
2 as Respondent's Exhibit 7.

3 And that's a letter from the Alligator
4 board president that we had discussed earlier
5 in which he describes some of what your
6 salary history was.

7 At the end of that he says that your
8 gross monthly pay is \$24,545.45, which is
9 \$294,545.40 a year. But going back to your
10 point, there's no -- you have no written
11 record of how the board arrived at that
12 amount, what that amount's based on?

13 A: No, sir.

14 Q: Okay. You have no salary schedule that
15 explains how they got there?

16 A: Except for what they told the office manager
17 to do. And, again, we started out as a very
18 small entity. We've grown. And, you know,
19 maybe the paperwork's not the best in the
20 world, but we're still in business so ...

21 Q: I understand. So in your direct testimony
22 today as well as in an affidavit that you
23 submitted as part of your appeal, you stated
24 that the increase in your salary that began
25 in 2016 was to make your salary more

1 consistent with industry averages; is that
2 correct?

3 A: Correct.

4 Q: Can you -- or Alligator Rural Water
5 Association -- I mean, Company, they are a
6 member of the South Carolina Rural Water
7 Association?

8 A: Correct.

9 Q: And you've been a delegate to their
10 conferences --

11 A: Correct.

12 Q: --- in the past?

13 A: Correct.

14 Q: Let me hand you a copy of what's been marked
15 as Respondent's Exhibit 70.

16 So it appears that this is the
17 South Carolina Rural Water Association 2016
18 salary survey; correct?

19 **(Respondent's Exhibit Number 70 was referenced at**
20 **this time.)**

21 A: Correct.

22 Q: Now, if you turn ahead to page 28.

23 A: Okay.

24 Q: They have -- and the page is labeled
25 Position-Specific Information?

1 A: Correct.

2 Q: And then for the position of general manager,
3 they provide some of the information about
4 the average years of experience and average
5 age. And what do they have for the average
6 salary?

7 A: 79,000, 530,000 [sic].

8 Q: So as of 2016 the average salary for a
9 general manager of a water system that
10 participates in the South Carolina Rural Water
11 Association was \$79,500?

12 A: Correct.

13 Q: And then again on page 31 I think there's
14 just a graphic representation of that same
15 amount; correct?

16 A: Correct.

17 Q: Now, as described on page 28 that \$79,000
18 average it says for all types, private,
19 municipal, special purpose, district, and all
20 sizes. Earlier in the report it breaks
21 things down by system size, how many taps you
22 have. Do you know how many -- about how many
23 taps did Alligator have in 2016?

24 A: We provided water to 10,000-plus taps.

25 Q: 10,000-plus taps. So that would put you in

1 the biggest group?

2 A: Yes. It also doesn't cover a large amount of
3 wholesale water or industrial water. And
4 this is an overall with many, many of
5 companies being companies with two wells.
6 And we have 14. And but where I got my
7 information from was Darlington County Water
8 and Sewer Company manager, Chesterfield
9 Rural's manager, Lexington -- I mean,
10 Lancaster County. So, you know, I was just -
11 - putting all those together in one shoehorn
12 is tough to calculate. But 10,000 is how
13 many taps.

14 Plus we were selling to other counties
15 also, Darlington and Kershaw County. That's
16 not even impacted in these kind of studies.

17 Q: Even that largest category at 10,000-plus
18 taps, looking at this exhibit, I think that
19 category starts on page 24. Looking at
20 general manager salaries on page 25, I see 60
21 to \$100,000. There's one for 225, 145, 105,
22 190.

23 A: I must have been doing a better job then.
24 But looking at those, I don't see a company
25 that's in the large wholesale business like

1 we are that's providing water to 90 percent
2 of Chesterfield County, providing water to
3 Kershaw and Darlington Counties. Those things
4 aren't in this.

5 A one-size-fits-all is not taken into
6 consideration in these surveys. Plus a lot
7 of companies will not even respond to it.
8 They don't want their salaries out there.
9 You're supposed to put your name in there.
10 They don't want people to know that they're
11 paying.

12 Q: Right. And those responses are ---

13 A: And I agree with what's there. I'm not gon'
14 argue.

15 Q: They don't put system names on any of those
16 responses though on that report though, do
17 they? You want me to provide it?

18 A: I didn't look at it.

19 Q: Okay.

20 A: They want you to put your name when you turn
21 it in. And people are scared to death of
22 that in this day and times.

23 Q: Let's see, so turning back to Respondent's
24 Exhibit 7 where the board president stated in
25 August of 2018 that your salary was \$294,000

1 a year. But then your salary dropped down to
2 about \$270,000 a year after that. Do you
3 have any records as to why that's salary
4 decrease happened?

5 A: No, I don't.

6 Q: So you don't know what's -- why -- what that
7 \$24,000 decrease was about?

8 A: No, sir.

9 Q: Just the board decided?

10 A: Well, the bookkeeper might have made a
11 mistake. I'm gon' look at it on the way
12 home.

13 Q: Do you know of any particular reason that --
14 to lower it to \$270,000 exactly instead of
15 \$294,000?

16 A: No, sir, I don't.

17 Q: All right. I'm gonna hand you what has been
18 marked as Respondent's Exhibit 8 and ask you
19 to take a look at page 2. Do you see that
20 email there?

21 **(Respondent's Exhibit Number 8 was referenced at**
22 **this time.)**

23 A: Yes, sir.

24 Q: And that's an email from one of our employer
25 reporting department staff to you as of

1 July 25th, 2017; correct?

2 A: Correct.

3 Q: And what does -- and the name of that PEBA
4 employee is Charlie Robertson. What does
5 Ms. Robertson inform you about in that email?

6 A: Is that on -- did you say page 1?

7 Q: Page 2. I'm sorry. Page 2.

8 A: The -- which ---

9 Q: The email right there in the middle of page
10 2. I'm sorry.

11 A: Please see the excerpt below from the covered
12 employee procedures manual concerning the IRS
13 limitation. You are correct in that you will
14 not be allowed to report any additional wages
15 or contribute for the remainder of the
16 calendar year since you have reached the
17 limit for 2017.

18 Q: And looking down at that paragraph below
19 about halfway through, what is the IRS
20 limitation for ---

21 A: The IRS limitation for Calendar Year 2017 is
22 \$270,000. The dollar amount of the limit is
23 adjusted annually by the treasury department.
24 Compensation in excess of this limitation is
25 not subject to retirement contributions for

1 members with a date of membership after
2 December 31st, 1995. These individuals should
3 be reported with Contract Link 20 for all
4 quarters including any during with the member
5 worked but has no compensation reported to
6 PEBA.

7 Q: So in that email from 2017, you were notified
8 that any compensation in excess of \$270,000
9 wouldn't count towards your retirement
10 benefits; correct?

11 A: Correct.

12 Q: And then page 3 of that same exhibit -- this
13 is an email from -- or starting at the bottom
14 on page 2 and going into the top of page 3.
15 It's says email from you to Ms. Robertson
16 where you indicate you plan to start drawing
17 retirement later in 2017. And you say that
18 it would be in your best interest to have
19 additional wages reported in the next few
20 months; correct?

21 A: Correct.

22 Q: And then turning to page 4 in this -- at the
23 top of page 4. This is an email where you're
24 replying Ms. Robinson [sic], and this is,
25 again, July 25th of 2017 where you get the

1 information about the compensation limit. And
2 you say, thanks. I will wait until January
3 of 2018.

4 A: Correct.

5 Q: All right. Now, let's talk a little bit
6 about -- oh, one question, that email address
7 that we were looking at -- on those emails we
8 were just looking at on page -- on Exhibit
9 8 -- sorry. The email address you were using
10 is awsc@shtc.net?

11 A: Correct.

12 Q: And that's the one -- is that the one you
13 used for your Alligator Rural Water ---

14 A: Correct.

15 Q: --- business?

16 And that's the same one you still have
17 on file with PEBA for your retirement ---

18 A: Correct.

19 Q: --- benefits?

20 We'll talk a little bit about when
21 contributions stopped being reported for your
22 employment at Alligator Rural Water Service.
23 So I think you may have touched upon this
24 earlier in your direct, but what was the date
25 that you reported your termination from

1 Alligator Rural Water Service?

2 A: June 30th, 2020.

3 Q: June 30th, 2020, you were terminated from
4 employment with Alligator?

5 A: Correct.

6 Q: Has Alligator Rural Water Service hired a new
7 general manager?

8 A: They have used the present staff just -- you
9 know, I'd go in maybe four hours two days a
10 week just to see what's going on. But Gail
11 Stoudemire has stepped in and taken over the
12 actual management of the company.

13 Q: So she's in -- is she in the position of
14 general manager?

15 A: No. The position hasn't been filled.

16 Q: Okay. And on the -- if you go on Alligator's
17 website, you're listed as a consultant for
18 Alligator at this point?

19 A: Correct.

20 Q: And as a consultant, are you getting paid?

21 A: No.

22 Q: So there's no further contributions being
23 reported to the South Carolina Retirement
24 System in connection with any services you're
25 providing to ---

1 A: That's correct.

2 Q: --- Alligator since June 30th, 2020?

3 So you terminated in June 30th, 2020, is
4 the reported date. Did you attend board
5 meetings of Alligator Rural Water and Sewer
6 board after that date?

7 A: Some.

8 Q: Were you still responsible for canceling those
9 meetings if there wasn't gonna be enough
10 folks to come or ...

11 A: The office staff would do that normally,
12 especially during COVID.

13 Q: Right. Let me hand you Respondent's Exhibit
14 66 and 67. And you can take a look at those
15 and tell me what they are.

16 **(Respondent's Exhibit Numbers 66 and 67 were**
17 **referenced at this time.)**

18 A: 66 is board minutes January 27th, 2020.

19 Q: So, yes, it looks like 66 Alligator Rural
20 Water board minutes for the 2020 calendar
21 year. And then 67 are the board minutes for
22 the 2021 calendar year?

23 A: Correct.

24 Q: So let's look at page -- Exhibit 66, page 10.
25 So this was a board meeting in September of

1 2020 after you had terminated as general
2 manager. But you attend this meeting;
3 correct?

4 A: Correct, correct.

5 Q: Okay. And turning to page 13 of Exhibit 66,
6 what do those December 2020 minutes say?

7 A: Meeting canceled per Glenn Odom.

8 Q: Okay. Looking over at Exhibit 67, can you
9 turn to page 2. This looks like, I believe,
10 the next in-person meeting since September of
11 2020. And it took place in February of 2021.
12 And you attended that meeting as well;
13 correct?

14 A: Correct.

15 Q: And turning to page 3, you attended the
16 March 2021 meeting?

17 A: Correct.

18 Q: And page 4, the April meeting?

19 A: Correct.

20 Q: And page 5, the May meeting?

21 A: Correct.

22 Q: Page 6, the June 14th meeting was canceled,
23 and it says per Glenn Odom?

24 A: Correct.

25 Q: Let's see, the -- page 8, the July meeting

1 you attended?

2 A: Correct.

3 Q: Page 9, August of 2021 meeting you attended?

4 A: Correct.

5 Q: And then page 10, the September 2021 meeting
6 was canceled per Glenn Odom?

7 A: Correct.

8 Q: Okay. So you attended all the in-person
9 meetings between June 2020 and the end of
10 2021?

11 A: Correct.

12 Q: Okay. And you had a role in canceling the
13 ones that did not happen?

14 A: Correct. And the office staff could call me
15 and say we don't have enough people coming,
16 blah, blah, blah and say, well, just cancel
17 it.

18 Q: Gotcha. And there was no references in any
19 of those minutes to the termination of your
20 employment?

21 A: Not as I know of.

22 Q: No acknowledgment at -- of the end of your
23 employment relationship in the minutes in any
24 way?

25 A: I met with the executive board and told them

1 my retirement date, and they accepted it.

2 Q: Now, you didn't file your applications until
3 earlier this year in the early part of 2022.
4 Well, why did you wait between June 30th of
5 2020 and early 2022 to file your retirement
6 application?

7 A: I really didn't know when to do it because we
8 were -- you know, we had this going on. And,
9 you know, in my mind, if I filed and I didn't
10 know are y'all gon' pay on \$1,000 per month
11 or are y'all gon' pay on the other? And I
12 just didn't know enough to whether I should
13 have filed three months before 2020 and
14 started drawing something? Or if I started
15 drawing something, that would be like signing
16 a check with the insurance company you've
17 accepted this, so don't come back for more.
18 So it was just lack of knowledge.

19 Q: Okay. You didn't ask us at any point about
20 what -- how we were gonna handle it, did you?

21 A: No. We were kind of adversarial.

22 Q: Did you ask your attorney about that at all?

23 A: Not that anybody fussed at me but ...

24 Q: Did you consult with your attorney about
25 whether it --

1 **MR. BELCHER:** Objection; attorney-client privilege,
2 Judge.

3 **MR. WERNER:** I withdraw, your Honor. I'm sorry.

4 **Q:** So during this period between 2006 and 2020
5 when you were reported as an employee of
6 Alligator Rural Water Service and you
7 participated in the South Carolina Retirement
8 System in that -- in connection with that
9 reporting, you also were a participant in the
10 State health plan; correct?

11 **A:** Correct.

12 **Q:** All right. And in order to participate in
13 the State health plan, you have to be a
14 full-time employee working at least 30 hours
15 a week. And so for that entire period you
16 were working at least 30 hours a week;
17 correct?

18 **A:** Correct.

19 **Q:** Okay. Even though the salary was only
20 \$12,000, you were still working full-time ---

21 **A:** Correct.

22 **Q:** --- for the company?

23 I want to go back to Respondent's
24 Exhibit 7. Do you still have that over
25 there? No. I brought that back.

1 Earlier in your direct testimony you
2 indicated that everything -- that you're aware
3 of nothing that was inaccurate in this letter
4 from the board president from August of 2018?

5 A: Correct.

6 Q: And one of the things he talks about in
7 here -- well, first he acknowledges that your
8 salary was \$1,000 per month for the past nine
9 years. But then secondly he notes that
10 Alligator Rural Water Company has owed
11 Mr. Odom a large sum of money for the years
12 since the inception of the company. And
13 that's that \$1.3 million we discussed earlier
14 that was owed from Alligator to Odom &
15 Associates?

16 A: Correct.

17 Q: Was that the debt?

18 A: In his mind owing me or owing Odom &
19 Associates are the similar thing since
20 I'm ...

21 Q: Right. And so he said that this debt was
22 being paid down. It says in lieu of
23 compensation. I assume he meant in lieu of
24 compensation.

25 So instead of receiving some of the

1 compensation for your service as general
2 manager, Alligator was paying down debt it
3 owed to Odom & Associates?

4 A: Yes.

5 Q: Okay.

6 A: That was not anything to do with salary.
7 That was a contract with Odom & Associates
8 that Alligator -- and when you were talking
9 before about on the debits and credit line
10 and it would be 25 or \$50,000, that would
11 have gone to Odom & Associates, not to Glenn
12 Odom personally. So that's -- and, again, I
13 really can't speak for him, but that's the
14 way I take this is Alligator was paying Odom
15 & Associates back.

16 And again, he says Glenn Odom. I went
17 to high school with him, and he just knows
18 Glenn Odom and Alligator Water so ...

19 Q: And so he -- they were paying that debt down
20 to your company in lieu of paying
21 compensation to you, is what he says in this
22 letter?

23 A: Well, that's what he says. I'm not sure of
24 his meaning.

25 Q: I just want to go through a few more things.

1 So earlier in your direct, one of the
2 exhibits that was introduced was what was
3 marked as Petitioner's Exhibit 5. And that
4 is -- was the estimated benefit letter you
5 got for your retirement from the Police
6 Officers Retirement System. But you're also
7 retired from the South Carolina Retirement
8 System too, SCRS as well; correct?

9 A: Correct.

10 Q: So Petitioner's Exhibit 5 shows the PORS
11 benefit, but there's also an SCRS benefit
12 that you're receiving as well?

13 A: Correct. I draw ---

14 Q: That's -- so this made about half the
15 picture?

16 A: Yeah. I draw two separate checks each 3rd of
17 the month; yes, sir.

18 Q: Now, the average final compensation used to
19 calculate both of those benefits is the same
20 AFC -- correct? -- if you know?

21 A: I don't know.

22 Q: Okay. All right. I also want to look at
23 Petitioner's Exhibit Number 6. You have --
24 is it Petitioner's Exhibit --

25 **MR. WERNER:** Would the court reporter, will you

1 hand him Exhibit Number 6, Petitioner's 6?

2 Q: This was a payroll transaction listing from
3 Alligator to you; correct?

4 A: Correct.

5 Q: And one of the things that through walked
6 through with your attorney, I just want to
7 confirm turning to the second page that was a
8 payment on November 21st of 2019. And then
9 turning to the first page, the next paycheck
10 was issued on -- in February 27th of 2020?
11 Is that ---

12 A: Correct.

13 Q: --- what it shows?

14 So that would be three months without a
15 paycheck going out.

16 A: I think one of those that -- I think that's a
17 mistake. I think that's January they plugged
18 in 227. It should be 127. But I have no way
19 of knowing.

20 Q: Right. I'm looking below that. There's two
21 March payments too, so it looking like
22 there's some catching up going on?

23 A: I'm -- they're again, this is done from my
24 office manager that submits to them to make
25 the payroll.

1 Q: Right.

2 A: And I don't understand it either. But just
3 like I'm looking at FICA for 6/18/20, every
4 month's been 1395. This one's \$167.
5 Everything else is the same. I don't know
6 whether my office manager made a mistake. I
7 just -- because when we look on the second
8 page, you got 131.19. And I think that
9 count's up to 11. And there's no ---

10 Q: Right. There's no December.

11 A: There's no December. So I -- but I'm
12 speculating. I'm sorry.

13 Q: But so these records anyway reflect that no
14 check was issued for three months between
15 November 21st of '19 and February 27th, 2020,
16 at least according to what's shown on these.

17 A: That's what it says; yes, sir.

18 Q: And these are payroll transactions, and it's
19 showing a monthly amount. Do other Alligator
20 employees get paid only once a month, or are
21 they paid on a different schedule?

22 A: Most are on every -- or bimonthly. There are
23 some monthly supervisory positions.

24 Q: Okay.

25 A: But hourly employees are paid bimonthly.

1 Q: But you got paid once a month?

2 A: Correct. I think this is a typo but --
3 'cause that project 314,000 over a year
4 and ---

5 Q: And then going back to the third page. So
6 this is the 2018 calendar year. So through
7 June the monthly amount is at 24,545, which
8 gets to that 294 -- \$294,000 per year. Then
9 begin being with July of 2018, so with that
10 new fiscal year it drops down to 22,500 per
11 month, which equals the \$270,000 a year; does
12 that sound right?

13 A: I haven't done the math on that. I'll go
14 with you on that.

15 Q: Yes, sir. So 22,500 a month times 12 months
16 is \$270,000 ---

17 A: Okay.

18 Q: --- a year.

19 So -- and that happened in the middle of
20 the 2018 calendar year. You was there a
21 board meeting in that time frame where they
22 lowered the salary from 294 to 270?

23 A: I don't remember. I mean, I just don't
24 remember. But my conversation with Mr. Cook
25 was a year prior to that so -- but, you know,

1 I can't answer that.

2 Q: You don't know why the timing of that started
3 then?

4 A: No, I can't answer that.

5 Q: Okay. There is one other thing I wanted to
6 touch base. During your direct examination
7 there was discussion of the ways that
8 Alligator Rural Water-Sewer has elements that
9 are similar to a private entity. But there's
10 still no exception from the regular retirement
11 system rules for water systems; correct?
12 They have to follow the same rules that all
13 employers that participate in SCRS have to
14 follow?

15 **MR. BELCHER:** Object to the form.

16 **MR. WERNER:** I'll rephrase.

17 Q: Are you aware of any provisions in the
18 statutes that govern the South Carolina
19 Retirement System that would exempt water
20 companies from the rules that apply to all
21 participating employers?

22 **MR. BELCHER:** Objection. Asking for legal
23 conclusion ---

24 **MR. WERNER:** No. I asked him ---

25 **MR. BELCHER:** --- from a lay witness.

1 A: I'm not aware of ---

2 **MR. WERNER:** I'm asking him if he's aware of
3 anything.

4 **THE COURT:** Hold on, Mr. Odom. We need to
5 resolve ---

6 **MR. ODOM:** I'm sorry.

7 **MR. BELCHER:** It's a straight-up legal question,
8 Judge.

9 **MR. WERNER:** I'm only asking if he's aware of
10 anything that would exempt them.

11 **THE COURT:** I think that's a fair question. I'm
12 gon' allow it.

13 A: I'm not knowledgeable of the statute, so I
14 can't -- I don't know.

15 Q: Okay.

16 **MR. WERNER:** I beg the Court's indulgence for just
17 a second.

18 **THE COURT:** Uh-huh.

19 **MR. WERNER:** Your Honor, I believe that's all I
20 have for Mr. Odom.

21 Thank you, Mr. Odom.

22 **THE COURT:** You're gonna have some redirect?

23 **MR. BELCHER:** Yes, Judge.

24 **THE COURT:** Okay. Let's take a break. Let's take
25 a ten-minute break, and then we'll have

1 redirect.

2 **(A break was taken from 3:14 p.m. until 3:31 p.m.)**

3 **(Off-the-record discussion.)**

4 **THE COURT:** Okay. So we are at redirect; right?

5 **MR. BELCHER:** Yes, Judge.

6 **THE COURT:** Have we taken care of all our
7 housekeeping stuff? Is there anything else
8 anybody wants to say about that?

9 **MR. WERNER:** I don't have anything further, your
10 Honor.

11 **THE COURT:** Okay. We can decide at the end of the
12 day based on where we are, and we'll talk
13 then about how much longer y'all think you
14 will need once you see where we end up. We
15 can reconvene that conversation.

16 Go ahead.

17 **MR. BELCHER:** Thank you, Judge.

18 **MR. ODOM - REDIRECT EXAMINATION BY MR. BELCHER:**

19 Q: Mr. Odom, Mr. Werner asked you a series of
20 questions about 2017 or 2018 time period and
21 a reduction in your salary, and I think the
22 number was to \$270,000. Do you remember
23 that ---

24 A: Yes.

25 Q: --- line of questioning?

1 A: Yes.

2 Q: I think the implication was that you were
3 somehow reducing your salary to meet whatever
4 the maximum that you could report to PEBA.
5 Did you do that?

6 A: No, sir.

7 Q: I'd like the court reporter, if she could, to
8 give you a copy of Petitioner's Exhibit 20.

9 **COURT REPORTER:** 20?

10 **MR. BELCHER:** No. I'm sorry. It's just Exhibit
11 20. It's Respondent's 20.

12 Q: Mr. Odom, we reviewed this earlier. These
13 are copies of your W-2 forms from Alligator
14 Water Company; correct?

15 A: Yes.

16 Q: I want you to go to page 231. 231.

17 **THE COURT:** Which exhibit is this?

18 **MR. BELCHER:** This is Respondent's 20, his W-2
19 forms.

20 **THE COURT:** Okay.

21 Q: Are you on -- well, first off, go to the
22 previous page. Go to 1319. Page 1319, the
23 previous page. I want you to look at your
24 W-2 for 2016.

25 A: Okay.

1 Q: For 2016, do you see in Box 3 -- no. Let's
2 look at -- yeah, Box 3. Your total wages
3 were \$112,000 for 2016; is that correct?

4 A: All I see is one over 2578. We're
5 talking ---

6 Q: 2016.

7 A: 2016. Okay. Yeah. I'm sorry.

8 Q: I see 112,000. That was your ---

9 A: No. I found ---

10 Q: Is that correct?

11 A: 112 -- correct.

12 Q: And if you'll go to the next page, then it
13 shows your W-2 for 2017? Go to the next
14 page.

15 A: Yes.

16 Q: Do you see your -- in Box 5 your total wages
17 for the year \$428,727?

18 A: Yes.

19 Q: If you go to your W-2 wages for 2018, do you
20 see your reported wages to be \$282,272?

21 A: Yes.

22 Q: If you go to 2019, were your reportable wages
23 \$247,500?

24 A: Yes.

25 Q: Go to 2020. Were your reportable wages

1 \$157,500?

2 A: Yes.

3 Q: Again, just to clarify for the record, did
4 you ever attempt to manipulate your wages to
5 meet some threshold for your retirement
6 benefits?

7 A: No, no.

8 Q: At any point in your career did you ever do
9 that?

10 A: No.

11 Q: And, in fact, wouldn't it have benefitted you
12 if you had had these big numbers on the front
13 end of your career instead of the back end of
14 your career?

15 A: Yes.

16 Q: You can give that exhibit back to the court
17 reporter.

18 Mr. Werner asked you some questions, and
19 it related to Respondent's Exhibit 13 from
20 the Odom & Associates general ledger, that
21 accounting activity. Do you remember that --
22 those line of questions?

23 A: Yes.

24 Q: He asked you specific questions about
25 accounting entries where it looked like Odom

1 & Associates had paid \$4,492,000-some odd
2 based on those accounting entries. Do you
3 recall that line of questioning?

4 A: Yes.

5 Q: Was that part of an S corp distribution?

6 A: Yes.

7 Q: Were those payments or those distributions
8 legal?

9 A: Yes.

10 Q: Does Odom & Associates have a third-party
11 accounting or auditing firm?

12 A: Yes.

13 Q: Is that firm Ms. Currin's firm?

14 A: Yes.

15 Q: How long has Odom employed that or retained
16 that accounting firm?

17 A: 30-plus years.

18 Q: Does Ms. Currin's accounting firm conduct
19 annual audits on Odom & Associates?

20 A: She does my financials and does taxes. I
21 don't think she puts it down as an audit.
22 But she does all the bookkeeping, all the
23 reporting, all the taxes, all those things.

24 Q: Has any State or federal taxing authority
25 ever cited Odom & Associates for any type of

1 impropriety?

2 A: No, sir.

3 Q: Has Ms. Currin's accounting firm ever noted
4 or made you aware of any impropriety with
5 regard to Odom & Associates' financial
6 practices?

7 A: No, sir.

8 Q: Is Alligator audited each year?

9 A: Yes, sir.

10 Q: By outside accountants and auditors?

11 A: That's correct.

12 Q: Is that also Ms. Currin's firm?

13 A: No, sir.

14 Q: Which firm is that?

15 A: It was Cornelius, and we've gone to a new
16 firm. I don't remember the name. But
17 they've done it for about three years now.

18 Q: Prior to that accounting firm, did Alligator
19 use some other third-party accounting firm to
20 perform annual audits?

21 A: Yes. We used Ms. Currin prior to that.

22 Q: Has any State or federal government tax
23 authority ever cited Alligator for any
24 improprieties or illegalities?

25 A: No, sir.

1 Q: Has any third-party accounting firm, which has
2 audited Alligator, ever cited the company for
3 any illegalities or irregularities?

4 A: No, sir.

5 Q: Mr. Werner asked you a series of questions
6 about payments from Alligator to Odom &
7 Associates. Do you remember that line of
8 questioning?

9 A: Yes.

10 Q: Did Alligator's board of directors approve
11 payments from Alligator to Odom & Associates?

12 A: Yes.

13 Q: Did the board approve all of those payments?

14 A: Yes.

15 Q: Did the Alligator board of directors always
16 have access to all of the financial
17 transactions between Alligator and Odom &
18 Associates?

19 A: Yes.

20 Q: Did Alligator's board of directors ever
21 complain or cite or recognize any
22 improprieties at all in the transactions
23 between Alligator and Odom & Associates?

24 A: No, sir.

25 Q: Was there ever anything at all improper or

1 illicit regarding any transaction between
2 Alligator and Odom & Associates?

3 A: No, sir.

4 Q: Did Alligator and Odom & Associates always
5 disclose their dealings with each other to
6 the board of directors of Alligator?

7 A: Yes, sir.

8 Q: Mr. Werner asked you a question about a loan
9 that Alligator took from Odom & Associates.
10 Do you recall that question?

11 A: Yes, sir.

12 Q: Did the Alligator board of directors approve
13 that loan taken from Odom & Associates?

14 A: Yes, sir. And the circumstances there,
15 Alligator was getting a large loan and grant
16 from what's called R Big. It's Department of
17 Agriculture through a electric co-op. And to
18 keep from going to a bank and getting the
19 money, I had money in savings or whatever
20 that I loaned them just to get to when that
21 money came in in a few months. It was a
22 short-term loan.

23 And I charged them the same interest the
24 bank would have gotten. But one of the board
25 members also loaned something just to get

1 over to the -- us getting that in hand.

2 Q: And this was up-front in full disclosure to
3 the Alligator board of directors?

4 A: And to the Department of Agriculture Rural
5 Development.

6 Q: All these questions about transactions between
7 Alligator and Odom & Associates, what did any
8 of that have to do with your application for
9 and receipt of PEBA Retirement Benefits?

10 A: Nothing that I know of.

11 Q: Did any of your activities at Odom &
12 Associates have anything at all do with your
13 participation in or receipt of Retirement
14 Benefits through the PEBA Retirement System?

15 A: No.

16 Q: You testified earlier that salary discussions
17 among the Alligator board of directors took
18 place during executive session. Remember
19 that?

20 A: Yes.

21 Q: What do you mean by executive session?

22 A: They went in executive session to take advice
23 from the company attorney. And they
24 discussed several things. But, again,
25 contract matters, personnel that I wasn't

1 involved in and ---

2 Q: You weren't involved in these executive
3 session discussions; correct?

4 A: No, sir.

5 Q: But you just mentioned an attorney being
6 involved. Did Alligator have its own outside
7 legal counsel?

8 A: Yes, sir. William Spencer from Chesterfield.

9 Q: Did Alligator seek and receive legal counsel
10 on issues such as setting salaries?

11 A: I'm really not sure. There were several
12 things. There was some on-going lawsuits,
13 and they would cover several things at one
14 time. You know, attorneys are high so ...

15 Q: Did Alligator involve its legal counsel with
16 regard to its contractual relationship with
17 Odom & Associates?

18 A: Yes.

19 Q: And just to clarify for the record, did Odom
20 & Associates ever treat you as an employee?

21 A: Treated me as an employee every day.

22 Q: Odom & Associates?

23 A: I'm sorry. I heard Glenn Odom. I've heard
24 it so long. No. Not -- Odom & Associates is
25 not an employee of anyone.

1 Q: And you're not an employee of Odom &
2 Associates; correct?

3 A: I'm the owner of it, but I'm not an employee
4 of it.

5 Q: Did Odom & Associates ever pay you with a
6 W-2?

7 A: I can't answer that.

8 Q: Did Odom & Associates ever take out workers'
9 compensation insurance on you?

10 A: No.

11 Q: Did Odom & Associates ever provide you with
12 any employee benefits?

13 A: No.

14 **MR. BELCHER:** I don't have any further questions
15 for Mr. Odom.

16 **MR. WERNER:** Your Honor, may I have some brief,
17 brief recross?

18 **THE COURT:** Okay.

19 **MR. ODOM - RECROSS-EXAMINATION BY MR. WERNER:**

20 Q: Two matters that were addressed for the
21 first time just now. Mr. Odom, let me hand
22 you a copy of Respondent's Exhibit 38. Does
23 that look like the financial statements for
24 Alligator as of 2007?

25 **(Respondent's Exhibit Number 38 was referenced at**

1 **this time.)**

2 A: Yes.

3 Q: And if you turn to page 22, there's a section
4 called The Findings with a subheading
5 Significant Deficiency; correct?

6 A: Yes.

7 Q: And can you read beginning where it says
8 2007-2 management contract and on to the next
9 page?

10 A: Yes. Conditions: The water company does not
11 maintain a complete accounting of the amount
12 owed to the management company on a
13 continuous basis.

14 Criteria: The water company should have
15 internal controls in place to provide
16 reasonable assurance that the amount owed the
17 management company is readily available.

18 Cause: Internal controls over
19 management contract are absent.

20 Effect: The water company is unable to
21 make meaningful determination of the
22 management contract payable.

23 Recommendation: The water company
24 should implement controls that ensure the
25 management contract payable is calculated and

1 recorded on a monthly basis according to the
2 terms of the contract.

3 Q: Thank you. So in 2007 the accountants find a
4 significant deficiency regarding the internal
5 controls around the payments between Alligator
6 and Odom & Associates?

7 A: Yes, sir.

8 Q: Okay. And then I'm gonna hand to you Exhibit
9 15. If you'll take a look at those. And I
10 believe on redirect you testified that you
11 had not received W-2s from Odom & Associates.
12 Does this Exhibit 15 appear to be W-2s to you
13 from Odom & Associates through the years 2015
14 through 2020?

15 **(Respondent's Exhibit Number 15 was referenced at**
16 **this time.)**

17 A: Yes, it does. I -- there again I'm not a
18 bookkeeper. I thought they were 1099s, but
19 they are W-2s.

20 Q: Okay.

21 A: They were -- I didn't mean to mislead you. I
22 just didn't know that or not.

23 Q: Yeah. So you had received W-2s from Odom &
24 Associates?

25 A: Correct.

1 Q: Okay. Those are the two quick matters I
2 wanted to address.

3 MR. WERNER: Thank you, your Honor.

4 THE COURT: All right. That's everything for this
5 witness, you can step down.

6 (Witness excused.)

7 THE COURT: All right. I was so busy looking at
8 dates, I did not even get a drink of water
9 when we took our break. So I would like a
10 five-minute break to go get a glass of water,
11 and then we can have your next witness; okay?
12 I'll be right back.

13 (A break was taken from 3:54 p.m. until 4:00 p.m.)

14 MR. BELCHER: The petitioner calls Karen Currin.

15 KAREN CURRIN, having been duly sworn, testifies as
16 follows:

17 MS. CURRIN - DIRECT EXAMINATION BY MR. BELCHER:

18 Q: Ms. Currin, would you state your full name
19 for the record?

20 A: Karen Anderson Currin.

21 Q: Where do you work?

22 THE COURT: Can you spell your last name for me?

23 MS. CURRIN: C-U-R-R-I-N.

24 THE COURT: Thank you.

25 A: Phillips, Currin & Company, CPAs, in

1 Hartsville, South Carolina.

2 Q: Are you a certified public accountant?

3 A: Yes.

4 Q: Where did you go to college?

5 A: I finished at Coker.

6 Q: You have a degree in accounting, I assume?

7 A: Yes.

8 Q: Do you have a master's degree or any higher
9 education?

10 A: No, sir.

11 Q: Are you a partner in your accounting firm?

12 A: Yes.

13 Q: Do you provide accounting services to business
14 clients in South Carolina?

15 A: Yes.

16 Q: Is Odom & Associates one of your clients?

17 A: Yes.

18 Q: How about Alligator Rural Water and Sewer
19 Company?

20 A: Yes. I'm the -- we do bookkeeping for them.

21 Q: About how long has your company provided
22 accounting services to Alligator?

23 A: 25-plus years probably.

24 Q: And how about you personally?

25 A: That time. I mean, I wasn't their first



1 auditor. We had another CPA in the firm.
2 But we used to be their auditor, but then we
3 went to the bookkeeping services.

4 Q: Do you have knowledge of Alligator's financial
5 statements?

6 A: Yes.

7 Q: State and federal tax returns?

8 A: Yes.

9 Q: And some -- at least some documents
10 supporting those tax returns and financial
11 statements?

12 A: Yes.

13 Q: Do you have knowledge of Alligator's business
14 operations?

15 A: Limited as far as day-to-day management. I
16 mean, we're just after-the-fact bookkeeping
17 and payroll.

18 Q: Have you ever conducted an audit for
19 Alligator?

20 A: We were their first auditor, but that was in
21 early -- probably early 2000s, 2006. I'm not
22 sure what the last year was we audited, but
23 it's been a long time.

24 Q: Has your accounting firm ever found any
25 irregularities or improprieties with regard to

1 Alligator's operations?

2 A: No. That report where that finding where we
3 wrote just significant deficiency with
4 internal control, that might have come from
5 one of the years we audited. But it was just
6 always recommendations maybe on internal
7 control.

8 Q: Does your accounting firm audit Odom &
9 Associates?

10 A: No, we don't audit Odom & Associates. We do
11 bookkeeping and the corporate tax return.

12 Q: Do you have knowledge of Mr. Odom's
13 membership in and contributions to PEBA?

14 A: Just the payroll. And I don't actually do
15 the payroll. I've got some ladies in my
16 office that do the actual payroll. Just
17 deduct -- you know, we calculate the payroll
18 and take the deductions and everything, but
19 then they prepare the quarterly report --
20 monthly reports and quarterly reports for
21 PEBA.

22 Q: So your accounting firm conducts payroll
23 services for Alligator?

24 A: Yes.

25 Q: Does it also do so for Odom & Associates?

1 A: Yes.

2 Q: About how long for each company?

3 A: How long have we done that?

4 Q: How many years.

5 A: When we took over Alligator's bookkeeping, I
6 think that's probably when we started doing
7 the payroll too.

8 Q: When Alligator provides you with payroll
9 information, does it break it down in terms
10 of whether the payments are for a salary or a
11 bonus or some type of incentive payment?
12 Does it break it down in any way?

13 A: Yeah. I believe when the office manager
14 would communicate that to my payroll staff.
15 So it should be on those reports if there's
16 bonuses or anything. There should be a
17 separate line item for bonuses.

18 Q: Has Alligator ever reported to your accounting
19 firm a bonus for Mr. Odom?

20 A: No. Not I'm aware of; no.

21 Q: Has it ever reported any incentive payments
22 to Mr. Odom?

23 A: No.

24 Q: Has Odom -- or excuse me -- has Alligator
25 always reported only Mr. Odom's salary to

1 your accounting firm?

2 A: Yes. Just however those weekly -- well, I'm
3 not even sure it's weekly. I think it's
4 biweekly for payroll. They communicate that
5 with my payroll staff.

6 Q: To your knowledge, are Alligator and Odom &
7 Associates separate and distinct businesses?

8 A: They are.

9 Q: They're set up separately; correct?

10 A: Yes. Alligator's non-profit, and Odom &
11 Associates is a corporation.

12 Q: Did Alligator directly pay Odom & Associates
13 for any services that Odom & Associates
14 performed on behalf of the water company?

15 A: Yes. There's -- those income checks that go
16 to Odom & Associates from Alligator; yes.

17 Q: And those payments from Alligator to Odom &
18 Associates do not include any payments as
19 part of Mr. Odom's salary with Alligator;
20 correct?

21 A: No. That's correct.

22 Q: Are you aware that for several years
23 consecutively Alligator paid Mr. Odom a salary
24 of \$12,000 a year?

25 A: Yes.

1 Q: Do you have any knowledge as to the reasons
2 why?

3 A: No, I don't.

4 Q: Are you aware that in roughly 2016 Alligator
5 increased Mr. Odom's salary?

6 A: Yes.

7 Q: Do you know the reasons why?

8 A: I'm not -- I was not involved with
9 management; no.

10 Q: Do you have knowledge that Mr. Odom played a
11 key role in recruiting Nestle Waters to open
12 a bottling facility in Chesterfield County?

13 A: Oh, yes. Yes.

14 Q: You're aware of that?

15 A: Uh-huh.

16 Q: I'm gonna show you, to refresh your
17 recollection, an affidavit that you've
18 submitted in this case. You recall
19 submitting the affidavit?

20 A: Yes.

21 **MR. BELCHER:** And it's part of the documents that
22 we've already agreed to submit to the Court.
23 It's an exhibit. But I don't know the
24 number, and I'm not gonna enter it in
25 separately. I'm just gonna refresh your

1 recollection, Judge.

2 Q: I'll ask you to look at some of these
3 paragraphs. And I'm gonna ask you to look at
4 the paragraph. I'll ask you a question about
5 it; all right?

6 A: Yes.

7 Q: Look at paragraph 21. Are you aware that
8 Nestle Waters made large purchases from ---

9 A: Yes.

10 Q: --- Alligator?

11 A: Yes.

12 Q: And that was starting in roughly 2014 or
13 2015; correct?

14 A: Yes.

15 Q: Are you aware that those purchases
16 substantially increased Alligator's revenues?

17 A: Yes.

18 Q: Would you agree that had they helped
19 stabilize Alligator's financial position?

20 A: Yes.

21 Q: If you would look at paragraph 27 and see if
22 this would refresh your recollection on this
23 issue. You said Nestle came in 2014 or 2015;
24 correct?

25 A: Yes.

1 Q: In 2012 do you recall Alligator suffering a
2 negative cash flow for the year?

3 A: Yes.

4 Q: What was the amount?

5 A: 374058.

6 Q: That's 374,000?

7 A: Yes, \$374,058.

8 Q: That was roughly two years before Nestle
9 came; correct?

10 A: Yes.

11 Q: Did Alligator ask you to analyze the
12 company's financial performance between 2010
13 and 2018?

14 A: Yes.

15 Q: And did you analyze its financial performance?

16 A: Yes.

17 Q: What documents did you review in analyzing
18 its financial performance for that eight-year
19 period?

20 A: The audit reports, our bookkeeping. And they
21 would provide me with the gallons and things
22 like that.

23 Q: Looking at paragraph 23 of your affidavit.
24 Did Alligator Sewer revenues increase during
25 that eight-year period?

1 A: Yes.

2 Q: By how much in dollars?

3 A: Total increase of \$346,554.

4 Q: And what percent increase was that?

5 A: 111 percent.

6 Q: The next paragraph. Did Alligator's water
7 revenues increase for that same period?

8 A: Yes.

9 Q: By how much in dollars?

10 A: \$1,185,225.

11 Q: What percent increase was ---

12 A: 62 percent increase.

13 Q: You said 62?

14 A: Uh-huh.

15 Q: And did the company's total water and sewer
16 revenues increase during that eight-year
17 period?

18 A: Yes.

19 Q: By how much in dollars?

20 A: 1,531,779.

21 Q: That was how much of a percent increase?

22 A: 69 percent.

23 Q: Looking at paragraph 29 of your affidavit.
24 From 2013 to your prior to adding Nestle as a
25 customer in 2018, how much did Alligator's

1 annual water revenues increase?

2 A: \$699,009.

3 Q: What percent increase was that?

4 A: 29 percent increase.

5 Q: Did Alligator's water and sewer revenues
6 increase each year between 2015 and 2018?

7 A: Yes.

8 Q: And, in fact, did Alligator enjoy its highest
9 revenues in the company's history between 2016
10 and 2018?

11 A: Yes.

12 Q: Were those also the years that Alligator paid
13 Mr. Odom his highest annual salaries?

14 A: Yes.

15 Q: Just to clarify for the Court, was Mr. Odom's
16 compensation with Alligator based on getting
17 services that Odom & Associates provided?

18 A: No. It was not based on any services.

19 Q: Was Mr. Odom's compensation with Alligator
20 based on his participation in or projected
21 future benefits from the PEBA retirement plan?

22 A: No.

23 Q: What did Alligator base Mr.-- and -- or how
24 did Alligator set Mr. Odom's annual
25 compensation?

1 A: On job performance.

2 Q: Anything else?

3 A: And the company's financial position.

4 Q: Do you believe that Alligator or Mr. Odom
5 engaged in any fraud, misrepresentation, or
6 unlawful conduct of any kind with regard to
7 his application for a receipt of PEBA
8 benefits?

9 A: No, no.

10 **MR. BELCHER:** I don't have any other questions for
11 Ms. Currin.

12 **THE COURT:** Okay. Mr. Werner, could you like to
13 ask her some cross-examination questions?

14 **MR. WERNER:** I would. Thank you, your Honor.

