

18733

STATE OF SOUTH CAROLINA  
In the Court of Appeals

On Appeal from Charleston County  
Court of Common Pleas

The Honorable Roger M Young, Circuit Judge  
The Honorable Daniel F Pieper, Circuit Judge

Case No 06-CP-10-1578

RECEIVED

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SC Court of Appeals

Lawton Limehouse Jr

RESPONDENT,

v

Paul H Hulsey and The Hulsey  
Litigation Group, LLC,

APPELLANTS

RECORD ON APPEAL  
VOLUME III

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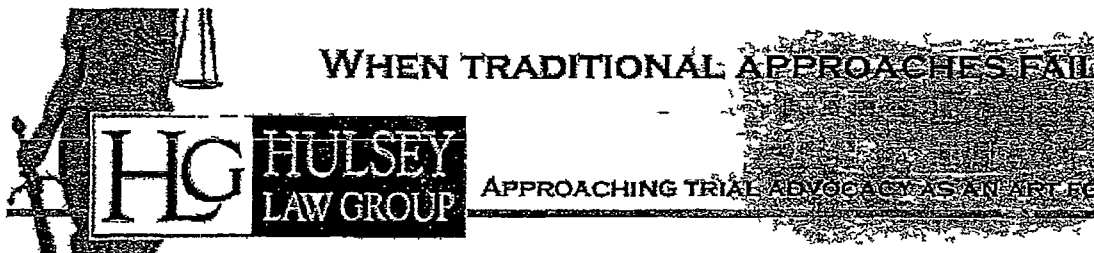
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## HLG OFFICE NEWS

**January 10, 2007**



### **HULSEY LAW GROUP PARTNERS MEET WITH JOHN EDWARDS**

On Thursday, January 10 2008 Paul Hulsey and Cherie Durand met with Presidential Candidate John Edwards to discuss issues of interest to the poor and hungry at the Lowcountry Food Bank. Edwards had come to the Food Bank to do an evening of volunteer work, also stopped to talk to volunteer workers as he proceeded through the classifying and packing lines in the Food Bank warehouse. Hulsey Law Group is a strong supporter of the Lowcountry Food Bank, serving as Honorary Chairpersons of the 2008 Christmas Feast, the Food Bank's annual fundraiser, as well as an event sponsor and the named special sponsor of the Kids Cafe Program.

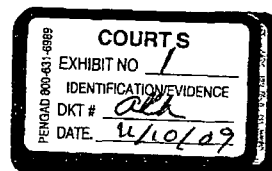
Besides sharing his thoughts on the presidential race and his promise to bring economic justice to the middle class, Edwards and Hulsey exchanged stories of their experiences as trial lawyers representing underprivileged and victims of irresponsible conduct.

As an adjunct to their financial support to the Food Bank, all members and employees of the firm volunteer at the Food Bank on a routine basis.

**December 7, 2007**



### **HULSEY LAW GROUP INCREASES PARTICIPATION AND SUPPORT OF SPECIAL**



## OLYMPICS

Support of the Special Olympics has been a priority of Hulsey Law Group's charitable giving program many years now. Recently, the firm increased its level of contribution and support of this worthy cause individually sponsoring 100 athletes for 2008 as well as assuming the entire sponsorship for the Special Olympics Golf Team. Hulsey Law Group founding partner Paul H. Hulsey said, "The Special Olympics have a special place in our hearts and, through our increased participation and support, we give thanks for the blessings of our health and success."

[Please click here for the full story and event photos.](#)

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August, 2007



### LOWCOUNTRY FOOD BANK INTERVIEWS PAUL HULSEY AND CHERIE DURAND

Shortly after Paul Hulsey spoke at the Food Bank's ceremony honoring National Hunger Awareness Week, the Lowcountry Food Bank interviewed Paul Hulsey and Cherie Durand to explore their philosophy at charitable giving and their commitment to conquering hunger in the Lowcountry. The following is an excerpt from, "Fresh Eggs," the Annual Report of the Lowcountry Food Bank.

[Click here to read the article](#) (Requires Adobe Acrobat)

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June 12, 2007



### HULSEY LAW GROUP MATCHES DONATION FOR KIDS CAFE

On February 25, 2007, the Eighth Annual Chefs' Feast fundraiser was held in support of the Kids Cafe Program of the Lowcountry Food Bank. The funds raised at this event help fight childhood hunger in the Lowcountry. The Kids Cafe program is an innovative after-school program that provides hot, nutritious meals and academic assistance to nearly 1,000 low-income children each week. Hulsey Law Group acted as an Event Sponsor for the Chefs' Feast fundraiser. At the end of the evening, the final proceeds were tallied at \$110,000. Paul Hulsey then surprised Lowcountry Food Bank Executive Director Dr. Jermaine Husser with his announcement that he would match the original \$110,000, bringing the total

raised to \$220,000, the most amount ever raised at the event

"Hunger and malnutrition strike one in four children in the Lowcountry and I am proud to make this contribution toward bringing food and nourishment to the underprivileged children of our community believe that success carries with it the obligation to help others less fortunate I am proud to have this opportunity to help feed the needy children in the Lowcountry," Paul Hulsey stated

The mission of the Lowcountry Food Bank is to feed the poor and hungry of the ten coastal counties of South Carolina by soliciting and distributing healthy food and grocery products to nonprofit agencies serving the poor, and to educate the public about the problems of and solutions to domestic hunger. The Lowcountry Food Bank was founded in 1983 as a clearinghouse for donated food items through the generosity of both Coastal Community Foundation of South Carolina and Trident United Way

For more information, go to [www.lowcountryfoodbank.org](http://www.lowcountryfoodbank.org)

Click here for the news coverage [www.abcnews4.com](http://www.abcnews4.com)

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June 5, 2006



#### **HULSEY SPEAKS AT HUNGER AWARENESS DAY**

Hunger Awareness Day was recognized in the Lowcountry on June 5, 2007. Paul Hulsey was asked to speak to members of the public, business community and media at a press conference held at the Lowcountry Food Bank, 1635 Cosgrove Avenue, Charleston, SC 29405. The theme of Mr. Hulsey's address was "The Miracle of the Loaves and Fishes."

"With all the wealth and abundance in this nation, I am amazed that we cannot feed the people of our country. With all the blessings of the Lowcountry, I am amazed that one in four children still suffer from malnourishment and go hungry. It is incumbent upon our business community to recognize that hunger exists and to take steps to make defeating hunger in the Lowcountry part of our business plans," Paul Hulsey declared.

Hulsey Law Group supports the Lowcountry Food Bank in their mission to provide food and nourishment to the needy in South Carolina as well as defeat hunger in our lifetime.

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May 30, 2007



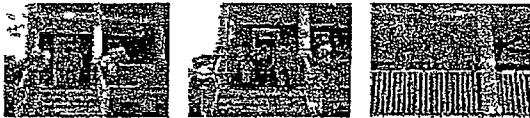
#### **HULSEY PARTICIPATES IN MIRACLE HOUSE RIBBON CUTTING**

On May 30, 2007, Paul Hulsey participated in the ribbon cutting celebrating the completion of the Miracle House constructed by Integrity Homes to benefit MUSC Children's Hospital. Construction of the house was underwritten by Hulsey Law Group principal Paul Hulsey and local businessman, Tommy Baker. Integrity Homes LLC (the builders) are contributing their profit from the sale of the home and many of its suppliers and subcontractors donated labor and supplies toward the successful completion of the project.

"The completion of this house is truly a dream come true for Mr. Baker and myself. It is one thing to see the contributions from the community, but to see the cooperation of the builders, suppliers, subcontractors, and laborers all focused on completing this beautiful home and donating so much of their time and labor to Children's Hospital is truly gratifying," Paul Hulsey noted.

Mr. Hulsey is a member of the MUSC Children's Hospital Advisory Board and Mr. Tommy Baker is Chairman of the Board.

For more information on the Miracle House, please go to [www.musckids.com](http://www.musckids.com)



(Click on a thumbnail above to view the larger version)

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May 23, 2007



#### **HULSEY LAW GROUP HOSTS CHILDREN'S HOSPITAL BENEFIT**

On Wednesday, May 23, 2007, Hulsey Law Group principal, Paul Hulsey, hosted Music, Fun & Friends - "A special night for special friends" - at his home in Wild Dunes, Isle of Palms, South Carolina. Music provided by Darius Rucker and Edwin McCain. Darius and Edwin agreed to play under circumstances that allowed Paul Hulsey to donate their professional fees for playing that evening to the Children's Hospital. Mr. Hulsey is a member of the MUSC Children's Hospital Fund Advisory Board and is a frequent contributor to Lowcountry charities. "Darius and Edwin have been very active and generous in their charitable contributions to the community. This is especially true when it comes to causes involving children in the Lowcountry," Paul Hulsey said. The highlight of the evening came when Darius and Edwin sang several of their hits together as the sun set behind the stage.



[Click here to see all of the pictures](#)

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**December, 2006**



**MUSC Children's Hospital Miracle Home**

On December 13, 2006, Paul Hulsey participated in the groundbreaking for MUSC Children's Hospital Fund Miracle Home. The home, underwritten by Children's Hospital Advisory Board Vice Chairman Tommy Baker and Paul Hulsey, will be constructed at no cost by Integrity Homes, LLC with contribution of funds and materials by 84 Lumber and the donation of time and materials by dozens of local area building and construction subcontractors. Upon completion, the home will be placed on the market with proceeds going to support the Children's Hospital.

Our firm strongly supports the mission of the MUSC Children's Hospital as it delivers state-of-the-art healthcare, teaching and research to the Lowcountry and the Southeast. It has become nationally recognized. Child Magazine recently ranked it as the number one Children's Hospital in the Southeast, the eleventh best hospital in the country.

"Miracles really do happen at the Children's Hospital and I am pleased to not only sit on the Advisory Board but to become actively involved in all fund-raising activities," Paul Hulsey said.

For more information on the MUSC Children's Hospital, please visit [www.musckids.com](http://www.musckids.com) and for further information on the Miracle Home, please visit [www.musckids.com/news/miracle\\_home.htm](http://www.musckids.com/news/miracle_home.htm).



(Click on a thumbnail above to view the larger version)

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**October 6, 2006**



#### **HLG WELCOMES S. FRASER REID III**

Hulsey Law Group is proud to announce that S. Fraser Reid, III has joined the firm as an associate. Mr. Reid is a 2004 graduate of the University of Virginia School of Law and spent two years as a law clerk for the Honorable Dennis Shedd, United States Court of Appeals for the Fourth Circuit. Mr. Reid's duties include a special emphasis on appellate practice and litigation discovery. Upon assuming his position at the firm, one of Mr. Reid's first assignments was to write a brief in support of Hulsey Law Group plaintiffs in the Supreme Court of Arkansas seeking to have the State of Arkansas acknowledge the need for seatbelts in school buses.

We are proud to have Fraser with us at Hulsey Law Group. His superior qualifications and writing experience add further versatility to our Hulsey Law Group litigation team.

Mr. Reid is from Orangeburg, South Carolina, and is the son of Mr. and Mrs. Samuel F. Reid, Jr.

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October 6, 2006

#### **HULSEY CELEBRATES 30 YEARS AS TRIAL LAWYER**

On Thursday, October 6, friends of Hulsey Law Group celebrated founding partner Paul Hulsey's 30 years as a trial lawyer. Friends from the business and legal communities gathered for a private dinner hosted at Charleston's Grill 225. Lisa Duncan, Executive Operations Manager, presented Hulsey with a 3 x 4 foot framed collage containing news clippings and pictures depicting major events and accomplishments of his 30-year career as a national trial lawyer. HLG managing partner, Cherie Durand, presented Hulsey a crystal bowl signed by family and friends. Greetings and congratulations from friends across the country were at the celebration. Brett Hulsey read a poem his father had written in 1992 entitled "A Path Worth Taking."

The celebration included anecdotal stories and a slide show depicting events in Hulsey's career. Managing partner, Cherie Durand, welcomed everyone to the dinner celebration and thanked Hulsey for his years of friendship, support and inspiration in their profession. She then toasted to another 30 years of practice and many successes for everyone in HLG to look forward to.

A surprise guest at the celebration was Lola Nightingale who had retired four years ago after having been Hulsey's trial paralegal for 18 years. The firm flew Ms. Nightingale in from her home in Topeka, Kansas moments before the dinner began.

"I am proud to have spent the last 30 years as a trial lawyer representing people victimized by injustice, fraud and neglect. My life has been enriched immeasurably by my family and friends who have supported me throughout my career, and I am grateful to everyone in my firm and especially my partner, Cherie Durand, for making the practice of law so enjoyable and satisfying. I can assure everyone that there are many more challenges on the horizon for us to undertake in the coming years."



(Click on a thumbnail above to view the larger version)

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September 8, 2006



#### **HULSEY NAMED TO SOCIETY OF 1824**

Paul Hulsey was recently welcomed as a member of the Society of 1824, Medical University of South Carolina. This association, named after the year of the university's founding, is comprised of those benefactors who have demonstrated an extraordinary financial commitment to the Medical University. Support of the Society of 1824 enables MUSC to achieve the highest levels of excellence in health-related education, research and clinical care.

'We are fortunate to have the excellent physicians and staff of the Medical University of South Carolina here in Charleston to serve the expanding needs of our community. I am pleased to lend my support to worthy cause.'

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August 5, 2006

#### **PAUL HULSEY ADDRESSES MEMBERS OF THE SOUTH CAROLINA TRIAL LAWYERS ASSOCIATION (SCTLA)**

Paul Hulsey recently delivered a speech entitled 'Trial Lawyers Guide to Voir Dire' at the annual convention of the South Carolina Trial Lawyers Association. Over the last 30 years, Mr. Hulsey has selected juries in more than 35 state and federal jurisdictions. South Carolina permits only limited attorney participation in the process of voir dire, asking jurors questions to determine their qualifications to sit on the jury. Mr. Hulsey was asked to share his experiences and trial techniques employed in talking with prospective jurors throughout the United States and Puerto Rico. Paul Hulsey has been a member of the South Carolina Trial Lawyers Association for more than 20 years and has made presentations on all aspects of trial advocacy over the years. For more information on the South Carolina Trial Lawyers Association, see their website at [www.sctla.org](http://www.sctla.org).