15 **MS. CURRIN - CROSS-EXAMINATION BY MR. WERNER:**

16 Q: Good afternoon, Ms. Currin.

17 A: Hey.

18 Q: How are you?

19 A: I'm good. Thank you.

20 Q: Okay. I wanted to start off talking about
21 form -- an IRS form called the Form 990.

22 A: Yes.

23 Q: Can you explain what the -- a Form 990 is?

24 A: It's the tax return form that the non-profits
25 file.

1 Q: So it's essentially like a tax return that a
2 non-profit ---

3 A: Yes.

4 Q: --- would ---

5 A: Yes.

6 Q: A tax exempt organization would file?

7 And you're responsible for -- or you
8 have been over the years been responsible for
9 preparing the 990 ---

10 A: Yes.

11 Q: --- for Alligator Water?

12 A: Yes.

13 Q: I'm going to hand you a stack of exhibits.

14 **MR. WERNER:** Again, too much paper.

15 **THE COURT:** It's a lot of paper.

16 **MR. WERNER:** I know. I know. Too many documents.

17 Q: All right. These are what I've marked as
18 Respondent's Exhibits 22 through 37. And
19 these are the 990s for Alligator Water
20 between 2004 and 2019.

21 **(Respondent's Exhibit Numbers 22 through 37 were**
22 **referenced at this time.)**

23 **MR. BELCHER:** What's the exhibit number again?

24 **MR. WERNER:** Exhibit Numbers 22 through 37. It's a
25 series.

1 Q: And I thought maybe we'd start with one and
2 go in a little more detail. And then maybe
3 we can go through some of the other ones in a
4 more summary fashion so I don't keep you too
5 long belaboring these.

6 So if you could look at Exhibit 33.

7 A: 33.

8 Q: And I want to just kind of walk through. So
9 the bottom of page 1, you know, it lists the
10 preparer. And it lists you as being the
11 preparer of this 990; correct?

12 A: Yes.

13 Q: Okay. And then flipping ahead to page 4, I'm
14 gonna ask you about line 28C. So what is
15 line 28C asking about?

16 A: Let's see, 28C?

17 Q: Yes.

18 A: An entity of which a certain -- of which a
19 current or former officer, director, trustee,
20 or a key employee, or a family member thereof
21 was an officer, director, trustee, or director
22 or indirect or owner. If yes, complete
23 Schedule L, Part 4.

24 Q: In the beginning toward the ---

25 A: Organization or the party to a business

1 transaction with one of the following parties.

2 Q: So if Alligator Water was a party to a
3 transaction with one of these parties asked
4 and listed here and this is an entity of
5 which a key employee or director is a officer
6 or owner, and in checking yes there, I assume
7 that's referring to the contract between
8 Alligator and Odom & Associates?

9 A: I'm looking for the Schedule L that it
10 references.

11 Q: Yeah. Page 19, I believe, is the schedule.
12 Yeah, page 19. It's printed sideways.

13 A: Yes. That's just where the compensation paid
14 to them is reported.

15 Q: So yeah, so page 19 it's gonna -- L indicates
16 that Odom & Associates is that interested
17 person, that related party, is the management
18 company. Then it notes that it was just over
19 a million dollars was paid for management
20 services?

21 A: Right, yes.

22 Q: Okay. And flipping back to page 6, I'm gonna
23 ask you about line 3. And this asks, did the
24 organization delegate control over management
25 duties customarily performed by under the

1 direct supervision of officer, director, or
2 trustees or employees to a management company
3 or other person? And the 990 indicates that,
4 yes, Alligator has delegated control to
5 management to a management company; correct?

6 A: Yes.

7 Q: Okay. Moving to page 7, this is a section
8 Part 7 where it lists the compensation of
9 officers, directors, trustees, key employees,
10 highly compensated employees, and contractors.
11 Now, looking in this list here on page 7, I
12 don't see Glenn Odom reported as an officer
13 or key employee; is that correct?

14 A: That is correct. I don't think his wages
15 that year -- I might be wrong -- were high
16 enough to go on that schedule.

17 Q: Okay. Now, as the highest management
18 official, if he was the general manager,
19 would that not make him an official for
20 reporting purposes?

21 A: I think they have to be over the dollar -- a
22 certain dollar amount.

23 Q: Okay. Then going down to, let's see, page 8
24 on that bottom Section B, this independent
25 contractors. And, again, we have Odom &

1 Associates receiving \$1.1 million as the
2 management company; correct?

3 A: Yes.

4 Q: Okay. So then going over to page 10, which
5 is Part 9 labeled Statement of Functional
6 Expenses. So on line 5 for the compensation
7 of current officers, directors, trustees, and
8 key employees, there's none listed?

9 A: There is not. But there were several years
10 that I went back and amended these returns
11 because I realized that we had it lumped in
12 the management and that there should have
13 been the salaries and the payroll taxes. So
14 some of the 990 tax returns have been
15 amended.

16 Q: So they ---

17 A: And I don't know what year that was. So I
18 don't know if this is the final tax return
19 that was filed with the IRS.

20 Q: Okay. And so going -- and so then with this
21 one I'm going down to line 11A under fees for
22 service non-employees under management there's
23 \$1.182 million?

24 A: Yes. But that's what I'm talking about ---

25 Q: Yeah.

1 A: --- with some of these returns were amended.

2 Q: Now, flip ahead to page 20 to Schedule O.
3 And that second line there just reflects that
4 the organization contracts with a management
5 company for the day-to-day operations. Again,
6 that's the contract with Odom & Associates;
7 correct?

8 A: It is.

9 Q: Okay. So that's roughly how these 990s work.
10 The company has to disclose the salaries it
11 pays to its officers and key employees, has
12 to disclose the amount that's paid to
13 independent contractors; correct?

14 A: Yes.

15 Q: And it has to disclose the amounts it -- or
16 the relationships it has with interested
17 persons?

18 A: Yes.

19 Q: Okay. So I want to walk through the other
20 990s. And hopefully we can do it in a fairly
21 quick fashion. So let's start with exhibit
22 thirty -- I'm sorry -- Exhibit 22 with 2004.

23 Actually let's start with 2005. Let's
24 start with Exhibit 23. I'm sorry. Move
25 things along. And please take the time you

1 need to look at these individual data points
2 as I go through them. I'm not trying to rush
3 you. I know it's a lot ---

4 A: No. That's fine.

5 Q: --- to look at.

6 So for 2005 in, you know, the list of
7 officers, directors, and key employees,
8 there's no listing for Glenn Odom. And I
9 don't believe it also -- there's no listing
10 for Odom & Associates as an independent
11 contractor. But that section he may not be
12 there that year.

13 A: And it may not be. These are old returns.

14 Q: The old ones, yeah.

15 A: And I realize that -- I mean, I have amended
16 several, but you only go back three years to
17 amend. So, like, if you look 2019 return
18 you'll see where I did break out the payroll
19 and the payroll taxes and all that so ...

20 Q: Broke it down. Okay. So there's no listing
21 for Glenn Odom as a key employee in '05?

22 A: Again, I think if you look at the salary.

23 Q: Okay. And then same for 2006. That would be
24 the next Exhibit 24.

25 A: Which one are you looking at now? I'm sorry.

1 Q: For 2006.

2 A: 2006. Okay.

3 Q: It's not listed under there.

4 A: What page are you on?

5 Q: Just the listing of the key ---

6 A: I don't think I've ever shown him on there.

7 Q: Okay.

8 A: When you look at the instructions on that,
9 it's very confusing. In fact, I'm working on
10 a 990 in my office now trying to decide who
11 goes on that form. And so if it's reported
12 wrong, I mean, that's -- I prepare the
13 returns, so that's my mistake if you read the
14 line instruction differently.

15 Q: Right by the definition of a key employee.

16 Yeah. So looking at -- so let's move
17 ahead to Exhibit 28.

18 Hold on. Gone too far. My apologies.
19 It's Exhibit 26. I'm sorry. This would be
20 the 2008 990.

21 A: The 2008 990?

22 Q: Yeah. On Exhibit 26.

23 A: Okay.

24 Q: Now, on this one if we go to page 7, there we
25 find Glenn Odom listed as the general manager

1 as a key employee.

2 A: Okay.

3 Q: At \$36,000 a year in salary; correct?

4 A: Yes. He's there.

5 Q: And then going back over to page 10 we see in
6 line 5 there's not a salary listed for key
7 employees. We do have his salary as listed
8 on line 7 and then line 11A for the
9 management. For non-employees we have
10 \$635,194; correct?

11 A: Yes. I just put it on the wrong line item.
12 It's in there with the other salaries.

13 Q: Okay. And then going to Exhibit 27. This
14 would be the 2009 990. Let's see, going to
15 page 7 again, you have Glenn Odom as a key
16 employee making \$20,000; correct?

17 A: Yes.

18 Q: And then going to page 10 we have his -- we
19 have the compensation on line 5 of the
20 officers and key employees. And then line
21 11A for management expense there's \$851,000;
22 correct?

23 A: Yes.

24 Q: All right. Moving into Exhibit 28, the 2010
25 990. We're doing the same exercise. On page

1 7, to Glenn Odom at \$18,000 as a key
2 employee. And then on page 10 there's
3 \$19,000 in compensation to officers and key
4 employees ---

5 A: Yes.

6 Q: --- at a \$1.1 million management fee?

7 A: Yes.

8 Q: Okay. Moving to Exhibit 29, the 2011 990.
9 All right. Going to page 7, and then Glenn
10 Odom is not on this page as a key employee or
11 officer, is he?

12 A: No, he's not. I'm sorry. Yes.

13 Q: Okay. No. I'm sorry. No.

14 And then moving to page 10 there's no
15 compensation listed on line 5; correct?

16 A: Correct.

17 Q: And then on line 11A for the fees for
18 non-employees, management services we have
19 1.2 million?

20 A: Correct.

21 Q: Okay. Exhibit 30, the 2012 990, page 7 we do
22 find Glenn Odom as a key employee of \$12,000;
23 correct?

24 A: Yes, correct.

25 Q: And then flipping over to page 10 again. We

1 see that salary on line 5. And then we have
2 another 1.2 million on line 11A for the
3 management fees?

4 A: Correct.

5 Q: Okay. Exhibit 31, 2013. If we go to the
6 page 7 it has Glenn Odom as a key employee
7 making just over \$11,000; correct?

8 A: Correct.

9 Q: And over on page 10 we got 1.4 million in
10 fees for services to non-employees and then
11 nothing on line 5; correct?

12 A: Right, uh-huh.

13 Q: Exhibit 32, 2014. If you go to page 7, Glenn
14 Odom is there as a key employee at \$12,000;
15 correct?

16 A: Correct.

17 Q: And then we look over on page 10. Nothing on
18 line 5, but 1.5 million on line 11A?

19 A: Correct.

20 Q: Okay. All right. Exhibit 33 -- oh, we
21 already hit 33. That was 2015 when Glenn
22 Odom was not listed as a key employee and we
23 have 1.1 million in fees for non-employees.

24 So we can move to Exhibit 34. And here
25 we are at 2016. Over on page 7, Glenn Odom

1 is not listed as a key employee or officer;
2 correct?

3 A: Correct.

4 Q: And then on page 10 we do see \$112,000 on
5 line 5. And then in the fees for services
6 for management we have just over a million
7 dollars; correct?

8 A: Correct.

9 Q: All right. And then Exhibit 35 we're up to
10 2017. If we go to page 7, there's Glenn Odom
11 as a key employee as a general manager with
12 the salary of 428,000; correct?

13 A: Correct.

14 Q: And then over on page 10, line 5 we see that
15 \$428,000?

16 A: Correct.

17 Q: And on line 11A for the management fee it's
18 down to 363,000?

19 A: Correct.

20 Q: Okay. Exhibit 36 we're at 2018. We go to
21 page 7, there's Glenn Odom as a key employee
22 making \$202,000; correct?

23 A: Correct.

24 Q: And if we go to page 10, line 5 has the 282.
25 And then the management fees are 542,000?

1 A: Correct.

2 Q: And then lastly Exhibit 37, which is 2019.
3 And if we go to page 7, we'll find Glenn Odom
4 in there as a key employee making 247 --
5 \$247,500?

6 A: Correct.

7 Q: All right. And we go over to -- there might
8 be a different line. Okay. So it's actually
9 gonna end up on page 10. On line 5 there's
10 249,500 listed for officers and key employees.
11 And then on line 11A we have 663,930 as the
12 fees for services; correct? On page 11. I'm
13 sorry.

14 A: Yes, correct.

15 Q: Yeah. And so pulling that data together with
16 what was reported as Mr. Odom's salary for
17 those years, we get something --

18 **MR. WERNER:** And, your Honor, I'm gonna try to use
19 the ---

20 **THE COURT:** That'd be great.

21 **MR. WERNER:** Give it a try and see what it looks
22 like. All right. Can y'all see that?

23 **THE COURT:** Uh-huh.

24 Q: So from the data we just went through, the
25 990, the line on the 990 for fees for

1 management services and non-employees, that's
2 the dark blue line on top for the period of
3 2006 to 2019. The lighter blue line on the
4 bottom are the salary amounts that reported
5 to the South Carolina Retirement System for
6 Glenn Odom's salary. Does that look accurate
7 to the numbers we just discussed?

8 A: But some of those 990s I told you weren't
9 prepared correctly. So are you pulling the
10 figures off the 990?

11 Q: Yeah, these are from the 990s.

12 A: So if I didn't break the salary out, if I put
13 it on the wrong line item, then your chart's
14 not gon' be right; correct?

15 Q: Which ones have you amended?

16 A: I would have to go back and look at my
17 records what -- which ones I amended. I
18 mean, I could only go back three years when I
19 realized I didn't record it correctly.

20 Q: Now, these most recent years in 2015, are
21 those correct -- or from 2016 on, are those
22 correct numbers with the lower amounts
23 reported as the fees for management services?

24 A: Okay. '16 is correct. I think the -- I just
25 know when you -- like at 2004, those early

1 years weren't correct. Your chart starts
2 with ---

3 Q: Yeah. And this starts with 2006.

4 A: Okay. Just hang on a sec.

5 So you're pulling -- your chart is the
6 fees for management ---

7 Q: The chart is line 11A in that section for the
8 filing with the federal government on the
9 Form 990, and then the bottom line is what
10 was reported to South Carolina Retirement
11 System for Glenn Odom's compensation from
12 Alligator Rural Water.

13 A: Okay. Well, 2007 -- if you're pulling it
14 from the 990, the 2007 990 that you have is
15 not correct.

16 Wait a minute. Okay. It has the
17 salaries broken down. I just want to make
18 sure that each one you've got down here that
19 you're using the one where the salaries were
20 broken out.

21 Q: Right.

22 A: Okay. And then what's the top number?

23 Q: The top line is the line 11A from the 990,
24 and then the bottom line is the reported
25 compensation to SCRS for Mr. Odom from

1 Alligator Water.

2 A: Oh, okay. All right. So now what's your
3 question for me?

4 Q: No. I'm just making sure is that accurate to
5 numbers we just went through on those -- the
6 documents we just went through as far as ---

7 A: Well, I'm gonna assume they are, but I would
8 want to rework it myself. But okay. Yeah.
9 If you pulled them from here okay. I'm
10 trying ---

11 **THE COURT:** Take your time.

12 A: I'm not trying to be difficult.

13 **THE COURT:** Take your time.

14 Q: Take your time, yeah.

15 **THE COURT:** Look at the documents and see if you
16 see anything that you disagree with.

17 A: Okay. I have to apologize. I don't see real
18 well. All right. So 2006 ...

19 **THE COURT:** Sorry. I don't know why it's so hot in
20 here. Maybe it's just me, but it's getting
21 very warm in here.

22 **MR. WERNER:** I thought it was just me.

23 **THE COURT:** I don't think we have any way to
24 control it though.

25 A: Okay.

1 **THE COURT:** So did you find any problems?

2 **MS. CURRIN:** No, huh-uh. No, ma'am. I'm sorry.

3 **Q:** Thank you for taking the time to make sure
4 it's accurate. I appreciate that.

5 So that's our walk-through of the 990s.
6 I want to look at a few other things.

7 **THE COURT:** Let me ask you a question. Is this
8 graph that you put up, is this part of an
9 exhibit that's been admitted, or is this just
10 something that you're ---

11 **MR. WERNER:** Just a demonstrative for the
12 courtroom.

13 **THE COURT:** Okay.

14 **MR. WERNER:** Yeah. Just a summary of information
15 from the 990s.

16 **MR. BELCHER:** Could we get a copy?

17 **MR. WERNER:** Yeah.

18 **THE COURT:** Why don't we -- you know, why don't you
19 go ahead and -- since you spent so much time
20 on it, let's go ahead and admitted it.

21 **MR. WERNER:** Yeah. We'll mark this as Respondent's
22 Exhibit 80.

23 **(Respondent's Exhibit Number 80 was marked for**
24 **identification purposes.)**

25 **THE COURT:** Unless there's an objection?

1 **MR. BELCHER:** No objection.

2 **THE COURT:** Okay. Respondent's 80 is admitted
3 then.

4 **(Respondent's Exhibit Number 80 was admitted into**
5 **evidence.)**

6 Q: I want to ask you -- I'm gonna hand you
7 what's been marked as Exhibit 68.

8 So this is a bond issuance disclosure
9 looking -- looks like a bond from the job's
10 economic authority for Alligator Rural Water
11 for, like, \$26 million, almost \$27 million in
12 bonds; correct?

13 **(Respondent's Exhibit Number 68 was referenced at**
14 **this time. was referenced at this time.)**

15 A: Yes.

16 Q: And it looks like it was done in March of
17 2021.

18 **MR. BELCHER:** What Exhibit Number?

19 **MR. WERNER:** Exhibit 68.

20 Q: And if you'll turn to page 42 of that, can
21 you read the description there under
22 management agreement on page 42 of that bond
23 disclosure?

24 A: Since November 2002 Odom & Associates,
25 Incorporated, the manager, has managed and

1 operated the system under the direction of
2 the board of directors pursuant to the terms
3 of the management agreement dated
4 November 19th, 2002. The management agreement
5 between the manager and the borrower, the
6 management agreement has a stated term ending
7 on November 19th, 2022.

8 The manager provides financial services,
9 office operations, and management and
10 operation and maintenance services for the
11 system including billing, collection, repairs,
12 as well grant and loan applications.
13 Pursuant to the terms of the management
14 agreement, the manager provides all the
15 essential licensed workers.

16 Q: Okay. Does all that appear to be accurate,
17 to your understanding of the relationship
18 between Odom & Associates and ---

19 A: Yes.

20 Q: --- Alligator Water?

21 A: Yes.

22 Q: Okay. I want to hand you what's been marked
23 as Respondent's Exhibit 6. So this is a
24 letter that, I believe, you prepared in June
25 of 2017 to Mr. Odom to explain how the

1 bookkeeping is done regarding the management
2 contract and employees as between Odom &
3 Associates and Alligator Water; correct?

4 **(Respondent's Exhibit Number 6 was referenced at**
5 **this time.)**

6 A: I'm just wondering why it's not on my
7 letterhead and why it's not signed.

8 Q: So do you recall preparing this letter?

9 A: Wait a minute. Let me read it.

10 Q: Oh, yeah. I'm sorry. Okay.

11 A: Yes. That sounds accurate.

12 Q: So you prepared this letter?

13 A: Yes. I'm -- just again, I'm not sure why
14 it's not on letterhead and signed but ...

15 Q: Right. But this is the copy we were
16 provided. So in the letter you state that in
17 accordance with the contract Odom & Associates
18 was to provide the personnel for Alligator
19 Water; correct?

20 A: Yes.

21 Q: And you say that Odom & Associates approves
22 the hiring of the staff that are Alligator
23 employees; correct?

24 A: Yes. That's what it says.

25 Q: Okay. And then the costs for those employees

1 reduce the amount of money paid to Odom &
2 Associates per the contract agreement?

3 A: Yes.

4 Q: Okay. So Odom & Associates approves the
5 hiring of Alligator employees, and then
6 whatever gets paid to -- reported as
7 Alligator employees comes out of the fee that
8 would otherwise be paid to Odom & Associates?

9 A: Yes.

10 Q: And that goes back to earlier in some of
11 the -- you were talking about the 990s and
12 making sure the ---

13 A: Yes.

14 Q: --- amounts were properly set up?

15 And I think this is a related matter,
16 but I am going to hand you Exhibit 52. I hid
17 it over here.

18 So let me hand you Exhibit 52 and ask
19 you to turn to -- these are the meeting
20 minutes for Alligator Rural Water and Sewer
21 for 2006. And I ask you to turn to page 12.

22 And I'm looking at that last line before
23 new business on the August 2006 meeting
24 minutes. It indicates that Alligator Rural
25 Water and Sewer employees have joined the

1 South Carolina Retirement System, but then it
2 also says Odom & Associates will pay the
3 premium.

4 So I assume that means the
5 contributions; is that correct?

6 **(Respondent's Exhibit Number 52 was referenced at**
7 **this time.)**

8 A: I'm reading this.

9 Q: Oh.

10 A: Hold on a second, please. Okay. You're
11 talking about the separate line, the ARWS
12 employees have joined the South Carolina
13 Retirement System?

14 Q: Yes.

15 A: Odom & Associates will pay the premiums.

16 Q: So that states that Odom & Associates are
17 gonna pay the retirement contributions for
18 Alligator's employees that participate?

19 A: Well, I mean, that's just what this sentence
20 says in the minutes.

21 Q: Okay. Were you at that meeting?

22 A: I don't think I was at this meeting.

23 Q: Okay. Is that your understanding of how the
24 arrangement works between Alligator Water and
25 Odom & Associates, that Odom & Associates

1 pays the retirement contributions for
2 Alligator Water employees?

3 A: Odom & Associates is responsible for a lot of
4 the bills, and it comes out of the contract
5 calculation.

6 **THE COURT:** Can you repeat that? I did not
7 understand your answer how ---

8 **MS. CURRIN:** You have to look at the management
9 contract and the calculation that is in that
10 management contract.

11 **THE COURT:** So can you explain it to me? 'Cause
12 I'm having trouble understanding what you mean
13 by your answer.

14 **MS. CURRIN:** Well, it's based on water sales and
15 gallons and things like that in the contract.
16 I don't have the contract in front of me.

17 **THE COURT:** Uh-huh. I mean, with respect to the
18 premium ---

19 **MS. CURRIN:** So it reduces the -- it reduces Odom &
20 Associates' earnings that gets paid over to
21 Odom & Associates.

22 **THE COURT:** The premiums would?

23 **MS. CURRIN:** Just ---

24 **THE COURT:** I'm just trying to understand what your
25 answer is.

1 **MS. CURRIN:** Just the water company, some of the
2 expenses, it reduces what then gets final
3 payment over to the management company. It's
4 in the management contract. I don't have
5 that in front of me.

6 **THE COURT:** Okay. So is it your understanding that
7 the management contract says that whatever
8 they -- that Odom & Associates paid in
9 premiums ---

10 **MS. CURRIN:** Well, it's not just paid in premiums.
11 I mean, it's -- because Alligator is bearing
12 some of the cost, it reduces the final what
13 gets paid over to Odom & Associates ---

14 **THE COURT:** Okay.

15 **MS. CURRIN:** --- is my understanding.

16 **THE COURT:** So you're saying that everything
17 that -- so your understanding of the way that
18 it worked irrespective of what the minutes
19 say is that whatever ---

20 **MS. CURRIN:** Well, not what the minutes say.
21 The -- I was talking about the contract.

22 **THE COURT:** Setting the minutes aside for a minute,
23 your understanding of the way that it works
24 is for everything that Alligator paid in
25 premiums reduced how much Odom & Associates

1 would be paid? Is that -- did I understand
2 what you said? I just want to be sure I
3 understood what you said.

4 **MS. CURRIN:** Well, it's not just premiums. I mean,
5 it's ---

6 **THE COURT:** For everything.

7 **MS. CURRIN:** Yes, yes.

8 **THE COURT:** All right.

9 Q: All right. I'm gonna hand you two of the
10 larger exhibits what have been marked as
11 exhibits -- Respondent's Exhibit 17 and 18.
12 And I'll take back those folders, if you want
13 to use more room to look at things. And
14 here's Exhibit 18.

15 And these are -- Exhibit 17 is the
16 Alligator Rural Water general ledger, and
17 Exhibit 18 are Alligator Rural Water bank
18 records that were provided in the discovery
19 process.

20 So I want to turn to page 135 of Exhibit
21 17. And I want to look at about
22 three-fourths of the way down. It's
23 Transaction Number 261463. It's a payroll
24 check to Glenn Odom on June 30 of 2016. Do
25 you see that?

1 (Respondent's Exhibit Numbers 17 and 18 were
2 referenced at this time.)

3 A: Yes.

4 Q: And it says Check Number 7861?

5 A: Yes.

6 Q: And it's for \$67,190; correct?

7 A: Yes.

8 Q: And Alligator had reported in that June
9 quarter, they had reported to SCRS that
10 Mr. Odom had received a compensation of
11 \$100,000 in that quarter. It appears --
12 would you agree that this \$67,000 is the net
13 check for that \$100,000 payment once you take
14 out taxes and retirement withholdings?

15 A: I don't know if that's the net or if that's
16 the gross. It probably is the net.

17 Q: Okay.

18 **THE COURT:** And so go back -- repeat -- can you
19 repeat the question so that I'm sure I'm
20 following what we're talking about?

21 Q: Okay. In the June 2016 quarter, Alligator
22 reported a -- an extra \$100,000 payment to
23 Mr. Odom as earnable compensation. When you
24 back out the payroll taxes and retirement
25 withholdings, you're left with that -- with

1 67,190?

2 **THE COURT:** Okay. So the question is -- to her is:

3 Is the 67,190 ---

4 **MR. WERNER:** The net.

5 **THE COURT:** His net on his \$100,000 payment ---

6 **MR. WERNER:** Correct.

7 **THE COURT:** --- that was reported to the retirement
8 system?

9 **MR. WERNER:** Correct.

10 **THE COURT:** So that's the question?

11 **MR. WERNER:** Yes.

12 A: Yes. That's what it looks like.

13 Q: Okay. And it has Check Number 7861. But if
14 we go to page 136, we see another Check 7861.
15 Do you see the second item down for \$456 to a
16 Michael Blackwell?

17 A: Yes.

18 Q: And then if we go over to Exhibit 18 and go
19 to page 181.

20 A: Exhibit 18?

21 Q: Exhibit 18, the bank records.

22 A: The other file?

23 Q: Yeah. The bank record file.

24 A: On what page?

25 Q: Page 181, I believe. Are you there?

1 A: Yes, I'm there.

2 Q: If you look down on the right-hand column on
3 those July '07 payments, there's Check Number
4 7861 for the 456 clearing the bank. But it
5 doesn't ---

6 A: Yeah, I see that.

7 Q: But, like, if you look on page -- if you go
8 ahead and look at page 195.

9 A: What page?

10 Q: 195. Looks like the June checks. There is
11 no check for 67,190 in the June payments, is
12 there?

13 A: No, there's not.

14 Q: Okay. So where did the \$67,000 check go?

15 A: Well, he may have not cashed it. I mean, he
16 may have just held on to it. I don't
17 know ---

18 Q: Okay.

19 A: --- at this point. I mean. I'd have to look
20 to see when it cleared.

21 Q: Now, it looks like nothing from that --
22 starting from June to December of 2016 it
23 appears that no checks of that size cleared
24 the bank.

25 A: I don't have the bank reconciliation to see.

1 I'm sure it was showing outstanding at that
2 time.

3 Q: Okay. Let's move back to Exhibit 17 again.
4 And I apologize for all the flipping back and
5 forth with these large files.

6 A: That's all right.

7 Q: It's a hassle. So in June of 2017 ---

8 A: What page are you on?

9 Q: Page 167.

10 **MR. BELCHER:** Of what exhibit?

11 **MR. WERNER:** Exhibit 17 again. Back to the
12 Alligator general ledger.

13 A: Okay. I'm on page 167.

14 Q: Yep. So in June was the \$300,000 payment
15 that Alligator reported for in June of 2017,
16 the following year they. They reported a
17 \$300,000 payment to Mr. Odom in June. I'm
18 looking at these transactions, you know, about
19 a quarter of the way down on page 167.
20 There's \$125,000 coming in, and it says from
21 Glenn Odom from Odom & Associates; correct?

22 A: Yes.

23 Q: On July 5th, 2017. And then that same day
24 July 5th, '17 there's a large federal tax
25 payment of \$110,000, 721; correct?

1 A: Yes, yes.

2 Q: So was that \$125,000 to go to pay that
3 federal tax payment?

4 A: That's what it look's like; yes.

5 Q: Okay. And is that the federal tax payment
6 that's associated with that \$300,000 payment?

7 A: I would assume so; yes.

8 Q: Okay. I'm gonna move to page 168, looking
9 further down again on a transaction again
10 about three quarters of the way down on
11 June 13th, 2017. That's \$60,000 coming in
12 from Glenn Odom reporting that he paid it for
13 SC retirement and SC tax; is that correct?

14 A: That's what it says.

15 **THE COURT:** What page are we on?

16 **MR. WERNER:** Page 168 of Exhibit 17, your Honor.
17 About three quarters of the way down on that
18 page.

19 Q: And then going over to page 171 in Exhibit 17
20 about halfway down August 15th of 2017,
21 there's \$79,880 reimbursement from SC PEBA.
22 Those are the reduced contributions; correct?

23 A: That's what it looks like; yes.

24 Q: Okay. And then two days later on the next
25 item down on the 17th, that \$79,000 was sent

1 to Glenn Odom as a -- for the refund of those
2 contributions; correct?

3 A: Yes. That's what it looks like.

4 Q: Okay. And did that include the employer
5 contributions as well, not just the member
6 contribution amount?

7 A: I don't know. I mean, I can't tell that just
8 by looking at this.

9 Q: Okay. And again without, you know,
10 additional documents, you know, to your
11 knowledge, that \$300,000 check that we were
12 discussing, that payment of \$300,000 that was
13 reported in 2017 that we were discussing
14 earlier, do you know if there's any record of
15 that -- a check being issued in that amount
16 in Exhibit 18?

17 A: Exhibit 18?

18 Q: Yeah. The bank records; do you know ---

19 A: Is it cleared?

20 Q: Yeah.

21 A: I mean, I can -- I would have to look. I
22 mean, I would have to look at the bank -- our
23 actual bank reconciliation.

24 **THE COURT:** Do you have what you need to check
25 that?

1 **MS. CURRIN:** No. I don't have the bank
2 reconciliations. It's just the bank
3 statements, so it doesn't show you what's
4 outstanding.

5 **THE COURT:** Let me make sure that I understand the
6 line of questions and answers. It's a lot of
7 documents and I ---

8 **MR. WERNER:** It is, your Honor.

9 **THE COURT:** So looking back over my notes, it looks
10 like the question was asked whether the --
11 whether a \$300,000 payment that was reported
12 to the retirement systems is made to Odom in
13 June of ---

14 **MR. WERNER:** 2017.

15 **THE COURT:** --- 2017 where it was reflected in the
16 ledger?

17 **MR. WERNER:** In the ledger or in the bank records.

18 **THE COURT:** The first question was the ledger.

19 **MR. WERNER:** Right.

20 **THE COURT:** And we didn't -- don't see any --
21 anywhere it's reflected in the ledger. And
22 then -- but we do see where there was a
23 payment of \$60,000 in from Odom that was
24 marked for SC retirement and SC tax about
25 that same time?

1 **MR. WERNER:** Right.

2 **THE COURT:** So then the next question was about the
3 refund amount?

4 **MR. WERNER:** Yup.

5 **THE COURT:** And then the next question was whether
6 there was any record of the \$300,000 payment
7 made to Odom in the bank records?

8 **MR. WERNER:** Right.

9 **THE COURT:** And your answer was that you'd have to
10 look at the reconciliation to tell me.

11 A: Well, yeah. Do you still have those payroll
12 summaries that I can look at?

13 Q: For which years?

14 A: Well, if you want me to look at the June 2017
15 payroll, we need to look at the payroll
16 summaries.

17 Q: In the -- which payroll summaries?

18 A: The reports that were presented earlier today.
19 I'm not sure which side had them.

20 Q: I don't know that those went back to 2017. I
21 think the one payroll summary that the
22 petitioner produced was the 2018 forward. I
23 know we looked at that. I don't know if we
24 had one that went ---

25 A: Because you've only given me the accounts

1 payable management contract where I don't
2 have, like, the wage expense line item or ---

3 Q: Well ---

4 A: I just -- I'm a little bit ---

5 Q: Yeah. I'll withdraw the last question about
6 trying to find the \$300,000 check in the
7 bank record. No sense in looking for a
8 needle in a haystack.

9 MR. WERNER: So I'll withdraw that very last
10 question, your Honor.

11 THE COURT: Okay.

12 MR. WERNER: And we can move ahead.

13 THE COURT: All right. Do y'all need to take a
14 break, take your conversation outside?

15 MR. BELCHER: No. I'm sorry. We didn't mean to
16 interrupt.

17 THE COURT: You can take a break if you need to.

18 MR. BELCHER: Oh, no.

19 MR. WERNER: We shouldn't have too much longer.

20 Q: Ms. Currin, when you're doing your accounting
21 work for Alligator, I mean, how do you verify
22 Mr. Odom's salary? How do you determine what
23 his actual salary is? What records do you
24 look at for that?

25 A: We don't look at anything to verify the

1 salary. It's just the payroll's communicated
2 to us each pay period what the people are
3 paid or to be paid. We just process it. We
4 just process the payroll, pay the payroll
5 taxes, and file the quarterly reports, file
6 the W-2s, do direct deposits, or cut checks.

7 Q: So just whatever amounts that they tell you
8 the payroll amounts are paid?

9 A: Yes.

10 Q: Okay.

11 **THE COURT:** How is that communicated to you?

12 **MS. CURRIN:** My payroll staff people work with the
13 office manager, so maybe through telephone or
14 email.

15 Q: I am going to hand you what has been marked
16 as Respondent's Exhibit 1. And it's pages 91
17 through 95 of that exhibit.

18 **MR. BELCHER:** What exhibit again? I'm sorry.

19 **MR. WERNER:** Exhibit 1 pages 91 through 95.

20 Q: And I know you went through some of this with
21 Mr. Belcher, but I wanted to clarify a few
22 things. So turning to page 93 and looking at
23 paragraphs 23, 24, and 25 of your affidavit
24 where he discussed the increase in water and
25 sewer revenues ---

1 A: Yes.

2 Q: --- over the 2010 to 2018 time frame, that is
3 an increase in revenues, not profits; correct?

4 A: Correct.

5 Q: Correct. So that's just -- so it could be an
6 increase in expenditures during that time
7 frame as well; correct?

8 A: Correct.

9 Q: Okay. And then turning to page 94 and
10 looking at paragraph 35, you stated Alligator
11 based Mr. Odom's annual computation on his
12 job performance and the company's financial
13 success and ability to pay. But didn't we
14 also learn earlier that the decisions about
15 Mr. Odom's salary were made by the board in
16 private executive session?

17 A: Yes, we did.

18 Q: Okay. So we really don't know exactly what
19 the board discussed and how they based those
20 salary amounts as they set them; correct?

21 A: That's just how most of my -- the water
22 companies do, I would assume. So maybe yes.

23 Q: Okay.

24 A: May I add something though to that? Or ...

25 Q: Is it related to the answer of that question

1 or ---

2 A: Well, it's just I've been with the water
3 company a long time and I've watched it go
4 from nothing to what it is. And if you lived
5 in our county in our area and when you drive
6 through and you see what Alligator Rural
7 Water has become, it's pretty impressive for
8 our small area and what he's done for the
9 community. So, I mean, I see -- I've seen
10 that. But when you're in a courtroom, you
11 don't understand that.

12 Q: Okay.

13 A: So ...

14 Q: I'm getting to some of the last stuff, so it
15 shouldn't be too much longer. Bear with me.

16 All right. I'm gonna hand -- well,
17 actually hand me back some of those exhibits.
18 I can get some of that stuff up out of your
19 way.

20 And I'm now gonna hand you Respondent's
21 Exhibits 71 through 79. There you go. These
22 are Mr. Odom's tax returns, personal tax
23 returns between the years 2012 and 2020. And
24 I want to do a similar exercise where we
25 looked through the forms over time. Did you

1 prepare all these tax returns for ---

2 **(Respondent's Exhibit Numbers 71 through 79 were**
3 **referenced at this time.)**

4 A: Yes.

5 Q: --- Mr. Odom?

6 A: Yes.

7 Q: All right. So starting with Exhibit 71, this
8 is the 2012 tax return. Just looking at line
9 7 on the first page, reported income from
10 wages is \$11,300; correct?

11 A: Yes.

12 Q: All right. Now, find the income from --
13 reported from Odom & Associates in here. I
14 have that income is \$25,194 as income from
15 Odom & Associates; does that sound correct?

16 A: Yes.

17 Q: And what ---

18 A: No, it was a loss of 25,194, line C.

19 Q: Oh, a loss of ---

20 A: Odom & Associates, nonpassive loss from
21 scheduled payroll.

22 Q: Loss of \$5,000 in 2012.

23 All right. Then if we turn to Exhibit
24 72, we would do the same thing we looked at
25 line 7 on the first page. Income from wages

1 is \$11,249; correct?

2 A: Yes.

3 Q: And then the income from Odom & Associates is
4 what?

5 A: Odom & Associates had a profit of 28,610
6 minus Section 179 12,883.

7 **THE COURT:** Where is that?

8 **MS. CURRIN:** That is on ---

9 **MR. WERNER:** Page 8.

10 **MS. CURRIN:** --- 8, line C.

11 Q: And then moving to Exhibit 73.

12 **THE COURT:** I'm not used to reading these returns,
13 so it's taking me a minute.

14 **MS. CURRIN:** That's fine.

15 **THE COURT:** So the income of Odom -- so this is
16 more than just Odom & Associates on here?

17 **MS. CURRIN:** There's several companies. Go to line
18 C is for Odom & Associates.

19 **THE COURT:** Line C.

20 **MR. WERNER:** Where that -- so if you -- yes. So
21 where it says C up there under 28 as Odom &
22 Associates and you bring that back down to
23 line C in the next session -- right? And
24 bring that up to where ---

25 **THE COURT:** Oh, I see. So the 28,610 ---

1 **MR. WERNER:** Yeah.

2 **MS. CURRIN:** --- is the income. But then we
3 expensed -- took Section 179 on equipment,
4 which is a deduction of 12,883.

5 **THE COURT:** I see. Gotcha. I'm seeing how to read
6 it now. Thank you.

7 **MS. CURRIN:** Uh-huh.

8 Q: And then we're turning to Exhibit 73. This
9 2014. So line 7, the wages are 11,222;
10 correct?

11 A: Yes.

12 Q: And then going back to our chart on page 8.
13 There's C for Odom & Associates in Box 28,
14 and coming down to the next section there's
15 income of 366,286?

16 A: Yes.

17 Q: And \$6,000 in expenses?

18 A: Section 179; right. Yes. It's not all
19 expenses. I mean, their net income is
20 366,286. And but you report on the S
21 corporation Section 179 under depreciation
22 separately.

23 Q: Gotcha.

24 A: Yeah.

25 **MR. WERNER:** Your Honor, I don't speak tax either

1 so ...

2 A: That's fine.

3 **THE COURT:** So where is the depreciation number
4 again?

5 **MS. CURRIN:** It's to the left. That 6,000 -- hang
6 on. I lost the page.

7 **THE COURT:** Okay.

8 **MS. CURRIN:** Page 8.

9 **THE COURT:** So the 366,286 was out ---

10 **MS. CURRIN:** Was the net income ---

11 **THE COURT:** The net of other expenses ---

12 **MS. CURRIN:** Yes.

13 **THE COURT:** --- in the six -- and then there was
14 the 6823, which was ---

15 **MS. CURRIN:** In Section 179. It gets reported
16 separately.

17 **THE COURT:** --- the depreciation expense. Gotcha.

18 Q: So then we go to Exhibit 74. And this is the
19 2015 tax return line 7. We see \$36,183 as
20 wages; correct?

21 A: Yes.

22 Q: And then if we go find the income from Odom &
23 Associates. If we move to page -- there it
24 is -- on page 11 it looks like and see is
25 Odom & Associates. And, again, we see income

1 of \$213,375; correct?

2 A: Yes.

3 Q: and then there's the depreciation of 23,000?

4 A: Yes.

5 Q: Okay. All right. Exhibit 75, this is the
6 2016 tax return. Line 7, wages is 160,331;
7 correct?

8 A: Yes.

9 Q: And then for Odom & Associates' income?

10 A: The 232.

11 Q: Yeah. And what page is that? I'm sorry.

12 A: 8.

13 Q: Page 8. Okay.

14 A: 232,088. And then the Section 179 was the
15 44,098.

16 Q: So \$232,008 of income, 44,000 in depreciation.
17 And then Exhibit 76 for 2017. Line 7
18 for wages, we see it go up to 471,684;
19 correct?

20 A: Yes.

21 Q: And then moving ahead for Odom on page 11 we
22 see a \$65,000 loss?

23 A: Yes.

24 Q: Okay. In Exhibit 77, 2018. All right. Line
25 1 now on the first we see wages of 316,868;

1 correct?

2 A: Yes.

3 Q: And I don't have it showing any income or
4 loss for Odom and -- or no. Unless it
5 just -- all right. So on page 20 -- oh,
6 yeah. So on page 20 I have -- so it's just
7 zero dollars in income and no loss for Odom &
8 Associates; is that correct?

9 A: Yes.

10 Q: And then if we move to Exhibit 78, 2019.
11 Line 1 on page 1 we see wages of 285,225;
12 correct?

13 A: Yes.

14 Q: And I believe on page 19 for Odom &
15 Associates again, zero dollars, no income, no
16 loss; correct?

17 A: Yes.

18 Q: Okay. And then last one. So this is Exhibit
19 79. We're at 2020. Line 1 on page 1 we see
20 \$208,325 as wages?

21 A: I'm sorry. Which one? I'm sorry.

22 Q: Exhibit 79. Sorry. The 2020 tax return. So
23 line 1 page 1 shows 208,325 in wages;
24 correct?

25 A: Yes.

1 Q: And Odom & Associates ---

2 A: Odom & Associates, we dropped the S selection
3 and made it a C corp. And I'm not sure what
4 year, but that's probably why those are then
5 zero.

6 Q: Oh, okay.

7 A: 'Cause it changed. It went from a S corp, so
8 it no longer has the K-1 that flows through
9 to Mr. Odom.

10 Q: Okay.

11 A: And it pays its own taxes.

12 Q: But if we look at page 21, we still have Odom
13 & Associates listed there with -- in line 28
14 with an S for S corp; correct?

15 A: Yeah. It's probably the -- I probably just
16 didn't delete the sheet. Let me look at it.

17 That's what it is. It's just the
18 worksheet is still in my system. I just
19 haven't taken it out. But it switched to the
20 C corporation.

21 **THE COURT:** So what year would that have been?

22 **MS. CURRIN:** I think that was the first year where
23 we saw it going to zero. That's what I was
24 sitting here trying to think. I think we
25 have filed -- I assume there were some tax

1 changes and they dropped the corporation rate
2 down to 21 percent.

3 Q: Okay. So if he had income from Odom &
4 Associates during that time frame, where would
5 it have been reported?

6 A: It goes on the C corporation now. It doesn't
7 flow through on a K-1 anymore.

8 Q: So it would not be in the individual tax
9 returns?

10 A: Right. The S corporation files its own S
11 corporate return, and then it reports the
12 earnings to the shareholder. The shareholder
13 pays the taxes. C corporations, the C
14 corporation pays its own taxes.

15 Q: And also during this time frame you had
16 Mr. Odom start drawing a salary from Odom &
17 Associates as well; correct?

18 A: I did, that \$60,000 W-2.

19 Q: Yeah.

20 A: I set that up 'cause the IRS wants to see a S
21 corporation, the -- employer greater than
22 2 percent shareholder have a W-2. And then
23 we just use that to pay in some taxes.

24 Q: So similar to what we did with the 990s, if
25 we take the tax return information and plot

1 out what was report -- what shows as wages on
2 his tax returns and what shows as income from
3 Odom & Associates, we get this graph. The
4 blue line being the wage numbers, we just
5 went through that first line on the tax
6 return. And then the gray line being the
7 income shown for Odom & Associates. The only
8 thing we noted was -- actually, that very
9 first year of 2012, that should be a slight
10 lost from Odom & Associates, not a slight
11 profit. But with that addendum, does that
12 look accurate to what we just went through on
13 these individual tax returns?

14 A: Yes.

15 **MR. WERNER:** Okay. We'll go ahead and mark this as
16 petitioner's Exhibit 81 and move for its
17 admission.

18 **MR. BELCHER:** We object, Judge. It's irrelevant to
19 the issues in the case. It has nothing to do
20 with Mr. Odom's application for or receipt of
21 PEBA retirement benefits. Just a fishing
22 expedition on his tax records.

23 **THE COURT:** I'm gonna overrule you on the
24 relevancy.

25 **MR. BELCHER:** Could we get a copy of the summary?

1 **MR. WERNER:** Yes.

2 **THE COURT:** So your Respondent's 81 is admitted.

3 **(Respondent's Exhibit Number 81 was marked for**
4 **identification purposes and admitted into**
5 **evidence.)**

6 **MS. CURRIN:** There is -- Odom & Associates does
7 have other income-generating things. So and
8 like pine needles income and things like that
9 and equipment bought for the pine needles and
10 stuff like that. So, I mean, there's
11 other ---

12 Q: Right.

13 A: --- revenue-generating things that'll go
14 through on Odom & Associates.

15 **MR. WERNER:** I think -- if you'll bear with me for
16 one second, your Honor. I beg the Court's
17 indulgence.

18 That's all I have for Ms. Currin.

19 Q: Thanks so much ---

20 A: Okay.

21 Q: --- for answering my questions.

22 A: Do you want these back?

23 Q: Oh, yes. Thank you.

24 **MR. BELCHER:** We're not finished.

25 **THE COURT:** Oh, I'm sorry. I thought y'all had

1 engaged in some kind of signals there and she
2 knew you weren't gonna ask her any questions.
3 I'm sorry.

4 **MS. CURRIN:** I apologize.

5 **MS. CURRIN - REDIRECT EXAMINATION BY MR. BELCHER:**

6 Q: Ms. Currin, in that cross-examination, you
7 reviewed a number of records. You reviewed
8 tax records, bank records, bank ledgers, among
9 other documents; correct?

10 A: Yes.

11 Q: And you answered a lot of questions with
12 regards specifically to bank records and bank
13 ledgers?

14 A: Yes.

15 Q: As a CPA, in your review of those records in
16 court today, do you believe there were any
17 improprieties or illegality based on your
18 review of those bank ledgers and bank records
19 that Mr. Werner presented to you in Exhibit
20 17 and 18?

21 A: No.

22 Q: You reviewed Mr. Odom's personal tax records,
23 and Mr. Werner provided this chart showing --
24 Mr. Werner provided this chart that it
25 purports to show Mr. Odom's & Associates'

1 income and Mr. Odom's wages ---

2 A: Yes.

3 Q: --- correct?

4 A: Yes.

5 Q: It's your testimony that this is an
6 incomplete chart because it doesn't include
7 all of the Odom & Associates sources of
8 income; is that correct?

9 A: Yes.

10 Q: You also reviewed earlier Respondent's Exhibit
11 80, which was a summary that Mr. Werner
12 provided that purportedly shows the
13 relationship between Mr. Odom's contributions
14 to the South Carolina Retirement System and
15 the fees for management services for Odom &
16 Associates. Remember this ---

17 A: Yes.

18 Q: --- summary?

19 A: Yes.

20 Q: And you testified that the 990 information on
21 here was incorrect; right?

22 A: On some of those 990s I did not have things
23 broken down on the lines, I believe; yes.

24 Q: Does that call into question the accuracy of
25 this summary?

1 A: Yes.

2 Q: And in your review of this information,
3 Mr. Odom's contribution to the retirement
4 system and Alligator's fees to Odom &
5 Associates for management services, in your
6 reviewing that information, as a CPA, do you
7 believe there were any improprieties or
8 illegalities based on the information that was
9 set forth in this summary in Respondent's 80?

10 A: No. And that general ledger that I looked at
11 had all our bookkeeping on it.

12 Q: Is there -- are you aware of the business
13 reason for the Odom & Associates management
14 fees to decline starting in 2013 or 2014?

15 A: (No verbal response.)

16 Q: I'm asking you ---

17 A: No. I mean, it -- again, it goes back to
18 that calculation and covering the expenses.

19 Q: Did it involve -- did the reason that Odom &
20 Associates' management fees declined, did it
21 involve Alligator Water Company's sale of land
22 to Mr. Odom ---

23 **MR. WERNER:** Your Honor, I object. I think she
24 just answered she didn't know what the reason
25 was.

1 **THE COURT:** She did answer the question, and now
2 you're leading her. She's your witness so --
3 we're not gonna have these leading questions.

4 **Q:** You were asked a series of questions about
5 some board minutes and whether Odom &
6 Associates paid premiums into the
7 South Carolina Retirement System for Alligator
8 employees. Remember that?

9 **A:** Yes.

10 **Q:** To your knowledge, does -- has Alligator
11 always paid the premiums for its employees,
12 the premium paid into the South Carolina
13 Retirement System?

14 **A:** Alligator pays all of the bills for that.

15 **Q:** Regardless of where that money comes from,
16 Alligator pays those bills; correct?

17 **A:** Those bills are paid by Alligator.

18 **Q:** In the series of questions regarding
19 Alligator's general ledger and bank records,
20 Mr. Werner asked you questions about a check
21 from -- that he cited as page 135 of
22 Respondent's 17, a check made to Mr. Odom for
23 \$67,190; correct?

24 **A:** Yes.

25 **Q:** Is it possible or did Mr. Odom ever cash that

1 check?

2 A: I would have to look at the bank
3 reconciliation. The month he had me look at,
4 it looked like the check hadn't cleared, so I
5 would just have to assume that it was on the
6 bank reconciliation as outstanding and was
7 being held.

8 Q: And Mr. Werner asked you about -- also in
9 Respondent's 17 -- June 2017 page 167 about a
10 \$300,000 payment to Mr. Odom for Alligator.
11 Remember that?

12 A: Yes.

13 Q: And counselor asked you was it related to the
14 payment of a federal tax; correct? He asked
15 you that question?

16 A: That was the 125,000, I think.

17 Q: Did the 300,000 payment from Alligator to
18 Mr. Odom, was it related to a lien against
19 Mr. Odom related to his divorce?

20 A: I don't know about that.

21 **MR. WERNER:** Again, it's a leading question, your
22 Honor.

23 **THE COURT:** Yeah that's a very leading question
24 that -- She's already -- you know, was asked
25 these questions on direct. And now you're

1 suggesting answers to her that are very
2 different.

3 **MR. BELCHER:** No, Judge. I'm suggesting that was a
4 question that was proper for Mr. Odom because
5 he could explain that answer. I was just
6 seeing if she knew what the answer was. I
7 didn't mean to ask a leading question.

8 **THE COURT:** Well, don't ask it in a leading
9 fashion. Just ask her if she knows.

10 Q: In your review of tax records, banks
11 statements, bank ledgers, have you seen
12 anything showing any manipulation by Mr. Odom
13 of the PEBA Retirement System?

14 A: No.

15 Q: Have you seen any manipulation or
16 improprieties from Mr. Odom with regard to
17 the Internal Revenue Service?

18 A: No.

19 Q: How about the South Carolina Department of
20 Revenue?

21 A: No, no.

22 **MR. BELCHER:** I don't have any further questions
23 for Ms. Currin.

24 **THE COURT:** Okay.

25 **MR. WERNER:** Nothing further for me, your Honor.

1 **THE COURT:** All right. You can really step down
2 now, Ms. Currin. you're off the hook.

3 **(Witness excused.)**

4 **THE COURT:** All right. It's 5:36, so I guess we're
5 not gonna have another witness this evening;
6 correct?

7 **MR. BELCHER:** That suits me. I'd prefer to come
8 back another day.

9 **THE COURT:** I'm sure y'all are tired. It's been a
10 long day.

11 **MR. BELCHER:** It's been a long day. And my folks
12 have to drive.

13 **THE COURT:** Yeah. So let's talk about how to
14 proceed. We can go off the record.

15 **(There being nothing further, the hearing concluded**
16 **at 5:44 p.m. on November 9, 2022, and resumed**
17 **November 15, 2022, at 12:05 p.m.)**

18 **PRELIMINARY MATTERS:**

19 **THE COURT:** So do you have more witnesses, or was
20 that all of your witnesses that we did on ---

21 **MR. BELCHER:** We were gonna call Ms. Nichols from
22 PEBA on our direct.

23 **THE COURT:** Okay.

24 **MR. BELCHER:** And that was it.

25 **THE COURT:** All right then.

1 **MR. BELCHER:** And we have one matter before the
2 Court, if it's okay before we start.

3 **THE COURT:** Okay.

4 **MR. BELCHER:** We had some additional exhibits that
5 the two parties have agreed to admit into
6 evidence.

7 **THE COURT:** Okay. What have we got?

8 **MR. WERNER:** We got Respondent's Exhibit's 82, 83,
9 and 84.

10 **THE COURT:** Okay. Respondent's 82 through 84 are
11 stipulated admissible.

12 **(Respondent's Exhibit Numbers 82 through 84 were**
13 **marked for identification purposes and admitted**
14 **into evidence.)**

15 **MR. WERNER:** Let me get you some copies, your
16 Honor.

17 **THE COURT:** Did we leave copies of exhibits back
18 there?

19 **COURT REPORTER:** Would you like me to grab them? I
20 can grab them.

21 **THE COURT:** No, no. That's okay. If we just -- if
22 I see I need them, we'll go get them then.

23 **COURT REPORTER:** All right.

24 **THE COURT:** I just want to be sure of where they
25 were.

1 **COURT REPORTER:** Okay.

2 **THE COURT:** All right. Our court reporter has been
3 working on getting the exhibits organized and
4 taken care of this morning. And so the
5 original copies are back in my chambers. But
6 if we need them, I can go back and haul them
7 in. But I have the originals of 82 through
8 84 here.

9 Okay. I think I have 82 through 84.
10 82, do we have an 83? Oh, there it is. It's
11 just stuck. Okay.

12 All right Then. Go ahead if that's all
13 the preliminary matters.

14 **MR. BELCHER:** Thank you. May it please the Court.
15 Petitioner calls Tammy Nichols.

16 **TAMMY NICHOLS,** having been duly sworn, testifies as
17 follows:

18 **MS. NICHOLS - DIRECT EXAMINATION BY MR. BELCHER:**

19 Q: Good afternoon, Ms. Nichols.

20 A: Good afternoon.

21 Q: Would you state your name for the record,
22 please?

23 A: Sure. Tammy Nichols.

24 Q: And would you state your -- or tell us where
25 you work.

1 **THE COURT:** First of all, could you spell Nichols
2 for us?

3 **MS. NICHOLS:** N-I-C-H-O-L-S.

4 **THE COURT:** Okay. Thank you.

5 Q: Could you tell the Court where you work,
6 Ms. Nichols.

7 A: Yes. I work for PEBA, Public Employee
8 Benefit Authority. I am the director of
9 retirement operations.

10 Q: How long have you worked at PEBA?

11 A: Over 35 years. A long time.

12 Q: How long have you been in your current job?

13 A: We recently did some restructuring within the
14 last couple of months because we had several
15 people retiring. So I gained some additional
16 responsibilities within the last few months.
17 But as far as being over the financial area,
18 I've been in that position over ten years.

19 Q: How many people do you manage at PEBA?

20 A: Probably about 50.

21 Q: And your job title again was director of ---

22 A: Retirement operations.

23 Q: And tell the Court what you do, what your job
24 responsibilities are in that role.

25 A: So basically I'm responsible for all of the

1 operations related to retirement, whereas PEBA
2 also has insurance responsibilities. I'm not
3 involved in insurance.

4 So we start at the beginning where we
5 collect contributions from employers and
6 members, post it to the member accounts. We
7 pay benefits out in the benefit payment
8 department. Everything in between, the
9 accounting, the general ledger, the financial
10 statements. So the financial side as well as
11 the -- applying for benefits, members applying
12 for benefits and paying the retirement
13 benefits out.

14 Q: Are you familiar with the dispute that
15 Mr. Odom has with PEBA?

16 A: Yes.

17 Q: Were you PEBA's chosen corporate deponent for
18 a corporate deposition earlier this year?

19 A: Yes, sir.

20 Q: And you gave that deposition at my law office
21 here in Columbia; correct?

22 A: Yes, sir.

23 Q: And that would have been in, roughly,
24 March 2022?

25 A: Correct.

1 Q: Do you agree that Alligator Rural Water and
2 Sewer Company is a covered employer for
3 purposes of the State Retirement System?

4 A: Alligator is currently a covered employer for
5 retirement; yes.

6 Q: Do you agree that Mr. Odom was or is a member
7 of PEBA's Retirement System?

8 A: Yes; Mr. Odom is currently a retired member.

9 Q: All right. Do you agree that in Mr. Odom's
10 last 12 quarters of work with Alligator, that
11 would be Quarter 3 of 2017 and through the
12 end of Quarter 2 2020, Alligator never
13 reported earnings of less than \$45,000 for
14 Mr. Odom in any quarter?

15 A: I'm -- I don't have the exact dollar amounts
16 in front of me, but I know there were 12
17 quarters in which wages and contributions were
18 higher; yes.

19 Q: You just can't recall the exact dollar
20 amount?

21 A: I don't remember the exact quarterly amounts.
22 I believe it was approximately the 270,000
23 IRS maximum compensation limit divided by four
24 quarters in a year.

25 Q: During that 12-quarter period that I just

1 referenced -- that's, again, Quarter 3 of
2 2017 through the end of Quarter 2 2020 --
3 isn't it true that Mr. Odom had numerous
4 consecutive quarters with a reported
5 compensation greater than \$3,000 per quarter?

6 A: Amounts in excess of \$3,000 per quarter were
7 reported to the retirement system for certain
8 periods. Like I said, I don't have those
9 quarters in front of me to see exactly which
10 quarters the amounts were reported but yes.

11 MR. BELCHER: I'd like to show Ms. Nichols Exhibit
12 83 if I could approach, Judge.

13 THE COURT: Okay.

14 MR. BELCHER: It's one of the new exhibits we
15 introduced this morning.

16 THE COURT: All right. Do you need this one?

17 MR. WERNER: No. I have additional copies.

18 THE COURT: All right.

19 Q: Ms. Nichols, I'm showing you a document that
20 we've marked as Respondent's Exhibit 83. Do
21 you recognize this document?

22 A: Yes, sir.

23 Q: What is this document?

24 A: We call this a finalized benefit letter.

25 Q: And what's the date of this letter?

1 A: June the 7th, 2022.

2 Q: And PEBA sent this letter to Mr. Odom on or
3 about that date; correct?

4 A: Correct.

5 Q: And does this show that PEBA has calculated
6 some final monthly benefit for Mr. Odom for
7 his participation in the South Carolina
8 Retirement System?

9 A: A benefit was calculated based on wages and
10 contributions that were reported to the
11 retirement systems. I believe it's still in
12 question whether these are considered earnable
13 compensation. But, yes, these are the
14 amounts that we used to calculate his current
15 retirement benefit.

16 Q: What was the final monthly benefit amount
17 based on this letter?

18 A: This is just for the South Carolina
19 Retirement System. He receives two benefits,
20 one from South Carolina and one from police
21 officers. So for the South Carolina
22 Retirement System, his current monthly benefit
23 is \$2,419.27.

24 Q: And if you'll go to page 2, tell the Court
25 which of the 12 consecutive quarters did PEBA

1 calculate his average final compensation on.

2 A: The 12 quarters began with the September 2006
3 quarter ending with the December 2009 quarter.

4 Q: What year did PEBA begin -- I'll use the word
5 "investigating" -- investigating Mr. Odom's
6 retirement contributions into the
7 South Carolina Retirement System?

8 A: I believe it was 2016, 2017 when we received
9 an anonymous inquiry.

10 Q: What was that inquiry about?

11 A: Related to whether Alligator had any employees
12 that were ---

13 Q: And you said it was anonymous. Did you ever
14 find out who made the inquiry?

15 A: We did not. We didn't try to find out who
16 submitted that.

17 Q: Was that unusual that someone anonymously
18 would provide information about whether
19 someone was a covered employee or an employer
20 was a covered employer? Was that unusual?

21 A: I wouldn't say it was normal or usual, but we
22 do periodically, you know, get questions from
23 outside persons related to retirement and
24 benefits and coverage.

25 Q: And so PEBA began investigating the situation?

1 A: Yes.

2 Q: Would it be correct to say that PEBA has
3 investigated this situation involving Mr. Odom
4 or these circumstances for more than four
5 years?

6 A: Our internal employer audit reviewed
7 information periodically as it was submitted
8 to us, abnormalities to see if the quarterly
9 information was reported on a regular,
10 consistent basis. So it was kind of ongoing
11 as the information was reported to us. We
12 reviewed it.

13 Q: But would you say that the investigation into
14 this situation with Mr. Odom was continuous
15 since on or about the date that PEBA received
16 that anonymous complaint you referenced?

17 A: As I explained, the employers report
18 quarterly, so it's our responsibility every
19 quarterly contributions and wages are reported
20 to review them for accuracy and consistency.

21 Q: Would you describe for the Court what PEBA
22 did during the course of its investigation of
23 these circumstances.

24 A: I'm not exactly sure what you're asking, but
25 we reviewed information that was provided to

1 us.

2 Q: And who provided the information?

3 A: The employer provided the quarterly reports.

4 Q: Alligator?

5 A: Alligator, yes. I believe they were signed
6 by their office manager but ...

7 Q: Did PEBA also receive information from Karen
8 Currin's accounting firm?

9 A: We did.

10 Q: And ultimately received information from
11 Mr. Odom's outside legal counsel?

12 A: During the course of this entire process,
13 yes, I believe we received information from
14 him.

15 Q: Was Alligator always cooperative in providing
16 information that PEBA requested?

17 A: Yes. We received information when requested.
18 Whether it was complete or not, I don't know.
19 But we did receive information.

20 Q: Was Mr. Odom cooperative in participate --
21 and did he participate in the investigation?

22 A: I don't know that he did not cooperate at any
23 point. So yes.

24 Q: During the course of the investigation, did
25 PEBA ask questions about Mr. Odom's business

1 relationship with Odom & Associates?

2 A: Yes. We actually received a copy of a
3 contract. There was a management agreement
4 between Odom & Associates and Alligator; yes.

5 Q: And did PEBA ask questions during the
6 investigation regarding Odom & Associate's
7 relationship, business relationship with
8 Alligator?

9 A: Like I said, that was part of the management
10 contract that we received.

11 Q: And as a result of PEBA's inquiries, isn't it
12 true that PEBA received tax records from both
13 Odom and -- Odom & Associates and Alligator?

14 A: We did. We did review tax records Form 990,
15 941s, W-2s; yes.

16 Q: And PEBA also received Mr. Odom's personal
17 tax records for many years; correct?

18 A: I would not say for many years, but I do
19 believe there were some tax records from his
20 personal account.

21 Q: And isn't it true that PEBA also received
22 bank statements and bank ledgers and records
23 of that sort from Alligator and Odom &
24 Associates?

25 A: I believe the accountant provided some

1 accounting records.

2 Q: Can you recall any documents that you
3 requested that either Alligator or Odom &
4 Associates refused to produce during the
5 investigation?

6 A: I wouldn't say they refused to produce
7 anything, but there were documents that we
8 thought would exist that we never saw, such
9 as, I mean, there was no -- a management
10 contract. And then in his personal --
11 personnel file that were not documents related
12 to an employment relationship. So not that
13 they refused to send us anything, but we have
14 not seen some of those documents, if they
15 exist.

16 Q: What documents would be contained in someone's
17 personnel file that you believed would show
18 an employment relationship?

19 A: Is that a question?

20 Q: Yes.

21 A: Would you ask it again? Would I ---

22 Q: Yes. What documents do you believe should
23 exist in the personnel file that would show
24 an employment relationship?

25 A: Well, for my employees and for me as an

1 employee, my personnel file includes a letter
2 when I was hired. It would include any pay
3 increases I was given. It may include any
4 periods where I was on leave. It would
5 include performance, annual performance
6 reviews, if I had elected to have taxes
7 withheld from my paycheck or a direct deposit
8 for my paycheck, anything that relates to
9 being an employee.

10 Q: And you would agree that those types of
11 documents are not legally required?

12 A: I'm not sure if they're legally required, but
13 I know if I have taxes withheld from my
14 check, I'm required to have an IRS form of --
15 making those elections. Otherwise, it would
16 default to whatever the IRS rules are so ...

17 Q: And, in fact, there is no legal requirement that
18 an employer maintain a personnel file at all
19 for an employee; correct?

20 A: I would not know the legal rules, but it
21 would seem normal and customary to have those
22 type documents in a personnel file.

23 Q: Throughout -- or as a result of PEBA's
24 investigation of Alligator, Mr. Odom, and Odom
25 & Associates, did Mr. Odom's relationship with

1 Odom & Associates change any over the years?

2 A: Not to my knowledge.

3 Q: And based on the investigation that PEBA
4 conducted, did Odom & Associates' business
5 relationship with Alligator change any over
6 the years?

7 A: I don't think it's fair to say an
8 investigation, because we didn't really do an
9 investigation. Yes, we reviewed documents
10 that we received, but we're not investigators,
11 so I prefer not to say that we investigated.

12 But to my knowledge, there was no change
13 in relationship. He remained the general
14 manager from September 2006 when he was
15 initially enrolled in the plan until -- I'm
16 not sure if he's still general manager today
17 or not but yes.

18 Q: Isn't it true at some point between 2016 and
19 today at some point PEBA returned the
20 contributions that Alligator had made on
21 behalf of Mr. Odom into the South Carolina
22 Retirement System?

23 A: We did refund excess contributions that were
24 remitted to the retirement systems. I
25 believe there were four different checks that

1 were returned. One -- the initial one was
2 cashed, and then the other three have not
3 been -- have not cleared our bank account.

4 Q: Going back to Exhibit 83, Exhibit 83 shows
5 that based on PEBA's records, Mr. Odom had
6 service credit of 21 years, one month, and 16
7 days in the South Carolina Retirement System.
8 Did I read that correctly?

9 A: His retirement benefit is based on 21 years,
10 one month, and 16 days. I believe part of
11 that is purchase service, and part of it was
12 earned service but yes.

13 Q: For purposes of this document, would all of
14 that service credit had accrued as a result
15 of his employment with Alligator?

16 A: No.

17 Q: Did he have another employer that fit into
18 this ---

19 A: He did. He had several employers throughout
20 his career; yes.

21 Q: But this 21 years does include his Alligator
22 employment?

23 A: It includes service that was credited based
24 on what was reported from Alligator; yes.

25 Q: Do you recall PEBA issuing a final agency

1 determination on this matter on or about
2 February 12, 2021?

3 A: Yes.

4 Q: Have you read that final agency determination?

5 A: Yes.

6 Q: Can you summarize what PEBA's ruling was in
7 that final agency determination?

8 A: I believe that the end result was -- that the
9 question was: What was considered his
10 earnable compensation for purposes of
11 retirement benefits?

12 And the ruling was that those inflated
13 quarters were not considered earnable
14 compensation.

15 Q: And what was the reasoning behind that
16 ruling?

17 A: They did not appear to be a part of a regular
18 base salary. They were not -- we had two
19 quarters in particular, I believe, in '16 and
20 '17 -- or actually it was a month that -- one
21 month we had 100,000 reported for June of
22 2016 and then almost 260-something thousand
23 for June of '17.

24 If it was a salary, it was not reported
25 consistently, regularly throughout the years

1 you would expect for an employee. So it
2 appeared to be something outside of the
3 regular salary base.

4 Q: And correct me if I'm wrong, but final agency
5 determination described what happened with
6 Mr. Odom's salary in that 2016 or 2017 time
7 period is a "spike." Is that the term?

8 A: I'm not sure if the word "spike" was used in
9 the final agency determination, but it was
10 not part of the regular salary base that was
11 consistently paid. It was outside of that.
12 It was some other special incentive payment
13 or bonus, but it was not part of the regular
14 salary base.

15 Q: And correct me if I'm wrong. That was the
16 sole reason why PEBA issued its ruling as it
17 did in the final agency determination;
18 correct?

19 A: As to what was considered compensation for
20 retirement benefit purposes.

21 Q: I'm just trying to get you to discuss the
22 basis for the PEBA ruling. Would you agree
23 that PEBA concluded in its final agency
24 determination that Mr. Odom's pay beginning in
25 2016 was -- and I think it did use this

1 word -- was a "spike," and PEBA concluded
2 that wasn't his regular salary; it was a
3 special payment or an incentive of some kind;
4 do you agree with that?

5 A: Yes.

6 Q: And that was the sole basis for the agency
7 determination; correct? That in other words,
8 there weren't multiple reasons for setting his
9 earnable compensation at whatever number PEBA
10 chose; that was the sole basis; correct?

11 A: I believe so.

12 Q: You said yes?

13 A: I believe so; yes.

14 Q: And in the final agency determination, PEBA
15 expressly found that Mr. Odom was a covered
16 employee; correct?

17 A: I believe whether he was a -- actually a
18 covered employer -- employee was a separate
19 issue. I'm not sure if it was part of that
20 determination. But wages were reported for
21 him as if he were a covered employee.

22 Q: And based on PEBA's letter in June 2022,
23 which is Exhibit 83, which is still in front
24 of you, I'm assuming that as late as
25 June 2022, PEBA considered Mr. Odom to be a

1 covered employee for purposes of the
2 retirement system; correct?

3 A: Based on the information reported to us, it
4 appeared as if he were a covered employee.

5 Q: Isn't it true that in the final agency
6 determination, PEBA never claimed that
7 Mr. Odom was an independent contractor?

8 A: I don't believe we claimed him to be an
9 independent contractor for Alligator.

10 Q: And isn't it true that PEBA did not consider
11 Mr. Odom an independent contractor for
12 purposes of calculating his monthly benefit as
13 PEBA set forth in Exhibit 83?

14 A: No. There was definitely a management
15 agreement between Odom & Associates and
16 Alligator. So he was receiving compensation
17 from Odom & Associates that would not have
18 been part of the retirement system, if that's
19 what you're asking.

20 Q: So is it your testimony that PEBA considered
21 Mr. Odom an independent contractor even though
22 the final agency determination didn't say
23 that?

24 A: No. That's not what I'm saying. I believe
25 he worked for -- I believe he was receiving

1 compensation from two different entities, and
2 there was some recategorization of money that
3 he received as to whether it was from
4 Alligator or from Odom & Associates.

5 Q: What years did PEBA consider Mr. Odom to be
6 an independent contractor, if any?

7 A: I believe if you look at the tax records it
8 shows the amounts that were paid to ...

9 Q: What years would those have been?

10 A: I don't have that in front of me. I don't
11 know.

12 Q: Ultimately in Exhibit 83 PEBA, as you
13 testified, calculated his average final
14 compensation based on 12 quarters between
15 September 2006 and December 2009; correct?

16 A: Yes. You've asked me that several times.
17 Based on the wages that were reported to us,
18 those are the quarters we used to calculate
19 his AFC at retirement.

20 Q: During that time period was -- did PEBA
21 consider him an independent contractor or an
22 employee?

23 A: Based on the compensation that was reported
24 to us, it appears as if he were an employee
25 receiving these amounts. I'm not saying

1 that's accurate. I'm just saying that's what
2 was reported to us.

3 Q: Well, if he were an employee from 2006 to
4 2009 for purposes of this calculation, when
5 did he become an independent contractor and
6 not an employee?

7 A: I don't have an answer to that question. I
8 believe he was an independent contractor for
9 Odom & Associates. It's very muddy as to ...

10 Q: You testified earlier today that based on
11 PEBA's review of all of these documents and
12 information that Mr. Odom's relationship with
13 Odom & Associates had not changed over the
14 years; correct?

15 A: His relationship with Odom & Associates?

16 Q: Yes.

17 A: Which is not part of the retirement system,
18 not a covered employer. But I believe he
19 continues to be the owner, and I believe he
20 testified as to that, that he has continued
21 to be the owner of that entity for a number
22 of years now.

23 Q: If -- well, I think it's very clear PEBA
24 at -- during the course of this trial what
25 has contended that Mr. Odom is not entitled

1 to certain benefits because he was an
2 independent contractor. Why didn't the agency
3 say that in its final agency determination?

4 A: I don't have an answer for you. I don't
5 know.

6 Q: Wouldn't you agree that at trial PEBA's
7 position has changed from its position when
8 it issued the final agency determination?

9 A: I do not. I do not think our position has
10 changed.

11 Q: Well, how do you square that PEBA raised an
12 independent contractor issue at trial but
13 didn't raise that at all in the final agency
14 determination?

15 A: I believe we've received additional
16 documentation and evidence as part of this
17 whole process that we did not have at the
18 time that the agency final determination was
19 issued -- what? -- five years ago, three
20 years ago, however many years ago it was.

21 Q: The final agency determination was issued in
22 2021; correct?

23 A: Okay. A year ago, a year and a half ago.

24 Q: What information did you receive in the last
25 year that changed PEBA's analysis of these

1 issues?

2 A: We did not have access to his personnel file.
3 I don't know all the documents. But you can
4 see there's a big bin full there of
5 documents, and all of that was not available
6 at the time of the final agency
7 determination.

8 Q: And it's still your testimony here today that
9 over these many years Mr. Odom's business
10 relationship with Odom & Associates never
11 changed; correct?

12 A: I don't think his business relationship with
13 Odom & Associates has changed.

14 Q: And Alligator's business relationship with
15 Odom & Associates never changed either, did
16 it?

17 A: To my understanding, the contract that was
18 signed in November of 2002 continues to
19 exist.

20 Q: And Mr. Odom's relationship with Alligator
21 never changed over the years either, did it?

22 A: I think that's a question. Did it change?
23 Did he retire in June of 2020? Is he
24 continuing to be the GM? Do they have a new
25 GM? I'm unclear as to his relationship with

1 Alligator.

2 Q: And what difference would any of that make to
3 PEBA, knowing that he retired in June 2021?
4 What difference does it maybe what role, if
5 any, he has now if he's not contributing
6 retirement benefits ---

7 A: It makes a big difference. If he is, indeed,
8 and employee, there has been to be a bona
9 fide true termination of employment in order
10 to receive retirement benefits. It's an IRS
11 law. You have to have a break in service.

12 Q: Doesn't go to his contributions; it just goes
13 to some other issue; correct?

14 A: If he is, indeed, an employee, he is required
15 to contribute. Even if he's a working
16 retiree, he would be required to contribute.

17 Q: Do you have anything to show that he's
18 earning any compensation at the water company?

19 A: I don't believe we have any records to show
20 that he's currently -- that he's received any
21 compensation since he claims to have retired
22 in June of 2020.

23 Q: So when PEBA claims that Mr. Odom's an
24 independent contractor, does PEBA claim he's
25 an independent contractor with Odom &

1 Associates or with Alligator or with both?

2 A: Again, I think the records are not crystal
3 clear. There's been some amendments of some
4 tax returns. There's been some bookkeeping,
5 moving things back and forth. So it's not
6 crystal clear.

7 Q: What more information does PEBA need to
8 conclude whether someone's an employee or an
9 independent contractor?

10 A: I would expect there'd be more information in
11 his personnel file. I would -- you would
12 normally expect if he's a general manager of
13 a company making a significant salary, you
14 would expect to be an employment contract.
15 You would expect the board minutes to have
16 some kind of reference to personnel action
17 being taken as to whether he was hired,
18 promoted, terminated. And we did not see any
19 of that.

20 Q: So just to be clear, you're agreeing with me
21 that in its final agency determination, PEBA
22 never even used the phrase "independent
23 contractor"; correct?

24 A: I don't have -- it is a lengthy document. I
25 don't have it in front of me. I don't know

1 if that term is used or not so ...

2 **MR. BELCHER:** Could we give -- Justin, do you
3 have --

4 Q: Well, I'm gonna show you a copy. I'll show
5 you my copy.

6 **MR. BELCHER:** If I could approach, Judge?

7 Q: I'm gonna show you what's been marked as
8 Petitioner's Exhibit 4.

9 A: Okay.

10 Q: If you'll review that document and take as
11 much time as you need and tell me if PEBA
12 raised the issue of independent contractor.

13 **THE COURT:** Mr. Belcher.

14 **MR. BELCHER:** Yes?

15 **THE COURT:** You understand, I think, that this is a
16 hearing de novo?

17 **MR. BELCHER:** Yes, I do.

18 **THE COURT:** And so, you know, this isn't -- there's
19 a limited value in trying to pin her down ---

20 **MR. BELCHER:** Well ---

21 **THE COURT:** --- on that issue. We've spent a good
22 bit of time on it, and I just want to be sure
23 that we're not pursuing something that's not
24 gonna be fruitful because ---

25 **MR. BELCHER:** Well ---

1 **THE COURT:** --- in the end here I'm gonna decide
2 those issues ---

3 **MR. BELCHER:** I'll move on, Judge.

4 **THE COURT:** --- not decide whether they made an
5 accurate decision on the agency level.

6 **MR. BELCHER:** I'll move on, Judge. The point is
7 simply this. I understand it's a de novo
8 review, but I also understand that if you
9 tell us in the midst of four years into a
10 five-year investigation this is the reason why
11 we're doing what we do and then we come to
12 trial a year later and they change their
13 reasoning, they say, hey, all of a sudden
14 it's not just this one issue; it's this other
15 issue too ...

16 **THE COURT:** You've made a -- done an excellent job
17 of making that point.

18 **MR. BELCHER:** That's the point, Judge. It puts us
19 in a precarious position, really prejudiced
20 Mr. Odom because the discovery period passed.
21 It would have been nice if we had known PEBA
22 was gonna use that issue. We could've taken
23 deposition testimony on that issue and asked
24 for documents on that issue. That's the
25 point I'm making, Judge. And I understand

1 it's a de novo review.

2 **THE COURT:** I got it.

3 **MR. BELCHER:** So do I. Thanks, Judge.

4 Q: So before I move off this issue, again, at --
5 just to clarify for the record, at what time
6 or date did Mr. Odom become an independent
7 contractor?

8 A: I don't have an answer for that.

9 Q: And did he become an independent contractor
10 at some point with Odom & Associates or with
11 Alligator or with both?

12 A: You're asking me a question I don't have an
13 answer to.

14 Q: Did you discuss that issue internally with
15 other decision-makers at PEBA?

16 A: Did I discuss whether he was an employee or
17 not?

18 Q: Or an independent contractor; yes.

19 A: I don't recall us talking about whether he
20 was an independent contractor internally.

21 Q: What factors did PEBA consider when it was
22 determining whether he was an employee or an
23 independent contractor?

24 A: I've told you before, what we looked at to
25 determine whether he was an employee for the

1 purposes of remitting retirement contributions
2 and earning retirement benefit.

3 Q: Did you discuss who maintained right of
4 control over Mr. Odom through issues such as
5 discipline, discharge, those types of things?

6 A: It's my understanding that the Alligator board
7 was supposed to have -- supposedly had
8 control. But like I said, we never saw
9 anything in particular in the minutes. As
10 far as Odom & Associates, I believe he's the
11 president and owns that, so I would say he
12 has ultimate control over that.

13 Q: Are you aware that Mr. Odom produced two
14 affidavits to PEBA directly on these issues?

15 A: Yes, sir.

16 Q: What weight did you give to Mr. Odom's
17 affidavits?

18 A: They were his claim as to what he thought his
19 compensation was and his role was. It's
20 clearly, you know, his perception.

21 Q: His sworn testimony; correct?

22 A: Yes.

23 Q: And did you have anything that refuted that
24 sworn testimony?

25 A: I would not say we had anything that refuted

1 it, but we did not have anything to support
2 it or back it up.

3 Q: Isn't it true that in the final agency
4 determination PEBA explicitly found no fraud
5 or impropriety by Mr. Odom?

6 A: We -- it's not our responsibility to look for
7 fraud or impropriety. The only thing we
8 reviewed is whether the amounts paid to him
9 were considered compensation for purposes of
10 his retirement benefits, not whether they were
11 fraudulent, appropriate. That's not our role.

12 Q: I understand that. But the question was:
13 Isn't it true that the final agency
14 determination said it found no fraud or
15 improprieties?

16 A: I'm not sure exactly how it was worded, but
17 for -- we would not -- we were not doing an
18 investigation to look for fraud. Again,
19 that's not our role.

20 We were not aware of any fraud, but we
21 weren't investigating for it.

22 Q: PEBA's attorney conducted a rather lengthy
23 cross-examination of Karen Currin. And you
24 were present for that cross-examination;
25 correct?

1 A: Yes.

2 Q: Is PEBA today at trial claiming that Mr. Odom
3 somehow engaged in some type of fraud or
4 improprieties of some kind?

5 A: I am not claiming there's any fraud, but I'm
6 not saying there's not either 'cause we did
7 not look for that. That's outside our scope
8 completely.

9 Q: Isn't it true that PEBA concluded in its
10 final agency determination that Mr. Odom's
11 salary increases constituted what you
12 described in your deposition as one-time
13 special payments because they were not regular
14 and consistent from quarter to quarter?

15 A: We did conclude that they were not
16 consistent, normal, regular pay.

17 Q: And what do you base that on?

18 A: The contributions we received at the end of
19 the fiscal year. They were not reported --
20 normally for an employee who's on a salary,
21 they get, you know, twice a month, every two
22 weeks; you have a regular consistent earnings
23 and contributions that are reported to us.
24 You don't get a \$300,000 payment reported in
25 July.

1 Q: Isn't it true that the term "salary" is not
2 defined in the South Carolina Code?

3 A: That's a pretty broad question. South
4 Carolina Code talking about salary, or you're
5 just talking about the retirement statute?

6 Q: Well, let's limit it to the State Retirement
7 System with regard to the South Carolina Code
8 sections that deal with the retirement system,
9 those Code sections define the term "salary"?

10 A: For retirement purposes, we look at regular
11 salary base, earnable compensation. Those are
12 the terms that are in statute.

13 Q: Well, that wasn't my question. My question
14 was: Does the South Carolina Code define the
15 term "salary" in the Code sections that deal
16 with the State Retirement System?

17 A: I do not believe the term "salary" is
18 specifically defined.

19 Q: And neither does the Code define the term
20 "incentive-type payment," does it?

21 A: The Code related to average compensation does
22 say that certain incentive-type payments,
23 bonuses, other special payments are
24 specifically excluded for retirement purpose.

25 Q: But, again, my question was: Isn't it true

1 that the South Carolina Code does not define
2 what constitutes an incentive-type payment in
3 the Code sections that deal with the State
4 Retirement System?

5 A: It did not specifically define it. But it
6 says and other, and it includes incentive
7 payments that are not part of the normal
8 salary base. It specifically says that.

9 Q: And wouldn't you also agree that the
10 South Carolina Code sections that deal with
11 the State Retirement System does not define
12 what constitutes as special payment?

13 A: The term "special payment" is not specifically
14 defined, but it does say it's not part of a
15 regular salary base.

16 Q: Does PEBA have its own internal written
17 guidelines telling us what constitutes a
18 special payment?

19 A: We do not.

20 Q: Does PEBA have internal written guidelines
21 defining the term "salary"?

22 A: Again, if it's not part of the regular
23 salary, normal salary base.

24 Q: That wasn't the question. My question was:
25 Does PEBA have written internal guidelines

1 defining ---

2 A: We do not.

3 Q: --- the term "salary"?

4 Your answer was no?

5 A: No.

6 Q: Does PEBA have internal written guidelines
7 defining what constitutes an incentive-type
8 payment?

9 A: No. Each employer is different, and many
10 employers provide us copies of their personnel
11 policies that may define it for them in
12 particular. But in general, no, PEBA does
13 not have a policy that defines incentive
14 payment.

15 Q: So how does PEBA determine without a
16 statutory definition or without an internal
17 definition? How does PEBA determine what
18 constitutes or whether something constitutes a
19 salary, a special payment, or an incentive?

20 A: So if the compensation is not consistently
21 and regularly paid throughout the year, if we
22 see an unusual fluctuation, we go to the
23 employer. We ask to see a copy of their
24 policies, and we review it to determine if
25 it's outside of the normal salary base.

1 Q: And ---

2 A: To my understanding, Alligator had no such
3 policy.

4 Q: Do you recall receiving a letter from the
5 Alligator chairman of the board explaining the
6 paid relationship that Alligator had with
7 Mr. Odom?

8 A: There was a letter from the president of the
9 board that talked about his compensation was
10 \$12,000 for nine years and then there was
11 some kind of -- his salary was eventually
12 increased to \$200,000-something after they had
13 satisfied some kind of a -- it sounded like a
14 debt payoff. So I don't know if that was a
15 reclassification of amounts. But, yes, I do
16 recall the letter.

17 Q: What weight did you give that letter in
18 determining the issues in this case?

19 A: The salary of \$12,000 a year was supported in
20 that letter, for nine years.

21 Q: How so?

22 A: Based on the contributions.

23 Q: Didn't the board chair in that letter explain
24 that Mr. Odom's pay raise in 2016 or 2017 was
25 salary and not a special payment or a bonus?

1 A: I believe that's what the last sentence of
2 that letter said. I don't have it in front
3 of me, but he did say that his salary had
4 increased to \$200,000-something, I believe, in
5 2017. But it did not explain how it went
6 from 12,000 to 260,000.

7 That's a pretty significant change with
8 no explanation of why other than, like I
9 said, there was -- you may want to read the
10 letter. I don't have it in front of me, but
11 there was some sentence that talked about it
12 finally paid off -- they -- Odom had paid off
13 the debt they owed him or something like
14 that.

15 Q: What difference did it make, if any, the fact
16 that his pay went from \$12,000 to whatever
17 the number was, 200,000, for example, in a
18 year? What difference did that make?

19 A: That's a very unusual fluctuation in pay with
20 no change in job duties or job title or
21 nothing changed other than the pay increasing
22 2,000 percent, I believe.

23 Q: There's nothing in the South Carolina Code
24 sections that discuss or address the State
25 Retirement System that prohibit that, is

1 there?

2 A: There's not. There was nothing in the board
3 minutes, nothing in his personnel file to
4 support the substantial pay increase. And it
5 also goes against the funding of the plan in
6 general.