June 5, 2006

**HULSEY SELECTED TO ADDRESS TRIAL LAWYERS**

The South Carolina Trial Lawyers Association has selected HLG Founder Paul H. Hulsey to address it 2006 Annual Convention at the Westin Resort on Hilton Head Island. Mr. Hulsey will lecture on Friday, August 4, 2006, on "Trial Lawyers Guide to Voir Dire." In his speech, Mr. Hulsey will survey the state voir dire nationally, as well as in South Carolina. He will also analyze current trends and discuss proposed rules for expanding voir dire.

May 8, 2006



**Paul Hulsey Outstanding Student Award Presented at Annual Banquet**

On Thursday, May 11, Paul Hulsey presented the Paul Hulsey Outstanding Student Award at the YES Carolina Annual Awards Banquet, "Bridges to Financial Freedom." The award, a laptop computer, was given to Madeline Marion, an eleventh grade student at James Island Charter, in recognition of her entrepreneurial project, "Doggy Snack Shack."



YES Carolina Youth Entrepreneurship South Carolina, a program partner of the National Foundation of Teaching Entrepreneurship (NFTE) is a nonprofit organization created to offer South Carolina educators the opportunity to utilize proven business curriculum to teach young people from communities statewide how to build skills and unlock their entrepreneurial creativity.

Founding director Paul Hulsey stated, "When I was approached with the opportunity to help fund the establishment of YES Carolina and sit on its founding Board of Directors, I agreed immediately. The children of South Carolina are our future and through YES Carolina I intend to see that children of all income levels have the opportunity to learn Entrepreneurship. In doing so, they will become empowered to chart the course of their own economic future."

The link to the YES Carolina website is [www.YESCarolina.com](http://www.YESCarolina.com)

February 26, 2006



#### **HLG Joins Fight to End Childhood Hunger**

The Hulsey Law Group served recently as a corporate sponsor of the seventh annual Chefs' Feast, the Lowcountry Food Bank's Annual Gala on February 26, 2006. The evening raised over \$100,000 for the Kids Cafe network, with 95% of the proceeds going directly to the program.

The Lowcountry Food Bank's Kids Cafe is an innovative after school program that provides nutritious meals and academic assistance to children who are at risk or already suffering from hunger and malnutrition.

"We have a duty to ensure that children in the Lowcountry don't go hungry," Hulsey Law Group founder Paul Hulsey explained. "We were thrilled to be a part of the Chefs' Feast this year and look forward to helping the Lowcountry Food Bank put its plans in action. Reducing childhood hunger is one of the smartest investments we can make."

The Lowcountry Food Bank provides food for an estimated 160,000 different people annually and more than 31,000 different people receive assistance in any given week. More than 22% of the members of households served by the Lowcountry Food Bank are children under 18 years old, 5% of the members' households are children up to 5 years, and 22% of household members are elderly.

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December, 2005



#### **HLG Donates Van to Rural Mission**

In response to calls for help, Hulsey Law Group donated recently a new minivan and \$10,000 to Rural Mission, Inc. Rural Mission is an ecumenical nonprofit organization that has served economically disadvantaged families on Johns, Wadmalaw, Yonge, and Edisto Islands, as well as the Hollywood area. Rural Mission also provides a federally funded Head Start program for children of migrant workers, as well as crisis assistance and intervention, home repair, and construction, advocacy and counseling. Executive Director Linda Gadson noted that without the donation, Rural Mission faced closure. "We didn't know how we were going to make it," she said. The law firm decided to donate the van after learning that Rural Mission's van was out of commission.

"I believe that with success comes the responsibility of helping others not so fortunate," law firm founder Paul Hulsey explained. "Rural Mission does so much for the Charleston community and it's important for other law firms and businesses to step up to the plate. I hope that our gift will lead others to do the same."

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April 15, 2005

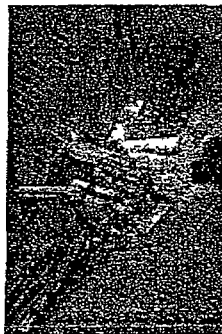
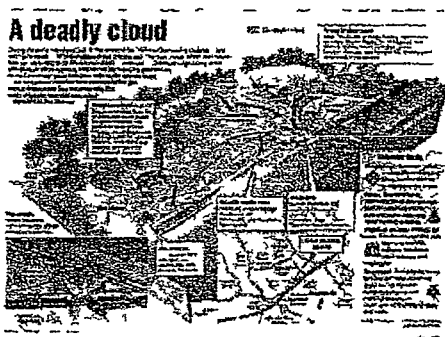
**United States District Court Gives Green Light to RICO Lawsuit and Sets Trial Date**

On March 7, 2005, the Honorable Jose A. Fusté ruled that *Jose Sanchez et al v Triple-S et al*, Civil 03-1967 (JAF), a RICO lawsuit against health care insurer Triple-S, Inc. filed in the United States District Court for the District of Puerto Rico, will proceed. Noting the 'gargantuan' size of the classes, the Court held that the "Plaintiffs have properly pled racketeering conduct," including the RICO elements of 'enterprise' and pattern. In a subsequent order, the Court ruled that Plaintiffs sufficiently pled allegations of mail and wire fraud as a 'series of predicate acts' against Defendant MC 21, a Triple-S subsidiary and fiscal intermediary. The Court has also entered a scheduling order and set a trial date on November 6, 2007. For a related article, go to [Quetglas Brings Big Gun for Triple S Lawsuit](#). HLG partners Paul Hulsey and Chene Durand are lead counsel in this class action on behalf of over 9,000 Puerto Rican citizens. [Click here to read the related article](#).

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**Hulsey Law Group files Lawsuit in Train Disaster**

Hulsey Law Group attorneys Paul Hulsey and Will Cook, along with co counsel Martha Rivers of Williston, have filed a lawsuit in U.S. District Court on behalf of the family of Clifton DeLoach after the sustained life-threatening injuries following the January 6, 2005, derailment of a Norfolk Southern train and resulting chlorine gas leak. Mr. DeLoach and his wife have agreed to serve as class representative on behalf of other Graniteville residents similarly injured. The federal lawsuit alleges multiple causes of action against Norfolk Southern as well as owners and distributors of the liquid chlorine. In addition to damages, the DeLoach lawsuit requests comprehensive medical monitoring and seeks to provide comprehensive relief on behalf of the plaintiffs and class members. 'Norfolk Southern failed to properly and safely maintain and control the ultrahazardous chlorine and as a result Norfolk Southern breached its absolute duty of care to the public,' notes Hulsey. 'Norfolk Southern had a heightened duty of care as a result of activities associated with the transportation of liquid chlorine and as such has absolute liability for injuries and damages which arose from the derailment.' Hulsey Law Group has also sought the entry of a restraining order to protect and preserve evidence and will argue on behalf of that protection at a hearing February 10th.



click the images above to view larger versions

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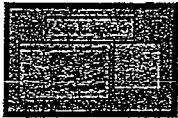
#### **Family Recovery Court**

Responding to The Charleston County Family Recovery Court's need for funding in order to continue day to day operations HLG continues to uphold its commitment to community service by donating \$10,000 to the Court.

Tied to the local Family Court, and supervised by Charleston County Family Court Judge Paul W. Garfinkle, the Family Recovery Court seeks to change the process by which families are reunited. In a traditional family court system, months pass between hearings, and cases can drag on for years while parents try to get clean and turn their lives around in order to regain custody of their children. These displaced children spend long years in foster care or group homes.

The Family Recovery Court tries to rehabilitate parents and reunite families torn apart by alcohol and drug abuse by settling cases quickly, usually within 12 months. Participants are required to show up for court once a week, attending counseling and AA, and are subjected to random drug testing every day. Failure to follow the rules leads to serious consequences, including expulsion from the program and jail time. Successful participants are reunited with their children.

Partners Paul Hulsey and Cherie Durand want to encourage the local legal community to continue to support this innovative program and have agreed to match dollar for dollar any donations made by attorneys, up to an additional \$10,000. Please help this program hold parents accountable, and provide children with loving, permanent homes.



#### **"Quetglas brings big gun for Triple-S lawsuit"**

Hulsey Law Group has joined the Puerto Rico firm of Quetglas Law Offices in a \$1.1 billion racketeer lawsuit against health care insurer Triple-S, Inc. — Puerto Rico's largest insurer. Together, the firms will represent a group of doctors, health care centers, laboratories, pharmacies, and patients against Triple-S and its affiliates for fraudulently using insurance profits to enrich company executives in violation of Triple-S's charitable purpose. Hulsey Law Group, whose partners have tried cases in Puerto Rico for over a decade, will use its experience with RICO against Triple-S, which transferred about \$300 million in tax exemptions to subsidiaries unrelated to health care. "The Triple-S case differs from other health care cases by Hulsey Law Group LLC in its scope," Hulsey said. "It is closer to the record-breaking lawsuit against the tobacco industry in the late 1990s, if not in size at least in complexity[.]"

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#### **Labor Case Newsletter Announcement**

On April 23, 2004, the Hulsey Law Group filed a class action lawsuit against two temporary staffing agencies and their owners on behalf of a class of former employees who worked as laborers at various Charleston, South Carolina businesses. The lawsuit alleges the Defendants denied their employees overtime pay, unlawfully retained employee wages, and created false Social Security and Resident Alien cards for their employees in violation of state and federal employment laws and in violation of the Racketeer Influenced and Corrupt Organizations Act. The Complaint notes that although company employees would work over forty hours in a week, in order to circumvent the federal overtime requirements, Defendants would divide employee work hours between their two temporary staffing companies so that an employee who worked over forty hours would receive a check issued by each company without the requisite overtime pay. [Click here to view the complete article on Charleston.net](#)

The case has generated substantial interest in the local community and has been reported on by both the English and Spanish language press. "This is a classic racketeering scheme," Attorney Paul H. Hulsey quoted saying in Charleston Post and Courier in reference to the allegations raised in the Complaint. Additionally, the Spanish weekly Latino noted that the lawsuit also alleges that the Defendants housed dozens of workers in substandard properties and shuttled them back and forth to work in company vans to guarantee a ready labor force.

The Plaintiffs and Defendants are currently engaged in active discovery and the Court has recently set trial date for August 1, 2005.



#### **Hulsey Law Group in India**

On February 27, 2004 partners Paul H. Hulsey and Cherie K. Durand spoke before the High Court of Andhra Pradesh in Hyderabad, India, at the invitation of the Bar Association of the Andhra Pradesh. The topic of their speech included representing foreign plaintiffs within the United States and obtaining jurisdiction in the United States over American companies responsible for torts committed abroad. [Click here to view the images](#)

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#### **Hulsey Comments on Asbestos**

On May 19, 2004, Charleston's POST & COURIER asked HLG partner Paul Hulsey to comment as an expert on asbestos for the Business Section's lead article. Hulsey was asked to comment on the public health hazard presented by the demolition of a building with asbestos containing floor tile. South Carolina's Department of Health and Environmental Control had previously dispelled any public health concerns. As reported by POST & COURIER writer John P. McDermott, Paul Hulsey, a local attorney and asbestos expert, agreed. Hulsey, who has represented dozens of clients with asbestos-related illness, said the potentially hazardous material that is in old flooring is usually tightly encased in resin. That makes it less likely to be disturbed and dispersed in harmful quantities. "In a situation where there's a demolition and where the wind is blowing, the loose fiber is going to float in the air. [The] best science would say that's not too much of a cause for alarm." [Click here to view the complete article on Charleston.net](#)

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#### **Hulsey Law Group Hosts Open House**

HLG opened the doors of its Charleston Harbor offices to friends and leaders of the Charleston community on August 19, 2004. Paul Hulsey stated that he was delighted by the turn-out, which included many local business leaders and attorneys who traveled from New York City, Charleston, West Virginia, and San Juan, Puerto Rico, to attend. College of Charleston Spanish classical guitarist, Marco Santor, provided entertainment in recognition of the firm's international focus. "We want to do things differently here," Hulsey said. "This will be the first open house of many. The doors at this firm are open always to our friends and colleagues. We intend to make this an annual tradition." [Click here to see photos from the open house](#)

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**HLG Hosts Luncheon for SCTLTA Portrait Honoree**

In honor of the 2004 South Carolina Trial Lawyers Association (SCTLTA) Portrait Award and in conjunction with SCTLTA's Annual Convention on Hilton Head Island, HLG this August hosted a luncheon for the Honorable Kaye G. Hearn, Chief Judge of the South Carolina Court of Appeals. In thanking the guests for attending, Paul Hulsey expressed HLG's appreciation for South Carolina's judges and courts. 'We're so fortunate, as trial lawyers, to be able to honor Judge Hearn. SCTLTA couldn't have picked a more-deserving candidate. Too often we don't thank the judges who preside over the courts where we appear everyday. Trial lawyers need to do this more often.'

[Back to top](#)

Page Updated 12/11/2007

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Hulsey Law Group • 2 Wharfside 3 • Charleston, SC 29401  
Phone 843 723 5303 • Fax 843 723 5307

# The Post and Courier

Charleston • North Charleston, S.C.

THE SOUTH'S OLDEST DAILY NEWSPAPER

30 cents

SATURDAY

April 24, 2004

Partly sunny and warm.  
High 84.  
Low 60.

**IRAQ/WAR ON TERROR**  
• **Gen. threatens suicide attacks: 16A**  
• **Number of wounded soars in Iraq: 16A**

**Dog fighting takes to inner city streets**  
• Preteens are fueling the growing trend of imprudent dog fighting on city streets and in alleys and parks, according to authorities. The practice is putting dangerous dogs out into the community. 1B

**Proposal would alter retiree health benefits**  
• The Equal Employment Opportunity Commission voted in favor of allowing employers to reduce or eliminate their retirees' health benefits once they qualify for Medicare. 1A

**Protest filed against Election Commission**  
• Palmetto United, passed over for a lucrative statewide voter machine contract, has accused the state Election Commission of four violations, including a potential conflict of interest. 1B

**United Healthcare, Roper hospitals align**  
• The agreement adds Roper St. Francis Healthcare's two hospitals to a budding network of South Carolina providers who have joined forces with the nation's largest health insurer. 7B

**North Korea issues rare plea for help**  
• A devastating train explosion near the Chinese border killed hundreds of people and injured more than 1,000, according to the communist government. U.S. intelligence sources regard the blast as an industrial accident. 3A

**U.S. eases sanctions as reward for Libya**  
• The easing of sanctions dating back to the Reagan era will allow a resumption of oil imports from Libya and most other commercial and investment transactions. 6A

**Markets close mixed despite good news**  
• The Dow rose 11.94 to 10,472.84 and the Nasdaq gained 14.88 to 2,193.77 but most stocks on the Big Board were lower as interest rate fears outweighed upbeat earnings reports. 8B

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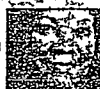
Autos 1E Horoscope 11F

## Students safe at Brentwood Middle, Goodloe says

BY ALISON L. BRIDGE  
Of The Post and Courier Staff

Charleston County Schools Superintendent Maria Goodloe said Friday he wants parents to know that their children are safe at Brentwood Middle School.