7 Q: But none of that addressed my question. My
8 question was: There's nothing in the
9 South Carolina Code sections that deal with
10 the State Retirement System that would
11 prohibit or preclude an employee from getting
12 a large jump in pay and having it count
13 toward their State retirement? There's just
14 nothing in the Code that prohibits that;
15 correct?

16 A: If it's considered earnable compensation, you
17 would be correct.

18 Q: You would agree with what I just said?

19 A: I would agree that if a person's salary
20 legitimately increased, it would -- and it's
21 considered earnable compensation that it would
22 be subject to retirement contributions. I
23 would agree to that.

24 Q: And so PEBA's position here is that this was
25 illegitimate, not legitimate in simplest

1 terms; correct?

2 A: I didn't say it was illegitimate; we just did
3 not have any -- anything to support it other
4 than a letter saying it increased.

5 Q: Well, that's not true, is it? You also had
6 two affidavits from Mr. Odom, didn't you?

7 A: Again, that's his claim; right.

8 Q: And you also had an affidavit from Ms. Currin
9 explaining it; correct?

10 A: She did say that they -- she -- I believe
11 they actually asked her how she -- how the
12 salary increase is reported to her, and I
13 believe she said somebody called her and told
14 her to cut a check for X amount. And so I
15 don't think she had anything to substantiate
16 an annual salary ---

17 Q: Isn't it true ---

18 A: --- going forward.

19 Q: Isn't it true that Ms. Currin, in her
20 affidavit, went into great detail about
21 Alligator Water Company's acquisition of a big
22 customer, a big new customer, Nestle; correct?

23 A: There was discussion about Nestle; yes.

24 Q: And she went into great detail about
25 Alligator's wherewithal to pay a higher salary

1 to Mr. Odom during that relative time period;
2 correct?

3 A: She -- that was her statement.

4 Q: And so just to be clear for the record, you
5 had more than just the two Odom affidavits to
6 consider; right?

7 A: So was Nestle only a customer for three
8 years?

9 Q: I can't answer questions, ma'am. I'm not a
10 witness.

11 A: That's a question that I had.

12 Q: What difference would that have made?

13 A: Well, if his salary increased significantly
14 because Nestle was a customer and brought in
15 more revenue, which I'm guessing they had
16 more expenses as well, it seems unusual that
17 that would only happen for three years.

18 Q: You're assuming a lot there though; correct?

19 A: I'm not assuming anything. I'm just
20 questioning why it only increased for three
21 years.

22 Q: No one said it did.

23 A: That was what was reported to us.

24 Q: Isn't it true that his salary increase
25 started in 2016; right?

1 A: Compensation reported to PEBA increased.

2 Q: And it continued to be high until June of
3 2020 when he no longer collected a salary;
4 correct?

5 A: There were three years; yes.

6 Q: Well, that seem -- that's more than June --

7 **MR. BELCHER:** The Court can take judicial notice
8 that 2016 through the end of the second
9 quarter in 2021 is more than three years.

10 Q: So, again, let's go back to this, what PEBA
11 had to consider. You first said that PEBA
12 only had Mr. Odom's affidavit to consider.
13 He submitted two affidavits; correct?

14 A: I never said we only had his affidavit. We
15 had the letter from the board.

16 Q: The letter from the board.

17 A: We had the affidavits.

18 Q: You had two affidavits from Mr. Odom;
19 correct?

20 A: We did.

21 Q: You had an affidavit from Ms. Currin;
22 correct?

23 A: We did.

24 Q: And you understood she was an outside third
25 party who didn't work at Alligator; correct?

1 A: Correct. She did claim there were some
2 bookkeeping errors in some tax returns that
3 needed to be amended.

4 Q: And then you also had all of the documents
5 that Mr. Odom, Alligator, and Odom &
6 Associates produced on your request; correct?

7 A: Yes.

8 Q: All of these before the Court; correct?

9 A: Yes.

10 Q: So I guess my question is: You say that's
11 still not enough? What else could there have
12 been? What could Alligator or Mr. Odom have
13 provided that would have been enough?

14 A: I don't have an answer for you.

15 Q: You're familiar with the South Carolina Code
16 provisions relating to the South Carolina
17 Retirement System; correct?

18 A: Yes.

19 Q: In fact, you testified a good bit about some
20 of those sections during your deposition;
21 correct -- or during the corporate deposition?

22 A: Yes.

23 Q: Do you recall testifying about South Carolina
24 Code Section 9-1-1020?

25 A: Yes.

1 Q: Should I show you a copy of 9-1-1020? Let me
2 do that.

3 **MR. BELCHER:** Judge, if I can approach and show the
4 witness a copy of the statutory section that
5 I'm referencing?

6 **THE COURT:** All right.

7 Q: I'm gonna show you a copy of that. You'll
8 recall you and I discussed this a lot during
9 the PEBA corporate deposition; correct?

10 A: Yes.

11 Q: And we particularly discussed something that I
12 think I've highlighted there, a provision from
13 this statute. And I'm gonna read this
14 sentence into the record. And I want to you
15 correct me if I read it wrong, all right?

16 Payments for unused sick leave, single
17 special payments at retirement, bonus and
18 incentive-type payments, or any other payments
19 not considered a part of the regular salary
20 base are not compensation for which
21 contributions are deductible.

22 Did I read that thread correct?

23 A: Yes.

24 Q: And in the course of your job at PEBA, you
25 deal with this section a lot, I take it?

1 A: Yes.

2 Q: And it was PEBA's position -- and it still
3 is -- that Mr. Odom's salary increases at
4 Alligator were special payments; correct?

5 A: Correct.

6 Q: Does the statute specifically say -- use the
7 word "single," single special payments at
8 retirement?

9 A: Yes.

10 Q: Buy using the word "single," doesn't that
11 mean that if the pay is continuing, more than
12 once, repeatedly that it can't be a special
13 payment?

14 A: If it's paid once a year, that's not a
15 special payment? That seems unusual to me.
16 It's not normal and consistent and a regular
17 pay.

18 Q: Isn't it true that in one of these last years
19 of his employment that Mr. Odom made \$22,500
20 each pay period for 12 consecutive pay
21 periods?

22 A: That's what was reported to us.

23 Q: Do you have any reason to believe that was
24 incorrect?

25 A: Again, that's what was reported to us.

1 Q: Well, that wasn't my -- my question is: Do
2 you have any reason to believe that's
3 incorrect?

4 A: I'm not sure that we've seen the payroll
5 records where received a monthly check or ...

6 Q: Ms. Nichols, you understand we're at trial
7 today? You understand that?

8 A: I do.

9 Q: So when do you think you would be able to
10 answer that question? If you can't answer it
11 at trial, when? Today is the day.

12 A: I did answer your question. That's what --
13 that's the compensation that was reported to
14 PEBA.

15 Q: And my question to you was: Do you have any
16 reason to believe it was incorrect for any
17 reason?

18 A: I believe that that's what was reported to
19 us -- yes; I believe that that's what was
20 reported to us.

21 Q: And so when Mr. Odom and Alligator report
22 that for 12 consecutive pay periods his
23 salary was \$22,500. How can that constitute
24 a single special payment per the language of
25 the statute when the statute specifically used

1 the word "single"?

2 A: It's not part of the -- it did not appear to
3 be a regular salary.

4 Q: If someone reports pay and it's \$22,500 a pay
5 period for 12 consecutive pay periods, what
6 would you classify it as?

7 A: Again, that's what was reported to us.
8 You're badgering me, and you're asking the
9 same question over and over. I don't have a
10 different answer.

11 Q: I'm asking the question in different ways
12 because you still haven't answered it.

13 **THE COURT:** But she did answer, so let's move on.

14 **MR. BELCHER:** We'll move on, Judge.

15 Q: Wouldn't you agree that the term "spike" does
16 not appear in the South Carolina Code of
17 regulation?

18 **THE COURT:** Again, this is something that you've
19 already asked her at least twice. Let's
20 please move on to something else.

21 **MR. BELCHER:** All right, Judge. All right. Thank
22 you.

23 Q: Does PEBA have a formula for determining
24 whether a salary increase constitutes an
25 impermissible spike?

1 A: No.

2 Q: How does PEBA determine if a salary increase
3 is an impermissible spike?

4 A: When a person retires, we review their career
5 history of wages and contributions that were
6 reported to the retirement system throughout
7 their career. Any unusual fluctuations, we
8 go to the employer. We ask for an
9 explanation as to whether it increases or
10 decreases. Help us understand what's going
11 on.

12 For example, bonuses; coaches who may
13 get an incentive payment for having a winning
14 season or, you know, various -- there's often
15 times special payments that should not have
16 been reported, and we'll have to refund those
17 contributions back.

18 Q: Do you recall in your deposition when I asked
19 you whether PEBA had a formula for
20 determining whether a salary increase was an
21 impermissible spike, you testified that it's a
22 judgment based on the fluctuation; do you
23 recall that?

24 A: Yes. Our actuary does have certain
25 assumptions built into our valuations, and so

1 that's consistent with, you know, using a
2 judgment of what you would expect a salary
3 payroll growth to change throughout a person's
4 career.

5 Q: Wouldn't you agree that Mr. Odom and
6 Alligator had no contract of any kind making
7 him eligible for a bonus?

8 A: We have not seen a contract.

9 Q: And isn't it true that Mr. Odom and Alligator
10 had no contract guaranteeing him any incentive
11 pay?

12 A: We've not seen an employment contract. There
13 was the management contract, but it did not
14 reference an incentive payment.

15 Q: So your answer, you agree with me that they
16 had no contract for incentive pay?

17 A: I have not seen one.

18 Q: And wouldn't you agree that Mr. Odom and
19 Alligator had no contract guaranteeing him any
20 special pay of any kind?

21 A: That's correct. There wasn't a contract
22 specifying a salary either.

23 Q: Do you recall in your deposition testifying
24 that if an employer had a contract requiring
25 a bonus incentive or special payment, you

1 would consider that?

2 A: Yes.

3 Q: Meaning that you would consider that and
4 determine if they had a contract requiring
5 one of those issues that it was not a salary
6 that the employee received; correct?

7 A: Well, depending on what's in the contract, if
8 the contract says the employee was entitled
9 to bonus on incentive payments, those should
10 not be reported for retirement purposes. So
11 those would be not included.

12 Q: Do you agree that Alligator does not operate
13 like a typical State government agency?

14 A: I would agree with that based on what I've
15 seen.

16 Q: And would you agree that Alligator has
17 characteristics much like a private sector
18 business?

19 A: I agree that it appears that way based on the
20 Nestle that you brought up, that they had
21 additional revenues for those three years.
22 That's not normal for a State agency;
23 correct.

24 **MR. BELCHER:** Judge, could we take a short break?
25 I'm almost finished.

1 **THE COURT:** Yes. Let's take a 15-minute break.

2 **(A break was taken from 1:15 p.m. until 1:29 p.m.)**

3 **THE COURT:** All right. Do you have any more
4 questions for this witness.

5 **MR. BELCHER:** Just a handful, Judge. We're almost
6 finished.

7 **THE COURT:** All right.

8 **MR. BELCHER:** Thank you. If I can approach, I'd
9 like to show the witness what's been marked
10 as Petitioner's Exhibit 7.

11 **THE COURT:** Okay.

12 Q: Ms. Nichols, have you seen this document
13 before?

14 A: Yes, sir.

15 Q: What's the date of that document?

16 A: March 10, 2017.

17 Q: And this looks to be an email that you sent;
18 is that correct?

19 A: Yes.

20 Q: Would you read the email into the record,
21 please?

22 A: Sure. Can someone with access to Facebook
23 look at a page called McBee SC Concerned
24 Citizens and print a copy of any information
25 relating to facts concerning one of our

1 covered employers, Alligator Rural Water and
2 Sewer Company, Code 71315. Also please print
3 anything on that page that you see that's
4 related to one of their members, Glenn Odom,
5 or to Odom & Associates. Let me know when
6 you have something, and I'll be glad to come
7 get it. Or if you want to copy and send us
8 an electronic version, that would be great
9 too. Thank you.

10 Q: Who did you send that email to? There were
11 four names on that. Who were the four
12 people?

13 A: I sent it to Megan Lyle [ph] and Heather
14 Young. They're in our communications
15 department. They would have access. Didn't
16 have access to it. And then Travis Turner
17 and Justin Werner.

18 Q: What's Mr. Turner's position with PEBA?

19 A: He is -- I don't know exactly what his title
20 is. He's our deputy director CFO.

21 Q: He's in an executive management position?

22 A: Yes.

23 Q: And Mr. Werner ---

24 A: He's my boss. He's my boss.

25 Q: And Mr. Warner, he's your in-house legal

1 counsel. He's here in the courtroom with us;
2 correct?

3 A: Yes.

4 Q: Why did you request those documents?

5 A: That was right after we received the
6 anonymous packet of materials related to
7 Alligator Rural saying that they had no
8 covered -- they had no employees. And so we
9 were just trying to gather information about
10 one of our employers.

11 Q: And did you at that time know anything at all
12 about the McBee Concerned Citizens Group?

13 A: No. Never heard of them.

14 Q: So let me make it clear for the record. Did
15 you receive an anonymous phone call about
16 Mr. Odom, or was it an anonymous package that
17 contained documents? How did it work?

18 A: It was an anonymous package that was mailed
19 to our office.

20 Q: Was it from the McBee Concerned Citizens
21 Group?

22 A: It did not say who it was from.

23 Q: Did it reference the McBee Concerned Citizens
24 Group?

25 A: I don't recall.

1 Q: How did you know to request documents from
2 the McBee Concerned Citizens Group in this
3 email?

4 A: I don't recall how I knew that.

5 Q: No recollection at all?

6 A: No.

7 Q: And did someone within PEBA give you
8 documents that you requested?

9 A: Yes; I believe so.

10 **MR. BELCHER:** I'm gonna approach the witness,
11 Judge, if I could, and show her what we've
12 previously marked as Respondent's Exhibits 8,
13 9, 10 and 11.

14 Q: 8 through 11. If you would just browse
15 through these documents and tell me if you've
16 seen those previously.

17 A: I know our office has these documents because
18 they're part of the evidence. Have I looked
19 at them in great detail? No.

20 Q: Did you ---

21 A: But I know that we have them.

22 Q: Did you receive these documents per your
23 request in that email?

24 A: I'm not sure how all these -- my email asked
25 for the Facebook about the Citizens. I'm not

1 sure how they obtained all these documents.
2 Our employer audit group was actually
3 gathering the information and doing some
4 analysis. I'm an accountant. I'm finance.
5 I was processing contributions and stuff that
6 were sent to us.

7 Q: You're a numbers person?

8 A: I'm a numbers person.

9 Q: Isn't it true that the documents contained in
10 Exhibits 8 through 11 were part of Mr. Odom's
11 official PEBA file that PEBA produced to us
12 in discovery in this case?

13 A: That's not correct. They're not part of
14 Mr. Odom's retirement file, but they were
15 documents that we received and we produced.
16 But it's absolutely -- and I -- we told him
17 that when we were doing the depositions. It
18 is not part of his retirement file.

19 Q: Where does PEBA store and maintain these
20 documents in Exhibits 8 through 11?

21 A: We have a secure folder on our network. But
22 it's not in a member's imaged file, which is
23 where any other member has -- we have an
24 imaging -- so instead of using paper
25 documents, it's an electronic file. And so

1 documents in Mr. Odom's retirement file only
2 relate to his retirement account, not to --
3 not this. This is just additional ---

4 Q: But you would agree that from the time
5 sometime in 2017 to current, PEBA has these
6 documents stored somewhere in some file?

7 A: We do have these documents; yes.

8 Q: What did PEBA use these documents for?

9 A: In reviewing the employer -- just in
10 reviewing the entire case.

11 Q: Wouldn't you agree that the documents in
12 Exhibits 8 through 11 are unrelated to
13 Mr. Odom's participation in the State
14 Retirement System?

15 A: Like I said, I have not read all these, but I
16 do know in some of the documents there was
17 discussion about whether there were any
18 employees of Alligator. And that would
19 relate to Mr. Odom, if he were an employee.

20 Q: Did PEBA review and consider these documents
21 as part of its decision in this case?

22 A: They were part of the review.

23 Q: I'll take those documents, Ms. Nichols.

24 **MR. BELCHER:** I don't have any further questions on
25 direct, Judge. I thank you for your time,

1 Judge. I'll step down so Mr. Werner can do
2 some redirect, if he chooses.

3 **MR. WERNER:** Thank you, your Honor.

4 **MS. NICHOLS - CROSS-EXAMINATION BY MR. WERNER:**

5 Q: All right. Tammy, the last bit.

6 I think you testified earlier that
7 you're the director of retirement operations
8 at PEBA?

9 A: Correct.

10 Q: And have been in that role or similar roles
11 for 20 to 30 years. Are you -- in your
12 position, are you responsible for the areas
13 of PEBA that are in charge of the collection
14 of retirement contributions?

15 A: Yes.

16 Q: Okay. Are you in charge of the area that's
17 responsible for the calculation of average
18 final compensation?

19 A: Yes.

20 Q: Okay. Do you also work with the system's
21 actuaries as they perform actual reporting for
22 the systems?

23 A: Yes, I do.

24 Q: So you're very familiar with all of those
25 processes?

1 A: Yes.

2 Q: And have been for a long time?

3 A: Yes.

4 Q: Okay.

5 A: I don't actually hands-on do them, but, yes,
6 I'm very familiar.

7 Q: So I wanted to step back and talk a little
8 bit about earnable compensation, the concept
9 that's brought us all here today. Is
10 earnable compensation used in the collection
11 of member contributions to the retirement
12 systems?

13 A: Yes.

14 Q: Is it the basis of the contribution rates
15 that are used to collect those contributions?

16 A: Yes.

17 Q: Is earnable compensation used in the
18 collection of employer contributions to the
19 system?

20 A: Yes; similarly.

21 Q: So the employer contribution rates are also
22 based upon earnable compensation?

23 A: The employee and employer contributions are a
24 percentage of earnable compensation.

25 Q: So all the contributions that come in to fund

1 the retirement benefits are based on a
2 percentage of members' earnable compensation?

3 A: Correct.

4 Q: Okay. And can you tell me about the normal
5 cost that the actuaries determine for the
6 system?

7 A: Sure. Now, I am not an actuary. But the
8 normal cost is how much it cost each year for
9 a year of service that that member earned.

10 Q: I am going to hand you a copy. That's
11 Section 9-1-1060 of the Code of laws there?

12 A: Uh-huh.

13 Q: And what does that section address?

14 A: Talks about the normal contribution rate and
15 the liability associated with service its
16 earned.

17 Q: And the normal contribution rate, that's
18 getting back to that normal cost that you
19 just discussed?

20 A: The normal rate of contributions, yeah, that's
21 determined by the actuary each year.

22 Q: Can you read the first sentence of that
23 statute?

24 A: On the basis of regular interest and of such
25 mortality and other tables, it shall be

1 adopted by the board the actuary engaged by
2 the board to make each annual valuation
3 during the period over which the accrued
4 liability contribution is payable, immediately
5 after making such valuation, shall determine
6 the uniform and constant percentage of the
7 earnable compensation of the average new
8 entrant throughout his entire period of active
9 service, which would be sufficient to provide
10 for the form of payment of any employer
11 annuity payable on his account.

12 It's a long sentence.

13 Q: It is a long sentence. So you said it -- so
14 it -- this is with the actuary determines the
15 uniform and constant percentage of earnable
16 compensation that's needed to fund the
17 benefits accrued by a member has they work?

18 A: Correct.

19 Q: Okay. And I think, as you just -- and is
20 that -- that percentage is based on earnable
21 compensation; correct?

22 A: Correct.

23 Q: Okay. I've also handed you a copy of Section
24 9-1-1070 of the Code of laws. Can you tell
25 me what that statute is looking at?

1 A: Accrued liability contribution rate.

2 Q: And so that's paying down the accrued
3 liabilities of the system?

4 A: Correct.

5 Q: And how does -- and is that rate also set
6 based on the earnable compensation of members?

7 A: Yes. The total employer contribution rate.
8 Part of it is considered normal cost, and
9 part of it is to pay down the accrued
10 liability. And it's determined annually by
11 the actuary.

12 Q: And it's expressed as a percentage?

13 A: As percentage of earnable compensation.

14 Q: I'm going to hand you a copy of another
15 statute. So is earnable compensation also a
16 part of the calculation of benefits from the
17 South Carolina Retirement System?

18 A: Yes.

19 Q: And how does the earnable compensation factor
20 into the calculation of benefits?

21 A: The annual earnable compensation is used for
22 calculating the -- we call it the AFC,
23 average final compensation, which is the 12
24 highest consecutive quarters, and that's used
25 in calculating a member's benefit at

1 retirement.

2 Q: So you contribute based on earnable
3 compensation ---

4 A: Throughout your career.

5 Q: And then when it's time to calculate the
6 benefit, how do we -- so what do we so then?

7 A: When a person retires, we look at their
8 career history of contributions and
9 compensation. We pick the 12 highest
10 consecutive. And that's considered their AFC.
11 And then ---

12 Q: And the AFC's then part of the formula to ---

13 A: It's part of the formula -- for FCRS it's
14 1.82 times the AFC times years of service
15 divided by 12, and that gives you a monthly
16 benefit.

17 Q: Can you read the first sentence of Section
18 9-1-10, Subparagraph 4(a)?

19 A: Yes. Average final compensation with respect
20 to Class 1 and Class 2 members retiring on or
21 after July 1, '86, means the average annual
22 earnable compensation of a member during the
23 12 consecutive quarters of his creditable
24 service on which regular contributions as a
25 member were made to the system producing the

1 highest such average; a quarter means a
2 period January through March, April through
3 June, July through September, or October
4 through December.

5 Q: So the AFC -- as you've testified, AFC relies
6 upon average annual earnable compensation on
7 which regular contributions were made?

8 A: Correct.

9 Q: Okay. I'm gonna hand you another statute.
10 And this is Section 9-1-1550(B) of the Code
11 of Laws. What does this statute pertain to?

12 A: The talks about the retirement allowance or
13 the retirement benefit.

14 Q: So does this contain that formula you were
15 just describing?

16 A: Yes. And eligibility, you know, based on
17 their age or years of service.

18 Q: And so provide the allowance provided there
19 is 1 and 82-hundredths percent of average
20 final compensation multiplied by years of
21 eligibility of service?

22 A: Right.

23 Q: Now, you've testified that earnable
24 compensation is used in the collection of
25 contributions to the retirement systems as

1 well as the calculation of benefits from the
2 systems. I'm gonna ask you now about how the
3 statutes defined that key concept of earnable
4 compensation.

5 So I've got -- so I handed to you
6 Section 9-1-10, Subparagraph 8 of the Code of
7 Laws. Do you have that?

8 A: Yes.

9 Q: And what is that a definition of?

10 A: Earnable compensation.

11 Q: And can you read that definition in 8(A)?

12 A: Yes. "Earnable compensation" means the full
13 rate of the compensation that will be payable
14 to a member if the member worked the member's
15 full normal working time; when compensation
16 includes maintenance fees and other things of
17 value, the board shall fix the value of that
18 part of the compensation not paid in money
19 directly by the employer.

20 Q: So earnable compensation is the full rate of
21 compensation for the full normal time; is at
22 what that says?

23 A: Yes.

24 Q: Okay. I've also handed you Section 9-1-1020
25 of the Code of Laws that, I believe, you also

1 went over with Petitioner's attorney. Can
2 you read the first sentence of the final
3 paragraph of that section?

4 A: Yes. Payments for unused sick leave, single
5 special payments at retirement, bonus and
6 incentive-type payments, or any other payments
7 not considered a part of the regular salary
8 base are not compensation for which
9 contributions are deductible.

10 Q: So that section tells you what things to
11 exclude from earnable compensation?

12 A: Yes.

13 Q: And I think we've gone over this a good bit
14 in your direct exam. The statute does
15 have -- does the statute have a particular
16 formula for deciding what goes into earnable
17 compensation?

18 A: No.

19 Q: Does it have any particular percentages?

20 A: No.

21 Q: Okay. Or any particular definition?

22 A: Other than this.

23 Q: How many different employers participate in
24 the South Carolina Retirement System
25 approximately?

1 A: Over 900.

2 Q: Do you think a one-size-fits-all definition of
3 "salary" would work with 900 different
4 employers?

5 A: No.

6 **MR. BELCHER:** Objection, Judge. We're only dealing
7 with what the statute says and not some
8 hypothetical about what it should say. It's
9 a critique of the statute rather than what
10 the statute says.

11 **MR. WERNER:** I didn't ask her ---

12 **THE COURT:** That was not the question, so explain
13 to me what your objection is.

14 **MR. BELCHER:** I just stated it asks for a
15 hypothetical.

16 **THE COURT:** Okay. Your objection's overruled.

17 A: Do you want ask the question again? I know
18 for various employers we receive copies of
19 their personnel policies that may explain any,
20 you know, salaries, compensation that are
21 unique to them as an employer.

22 Q: So with over 900 employers, is there -- are
23 there a variety of payroll practices?

24 A: Yes. I mean, employers -- you know, we have
25 State agencies; we have higher ed; we have

1 local school districts; we have
2 municipalities. So we -- police officers, a
3 very diverse group of employers with, you
4 know, pay schedules and pay policies. And
5 they're all different.

6 Q: And compensation practices can vary across all
7 of those?

8 A: Yes.

9 Q: And so this definition -- I also want to go
10 back to Section 9-1-10(8) for a minute and
11 then look at Subparagraph B. Do you see
12 that?

13 A: Yes.

14 Q: And what does that provide?

15 A: For work performed by a member after
16 December 31, 2012, earnable compensation does
17 not include any overtime pay not mandated by
18 the employer.

19 Q: So that's another form of compensation that's
20 excluded from the definition of "earnable
21 compensation"?

22 A: Correct.

23 Q: How would allowing some of these excluded
24 forms of compensation, such as bonuses or
25 specials at retirement, those were allowed as

1 earnable compensation? How would that affect
2 the funding for retirement benefits?

3 A: So benefits are funded over a member's
4 working career. Contributions and paid
5 monthly, quarterly, based on the compensation
6 they earn. When there's any unusual
7 fluctuations, if they go up, that could
8 potentially result in a higher benefit, that
9 means they were not necessarily have been
10 funded regularly over the career. So we're
11 paying a higher benefit that wasn't paid for
12 up front.

13 Q: Okay. Let's shift gears here for a minute
14 from the general funding of the systems to
15 the particulars of the matter we're here
16 today on. I'm gonna hand you a copy of
17 Respondent's Exhibit 2. I'm gonna ask you to
18 turn page 67 of that document. Go to page 67
19 through 89. Do you know what that document
20 is?

21 A: Yes. This is the anonymous packet that we
22 received. I didn't -- we don't know who it
23 came from. There's not a return address.
24 It's postmarked March 9th, 2017. And it's a
25 packet of tax forms.

1 Q: Does it contain what appears to be the 2014
2 Form 990 for Alligator and Rural Water?

3 A: Yes.

4 Q: And if you'll turn to page 77, did it include
5 this note on page 77?

6 A: Yes. There was a sticky note on that page of
7 the Form 990 that says, notice no salaries or
8 payroll taxes reported. Notice 1.5 million
9 non-employer management cost. My agency files
10 a 990, and we report salaries here.

11 Q: So this is the report -- is this the report
12 that initiated PEBA's review of Alligator
13 Water?

14 A: Yes.

15 Q: I'm gonna ask you to turn to page 179 in
16 Exhibit 2. If you look at page -- yeah --
17 page 179 and 180. And what is that document?

18 A: This is a letter from Travis Turner, who is
19 our CFO, to Mr. Glenn Odom, the -- as general
20 manager of Alligator.

21 Q: All right. You can take a minute to review
22 it. But what does this letter communicate to
23 Alligator Rural Water and Sewer?

24 A: It says, we were aware of certain
25 irregularities in the compensation reported

1 for employees of Alligator in connection with
2 their participation in the retirement systems.

3 And that's when our employer audit group
4 was reviewing information.

5 Q: And did it request documentation from
6 Alligator Rural Water?

7 A: Yes. So we had received certain information
8 from the board president. And if they had
9 additional information, we asked them to --
10 or if they disagreed with anything to please
11 let us know.

12 Q: Okay. And let me ask you to turn to pages
13 150 through 177 of the same exhibit. And
14 that letter on page 150, what is that letter?

15 A: That's a letter from Karen Currin who is the
16 person who does the bookkeeping and accounting
17 and tax filing for Alligator and Odom.

18 Q: Is that in response to the letter from ---

19 A: From Travis.

20 Q: --- Mr. Turner?

21 A: Yes.

22 Q: And it contain -- attached some additional
23 documentation as well; correct?

24 A: Copies of the 941, which is the --
25 Alligator's quarterly federal tax returns for

1 2017, '18 -- '16, '17, and '18, '15 '14, '13,
2 '12.

3 Q: Okay. And then let me ask you to switch to
4 pages 148 and 149 of Exhibit 2.

5 **(Respondent's Exhibit Number 2 was referenced at**
6 **this time.)**

7 A: Okay.

8 Q: And what is this letter?

9 A: This is a follow-up letter from Mr. Turner to
10 Karen Currin saying that he had received the
11 information. They asked for an extension on
12 the date, which PEBA intends to -- 'cause we
13 had suggested their participation may be
14 terminated if they weren't eligible.

15 Q: Right. And if you look in the second
16 paragraph of that letter, was there a request
17 in there from Mr. Turner?

18 A: If you have any additional 941s or comparable
19 tax records for Odom & Associates, please
20 forward that to PEBA so we can review it;
21 yes. We need full payroll and tax reporting
22 records from both Alligator and Odom &
23 Associates, among other documentation in order
24 to make any finding that the workers in
25 question are, indeed, employees of Alligator

1 and not employees of Odom & Associates.

2 Q: So it's asking for information about Odom &
3 Associates in addition to the Alligator
4 information that had been provided?

5 A: Yes. In order to determine if they were
6 employees of Alligator.

7 Q: So we've gotten the Alligator info referenced
8 on pages 150 through 177, but we had not
9 received the Odom & Associates information at
10 that time?

11 A: At that time.

12 Q: And then we finally turn to page 145 and 146
13 of Exhibit 2. And what is this letter?

14 A: It says, after reviewing the additional
15 records submitted, PEBA has determined that it
16 will not contest Alligator's continued
17 participation in the retirement system and the
18 health plan for the personnel that were
19 reported as employees of Alligator.

20 Q: It said for those personnel properly reported
21 as employees of Alligator?

22 A: Yes. That were properly classified as
23 employees of Alligator.

24 **THE COURT:** Where is that sentence?

25 **MS. NICHOLS:** The last paragraph. It says,

1 although PEBA has determined who are properly
2 classified as employees of Alligator ---

3 **MR. WERNER:** It's in the ---

4 **MS. NICHOLS:** Second paragraph.

5 **MR. WERNER:** --- second paragraph, first sentence.

6 **THE COURT:** Okay.

7 Q: And then, Ms. Nichols, do you see about a
8 little bit more than halfway down in that
9 second paragraph, the sentence that begins
10 further?

11 A: Uh-huh.

12 Q: Can you read that sentence?

13 A: Further it should be emphasized that this
14 decision is limited to the general
15 determination to allow Alligator's continued
16 participation in SCRS and the State health
17 plan and is not a specific finding of
18 eligibility with regard to any particular
19 employee or any particular situation.

20 Q: Okay.

21 A: Moreover, it must also be noted that PEBA
22 reserves the right to revisit this
23 determination and make a different
24 determination in the future if we become
25 aware of additional information that would

1 materially affect the basis for this
2 determination.

3 Q: So this letter was a final letter on the
4 review of whether Alligator could potentially
5 participate in the retirement system as an
6 employer?

7 A: In the retirement system and the insurance
8 side, both. Yes.

9 Q: But it was not a final decision regarding a
10 particular situation?

11 A: Correct.

12 Q: And just stepping back briefly, you mentioned
13 that anonymous packet of information you
14 received. Do you feel that PEBA had a duty
15 to investigate that information?

16 A: Yes.

17 Q: To review it?

18 A: Yes.

19 Q: Did you hear Mr. Odom testify last week that
20 both SLED and the State inspector general had
21 also reviewed some more claims?

22 A: I did hear that.

23 Q: If we collect documents during such a review,
24 would we retain those documents?

25 A: Yes.

1 Q: And would we produce them if they were
2 requested by -- through a discovery in a case
3 like this?

4 A: Yes, we would. We'd never withhold anything
5 that we have.

6 Q: Did any political considerations affect PEBA's
7 review of this matter?

8 A: No.

9 Q: Does PEBA have any reason to get involved in
10 local political disputes?

11 A: No. Not at all.

12 Q: As you mentioned earlier, over 900 employers;
13 right?

14 A: That's not part of our -- we administer the
15 retirement program.

16 Q: All right. I'm gonna now hand you a copy of
17 Respondent's Exhibit Number 4. Can you turn
18 to page 10 to start?

19 First of all, as a little tutorial for
20 the rest of us, what is -- what are these
21 documents there in Exhibit 4?

22 A: These are a screen print from our internal
23 accounting systems. We have what we call a
24 service file. Which is essentially a
25 snapshot, I guess, of your retirement account

1 for each fiscal year with the fiscal year
2 being July 1 through June 30. So page 10 is
3 a snapshot of his service file for fiscal
4 year 2007.

5 Q: And ---

6 A: I know there's a lot of codes.

7 Q: Yeah. I ---

8 A: It's probably hard for a person to -- so the
9 top part is kind of a summary of your
10 beginning balance of your contributions and
11 interest and service. Fiscal year
12 transactions is that middle column and then
13 the ending balance. And then the bottom half
14 lists the individual quarterly postings. So
15 if you see the column that says cycle and
16 there's like a Q09, Q12, Q03, Q06, that's the
17 quarter. The September quarter, December
18 quarter, March quarter, June quarter.

19 Q: So quarter ending with those months. Okay.
20 And over in that column it says TRN
21 transaction. The -- what is that Code C0?

22 A: C0 means that's a quarterly contribution.

23 Q: Okay. So each of the -- then that first line
24 down there shows the contribution that was
25 made for the September quarter of -- in 2006

1 or Fiscal Year 2007; correct?

2 A: Correct.

3 Q: Okay. And it shows a period, the
4 compensation. And then the column says
5 period compensation. What is that column?

6 A: So the period compensation is the earnable
7 compensation on which contributions were
8 calculated. And the column that says amount,
9 that 1040, that would be the percentage --
10 the employee percentage of the
11 contribution ---

12 Q: Okay.

13 A: --- for that compensation amount.

14 Q: And I think you testified this. This is a
15 realtime snap shot, if corrections are made
16 later to anything, you will see those later
17 on in the ...

18 A: Right. Each -- the transactions for a fiscal
19 year stand alone. So this is for Fiscal Year
20 2007. So if, you know, two years later we
21 get something to correct this, that year's
22 kind of closed out and it would be posted or
23 processed in the current fiscal year.

24 Q: Okay. So this Exhibit 4 is the -- or the
25 SCRS fiscal year snapshot for Mr. Odom's

1 participation in the South Carolina Retirement
2 System; correct?

3 A: Correct.

4 Q: Okay. Oh, and then also employee, that line
5 that says EMP, that employer code ---

6 A: Every employer is assigned a code.

7 Q: Okay.

8 A: 71315 is the code for Alligator.

9 Q: Okay. Thank you. And the enrollment for his
10 participation through Alligator would have
11 started right about this time we're seeing on
12 page 10; correct?

13 A: I believe the enrollment form indicates he
14 was hired on September 1st, '06. So that
15 first quarter would have been a partial
16 quarter since he didn't work July and August.

17 Q: Okay. I want to flip ahead to page 14. And
18 this looks like the report for Fiscal Year
19 2009?

20 A: Yes.

21 Q: And what is the compensation shown on the
22 first transaction listed ---

23 A: So for the March 2009 quarter, compensation
24 of \$3,000 was reported.

25 Q: And is that the first time that we see a

1 \$3,000 quarter in his file?

2 A: Yes.

3 Q: Let me hand you a copy of Petitioner's
4 Exhibit Number 7. And you've seen that
5 letter before; right?

6 A: Yes.

7 Q: Is that March 2009 \$3,000, is that consistent
8 with the statements in that letter regarding
9 how long Mr. Odom had been receiving a annual
10 salary of \$12,000?

11 A: Yes. This letter's dated 2018, and it says
12 that he received \$1,000 a month for the past
13 nine years.

14 Q: Go back to Exhibit 4 on page 14. Did --
15 was -- did Alligator report compensation for
16 four quarters during that fiscal year for
17 Mr. Odom?

18 A: No. For Fiscal Year 9 initially they only
19 reported two quarters, 3,000 for March quarter
20 and \$13,000 in wages for the June quarter.

21 Q: Let's turn to page 15. This is the Fiscal
22 Year 2010, the quarter?

23 A: The next year 2010; yes.

24 Q: Were there missing quarters?

25 A: We only received two quarterly reports for

1 that period. For the September -- that would
2 have been September 2009 for the 2010 ---

3 **THE COURT:** Which page are we on?

4 **MS. NICHOLS:** Page 15.

5 **MR. WERNER:** Page 15, your Honor.

6 **THE COURT:** Page 15.

7 **MR. WERNER:** This is the Fiscal Year 2010.

8 **MS. NICHOLS:** So the September quarter would be
9 September 2009, which is Fiscal Year 2010.
10 They reported compensation of \$4500. Then we
11 did not get anything for December. And then
12 for the March 2010 quarter they reported
13 \$8,000 in compensation.

14 Q: So just two quarters were reported for that
15 fiscal year?

16 A: Yes.

17 Q: So turning to page 16 and actually carrying
18 through 16, 17, and 18.

19 A: Okay. I don't know all the codes. But a CO
20 is a regular quarterly contribution for the
21 current year.

22 Q: So for the regular contributions for that
23 year, looks like we have -- what is the
24 quarterly compensation?

25 A: So on page 16 for the December quarter

1 there's \$3,000. That's the one above it.
2 The September quarter's \$3,000. So there's
3 two quarterly postings for \$3,000 ---

4 Q: Okay.

5 A: --- in compensation each. And then the next
6 page there's one for the March -- still 2011.
7 This would be page 2.

8 Q: Yeah.

9 A: For the March quarter there's a CO quarterly
10 contribution for \$4,000.

11 Q: All right.

12 A: And then on page 18, that's the third page of
13 Fiscal Year 2011. There's a quarterly CO
14 posting for \$5,000 for the June quarter.

15 Q: So two quarters of 3,000 and then a 4,000 and
16 a \$5,000 quarter as far as the regular
17 contributions?

18 A: Right.

19 Q: Were there some corrective contributions being
20 made in there too?

21 A: Yes. That -- the CB and the SO, those are --
22 and then there's a S1. Those are corrections
23 to prior periods.

24 Q: Okay. So now let's turn to page 19. And
25 this is ---

1 A: This is for year 2012, and it looks like
2 there's three normal regular quarterly
3 postings for the September, December, and
4 March quarters all of \$3,000 each.

5 Q: All right.

6 A: So there again, that's not a full year.
7 Three quarters.

8 Q: And then turning to page 20?

9 A: Page 20 is the next Fiscal Year 2013. There
10 again, there's a correction of \$3,000 for a
11 prior year. And then there's four CO normal
12 regular quarterly postings for \$3,000 each for
13 all four quarters.

14 Q: Okay. And then turning to page 22, what do
15 we have here?

16 A: '22 is Fiscal Year '14, and we've got four
17 straight quarters with regular CO quarterly
18 contributions \$3,000 compensation each
19 quarter.

20 Q: All right. Page 24, what is this?

21 A: Fiscal Year '15. Same thing. We've got four
22 regular quarterly contributions all four
23 quarters \$3,000 each.

24 Q: And then turning to page 26.

25 A: 26. This is ---

1 Q: What do you see in this?

2 A: --- Fiscal Year 2016. So there's three
3 normal regular quarterly contributions just
4 like we saw in the prior years, \$3,000 each.
5 And then all of a sudden for the June
6 quarter, there's a regular contribution based
7 on compensation of 103,000, which is an
8 additional \$100,000 from the previous
9 quarters.

10 Q: So going back to March 2009 when we first saw
11 a \$3,000 quarter reported ---

12 A: Yes.

13 Q: --- and I think there was a \$4,000 quarter in
14 2011, maybe a \$5,000 quarter. Otherwise it
15 was all \$3,000 quarters until this June
16 payment?

17 A: Yes.

18 Q: And then turning to page 28. Is this the
19 next fiscal year?

20 A: Fiscal Year 2017.

21 Q: And so for that first line, what quarter is
22 that?

23 A: So for the September, December, and March
24 quarters, compensation of \$3,000 was reported
25 for each of the three first quarters.

1 Q: And that first line, the \$3,000 reported for
2 the September quarter, that would be the very
3 next quarter after the \$100,000 payment?

4 A: Yes.

5 Q: Okay.

6 A: 100,000 was for the June. The next quarter
7 would be the September.

8 Q: All right. I want to look at a couple other
9 documents quickly. I'm gonna hand you pages
10 3 and 4 of Respondent's Exhibit 1. And can
11 you explain what these documents are?

12 A: Yes. This is from our service department.
13 So whenever a member wants to purchase
14 additional service credit -- there's various
15 types of service a member can buy. Part of
16 the process is to have the current employer
17 certify their current salary because the
18 service purchase price is based on their
19 highest salary.

20 Q: And on these certification forms, what did
21 Alligator Rural Water certify as Mr. Odom's
22 base annual salary for 2014-2015?

23 A: Both documents certify the annual salary for
24 2014-'15 for \$12,000, Fiscal Year '15.

25 Q: Okay. And then let me also ask you to turn

1 to pages 4 and 5 of Exhibit 2, Respondent's
2 Exhibit 2. Do you have that?

3 A: Uh-huh.

4 Q: And what is that document?

5 A: Okay. These are forms that an employer
6 submits when they're trying to correct a
7 quarter that wasn't reported through the
8 normal regular quarterly report.

9 Q: Okay.

10 A: So these are two corrections.

11 Q: These are from Alligator Rural Water?

12 A: From Alligator.

13 Q: And they -- and who do they pertain to?

14 A: Both of them just have one person listed,
15 Mr. Glenn Odom.

16 Q: And let's see, page 4 looks like -- what
17 quarter is that for?

18 A: So page 4 is trying to ---

19 Q: Or what -- I'm sorry.

20 A: --- is reporting compensation of \$3,000 for
21 the March 2009 quarter.

22 Q: Okay.

23 A: And then the next page is the same reporting,
24 \$3,000 in compensation for the March 2009
25 quarter.

1 Q: Okay.

2 A: One says January; one says March.

3 Q: Okay. Did all of those documents reflect a
4 quarterly salary of \$3,000?

5 A: Yes.

6 Q: Let's go back to Exhibit 4 and back to page
7 28. So I believe you had testified that for
8 the first three quarters of that 2017 fiscal
9 year, it was \$3,000 per quarter reported.
10 Oh, I'm sorry. You're not there yet.

11 A: Yep. I'm good.

12 Q: Okay. And then what was reported for the
13 June quarter of that year?

14 **THE COURT:** Remind me, what exhibit are we on now?

15 **MS. NICHOLS:** This is a lot of paper.

16 **MR. WERNER:** Exhibit 4, page ---

17 **THE COURT:** I'm trying to juggle all of this.

18 **MR. WERNER:** Exhibit 4, page 28.

19 **MS. NICHOLS:** These are the screen prints of our
20 systems that are hard to read.

21 **MR. WERNER:** Back to the fiscal year transactions.
22 My apologies, your Honor.

23 **THE COURT:** That's okay. I'll get it back.

24 **MR. WERNER:** Bouncing through a lot of the exhibits
25 there.

1 **THE COURT:** Okay. 4 page 28?

2 **MR. WERNER:** Page 28.

3 **THE COURT:** Okay.

4 Q: Ms. Nichols, what was -- so for -- what
5 compensation was reported for the first three
6 quarters of that fiscal year?

7 A: \$3,000 per quarter for September, December,
8 and the March quarters.

9 Q: And then what was reported for the June
10 quarter?

11 A: For the June quarter compensation of \$267,000
12 was reported.

13 Q: Okay. I'm gonna hand you Exhibit 9,
14 Respondent's Exhibit 9. And what is this
15 exhibit?

16 **(Respondent's Exhibit Number 9 was referenced at**
17 **this time.)**

18 A: This is an email from Charlie Robertson, who
19 is the manager for the employer reporting
20 unit, the group that processes and compose
21 the quarterly reports. So she is emailing
22 our contact person at Alligator.

23 Q: And what does she inform them?

24 A: The amount that they reported for wages
25 exceed the IRS limit for Calendar Year 2017.

1 So ---

2 Q: What was ---

3 A: --- that's not permissible.

4 Q: What was the total amount they actually
5 reported for that quarter?

6 A: They initially reported \$303,000, which is in
7 excess of the \$270,000 calendar year limit.

8 Q: So the 267 is actually a reduction to comply
9 with that limit?

10 A: Yes.

11 Q: Okay. And this might be a good moment to
12 pause. Can you explain the -- that IRS
13 compensation limit?

14 A: Yeah. So each year the IRS sets a maximum
15 amount of compensation that can be considered
16 for purposes of calculating retirement
17 benefits. It's normally indexed each year
18 like May of 270, 275, 280. And it's a
19 calendar year limit.

20 Q: And does that limit come from Section
21 401(a)(17) of the revenue Code?

22 A: Correct. 401(a)(17) of the Internal Revenue
23 Code; correct.

24 Q: And an employee can get paid by their
25 employer more than that amount; that's just

1 an amount of what amount could actually be
2 credited toward their retirement benefits; is
3 that correct?

4 A: Correct. Once they hit the compensation
5 limit, contributions are not remitted for the
6 remainder of the year. And this email talks
7 about Contract 20, which is kind of a
8 internal processing. They're still required
9 to report those employees even though they
10 don't report the contributions so we ensure
11 they get a full year service credit.

12 Q: Would you have a doctor at a participating
13 hospital get paid way more than ---

14 A: And we do.

15 Q: Right.

16 A: Coaches, doctors; yes.

17 Q: But for what -- for what's in included in the
18 system has to be limited by that cap?

19 A: Correct.

20 Q: All right. I want to also hand you what's
21 been marked as Respondent's Exhibit 8. And
22 what is this document?

23 **(Respondent's Exhibit Number 8 was referenced at**
24 **this time.)**

25 A: This is an email, again, from Charlie, who is

1 the employer reporting manager to Mr. Glenn
2 Odom.

3 Q: Okay. So let's first look at page 2. So
4 this email in the middle of page 2, when was
5 that sent?

6 A: I'm sorry. The email in the middle of page
7 2?

8 Q: Yes.

9 A: It was sent July 25th, 2017.

10 Q: Okay. And that's from ---

11 A: In response to -- I think, Mr. Odom initially
12 sent an email to Charlie in reference to a
13 letter. Okay.

14 Q: And so in this email in the middle of page 2,
15 what is Charlie informing Mr. Odom of?

16 A: She's explaining the IRS federal compensation
17 limit.

18 Q: And she tells him that his limitations for
19 Calender Year 2017 is ---

20 A: --- \$270,000.

21 Q: And then on to page 1 in the email in the
22 middle of that page, there's another email
23 from Charlie to Mr. Odom?

24 A: Right.

25 Q: And what is she informing Mr. Odom in that

1 email?

2 A: I hope you're well. You mentioned getting a
3 very large bonus yesterday when we spoke on
4 the telephone, and I wanted to make sure you
5 knew that one-time bonuses are not subject to
6 contributions.

7 And then she referenced him to the
8 employer manual where that's discussed.

9 Q: And can you read that quote from the employer
10 manual under the heading Wages Not Subject to
11 Contributions?

12 A: Non-recurring pay increases or special
13 payments made at retirement, bonuses and
14 incentive-types payments, or any other
15 payments not considered part of the regular
16 salary base whether paid during employment or
17 at retirement are not subject to retirement
18 contributions.

19 Q: Okay. And then at the top of page 1, there's
20 an email. Is that an email back from
21 Mr. Odom to Charlie?

22 A: Yes. And you're gonna have to read up. So
23 then Mr. Odom responded back to Charlie.
24 Said, glad we talked 'cause the bonus is due
25 in July. But I can't put any in till

1 January, so point is moot. But thanks.

2 Q: And so that says the bonus was due in July?

3 A: Yes.

4 Q: All right. So let me turn you to
5 Respondent's Exhibit 2, page 129.

6 So what is this letter?

7 A: This is a letter from me to Alligator
8 explaining that we were returning
9 contributions that were remitted to the
10 retirement systems in excess of allowable
11 amounts, parts that are not part of the
12 regular salary base, for Mr. Odom.

13 Q: And it was returning the \$100,000 from June
14 2016 and the 300,000 -- the contributions on
15 the \$100,000 from June 2016 and the \$3000,000
16 from June 2017?

17 A: Correct.

18 Q: All right. So this is the first letter you
19 sent to Alligator regarding returning the
20 contributions?

21 A: Yes.

22 Q: And this came on the heels of the \$300,000
23 payment reported for June 2017?

24 A: Right.

25 Q: Okay. So let's go back to Exhibit 4 as we

1 work through the compensation history. And
2 let's turn to page 30 of Exhibit 4. And this
3 is the 2018 fiscal year; correct?

4 A: Correct.

5 Q: And now, what do we see for the reported
6 compensation for the four quarters of that
7 year?

8 A: Let me see. For September compensation of
9 49,090.90 was reported, and then for December,
10 March, and June quarters, each quarter
11 employer reported 73,636.35.

12 Q: And does that add up to almost exactly
13 \$270,000?

14 A: I believe it does.

15 Q: Okay. And so I'm gonna send you back to
16 Exhibit 2, page 120.

17 **THE COURT:** Which one now?

18 **MR. WERNER:** Exhibit 2, page 120, your Honor.

19 Q: We'll work through the full time line.

20 **THE COURT:** Okay. I'm there.

21 **MR. WERNER:** Okay.

22 Q: And what is this letter?

23 A: So I wrote a letter the following fiscal
24 year, again, refunding employer and employee
25 contributions in excess of what the normal

1 regular salary base for Mr. Odom was. So the
2 excess of \$3,000, which had been previously
3 reported for nine years.

4 Q: And can you read the final -- well, the
5 paragraph that begins on the bottom of page
6 120 and carries over into page 121?

7 A: Sure. It should be noted that this return of
8 excess contributions is consistent with the
9 return of excess contributions. We make our
10 letter dated August 8th of 2017 in connection
11 similar special payments above Mr. Odom's
12 reported regular salary base from June 2016
13 and June 2017.

14 Accordingly, PEBA will not be able to
15 accept contributions for any increases of
16 similar magnitude in the compensation reported
17 for Mr. Odom without documentation that
18 substantiates the increased compensation as
19 earnable compensation.

20 Q: Did we receive any documentation that
21 substantiated that the increased compensation
22 was earnable compensation during -- in
23 response to this letter?

24 A: We received the letter from the board
25 president, I believe, in response to this

1 letter.

2 Q: All right?

3 A: That was Exhibit 7.

4 Q: And did anything in that letter change your
5 determination regarding the reportable
6 earnable compensation for Mr. Odom?

7 A: No.

8 Q: Did the information in that letter confirm
9 that his salary had been \$12,000 a year ---

10 A: It did.

11 Q: --- for the last nine years?

12 A: It confirmed \$12,000 a month for the past
13 nine months; yes.

14 Q: Did it also reference a debt payment that had
15 been made to Mr. Odom?

16 A: It did.

17 Q: And that was part of the reason for the
18 reported increase in salary according to the
19 letter?

20 A: It was kind of unclear to us, but it says the
21 amount owed to Mr. Odom had been drastically
22 reduced, and now the organization is able to
23 pay his base salary to be in line.

24 Q: Okay. And that letter recites a salary of
25 \$294,000; correct?

1 A: Correct. It does not give an effective date
2 of the pay increase.

3 Q: But for the -- going back to Exhibit 4, page
4 30, for that fiscal year the total
5 compensation ended up being reported as
6 \$270,000?

7 A: Yes.

8 Q: Okay.

9 A: That would have been through June 2018, and
10 then this letter is August of 2018.

11 Q: All right. So now let's turn to page --
12 Exhibit 4, page 33. I'll ask you to also be
13 ready for Exhibit 2, page 105 and 106.

14 So on Exhibit 4 page 33, what is -- what
15 do we see here?

16 A: Okay. That's the fiscal year snapshot for
17 Fiscal Year 2019 for each of the four
18 quarters compensation of \$67,500 was posted
19 for each quarter.

20 Q: And does that total up to exactly \$270,000?

21 A: Yes.

22 Q: And so in Exhibit 2 page 105 and 106, what is
23 that document?

24 A: On -- this is my letter from the ---

25 **THE COURT:** 2; what page?

1 **MR. WERNER:** Page 105 and 106, your Honor.

2 A: Similar to the briefs letters that I wrote,
3 this was for the following fiscal year. So
4 for 2019, again, we're returning contributions
5 that were reported in excess of the
6 compensation amount ---

7 Q: So this would be ---

8 A: --- of \$12,000.

9 Q: --- the third letter you sent?

10 A: Yes.

11 Q: And, again, similar to the letter you sent in
12 2018?

13 A: Yes.

14 Q: And in this letter on the top of page 106,
15 did you invite them to provide documentation
16 to substantiate the increased compensation as
17 earnable compensation?

18 A: Yes. Again, yeah, we would not be able to
19 accept it without documentation that
20 substantiate the increased compensation's
21 earnable compensation.

22 Q: And did you receive any documentation in
23 response to that letter that provided such
24 substantiation?

25 A: No.

1 Q: All right. Getting toward the end here. I
2 ask you to turn to page Exhibit 4, page 36.

3 And what year is this?

4 A: This is for fiscal year ending June 2020.

5 Q: And what do we have as far as the quarterly
6 reported compensation?

7 A: So we have four regular quarterly periods
8 reported. September, again, was 67,500.
9 Then for December it was only 45,000; for
10 March it was 90,000; and then for June it was
11 back to sixty-seven five.

12 Q: Does that still add up to exactly \$270,000?

13 A: Yes.

14 Q: And let me -- I'm gonna ask you to take a
15 look at Exhibit 2, page 95 and 96.

16 A: One more letter from me.

17 Q: So what is this letter?

18 A: This is a letter for the next fiscal year for
19 June '20, once again, refunding employee and
20 employer contributions in excess of the
21 \$12,000 compensation amount that was allowed
22 for retirement purposes.

23 Q: So again, very similar to the letters you
24 sent two prior fiscal years?

25 A: Correct.

1 Q: Almost an annual tradition at this point?

2 A: It is.

3 Q: And then in the last paragraph at the top of
4 page 96, do you acknowledge that at that
5 point an appeal had been filed?

6 A: Yes. Any changes to Mr. Odom's earnable
7 compensation required based on outcome of
8 Mr. Odom's appeal, corrective reporting and
9 contributions would be submitted at that time.

10 Q: So you're holding the status quo, and then
11 depending on how the appeal turned out would
12 be the adjustment going forward?

13 A: Correct.

14 Q: And then let's turn to page 39 of Exhibit 4.
15 Back to Exhibit 4 coming to the end now page
16 39.

17 So this is the 2021 fiscal year;
18 correct?

19 A: (No audible response.)

20 Q: Exhibit 4.

21 A: I'm in the wrong one.

22 Q: I'm sorry. I'm going back and forth so much.

23 A: Okay. Wrong one. Exhibit 4 ---

24 Q: Yeah. Back to the fiscal year.

25 A: Page 39? Sorry.

1 Q: Yeah. No. I'm okay.

2 A: I was in 2. Okay. Yes. Okay. Fiscal Year
3 2021, no contributions were posted.

4 Q: So after three years of exactly \$270,000
5 reported, contribution stopped?

6 A: Stopped.

7 Q: And then since that time, we have not
8 received any contributions from Alligator
9 Water for Mr. Odom?

10 A: Correct.

11 Q: I want to hand you what's been marked as
12 Respondent's Exhibit 82. Go ahead and take a
13 minute to get that situated.

14 **THE COURT:** Trying keep it in order for you. Okay.

15 Q: So this is Mr. Odom's personnel file with
16 Alligator Water and Sewer. It appears to be
17 how many pages?

18 A: 24 pages.

19 Q: Okay. Is there anything in this file that
20 documents a salary greater than \$12,000 a
21 year?

22 A: His original enrollment form, is it not here?
23 I guess not.

24 Q: It is not?

25 A: No.

1 Q: So no documentation of any salary greater
2 than \$12,000. Let me ask you, can you turn
3 to page 23? This is a document we
4 already ---

5 A: Yes.

6 Q: --- earlier; correct?

7 A: Correct.

8 Q: And this is for 2014 and 2015. And what are
9 they documenting the salary as?

10 A: This is the same document that certified his
11 salary as \$12,000 a year.

12 Q: As of 2015 it was \$12,000 a year?

13 A: Correct.

14 Q: Other than that reference, are there any
15 other -- is there any other documentation of
16 a salary in this file?

17 A: There's no mention of a salary on any of
18 these documents. These are all, like,
19 retirement forms designating your beneficiary,
20 your insurance coverage, your ...

21 Q: Pretty much just PEBA forms; correct?

22 A: Cobra forms -- yeah -- his insurance card.

23 Q: Is there any documentation of annual or sick
24 leave?

25 A: No.

1 Q: Any W-4 withholding forms?

2 A: No.

3 Q: Any documents about him -- his hiring?

4 A: No.

5 Q: Any documents about his termination from --
6 of employment?

7 A: No.

8 Q: We talked about the no-salary schedule?

9 A: No.

10 Q: Okay. Let's see. I have just a few more
11 questions. Bear with me.

12 I think you may have discussed some of
13 this on direct, but I wanted to be clear.
14 The final agency determination that was issued
15 in this matter was issued back in February of
16 2021?

17 A: Correct.

18 Q: Have we received additional information
19 regarding Mr. Odom's compensation since that
20 FAD was issued through discovery?

21 A: I know we received a lot of documents. Like,
22 this personnel file was part of his
23 discovery, I think. I don't know that we
24 have anything else.

25 Q: Do we have his personal tax returns at the

1 time we issued this FAD?

2 A: I don't believe so.

3 Q: Did we have the bank records from ---

4 A: No.

5 Q: --- Odom & Associates?

6 A: We did not have the bank records.

7 Q: Do we have a general ledger from Odom &
8 Associates ---

9 A: No.

10 Q: --- and Alligator?

11 A: No. We didn't have any of their bookkeeping
12 or accounting records.

13 Q: I think you just testified you didn't -- we
14 have that personnel file?

15 A: No.

16 Q: Would it be safe to say that we know more
17 today than we knew back when the FAD was
18 issued?

19 A: Yes.

20 **MR. WERNER:** I beg the Court's indulgence for one
21 minute.

22 **THE COURT:** Take your time.

23 Q: I want ask you one more thing. I want to
24 hand you what's been marked as Respondent's
25 Exhibits 83 and 84.

1 And what are these letters?

2 A: These are the finalized benefit letters. 83
3 is for his SCRS retirement benefit, and 84 is
4 for his police -- PORS benefit.

5 Q: And what was the average final compensation
6 used to calculate those benefits?

7 A: The second page of this letter lists the
8 average -- AFC. \$75,500 was the AFC that was
9 used to calculate his retirement benefit for
10 both SCRS and PORS.

11 Q: And how was it the same -- that the AFC that
12 is used to calculate the benefit in both
13 systems?

14 A: So that's based on statute. SCRS and PORS
15 are considered correlated systems. So
16 provided the service was not earned at the
17 same time, the member gets the benefit of
18 having the higher AFC for both plans.

19 Q: So an increase in the SCRS salary ---

20 A: Increases the police ---

21 Q: --- would also increase the PORS ---

22 A: Yes.

23 Q: --- benefit as well?

24 A: Yes.

25 Q: And the benefit from SCRS on -- from Exhibit

1 83, what is that monthly amount?

2 A: For SCRS his monthly benefit is \$2,419.27.

3 Q: And how -- and then on Exhibit 84 how much is
4 the PORS benefit?

5 A: For his police benefit, he receives \$1,222.97.

6 Q: And these benefits were calculated based on
7 the status quo at the time the appeal was
8 filed; correct?

9 A: Yes.

10 Q: So depending how this case comes out, these
11 numbers may change?

12 A: Could very well change.

13 **THE COURT:** So these benefits were calculated on
14 the \$3,000 a quarter?

15 **MS. NICHOLS:** No. If you look -- your Honor, if
16 you look at page 2, it lists the quarters and
17 the compensation amounts that were used.

18 **THE COURT:** Page 2 of ---

19 **MS. NICHOLS:** Of these two letters.

20 **THE COURT:** --- Respondent -- oh, both of them.

21 **MS. NICHOLS:** Either -- yeah, both letters have the
22 same amount.

23 **THE COURT:** Okay.

24 **MS. NICHOLS:** So they were based on those higher
25 years when he was -- when he first began

1 working for Alligator, 2006. So this is for
2 years '07, '08, and '09. So it's much higher
3 than the 12,000 that he earned after that.

4 **THE COURT:** Okay.

5 Q: And so the total benefit amount -- monthly
6 benefit between the two plans taken
7 together ---

8 A: About \$3600 a month.

9 Q: --- would be about \$3600 a month?

10 A: Correct.

11 Q: And that's somewhere in the neighborhood of
12 \$43,000 a year?

13 A: For the remainder of his life.

14 Q: Okay. If somehow an AFC of \$270,000 were
15 used to calculate these benefits, would that
16 increase the benefit to nearly \$13,000 a
17 month?

18 A: It would increase significantly. So in our
19 formula where you take the AFC times the 1.82
20 for SCRS or 2.14 percent for police times the
21 years of service, if you use 270,000 instead
22 of 75,000, the benefit's gonna be
23 significantly greater.

24 Q: Could it be as high as \$13,000 a month?

25 A: Yes.

1 Q: And wouldn't that monthly benefit --
2 retirement benefit of \$13,000 a month
3 exceed ---

4 A: The \$12,000 that he earned for nine years
5 annually versus monthly.

6 Q: And that increase in benefit amount is
7 somewhere in the neighborhood of 358 percent;
8 does that sound correct?

9 A: I don't know the percentage, but it's a
10 significant increase; yes.

11 And as we talked about actuarially
12 funded, it wasn't paid for up front. Nobody
13 remitted contributions to fund a benefit of
14 \$13,000 a month.

15 MR. WERNER: Your Honor, that's all I have for
16 Ms. Nichols.

17 Q: Thank you. Answer any questions that
18 Mr. Belcher has for you.

19 MR. BELCHER: I have three or four.

20 THE COURT: Would y'all like to take a break, or
21 you want to go ahead and ...

22 MR. BELCHER: I'll be two or three minutes ---

23 THE COURT: Okay. Go ahead.

24 MR. BELCHER: --- if you want to move forward.

25 **MS. NICHOLS - REDIRECT EXAMINATION BY MR. BELCHER:**

1 Q: Ms. Nichols, you just testified about items
2 that were in Mr. Odom's personnel file at
3 Alligator. Were there any Form 1099s in his
4 personnel file?

5 A: No, sir.

6 Q: And do you know what a Form 1099 is?

7 A: I would not think a Form 1099 would be in a
8 personnel file because that doesn't relate to
9 an employee.

10 Q: It's the way that a business would pay an
11 independent contractor; correct?

12 A: Which is not an employee. He would have a
13 W-2. But a W-2 is not in his file either.

14 Q: And you didn't see a 1099 in there; correct?

15 A: Did not.

16 Q: And you said there was no documentation in
17 the personnel file that he ever earned a
18 salary of more than \$12,000. Do you remember
19 that?

20 A: Correct.

21 Q: But Mr. Odom did produce to you, and you've
22 received, his W-2 form showing that there
23 were many years that he earned a salary of
24 more than \$12,000; correct?

25 A: We did receive W-2s showing that. Yes, we

1 did.

2 Q: And you would have to agree that only an
3 employer issues a W-2 form and only to
4 employees; correct?

5 A: I believe their bookkeeper probably is the
6 one who issued them on behalf of Alligator
7 but ...

8 Q: No, no, no. Let me correct you.

9 **MR. BELCHER:** And you can take judicial notice of
10 this, Judge.

11 Q: Only and employer issues a W-2, and it's only
12 to employees. Employers do not issue
13 form ---

14 A: She prepared them.

15 Q: --- federal IRS W-2 forms to independent
16 contractors.

17 And isn't it true that PEBA had received
18 Mr. Odom's personal tax records for the years
19 in question?

20 A: We did receive copies of his records at some
21 point.

22 Q: And those personal tax records showed
23 specifically that Alligator paid him as an
24 employee; correct?

25 A: I believe so.

1 Q: And you testified just a few minutes ago that
2 there was certain information that PEBA had
3 received in discovery of this case that it
4 didn't have when it issued its final agency
5 determination. The three things you testified
6 about -- correct me if I'm wrong -- were
7 personal tax returns of Mr. Odom, bank
8 returns, and general ledgers; correct?

9 A: Bank returns. You mean bank statements?

10 Q: Bank statements, yes.

11 A: Yes.

12 Q: I misspoke.

13 A: That's okay.

14 Q: So tell the Court specifically how PEBA's
15 receipt of Mr. Odom's personal tax returns
16 changed its analysis in the final agency
17 determination.

18 A: This is subsequent to the final agency
19 determination, which was discussing
20 compensation. I'm not sure what the question
21 was again.

22 Q: How did PEBA's receipt of Mr. Odom's personal
23 tax returns change the analysis that PEBA set
24 forth in its final agency determination?

25 A: I'm not sure if it changed our analysis, but

1 we did have additional information to review
2 in relation to payments that were made to
3 him.

4 Q: Same question with regard to bank statements.
5 How did receipt -- how did PEBA's receipt of
6 bank statements in this case change or alter
7 the final agency determination?

8 A: It was interesting that the payments made to
9 him were not made as you would expect an
10 employee to receive a regular salary
11 compensation amount on a normal payroll cycle.
12 That was interesting. And the fact that some
13 of the payments made to him, there was not a
14 record that the check had cleared the bank
15 was interesting.

16 Q: What difference would that make to anything?
17 Just -- wouldn't that just mean he didn't
18 cash a check?

19 A: Was the check really written?

20 Q: What difference would either make?

21 A: If he was not actually issued a check,
22 clearly it wasn't compensation.

23 Q: How did PEBA's receipt of general ledgers
24 alter or change its analysis that it set
25 forth in the final agency determination?

1 A: It made it apparent that there was
2 reclassification of amounts that were paid to
3 Mr. Odom or to his company.

4 Q: Reclassifications of what specific amounts?

5 A: Whether they were -- there was a couple of
6 years where the management fees were reduced
7 significantly where his compensation
8 supposedly increased even though the total
9 amount. So in looking at those tax records.

10 Q: And what difference did that make?

11 A: We're trying to determine what his earnable
12 compensation was for purposes of calculating a
13 retirement benefit.

14 Q: When do you think you'll be able to figure
15 that out? We're in court today. This is it.

16 A: I'm hoping your Honor will be able to
17 determine whether the amounts paid were
18 considered -- or confirm whether or not they
19 were considered compensation for the purposes
20 of retirement benefit.

21 Q: What connections, if any, did the reduction
22 in management fees to Odom & Associates have
23 to Mr. Odom's salary is an employee at
24 Alligator?

25 A: That's a question.

1 Q: Well, can you answer it?

2 A: I don't know the answer to that.

3 Q: So it's possible that there's no connection?
4 You're just guessing; right? It's just a
5 theory you're throwing out?

6 A: It's unusual that the amounts are
7 approximately the total. Like I said, they
8 were just reclassified from a management fee
9 to a compensation at his pleasure.

10 Q: So it's a theory that you have that you're
11 using to reduce his retirement benefit?

12 A: It's not fair to say it's a theory. We don't
13 have anything strongly -- like I said,
14 there's nothing in his personnel file to
15 substantiate where the board approved a
16 salary, salary increase, a hiring, a
17 termination. There's nothing to confirm that
18 other than his affidavit, which is his word.

19 Q: And you've told me earlier you have nothing
20 to refute that; correct?

21 A: I don't have anything to support that either.

22 Q: You would agree his affidavit then was
23 undisputed?

24 A: By him, yes.

25 Q: By everyone. Who disputed it then,

1 Ms. Nichols?

2 A: I think that's why we're herein court today.

3 MR. BELCHER: I don't have any further questions,
4 Judge.

5 THE COURT: All right. You can step down. Thank
6 you very much.

7 MS. NICHOLS: Thank you so much.

8 (Witness excused.)

9 THE COURT: All right. Do we have additional
10 witnesses?

11 MR. WERNER: None from the Respondent, your Honor.

12 THE COURT: Okay. Would you like to make brief
13 closing statements?

14 MR. BELCHER: I'd prefer not to because you told us
15 the other day you'd prefer us to do them in
16 writing.

17 INSTRUCTIONS FROM THE COURT:

18 THE COURT: I really don't have a preference. If
19 you want to talk to me, I'm here to listen as
20 long as you want to talk. But frequently
21 lawyers, when they get to this place, are
22 very tired and would rather put it in
23 writing. And I can certainly understand
24 that. And I could go either way on that.

25 MR. WERNER: Your Honor, yeah. I think given the



1 volume of documents and testimony, I think
2 it's -- it would be a much more cogent
3 presentation if it's presented to you in the
4 form of a proposed order or post-hearing
5 brief ---

6 **THE COURT:** Right.

7 **MR. WERNER:** --- or something along those lines.

8 **THE COURT:** And would it be helpful to the two of
9 you to hear some of the questions that are on
10 my mind at this juncture?

11 And, you know, you may already be
12 planning on addressing these in your
13 respective proposed orders. But do I -- and
14 obviously I need to go back and study all
15 these documents.

16 But one question in my mind is it seems
17 as though PEBA has -- what's the word I'm
18 looking for? -- not questioned that Mr. Odom
19 is both an employee of Alligator and also at
20 the same time contractually obligated to
21 perform the same services under contract in
22 his business. And I'm having a hard time
23 understanding that aspect of the facts.

24 So I would like to see that addressed as
25 to how -- and it may just be that I

1 misunderstood something in the presentation of
2 the documents and I didn't quite get it all
3 'cause it was coming at me fast as to how
4 this whole thing was working between Alligator
5 and Odom & Associates. And so I'd like to
6 give you the opportunity to address that in
7 your --

8 What else Byron? Anything else specific
9 that I need to ask him to address?

10 I think that's the only thing that y'all
11 haven't already pretty much addressed kind of
12 head-on in your presentations that I would --
13 I'm already expecting to hear from you on.
14 So but I did want to mention that that's a
15 question left in my mind. Because, you know,
16 I just couldn't understand all of that.

17 All right. Anything else that we need
18 to talk about before we conclude?

19 **MR. BELCHER:** Just so the ---

20 **MR. WERNER:** Time frame on when you want ---

21 **THE COURT:** Y'all had already said you wanted to
22 get a copy of the transcript.

23 What kind of a time can they expect
24 that, do you think?

25 **COURT REPORTER:** We're looking at three or four

1 weeks.

2 **THE COURT:** Okay. Let's say 30 days on that and
3 then 30 days after that. Is that fair?

4 **MR. BELCHER:** 30 days after we receive the
5 transcript?

6 **THE COURT:** So 60 days from today. I mean, if the
7 transcript is delayed beyond -- she said --
8 she gave you a estimate of just under 30
9 days. So if it's significantly longer than
10 30 days, you can let me know. So let's just
11 say 60 days from today, and let's have some
12 proposed orders. If something comes up and
13 that's, you know, impossible, let me know.

14 But I don't like for things to get too
15 cold because then it's hard -- it's very
16 hard -- and then I'd have to go back and
17 listen to the whole transcript to refresh it
18 all for me. My -- I don't hold it all that
19 long, especially when there's this much of
20 it. So the sooner the better, as far as I'm
21 concerned.

22 **MR. WERNER:** Yeah. That sounds appropriate.

23 **MR. BELCHER:** For me, I agree, Judge. Thank you.

24 **THE COURT:** All right then. Anything else?

25 **MR. WERNER:** None from PEBA.

1 **MR. BELCHER:** None from the petitioner.

2 **THE COURT:** All right.

3 **MR. BELCHER:** Thank you, Judge.

4 **THE COURT:** Thank y'all.

5 **(There being nothing further, the hearing concluded**
6 **at 3:08 p.m.)**

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INVENTORY of EXHIBITS

Page 2 of 6

Exhibit:	Glen C. Odum v. SC RESA, (SC Retirement) Systems	Date/Time:	11/10/21 & 11/15/21 @ 10:00am
Docket No:	21-41130-CDRA-20	Judge:	Borde

Respondent(s)	Description	Moved	Admitted	Proffered
1	Documents from Petitioner's Retirement Systems Member File	X	X	
2	Documents from Alligator Rural Water and Sewer Company ("ARWS") Retirement Systems Employer File	X	X	
3	Log of Petitioner's Contacts with Respondent Regarding His Retirement Benefits	X	X	
4	South Carolina Retirement System ("SCRS") Member Account Master Service by FY	X	X	
5	South Carolina Police Officers Retirement System ("PORS") Member Account Master Service by Fiscal Year	X	X	
6	Letter from Petitioner's Association to Petitioner dated June 8, 2017	X	X	
7	Letter (re: ARWS) from President to Respondent dated August 30, 2019	X	X	
8	Email Correspondence Between Petitioner and Respondent of July 23-26, 2017	X	X	
9	Email Correspondence From Respondent to ARWS of July 27, 2017	X	X	
10	Q&A/Interviews ("Q&A") Management Conducted with ARWS	X	X	
11	Q&A General Information	X	X	
12	Q&A General Information	X	X	
13	Q&A General Information	X	X	
14	Q&A Bank Records	X	X	
15	Q&A W-2 Forms for Petitioner	X	X	
16	ARWS Articles of Incorporation	X	X	
17	ARWS General Ledger Records	X	X	
18	ARWS Bank Records	X	X	
19	PHYS Reported SCRS Covered Payroll	X	X	

INVENTORY of EXHIBITS

Page 3 of 6

Caption:	Gleason, John v. SC PERSA (SC Retirement Systems)	Date/Time:	11/22/2017 11:52:06 AM
Case No:	21-AL-88388-SC	Judge:	Jordan

Respondent(s)	Description	Marked	Reviewed	Initialed
20	ARWS W-2 Forms for Petitioner	X	X	
21	ARWS Website Personnel Listing as of October 1, 2000	X	X	
22	ARWS Form 990 for 2004	X	X	
23	ARWS Form 990 for 2005	X	X	
24	ARWS Form 990 for 2006	X	X	
25	ARWS Form 990 for 2007	X	X	
26	ARWS Form 990 for 2008	X	X	
27	ARWS Form 990 for 2009	X	X	
28	ARWS Form 990 for 2010	X	X	
29	ARWS Form 990 for 2011	X	X	
30	ARWS Form 990 for 2012	X	X	
31	ARWS Form 990 for 2013	X	X	
32	ARWS Form 990 for 2014	X	X	
33	ARWS Form 990 for 2015	X	X	
34	ARWS Form 990 for 2016	X	X	
35	ARWS Form 990 for 2017	X	X	
36	ARWS Form 990 for 2018	X	X	
37	ARWS Form 990 for 2019	X	X	
38	ARWS Financial Statements 2006	X	X	

INVENTORY of EXHIBITS

Page 4 of 6

Caption:	Quinn D. Quinn v. SD PERS, SD Retirement Systems	Date/Time:	11/28/2015 10:00 a.m.
Exhibit No:	91-ALJ000094-CD	Seal:	Sealed

Respondent(s)	Case name	Accepted	Admitted	Undisputed
39	ARWS Financial Statements 2007	X	X	
40	ARWS Financial Statements 2008	X	X	
41	ARWS Financial Statements 2009	X	X	
42	ARWS Financial Statements 2010	X	X	
43	ARWS Financial Statements 2011	X	X	
44	ARWS Financial Statements 2012	X	X	
45	ARWS Financial Statements 2013	X	X	
46	ARWS Financial Statements 2014	X	X	
47	ARWS Financial Statements 2015	X	X	
48	ARWS Financial Statements 2016	X	X	
49	ARWS Financial Statements 2017	X	X	
50	ARWS Financial Statements 2018	X	X	
51	ARWS Financial Statements 2019	X	X	
52	Minutes of Meeting of the ARWS Board of Directors for 2006	X	X	
53	Minutes of Meeting of the ARWS Board of Directors for 2007	X	X	
54	Minutes of Meeting of the ARWS Board of Directors for 2008	X	X	
55	Minutes of Meeting of the ARWS Board of Directors for 2009	X	X	
56	Minutes of Meeting of the ARWS Board of Directors for 2010	X	X	
57	Minutes of Meeting of the ARWS Board of Directors for 2011	X	X	

INVENTORY of EXHIBITS

Page 5 of 6

Caption:	Blum C. Quinry SC PERA, SC Retirement Systems	Date/Time:	10/23/2018 11:02:53 AM	
Basket No:	21-AL-05-0004-CC	Date:	10/23/2018	
Expenditure(s)	Description	Rated	Sealed	Initialed
58	Minutes of Meeting of the ARWS Board of Directors for 2013	X	X	
59	Minutes of Meeting of the ARWS Board of Directors for 2014	X	X	
60	Minutes of Meeting of the ARWS Board of Directors for 2014	X	X	
61	Minutes of Meeting of the ARWS Board of Directors for 2015	X	X	
62	Minutes of Meeting of the ARWS Board of Directors for 2016	X	X	
63	Minutes of Meeting of the ARWS Board of Directors for 2017	X	X	
64	Minutes of Meeting of the ARWS Board of Directors for 2018	X	X	
65	Minutes of Meeting of the ARWS Board of Directors for 2019	X	X	
66	Minutes of Meeting of the ARWS Board of Directors for 2020	X	X	
67	Minutes of Meeting of the ARWS Board of Directors for 2021	X	X	
68	SC JEMA Bond Issuance on Behalf of ARWS	X	X	
69	SCRYW 2005 Salary Survey	X	X	
70	SCRYW 2016 Salary Survey	X	X	
71	Retirees' Income Tax Returns for 2012	X	X	
72	Retirees' Income Tax Returns for 2013	X	X	
73	Retirees' Income Tax Returns for 2014	X	X	
74	Retirees' Income Tax Returns for 2015	X	X	
75	Retirees' Income Tax Returns for 2016	X	X	
76	Retirees' Income Tax Returns for 2017	X	X	



Serving those who serve South Carolina

August 8, 2018

Gail C. Edwards, Office Manager
Alligator Rural Water and Sewer Co.
PO Box 810
McBee, SC 29101

Re: Employer Code 713.15

Dear Ms. Edwards:

Enclosed is a check dated August 8, 2018 in the amount of \$58,204.79 which represents ineligible contributions that were remitted to the South Carolina Retirement System (SCRS) for special payments made to Glenn C. Odom during fiscal year 2018.

In accordance with SC Code Section 9-1-1020, payments for unused sick leave, single special payments at retirement, bonus and incentive-type payments, or any other payments not considered a part of the regular salary base are not compensation for which contributions are deductible. The following wages were reported for Mr. Odom during fiscal year 2018; however, the regular compensation reported for Mr. Odom for the past nine years reflects that his annual compensation as General Manager is \$12,000.00. Because these additional amounts appear to represent special payments that are outside the member's normal annual salary and not includable in his earnable compensation, the excess contributions are being returned to the employer.

Quarter	Wages Reported	Wages Allowed	Ineligible Wages	Ineligible Contributions	
				Employee 9.00%	Employer 13.56%
Sept 2017	\$49,090.90	\$3,000.00	\$46,090.90	\$4,148.18	\$6,249.93
Dec 2017	73,636.35	3,000.00	70,636.35	6,357.27	9,578.29
Mar 2018	73,636.35	3,000.00	70,636.35	6,357.27	9,578.29
Jun 2018	73,636.35	3,000.00	70,636.35	6,357.27	9,578.29
Total	\$269,999.95	\$12,000.00	\$257,999.95	\$23,219.99	\$34,984.80

Please ensure that employee contributions are refunded to the member and that payroll records are appropriately adjusted for income tax reporting purposes.

It should be noted that this return of excess contributions is consistent with the return of excess contributions we made by our letter dated August 8, 2017, in connection with similar special payments above Mr. Odom's reported regular salary base for June 2016 and June 2017. Accordingly, PEBA will not

Executive Director Peggy G. Boykin, CPA
803.737.6800 | 888.260.9430 | www.peba.sc.gov
202 Arbor Lake Dr., Columbia, SC 29223

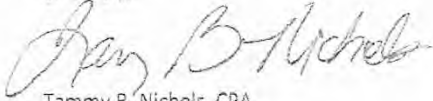
PETITIONER 1455



be able to accept contributions for any increases of similar magnitude in the compensation reported for Mr. Odom without documentation that substantiates the increased compensation as earnable compensation.

If you have any questions or need additional information, please call our Customer Contact Center.

Sincerely,



Tammy B. Nichols, CPA
Retirement Finance Director

Enclosure



1st letter sent
to him just after
info

September 27, 2018

Glenn C. Odom, General Manager
Alligator Rural Water and Sewer Co.
Post Office Box 810
McBee, SC 29601

Dear Mr. Odom:

Recently, the South Carolina Public Employee Benefit Authority (PEBA) became aware of certain irregularities in the compensation reported to PEBA for employees of Alligator Rural Water and Sewer (Alligator) in connection with its participation in the South Carolina Retirement System (SCRS). As a result of those irregularities, PEBA has conducted an audit of Alligator's participation in SCRS and the State Health Plan, with a particular focus on whether Alligator was properly reporting employee compensation to PEBA. We are writing you today to provide the results of that review.

Based upon our review, it appears that, since July 1, 2010, Alligator Rural Water and Sewer has no longer directly employed its workers, but has contracted with a private entity, Odom and Associates, Inc., to provide the personnel for its operations. This arrangement is reflected in Alligator's reporting to PEBA beginning in July 2010, which not only reduced the number of reported employees for Alligator to three, but also appears to have significantly underreported the compensation for one of those reported employees, showing an annual compensation of only \$12,000 for the General Manager. Federal tax reporting made by Alligator to the Internal Revenue Service also reflects that Alligator no longer pays any salaries or wages to employees, but instead pays fees for services to a contractor for its operations. Correspondence from Alligator's accountant also indicates that Odom and Associates provides the personnel for Alligator's operations under a management contract between the parties.

By law, participation in SCRS and the State Health Plan is limited to employees of the public entities that participate in those programs. Therefore, because it appears that the personnel for Alligator's operations are not directly employed by Alligator, but are contracted through, and employees of, Odom and Associates, those personnel are not eligible to participate in SCRS and the State Health Plan as public employees. Accordingly, effective January 1, 2019, PEBA intends to terminate the participation of all of Alligator's reported personnel in SCRS and the State Health Plan going forward. In addition, any SCRS credit awarded to Alligator's reported personnel since July 1, 2010, will be canceled and all member and employer contributions for that service will be refunded to Alligator.

If you disagree with this determination and believe that the personnel reported to PEBA for your operations are, in fact, employees of Alligator, and not Odom and Associates, you may submit additional documentation to PEBA in support of your position. At a minimum, this documentation should include full payroll and tax reporting records for both Alligator Rural Water and Sewer and Odom and Associates.

Respectfully,

Executive Director

PETITIONER 1450



for the period between July 1, 2010, and the present; any and all management contracts or other agreements between Alligator and Odom and Associates in effect for the period between July 1, 2010, and the present; and, any other relevant records that would reflect the employment status of the affected personnel from July 1, 2010, to the present, including, for example, workers compensation coverage records, unemployment insurance coverage records, and the like. Any such additional documentation may be submitted to my attention at the address on the letterhead and should be submitted as soon as possible. Please keep in mind that, if an individual is determined to be an employee of Alligator, that individual's full earnable compensation for all services performed for Alligator must be reported and contributed upon for the entire period; the compensation for the services cannot be bifurcated between Alligator and Odom and Associates.

Further, we are in receipt of the letter dated August 30, 2018 from Mr. Wade Huggins, Board President, returning the check previously issued to Alligator Rural Water and Sewer for ineligible retirement contributions and asking this office to accept and post these funds. Given that resolution of the issues spelled out above will be required before any funds for the period after July 1, 2010 will be allowed to remain in retirement accounts for employees of Alligator, we are returning the check to your office as these funds will not be accepted until this matter is fully resolved.

In closing, let me emphasize that we are mindful of the significance of this determination and the concerns it may cause with the affected personnel. However, PEBA has an obligation to ensure that our benefit plans remain in compliance with federal requirements for governmental plans and a responsibility to maintain the fiscal integrity of our plans. If you have any questions regarding this matter, feel free to contact me.

Sincerely,



Travis J. Turner, CPA
Chief Financial Officer
South Carolina Public Employee Benefit Authority
Phone: 803.734.0374 Email: tturner@peba.sc.gov

cc: Gail C. Edwards, Office Manager



PEBA

SC Retirement Systems
and State Health Plan

South Carolina Public Employee Benefit Authority
202 Arbor Lake Drive | Columbia, SC 29223
803 737 6800 | 888 260 9430
www.peba.sc.gov

August 11, 2020

Gail C. Edwards, Office Manager
Alligator Rural Water and Sewer Co.
PO Box 810
McBee, SC 29101

Re: Employer Code 713 15

Dear Ms. Edwards,

This notice is to advise Alligator Rural Water and Sewer Co. that a check in the amount of \$63,364.80 has been issued and will be mailed to the above address. This amount represents ineligible contributions that were remitted to the South Carolina Retirement System (SCRS) for special payments made to Glenn C. Odom during fiscal year 2020. Although Mr. Odom has filed an appeal regarding his earnable compensation under SCRS, that appeal is still ongoing and PEBA's prior decision regarding his earnable compensation will remain the status quo while that appeal is pending.

In accordance with SC Code Section 9-1-1020, payments for unused sick leave, single special payments at retirement, bonus and incentive-type payments, or any other payments not considered a part of the regular salary base are not compensation for which contributions are deductible. The following wages were reported for Mr. Odom during fiscal year 2020; however, the regular compensation reported for Mr. Odom for prior years reflects that his annual compensation as General Manager is \$12,000.00. Because these additional amounts appear to represent special payments that are outside the member's normal annual salary and not includable in his earnable compensation, the excess contributions are being returned to the employer.