The school has come under fire in recent days because teachers have filed a discrimination complaint that maintains the school lacks discipline. They also say the school administration failed to handle their



"It is unfair to the kids and community to portray them as being out of control because that's not true," Superintendent Maria Goodloe

discipline concerns and criticized teachers for bringing them up. One teacher was put on paid administrative leave Wednesday because of safety concerns.

Goodloe said the school is not out of control nor unsafe. In the case

of the teacher put on leave, Goodloe said the public does not know all of the personnel issues surrounding that case.

"It is unfair to the kids and community to portray them as being out of control because that's not

true," she said.

Goodloe's comments Friday were the district's first public ones to address the situation on a brief statement made by a teacher was put on leave.

The concerns raised by teachers who filed discrimination complaints this month at a community meeting on school nurse who worked last year also filed a complaint with the federal Employment Opportunity

COURTS  
EXHIBIT NO. 2  
IDENTIFICATION EVIDENCE  
DKT # 04-1  
DATE 11/10/09  
PENGAD 000-031 6888

## \$45 million gift to USC sets record

Moore donates to business school

BY JASON HAPDIN  
Of The Post and Courier Staff

Six years ago, Darla Moore gave the University of South Carolina its largest gift ever. On Friday she did it again, showering the business school already named after her with a \$45 million.

The gift from the USC graduate and investment banker is nearly double her previous record \$25 million donation of \$25 million. Combined the \$70 million is the largest private contribution ever to a business school in the United States, according to the university.

University officials waxed ecstatic about the gift Friday.

We're excited," said Peggy Bennett, a university spokeswoman.

It does put us in a different league," said Joel Smith, dean of the business school.

Moore did not attend Friday's announcement, but a student read remarks she had prepared according to a news release.

She said the school is an integral part of the state's future and needs to continue to improve.

If our students are prepared with state-of-the-art training and a rigorous educational environment, then they can add fuel to the economic engine of our state's future as well as our nation's, she said.

The university is planning to raise enough money to be able to match Moore's gift, Smith said.

The money will go toward an extensive renovation of the school's facilities and toward scholarships and professorships.

Smith said the school's current home is a barrier to recruiting top students and teachers.

In this competitive environment — we need to have a state-of-the-art facility to compete, he said.

"This building is absolutely doesn't even meet code.

The building, which is 30 years old, will be gutted and refitted with new technology and ther

## FALLEN SOLDIER

Former NFL defensive back Pat Tillman killed in combat while serving in Afghanistan



Pat Tillman, who gave up a professional football career to join the Army Rangers, was killed in Afghanistan, U.S. officials said Friday.



BY BOB BAUM  
Associated Press

And while most of us didn't really know Pat Tillman, we wish we did.

Ken Dugan, Page 1C

president Michael Bushnell said. "He was a brave man. There are very few people who have the courage to do what he did, the courage to walk away from a professional sports career and make the ultimate sacrifice."

Lt. Col. Matt Beavers, a spokesman for the U.S. military, said a soldier was killed by anti-aircraft fire during a firefight while on combat patrol. "A member of the elite Army Rangers, he was 27."

"He is a hero," Cardinals' Steve Smith said. "I'm proud to be a

## LAWSUIT TARGETS STAFFING AGENCY

6 laborers sue L&L Services

BY JAMES SCOTT  
Of The Post and Courier Staff

Six laborers filed a class-action lawsuit Friday, accusing a Charleston staffing agency of racketeering by making fake federal documents, cheating workers out of overtime pay and housing them in rundown properties that created a culture of untended servitude.

The 33-page lawsuit against L&L Services and its owners, filed in federal court by the Halsey Litigation Group, describes a pattern of underreporting workers' hours, conspiring to avoid paying overtime and threatening the Mexican laborers who complained with deportation.

The suit also lists as defendants yet-to-be-named Lowcountry businesses that may have used L&L Services with the knowledge that workers were being exploited. It is a list that could include area golf courses, construction companies and restaurants.

"This is a classic racketeering scheme," said Paul Halsey, found in partnership with the Wharfedale Street law firm in downtown Charleston. "This sets the community back 150 years."

Lawton Limehouse, owner of L&L Services, declined to comment on the lawsuit Friday. His attorney Dennis Rhoad, also had no comment.

The lawsuit is grounded in the Racketeer Influenced and Corrupt Organizations Act, which Congress passed several decades ago to allow criminal and civil lawyers to go after organized crime families. The premise of the act is that various illegal activities committed by one group or company can add up to a criminal enterprise.

Lawyers for the six workers — five men and one woman — all of whom are in the country illegally — argue that the federal law applies to L&L Services and its subsidiary

# FROM 1A

ry last week, "is reluctant to use the Eucharist as a sanction," according to his spokeswoman, Susan Gibbs.

kind The Kerry campaign steered late, clear of responding directly to n, the Arinze's remarks and, issued a statement saying, "Sen. Kerry eping, agrees with President Kennedy t ma when he said, I do not speak for ugh a my church on public matters, and ed to my church does not speak for i cer me." Kerry, who has said he per Ray, sonally opposes abortion but sup aid in ports a woman's right to choose, com reiterated that position at a rally dinal Friday with women's rights ac shing tivists who are gathering in i Ker Washington for a march Sunday.

S.C. state Rep. Jim Merrill R Daniel Island a Catholic who op poses, abortion said "If you are Roman, Catholic and somebody vofes contrary to your faith that would certainly have to raise a red flag."

He stopped short of wholeheart edly endorsing the Vatican's statement, though. I don't think I m qualified to determine whether someone else should re ceive communion," he said.

The Vatican said lay people must not deliver sermons or preach the Gospel during Mass, issuing a new directive to crack down on practices that are be coming increasingly frequent in

the United States and Europe.

The document, commissioned by John Paul, softened a draft that had discouraged the use of altar girls and denounced such practices as applauding and dancing during Mass.

The final instructions described the participation of boys as "laud able, a reflection of the belief among Vatican officials that service as an altar boy can aid recruitment into the priesthood, but said that girls also can serve.

The document also touched on other aspects of the Mass that are likely to resonate in the United States and elsewhere.

The gesture of exchanging the

peace greeting should be done only to those who are nearest and in a sober manner. In many U.S. parishes, the exchange can go on for some time with the priest greeting many worship pers."

The introduction of rites taken from other religions into Mass is forbidden, and priests may not celebrate Mass in a temple or sac red place of any non-Christian religion.

Priests should be careful not to allow non Catholics and non Christians to take Communion.

The Associated Press contributed to this report.

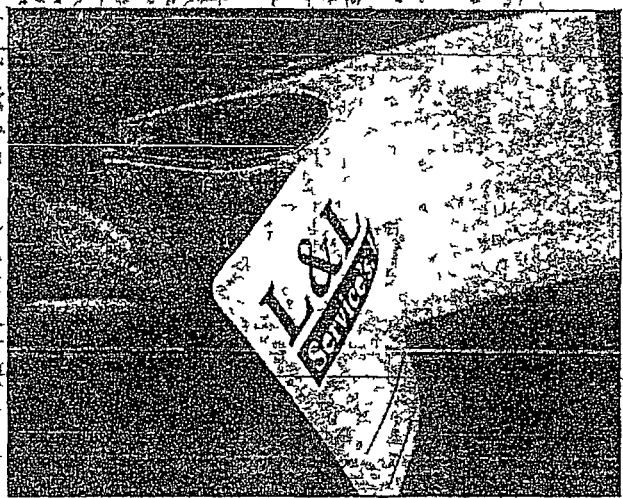
## 6 laborers file lawsuit against staffing firm

LAW SUIT from Page 1A

staffing agency WLL LLC which is run out of the same office and uses the same laborers. The law suit states that WLL was intention ally created to avoid paying over time to laborers some of whom worked more than 70 hours a week at the flat rate of \$6 an hour. When checks were written each week, some workers hours would be paid by L&L Services and the rest by WLL. Federal wage law re quires a company to pay employ ees time and a-half once a worker has logged more than 40 hours in a week.

In previous interviews, Lime house has told The Post and Cour ner that the reason for the two com panies was workers compensation insurance premiums. L&L Ser vices, he said, provides workers for less dangerous jobs such as landscaping while WLL is re served for more risky work, such as construction.

For workers without legal docu mentation, the lawsuit alleges that L&L Services managers made and sold fake green cards and So cial Security cards altered records and failed to carry proper insurance. The suit also alleges that as part of its enterprise, L&L Services housed dozens of work ers in substandard properties, two of



A worker displays an identity card split open to show an L&L Services logo inside.

which were condemned and shut tled them back and forth to work in company vans to guarantee a ready labor force.

"This is a blatant case of inden tured servitude," said Hulsey for merly of the Ness Motley law firm. L&L Services took advan tage of the complexity of the sys tem. They have created a perfect racketeering enterprise just like Tony Soprano.

Attorneys with the Hulsey Litiga tion Group said Friday that the case is not limited to the six work ers. The firm plans to take out ads in Spanish language newspapers and on radio stations to let other cu ent and former employees of the Ashley River Road business

know the suit exists. Money gener ated from the suit, the attorneys said, will be set aside in a bank ac count from which workers will be able to draw money owed to them.

The lawsuit comes on the heels of an investigation of L&L Ser vices by the U.S. Labor Depart ment in which Limehouse said he was ordered to pay back wages to an undisclosed number of employ ees. Limehouse told the newspa per earlier this week that the back wages involved the use of the two staffing agencies and a failure to pay overtime to some laborers.

The S.C. Workers Compensation Commission also has begun inves t gating WLL, which officials in Columbia said does not have work

ers compensation insurance, as required by law. State officials also said Friday that L&L Services workers compensation carrier Builders Mutual Insurance Co, in Raleigh, has dropped L&L Ser vices effective May 21.

Experts say lawsuits such as the one filed Friday represent a grow ing trend of illegal aliens using the court system to try to recover owed wages and deal with prob lems including workers compen sation. Andrew Siegel, a constitu tional law professor at the Univer sity of South Carolina, said the U.S. Constitution allows undocumented workers many of the same rights as regular citizens. Just because you are here illegally you are not barred from accessing the courts, Siegel said. Most of the rights of protection in the Constitution protect everybody in our borders not just citizens.

Wilfredo Leon, who was a mem ber of former Gov. Jim Hodges' committee on Hispanic issues and is the publisher of El Latino news paper in Greenville County, said, despite the fear of deportation the number of lawsuits being brought by undocumented workers is on the rise. Leon said many Hispan ics are learning how the legal sys tem works and know that compan ies must pay minimum wage and overtime and carry workers com pensation insurance.

A big factor is that the Hispanic community is becoming better ed ucated," Leon said. There are more people helping these work ers realize that they may be here illegally but they still have rights under the law."

**Confidential Personal Financial Statement/Certification as of 05/17/06**

The assets, liabilities, income and expenses described on this (or the attached) financial statement are (check the appropriate box):

- ☒ **Individual** If this is an individual financial statement, list all your income, expenses and assets including your partial ownership interest in and income from any partially owned assets and list all of your direct and contingent liabilities.
- ☐ **Joint** If this is a joint financial statement, list all of both of your income, expenses and assets including your partial ownership in and income from any partially owned assets and list all of both of your direct and contingent liabilities. A separate Private Bank Personal Financial Statement may be provided for each individual if you prefer.

|                                                               |                            |                                                   |                   |                                                        |                    |                              |
|---------------------------------------------------------------|----------------------------|---------------------------------------------------|-------------------|--------------------------------------------------------|--------------------|------------------------------|
| Name<br><b>Paul H Hulsey</b>                                  |                            | Date of Birth                                     |                   | Employer<br><b>Hulsey Litigation Group, LLC</b>        |                    | Years<br><b>3</b>            |
| Home Address                                                  |                            | Phone<br><b>843-886-8359</b>                      | Social Security # | Occupation<br><b>Attorney</b>                          | Years<br><b>30</b> | Position<br><b>Owner</b>     |
| City/State/Zip<br><b>Isle of Palms SC 29451</b>               | No. Dependents<br><b>2</b> | Driver's License # & State<br><b>SC 003666277</b> |                   | Business Address<br><b>2 Wharfside 3 Charleston SC</b> |                    | Phone<br><b>843-723 5303</b> |
| Joint/Spouse Name (Complete only if 2nd box above is checked) |                            |                                                   | Date of Birth     |                                                        | Employer           |                              |
| Home Address                                                  |                            | Phone                                             | Social Security # | Occupation                                             | Years              | Position                     |
| City/State/Zip                                                | Ref: 1st box above         | Driver's License # & State                        |                   | Business Address                                       |                    | Phone                        |

- I (we) understand that the following questions are addressed to me (us) and I (we) have answered them as appropriate.
- Yes ☐ No ☒ 1 Are you named as beneficiary of a trust, will or estate?
- Yes ☐ No ☒ 2 Are any of the assets listed herein held under a trust agreement of any type held in an estate, or in any other name or capacity? Please detail in "Additional Remarks" below.
- Yes ☐ No ☒ 3 Are any of the assets listed herein on deposit, located, or otherwise held outside the United States of America?
- Yes ☐ No ☒ 4 Do any of your assets secure any debts which have not been reported in the following schedules?
- Yes ☐ No ☒ 5 Are any of the assets listed herein located in the community property states of Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, or Washington?
- X Yes ☐ No ☐ 6 Are any of your real estate properties used by you in your business?
- Yes ☐ No ☒ 7 Have you ever filed for personal bankruptcy, had property you owned foreclosed, or made a settlement or an assignment for the benefit of creditors?
- Yes ☐ No ☒ 8 Has any corporation or partnership in which you are (were) a major owner or a general partner ever filed for bankruptcy, had property it owned foreclosed, or made a settlement or assignment for the benefit of creditors?
- Yes ☐ No ☒ 9 Are you, or any corporation or partnership in which you are a major owner or a general partner, a party to any suit or legal action, or are there any unsatisfied judgments against you?
- Yes ☐ No ☒ 10 Personal income tax returns have been filed through (year) 2004. Are any income tax returns, whether personal or that of any corporation or partnership in which you are a major owner or a general partner, currently being audited or contested?
- Yes ☐ No ☒ 11 Are you an officer, director, or principal shareholder of a financial institution?