Quarter	Wages Reported	Wages Allowed	Ineligible Wages	Ineligible Contributions	
				Employee 9.00%	Employer 15.56%
Sep-19	\$67,500.00	\$3,000.00	\$64,500.00	\$5,805.00	\$10,036.20
Dec-19	45,000.00	3,000.00	42,000.00	3,780.00	6,535.20
Mar-20	90,000.00	3,000.00	87,000.00	7,830.00	13,537.20
Jun-20	67,500.00	3,000.00	64,500.00	5,805.00	10,036.20
Total	\$270,000.00	\$12,000.00	\$258,000.00	\$23,220.00	\$40,144.80

Please ensure that employee contributions are refunded to the member and that payroll records are appropriately adjusted for income tax reporting purposes.



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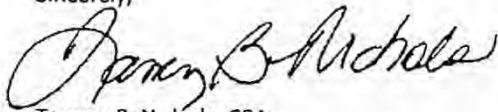
Health insurance | Retirement benefits | 401(k) | 457(b) | Dental | Vision | Life insurance | Long term disability | Flexible spending accounts

0445

It should be noted that this return of excess contributions is consistent with the return of excess contributions we made previously in connection with similar special payments above Mr. Odom's reported regular salary base for fiscal years 2016, 2017, 2018 and 2019. Accordingly, PEBA is not able to accept contributions for any increases of similar magnitude in the compensation reported for Mr. Odom at this time. If any changes to Mr. Odom's earnable compensation are required based upon the outcome of Mr. Odom's appeal, corrective reporting and contributions would be submitted at that time.

If you have any questions or need additional information, please call our Customer Contact Center.

Sincerely,

A handwritten signature in black ink, appearing to read "Tammy B. Nichols". The signature is fluid and cursive, with the first name "Tammy" being more prominent than the last name "Nichols".

Tammy B. Nichols, CPA
Retirement Finance Director



PEBA
SC Retirement Systems
and State Health Plan

South Carolina Public Employee Benefit Authority
Serving those who serve South Carolina

FINAL AGENCY DETERMINATION

NO. 21-004

In Re: Glenn C. Odom, SSN XXX-XX-6591

This Final Agency Determination is issued in accordance with the South Carolina Retirement Systems Claims Procedures Act set out at S.C. Code Ann. §§ 9-21-10 et seq. (2019) and the South Carolina Retirement Systems Claims Procedure (2005). In this matter, Glenn C. Odom ("Claimant") seeks review of the determination by the South Carolina Public Employee Benefit Authority ("PEBA") of the earnable compensation that may be credited to him for the purposes of the South Carolina Retirement System in connection with his work with the Alligator Rural Water and Sewer Company.

BACKGROUND

Claimant Glenn Odom is a 71-year-old active member of the South Carolina Retirement System ("SCRS" or "System"), who has served as the general manager for the Alligator Rural Water and Sewer Company, Inc. ("Alligator") since Alligator joined SCRS as a participating employer in the System effective September 1, 2006. As set forth in greater detail below, Claimant seeks review of PEBA's initial determination of the earnable compensation that may be credited to him in SCRS in connection with his work for Alligator.

By a Retirement Plan Enrollment form executed by Claimant in August 2006, Claimant was enrolled in SCRS effective September 1, 2006, as an employee of Alligator. On the form, Claimant's position was listed as Alligator's general manager, and he was reported to have an annual salary of approximately \$120,000.00. For 2007, the first full calendar year of Alligator's participation as an employer in SCRS, Alligator reported that Claimant's earnable compensation from employment with the company was \$112,000.00, consistent with the information provided on the enrollment form. Over the next three years, the earnable compensation reported by Alligator for Claimant's services for the company declined substantially from the \$112,000.00 reported for 2007 to \$36,000.00 for 2008, \$32,500.00 for 2009, and \$31,000.00 for 2010. In subsequent years, the earnable compensation reported by Alligator for Claimant's employment as general manager

PETITIONER 1421



S.C. PEBA | 1

decreased further to an annual amount of \$12,000.00. In particular, with the exception of a slight uptick in the first half of 2011, Alligator reported that Claimant had earnable compensation of \$3,000.00 per quarter for every quarter between July 2010 and April 2016.¹

After reporting Claimant's earnable compensation at \$3,000.00 per quarter for nearly six years, Alligator reported that Claimant's earnable compensation for the quarter ending June 30, 2016, was \$103,000.00. For the subsequent quarters of 2016 and early 2017, Alligator resumed reporting Claimant's earnable compensation at \$3,000.00 per quarter, but again reported a disproportionately large earnable compensation for the quarter ending in June 2017, this time in the amount of \$303,000.00. Given the size of these reporting variances, PEBA's retirement finance staff reviewed the earnable compensation reported for Claimant for the June quarters of 2016 and 2017. By a letter dated August 8, 2017, PEBA wrote to Alligator to explain that the compensation reported for those quarters appeared to include special payments that were not part of Claimant's regular annual salary and that would not be included in his earnable compensation for the purposes of SCRS. Accordingly, PEBA notified Alligator in the letter that it would be returning the contributions Alligator had remitted based upon earnable compensation for Claimant in excess of \$3,000 for those quarters. The letter also explained that Claimant could appeal the determination regarding his earnable compensation to PEBA's Executive Director within one year of the date of the letter.

Although neither Alligator nor Claimant sought review of PEBA's initial determination regarding Claimant's earnable compensation, Alligator continued to report elevated compensation for Claimant for the 2017-2018 and 2018-2019 fiscal years, reporting Claimant's compensation as approximately \$270,000.00 for each year.² Consequently, by letters dated August 7, 2018, and

¹ During this period, Claimant visited PEBA on June 16, 2015, to discuss his retirement options. In the visit, PEBA's customer service representative generated benefit estimates for Claimant for a proposed retirement date of July 1, 2019. The average final compensation used to prepare those benefit estimates was the system-generated estimated average final compensation of \$75,500.00 that Claimant had accrued as of that date, based primarily on the compensation reported for his first three years of participation with Alligator.

² It appears that this amount was set to reflect the maximum amount of a member's compensation that could be taken into account for the purposes of SCRS in 2017 pursuant to Section 401(a)(17) of the Internal Revenue Code. In an email with PEBA's Employer Reporting Department in July 2017 regarding this federal limitation, Claimant sought further clarification about that compensation limit, noting that "[s]ince I plan to start drawing retirement later this year (2017) it would be in my best interest to have additional wages reported in the next few months."

August 8, 2019, respectively, PEBA again returned to Alligator all contributions remitted each fiscal year based upon earnable compensation for Claimant that exceeded the \$3,000.00 quarterly salary that had previously been reported to PEBA as Claimant's regular compensation base. In response to PEBA's August 7, 2018 letter, Wade Huggins, the President of Alligator's Board of Directors, wrote to PEBA to provide further information regarding Claimant's compensation from Alligator. In the letter, Mr. Huggins acknowledged that Claimant "received \$1000 a month as his wage base for the past nine years," but explained that "Alligator Rural Water Company, Inc. has owed Mr. Odom a large sum for years since the inception of the company" and that "[t]his debt was being paid down in lieu of compensation." Mr. Huggins further stated in the letter that, because "[t]he amount owed to Mr. Odom has been drastically reduced," Alligator was then able to pay him an increased salary.

Throughout the period of its participation in SCRS, Alligator has also made significant expenditures to a separate company for the management of its operations. Pursuant to a Management Agreement dating back to November 2002, Alligator has contracted with a private company in which Claimant is a principal, Odom & Associates, Inc. ("Odom & Associates"), to manage and operate Alligator's water and sewer facilities and services. Most notably, the Management Agreement between Alligator and Odom & Associates requires Odom & Associates to, among other things, "[p]rovide a general manager, office manager, administrative assistant along with a properly equipped office necessary to carry out its functions under th[e] agreement." (Management Agreement ¶ 11.1 (emphasis added).) Pursuant to its outsourcing of management services, Alligator has reported to the Internal Revenue Service that it expended \$12,437,307.00 in fees for management services for non-employees for the period between 2006, the year Alligator joined SCRS, and 2018, the most recent year for which federal reporting is available, for an average of about \$956,716.00 per year for such services.³ By a letter to Claimant dated June 8, 2017, Alligator's external accountant provided additional details regarding the financial relationship between Alligator and Odom & Associates, and, in particular, how employment costs

³ As a tax-exempt entity, Alligator is required to annually file a Form 990, Return of Organization Exempt from Income Tax, with the IRS. Among other things, the Form 990 requires a tax-exempt entity to report the number of its employees, list the names and compensation of its officers, directors, and key employees, report the independent contractors it works with, and list its expenditures, including wages, payroll taxes, and fees for management services for non-employees.

were handled as part of that relationship. In the letter, the accountant explained that, while Odom & Associates is required to provide the personnel for Alligator's operations as part of its management agreement, Odom & Associates had approved an arrangement under which certain personnel would be hired as employees of Alligator and reported as such for the purposes of taxes and retirement benefits. She further explained that the costs incurred by Alligator in paying these personnel as employees of Alligator are then deducted from the management fees that would otherwise have been owed to Odom & Associates under the management contract.

The chart below shows the amounts reported by Alligator to PEBA as Claimant's earnable compensation for SCRS by calendar year between 2006 and 2018, the amounts reported by Alligator to the IRS on its Form 990s as Claimant's compensation for employment for that period, and the amounts reported by Alligator on its Form 990s as fees for management services paid to non-employees for that period.

<u>Calendar Year</u>	<u>SCRS-Claimant</u>	<u>Form 990-Claimant</u>	<u>Form 990-Fees for Management Services</u>
2006	\$ 40,000.00	Not listed	\$ 644,184.00
2007	\$ 112,000.00	Not listed	\$ 649,244.00
2008	\$ 36,000.00	\$ 36,052.00	\$ 635,194.00
2009	\$ 32,500.00	\$ 20,579.00	\$ 851,057.00
2010	\$ 31,000.00	\$ 18,079.00	\$ 1,127,286.00
2011	\$ 16,000.00	Not listed	\$ 1,255,534.00
2012	\$ 12,000.00	\$ 12,079.00	\$ 1,250,846.00
2013	\$ 12,000.00	\$ 11,249.00	\$ 1,413,105.00
2014	\$ 12,000.00	\$ 12,152.00	\$ 1,510,897.00
2015	\$ 12,000.00	Not listed	\$ 1,182,187.00
2016	\$ 112,000.00	Not listed	\$ 1,011,298.00
2017	\$ 428,727.25	\$ 428,727.00	\$ 363,629.00
2018	\$ 282,272.70	\$ 282,273.00	\$ 542,846.00

Based upon certain irregularities in the total number of employees reported by Alligator both to PEBA in its quarterly SCRS reports and to the IRS in its Form 990s, PEBA also conducted a separate review during 2017 and 2018 of whether Alligator was continuing to employ personnel who would be eligible to participate in the employee benefit plans administered by PEBA or

whether its personnel had been entirely outsourced to Odom & Associates or other contractors. After a period of correspondence between PEBA and Alligator's accountant in late 2018 and early 2019, PEBA completed its review of Alligator's participation in the benefit plans administered by PEBA and notified Alligator, by a letter dated March 26, 2019, that it would allow Alligator's continued participation in those plans. However, in the letter, PEBA further explained that, although Alligator would be permitted to continue participation in the benefit plans, its review did not reveal any basis to revisit its prior determinations of August 2017 and August 2018 regarding the earnable compensation reportable for Claimant's position for the purposes of SCRS and that, accordingly, it would "not be able to accept contributions for compensation in excess of the \$12,000 annual compensation reported for the position since 2009 without further documentation that substantiates any increased compensation as earnable compensation from covered employment." By correspondence received March 25, 2020, Claimant sought further review of PEBA's initial determination regarding his earnable compensation for the purposes of SCRS before PEBA's Executive Director. Claimant submitted additional documentation in support of his request for review on June 5, 2020, and October 7, 2020. This Final Agency Determination is issued in response to his request for review.

DISCUSSION

In this matter, Claimant contends that PEBA improperly excluded certain additional payments made to him by Alligator from his earnable compensation for the purposes of SCRS. In particular, Claimant contends that the additional payments he received from Alligator beginning in 2016 were legitimate increases in his earnable compensation from Alligator that were made because Alligator "finally had the financial ability to do so and to reward him for successfully increasing the Company's customer base and revenues." (Claimant's Memorandum in Support of the Complaint at 3.) However, as set forth below, I find that PEBA properly excluded those additional payments from the compensation considered for the purposes of Claimant's participation in SCRS, because the payments do not meet the requirements for earnable compensation under the system.

The maximum annual service retirement benefit payable to a Class Two member of SCRS who retires after age 65 is equal to 1.82 percent of the member's average final compensation, multiplied by his or her years of creditable service. See S.C. Code Ann. § 9-1-1550(B)(1) (2019). The Retirement Code defines the "average final compensation" used in that calculation as "the

average annual earnable compensation of a member during the twelve consecutive quarters of his creditable service on which regular contributions as a member were made to the [S]ystem producing the highest such average.” *Id.* § 9-1-10(4)(a) (emphasis added). “Earnable compensation” is defined, in turn, as “the full rate of the compensation that would be payable to a member if the member worked the member’s full normal working time.” *Id.* § 9-1-10(8)(a). In addition, Section 9-1-1020 of the Retirement Code further clarifies the compensation that is includable in a member’s earnable compensation and upon which contributions are due. That section provides, in relevant part, that “[p]ayments for unused sick leave, single special payments at retirement, bonus and incentive-type payments, or any other payments not considered a part of the regular salary base are not compensation for which contributions are deductible.” *Id.* § 9-1-1020 (emphasis added). Put simply, as implied by its name and as defined in these Code provisions, a member’s average final compensation, and the earnable compensation used in calculating that figure, is not intended to reflect an abnormal, short-term spike in a member’s compensation, but is instead designed to approximate the member’s highest normal rate of regular compensation earned over a sustained period of his covered employment. In construing a similar concept of “regular compensation” for a Boston retirement system, the Massachusetts Supreme Judicial Court recognized that such definitions of the compensation that may be included for the purposes of calculating retirement benefits provide “a safeguard against the introduction into the computations of adventitious payments to employees which could place untoward, massive, continuing burdens on the retirement systems,” noting that these safeguards are “needed especially where the public entity that negotiates [the compensation] is not the one that will have to find the funds to pay the continuing retirement benefits.” *Boston Ass’n of School Administrators and Sup’rs v. Boston Ret. Bd.*, 419 N.E.2d 277, 280-81 (Mass. 1981).⁴

It is important to note that the determination that a payment from an employer does not constitute earnable compensation for the purposes of SCRS is not a finding that the payment is illegitimate or improper or that the payment is not compensation for other purposes, such as federal or state income taxation. For example, bonuses, severance payments, and certain types of

⁴ In reaching that conclusion, the court explained that the word “‘regular,’ as it modifies ‘compensation,’ imports the idea of ordinariness or normality as well as the idea of recurrence” in determining what constitutes compensation for the purposes of calculating retirement benefits. *Id.* at 280.

payments for unused leave are all legitimate types of compensation that could be paid to a member by a participating employer and reported as compensation for tax purposes, but that would not be considered earnable compensation for the purposes of SCRS. See S.C. Code Ann. § 9-1-1020. These payments outside of a member's regular salary base are excluded from the definition of earnable compensation not because the payments are not compensation, but because the inclusion of those types of irregular or abnormal payments in the calculation of members' retirement benefits would undermine the actuarial basis upon which the System is funded. Member and employer contributions to SCRS are set on an actuarial basis as a percentage of employees' earnable compensation, and it is those contributions and the investment earnings on them that, when accrued over time, provide the funds for the lifetime monthly benefits payable to retirees from the System. If member and employer contributions were collected on a lower, regular compensation for most of a member's career, but the member's lifetime monthly benefit were to be based upon a short-term, irregular spike in compensation at retirement, such as a bonus or severance payment, the resulting gap between the contributions collected over the member's career and the benefits to be paid over his or her retirement would be a fiscal harm to the System that would weaken its actuarial soundness. Cf. Duvall v. S.C. Budget & Control Bd., Docket No. 03-ALJ-30-0448-CC, 2004 WL 3154719, at *6 (S.C. Admin. Law Ct. Mar. 5, 2004) (discussing the effects of salary spiking upon the actuarial soundness of SCRS).

In the instant matter, the additional payments received by Claimant from Alligator beginning in 2016 do not constitute earnable compensation for the purposes of SCRS under the standards described above. As an initial matter, the \$103,000.00 reported by Alligator as Claimant's compensation for the April to June quarter of 2016 clearly includes a special payment that was not part of Claimant's regular salary base. For the prior 19 quarters leading up to that payment, Alligator had reported Claimant's earnable compensation as exactly \$3,000.00 per quarter. The payment of an additional \$100,000.00 in that quarter is not reflective of Claimant's regular, recurring salary base and would not be considered earnable compensation for the purposes of SCRS. Similarly, the \$303,000.00 reported by Alligator as Claimant's compensation for the April to June quarter of 2017 reflects a special payment that would not be earnable compensation for the purposes of the System. At the time of that reported payment, Alligator had reported Claimant's earnable compensation as exactly \$3,000.00 per quarter for 22 of the prior 23 quarters, with the one exception being the April to June quarter of 2016 when the additional \$100,000.00

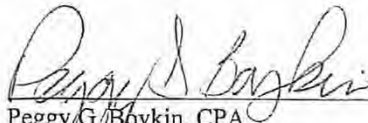
discussed above was reported. In short, whether characterized as bonuses, incentive pay, or some other form of special payment, these payments of \$100,000.00 and \$300,000.00 made in the quarters ending in June 2016 and June 2017, respectively, are not consistent with the regular base salary of \$3,000.00 per quarter that Alligator had been reporting for Claimant on a recurring and consistent basis since 2010, and, thus, would not be considered earnable compensation for the purposes of SCRS. See S.C. Code Ann. §§ 9-1-10(8)(a), 9-1-1020.

Further, the increased compensation Alligator began reporting for Claimant in July 2017—in the amount of approximately \$270,000.00 per year—also falls outside of his regular salary base and would not be considered earnable compensation under the System. To the extent that this increased reported compensation does not reflect bonuses or special payments, this compensation still appears to include payments that, prior to these final years of his employment before retirement, had not previously been considered part of his regular salary base and had not previously been treated as wages for employment by Alligator. Whether these payments had previously been classified as payments to pay off debt Alligator owed to Claimant, as payments to Odom & Associates pursuant to its management agreement with Alligator, or as some other form of compensation, the payments had not been considered part of Claimant's normal, regular salary from Alligator and had been paid to Claimant outside of Alligator's employment payroll prior to 2017. To permit any such non-payroll payments to be reclassified as wages for employment and included in Claimant's earnable compensation would allow Claimant's average final compensation—and resulting retirement benefit—to be distorted by a short-time spike in his reported compensation that does not accurately reflect the regular salary base upon which Claimant and Alligator had remitted contributions for the majority of his employment.⁵ And, as noted earlier, the finding that these payments do not constitute earnable compensation for the purposes of SCRS does not imply that the payments were improperly made or not properly classified as compensation for taxes, workers' compensation insurance, or any other purposes; it simply means that the payments do not meet the statutory requirements for inclusion in the calculation of Claimant's retirement benefits under the System in a sound actuarial manner.

⁵ For example, if the additional payments reported for Claimant after 2017 were used to calculate his estimated retirement benefits instead of the system-generated estimated average final compensation he had accrued prior to 2017, those additional payments would result in a 258% increase in his estimated monthly retirement benefit, from approximately \$2,419 per month to about \$8,651 per month.

CONCLUSION

Therefore, for the reasons set forth above, I find that PEBA has properly determined the earnable compensation that may be credited to Claimant for the purposes of the South Carolina Retirement System in connection with his work for Alligator Rural Water and Sewer Company.



Peggy G. Boykin, CPA
Executive Director

February 12, 2021
Columbia, South Carolina



PEBA

SC Retirement Systems
and State Health Plan

South Carolina Public Employee Benefit Authority
202 Arbor Lake Drive / Columbia, SC 29221
803.737.6800 / 888.260.9430
www.peba.sc.gov

GLENN C ODOM
PO BOX 576
MC BEE SC 29101-0576

SSN: XXX-XX-6591
Appl ID: XXXXX6591-2-8-1
System: PORS
Type: Service
Date: May 02, 2022

Re: Retirement eligibility and estimated monthly benefit

The South Carolina Public Employee Benefit Authority (PEBA) is processing your retirement application for the Police Officers Retirement System. Please review the information below and on the enclosed benefit estimate worksheet.

Retirement effective date:	01/14/2022
Payment option selected:	Option A - Standard, maximum benefit
Estimated service credit:	09 years 01 months 00 days
Estimated average final compensation:	\$ 70,166.67
Estimated gross monthly benefit:	\$ 1,136.58

If any of the information is incorrect, please contact PEBA immediately. Your action now will help us process your retirement benefit as soon as possible. Also, if you decide not to retire on the effective date above, please notify us in writing immediately.

Retiree group insurance

Eligibility for retiree group insurance is not the same as eligibility for retirement. Determining retiree insurance eligibility is complicated, and only PEBA can make that determination. It is very important to contact PEBA about your eligibility for retiree group insurance before making final arrangements for retirement. If you're not covered by the state's insurance programs, contact your insurance provider for retiree insurance information.

Returning to work after service retirement

There is a separation-from-service requirement for members who retire based on reaching service retirement eligibility requirements in the South Carolina Retirement System (SCRS) or the Police Officers Retirement System (PORS). To retire and begin receiving a monthly benefit, you must first have a complete, bona fide severance or termination of all covered employment. After 30 consecutive days of retirement, you may return to work for an employer that participates in the retirement plans PEBA administers. If you return to covered employment sooner than 30 consecutive calendar days after retirement, your monthly benefit will be suspended while you remain employed by a participating employer. If you have been retired and separated from all covered employment for at least 30 consecutive days, you may be hired by a participating employer and continue to receive a retirement benefit, subject to the service retirement earnings limitation described below.

/RGREES
Form 6315-RCOON015 Rev 2/17/2021

Serving those who serve South Carolina

Health insurance | Retirement benefits (401(k) 457(b) | Dental / Vision | Life insurance | Long term disability | Flexible spending accounts



If you retire before you reach age 62 (SCRS) or age 57 (PORS) and return to work with a participating employer, you will be subject to a \$10,000 per year earnings limitation. This means you can earn up to \$10,000 per year from covered employment and continue to receive your monthly retirement benefit. If you continue covered employment after earning more than \$10,000 in a calendar year, your monthly benefit will be suspended for the remainder of that year.

The limitation does not apply to compensation you receive for service as an elected official or service in a public office filled by appointment by the Governor with confirmation by the South Carolina Senate or by appointment or election by the General Assembly. Also, the limitation does not apply to compensation received for teaching in a school district in certain critical academic or geographical needs areas or to compensation paid to members of PORS who retired before January 1, 2018, for service in public school districts as critical needs school resource officers. Please contact PEBA for more information about these exemptions from the earnings limitation.

Contact us

If you have any questions, please call PEBA's Customer Service at 803.737.6800 or 888.260.9430. You may also email PEBA at cs@peba.sc.gov.

Sincerely,

Retirement Claims

Enclosure

THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS AND DOES NOT CREATE A CONTRACT BETWEEN THE MEMBER AND THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY (PEBA). PEBA RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS DOCUMENT.

South Carolina Retirement Systems

ESTIMATED BENEFIT WORKSHEET

GLENN C ODOM

SSN: XXX-XX-6591
Appl ID: XXXXX6591-2-6-1
System: PORS
Type: Service
Date: May 02, 2022

AVERAGE FINAL COMPENSATION (AFC):

Your average final compensation, which is used to calculate your estimated benefit, is typically based on the 12 highest consecutive quarters of salary **posted to our system on the date your application was received**. These quarters, which have not yet been audited, are shown below:

Worksheet Status...	Estimate
Qtr FYear	Salary
Dec 2009	9000.00
Sep 2009	7500.00
Jun 2009	13000.00
Mar 2009	9000.00
Jun 2008	12000.00
Mar 2008	24000.00
Dec 2007	20000.00
Sep 2007	20000.00
Jun 2007	30000.00
Mar 2007	26000.00
Dec 2006	24000.00
Sep 2006	16000.00

Calculation: 210,500.00 / 3 years = AFC of 70,166.67

Upon receipt of final information and verification of quarterly earnings from your employer, adjustments may be required to the amounts used for AFC purposes, including the dollar amount of unused annual leave as permitted by law and reported by your employer.

SERVICE CREDIT:

Your estimated benefit does not include service credit for any unused sick leave. After retirement, your service credit will be adjusted to reflect unused sick leave as permitted by law and reported by your employer. When we finalize your account, we will adjust your service credit and benefit accordingly.

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803-737-6800 • 888-260-9430

IRGREGS
Form R170-BRONM130 Rev 11/27/2017

FINALIZING YOUR ACCOUNT:

It will typically take a minimum of 3-6 months to finalize your account, assuming you and your employer submit all required information in a timely manner. During peak season (July and January) or periods with an unexpectedly large number of retirees, finalization may take somewhat longer. Once your final benefit is determined, any difference (positive or negative) between your estimated benefit and final benefit will be retroactively applied to your date of retirement.

FIRST BENEFIT CHECK:

If your date of retirement is any date other than the first of the month, your first check will not be for the same amount as the estimated monthly benefit shown on the **Notice of Retirement Eligibility and Estimated Benefit**. Rather, it will be a prorated portion based on the number of days in that month that you were actually retired. For example, if your retirement date is the fifteenth of the month (and the month has 31 days), your first check will be for 17/31 of the amount of your estimated monthly benefit, reflecting the 17 days in that month that you are actually retired.

Checks are issued on the last business day of each month and cover that month's retirement. Checks are not issued in advance.

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803-737-6800 • 888-260-9430

/RGREES

Form 6129, BCOEN122, Rev. 11/22/2017

South Carolina Retirement Systems

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT YOUR BENEFITS. DO NOT DISCARD.

INFORMATION FOR RETIRED MEMBERS

GLENN C. ODOM
PO BOX 576
MC BEE SC 29101-0576

SSN: XXX-XX-6591
Appl ID: XXXXX6591-2-6-1
System: PORS
Type: Service
Date: May 02, 2022

Below you will find some very important information which you should know prior to receiving your first annuity payment. Please review this information carefully and retain it for your records. If you have any questions regarding this letter or require assistance with any other retirement matter, please contact Customer Services at 803-737-6800 or 888-260-9430.

Method of Payment

The method of payment may not be changed once benefit payments have begun. If, however, you have a change in marital status, within five years you have the right to revoke the nomination and elect a new beneficiary and/or form of monthly payment. A retired member's form of monthly payment may not be changed more than twice and other restrictions may apply. Please contact our office if you need additional information.

Benefit Taxes

When monthly benefits are paid to you, amounts are subject to federal income tax. If you are a resident of South Carolina, your benefits are also subject to SC state income tax. Each year, a retiree may deduct up to \$3,000 of RETIREMENT INCOME or \$10,000 of RETIREMENT INCOME at age 65. Furthermore, South Carolina taxpayers 65 years old or older may claim a \$15,000 calendar year income tax deduction against ANY SOURCE OF TAXABLE INCOME. However, this deduction is reduced by the amount of your retirement deduction claimed so that the total income tax deduction allowed is limited to \$15,000. Taxpayers reaching their 65th birthday by December 31 can claim the higher deduction. If you are already age 65 and have previously elected to take a deduction on retirement income of \$3,000 or \$10,000 (based on your age at the time you started taking the retirement deduction) you can claim an additional amount that would bring your total tax deduction to \$15,000. Additional information may be obtained from the South Carolina Department of Revenue at 803-898-5709. Retirees not living in South Carolina should check with the tax commission in the state in which they live to determine if benefits are taxable.

Tax Withheld

Taxes are withheld according to your instructions; however if you make no election, federal regulations require we withhold federal taxes based on a status of married with three exemptions. You may be required to file estimated taxes each quarter if you do not have taxes withheld. Check with the Internal Revenue Service, your accountant or tax advisor if you have questions regarding your tax liability. Forms are available to withhold or to make changes to the amount withheld. To request forms, please call our Customer Service Department.

SC Public Employee Benefit Authority • South Carolina Retirement Systems

202 Arbor Lake Drive • Post Office Box 11960 • Columbia, South Carolina 29211

803-737-6800 • 888-260-9430

IRGREGS
Form 5771 R0001/051 Rev 3/16/2019

GLENN C ODOM

Page: 2
SSN: XXX-XX-6591
Appl ID: XXXXX6591-2-6-1
System: PORS
Type: Service
Date: May 02, 2022

Returning to Work

A member who retires from SCRS or PORS after January 1, 2013, and subsequently returns to covered employment, after having been retired for at least 30 consecutive days, may earn up to \$10,000 each calendar year without affecting his retirement benefits. The earnings limitation does **not** apply if the member was at least 62 (SCRS) or 57 (PORS) years old at retirement, returns to certain elected or appointed positions, or is a teacher employed by a school district to teach in a critical academic or geographical need area. If a retired member returns to covered employment sooner than 30 days after retirement, the member's benefit will be suspended.

Benefit Adjustment Increases

Each July 1, eligible SCRS and PORS retirees should receive a benefit adjustment, formerly referred to as cost-of-living adjustment or COLA, of 1 percent of their annual annuity up to a maximum of \$500. The earliest you can receive a benefit adjustment is the second July 1 after your date of retirement. Class Two SCRS members who retire under the early retirement provisions at age 55 with 25 years of service, are not eligible for benefit adjustments until the second July 1 after they reach age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Other Information

If it becomes necessary for someone to endorse your checks or handle your affairs, please provide a certified true copy of legal papers notifying our office of the change.

Retiree Incidental Death Benefit

If you have at least 10 years of service, are not a retired contributing member of SCRS or PORS and your most recent employer was covered by the Incidental Death Benefit Program, at your death your beneficiary(ies) will receive a one time payment based on your years of retirement service credit. If you are a retired member of SCRS or PORS who has returned to work for a covered employer, upon your death your beneficiary(ies) will receive a one time payment equivalent to one year's salary.

Insurance

The Employee Insurance Program (EIP) is available to answer questions about your insurance coverage. The mailing address is: Employee Insurance Program, PO Box 11861, Columbia, SC 29211. You may telephone 803-737-6800 for assistance.

Monthly Annuity Payments

Monthly benefits are mailed, or electronically deposited, the last business day of the month. If you do not receive your check within 5 business days, call our Customer Services Department. You can help avoid your check being delayed by enrolling in direct deposit. We strongly encourage all retirees to sign up for automatic deposit so you do not have to worry about mail delays, getting to the bank to cash or deposit your check, misplacing your check or having it stolen while you are away from home or on vacation. Once you are enrolled in the program, you will only receive a stub when the net amount of your deposit changes or if there is a change to your bank account information. Changes typically occur in January when the tax withholding tables are updated and in July when the benefit adjustments are granted.

SC Public Employee Benefit Authority • South Carolina Retirement Systems

202 Arbor Lake Drive • Post Office Box 11960 • Columbia, South Carolina 29211
803-737-6800 • 888-260-9430

/RGREES
Form 5371 POC01051 Rev 3/5/2018

Alligator Rural Water & Sewer Co., Inc.
Payroll Transaction Listing

1/1/2020 to 12/31/2020

Client No: 104

Page 1

<u>Trn #</u>	<u>Check</u>	<u>Date</u>	<u>Gross</u>	<u>Fed WH</u>	<u>Fica</u>	<u>Med</u>	<u>State WH</u>	<u>Deds</u>	<u>Net</u>
1 - Glenn Odom									
5149	8941	02/27/20	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
5148	8942	02/27/20	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
5166	8949	03/12/20	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
5178	8956	03/26/20	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
5219	8969	04/23/20	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
5247	8982	05/21/20	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
5274	8997	06/18/20	22,500.00	5,625.00	167.40	326.25	1,575.00	2,025.00	12,781.35
	Emp	Total	157,500.00	39,375.00	8,537.40	2,283.75	11,025.00	14,175.00	82,103.85
	Final	Total	157,500.00	39,375.00	8,537.40	2,283.75	11,025.00	14,175.00	82,103.85



Alligator Rural Water & Sewer Co., Inc.
Payroll Transaction Listing

1/1/2019 to 12/31/2019

Client No: 104

Page 1

<u>Trn #</u>	<u>Check</u>	<u>Date</u>	<u>Gross</u>	<u>Fed WH</u>	<u>Fica</u>	<u>Med</u>	<u>State WH</u>	<u>Deds</u>	<u>Net</u>
1 - Glenn Odom									
4718	8746	01/31/19	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
4744	8759	02/28/19	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
4781	8773	03/28/19	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
4812	8788	04/25/19	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
4844	8803	05/23/19	22,500.00	5,625.00	1,395.00	326.25	1,575.00	2,025.00	11,553.75
4874	8817	06/20/19	22,500.00	5,625.00	1,264.80	326.25	1,575.00	2,025.00	11,683.95
4908	8834	07/25/19	22,500.00	5,625.00	0.00	326.25	1,575.00	2,025.00	12,948.75
4960	8853	08/29/19	22,500.00	5,625.00	0.00	326.25	1,575.00	2,025.00	12,948.75
4991	8869	09/26/19	22,500.00	5,625.00	0.00	348.75	1,575.00	2,025.00	12,926.25
5023	8884	10/24/19	22,500.00	5,625.00	0.00	528.75	1,575.00	2,025.00	12,746.25
5054	8898	11/21/19	22,500.00	5,625.00	0.00	528.75	1,575.00	2,025.00	12,746.25
	Emp	Total	247,500.00	61,875.00	8,239.80	4,016.25	17,325.00	22,275.00	133,768.95
	Final	Total	247,500.00	61,875.00	8,239.80	4,016.25	17,325.00	22,275.00	133,768.95

Alligator Rural Water & Sewer Co., Inc.

Payroll Transaction Listing

1/1/2018 to 12/31/2018

Client No: 104

Page 1

<u>Trn #</u>	<u>Check</u>	<u>Date</u>	<u>Gross</u>	<u>Fed WH</u>	<u>Fica</u>	<u>Med</u>	<u>State WH</u>	<u>Deds</u>	<u>Net</u>
1 - Glenn Odom									
4312	8556	01/25/18	24,545.45	6,136.36	1,521.82	355.91	1,718.18	2,209.09	12,604.09
4366	8583	03/01/18	24,545.45	6,136.36	1,521.82	355.91	1,718.18	2,209.09	12,604.09
4399	8598	03/29/18	24,545.45	6,136.36	1,521.81	355.91	1,718.18	2,209.09	12,604.10
4433	8617	04/26/18	24,545.45	6,136.36	1,521.82	355.91	1,718.18	2,209.09	12,604.09
4461	775	05/24/18	24,545.45	6,136.36	1,521.82	355.91	1,718.18	2,209.09	12,604.09
4489	8643	06/21/18	24,545.45	6,136.36	351.71	355.90	1,718.18	2,209.09	13,774.21
4522	8654	07/19/18	22,500.00	5,625.00	0.00	326.25	1,575.00	2,025.00	12,948.75
4566	8674	08/30/18	22,500.00	5,625.00	0.00	326.25	1,575.00	2,025.00	12,948.75
4594	8687	09/27/18	22,500.00	5,625.00	0.00	459.20	1,575.00	2,025.00	12,815.80
4619	8700	10/25/18	22,500.00	5,625.00	0.00	528.75	1,575.00	2,025.00	12,746.25
4647	8714	11/20/18	22,500.00	5,625.00	0.00	528.75	1,575.00	2,025.00	12,746.25
4669	8727	12/20/18	22,500.00	5,625.00	0.00	528.75	1,575.00	2,025.00	12,746.25
	Emp	Total	282,272.70	70,568.16	7,960.80	4,833.40	19,759.08	25,404.54	153,746.72
Final	Total		282,272.70	70,568.16	7,960.80	4,833.40	19,759.08	25,404.54	153,746.72

From: TNichols@peba.sc.gov
To: MLightle@peba.sc.gov; HYoung@peba.sc.gov
Cc: TTurner@peba.sc.gov; JWerner@peba.sc.gov
Subject: Employer Code 713.15
Date: Friday, March 10, 2017 12:43:37 PM

Can someone with access to facebook look at a page called "McBee, SC Concerned Citizens" and print a copy of any information related to facts concerning one of our covered employers - Alligator Rural Water and Sewer Company (713.15). Also, please print anything on that page that you see that is related to one of their members, Glenn Odom or to Odom and Associates. Let me know when you have something and I'll be glad to come get it or if you want to copy and send us electronic version, that would be great too. Thank you

Tammy B. Nichols, CPA
Retirement Finance Director
803.737.6821



0759

From: TNichols@peba.sc.gov
To: MLightle@peba.sc.gov
Cc: TTurner@peba.sc.gov; JWerner@peba.sc.gov; RCox@peba.sc.gov; HYoung@peba.sc.gov
Subject: RE: Employer Code 713.15
Date: Friday, March 10, 2017 1:27:10 PM

Perfect- thanks!

Tammy B. Nichols, CPA
Retirement Finance Director
803.737.6821

From: Megan B. Lightle
Sent: Friday, March 10, 2017 1:26 PM
To: Tammy B. Nichols <TNichols@peba.sc.gov>; Heather H. Young <HYoung@peba.sc.gov>
Cc: Travis J. Turner <TTurner@peba.sc.gov>; Justin Werner <JWerner@peba.sc.gov>; Russell Cox <RCox@peba.sc.gov>
Subject: RE: Employer Code 713.15

I'm asking Russell by copy of this email to handle this for you. He can save screen shots in a Word document and send that to you once he compiles everything.

Thanks.

Megan B. Lightle
Communications Director
803.737.7484

From: Tammy B. Nichols
Sent: Friday, March 10, 2017 12:44 PM
To: Megan B. Lightle <MLightle@peba.sc.gov>; Heather H. Young <HYoung@peba.sc.gov>
Cc: Travis J. Turner <TTurner@peba.sc.gov>; Justin Werner <JWerner@peba.sc.gov>
Subject: Employer Code 713.15

Can someone with access to facebook look at a page called "McBee, SC Concerned Citizens" and print a copy of any information related to facts concerning one of our covered employers - Alligator Rural Water and Sewer Company (713.15). Also, please print anything on that page that you see that is related to one of their members, Glenn Odom or to Odom and Associates. Let me know when you have something and I'll be glad to come get it or if you want to copy and send us electronic version, that would be great too. Thank you

Tammy B. Nichols, CPA
Retirement Finance Director
803.737.6821

0760

I'd like to preface this explanation of our past election by stating the time that has elapsed from the protest hearing until now was to give the Glen Odom/Bea Bolton/Sherry Knight team time to appeal the Election Commission's decision to invalidate the election. According to state law, they had a 10 day window after the decision was announced by the MEC to appeal. A written order of that decision was drawn up and filed with the County Clerk of Chesterfield about a week later, so although it was not legally mandated, they were given another 10 day window to act on that appeal.

On the Friday before the election, all candidates (and the public) had the opportunity to review & obtain an official copy of the Absentee Ballot Voter List compiled by the Voter Registration Office in Chesterfield. Several red flags emerged from that list.

First off, 137 people requested an Absentee Ballot, 124 were returned; 13 were not and 121 were eventually counted. Out of 636 eligible voters in the Town of McBee, 392 voted. Of those 392, 124 voters opted to vote via Absentee Ballot. Put into context, the national average is between 3 & 6% of eligible voters who opt for Absentee Ballots – and in McBee, the rate was 30%, making the amount of Absentee Ballots in McBee approximately 50% higher than the national average.

Secondly, it was noted that one person had collected and returned 52 completed Absentee Ballots to Chesterfield. Ballots are private declarations, so the question arose as to how this person knew to collect all the ballots – why did this person collect them – and did someone tell this person to collect them?

Of the 52 Absentee Ballots that this one person collected, many of the people filing them fell into the questionable range of residency and registration discrepancies.

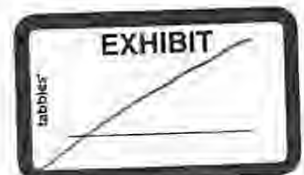
On Election Day, several of the poll watchers also questioned a hand full of voters, mainly regarding their legal residences in the town proper or even in the county. When the polls closed on September 6th, the unofficial results from the polling machines concluded that the incumbents were ahead.

John Campolong 185	Glen Odom 131	Charlie Sutton 176	
Marilyn Fields 160	Bea Bolton 144	Sherry Knight 127	Beulah Boulting 1

The Municipal Election Commission (MEC) held a public meeting that evening to announce the unofficial results and allow the candidate's time to accept or challenge the Absentee Ballots. The lawyers for the incumbents challenged 64 ballots, and according to the state election commission's law, they had 48 hours from the close of the polls to submit a written protest to the MEC.

The next day, September 7th, the MEC reviewed all the exterior names and addresses on 124 Absentee Ballots with the Voter Registration Office in Chesterfield and found them to match the registration records. This didn't mean these addresses existed or that the people who registered lived there. The purpose of the MEC and the Voter Registration Office was to only validate that which was on the exterior ballot envelopes matched the registrations forms.

The nine people with Provisional Ballots had until noon on Thursday, September 8th to bring proof of residency to the MEC. All nine appeared with proof and on the evening of the 8th, a public meeting was once again held. The Absentee and Provisional Ballots were opened, counted and certified. The tally was added to the unofficial results of Tuesday night and the election was duly certified by the MEC that the official winners were Glen Odom, Bea Bolton and Sherry Knight.



53

0821

John Campolong 192 (+7)	Glen Odom 200 (+69)
Charlie Sutton 185 (+9)	Marilyn Fields 169 (+9)
Bea Bolton 208 (+64)	Sherry Knight 194 (+67)

The lawyers for Campolong/Sutton/Fields met their 48 hour deadline and filed a written letter contesting the election that concisely and separately stated each ground of protest. Grounds for their protest included:

- People casting ballots who were not legal residents of the Town of McBee
- People casting ballots who were not properly registered to vote in the Town of McBee
- People voting more than once
- People casting votes that were acquired by fraudulent registrations
- People casting votes that were obtained by threats/intimidation/and or bribery

On Sunday, September 11th, subpoenas were signed by the chair of the MEC and 33 were delivered by the legal team representing Campolong/Sutton/Fields.

The MEC was required, by law, to hear the protest within 48 hours after it was filed. On Monday, September 12th, the hearing was called to order but needed to delay the proceedings until Tuesday, September 13th since there was a scheduling problem with the commission members and a quorum was not possible.

At the beginning of the Protest Hearings on the 13th, the lawyer for Odom/Bolton/Knight questioned the certification of the MEC and it was explained that although the committee had not been fully certified in all three spheres required, we were duly knowledgeable of our duties and had 18 months from the time of our appointments to complete the certification. He also voiced his concerns that the hearing not be a "witch hunt" or "a fishing expedition" – and was assured that all were there to uncover the truth as to the fairness of the election.

Approximately 9 people ignored their subpoenas and failed to appear at the hearing. The hearing lasted approximately four hours and at the conclusion of the hearing, the lawyers for Campolong/Sutton/Fields requested that the MEC call for a new election based on the testimonies presented.

After a review of the evidence put forth by the lawyers, the MEC believed there were too many questionable testimonies and irregularities, establishing the necessary proof that sufficient illegalities occurred during the election. We believe the outcome of the election was affected by such improper and/or illegal conduct and, therefore, the citizens of McBee were entitled, as a matter of law, to a new election. By majority vote, the Commission invalidated the election and called for a new election based on our findings.

A written "Order" setting out our decision and direction was filed along with all recorded testimony and exhibits with the County Clerk in Chesterfield. The incumbent slate of officers were informed of our decision and the Council will order a new election involving all candidates.

According to the Election Commission in Columbia, a new election should be held between 60 and 90 days of the MEC decision with exceptions.

Because we allowed 2 ten-day periods for Odom/Bolton/Knight to appeal our decision, we're looking at October 2nd or 3rd as the starting date of the 60-90 day period – but it really needs to be from the official announcement date of the new election.

We have to allow 30 days from the official announcement for people to apply for Absentee Ballots and at least 45 days for military members to submit their ballots.

November 8th is the *Presidential Elections*, so the Election Commission in Chesterfield & Columbia will be very involved with that

November 27th begins the Thanksgiving holidays and December 25th is Christmas. The days and weeks prior to these holidays are inconvenient times with people planning vacations and family get-togethers.

We then run into New Year's Eve and New Year's Day. The last 2-3 weeks of January, the Election Commission Board will be preparing for their week long annual meeting – and we need these guys for back-up, problem-solving and advice

The MEC conferred with the Commissioner in Chesterfield and believed that because there are so many holidays all falling one right after the other; the *Presidential Election* that will be taking up a lot of their time and manpower, and their annual meeting, the candidates need a sufficient amount of time for campaigning in an unhurried atmosphere. The MEC recommends, Tuesday, February 21 as the day the Town of McBee should hold their re-election

McBee, SC Concerned Citizens

February 15 at 8:09pm

ONE VOTE AWAY FROM LOSING YOUR WATER CHOICE

ONE VOTE AWAY FROM LOSING YOUR WATER CHOICE

- ALLIGATOR RURAL WATER & SEWER (ARWS) has the **THIRD HIGHEST** residential water rates **IN THE STATE OF SOUTH CAROLINA**
- Chesterfield County Rural Water Company (CCRWC) has **THE HIGHEST**.
- ARWS & CCRWC are **PRIVATE NOT-FOR-PROFIT** companies and two of largest water suppliers in the state.

Our concern as citizens in the County is that it is very hard to get to the bottom of how the rates are charged because "private not-for-profit corporations are not subject to the same reporting requirements as local governments and public utilities." This means that though they are providing a public service, they are not required to be open with the public.

From the latest reports we have seen, Alligator contracts ALL of its operations to a **private for-profit** management company. Our understanding is that the **private for-profit management company receives a bonus for every gallon sold above a certain amount**. This just doesn't seem right for a utility that is providing a public service.

The frustrating thing is that up the middle man, it has the whole decision on how the for-profit management company or any of its employees are paid because Alligator, a private company, doesn't have to tell us

- They can tell us only what they want to tell us.
- They have board meetings regularly, but they are not open to the public.
- Their rules say that for public citizens to attend a board meeting, you have to fill out a form in advance and send it to Alligator telling them why you want to attend and then they decide whether to let you attend or not. **It's a private company, they can do that.**

They have elections for the board once a year, but Alligator runs the elections, and **ARWS elections are not subject to South Carolina election laws** because the elections are for the board of a private company. It's not a big surprise that the people supported by the existing board always win. Is there any fairly-run thing? We don't know. The citizens are not allowed to know. It just doesn't seem right for a utility that is providing a public service.

Public utilities run by a Town, like McBee happen to run, are subject to all kinds of public reporting requirements, and the people who run it are Town employees, not employees of a private for-profit management company. The Town Council members run the utility and they are elected in elections subject to the South Carolina election laws. **The PEOPLE get to choose who runs the utility and those they elect have to answer to the PEOPLE.**



61

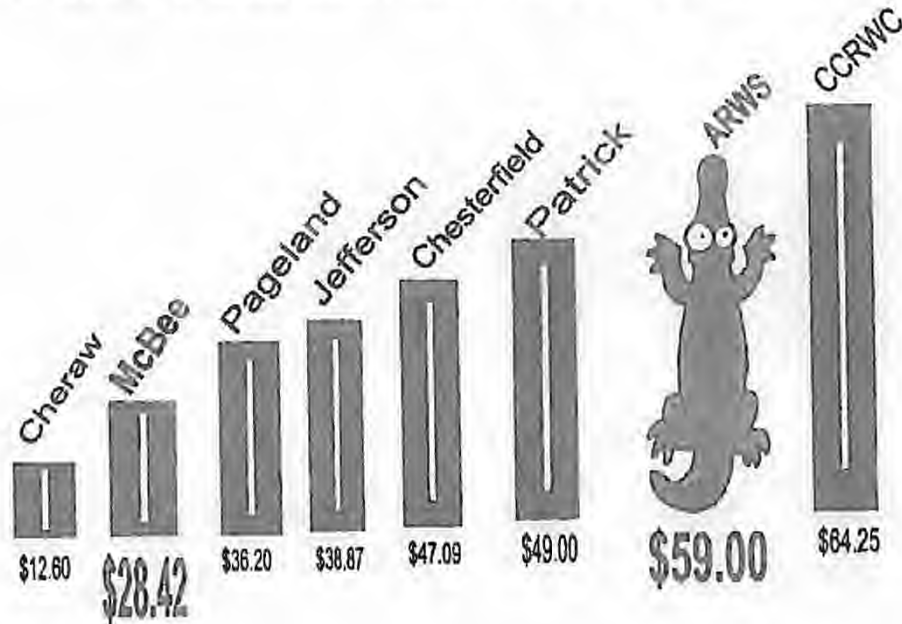
0829

McBee, SC Concerned Citizens

February 15 at 3:29pm ·

MONTHLY WATER RATES

MONTHLY WATER RATES CHESTERFIELD COUNTY



McBee, SC Concerned Citizens

February 21 at 4:25pm ·

Please also note that Chesterfield County Rural Water Company, which according to its latest annual water quality report buys 85% of its water from Alligator, has the highest residential water rates in the state --- that monthly bill of \$64.25 for 6,000 gallons of usage is the highest of 277 cities, towns, counties, special purpose districts and water companies in South Carolina. Documentation is provided in The Link article of Feb 15.

McBee, SC Concerned Citizens

March 8 at 3:09pm

Certified Results of February 21, 2017 McBee Town Election:

Mayor: John Campolong 219 (52%) Glenn Odom 202 (48%)

Town Council: Charlie Sutton 224 Bea Bolton 202

Marilyn Fields 194 Sherri Knight 189

Charlie Sutton and Bea Bolton were sworn in to Town Council at its March 7, 2017 meeting. Congratulations Charlie and Bea!

Glenn Odom has filed a protest in the mayor's race. His protest will be heard by the McBee Municipal Election Commission at 9 a.m. on Wednesday, March 15, 2017 at Town Hall.

McBee, SC Concerned Citizens added 5 new photos.

February 9

STATE OF SOUTH CAROLINA	)	MUNICIPAL ELECTION COMMISSION
	)	
TOWN OF McBEE	)	
	)	
John Campolong, Charlie Sutton,	)	
and Marilyn Fields,	)	
	)	
Protestants,	)	ORDER
	)	
v.	)	
	)	
Glean Odom, Bea Bolton, and	)	
Sherry Knight,	)	
	)	
Respondents.	)	

This matter comes before the Town of McBee Municipal Election Commission ("Commission") upon the timely Petitions of Candidate for Mayor of the Town of McBee, Mr. John Campolong, and candidates for Town Council Charlie Sutton and Marilyn Fields (collectively "Petitioners"), alleging multiple instances of misconduct and illegal activity regarding the Town of McBee Council election held on September 6, 2016. The Commission, after accepting the Petitions and conducting a full hearing and investigation, finds that Petitioners have established the necessary proof that sufficient illegalities occurred during said election. The Commission further finds that Petitioners have made the requisite showing that the outcome of the election was affected by such improper and/or illegal conduct and are therefore entitled to a new election as a matter of law, as more fully set forth below.

Findings of Facts

1. Background

The Town of McBee held an election for two seats on its Town Council and for the office of Mayor on September 6, 2016. The final certified results for Town Council were as follows: Bea Bolton 203 votes, Sherry Knight 194 votes, Charlie Sutton 185 votes, and Marilyn Fields



169 votes. The final certified results for Mayor were Glenn Odum 200 votes, and John Campolong 192 votes. Therefore, the Commission certified that Mr. Bolton and Ms. Knight had won the two seats on Town Council, and the Commission certified that Mr. Odum had won the race for Mayor.

Remarkably, of the 392 votes that were counted in the election for Mayor, 121 of those votes, or 31% of the total votes, were cast by absentee ballot. Typically, the Chesterfield County Election Commission prints enough absentee ballots for each election in the Town of McBee to ensure that up to 15% of the Town's citizens on the active voter registration rolls may vote absentee if they desire. For this election, there were 636 active voters on the voter registration list, so approximately 95 absentee ballots were printed.

At no point in the Town's recorded history prior to this election have more than 15% of the active registered voters cast absentee ballots. However, in this election, the Chesterfield County Election Commission had to print more absentee ballots, because nearly 20% of the active registered voter list (121 of 636) cast absentee ballots. Of the 263 ballots cast in person at the polling place on election day, Mr. Campolong earned 170 votes, or 65% of those votes. However, of the 121 absentee ballots cast, Mr. Odum earned 107 of those votes, which represents 88% of the total absentee ballots cast for Mayor. This decisive margin for Mr. Odum in the absentee voting delivered him the victory in the Mayor's race by a margin of eight (8) votes. Three Petitions protesting the election then followed.

2. Evidence

At the hearing in this matter, which was duly noticed and timely held in accordance with S.C. Code §5-15-130, substantial evidence was admitted confirming that a sufficient number of

ballots should not have been counted such that a new election must be held. The evidence showed the following facts:

1. Four (4) people who cast ballots in this election were not legal residents of the Town of McBee voting precinct and thus not eligible to vote pursuant to S.C. Code § 7-5-120(A)(3), and their votes should not have been counted.
2. Eight (8) people who cast ballots in this election were not properly registered to vote in the Town of McBee as required by S.C. Code §§ 7-5-110 and 7-7-910(A), and their votes should not have been counted.
3. The votes of Forty-seven (47) other people who cast absentee ballots in this election were procured by improper and/or fraudulent registration in violation of S.C. Code §§ 7-15-330, 7-15-385 and 7-25-20, and their votes should not have been counted.

In addition, uncontested evidence was introduced confirming that a paid employee of the business owned by Respondent Odum witnessed and/or returned absentee ballots for Fifty-two (52) people who cast absentee ballots. Respondent Odum testified that he did not direct his employee to engage in such campaign work, and he also testified that he was unaware his employee was doing such campaign work. Respondent Odum further testified that if his employee did engage in campaign work, she did so on her own time and in an unpaid status. However, based on all of the evidence and the totality of the circumstances, the Commission specifically found that the testimony of Respondent Odum was unreliable and not credible.

Conclusions of Law

The Commission notes that the most striking fact about absentee voting in this election in McBee is the sheer volume of absentee ballots cast in relation to the number of qualified electors. In *United States v. Ike Brown*, 494 F.Supp.2d 440 (D.S.C. 2007), a case brought under the federal Voting Rights Act, the Government's expert testified without contradiction that in other jurisdictions, the normal rate of voting by absentee ballot in a given election ranges from

around three to six percent. In McBee, however, the rate was thirty percent (30%), 50% higher than it was in the Re Brown case. In that matter, the Court found as follows:

It is highly unlikely that twenty percent or more of those on the voter rolls of Norube County are eligible to vote by absentee ballot. The Government's expert maintains, and the court would agree, that even taking into account that there could have been an exceptionally efficient "get out the vote" campaign at work here, this level of absentee voting "cannot happen except when you're generating absentee ballots on a fraudulent basis," for there is no "reasonable legal rationale that would account for this degree of difference." United States v. Re Brown, 494 F.Supp.2d at 457

Similarly here, the Commission finds that it is highly unlikely that the volume of absentee votes cast in this election were proper and that this level of absentee voting cannot happen except when absentee ballots are being generated on a fraudulent basis. The matter before the Commission is reminiscent of the infamous case of United States v. Eugene Carmichael, 726 F.2d 158 (4th Cir. 1984), wherein former South Carolina State Senator Eugene Carmichael was convicted in 1981 of charges relating to an absentee ballot vote buying scheme in the 1980 Democratic primary election in Dillon County.

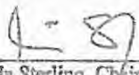
Having considered all of the evidence and the reliability of witnesses, the Commission is convinced that Respondent Odom manipulated and abused the political process in McBee in ways specifically intended and designed to illegally dilute the voting strength of Campolongo supporters. The record reflects that Respondent Odom engaged in improper conduct and committed blatant violations of state election laws for the purpose of diluting the votes of his opponent's supporters.

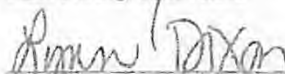
"The right to vote includes the right to have one's ballot counted. This includes the right to not have one's ballot diluted by the casting of illegal ballots or weighting of one ballot more than another." Welch v. McKenzie, 592 F.Supp. 1549, 1557-58 (S.D.Miss.1984) (citing Reynolds v. Sims, 377 U.S. 533, 554-55, 84 S. Ct. 1362, 1377-78, 12 L. Ed. 2d 506 (1964)).

Therefore, the Commission finds that a new election for two Council seats and for the Office of Mayor must occur for the Town of McBee. The largest margin of victory in these races was Twenty-five (25) votes, and the Commission has declared Fifty-nine (59) votes are not valid. Therefore, "this renders the result of the election doubtful and a new election must take place as to the parties concerned," Awarthong v. Atlantic Beach Mun. Elec. Comm., 668 S.E.2d 400 (S.C. 2008); see also S.C. Code § 5-15-130.

IT IS SO ORDERED.

McBee Municipal Election Commission¹



Linda Sterling, Chairwoman


Lynn Dixon, Commissioner

Date: _____

¹ Commissioner Dale McCluney was unable to attend the hearing in this matter due to a work conflict. Nevertheless, Commissioners Sterling and Dixon were present, provided for a quorum, and properly presided over the hearing.

McBee, SC Concerned Citizens

August 12, 2016

What did ODOM do for McBee when he was mayor in 2000?
>Began office with over \$400,000 in McBee's Bank Accounts
>In 2004 the Town was \$100,000 in Debt
>Took away McBee's Permit to Operate it's Water System
>As General Manager of Alligator Water, he Sold the People of McBee Water from Our Own Wells for Nine Years!!!
>Used an \$850,000 Grant to McBee to Build Alligator Water Line to Jefferson - Without Any Benefit to Our Town
>Hired and Directed a Police Force that Caused McBee to Become Known as a Speed Trap throughout the Carolinas
>And What Happened to All the Police Fine Money He Collected?
IS THIS WHAT YOU WANT FROM OUR TOWN??
Odom Damaged the Town of McBee so bad it took YEARS to Rebuild Our Bank Accounts and Reputation

McBee, SC Concerned Citizens

August 12, 2016

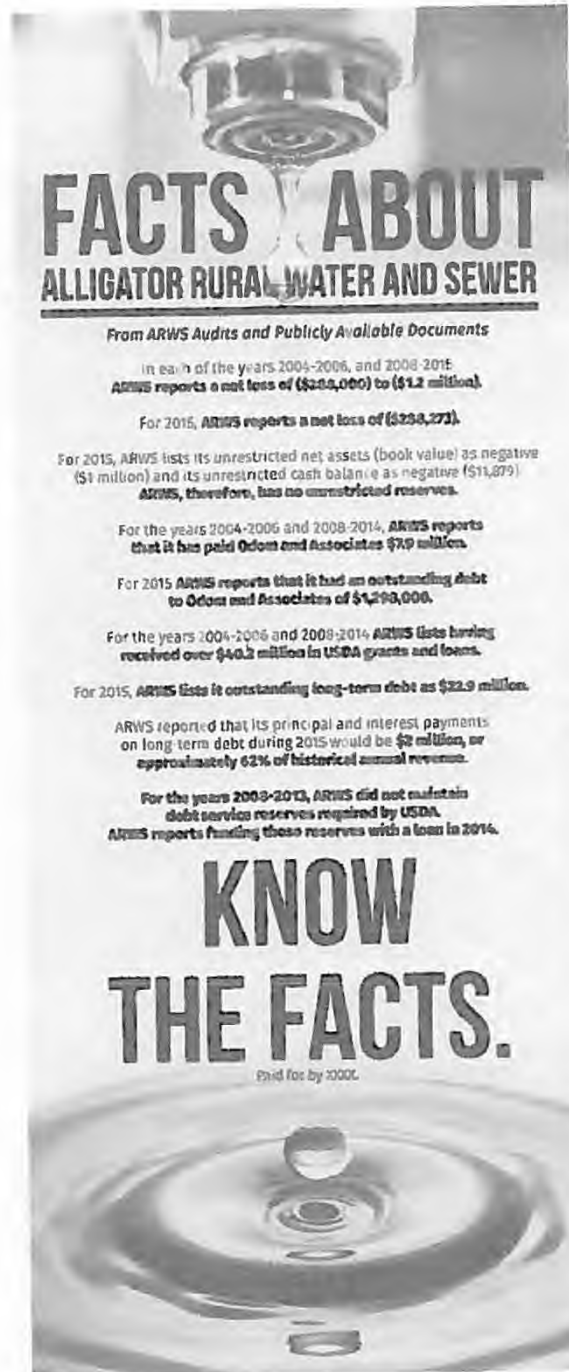
WHERE DID ALL THE MONEY GO?
Did You Know Glenn Odom was elected Mayor of McBee in 2000?
Did You Know when Glenn was elected Mayor, the Town of McBee had over \$400,000 in its Bank Accounts, but Four Years Later All This Money was Gone?
Did You Know...
>The Town of McBee Is Suing Glenn Odom for Misappropriating an Estimated \$500,000 When He Was Mayor?
>The Town of McBee Is Suing Glenn Odom for Misappropriating and Sabotaging Its Water System?
>The Town of McBee Is Suing Glenn Odom for Using \$850,000 of the Town's money to Lay Water Lines from McBee to Jefferson for his company, Alligator Rural Water?
>The Town of McBee Is Suing Glenn Odom for Destroying All Town Records for the Time When He Was Mayor?
What Will Glenn Odom Do If He Is Elected Mayor?
. He Will Once Again Raid the Town's Bank Accounts and Leave Nothing in The Bank and Thousands of Dollars in Overdue Bills, Just Like He Did Before!
He Will Forever Take Away McBee's Right to Access and Use Our Own Water;
We Will Be Forced to Buy Water from Alligator and Odom Will Increase Our Water Rates Whenever He Wants!
Re-Elect Honest, Hard-Working Citizens
Vote on Tuesday September 6th for John Campolong for Mayor
and Marilyn Fields and Charlie Sutton for Town Council



McBee, SC Concerned Citizens

August 17, 2016

Interesting Facts!



FACTS ABOUT ALLIGATOR RURAL WATER AND SEWER

From ARWS Audits and Publicly Available Documents

In each of the years 2004-2006, and 2008-2011:
ARWS reports a net loss of (\$200,000) to (\$1.2 million).

For 2015, **ARWS reports a net loss of (\$258,271).**

For 2015, ARWS lists its unrestricted net assets (book value) as negative (\$1 million) and its unrestricted cash balance as negative (\$11,879).
ARWS, therefore, has no unrestricted reserves.

For the years 2004-2006 and 2008-2014, **ARWS reports that it has paid Odom and Associates \$7.9 million.**

For 2015 **ARWS reports that it had an outstanding debt to Odom and Associates of \$1,200,000.**

For the years 2004-2006 and 2008-2014 **ARWS lists having received over \$40.2 million in USDA grants and loans.**

For 2015, **ARWS lists its outstanding long-term debt as \$22.9 million.**

ARWS reported that its principal and interest payments on long-term debt during 2015 would be \$8 million, or approximately 62% of historical annual revenue.

For the years 2009-2013, **ARWS did not maintain debt service reserves required by USDA.**
ARWS reports funding these reserves with a loan in 2014.

KNOW THE FACTS.

Printed for by 2000.

McBee, SC Concerned Citizens According to Alligator's financial statements, Glenn Odom's company was paid a million dollars a year for eight years to run a rural water system, while Glenn was also on the direct payroll of Alligator, giving him additional income and allowing him to be considered a state employee with state health benefits and retirement benefits. Is this a reasonable compensation for his position?

McBee, SC Concerned Citizens

August 23, 2016

When Harry and I created this page, our intention was to get real facts out to the people of McBee about issues that had been whispered about in town for many years. Unfortunately, many people used our page to make personal attacks against innocent people who have differences of opinion. Because of this, we are changing the format of our page and will now ban any individual who does not make posts in a courteous and informative manner.

We will continue to provide new information posts and encourage you to do the same. Let us have informed and courteous discussions.

We do this because we strongly believe everyone has the right to know what has happened in our town during the past 15+ years.

In the early 2000s, our sweet town was on a path of self destruction. Certain town leaders went on personal spending sprees, using cell phones and police cars as their own; using town funds for personal parties and depleting our substantial savings accounts.

While other towns were growing and new post offices were being built across the country, McBee got nothing.

We were told our wonderful water, that had been a source of pride to all of us for many years, was contaminated. It was not contaminated. DHEC has confirmed this.

But we were convinced to turn our water system over to Alligator Rural Water and now we have found out that Alligator actually pumped water from our Town wells for nine years and charged us for our own water every month.

We encourage you to ask our current town officials and new staff about this and anything else on your mind. Our experience is that they will give you an honest answer. You can also find an amazing amount of information at our new town website, townofmcbeesc.com.

This new group of officials have worked during tough economic times to replenish our bank accounts, bring new business and industry to town and put the needs of our youth first.

Our current Mayor and Town Council have spent months and years trying to sort through the destruction caused from 2000-2004. Not all Councilpersons during that time were dishonest, but we believe the evidence shows that those in control certainly were not looking out for the interests of all the people.

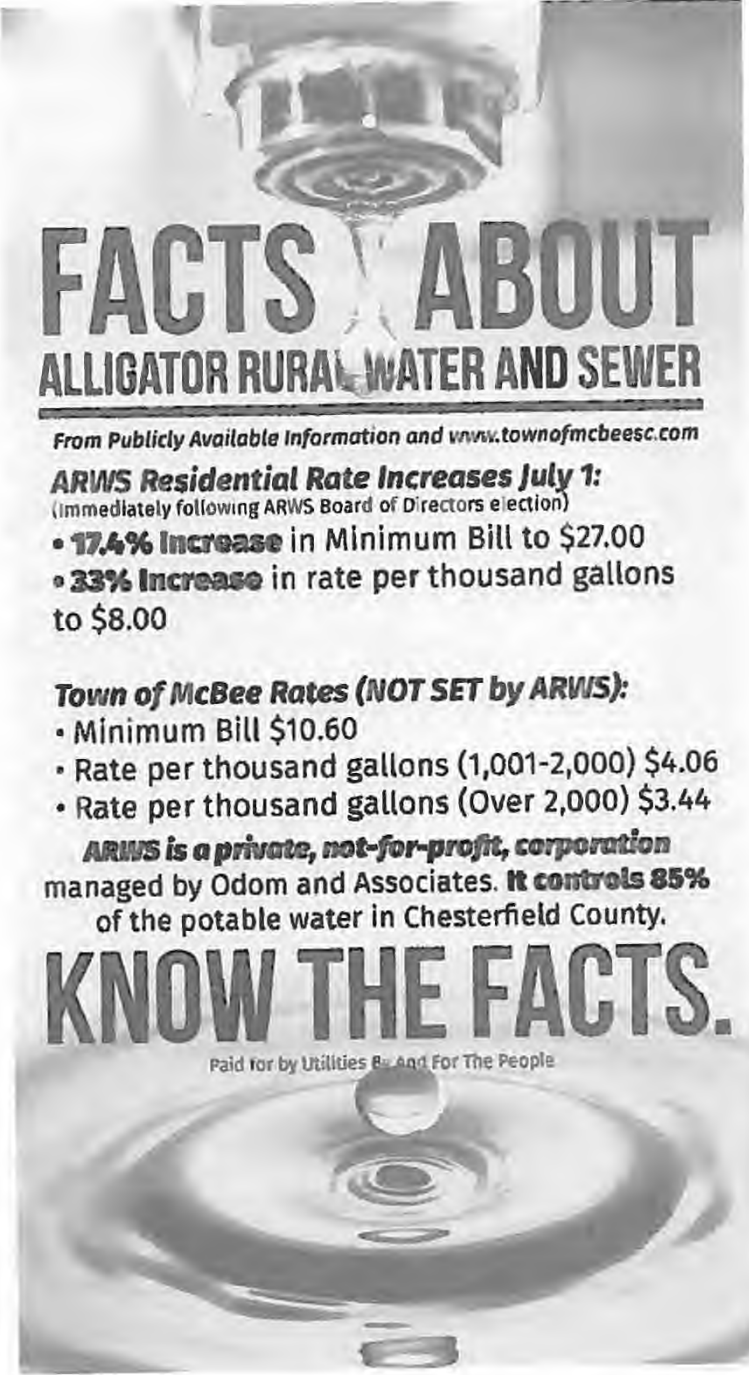
We urge you to become informed and do not forget to vote on the Tuesday after Labor Day, September 6th. If you are not a McBee resident, we ask you to pray that God will allow us to continue to be led by strong, honest men and women.

If you are a McBee resident, we hope you will vote for our incumbents, Mayor John Campolong and Councilpersons Marilyn Fields and Charlie Sutton. These are good, honest people who have worked hard to clean up a mess they inherited.

Come to the Scout Hut on Tuesday, August 30th at 5pm and ask them anything that is on your mind.

God bless you and our wonderful Town!

Cleopatra McBee



FACTS ABOUT ALLIGATOR RURAL WATER AND SEWER

From Publicly Available Information and www.townofmcbeesc.com

ARWS Residential Rate Increases July 1:
(Immediately following ARWS Board of Directors election)

- **17.4% Increase** in Minimum Bill to \$27.00
- **33% Increase** in rate per thousand gallons to \$8.00

Town of McBee Rates (NOT SET by ARWS):

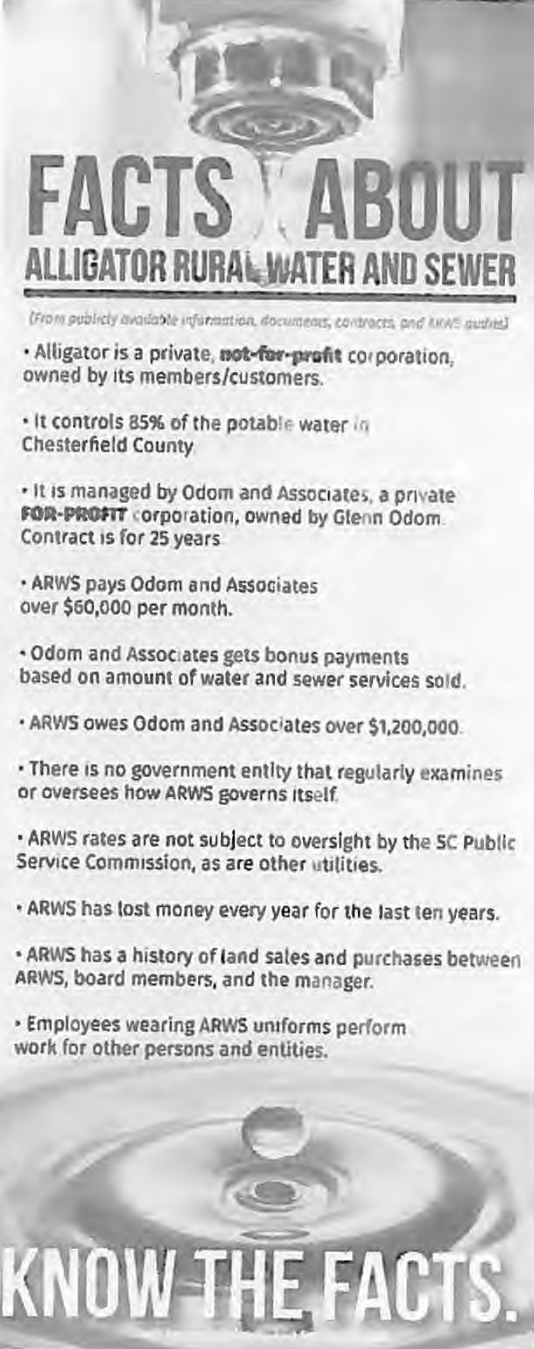
- Minimum Bill \$10.60
- Rate per thousand gallons (1,001-2,000) \$4.06
- Rate per thousand gallons (Over 2,000) \$3.44

ARWS is a private, not-for-profit, corporation
managed by Odom and Associates. **It controls 85%**
of the potable water in Chesterfield County.

KNOW THE FACTS.

Paid for by Utilities Rates and For The People

McBee, SC Concerned Citizens added a new photo...
August 24, 2016



FACTS ABOUT ALLIGATOR RURAL WATER AND SEWER

(From publicly available information, documents, contracts, and ARWS audits)

- Alligator is a private, **not-for-profit** corporation, owned by its members/customers.
- It controls 85% of the potable water in Chesterfield County.
- It is managed by Odom and Associates, a private **FOR-PROFIT** corporation, owned by Glenn Odom. Contract is for 25 years.
- ARWS pays Odom and Associates over \$60,000 per month.
- Odom and Associates gets bonus payments based on amount of water and sewer services sold.
- ARWS owes Odom and Associates over \$1,200,000.
- There is no government entity that regularly examines or oversees how ARWS governs itself.
- ARWS rates are not subject to oversight by the SC Public Service Commission, as are other utilities.
- ARWS has lost money every year for the last ten years.
- ARWS has a history of land sales and purchases between ARWS, board members, and the manager.
- Employees wearing ARWS uniforms perform work for other persons and entities.

KNOW THE FACTS.

McBee, SC Concerned Citizens

August 25, 2016

Did you see this ad in yesterday's The Link?

What Has John Campolong Done as Mayor of McBee Since 2008?

- TRANSPARENT:**
 - Created the first ever town of McBee website with online access to town's activities, news, finances and council minutes.
 - Added large public meeting room and renovated town hall
- GETTING THINGS DONE:**
 - Built the 40 acre community recreation complex with lighted ball fields, walk trail, concessions, and paved parking
 - Added more than 3 miles of new sidewalks and paved streets
 - Brought the dollar general store to town
 - Community center for young and old coming soon
- EFFICIENT:**
 - All major building projects paid for with state grants and business donations
 - Replenished the town's bank accounts
 - Balanced budget every year with no property tax increase
- WORKING FOR EVERYONE:**
 - Hired new town administrator and recreation director
 - Updated town buildings and purchased new police cars

FIGHTING TO KEEP OUR WATER SYSTEM FOR THE PEOPLE SO OUR CITIZENS, NOT ALLIGATOR, WILL CONTROL OUR DESTINY:

- Regained the town's water permits from DEEC
- Updated the town's water system with state of the art lines

What Did Glenn Odom DO When He was Elected Mayor of McBee in 2000?

- Began office with over \$400,000 in McBee's bank accounts, but 4 years later the town's bank accounts were nearly depleted
- While Mayor of McBee, he was also General Manager of Alligator Rural Water, a water competitor
- Falsely told the community its wells were contaminated, then sold the people of McBee water from our own wells for nine years
- Transferred the management of McBee's water system to his company, Alligator Rural Water
- Turned in McBee's valid permit to operate its water system to DEEC
- Used an \$850,000 grant to the town of McBee to build Alligator's water line to Jefferson without any benefit to our town
- Hired and directed a police force that caused McBee to become known as a speed trap throughout the area, but did nothing for the town with the additional funds

As General Manager of Alligator Water:

- Glenn Odom is suing the town of McBee to prevent us from using our own wells and water system
- Glenn Odom is suing the town of McBee to take away A.O. Smith's water business and give it to his company, Alligator Rural Water
- Glenn Odom charges Alligator Rural Water customers almost 3 times the minimum rate for water compared to what the town of McBee charges its water customers

JOHN CAMPOLONG HAS A RECORD OF GETTING THINGS DONE FOR EVERYONE!

FOR HONEST TRANSPARENT LEADERSHIP

RE-ELECT MAYOR JOHN CAMPOLONG

GETTING THINGS DONE FOR OUR COMMUNITY AND OUR YOUTH!

VOTE TUESDAY, SEPTEMBER 6, 2016

Paid for by the Candidate

McBee, SC Concerned Citizens shared Aletheia Boreas's album

August 25, 2016

Aletheia Boreas added 33 new photos from June 2nd, 2007 to the album: The real reason Glenn Odom worked to bring Nestlé into McBee.

August 25, 2016

Is Nestle paying Odom for the water from these springs yet? or is he still holding back hoping no one will notice?

1. Dewitt land above Farm Loop Road was purchased by Alligator Sewer & Water (see deed) on the advice of Glen Odom for the location of the sewer waste plant. Odom's good buddies at DEEC deemed the top 240 acres were unusable for the Sewer project, so out of the goodness of his heart Odom offered to buy that section of the land for the same purchase price. This section of land contained a fast flowing water spring. Was this Land purchased for the sewer or to enable Odom to be procure the acres with spring water? (see documents 1-8)

2. Purchased from Colonial Properties Inc. 263.22 acres 1 mile Northwest of McBee, has fast flowing spring water (see documents 9-14)

3. Purchased from Billy H. Blackwell 53.53 acres on north side of Highway 1, three miles Southwest of McBee. Odom sold 2 acre to ARW&S and the remainder was deeded to Peggy Odom in the divorce settlement. Odom then bought the land back from Peggy. This land has a pond in the southwest corner and the property is situated close by Big Springs. (see documents 15-30)

4. 3454 Nimrod road, Bethune SC, 166.75 acres of land with (see documents 31-33)

003099

000227

STATE OF SOUTH CAROLINA
COUNTY OF CHESTERFIELD

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, that Alligator Rural Water and Sewer Company, Inc., in the State aforesaid for and in consideration of the sum of Six Hundred Thirty Nine Thousand Five Hundred Eighty Three and 98/100 (\$639,583.98) Dollars, to it in hand paid at and before the sealing of these presents by Glenn C. Odom, in the State aforesaid, the receipt of which is hereby acknowledged, have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said Glenn C. Odom, his heirs and assigns forever, the following described property:

All that certain piece, parcel or tract of land containing 417.84 acres, more or less, situate, lying and being approximately two (2) miles Northeast of the Town of McBee, in Alligator Township, County of Chesterfield, State of South Carolina; and having such shape, metes, courses and distances as more particularly shown and delineated on that certain plat prepared for Alligator Rural Water and Sewer Company, Inc. by Earl W. Horton, R.L.S., dated February 15, 2007, and recorded in Plat Book C at page 231 A in the office of the Clerk of Court for Chesterfield County, South Carolina; and being bounded, now or formerly, as follows: On the North by property of JBC Limited Partnership and Sandhills State Forest; on the East by Sandhills State Forest, property of Arrowhead Peach Farms, Inc. and other property of Alligator Rural Water and Sewer Company, Inc., on the South by property of Arrowhead Peach Farms, Inc., other property of Alligator Rural Water and Sewer Company, Inc. and property of JBC Limited Partnership; and on the West by Sandhills State Forest and property of JBC Limited Partnership. This being a portion of the property conveyed to Alligator Rural Water and Sewer Company, Inc. by deed of DeWitt Development Enterprises, LLC recorded on April 19, 2006, in Deed Book 426 at page 1441 in the office of the Clerk of Court for Chesterfield County, South Carolina. Said deed and plat are hereby incorporated herein at length by reference and made a part of the within description. Chesterfield County Assessor's Tax Map Number Portion of 121.3

The Grantor also grants, bargains, sells and releases unto the Grantee, his heirs and assigns, a perpetual fifty (50') foot wide easement for ingress and egress from the property hereinabove described to Farm Loop Road, which easement extends in a Southerly direction along the Western boundary of lands of Grantor to the right of way of CSX Railway

000228

and thence turning and running along CSX Railway right of way in an Easterly direction across Farm Loop Road as shown on said plat. The easement is granted also for the purpose of placing and maintaining utilities including, but not limited to, electricity, telephone water and sewer. Said easement is shown and described as a Proposed 50 Access and Utility Easement on said plat

The Grantor ALSO grants an additional easement for ingress and egress 50 feet wide extending from the above easement along CSX Railway from and at a point designated Point 'B' and running in a Northerly direction from said point to Point 'A' along an existing "Field Road" 50 feet wide. The courses and distances of said Field Road are fully delineated on said plat and said plat is incorporated herein at length by reference and made a part of the within description.

The within described property is conveyed subject to existing easements and rights of way, whether of record or not, and to restrictions, if any, appearing in the chain of title which said restrictions, if any, are not to be reimposed hereby.

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said premises before mentioned unto the said Glenn C. Odom, his heirs and assigns forever.

AND the Grantor herein does hereby bind itself and its successors, to warrant and forever defend, all and singular, the said premises unto the said Glenn C. Odom, his heirs and assigns forever, against itself and its successors and assigns, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

000229

IN WITNESS WHEREOF, Alligator Rural Water and Sewer Company, Inc.
has caused there presents to be executed in its name by Glenn Odom, its
General Manager, and its corporate seal is to be hereto affixed this 28th day of
June, in the year of our Lord Two Thousand Seven and in the Two
Hundred and Thirty-First year of the Sovereignty and Independence of the United
States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

[Signature]
Glenn T. Parker

Alligator Rural Water (SEAL)
and Sewer Company, Inc.

By: [Signature]
Glenn Odom, General Manager

000230

STATE OF SOUTH CAROLINA)
COUNTY OF CHESTERFIELD)

Personally appeared before me the undersigned witness and made oath that (s)he saw the within named Alligator Rural Water and Sewer Company, Inc., by Glenn Odom, its General Manager, sign, the within written Deed and the said corporation, by said officer, seal said Deed, and, as its duly authorized act and deed, deliver the same for the purposes therein mentioned that (s)he with the other witness witnessed the execution thereof

Bonnie T. Parker

Sworn to before me this 28th
day of June, 2007.

[Signature] (SEAL)
Notary Public of South Carolina
My commission expires 4-18-2010

000231

This deed was prepared by:

SPENCER LAW FIRM
Attorney-at-Law
P.O. Box 190 - 301 W Main Street
Chesterfield, South Carolina 29709

Kyle Johnson
CHESTERFIELD COUNTY ASSESSOR
TMS # 120-19
DATE 9-14-07

Alligator Rural Water and Sewer
Company, Inc.,

Grantor,

to

Glenn C. Odom
P.O. Box 576
Mcbee, SC 29101

Grantee.

I hereby certify that the within
deed has been this 2 day of
July, 2007, recorded in
Deed Book 437 at page 227 in
2:57 o'clock P.m. -- 233 -

John T. Lollar
CLERK OF COURT, CHESTERFIELD COUNTY

I hereby certify that the within
deed has been this 20th day of
September, 2007, transferred on
Auditor's Book 24 at page 5.

John L. Jenkins
AUDITOR, CHESTERFIELD COUNTY

MHC\J007-6\Glenn Odom DED

Clerk of Court, Chesterfield County
REVENUE FEE COLLECTED

STATE \$ 1664.00
COUNTY \$ 104.00
DATE: 7/2/07

FILED
CLERK OF COURT
01 JUL -2 P 2:51 5
CHESTERFIELD COUNTY, SC
BOOK 437 PAGE 227

Alligator Rural Water & Sewer Company, Inc.
— Established 1987 —

Board of Directors

Harvey L. Griggs
Kenneth R. Sox
Wade Huggins
Essie Huggins
Robert Blackwell
Odis Hawkins
Lurry Woodell

Subject: Minutes of Special Meeting December 21, 2005

ARWS held a special meeting on Tuesday December 21, 2005 at 3:15 pm. Present were W. Huggins, H. Griggs, L. Woodell, K. Sox, R. Blackwell, N. Kellahan, G. Odom & G. Edwards.

Glenn Odom, General Manager opened the meeting briefly discussing the reason for the meeting. In order not to conflict with any decisions from the BOD, he turned the meeting over to Nicky Kellahan. ARWS had received a letter from William R. Webb, the attorney for the owners of the land to be purchased for the Sewer II Project. The sellers had agreed to the selling price of \$1600.00 for the tract of land of 840 acres.

However DHEC had assessed the land and determined that only 600 acres of the tract was usable land, the remaining 240 acres was unusable for the Sewer Project. After this assessment with DHEC, Glenn agreed to purchase the 240 acres from ARWS if the BOD agrees. The BOD agreed to purchase the tract of land of 840 acres at \$1600.00 per acre and sell the unusable 240 acres to Glenn C. Odom at same purchasing price.

A motion was made by W. Huggins to buy the tract of 840 acres at \$1600.00 per acre and to sell the unusable 240 acres to Glenn C. Odom at same purchasing price. A second was made from K. Sox, with no further discussions and the remaining BOD members were in favor of this motion. The meeting was adjourned at 3:30 pm, the next board meeting is scheduled for February 14, 2006.

Dinner will be served before Board Meeting

378 West Pine Avenue • Post Office Box 810 • McBet, South Carolina 29101 • 843-335-6464 Dh. 843-335-7720 Fax

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2016M03D15
Time of the report (Y
COSTING:SELF BC
Yr: 2016P: 3Qm: 3Yr: 12m
02-2016 at 05:00:20 AM
UNIT 11.00
PRICE 125.00
COST 503.00
VALUE (25 Per) 25

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STATE OF SOUTH CAROLINA)
COUNTY OF CHESTERFIELD)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, that Colonial Properties, Inc., in the State aforesaid for and in consideration of the sum of Five Hundred Twenty Nine Thousand Eight Hundred Seventy-Two and 38/100 (\$529,872.38) Dollars, to it in hand paid at and before the sealing of these presents by Glenn C. Odom, in the State aforesaid, the receipt of which is hereby acknowledged, have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said Glenn C. Odom, his heirs and assigns forever, the following described property:

All that certain piece, parcel or tract of land containing 263.22 acres, more or less, situate, lying and being approximately one (1) mile Northwest of the Town of McBee, in the County of Chesterfield, State of South Carolina; and having such shape, metes, courses and distances as more particularly shown and delineated on that certain plat prepared for Glenn Odom by Earl W. Horton, P.L.S., dated October 28, 2007, and recorded in Plat Book C at page 232-E in the office of the Clerk of Court for Chesterfield County, South Carolina, and being bounded generally, now or formerly, as follows: On the Northeast by lands of Sandhills State Forest, on the East by lands of Tina A. Coates and James M. Coates; on the South by the center line of a County Maintained Dirt Road known as "Third Street Extension", said road separating the within described tract from lands of Gilbert H. Horton; on the Southeast by lands of Gilbert H. Horton and lands of Ann E. Sowell; on the Southwest by lands of Shirley D. Sweatt and lands of Marianne M. McDonald et al, and on the Northwest by lands of Marianne M. McDonald, et al and lands of Sandhills State Forest. This being the remaining portion of lands conveyed to Elizabeth C. Guy by deed of Walter C. Guy recorded on April 9, 1949, in Deed Book 111 at page 265 in the office of the Clerk of Court for Chesterfield County, South Carolina. Reference is hereby made to Deed of F. S. Douglass, Master, to Elizabeth Cooper Guy recorded on November 28, 1955, in Deed Book 128 at page 204 in the said Clerk's Office. The said Elizabeth C. Guy having

subsequently conveyed interests in the within described lands to Walter C. Guy, Jr., Daniel C. Guy and Ira B. Guy as follows: 1) an undivided eighteen (18%) percent interest by deed recorded on September 13, 1985, in Deed Book 294 at page 1284 in the said Clerk's Office; 2) an undivided eighteen (18%) percent interest by deed recorded on October 17, 1986, in Deed Book 299 at page 1064 in the said Clerk's Office; and 3) an undivided twenty-four (24%) percent interest by deed recorded on December 8, 1988, in Deed Book 309 at page 1296 in the said Clerk's Office. The remaining interest of Elizabeth Cooper Guy who died testate on August 11, 1990, having been devised to her 3 sons, Walter C. Guy, Jr., Daniel Cooper Guy and Ira Brinson Guy as is evidenced by Probate Roll No. 90-ES02-0516 on file in the office of the Probate Court for Aiken County, South Carolina. Reference is hereby made to Deed of Distribution recorded in Deed Book 330 at page 970 in the office of the Clerk of Court for Chesterfield County, South Carolina. Reference is also made to Exemplification filed in the Estate of Elizabeth Cooper Guy as Probate Roll No. 2008-ES13-00098 in the office of the Probate Court for Chesterfield County, South Carolina. This being the identical property conveyed to Colonial Properties, Inc. by deed of Walter C. Guy, Jr. et als recorded on March 17, 2008, in Deed Book 442 at page 1458 in the office of the Clerk of Court for Chesterfield County, South Carolina. Said deeds, plat and probate rolls are hereby incorporated herein at length by reference and made a part of the within description. Chesterfield County Assessor's Tax Map Number: 97-1

The within described property is conveyed subject to existing easements and rights of way, whether of record or not, and to restrictions, if any, appearing in the chain of title which said restrictions, if any, are not intended to be reimposed hereby.