I (we) have explained fully under "Additional Remarks" on this page (or an attachment) my (our) "Yes" answers to the foregoing questions.

- Yes ☐ No ☐ 12 I (we) have made a will. The executor(s) is \_\_\_\_\_.

|                                                                                                   |
|---------------------------------------------------------------------------------------------------|
| <b>Additional Remarks</b>                                                                         |
| 6 2 Wharfside 3 is the principal place of business for my law firm, Hulsey Litigation Group, LLC. |
|                                                                                                   |
|                                                                                                   |
|                                                                                                   |

The undersigned (I/We) herewith submit to Private Bank (you) this (or the attached) financial and supporting schedules which constitute my (our) personal financial statement. This statement is submitted to you for the purpose of inducing you to extend or maintain credit to me (us) whether as direct obligor(s) or indirectly as guarantor(s) or other indirect obligor(s) of credit extended to others. I (we) hereby certify that this statement presents a true, complete and correct statement of my (our) financial condition as of the date shown and does not omit any pertinent information. I (we) understand that misrepresenting information on this (or the attached) statement is a criminal offense under federal law.

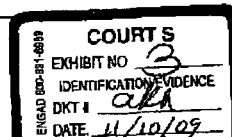
I (we) will notify you promptly in writing of any material unfavorable change in my (our) financial condition. In the absence of such notice, you may consider this a continuing statement and substantially correct. If I (we) apply for further credit, this statement shall have the same force and effect as if delivered as an original statement of my (our) financial condition at the time I (we) request such further credit. You are hereby authorized to contact credit reporting agencies and other sources for the purpose of verifying any information stated herein or at any time are authorized to answer any questions about your credit experience with me (us), and furnish Bank of America Corporation or any of its subsidiaries information which I (we) have provided to you and information regarding any of my (our) accounts.

Signature

Date

Signature

Date



## Page 2

| <b>Contingent Liabilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                         |                                      |                              |                            |                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------|------------------------------|----------------------------|----------------------------------------------------------------------------|
| <b>Instructions.</b> State Total Amount by Type of Liability and Provide Appropriate Detail In The Space Below                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                                      |                              |                            |                                                                            |
| Contingent liabilities are financial obligations of other individuals partnerships or companies which you have endorsed guaranteed or otherwise agreed to or have a statutory obligation to honor in the event of certain contingencies and any direct obligations that are not reflected in the balance sheet above that you will be required to honor in the event of certain contingencies These include obligations to Private Banks as well as to other banks or creditors of any kind You must disclose all such guarantees endorsements, etc. in this schedule |                         |                                      |                              |                            |                                                                            |
| 1 As Guarantor or Endorser                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         | 3 Legal Claims or Judgments          |                              | 5 Standby Letter of Credit |                                                                            |
| 2 On Leases or Contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         | 4 Income Tax Claim or Dispute Amount |                              | 6 Other                    |                                                                            |
| Type #                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Name of Primary Obligor | Due To                               | Max. Legal Obligation Amount | Maturity                   | Explanation. Include whether you anticipate having to honor this liability |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                         |                                      |                              |                            |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                         |                                      |                              |                            |                                                                            |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                         |                                      |                              |                            | I HAVE NO CONTINGENT LIABILITIES                                           |

Alimony, Child support or Separate Maintenance Income need not be revealed unless you wish to have them considered as a basis for repaying the requested credit.

Annual share of Ness Motley deferred compensation: (a) Distribution of earned income/attorney fees (b) Reimbursement for business capital investment

| Schedule 1 Cash Deposit Accounts |                                |            |                 |                                    |                 |
|----------------------------------|--------------------------------|------------|-----------------|------------------------------------|-----------------|
| Name on Account                  | Deposit Institution & Location | Balance    | Type of Account | Account Number                     | Pledged? Yes/No |
| Paul Hulsey                      | BOA                            | 150,000    | MMS             | *****4766                          | No              |
| Paul Hulsey                      | BOA                            | 100,000    | checking        | *****0728                          | No              |
|                                  |                                |            |                 |                                    |                 |
|                                  |                                |            |                 |                                    |                 |
| Total This Bank to Page 2        |                                | 151 181 00 |                 | Total Other Institutions to Page 2 |                 |

| Schedule 2 Securities Stocks and Bonds                                                               |              |               |                     |              |                |                                     |                    |                           |
|------------------------------------------------------------------------------------------------------|--------------|---------------|---------------------|--------------|----------------|-------------------------------------|--------------------|---------------------------|
| *Restricted means trading of the Security is subject to limitations due to letter legend or control. |              |               |                     |              |                |                                     |                    |                           |
| Name of Issuer                                                                                       | Where Traded | No. of Shares | Mkt Price per Share | Market Value | Cost per Share | Pledged? Yes/No                     | *Restricted Yes/No | Registered in the Name of |
| Smith Barney                                                                                         |              |               |                     | 351 000      |                | yes                                 |                    | Paul Hulsey               |
|                                                                                                      |              |               |                     | 211,007      |                | yes                                 |                    | Paul Hulsey               |
|                                                                                                      |              |               |                     | 470,830      |                | yes                                 |                    | Paul Hulsey               |
|                                                                                                      |              |               |                     |              |                |                                     |                    |                           |
| Total Marketable to Page 2                                                                           |              |               |                     | 1 032 837    |                | Total Not Publicly Traded to Page 2 |                    |                           |

| Schedule 3 - Accounts Receivable Notes Receivable |                 |                 |      |          |               |                     |            |
|---------------------------------------------------|-----------------|-----------------|------|----------|---------------|---------------------|------------|
| Due From                                          | Original Amount | Present Balance | Rate | Maturity | Payment Terms | Collectable? Yes/No | Collateral |
|                                                   |                 |                 |      |          |               |                     |            |
|                                                   |                 |                 |      |          |               |                     |            |
|                                                   |                 |                 |      |          |               |                     |            |
|                                                   |                 |                 |      |          |               |                     |            |
| Total to Page 2                                   |                 | 0 00            |      |          |               |                     |            |

| Schedule 4 Life Insurance and Annuities (Including Employer Provided) |               |                |            |             |                |             |                 |
|-----------------------------------------------------------------------|---------------|----------------|------------|-------------|----------------|-------------|-----------------|
| Company                                                               | Face Amount   | Beneficiary    | Cash Value | Policy Loan | Net Cash Value | Insured     | Pledged? Yes/No |
| Various term                                                          | 6 000 000 00  | Belinda Hulsey |            |             |                | Paul Hulsey | No              |
| Income - disability                                                   | 10 000 000 00 | Belinda Hulsey |            |             |                | Paul Hulsey | No              |
|                                                                       |               |                |            |             |                |             |                 |
| Total to Page 2                                                       |               |                |            |             |                |             |                 |

| Schedule 5 Deferred Compensation & Retirement Plans (Includes I.R.A. Accounts, KEOGH, 401(K) Fully Vested Benefit Plans, etc.) |                 |             |               |               |                |            |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|---------------|---------------|----------------|------------|
| Trustee or Plan Administrator                                                                                                  | Type of Account | Beneficiary | Balance/Value | Plan Loan     | Net Plan Value | In Name of |
| Master Settlement Ness Motley                                                                                                  |                 | Paul Hulsey | 67 150 00 0   |               |                |            |
| Legg Mason                                                                                                                     | Profit Sharing  | Paul Hulsey | 896,275       |               |                |            |
|                                                                                                                                |                 |             |               |               |                |            |
| Total to Page 2                                                                                                                |                 |             |               | 67 846,275 00 |                |            |

| Schedule 6 Notes Payable (Exclude Mortgages Listed in Schedules 7 & 8) |                 |                 |       |          |               |                 |            |
|------------------------------------------------------------------------|-----------------|-----------------|-------|----------|---------------|-----------------|------------|
| Due To                                                                 | Original Amount | Present Balance | Rate  | Maturity | Payment Terms | Current? Yes/No | Collateral |
| Bank of America                                                        |                 | 196,000         | 4.8%  |          | Int. only     | yes             | unsecured  |
| Bank of America                                                        |                 | 470,000         | 5.25% | 04/01/05 | Int. only     | Yes             | unsecured  |
|                                                                        |                 |                 |       |          |               |                 |            |
|                                                                        |                 |                 |       |          |               |                 |            |
| Total to Page 2                                                        |                 | 666 000.00      |       |          |               |                 |            |

\*If you are a Co-Borrower list the loan in this Schedule and state the Borrower's Name in the Collateral Column.

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[illegible][illegible]

|  |                                                            |  |
|--|------------------------------------------------------------|--|
|  | Related Debt (Mark "X" by amount if not personally liable) |  |
|--|------------------------------------------------------------|--|

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### Deferred Compensation

\*Deferred Compensation Vested partnership interest in attorney fees paid quarterly to Ness Motley by Tobacco Industry as a result of the Master Settlement Agreement between the Industry and the Attorney Generals of the participating states Such fees paid quarterly for 25 years Hulsey individual interest is \$67,150,000 00 paid over 25 years

**\*Original Art Collection - Valued at \$500,000 00**

William Halsey  
Mickey Williams  
Betty Anglin Smith  
Andreas Jordi  
Eva Carter  
John Hulsey  
Rhett Thurman  
Steven Jordan  
John Lennon  
Thomas Pradzynski  
Ann Trusty  
Andreas Jordi

Individual title and valuation available on request.

**\*Automobiles**

1997 Ferrari 355 Spyder (\$130,000 00)  
2000 Landrover ISD (\$25,000 00)  
2001 Chevrolet Corvette (\$25,000 00)  
2001 Ferrari F360 Spyder (\$280,000 00)  
2002 Aston Martin DB7 Coupe (\$155,000 00)  
2003 Aston Martin DB7 Vantage Convertible (\$170,000 00)  
2004 Lamborghini Gallardo (\$175,000 00)  
2004 Porsche Cayenne (\$53,000 00)  
2005 Porsche Carrera GT (\$450,000 00)  
2006 Mercedes SLR (\$525,000 00)

**Schedule C**

| <u>Property Description</u>                                                                                                                                                          | <u>Value</u>   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 20 Pine Meadows Lane<br>Keystone, Colorado<br>Acquired May, 2001<br>No Mortgage                                                                                                      | \$2,250,000 00 |
| Unit 3078 Timbers<br>Keystone, Colorado<br>Acquired April, 2000<br>Mortgage Citibank, Loan #<br>Mortgage Balance \$855,642 97<br>Payments \$4,797 95<br>Interest Rate 4 50%<br>Terms | \$1,200,000 00 |
| Unit 3043 Lone Eagle<br>Acquired June, 2001<br>Mortgage Chase, Loan #<br>Mortgage Balance \$240,977 92<br>Payments \$2,044 25<br>Interest Rate 9 350%                                | \$1,200,000 00 |
| Unit 2300 Red Hawk<br>Keystone, Colorado<br>Acquired March, 1999<br>Mortgage Citibank, Loan<br>Mortgage Balance \$630,674 32<br>Payments \$3,537 72<br>Interest Rate 4.50%<br>Terms  | \$1,050,000 00 |
| Unit 2303 Red Hawk<br>Keystone Colorado<br>Acquired May, 1999<br>Mortgage Citibank, Loan #<br>Mortgage Balance \$383,007 88<br>Payments \$2,144 48<br>Interest Rate 4.50%<br>Terms   | \$ 500 000 00  |

Schedule C (Continued)

2 Beachwood East  
Isle of Palms, South Carolina  
Equity Line Bank of America, Loan #  
Balance \$490,416 14  
Payments \$2,727 52  
Interest Rate 7.25%  
Terms

\$1,200,000 00

Isle of Palms, South Carolina  
Acquired. March, 1994  
Mortgage Citimortgage, Loan #  
Mortgage Balance. \$908,020 00  
Payments \$4,878 06  
Interest Rate 4.25%  
Terms:

\$6,500,000 00

Citibank Line of Credit  
Secured by  
Loan #  
Line of Credit Balance \$961,175 44  
Payments \$5 714.36  
Interest Rate 7%  
Terms Until Paid In Full

\$1,000,000 00

21 Coming Street  
Charleston, South Carolina  
Acquired. June 2003  
Mortgage. Acgis Mortgage Corp., Loan #  
Mortgage Balance \$415,000 00  
Payments 1,533 92

\$ 650,000 00

21 Coming Street Line of Credit  
Countrywide Home Loans, Loan #  
Balance \$0 00  
Payments  
Terms Until Paid In Full

Schedule C (Continued)

|                                  |                |
|----------------------------------|----------------|
| 1978 Trimbleston Place           | \$ 250,000 00  |
| Mt. Pleasant, South Carolina     |                |
| Acquired October 2005            |                |
| Mortgage Bank of America, Loan # |                |
| Mortgage Balance \$148,885 82    |                |
| Payments \$884.35                |                |
| Interest Rate 5 875%             |                |
| 2 Wharfside 3                    | \$1,500,000 00 |
| Charleston, South Carolina       |                |
| Acquired 2004                    |                |
| Mortgage Bank of America         |                |
| Balance \$790,000 00             |                |



# Select Client Statement

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Ref 00000798 00005352

July 1 - July 31 2006

G06000000798 306212AN01 WEB00088A  
CITIBANK FSB SECURED PARTY  
FBO PAUL H HULSEY REDHAWK

ISLE OF PALMS SC 29451-3852

Your Broker/Dealer is  
**CITIGROUP GLOBAL MKTS INC**  
Your Financial Advisor  
DANIEL B PARKER  
200 MEETING STREET  
SUITE 402  
CHARLESTON SC 29401  
843 727 7780  
Email daniel.b.parker@smithbarney.com  
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| Account value           | Last period          | This period          | %            |
|-------------------------|----------------------|----------------------|--------------|
| Cash balance            | \$ 3.00              | \$ 0.00              |              |
| Money fund              | 13,424.87            | 13,480.88            | 3.83         |
| Common stocks & options | 350,467.46           | 328,947.05           | 88.07        |
| <b>Total value</b>      | <b>\$ 363,895.33</b> | <b>\$ 342,427.91</b> | <b>94.10</b> |

| Earnings summary    | This period      |                 | This year          |                  |
|---------------------|------------------|-----------------|--------------------|------------------|
|                     | Taxable          | Non-taxable     | Taxable            | Non-taxable      |
| Qualified dividends | \$ 275.52        | \$ 0.00         | \$ 1,890.68        | \$ 0.00          |
| Money fund earnings | 0.00             | 32.89           | 0.00               | 216.76           |
| <b>Total</b>        | <b>\$ 275.52</b> | <b>\$ 32.89</b> | <b>\$ 1,890.68</b> | <b>\$ 216.76</b> |

| Additional summary information | This period | This year |
|--------------------------------|-------------|-----------|
| Back up tax withheld           | \$ 77.15    | \$ 557.40 |

| Cash, money fund, bank deposits          | This period         |
|------------------------------------------|---------------------|
| Opening balance                          | \$ 13,427.97        |
| Securities bought and other subtractions | (188.37)            |
| Securities sold and other additions      | 0.00                |
| Dividends credited                       | 188.37              |
| Money fund earnings reinvested           | 32.89               |
| <b>Closing balance</b>                   | <b>\$ 13,460.88</b> |