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said premises before mentioned unto the said Glenn C. Odom, his heirs and assigns forever.

AND the Grantor does hereby bind itself and its successors, to warrant and forever defend, all and singular, the said premises unto the said Glenn C. Odom, his heirs and assigns forever, against itself and its successors and assigns, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

IN WITNESS WHEREOF, Colonial Properties, Inc. has caused there presents to be executed in its name by William N. Kellahan, its President, and its corporate seal is to be hereto affixed this 22nd day of September, in the year of our Lord Two Thousand Ten and in the Two Hundred and Thirty-Fifth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Marilyn H. Clark
[Signature]

Colonial Properties, Inc. (SEAL)
By [Signature]
Its: President

Instrument 201000003154 Volume Pg: 459-5;

201000003154
Filed for Record In
CHESTERFIELD SC
TAYE SELLERS, CLERK OF COURT
09-25-2010 At 01:30:29 PM.
DEED \$1.00
STATE \$210.00
COUNTY \$83.00
VOLUME 459 Page 502

This deed was prepared by:

SPENCER LAW FIRM
Attorney-at-Law
P.O. Box 190 - 301 W. Main Street
Chesterfield, South Carolina 29709

Colonial Properties, Inc.,

Grantor,

to

I hereby certify that the within
deed has been this ____ day of
____, 2010, recorded in
Deed Book ____ at page ____ in
____ o'clock ____ m.

CLERK OF COURT, CHESTERFIELD COUNTY

Glenn C. Odom
547 Sandy Point Lane
Hartsville, SC 29550

I hereby certify that the within
deed has been this 4 day of
October, 2010, transferred on
Auditor's Book V at page 45

Jack Rivers Rom
AUDITOR, CHESTERFIELD COUNTY

Grantee.

MHC\2010-9\Glenn.Odom DED

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHESTERFIELD)

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. Property located in Chesterfield County, South Carolina, bearing Chesterfield County Tax Map Number 97-1, was transferred by deed to Glenn C. Odom recorded herewith.

The transaction was (Check One):

XXX an arm's length real property transaction and the sales price paid or to be paid in money or money's worth was \$ 529,872.38

_____ not an arm's length real property transaction and the fair market value of the property is \$_____.

The above transaction is exempt, or partially exempt, from the recording fees as set forth in S.C. Code Ann. Section 12-24-10 et. seq. because

As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as seller.

I further understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SWORN to before me this 22nd
day of September 2010
W. A. [Signature] (SEAL)
Notary Public of South Carolina
My commission expires: 3-12-20

Colonial Properties, Inc. (SEAL)

By William H. H. H. H.
Its President

00403-

THE STATE OF SOUTH CAROLINA
COUNTY OF CHESTERFIELD

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, that I, Billy H. Blackwell, in the State aforesaid for and in consideration of the sum of Eighty Eight Thousand Nine Hundred and No/100 (\$88,900.00) Dollars, to me in hand paid at and before the sealing of these presents by Glenn C. Odom, in the State aforesaid, the receipt of which is hereby acknowledged, have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said Glenn C. Odom, his heirs and assigns forever, the following described property:

All that certain piece, parcel or tract of land containing 53.53 acres, more or less, situate, lying and being on the North side of U.S. Highway No. 1, approximately three (3) miles Southwest of the Town of Mableton, County of Chesterfield, State of South Carolina; and having such shape, notes, courses and distances as more particularly shown and delineated on that certain plat prepared for Glenn C. Odom by Earl W. Horton, P.L.S., dated August 4, 1997, and recorded in Plat Book 2 at page 279C in the office of the Clerk of Court for Chesterfield County, South Carolina; and bounded generally, now or formerly, as follows: On the North by property of Sand Hill State Forest; on the East by property of Sand Hill State Forest and by property of Wayne M. Earn; on the South by said U.S. Highway No. 1; and on the West by property of Ralph W. McCaskill and Kathy M. McCaskill. This being the same property conveyed to Billy H. Blackwell by deed of distribution of the Estate of Halton Blackwell dated November 20, 1992, and recorded December 11, 1992, in Deed Book 321 at page 238 in the office of the Clerk of Court for Chesterfield County, South Carolina. Said deed and plat are hereby incorporated herein at length by reference and made a part of the within description. Chesterfield County Assessor's Tax Map Number: 78-15

1

001369

0788

0437

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said premises before mentioned unto the said Glenn C. Odom, his heirs and assigns forever, subject nevertheless to covenants, conditions and easements hereinbefore set forth.

AND I do hereby bind myself and my heirs, executors and administrators, to warrant and forever defend, all and singular, the said premises unto the said Glenn C. Odom, his heirs and assigns forever, against me and my heirs, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

WITNESS my hand and seal this 18th day of August, in the year of our Lord One Thousand, Nine Hundred and Ninety-Seven and in the Two Hundred and Twenty-Second year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Lennie T. Parker
Marion H. Clark

Edw. H. Blackwell (SEAL)
Edw. H. Blackwell

001370

This deed was prepared by:

SPENCER LAW FIRM
Attorney at Law
PO Box 190 - 301 W. Main Street
Chesterfield, South Carolina 29709

Thomas W. F. L. L. L.
CHESTERFIELD COUNTY ASSOCIATION

THIS # 78-10

DATE 8/25/97

Billy H. Blackwell,

Grantor,

to

Glenn C. Odon
P.O. Box 576
McBee, SC 29101

Grantee.

I hereby certify that the within
deed has been this 18th day of
May, 1997, recorded in
Deed Book 357 at page 1262-1263
1 o'clock P.M.

Stephen P. Odon
CLERK OF COURT, CHESTERFIELD COUNTY

I hereby certify that the within
deed has been this 25th day of
August, 1997, transferred on
Auditor's Book 3 at page 27.

Colman L. Jensen
AUDITOR, CHESTERFIELD COUNTY

REC-97-08/10/09/97

Clerk of Court, Chesterfield County
REVENUE FEE COLLECTED

STATE \$ 231.40

COUNTY \$ 97.90

DATE 8/19/97

FILED
CLERK OF COURT
97 AUG 19 PM 1 11
CHESTERFIELD COUNTY, SC
BOOK PAGE

001372

STATE OF SOUTH CAROLINA
COUNTY OF CHESTERFIELD

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. Property located in Chesterfield County, South Carolina, bearing Chesterfield County Tax Map Number 78-10, was transferred by deed to Glenn C. Oden recorded herewith.

The transaction was (Check One):

XXX an arm's length real property transaction and the sales price paid or to be paid in money or money's worth was \$ 88,900.00.

_____ not an arm's length real property transaction and the fair market value of the property is \$ _____.

The above transaction is exempt, or partially exempt, from the recording fees as set forth in S.C. Code Ann. Section 12-24-10 et. seq. because: _____

As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as seller.

I further understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Billy H. Blackwell
Billy H. Blackwell

SWORN to before me this 18th
day of August, 1997.

Marvin H. Clark (SEAL)
Notary Public for South Carolina
My commission expires: 12/31/2001

001373

5

0791

006407

000889

No Title Examination Performed or Requested

STATE OF SOUTH CAROLINA	)	
	)	TITLE TO REAL ESTATE
COUNTY OF CHESTERFIELD	)	

KNOW ALL MEN BY THESE PRESENTS, that I, Glenn C. Odom, in the State aforesaid for and in consideration of the sum of Ten and No/100 (\$10.00) Dollars and pursuant to Decree of Divorce signed by the Honorable Roger E. Henderson dated June 23, 2006, and recorded in Judgment Roll No. 45,035 in the office of the Clerk of Court for Chesterfield County, South Carolina, to me in hand paid at and before the sealing of these presents by Peggy J. Odom, in the State aforesaid, the receipt of which is hereby acknowledged, have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said Peggy J. Odom, her heirs and assigns forever, all of my undivided right, title, interest, claim, share and estate in and to the following described property:

All that certain piece, parcel or tract of land containing 53.53 acres, more or less, situate, lying and being on the North side of U.S. Highway No. 1, approximately three (3) miles Southwest of the Town of McBee, County of Chesterfield, State of South Carolina; and having such shape, metes, courses and distances as more particularly shown and delineated on that certain plat prepared for Glenn C. Odom by Earl W. Horton, P.L.S., dated August 4, 1997, and recorded in Plat Book B at page 379-C in the office of the Clerk of Court for Chesterfield County, South Carolina; and bounded generally, now or formerly, as follows: On the North by property of Sandhill State Forest; on the East by property of Sandhill State Forest and by property of Wayne M. Earn, on the South by said U.S. Highway No. 1; and on the West by property of Ralph W. McCaskill and Kathy M. McCaskill. This being the same property conveyed to Glenn C. Odom by deed of Billy H. Blackwell recorded on August 19, 1997, in Deed Book 359 at page 1369 in the office of the Clerk of Court for Chesterfield County, South Carolina. Said deed and plat are hereby incorporated herein at length by reference and made a part of the within description. Chesterfield County Assessor's Tax Map Number: 78-10

0792

000890

The within described property is conveyed subject to existing easements and rights of way, whether of record or not, and to restrictions, if any, appearing in the chain of title which said restrictions, if any, are not to be reimposed hereby.

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said premises before mentioned unto the said Peggy J. Odom, her heirs and assigns forever

AND I do hereby bind myself and my heirs, executors and administrators, to warrant and forever defend, all and singular, the said premises unto the said Peggy J. Odom, her heirs and assigns forever, against me and my heirs, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

WITNESS my hand and seal this 18th day of October, in the year of our Lord Two Thousand Six and in the Two Hundred and Thirty-First year of the Sovereignty and Independence of the United States of America.

**SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:**

Carlton J. Michalek
Maureen H. Clark

Glenn C. Odom (SEAL)
Glenn C. Odom

00089

STATE OF SOUTH CAROLINA)
COUNTY OF CHESTERFIELD)

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Glenn C. Odom sign, seal, and deliver the within written Deed for the use and purposes therein mentioned and (s)he with the other witness witnessed the execution thereof.

Carolyn J. Micklethwait

Sworn to before me this 18th
day of October, 2006.

Marilyn J. Clark (SEAL)
Notary Public of South Carolina
My commission expires: 4/8/2012

STATE OF SOUTH CAROLINA)
COUNTY OF CHESTERFIELD)

AFFIDAVIT

00081

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. Property located in Chesterfield County, South Carolina, bearing Chesterfield County Tax Map Number 78-10, was transferred by deed to Peggy J. Odom recorded herewith.

The transaction was (Check One):

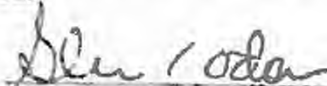
_____ an arm's length real property transaction and the sales price paid or to be paid in money or money's worth was \$_____.

_____ not an arm's length real property transaction and the fair market value of the property is \$_____.

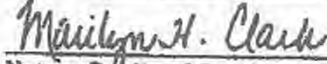
The above transaction is exempt, or partially exempt, from the recording fees as set forth in S.C. Code Ann. Section 12-24-10 et. seq. because transferring real estate pursuant to Divorce Decree.

As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as seller.

I further understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.


Glenn C. Odom

SWORN to before me this 18th
day of October, 2006.


(SEAL)
Notary Public of South Carolina
My commission expires: 2/8/2012

Glenn C. Odom GM
CHESTERFIELD COUNTY ASSESSOR
TMS# 78-10
DATE 7-11-12

Instrument 201200002330 Value Page 470 1067

201200002330
Filed for Record in
CHESTERFIELD SC
FAYE SELLERS, CLERK OF C. CRT.
07-07-2012 At 03:37:04 a.m.
DEED 10.00
STATE 227.50
COUNTY 96.25
Volume 470 Page 1067 1071

STATE OF SOUTH CAROLINA)
COUNTY OF CHESTERFIELD) TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, that I, Peggy J. Odom, in the State aforesaid for and in consideration of the sum of Eighty-Seven Thousand Five Hundred and No/100 (\$87,500 00) Dollars, to me in hand paid at and before the sealing of these presents by Glenn C. Odom, in the State aforesaid the receipt of which is hereby acknowledged, have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said Glenn C. Odom, his heirs and assigns forever, the following described property:

All that certain piece, parcel or tract of land containing 53.53 acres, more or less, situate, lying and being on the North side of U.S. Highway No. 1, approximately three (3) miles Southwest of the Town of McBee, County of Chesterfield, State of South Carolina; and having such shape, metes, courses and distances as more particularly shown and delineated on that certain plat prepared for Glenn C. Odom by Earl W. Horton, P.L.S. dated August 4, 1997, and recorded in Plat Book B at page 379-C in the office of the Clerk of Court for Chesterfield County, South Carolina; and bounded generally, now or formerly, as follows: On the North by property of Sandhill State Forest; on the East by property of Sandhill State Forest and by property of Wayne M. Earn; on the South by said U.S. Highway No. 1, and on the West by property of Ralph W. McCaskill and Kathy M. McCaskill. This being the same property conveyed to Peggy J. Odom by deed of Glenn C. Odom recorded on December 28, 2006, in Deed Book 432 at page 889 in the office of the Clerk of Court for Chesterfield County, South Carolina. Said deed and plat are hereby incorporated herein at length by reference and made a part of the within description. Chesterfield County Assessor's Tax Map Number 78-10

Excepting and Excluding Therefrom, the following: All that certain piece, parcel or lot of land containing 2.00 acres, more or less, situate, lying and being on the North side of U.S. Highway 1, approximately three (3) miles Southwest of the Town of McBee, in the County of Chesterfield, State of South Carolina; and having

such shape, metes, courses and distances as more particularly shown and delineated on that certain plat prepared for Alligator Rural Water Company, Inc. by Earl W. Horton, R.L.S., dated October 16, 2000, and recorded in Plat Book C at page 76-B in the office of the Clerk of Court for Chesterfield County, South Carolina; and being bounded generally, now or formerly, as follows: On the North by the property of Glenn C. Odom and by the property of Sandhills State Forest; on the East by the property of Wayne M. Earn; on the South by the said U.S. Highway 1; and on the West by the property of Glenn C. Odom. This being the same property conveyed to Alligator Rural Water Company, Inc. by deed of Glenn C. Odom recorded in Deed Book 394 at page 102 in the office of the Clerk of Court for Chesterfield County, South Carolina. Said deed and plat are hereby incorporated herein at length by reference and made a part of the within description. Chesterfield County Assessor's Tax Map Number: 78-61

The within described property is conveyed subject to existing easements and rights of way, whether of record or not, and to restrictions, if any, appearing in the chain of title which said restrictions, if any, are not intended to be reimposed hereby

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining

TO HAVE AND TO HOLD, all and singular, the said premises before mentioned unto the said Glenn C. Odom, his heirs and assigns forever.

AND I do hereby bind myself and my heirs, executors and administrators, to warrant and forever defend, all and singular, the said premises unto the said Glenn C. Odom, his heirs and assigns forever, against me and my heirs, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

Instrument
201200002330

Value Tax
\$70 1069

WITNESS my hand and seal this 27 day of June, in
the year of our Lord Two Thousand Twelve and in the Two Hundred and Thirty-
Sixth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

John W. Sledge
Sharon A. Jukes

Peggy J. Odum (SEAL)
Peggy J. Odum

STATE OF SOUTH CAROLINA |
COUNTY OF CHESTERFIELD |

PERSONALLY appeared before me the undersigned witness and made
oath that (s)he saw the within named Peggy J. Odum sign, seal, and deliver the
within written Deed for the use and purposes therein mentioned and (s)he with
the other witness witnessed the execution thereof

Sworn to before me this 27th
day of June, 2012.

Sharon A. Jukes (SEAL)
Notary Public of South Carolina
My commission expires: 03/29/21

This deed was prepared by.

SPENCER LAW FIRM
Attorney-at-Law
P.O. Box 190 - 301 W. Main Street
Chesterfield, South Carolina 29709

Peggy J. Odom,
Grantor,
to

I hereby certify that the within
deed has been this ____ day of
____, 2012, recorded in
Deed Book ____ at page ____ in
____ o'clock ____ m.

CLERK OF COURT, CHESTERFIELD COUNTY

Glenn C. Odom
547 Sandy Point Lane
Hartsville, SC 29550

I hereby certify that the within
deed has been this 12 day of
July, 2012, transferred on
Auditor's Book V at page 198.

Jack Rivers Jr.
AUDITOR, CHESTERFIELD COUNTY

Grantee.

MHC\2012-6\Glenn Odom DED

STATE OF SOUTH CAROLINA)
COUNTY OF CHESTERFIELD)

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. Property located in Chesterfield County, South Carolina, bearing Chesterfield County Tax Map Number 78-10, was transferred by deed to Glenn C. Odom recorded herewith

The transaction was (Check One):

XXX an arm's length real property transaction and the sales price paid or to be paid in money or money's worth was \$ 87,500.00

_____ not an arm's length real property transaction and the fair market value of the property is \$_____.

The above transaction is exempt, or partially exempt, from the recording fees as set forth in S.C. Code Ann. Section 12-24-10 et seq because

As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as seller.

I further understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SWORN to before me this 27th
day of June, 2012

Peggy G. Giddens

Sharon J. Zukel (SEAL)
Notary Public of South Carolina
My commission expires: 03/29/21

Kershaw County Assessors Office

Recent Sales in Area	Previous Parcel	Next Parcel	Return to Main Search Page	Kershaw Home
Owner and Parcel Information				
Owner Name	COOM CLENN C	Taxable Date	April 25, 2012	
Mailing Address	3454 TIDROD ROAD	Parcel Number	106-00-00-003	
Location Address	P O BOX 576 MCBEE SC 29101	Tax District	County (District 287)	
Class Code (NOTE: Not Zoning Info)	3454 TIDROD ROAD FM AG RV	Zoning	RD-2	
Description	310-207 30-691	Acres	166.75	
Legal Information		Parcel Map	Show Parcel Map	
Town Code / Neighborhood		Record Type	Agricultural	
Generate Owner List By Radius				
2011 Value Information				
Land Value	Improvement Value	Total Value	Taxable Value	Total Assessment
\$ 333,500	\$ 1,000	\$ 334,500	\$ 29,750	\$ 1,200
Building Information				
No information available at this time.				
Lot Size Information (Dimensions in Feet)				
Front	Back	Left	Right	
Sale Information				
Sale Date	Price	Deed Book	Plat Book	Grantor
01-20-1995	\$ 119,000	318 207	18 9	NORWOOD BEN L
Recent Sales in Area	Previous Parcel	Next Parcel	Return to Main Search Page	Kershaw Home

The Kershaw County Tax Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein. Website Updated: April 11, 2012

© 2007 by the Kershaw County Tax Assessor's Office. Website design by [qpublic.net](#)

Instrument: 201200001307 Volume Page: 449 1012

201200001307
Filed for Record in
CHESTERFIELD DC
PWC SELLERS: CLERK OF COURT
ON 26-2012 AT 10:13:38 AM
OPTION 10.00
Volume 449 Page 1012 10/20/12

SOUTH CAROLINA
Chesterfield COUNTY

MEMORANDUM OF OPTION TO
PURCHASE REAL ESTATE EASEMENT

In consideration of ONE DOLLAR (\$1.00) and other valuable considerations, the receipt of which are hereby acknowledged, Glenn C. Odom

____ ("Seller(s)") does hereby give and grant to
ENVIRONMENTAL BANC & EXCHANGE, LLC, ("Buyer") the right and option to
purchase the following real property easement:

SEE EXHIBIT 'A' ATTACHED HERETO AND INCORPORATED
HEREIN BY REFERENCE.

This option shall expire the 1st day of June, 2013.

The provisions set forth in a written option agreement between the parties dated
the 1st day of April, 2012, are hereby incorporated in this memorandum.

Witness my hand and seal this 25th day of April, 2012.

Dal Hodley
witness
[Signature]
witness

[Signature]
witness
Dal Hodley
witness

ENVIRONMENTAL BANC &
EXCHANGE LLC

BY: [Signature]

SELLERS:

By: Glenn C. Odom
Glenn C. Odom

McBee, SC Concerned Citizens

Facts Bearing on the Future of McBee

The mayoral challenger Glenn Odom, who served as town mayor from 2000 - 2002, and has been general manager of Alligator Rural Water and Sewer for a couple of decades, has publicly advertised that will he cut water bills by 25 percent, if elected. The town of McBee has purchased its water from Alligator for nearly 17 years and in turn sells that water to the town's residential and business customers. And according to the town's utility town budget for 2016-17, Alligator is projected to receive \$140,000 of water payments from the town meaning Odom could not vote on the budget or anything dealing with the town water system because it is a clear conflict of interest under the applicable state statutes.

As reported on January 15, 2016 in *The Link*, as documented in the October 2015 survey by the S.C. Rural Infrastructure Authority, based on the monthly usage of 6000 gallons of water for residential customers, Cheraw, who draws its water from the Pee Dee River and operates its own waterworks has the lowest bill of \$12.60. The monthly charges of other Chesterfield County towns from lowest to highest are: McBee: \$28.42; Pageland: \$36.20; Jefferson \$38.87; Chesterfield: \$47.09 and Patrick: \$49.00. Patrick, whose rates are 72 percent higher than McBee, gets its water from Alligator.

Chesterfield County Rural Water Company (CCRWC), which according to its latest annual water quality report buys 85 percent of its water from Alligator, supplies water to five county towns.

CCRWC furnishes water to the towns of Mt. Croghan and Ruby including metering and billing in addition to providing water to Chesterfield while managing the county seat's water and sewer system. CCRWC also supplies water to Jefferson and Pageland both of whom operate their own respective utilities.

Furthermore, Alligator increased its water rates last month. For a residential customer with a household of four people who buys 6000 gallons a month directly from Alligator, that monthly water bill has increased from \$47.00 to \$59.00, a hike of about 25 percent.

So, as evidenced by this irrefutable data, the mayoral challenger's contention that he will cut McBee water bills by 25 percent is exactly the opposite of what his company has on record - the highest water bills in the county. Odom has also publicly advertised that he wants "full-time police protection" for the town, which is defined as 168 hours per week, or 24/7 coverage. For the past several years, McBee has had about 56 hours weekly of town police coverage.

The McBee police department payroll for the 2016-17 fiscal year is budgeted at \$47,583 that includes wages, employment taxes and benefits for one full-time and one part-time officer. Therefore to triple the current 56 hours of town police coverage to 168 hours would increase the police payroll by about \$95,000. Keep in mind that figure does not include any additional equipment or uniforms nor are details provided on how to fund this tripling of police coverage.

Or, if the town decides to contract with the sheriff's department for law enforcement, it will cost the taxpayer an additional \$115,000 for 80 hours of weekly coverage per year, which is the amount that the town of Jefferson pays the sheriff's department.

All the above data about the cost of law enforcement is available at the McBee town web site (www.townofmcbeesc.com) and Jefferson town hall.

What the town must avoid at all cost is a return to its sordid past of the opening years of this century when there were four or five full-time police officers in the department when McBee justly merited the reputation of a speed-trap that lined the pockets of public officials. Indeed, who can forget the corruption in the municipal court and police department that led to the resignations, indictments and convictions of McBee town judge Fred Stephens and McBee police chief Joe McElmore both of whom were jailed for 90 days in 2007.

McBee, SC Concerned Citizens added a new photo.

September 1, 2016



ALLIGATOR
RURAL WATER AND SEWER -
PRIVATE COMPANY
Managed by Odom and Associates
(from ARWS Bylaws, Board Resolutions, and Public Records)

ARWS Customers are the members and owners of ARWS, but are not welcome to meetings or information!

NOT WELCOME TO MEETINGS
"No Company member or other person, including the attorney of a member or other person, may attend a meeting of the Board of Trustees unless this request form is completed and express approval for such attendance is thereafter allowed." Included with written request must be specific purpose of request, along with names, addresses, telephone numbers, and status of anyone accompanying member.

Board Policy #10 - Board Meetings

NOT WELCOME TO INFORMATION
"Board committee and staff committee meeting minutes will not be furnished as a whole; rather, the Company will research and furnish copies of excerpts that contain or substantially relate to the information specifically requested."

"Information that will not be furnished includes the following: the names, addresses, or telephone numbers of the members, past and/or current."

Board Policy #11 - Member Requests for Company Information 11/10/11

NOT WELCOME TO SPEAK AT MEETINGS
Members (customers) wanting to speak at an ARWS Board of Directors meeting must request in writing at least 30 days before the meeting to speak, giving the subject and reason for the request. ARWS leadership reviews the request and can deny the request. Members allowed to speak are limited to 10 minutes. In earlier years, these meetings were open to customers without prior notice or permission.

Board Policy #12 - ATTENDANCE AT MEETINGS OR APPEARANCE BY MEMBERS OR OTHERS BEFORE THE BOARD OF TRUSTEES 11/10/11

ARWS Membership and voting privileges include persons and entities that receive no services from and pay no money for services to ARWS. A list of members is NOT available to members according to Board Policy #11 (above). A member candidate for BOO is not allowed to have a written list of voting members.

KNOW THE FACTS.

Paid for by Utilities and For The People.

September 1, 2016

additions. Therefore, the lien provided by Code section 6321 for these taxes and additions has been released. The proper officer in the office where the notice of Internal revenue tax lien was filed on April 05 2013 is authorized to note the books to show the release of this lien for these taxes and additions.

Doc ID: 0000000000
Recorded: 01/25/2016 at 11:38:11 AM
Fee Amt: \$0.00 Page 1 of 1
Darlington County, SC
Scott B. Sledge Clerk of Court / RPO
File# 2015-00000007

Residence 547 SANDY PT LANE
HARTSVILLE, SC 29550-0000

COURT RECORDING INFORMATION:

Libor	Page	UCC No.	Serial No.
n/a	n/a	n/a	2013-00000034

Place of Filing	CLERK OF COURT DARLINGTON COUNTY DARLINGTON, SC 29512	Total \$	48994.59

the 16th day of January, 2015

(NOTE: Certificate of officer authorized by law to take acknowledgments is not essential to the validity of Certificate of Return of Federal Tax Lien Rev. Rul. 71-468 1971-2 C.B. 409)

Part I - RECORDING OFFICE

Form 680 (Z) May 19-2000
CAT NO 600361

have been assessed against the following named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Name of Taxpayer GLENN C ODOM

Residence PO BOX 576
MCBEE, SC 29101-0576

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of the lien is refilled by the date given in column (d), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(h).

RECORDED 05/20/2015 AT 10:14 AM PM
Fee Amt: \$10.00 Page 1 of 1
Darlington County, SC
Scott B. Suggs Clerk of Court / R00
File **2015-00000055**

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
1040	12/31/2014	XXX-XX-6591	04/06/2015	05/06/2025	89125.60
Place of Filing CLERK OF COURT DARLINGTON COUNTY DARLINGTON, SC 29532					Total \$ 89125.60

This notice was prepared and signed at BALTIMORE, MD, on this,

the 13th day of May, 2015.

Signature George Bailey Jr. Title REVENUE OFFICER 23-12-3144
for GEORGE BAILEY JR. (803) 312-7717

(NOTE: Certificate of officer authorized by law to take acknowledgment is not essential to the validity of Notice of Federal Tax Lien.
Rev. Rul. 71-468, 1971-2 CB 409)

Part 1 - kept by Recording Office

Form 888(F)(c) (Rev. 2-2004)
CAT NO 80025X

Form 668 (Y)(c)
(Rev. February 2004)

Department of the Treasury • Internal Revenue Service

Notice of Federal Tax Lien

Area:
SMALL BUSINESS/SELF EMPLOYED AREA #3
Lien Unit Phone: (800) 933-6050

Serial Number
938630613

For Optional Use by Recording Office

As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Doc ID: 00241820001 Type: FED
Recorded: 04/06/2013 at 10:34:57 AM
Fee Amt: \$10.00 Page 1 of 1
Darlington County, SC
Scott B. Swann, Clerk of Court / ROR
File 2013-00000034

Name of Taxpayer GLENN C & KAREN CDOM

Residence 547 SANDY PT LANE
HARTSVILLE, SC 29550-0000

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of the lien is refilled by the date given in column (d), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
1040	12/31/2010	XXX-XX-6591	11/21/2011	12/21/2021	48994.59
1040	12/31/2011	XXX-XX-6591	11/26/2012	12/26/2022	112235.38
Place of Filing CLERK OF COURT DARLINGTON COUNTY DARLINGTON, SC 29532					Total \$ 161229.97

This notice was prepared and signed at BALTIMORE, MD on this

the 29th day of March, 2013.

Signature 
for DERRA A ALFORD

This
REVENUE OFFICER 23-12 4530
(843) 317-6794

(NOTE: Certificates of officer authorized by law to take acknowledgment is not essential to the validity of Notice of Federal Tax Lien
Rev. Rul. 71-466, 1971 2 C.B. 403

Form 668(Y)(c) (Rev. 2-2004)

1350



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

TAX LIEN

W-131

(Rev. 2/22/10)
2047

SID/Suffix 1972793-000
Tax Type EMPLOYER WITHHOLDING TAX

County CHESTERFIELD
Contact Number: (843)661-4850
Tax Lien Number: 3-51255609-8

ODOM & ASSOCIATES / NC

PO BOX 578
MC BEE SC 29101-0576

File Number: 25371140
Period Covered: 06/10 - 06/10
(CORP)

201190000863
Filed for Record in
CHESTERFIELD SC
FAYE SELLERS, CLERK OF COURT
04-11-2011 At 09:52:16 am.
SC TAX 10.00
Value 2011 Page 504 - 504

To: Any authorized representative of the SC Department of Revenue

The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distraint powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.

Dated and signed under the seal of the SC Department of Revenue 04/04/11

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	06/10	1-05663269-4	02-16-11	758.46	34.12	21.93	814.51

SUBTOTAL:

COURT COSTS
TOTAL:

814.51
50.73
\$865.24

TXPRC106

130

20471025

1350


 STATE OF SOUTH CAROLINA
 DEPARTMENT OF REVENUE

TAX LIEN SATISFACTION

W-131-S
 (Rev. 2/22/10)
 2051

 SID/Suffix: 1872783-000
 Tax Type: EMPLOYER WITHHOLDING TAX

 County: CHESTERFIELD
 Contact Number: (843)661-4850
 Tax Lien Number: 3-51255609-8

 File Number: 25371140
 Period Covered: 06/10 - 06/10

ODOM & ASSOCIATES INC

 PO BOX 576
 MC BEE SC 29101-0576

(CORP)

 201190001064
 Filed for Record in
 CHESTERFIELD SC
 FAYE SELLERS, CLERK OF COURT
 05-18-2011 At 10:57:27 am.
 SC TAX SAT .00
 Value 201 Fee 504

To: Any authorized representative of the SC Department of Revenue

The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distraint powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.

Dated and signed under the seal of the SC Department of Revenue 04/04/11.

Tax Type: EMPLOYER WITHHOLDING TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0809	06/10	1-05663269-4	02-16-11	758.46	34.12	21.83	814.51

SUBTOTAL:

COURT COSTS.

814.51

TOTAL:

50.73

865.24

This tax lien has been SATISFIED by the SC Department of Revenue. Request is made for appropriate entries on your records. SATISFIED 04/29/11.

TXPRC108

52

20511028

1350



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

TAX LIEN

W-131

(Rev. 12/16/11)
2017

SID/Suffix:
Tax Type: **INDIVIDUAL INCOME TAX**

County: **CHESTERFIELD**
Contact Number: (843)661-4850
Tax Lien Number: **3-51530118-1**
SSN: XXX-XX-8591
SPOUSE SSN: XXX-XX-1174
File Number: 11919093
Period Covered: 12/11 - 12/11

Last Name: First Name:
ODOM GLENN

ODOM KAREN
PO BOX 576
MC BEE SC 29101-0576

201390000216
Filed for Record in
CHESTERFIELD SC
FAYE SELLERS, CLERK OF COURT
02-13-2013 At 11:21:14 am.
SC TAX 10.00
Volume 2013 Page 138 - 138

To: Any authorized representative of the SC Department of Revenue

The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distrait powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.

Dated and signed under the seal of the SC Department of Revenue 02/04/13.

Tax Type: **INDIVIDUAL INCOME TAX**

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0801	12/11	1-07038096-8	12-03-12	22,975.00	1,690.61	605.07	25,270.68

SUBTOTAL:

COURT COSTS: 25,270.68
TOTAL: 1,273.53
26,544.21

TXPRC108

903

20471025

1350



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

TAX LIEN

W-131

(Rev. 12/16/11)
2047

SID/Suffix:

Tax Type: INDIVIDUAL INCOME TAX

County: CHESTERFIELD

Contact Number: (843)661-4850

Tax Lien Number: 3-51663958-2

SSN: XXX-XX-6591

Last Name: First Name:
ODOM GLENN

File Number: 62881961

Period Covered: 12/12 - 12/12

PO BOX 576
MC BEE SC 29101-0576

201490000109
Filed for Record in
CHESTERFIELD SC
FAYE SELLERS, CLERK OF COURT
01/31/2014 At 10:59:59 am.
SC TAX 10.00
Volume 2014 Page 66 - 66

To: Any authorized representative of the SC Department of Revenue

The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distraint powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.

Dated and signed under the seal of the SC Department of Revenue 01/21/14.

Tax Type: INDIVIDUAL INCOME TAX

DIST CODE	PERIOD COVD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0801	12/12	1-07688787-8	12-03-13	416.00	49.68	11.05	476.73

SUBTOTAL.

476.73

COURT COSTS.

33.84

TOTAL:

\$510.57

TXPRC108

982

20471025

1350



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
TAX LIEN SATISFACTION

W-131-S
(Rev 12/15/11)
2051

SID/Suffix:
Tax Type: INDIVIDUAL INCOME TAX

County: CHESTERFIELD
Contact Number: (843)661-4850
Tax Lien Number: 3-51663958-2
SSN: XXX-XX-6591

Last Name: First Name
ODOM GLENN

File Number: 62881861
Period Covered: 12/12 - 12/12

PO BOX 576
MC BEE SC 29101-0576

201490000661
Filed for Record in
CHESTERFIELD SC
FAYE SELLERS, CLERK OF COURT
04-09-2014 At 09:20:40 am.
SC TAX SAT .00

Volume 2014 Page 66

To: Any authorized representative of the SC Department of Revenue

The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distrait powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.

Dated and signed under the seal of the SC Department of Revenue 01/21/14.

Tax Type: INDIVIDUAL INCOME TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0801	12/12	1-07686787-6	12-03-13	416.00	49.68	11.05	476.73

SUBTOTAL:

COURT COSTS 476.73
TOTAL: 33.84
\$510.57

This tax lien has been SATISFIED by the SC Department of Revenue. Request is made for appropriate entries on your records. SATISFIED 05/19/14.

TXPRC108

82

20511026

1350



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

TAX LIEN

W-131

(Rev. 12/16/11)
2047

SID/Suffix:
Tax Type: INDIVIDUAL INCOME TAX

County: CHESTERFIELD
Contact Number: (843)861-4850
Tax Lien Number: 3-51903558-5
SSN: XXX-XX-6591

Last Name: First Name:
OOM GLENN

File Number: 64837008
Period Covered: 12/14 - 12/14

PO BOX 578
MC BEE SC 29101-0578

201490000283
Filed for Record in
CHESTERFIELD SC
FAYE WILLIAMS, REGISTER OF DEEDS
03-31-2016 At 11:03:42 am.
SC TAX 10.00
Volume 2016 Page 120 - 120

To: Any authorized representative of the SC Department of Revenue

The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distraint powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.

Dated and signed under the seal of the SC Department of Revenue 03/14/16.

Tax Type: INDIVIDUAL INCOME TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0801	12/14	1-08797929-8	01-28-16		289.53	190.84	480.37

SUBTOTAL:

COURT COSTS
TOTAL: 480.37
34.02
\$514.39

TXPRC108

183

20471025

1350



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
TAX LIEN SATISFACTION

W-131-S
(Rev. 12/15/11)
2051

SID/Suffix:
Tax Type: **INDIVIDUAL INCOME TAX**

County: **CHESTERFIELD**
Contact Number: (843)861-4850
Tax Lien Number: **3-51903558-5**
SSN: **XXX-XX-6591**

Last Name: **ODOM** First Name: **GLENN**

File Number: **64937008**
Period Covered: **12/14 - 12/14**

PO BOX 576
MC BEE SC 29101-0576

20167000393
Filed for Record in
CHESTERFIELD SC
FAYE WILLIAMS, REGISTER OF DEEDS
04-25-2016 At 09:33:31 a.m.
SC TAX SAT 1.00
Volume 2016 Page 120

To: Any authorized representative of the SC Department of Revenue
The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distraint powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.
Dated and signed under the seal of the SC Department of Revenue 03/14/16.

Tax Type: **INDIVIDUAL INCOME TAX**

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
0801	12/14	1-08797929-8	01-25-16		289.53	190.84	480.37

SUBTOTAL:

COURT COSTS: 480.37
TOTAL: 34.02
\$514.39

This tax lien has been **SATISFIED** by the SC Department of Revenue. Request is made for appropriate entries on your records. **SATISFIED 04/14/16.**

TXPRC108

52

20511026

1350



000749

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

00415

W-131

(Rev 2/24/09)
2047**TAX LIEN**SID/Suffix: 1975238-000
Tax Type: 6% SALES TAXFILED
CLERK OF COURT
09 AP 27 A 9 38 5County: CHESTERFIELD
Contact Number: (843)681-4850
Tax Lien Number: 3-51029386-5SANDHILLS RESTAURANT GROUP INC.
HUDDLE HOUSE MCBEE SC
PO BOX 448
MC BEE SC 29101-0448File Number: 01308173
Period Covered: 12/08 - 12/08
(CORP)

To: Any authorized representative of the SC Department of Revenue

The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distraint powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.

Dated and signed under the seal of the SC Department of Revenue 04/20/09.

Tax Type: 6% SALES TAX

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
4701	12/08	04639149-1	03-05-09	2,121.83	53.01	34.81	2,209.65

SUBTOTAL:

2,209.65

COURT COSTS:
TOTAL:120.48
\$2,330.13

TXPRC108

323

20471025

1350	000909	STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE	#09-415	W-131-S (Rev. 2/12/08) 2051
		TAX LIEN SATISFACTION		

SID/Suffix: 1975238-000
Tax Type: 6% SALES TAX

CLERK OF COURT
2009 JUN 5 PM 12 16

County: CHESTERFIELD
Contact Number: (843)681-4850
Tax Lien Number: 3-51029386-5

File Number: 01308173
Period Covered: 12/08 - 12/08

SANDHILLS RESTAURANT GROUP INC
HUDDLE HOUSE MCBEE SC
PO BOX 448
MC BEE SC 29101-0448

(CORP)

To: Any authorized representative of the SC Department of Revenue
The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distraint powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.
Dated and signed under the seal of the SC Department of Revenue 04/20/09.

Tax Type: 6% SALES TAX

DIST CODE	PERIOD COVERD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
4701	12/08	04639149-1	03-05-09	2,121.83	53.01	34.81	2,209.65

SUBTOTAL:

COURT COSTS: 2,209.65
TOTAL: 120.48
\$2,330.13

This tax lien has been SATISFIED by the SC Department of Revenue. Request is made for appropriate entries on your records. SATISFIED 05/14/09.

TXPRC108

89

20511026



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

TAX LIEN

W-131

(Rev. 9/22/05)

SID/Suffix: 2286078-000

Tax Type: MOTOR CARRIER - INSTATE

FILED
CLERK OF COURT

05 CC 31 A 10:44 9

CHESTERFIELD COUNTY SC

County: CHESTERFIELD

Contact Number: (843) 661-4860

Tax Lien Number: 3-50653088-6

File Number: 31110216

Period Covered: 12/04 - 12/04

ALLIGATOR RURAL WATER & SEWER

PO BOX 810

MC BEE SC 29101-0810

000962

To: Any authorized representative of the SC Department of Revenue

The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distraint powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.

Dated and signed under the seal of the SC Department of Revenue 10/24/05

Tax Type: MOTOR CARRIER - INSTATE

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
2903	12/04	02983318-8	07-06-05	3,770.05	942.51		4,712.56

SUBTOTAL

COURT COSTS

TOTAL:

4,712.56

245.63

\$4,958.19

TXPRC108

289

51

0819

0468



000212

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE**TAX LIEN SATISFACTION****W-131-S**

(Rev. 8/22/05)

05-540

SID/Suffix: 2285078-000
Tax Type: MOTOR CARRIER - INSTATEFILED
RECEIPT
OCT 21 10 11 36 AM '06County: CHESTERFIELD
Contact Number: (843) 881-4850
Tax Lien Number: 3-60653088-6File Number: 31110216
Period Covered: 12/04 - 12/04

ALLIGATOR RURAL WATER & SEWER CO

PO BOX 810
MC BEE SC 29101-0810

To: Any authorized representative of the SC Department of Revenue
The party named in this tax lien is liable for the assessed taxes set out below, along with the penalties and interest established by law for failure to pay such taxes when due. Such being established, you are directed by distraint powers to levy upon and sell as is allowed by law so much of the tangible or intangible personal property, rights to such property or choses in action of the party necessary to satisfy the tax, penalty and interest owed by the party, plus the fees, cost and expenses of the levy. If these found assets are not sufficient to satisfy the amount set out in this tax lien, you are directed to seize and sell so much of the real estate of the party as is necessary to satisfy the amount owed.
Dated and signed under the seal of the SC Department of Revenue 10/24/06

Tax Type: MOTOR CARRIER - INSTATE

DIST CODE	PERIOD COVRD	RECEIVABLE NUMBER	DATE ASSESSED	TAX	PENALTY	INTEREST	TOTAL
2903	12/04	02983319-8	07-08-05	3,770.05	842.51		4,712.56

SUBTOTAL		4,712.56
COURT COSTS		245.63
TOTAL		54,958.19

This tax lien has been **SATISFIED** by the SC Department of Revenue. Request is made for appropriate entries on your records. **SATISFIED 02/01/06.**

TXPRC108

105

McBee, SC Concerned Citizens added 3 new photos.
October 18, 2016

52

0820