A free credit balance in any securities account may be paid to you on demand. Although properly accounted for on our books and records, these funds may be used for our business purposes.

| Portfolio summary                              | This period           | This year          |
|------------------------------------------------|-----------------------|--------------------|
| Beginning total value (excl. accr. int.)       | \$ 363,885.43         | \$ 334,431.33      |
| Net security deposits/withdrawals              | 0.00                  | 0.00               |
| Net cash deposits/withdrawals                  | 0.00                  | 0.00               |
| Beginning value net of deposits/withdrawals    | 363,885.43            | 334,431.33         |
| Total value as of 7/31/2006 (excl. accr. int.) | \$ 342,407.91         | \$ 342,407.91      |
| <b>Total return</b>                            | <b>(\$ 21,477.52)</b> | <b>\$ 7,876.58</b> |

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# Select Client Statement

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Ref: 00000788 00008353

July 1 July 31, 2006

CITIBANK FSB SECURED PARTY

Account number

| Gain/loss summary                 | This period    | This year |
|-----------------------------------|----------------|-----------|
| Unrealized gain or (loss) to date | (+ 182,943.55) |           |

## PORTFOLIO DETAILS

Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income assuming the current dividend divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold. Please Note: unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

## Money fund

| Number of shares | Description                                 | Current value | Accrued dividends | Annualized % dividend yield | Anticipated income (annualized) |
|------------------|---------------------------------------------|---------------|-------------------|-----------------------------|---------------------------------|
| 13,480.88        | SMITH BARNEY MUNICIPAL MONEY MARKET FD CL A | \$ 13,480.88  |                   | 3.09 %                      | \$ 415.94                       |

## Common stocks & options

Citigroup Investment Research and independent third party research ratings may be shown for certain securities. All research ratings represent the opinions of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Citigroup Investment Research stock recommendations include an investment rating and risk rating. The Investment Rating Code (1, 2, or 3) is a function of Citigroup Investment Research's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and a Risk Rating. The Risk Rating (L, M, H, or S) represents the stock's expected risk, taking into account price volatility and fundamental criteria. Please refer to the end of this statement for a guide describing Citigroup Investment Research ratings. Independent, third-party research ratings have been normalized by such third party providers to a 1 (Buy), 2 (Hold), and 3 (Sell). Citigroup Investment Research is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of the independent third-party research. Except as noted by an asterisk (\*), each independent research provider was selected by an Independent Consultant as required under the Global Research Analyst Settlement.

| Quantity | Description         | Symbol | Date acquired | Cost         | Share cost | Current price | Current value | Unrealized gain/(loss) | Average % yield | Anticipated income (annualized) |
|----------|---------------------|--------|---------------|--------------|------------|---------------|---------------|------------------------|-----------------|---------------------------------|
| 3,370    | CISCO SYS INC       | CSCO   | 03/24/88      | \$ 38,464.57 | \$ 11.302  | \$ 17.88      | \$ 60,255.60  | \$ 21,791.03           | LT              |                                 |
| 430      | Rating Citigroup 1H |        | 08/21/88      | 7,301.37     | 16.612     | 17.88         | 7,688.40      | 387.03                 | LT              |                                 |
| 385      | Argus 1             |        | 02/10/00      | 26,123.68    | 67.406     | 17.88         | 8,883.80      | (18,239.88)            | LT              |                                 |
| 75       | Morningstar 2       |        | 02/10/00      | 5,080.98     | 67.437     | 17.88         | 1,341.00      | (3,749.98)             | LT              |                                 |
|          | S&P 1               |        |               |              |            |               |               |                        |                 |                                 |
| 1,126    |                     |        | 04/14/00      | 65,894.84    | 58.125     | 17.88         | 20,132.88     | (45,861.96)            | LT              |                                 |
| 160      |                     |        | 04/14/00      | 9,358.65     | 58.062     | 17.88         | 2,860.80      | (6,507.85)             | LT              |                                 |
| 1,200    |                     |        | 09/28/00      | 69,872.05    | 57.812     | 17.88         | 21,456.00     | (48,416.05)            | LT              |                                 |
| 500      |                     |        | 09/28/00      | 29,080.63    | 57.76      | 17.88         | 8,940.00      | (20,140.63)            | LT              |                                 |
| 470      |                     |        | 09/28/00      | 28,477.85    | 55.837     | 17.88         | 8,403.80      | (18,074.25)            | LT              |                                 |
| 30       |                     |        | 08/26/00      | 1,735.40     | 57.437     | 17.88         | 538.40        | (1,197.00)             | LT              |                                 |

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# Select Client Statement

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Ref: 00000798 00005354

July 1 - July 31, 2006

CITIBANK FSB SECURED PARTY

Account number

## Common stocks & options *continued*

| Quantity   | Description               | Symbol | Date acquired | Cost         | Share cost | Current price | Current value | Unrealized gain/(loss) | Average % yield | Anticipated income (annualized) |
|------------|---------------------------|--------|---------------|--------------|------------|---------------|---------------|------------------------|-----------------|---------------------------------|
| 1 000      | CISCO SYS INC             | CSGO   | 09/28/00      | \$ 57 073.43 | \$ 66.50   | \$ 17.88      | \$ 17 690.00  | (\$ 39,383.43) LT      |                 |                                 |
| 170        |                           |        | 10/13/00      | 9 115.12     | 53.092     | 17.88         | 3,039.80      | (6 075.52) LT          |                 |                                 |
| 1 800      |                           |        | 03/09/01      | 37 760.12    | 20.825     | 17.88         | 32 184.00     | (5 586.12) LT          |                 |                                 |
| 1 600      |                           |        | 03/27/01      | 30 100.93    | 18.687     | 17.88         | 28,608.00     | (1,492.93) LT          |                 |                                 |
| 12 318     |                           |        |               | 413 548.83   | 33 678     |               | 220 210.08    | (193 338.55)           |                 |                                 |
| 287        | CITIGROUP INC             | C      | 08/11/88      | 8 268.85     | 27.80      | 48.31         | 14,348.07     | 6,081.42 LT            |                 |                                 |
| 25 7872    | Reinvestments to date     |        |               | 1 137.68     | 44.118     | 48.31         | 1 245.78      | 108.10 LT              |                 |                                 |
| 9 2548     | Reinvestments to date     |        |               | 435.87       | 47.214     | 48.31         | 447.10        | 10.13 ST               |                 |                                 |
| 332 0421   |                           |        |               | 9 831.30     | 28 809     |               | 16,040.88     | 6 209.85               | 4.087           | 850.80                          |
| 1 000      | GENERAL ELECTRIC CO       | GE     | 10/02/85      | 15 512.87    | 15.315     | 32.69         | 32 690.00     | 17,377.33 LT           |                 |                                 |
|            | Rating Citigroup 1L       |        |               |              |            |               |               |                        |                 |                                 |
|            | Argus 1                   |        |               |              |            |               |               |                        |                 |                                 |
|            | Morningstar 2             |        |               |              |            |               |               |                        |                 |                                 |
|            | S&P 1                     |        |               |              |            |               |               |                        |                 |                                 |
| 88 3207    | Reinvestments to date     |        |               | 2,734.28     | 32.047     | 32.69         | 2,789.13      | 54.85 LT               |                 |                                 |
| 22 8484    | Reinvestments to date     |        |               | 763.87       | 33.435     | 32.69         | 748.85        | (17.02) ST             |                 |                                 |
| 1 108.1671 |                           |        |               | 18 810.82    | 18 878     |               | 38 225.98     | 17,415.16              | 3.058           | 1 108.17                        |
| 15 7318    | ST PAUL TRAVELERS COS INC | STA    | 08/11/88      | 518.87       | 33.082     | 48.80         | 720.82        | 200.65 LT              |                 |                                 |
|            | Rating Citigroup 2H       |        |               |              |            |               |               |                        |                 |                                 |
|            | Argus 2                   |        |               |              |            |               |               |                        |                 |                                 |
|            | Morningstar 2             |        |               |              |            |               |               |                        |                 |                                 |
|            | S&P 1                     |        |               |              |            |               |               |                        |                 |                                 |
| 2882       | Reinvestments to date     |        |               | 14.08        | 52.498     | 48.80         | 12.28         | (1.80) LT              |                 |                                 |
| 18         |                           |        |               | 534.05       | 33.378     |               | 732.80        | 188.75                 | 2.27            | 18.84                           |
| 1 000      | TIME WARNER INC           | TWX    | 01/08/89      | 38,044.38    | 38 044     | 18.50         | 18 500.00     | (21 544.38) LT         | 1.338           | 220.00                          |
|            | Rating Citigroup 1M       |        |               |              |            |               |               |                        |                 |                                 |
|            | Argus 1                   |        |               |              |            |               |               |                        |                 |                                 |
|            | Morningstar 1             |        |               |              |            |               |               |                        |                 |                                 |
|            | S&P 2                     |        |               |              |            |               |               |                        |                 |                                 |
| 150        | WACHOVIA CORP 2ND NEW     | WB     | 08/03/87      | 5 587.04     | 43.50      | 53.63         | 8 044.50      | 1 477.48 LT            |                 |                                 |
| 500        | Rating Citigroup 2M       |        | 04/18/88      | 30 835.18    | 61.00      | 53.63         | 26 815.00     | (4,020.18) LT          |                 |                                 |
|            | Argus 1                   |        |               |              |            |               |               |                        |                 |                                 |
|            | Morningstar 2             |        |               |              |            |               |               |                        |                 |                                 |
|            | S&P 1                     |        |               |              |            |               |               |                        |                 |                                 |
| 61 7632    | Reinvestments to date     |        |               | 2 881.87     | 43.084     | 53.63         | 3,312.36      | 850.68 LT              |                 |                                 |

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July 1 July 31 2006

CITIBANK FSB SECURED PARTY

Account number

## Common stocks & options *continued*

| Quantity | Description           | Symbol | Date acquired | Cost        | Share cost | Current price | Current value | Unrealized gain/(loss) | Average % yield | Anticipated income (annualized) |
|----------|-----------------------|--------|---------------|-------------|------------|---------------|---------------|------------------------|-----------------|---------------------------------|
|          | WACHOVIA CORP 2ND NEW | WB     |               |             |            |               |               |                        |                 |                                 |
| 19 8683  | Reinvestments to date |        |               | \$ 1 068.53 | \$ 53 184  | \$ 53.53      | \$ 1 066.38   | \$ 8.85 ST             |                 |                                 |
| 731 6285 |                       |        |               | 41 120.42   | 58 204     |               | 28 237.24     | (1 883.18)             | 3 803           | 1 482.52                        |

\*Based on information supplied by client or other financial institution not verified by us

## TRANSACTION DETAILS

| Investment activity                            |          | Activity | Description                                                                        | Quantity | Price  | Amount    |
|------------------------------------------------|----------|----------|------------------------------------------------------------------------------------|----------|--------|-----------|
| Date                                           |          |          |                                                                                    |          |        |           |
| 07/25/06                                       | Reinvest |          | GENERAL ELECTRIC CO<br>WITHDRAWAL PENDING REINVEST                                 |          |        | \$ 198.37 |
| 07/28/06                                       | Reinvest |          | GENERAL ELECTRIC CO<br>REINVESTMENT SHS FOR 07/25/06<br>REINVESTED AMOUNT \$188.37 | 6.0874   | 32.894 | 0.00      |
| Total securities bought and other subtractions |          |          |                                                                                    |          |        | \$ 198.37 |
| Total securities sold and other additions      |          |          |                                                                                    |          |        | \$ 0.00   |

## Money fund activity

| Opening money fund balance |            | Amount                                         |
|----------------------------|------------|------------------------------------------------|
| Date                       | Activity   | Description                                    |
| 07/03/06                   | Autoinvest | SMITH BARNEY MUNICIPAL MONEY<br>MARKET FD CL A |
|                            |            | 3.00                                           |

All transactions are traded at \$1.00 per share

| Date | Activity | Description                                                            | Amount       |
|------|----------|------------------------------------------------------------------------|--------------|
|      |          | MONEY FUND EARNINGS REINVESTED<br>(SEE DETAILS UNDER EARNINGS DETAILS) | 32.88        |
|      |          | Closing balance                                                        | \$ 13,460.88 |

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Select Client Statement  
July 1 July 31, 2006

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Ref: 00000788 00005358

CITIBANK FSB SECURED PARTY

Account number

EARNINGS DETAILS

| Qualified dividends                           |                     |                                                                          |           |             |           |
|-----------------------------------------------|---------------------|--------------------------------------------------------------------------|-----------|-------------|-----------|
| Date                                          | Description         | Comment                                                                  | Taxable   | Non taxable | Amount    |
| 07/25/06                                      | GENERAL ELECTRIC CO | BACK-UP TAX W/HELD \$ 77.15<br>CASH DIV ON 1102 0897 SHS<br>X/D 06/22/06 | \$ 275.52 |             | \$ 188.37 |
| Total qualified dividends credited to account |                     |                                                                          |           |             | \$ 188.37 |
| Back up tax withheld                          |                     |                                                                          |           |             | 77.15     |

| Money fund earnings |                                                |                                                                            |         |             |          |
|---------------------|------------------------------------------------|----------------------------------------------------------------------------|---------|-------------|----------|
| Date                | Description                                    | Comment                                                                    | Taxable | Non taxable | Amount   |
| 07/31/06            | SMITH BARNEY MUNICIPAL MONEY<br>MARKET FD CL A | REINVESTED<br>FOR PERIOD 07/03/06-07/31/06<br>29 DAYS AVERAGE YIELD 3.09 % |         | \$ 32.89    | \$ 32.89 |

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## Guide to Investment Ratings

| Stock Ratings                                                                                                                                                                             |        |                                                                                                                                            | Stock Risk                                                                     |             |                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------|
| Investment ratings are based upon Citigroup Investment Research's expectation of total return (forecast price appreciation plus dividend yield within the next 12 months) and risk rating |        |                                                                                                                                            | Takes into account price volatility and a select list of fundamental criteria. |             |                                                                        |
| Developed Markets (US UK Europe Japan and Australia/New Zealand)                                                                                                                          |        |                                                                                                                                            |                                                                                |             |                                                                        |
| Code                                                                                                                                                                                      | Rating | Expected Total Return                                                                                                                      | Code                                                                           | Rating      | Definitions                                                            |
| 1                                                                                                                                                                                         | Buy    | 10% or more for Low-Risk stocks 15% or more for Medium-Risk stocks 20% or more for High Risk stocks and 35% or more for Speculative stocks | L                                                                              | Low         | High predictability of financial results and low volatility            |
| 2                                                                                                                                                                                         | Hold   | 0-10% for Low-Risk stocks 0-15% for Medium Risk stocks 0-20% for High Risk stocks and 0-35% for Speculative stocks                         | M                                                                              | Medium      | Moderate predictability of financial results and volatility            |
| 3                                                                                                                                                                                         | Sell   | Negative total return                                                                                                                      | H                                                                              | High        | Low predictability of financial results and high volatility            |
|                                                                                                                                                                                           |        |                                                                                                                                            | S                                                                              | Speculative | Exceptionally low financial predictability highest risk and volatility |

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# Select Client Statement July 1 - July 31, 2006

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CITIBANK FSB SECURED PARTY  
FBO PAUL H HULSEY REDHAWK

ISLE OF PALMS SC 29451 3852

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**CITIGROUP GLOBAL MKTS INC**  
Your Financial Advisor  
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200 MEETING STREET  
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CHARLESTON SC 29401  
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| Account value           | Last period          | This period          | %            |
|-------------------------|----------------------|----------------------|--------------|
| Cash balance            | \$ 3.00              | \$ 0.00              |              |
| Money fund              | 13,424.97            | 13,480.88            | 3.93         |
| Common stocks & options | 350,457.46           | 328,847.06           | 88.07        |
| <b>Total</b>            | <b>\$ 483,915.43</b> | <b>\$ 442,327.94</b> | <b>-8.50</b> |

| Earnings summary    | This period      |                 | This year          |                  |
|---------------------|------------------|-----------------|--------------------|------------------|
|                     | Taxable          | Non taxable     | Taxable            | Non taxable      |
| Qualified dividends | \$ 276.52        | \$ 0.00         | \$ 1,890.88        | \$ 0.00          |
| Money fund earnings | 0.00             | 32.89           | 0.00               | 216.76           |
| <b>Total</b>        | <b>\$ 276.52</b> | <b>\$ 32.89</b> | <b>\$ 1,890.88</b> | <b>\$ 216.76</b> |

| Additional summary information | This period | This year |
|--------------------------------|-------------|-----------|
| Back up tax withheld           | \$ 77.15    | \$ 557.40 |

| Cash, money fund, bank deposits          | This period         |
|------------------------------------------|---------------------|
| Opening balance                          | \$ 13,427.97        |
| Securities bought and other subtractions | (198.37)            |
| Securities sold and other additions      | 0.00                |
| Dividends credited                       | 198.37              |
| Money fund earnings reinvested           | 32.89               |
| <b>Closing balance</b>                   | <b>\$ 13,460.88</b> |

A free credit balance in any securities account may be paid to you on demand. Although properly accounted for on our books and records, these funds may be used for our business purposes.

| Portfolio summary                              | This period    | This year     |
|------------------------------------------------|----------------|---------------|
| Beginning total value (excl. accr. int.)       | \$ 383,885.43  | \$ 334,431.33 |
| Net security deposits/withdrawals              | 0.00           | 0.00          |
| Net cash deposits/withdrawals                  | 0.00           | 0.00          |
| Beginning value net of deposits/withdrawals    | 383,885.43     | 334,431.33    |
| Total value as of 7/31/2006 (excl. accr. int.) | \$ 342,407.91  | \$ 342,407.91 |
| Total return                                   | (\$ 21,477.52) | \$ 7,976.58   |

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## Select Client Statement

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July 1 July 31, 2006

CITIBANK FSB SECURED PARTY

Account number

| Gain/loss summary                 | This period     | This year |
|-----------------------------------|-----------------|-----------|
| Unrealized gain or (loss) to date | (\$ 192,943.55) |           |

**NOTES TO DETAILS:** Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income assuming the current dividend divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold. Please Note, unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

### Money fund

| Number of shares | Description                                 | Current value | Accrued dividends | Annualized % dividend yield | Anticipated income (annualized) |
|------------------|---------------------------------------------|---------------|-------------------|-----------------------------|---------------------------------|
| 13 480.88        | SMITH BARNEY MUNICIPAL MONEY MARKET FD CL A | \$ 13 480.88  |                   | 3.08%                       | \$ 415.84                       |

### Common stocks & options

Citigroup Investment Research and independent third party research ratings may be shown for certain securities. All research ratings represent the opinions of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis and rating you should read the entire research report and not infer its contents from the rating. Citigroup Investment Research stock recommendations include an investment rating and risk rating. The Investment Rating Code (1, 2 or 3) is a function of Citigroup Investment Research's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and a Risk Rating. The Risk Rating (L, M, H or S) represents the stock's expected risk taking into account price volatility and fundamental criteria. Please refer to the end of this statement for a guide describing Citigroup Investment Research ratings. Independent third party research ratings have been normalized by such third-party providers to a 1 (Buy), 2 (Hold) and 3 (Sell). Citigroup Investment Research is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness or timeliness of the independent third-party research. Except as noted by an asterisk (\*) each independent research provider was selected by an Independent Consultant as required under the Global Research Analyst Settlement.

| Quantity | Description          | Symbol | Date acquired | Cost         | Share cost | Current price | Current value | Unrealized gain/(loss) | Average % yield | Anticipated Income (annualized) |
|----------|----------------------|--------|---------------|--------------|------------|---------------|---------------|------------------------|-----------------|---------------------------------|
| 3,370    | CISCO SYS INC        | CSCO   | 03/24/88      | \$ 38,464.57 | \$ 11.302  | \$ 17.88      | \$ 60,255.80  | \$ 21,791.23           | LT              |                                 |
| 430      | Rating Citigroup: 1H |        | 08/21/98      | 7,301.37     | 16.812     | 17.88         | 7,688.40      | 387.03                 | LT              |                                 |
| 386      | Argus 1              |        | 02/10/00      | 28,123.69    | 67.408     | 17.88         | 6,863.80      | (19,239.89)            | LT              |                                 |
| 75       | Morningstar 2        |        | 02/10/00      | 5,080.88     | 67.437     | 17.88         | 1,341.00      | (3,749.88)             | LT              |                                 |
| 1,128    | S&P 1                |        | 04/14/00      | 85,984.84    | 58.125     | 17.88         | 20,132.88     | (45,861.96)            | LT              |                                 |
| 160      |                      |        | 04/14/00      | 9,368.65     | 58.062     | 17.88         | 2,880.80      | (6,507.85)             | LT              |                                 |
| 1,200    |                      |        | 09/28/00      | 69,872.05    | 57.812     | 17.88         | 21,458.00     | (48,418.05)            | LT              |                                 |
| 600      |                      |        | 09/28/00      | 28,080.63    | 57.75      | 17.88         | 8,840.00      | (20,140.63)            | LT              |                                 |
| 470      |                      |        | 09/28/00      | 26,477.85    | 55.937     | 17.88         | 8,403.60      | (18,074.25)            | LT              |                                 |
| 30       |                      |        | 08/28/00      | 1,736.40     | 57.437     | 17.88         | 538.40        | (1,198.00)             | LT              |                                 |

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# Select Client Statement

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CITIBANK FSB SECURED PARTY

Account number

## Common stocks & options *continued*

| Quantity   | Description               | Symbol | Date acquired | Cost         | Share cost | Current price | Current value | Unrealized gain/(loss) | Average % yield | Anticipated income (annualized) |
|------------|---------------------------|--------|---------------|--------------|------------|---------------|---------------|------------------------|-----------------|---------------------------------|
| 1 000      | CISCO SYS INC             | CSCO   | 08/28/00      | \$ 57 073.43 | \$ 58 50   | \$ 17 88      | \$ 17 880 00  | (\$ 39 183.43) LT      |                 |                                 |
| 170        |                           |        | 10/13/00      | 9 115 12     | 53.082     | 17 88         | 3 039 50      | (8 075.52) LT          |                 |                                 |
| 1 800      |                           |        | 03/08/01      | 37 760.12    | 20 625     | 17.88         | 32 184.00     | (5,966 12) LT          |                 |                                 |
| 1 800      |                           |        | 03/27/01      | 30 100.93    | 18 687     | 17 88         | 28 608.00     | (1 492.93) LT          |                 |                                 |
| 12,318     |                           |        |               | 413 549 83   | 33.578     |               | 220 210 08    | (183 339 55)           |                 |                                 |
| 297        | CITIGROUP INC             | C      | 08/11/88      | 8,256 55     | 27.80      | 48 31         | 14,348 07     | 6 091.42 LT            |                 |                                 |
| 25 7872    | Reinvestments to date     |        |               | 1 137 68     | 44,118     | 48 31         | 1,245 78      | 108,10 LT              |                 |                                 |
| 9,2549     | Reinvestments to date     |        |               | 436 97       | 47 214     | 48 31         | 447 10        | 10.13 ST               |                 |                                 |
| 332 0421   |                           |        |               | 8 831 30     | 28 609     |               | 16 040 86     | 8,209 85               | 4 067           | 850 80                          |
| 1,000      | GENERAL ELECTRIC CO       | GE     | 10/02/88      | 15 812 57    | 18 316     | 32.69         | 32,690 00     | 17 377.33* LT          |                 |                                 |
|            | Rating Citigroup 1L       |        |               |              |            |               |               |                        |                 |                                 |
|            | Argus 1                   |        |               |              |            |               |               |                        |                 |                                 |
|            | Morningstar 2             |        |               |              |            |               |               |                        |                 |                                 |
|            | S&P 1                     |        |               |              |            |               |               |                        |                 |                                 |
| 85 3207    | Reinvestments to date     |        |               | 2,734 26     | 32.047     | 32.69         | 2 789 13      | 54 65 LT               |                 |                                 |
| 22.8464    | Reinvestments to date     |        |               | 763 87       | 33.435     | 32 69         | 746 85        | (17 02) ST             |                 |                                 |
| 1 108 1871 |                           |        |               | 18 810 82    | 18 875     |               | 38 225 98     | 17,415 16              | 3 059           | 1,108 17                        |
| 15 7318    | ST PAUL TRAVELERS COS INC | STA    | 08/11/88      | 519 97       | 33 052     | 45.80         | 720 52        | 200.55 LT              |                 |                                 |
|            | Rating Citigroup: 2H      |        |               |              |            |               |               |                        |                 |                                 |
|            | Argus 2                   |        |               |              |            |               |               |                        |                 |                                 |
|            | Morningstar 2             |        |               |              |            |               |               |                        |                 |                                 |
|            | S&P 1                     |        |               |              |            |               |               |                        |                 |                                 |
| 2682       | Reinvestments to date     |        |               | 14 08        | 52.488     | 45 80         | 12.28         | (1.80) LT              |                 |                                 |
| 16         |                           |        |               | 534 06       | 33 378     |               | 732.60        | 188 76                 | 2 27            | 16.64                           |
| 1 000      | TIME WARNER INC           | TWX    | 01/06/99      | 38 044 38    | 38 044     | 16 50         | 16 500 00     | (21 544 38) LT         | 1 333           | 220 00                          |
|            | Rating Citigroup 1M       |        |               |              |            |               |               |                        |                 |                                 |
|            | Argus 1                   |        |               |              |            |               |               |                        |                 |                                 |
|            | Morningstar 1             |        |               |              |            |               |               |                        |                 |                                 |
|            | S&P 2                     |        |               |              |            |               |               |                        |                 |                                 |
| 150        | WACHOVIA CORP 2ND NEW     | WB     | 08/03/87      | 8 587 04     | 43.50      | 53 83         | 8,044.50      | 1,477.48 LT            |                 |                                 |
| 500        | Rating Citigroup 2M       |        | 04/16/98      | 30,835 18    | 61 00      | 53 63         | 26 815.00     | (4 020 18) LT          |                 |                                 |
|            | Argus: 1                  |        |               |              |            |               |               |                        |                 |                                 |
|            | Morningstar 2             |        |               |              |            |               |               |                        |                 |                                 |
|            | S&P 1                     |        |               |              |            |               |               |                        |                 |                                 |
| 61 7532    | Reinvestments to date     |        |               | 2 661 57     | 43.084     | 53 83         | 3 312.36      | 680.89 LT              |                 |                                 |

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# Select Client Statement July 1 July 31 2006

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CITIBANK FSB SECURED PARTY

Account number

## Common stocks & options *continued*

| Quantity                              | Description           | Symbol | Date acquired | Cost         | Share cost | Current price | Current value | Unrealized gain/loss | Average % yield | Anticipated income (annualized) |
|---------------------------------------|-----------------------|--------|---------------|--------------|------------|---------------|---------------|----------------------|-----------------|---------------------------------|
|                                       | WACHOVIA CORP 2ND NEW | WB     |               |              |            |               |               |                      |                 |                                 |
| 19 8853                               | Reinvestments to date |        |               | \$ 1 058.53  | \$ 53.184  | \$ 53.63      | \$ 1,065.38   | \$ 8.85 ST           |                 |                                 |
| 731 6285                              |                       |        |               | 41 120.42    | 56 204     |               | 38,237.24     | (1 883.18)           | 3 803           | 1 482.52                        |
| <b>Total common stock and options</b> |                       |        |               |              |            |               |               |                      |                 |                                 |
|                                       |                       |        |               | \$ 42,178.95 |            |               | \$ 39,274.62  | \$ 2,904.33          |                 | \$ 1,482.52                     |
| <b>Total portfolio value</b>          |                       |        |               |              |            |               |               |                      |                 |                                 |
|                                       |                       |        |               | \$ 42,178.95 |            |               | \$ 39,274.62  | \$ 2,904.33          |                 | \$ 1,482.52                     |

\*Based on information supplied by client or other financial institution not verified by us

## TRANSACTION DETAILS

### Investment activity

| Date                                                  | Activity | Description                                                               | Quantity | Price  | Amount    |
|-------------------------------------------------------|----------|---------------------------------------------------------------------------|----------|--------|-----------|
| 07/25/06                                              | Reinvest | GENERAL ELECTRIC CO<br>WITHDRAWAL PENDING REINVEST                        |          |        | \$ 198.37 |
| 07/28/06                                              | Reinvest | GENERAL ELECTRIC CO<br>REINVESTMENT SHS FOR 07/25/06<br>REINVESTED AMOUNT | 6 0674   | 32.684 | \$ 198.37 |
| <b>Total securities bought and other subtractions</b> |          |                                                                           |          |        | \$ 198.37 |
| <b>Total securities sold and other additions</b>      |          |                                                                           |          |        | \$ 0.00   |

### Money fund activity

|          |            | Opening money fund balance                     | \$ 13,424.87 |
|----------|------------|------------------------------------------------|--------------|
| Date     | Activity   | Description                                    | Amount       |
| 07/03/06 | Autoinvest | SMITH BARNEY MUNICIPAL MONEY<br>MARKET FD CL A | 3.00         |

All transactions are traded at \$1.00 per share

| Date                   | Activity | Description                                                            | Amount       |
|------------------------|----------|------------------------------------------------------------------------|--------------|
|                        |          | MONEY FUND EARNINGS REINVESTED<br>(SEE DETAILS UNDER EARNINGS DETAILS) | 32.89        |
| <b>Closing balance</b> |          |                                                                        | \$ 13,457.76 |

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Select Client Statement  
July 1 July 31, 2006

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CITIBANK FSB SECURED PARTY

Account number

EARNING DETAILS

| Qualified dividends                           |                     |                                                                          |           |             |           |
|-----------------------------------------------|---------------------|--------------------------------------------------------------------------|-----------|-------------|-----------|
| Date                                          | Description         | Comment                                                                  | Taxable   | Non taxable | Amount    |
| 07/25/06                                      | GENERAL ELECTRIC CO | BACK UP TAX W/HOLD \$ 77 16<br>CASH DIV ON 1102 0987 SHS<br>X/D 06/22/06 | \$ 275 62 |             | \$ 198 37 |
| Total qualified dividends credited to account |                     |                                                                          |           |             | \$ 198 37 |

|                      |       |
|----------------------|-------|
| Back up tax withheld | 77 16 |
|----------------------|-------|

|                         |           |
|-------------------------|-----------|
| Net qualified dividends | \$ 121 21 |
|-------------------------|-----------|

| Money fund earnings |                                                |                                                                            |         |             |          |
|---------------------|------------------------------------------------|----------------------------------------------------------------------------|---------|-------------|----------|
| Date                | Description                                    | Comment                                                                    | Taxable | Non-taxable | Amount   |
| 07/31/06            | SMITH BARNEY MUNICIPAL MONEY<br>MARKET FD CL A | REINVESTED<br>FOR PERIOD 07/03/06-07/31/06<br>29 DAYS AVERAGE YIELD 3.08 % |         | \$ 32 89    | \$ 32 89 |

|                           |          |
|---------------------------|----------|
| Total money fund earnings | \$ 32 89 |
|---------------------------|----------|

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## Select Client Statement

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July 1 - July 31 2008

CITIBANK FSB SECURED PARTY

Account number

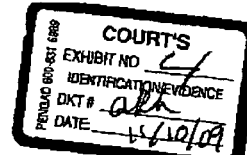
### Guide to Investment Ratings

| Stock Ratings                                                                                                                                                                             |        |                                                                                                                                            | Stock Risk                                                                    |             |                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------|
| Investment ratings are based upon Citigroup Investment Research's expectation of total return (forecast price appreciation plus dividend yield within the next 12 months) and risk rating |        |                                                                                                                                            | Takes into account price volatility and a select list of fundamental criteria |             |                                                                        |
| Developed Markets (US UK, Europe Japan and Australia/New Zealand)                                                                                                                         |        |                                                                                                                                            |                                                                               |             |                                                                        |
| Code                                                                                                                                                                                      | Rating | Expected Total Return                                                                                                                      | Code                                                                          | Rating      | Definitions                                                            |
| 1                                                                                                                                                                                         | Buy    | 10% or more for Low Risk stocks 15% or more for Medium Risk stocks 20% or more for High Risk stocks and 35% or more for Speculative stocks | L                                                                             | Low         | High predictability of financial results and low volatility            |
| 2                                                                                                                                                                                         | Hold   | 0 10% for Low-Risk stocks 0 15% for Medium Risk stocks 0 20% for High Risk stocks and 0 35% for Speculative stocks                         | M                                                                             | Medium      | Moderate predictability of financial results and volatility            |
| 3                                                                                                                                                                                         | Sell   | Negative total return                                                                                                                      | H                                                                             | High        | Low predictability of financial results and high volatility            |
|                                                                                                                                                                                           |        |                                                                                                                                            | S                                                                             | Speculative | Exceptionally low financial predictability highest risk and volatility |

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00931



# Private Bank

Confidential Personal Financial Statement/Certification of 06/06/2007

The assets, liabilities, income and expenses described on this (or the attached) financial statement are (check the appropriate box):

- ☒ Individual If this is an individual financial statement, list all your income, expenses and assets including your partial ownership interest in and income from any partially owned assets and list all of your direct and contingent liabilities.
- ☐ Joint If this is a joint financial statement, list all of both of your income, expenses and assets including your partial ownership in and income from any partially owned assets and list all of both of your direct and contingent liabilities. A separate Private Bank Personal Financial Statement may be provided for each individual if you prefer.

|                                                               |                       |                                            |                                                  |                        |            |
|---------------------------------------------------------------|-----------------------|--------------------------------------------|--------------------------------------------------|------------------------|------------|
| Name<br>Paul H Hulsey                                         |                       | Date of Birth                              | Employer<br>Hulsey Litigation Group LLC          |                        | Years<br>4 |
| Home Address                                                  |                       | Phone<br>843-886-8359                      | Social Security #<br>***-**-****                 | Occupation<br>Attorney | Years<br>4 |
| City/State/Zip<br>Isle of Palms SC<br>29451                   | No. Dependents<br>2   | Driver's License # & State<br>SC 003668277 | Business Address<br>2 Wharfside 3 Charleston, SC | Phone<br>843-723-5303  |            |
| Joint/Spouse Name (Complete only if 2nd box above is checked) |                       | Date of Birth                              | Employer                                         |                        | Years      |
| Home Address                                                  |                       | Phone                                      | Social Security #                                | Occupation             | Years      |
| City/State/Zip                                                | Relationship to above | Driver's License # & State                 | Business Address                                 | Phone                  |            |

- I (we) understand that the following questions are addressed to me (us) and I (we) have answered them as appropriate.
- \_\_\_ Yes \_\_\_ No 1 Are you named as beneficiary of a trust, will or estate?
- \_\_\_ Yes \_\_\_ No 2 Are any of the assets listed herein held under a trust agreement of any type held in an estate or in any other name or capacity? Please detail in Additional Remarks below
- \_\_\_ Yes \_\_\_ No 3 Are any of the assets listed herein on deposit, located or otherwise held outside the United States of America?
- \_\_\_ Yes \_\_\_ No 4 Do any of your assets secure any debts which have not been reported in the following schedules?
- \_\_\_ Yes \_\_\_ No 5 Are any of the assets listed herein located in the community property states of Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas or Washington?
- ☒ Yes \_\_\_ No 6 Are any of your real estate properties used by you in your business?
- \_\_\_ Yes \_\_\_ No 7 Have you ever filed for personal bankruptcy had property you owned foreclosed, or made a settlement or an assignment for the benefit of creditors?
- \_\_\_ Yes \_\_\_ No 8 Has any corporation or partnership in which you are (were) a major owner or a general partner ever filed for bankruptcy had property it owned foreclosed, or made a settlement or assignment for the benefit of creditors?
- \_\_\_ Yes \_\_\_ No 9 Are you or any corporation or partnerships in which you are a major owner or a general partner a party to any suit or legal action or are there any unsatisfied judgments against you?
- \_\_\_ Yes \_\_\_ No 10 Personal income tax returns have been filed through (year) 2005. Are any income tax returns whether personal or that of any corporation or partnership in which you are a major owner or a general partner currently being audited or contested?
- \_\_\_ Yes \_\_\_ No 11 Are you an officer, director or principal shareholder of a financial institution?

I (we) have explained fully under "Additional Remarks" on this page (or an attachment) my (our) "Yes" answers to the foregoing questions.

- \_\_\_ Yes \_\_\_ No 12 I (we) have made a will; the executor(s) is \_\_\_\_\_

|                                                                                                  |
|--------------------------------------------------------------------------------------------------|
| Additional Remarks                                                                               |
| 6. 2 Wharfside 3 is the principal place of business for my law firm, Hulsey Litigation Group LLC |
|                                                                                                  |
|                                                                                                  |
|                                                                                                  |

The undersigned (I/We) herewith submit to Private Bank (you) this (or the attached) financial and supporting schedules which constitute my (our) personal financial statement. This statement is submitted to you for the purpose of inducing you to extend or maintain credit to me (us) whether as direct obligor(s) or indirectly as guarantor(s) or other indirect obligor(s) of credit extended to others. I (we) hereby certify that this statement presents a true, complete, and correct statement of my (our) financial condition as of the date shown and does not omit any pertinent information. I (we) understand that misrepresenting information on this (or the attached) statement is a criminal offense under federal law.

I (we) will notify you promptly in writing of any material unfavorable change in my (our) financial condition. In the absence of such notice, you may consider this a continuing statement and substantially correct. If I (we) apply for further credit, this statement shall have the same force and effect as if delivered as an original statement of my (our) financial condition at the time I (we) request such further credit. You are hereby authorized to contact credit reporting agencies and other sources for the purpose of verifying any information stated herein or at any time are authorized to answer any questions about your credit experience with me (us) and furnish Bank of America Corporation or any of its subsidiaries information which I (we) have provided to you and information regarding any of my (our) accounts.

Signature

Date

Signature

Date

## Balance Sheet

Page 2

| Assets (omit cents)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                                       | Liabilities (omit cents)                            |                             |                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------|-----------------------------------------------------|-----------------------------|----------------------------------------------------------------------------|
| Cash<br>(Schedule 1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | In Bank                 | 1,395,406                             | Mortgages Payable<br>(Schedule 7)                   | Primary Residence           | 1,827,103.70                                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | In Other Institutions   |                                       |                                                     | Other Wholly Owned RE       | 3,186,455.17                                                               |
| Securities<br>(Schedule 2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Marketable              | 1,314,149                             |                                                     | Partially Owned RE          |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Not Publicly Traded     |                                       | Notes Payable<br>(Schedule 6 & 8)                   | To this Bank                | 833,121.18                                                                 |
| Accounts Receivable/Notes Receivable (Sch. 3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |                                       |                                                     | Other Notes Payable         | 825,017.31                                                                 |
| Net Cash Value Ins. & Annuities (Schedule 4)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         |                                       |                                                     | Margin Account              |                                                                            |
| Real Estate<br>(Schedule 7)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Primary Residence       | 6,500,000.00                          | Taxes Owling                                        | Income Taxes                |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Other Wholly-Owned RE   | 8,300,000.00                          |                                                     | Other Taxes                 |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Partially Owned RE      |                                       |                                                     | Unrealized Asset Apprec.    |                                                                            |
| Other Partnership Interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                                       | Estimated Credit Card Balance                       |                             | 5,000.00                                                                   |
| Equipment & Other Business Assets (Sch. 8)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                                       | Accounts Payable                                    |                             |                                                                            |
| Deferred Comp. & Retirement Plans (Sch. 5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         | 18,781,918.61                         | Other Liabilities (Itemize on page 1 or attachment) |                             |                                                                            |
| Other Assets (Itemize on pg 1 or attach) PP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         | 478,000.00                            |                                                     |                             |                                                                            |
| Offshore Assets (Itemize on pg 1 or attach)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         |                                       |                                                     |                             |                                                                            |
| Automobiles                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         | 2,210,000.00                          |                                                     |                             |                                                                            |
| Art Collection                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         | 500,000.00                            | Total Liabilities                                   |                             | 6,678,697.34                                                               |
| Total Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         | 39,479,473.61                         | Net Worth (Assets Less Liabilities)                 |                             | 32,802,776.27                                                              |
| Contingent Liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |                                       |                                                     |                             |                                                                            |
| Instructions: State Total Amount by Type of Liability and Provide Appropriate Detail in The Space Below                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         |                                       |                                                     |                             |                                                                            |
| Contingent liabilities are financial obligations of other individuals, partnerships or companies which you have endorsed, guaranteed or otherwise agreed to or have a statutory obligation to honor in the event of certain contingencies and any direct obligations that are not reflected in the balance sheet above that you will be required to honor in the event of certain contingencies. These include obligations to Private Bank as well as to other banks or creditors of any kind. You must disclose all such guarantees, endorsements, etc. in this schedule. |                         |                                       |                                                     |                             |                                                                            |
| 1. As Guarantor or Endorser                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         | 3. Legal Claims or Judgments          |                                                     | 5. Standby Letter of Credit |                                                                            |
| 2. On Leases or Contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         | 4. Income Tax Claim or Dispute Amount |                                                     | 6. Other                    |                                                                            |
| Type #                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Name of Primary Obligor | Due To                                | Max. Legal Obligation Amount                        | Maturity                    | Explanation. Include whether you anticipate having to honor this liability |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                                       |                                                     |                             |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                                       |                                                     |                             |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                                       |                                                     |                             |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                                       |                                                     |                             |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                                       |                                                     |                             | I HAVE NO CONTINGENT LIABILITIES                                           |
| Annual Income/Expense Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                                       |                                                     |                             |                                                                            |
| Alimony, Child Support or Separate Maintenance Income need not be revealed unless you wish to have them considered as a basis for repaying the requested credit.                                                                                                                                                                                                                                                                                                                                                                                                           |                         |                                       |                                                     |                             |                                                                            |
| Sources of Cash                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Last Year 2006          | Projected This Year 2007              | Uses of Cash                                        | Last Year 2006              | Projected This Year 2007                                                   |
| Recurring                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |                                       | Expenses                                            |                             |                                                                            |
| Salary & Wages*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3,740,812.00            | 6,500,000.00                          | Income Taxes & FICA                                 | 869,472.18                  | 1,200,000.00                                                               |
| Commissions, Bonus, Etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                                       | Other Payroll Deduction                             |                             |                                                                            |
| Interest & Dividends                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 18,580.00               |                                       | Living Expense, Misc.                               |                             |                                                                            |
| Real Estate Income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 160,000.00              | 100,000.00                            | Real Estate Expense                                 |                             |                                                                            |
| Trust Income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         |                                       | Planned Investments                                 |                             |                                                                            |
| Other Business Income (a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         | 1,200,000.00                          | Alimony, Child Support, Separate Maint.             |                             |                                                                            |
| Other (b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         | 500,000.00                            | Other                                               |                             |                                                                            |
| Sub Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |                                       | Sub Total                                           |                             |                                                                            |
| Non-Recurring                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |                                       | Debt Service                                        |                             |                                                                            |
| Commissions, Bonus, Etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                                       | Primary Residence Pmt.                              | 104,684.00                  | 104,684.00                                                                 |
| Sale of Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                                       | Scheduled Principal & Int.                          |                             |                                                                            |
| Tax Refund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 250,000.00              | 350,000.00                            | Other Interest Pmts.                                |                             |                                                                            |
| Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                         |                                       | Other Principal Pmts.                               |                             |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                                       | Contingent Liability Pmts.                          |                             |                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                                       | Total Cash Uses                                     | 874,136.18                  | 1,304,684.00                                                               |
| Total Cash Sources                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 4,167,662.00            | 7,650,000.00                          | Total Cash Flow                                     | 3,193,525.84                | 6,345,336.00                                                               |

\*Annual share of Nass Motley deferred compensation (a) Distribution of earned income/attorney fees (b) Reimbursement for business capital investment

00933

| Schedule 1 - Cash; Deposit Accounts |                                |              |                 |                                    |                 |
|-------------------------------------|--------------------------------|--------------|-----------------|------------------------------------|-----------------|
| Name on Account                     | Deposit Institution & Location | Balance      | Type of Account | Account Number                     | Pledged? Yes/No |
| Paul Hulse                          | Bank                           | 801,360.00   | MMS             | *****4766                          | No              |
| Paul Hulse                          | BOA                            | 594,048.00   | checking        | *****0729                          | No              |
|                                     |                                |              |                 |                                    |                 |
|                                     |                                |              |                 |                                    |                 |
| Total This Bank to Page 2           |                                | 1,395,408.00 |                 | Total Other Institutions to Page 2 |                 |

| Schedule 2 - Securities: Stocks and Bonds                                                            |              |               |                      |              |                |                                     |                    |                           |
|------------------------------------------------------------------------------------------------------|--------------|---------------|----------------------|--------------|----------------|-------------------------------------|--------------------|---------------------------|
| "Restricted" means trading of the Security is subject to limitations due to letter legend or control |              |               |                      |              |                |                                     |                    |                           |
| Name of Issuer                                                                                       | Where Traded | No. of Shares | Mkt. Price per Share | Market Value | Cost per Share | Pledged? Yes/No                     | *Restricted Yes/No | Registered in the Name of |
| Smith Barney                                                                                         |              |               |                      | 453,384.00   |                | No                                  |                    | Paul Hulse                |
|                                                                                                      |              |               |                      | 281,826.00   |                | Yes                                 |                    | Paul Hulse                |
|                                                                                                      |              |               |                      | 488,938.00   |                | No                                  |                    | Paul Hulse                |
|                                                                                                      |              |               |                      |              |                |                                     |                    |                           |
| Total Marketable to Page 2                                                                           |              |               |                      | 1,314,149    |                | Total Not Publicly Traded to Page 2 |                    |                           |

| Schedule 3 - Accounts Receivable, Notes Receivable |                 |                 |      |          |               |                     |            |
|----------------------------------------------------|-----------------|-----------------|------|----------|---------------|---------------------|------------|
| Due From                                           | Original Amount | Present Balance | Rate | Maturity | Payment Terms | Collectable? Yes/No | Collateral |
|                                                    |                 |                 |      |          |               |                     |            |
|                                                    |                 |                 |      |          |               |                     |            |
|                                                    |                 |                 |      |          |               |                     |            |
|                                                    |                 |                 |      |          |               |                     |            |
| Total to Page 2                                    |                 | 0.00            |      |          |               |                     |            |

| Schedule 4 - Life Insurance and Annuities (Including Employer Provided) |               |               |            |             |                |            |                 |
|-------------------------------------------------------------------------|---------------|---------------|------------|-------------|----------------|------------|-----------------|
| Company                                                                 | Face Amount   | Beneficiary   | Cash Value | Policy Loan | Net Cash Value | Insured    | Pledged? Yes/No |
| Various term                                                            | 5,000,000.00  | Belinda Hulse |            |             |                | Paul Hulse | No              |
| Income - disability                                                     | 10,000,000.00 | Belinda Hulse |            |             |                | Paul Hulse | No              |
|                                                                         |               |               |            |             |                |            |                 |
| Total to Page 2                                                         |               |               |            |             |                |            |                 |

| Schedule 5 - Deferred Compensation & Retirement Plans (Includes I.R.A. Accounts, KEOGH, 401(K) Fully Vested Benefit Plans, etc.) |                 |             |               |           |                |            |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|---------------|-----------|----------------|------------|
| Trustee or Plan Administrator                                                                                                    | Type of Account | Beneficiary | Balance/Value | Plan Loan | Net Plan Value | In Name of |
| Master Settlement Ness Motley                                                                                                    |                 | Paul Hulse  | 18,000,000*   |           | Present Value  |            |
| Legg Mason                                                                                                                       | Profit Sharing  | Paul Hulse  | 781,918.61    |           |                |            |
|                                                                                                                                  |                 |             |               |           |                |            |
| Total to Page 2                                                                                                                  |                 |             |               |           | 18,781,918.61  |            |

| Schedule 6 - Notes Payable (Exclude Mortgages Listed in Schedules 7 & 8) |                 |                 |                                                                                                               |          |               |                 |                  |
|--------------------------------------------------------------------------|-----------------|-----------------|---------------------------------------------------------------------------------------------------------------|----------|---------------|-----------------|------------------|
| Due To                                                                   | Original Amount | Present Balance | Rate                                                                                                          | Maturity | Payment Terms | Current? Yes/No | Collateral       |
| Comm-First                                                               |                 | 833,121.16      | 7.82%                                                                                                         |          | Int. only     | yes             | unsecured        |
| Chase Auto Finance                                                       |                 | 140,631.63      | 6.75%                                                                                                         | 07/2011  |               | Yes             | 2005 Ferrari     |
| Chase Auto Finance                                                       |                 | 319,427.92      | 8.49%                                                                                                         | 07/2011  |               | Yes             | 2008 Mercedes    |
| SC Federal Credit Union                                                  |                 | 285,170.00      | 8.98%                                                                                                         | 7/2011   |               | Yes             | 2005 Porsche     |
| Chase Auto Finance                                                       |                 | 79,787.86       |                                                                                                               | 2/2011   |               | Yes             | 2006 Lamborghini |
| Total to Page 2                                                          |                 | 1,658,138.47    | *If you are a Co-Maker list the loan in this Schedule and state the Borrower's Name in the Collateral Column. |          |               |                 |                  |

CONFIDENTIAL

Page 4

| Ownership, Description |                            |  |  | Year Acquired | Cost & Investments | Market Value | Related Debt (Mark by amount if not personally liable) |            |          |               |                 |                       |                          |
|------------------------|----------------------------|--|--|---------------|--------------------|--------------|--------------------------------------------------------|------------|----------|---------------|-----------------|-----------------------|--------------------------|
| #                      | Location Site Improvements |  |  |               |                    |              | Present Balance                                        | Lienholder | Maturity | Interest Rate | Annual Payments | Net Operating Revenue | Taxes Current? Yes or No |
| 1                      | Location Site Improvements |  |  | 1988          | \$10,000           | \$10,000     | \$0                                                    |            |          |               |                 |                       |                          |

[illegible]

|                                                                      |  |
|----------------------------------------------------------------------|--|
| Related Debt (Mark <sup>44</sup> by amount if not personally liable) |  |
|----------------------------------------------------------------------|--|

CONFIDENTIAL  
DEFENDANT 0004

00935

### Deferred Compensation

\*Deferred Compensation - Vested partnership interest in attorney fees paid quarterly to Ness Motley by Tobacco Industry as a result of the Master Settlement Agreement between the Industry and the Attorney Generals of the participating states. Such fees paid quarterly for 25 years. Hulsey current value is \$18,000,000

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FOIA b 7, b 7C, b 7D

**\*Original Art and Sculpture Collection - Valued at \$500,000 00**

William Halsey  
Mickey Williams  
Betty Anglin Smith  
Andreas Jordi  
Eva Carter  
John Hulse  
Rhett Thurman  
Steven Jordan  
John Lennon  
Thomas Pradzynski  
Ann Trusty  
Andreas Jordi  
Wolf Kahn

Individual title and valuation available on request.

**\*Jewelry - Valued at \$328,000 00**

Individual inventory available on request

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DEFENDANT 0000

**\*Automobiles**

1997 Ferrari 355 Spyder (\$130,000.00)  
2000 Landrover ISD (\$25,000.00)  
2001 Chevrolet Corvette (\$25,000.00)  
2001 Ferrari F360 Spyder (\$210,000.00)  
2002 Aston Martin DB7 Coupe (\$155,000.00)  
2003 Aston Martin DB7 Vantage Convertible (\$170,000.00)  
2004 Porsche Cayenne (\$40,000.00)  
2005 Porsche Carrera GT (\$450,000.00)  
2005 Ferrari F430 (\$230,000.00)  
2006 Mercedes SLR (\$525,000.00)  
2007 Lamborghini Gallardo Spyder (\$250,000.00)

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DEFENDANT 0007

**Schedule 7**

| <u>Property Description</u>                                                                                                                                                     | <u>Value</u>   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 20 Pine Meadows Lane<br>Keystone, Colorado<br>Acquired May, 2001<br>No Mortgage                                                                                                 | \$2,500,000 00 |
| Unit 2303 Red Hawk<br>Keystone, Colorado<br>Acquired May, 1999<br>Mortgage Citibank, Loan #<br>Mortgage Balance \$365,485 63<br>Payments \$2 144 48<br>Interest Rate 4.50%      | \$ 500 000 00  |
| 2 Beachwood East<br>Isle of Palms, South Carolina<br>Equity Line Bank of America, Loan #<br>Balance \$461,897 79<br>Payments \$2,727.52<br>Interest Rate 8.25%                  | \$1,500 000 00 |
|                                                                                                                                                                                 | \$6,500 000 00 |
| Isle of Palms, South Carolina<br>Acquired March, 1994<br>Mortgage Citimortgage, Loan #<br>Mortgage Balance \$874,686 00<br>Payments \$4,878.06<br>Interest Rate 4.25%<br>Terms. |                |

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Schedule 7 (Continued)

Citibank Line of Credit \$1,000,000.00  
Secured by  
Loan #  
Line of Credit Balance \$943,450.53  
Payments \$6,616.43  
Interest Rate 8.25%

21 Coming Street \$ 750,000.00  
Charleston, South Carolina  
Acquired June 2003  
Mortgage Countrywide Home Loans, Loan #  
Mortgage Balance \$414,081.00  
Payments \$3,642.94

21 Coming Street Line of Credit  
Countrywide Home Loans, Loan #  
Balance \$0.00  
Payments  
Terms Until Paid In Full

1978 Trumbleston Place \$ 250,000.00  
Mt. Pleasant, South Carolina  
Acquired October 2005  
Mortgage Bank of America, Loan #  
Mortgage Balance \$146,472.75  
Payments \$884.35  
Interest Rate 5.875%

2 Wharfside 3 \$1,700,000.00  
Charleston, South Carolina  
Acquired 2004  
Mortgage Bank of America  
Balance \$800,000

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DEFENDANT 0009

# The Post and Courier

Charleston • North Charleston, S.C.

THE SOUTH'S OLDEST DAILY NEWSPAPER

250 cents

SATURDAY

April 24, 2004

Partly sunny  
a d wmm  
High 84  
Low 60

## IRAQ/WAR ON TERROR

- Cleric threatens suicide attacks 16A
- Number of wounded soars in Iraq 16A

## Dog fighting rakes to inner-city streets

Prefects are fueling the growing trend of unprovoked dog fighting on city streets and in alleys and parks, according to authorities. The practice is putting dangerous dogs out into the community. 1B

## Proposal would alter retiree health benefits

The Equal Employment Opportunity Commission voted in favor of allowing employers to reduce or eliminate their retirees' health benefits once they qualify for Medicare. 3A

## Protest filed against Election Commission

Palmetto Un lect, passed over for a lucrative statewide voter machine contract, has accused the state Election Commission of four violations including a potential conflict of interest. 1B

## United Healthcare Roper hospitals align

The agreement adds Roper St Francis Healthcare's two hospitals to a budding network of South Carolina providers who have joined forces with the nation's largest health insurer. 7B

## North Korea issues rare plea for help

A devastating train explosion near the Chinese border killed hundreds of people and injured more than 1,000, according to the communist government. U.S. intelligence sources regard the blast as an industrial accident. 3A

## U.S. eases sanctions as reward for Libya

The easing of sanctions dating back to the Reagan era will allow a resumption of oil imports from Libya and most other commercial and investment transactions. 6A

## Markets close mixed despite good news

The Dow rose 11.64 to 10,472.84 and the Nasdaq gained 16.36 to 2,049.77 but most stocks on the Big Board were lower as interest rate fears outweighed upbeat earnings reports. 8B

## INDEX

|                 |     |            |     |
|-----------------|-----|------------|-----|
| Automotive      | 16  | Monospace  | 11F |
| Bridge          | 11F | Local News | 1B  |
| Business        | 7B  | Markets    | 9B  |
| Church Calendar | 4F  | Mount      | 9F  |

## Students safe at Brentwood Middle, Goodloe says

BY ALLISON C. DRUCE  
Of The Post and Courier Staff

Charleston County schools Superintendent Maria Goodloe said Friday she wants parents to know that their children are safe at Brentwood Middle School. The school has come under fire in recent days because teachers have filed discrimination complaints that maintain the school lacks discipline. They also say the school administration failed to handle their



"It is unfair to the kids and community to portray them as being out of control because that's not true," Superintendent Maria Goodloe

discipline concerns and criticized teachers for bringing them up. One teacher was put on paid administrative leave Wednesday because of safety concerns.

Goodloe said the school is not out of control nor unsafe. In the case

of the teacher put on leave, Goodloe said the public does not know all of the personnel issues surrounding that case.

"It is unfair to the kids and community to portray them as being out of control because that's not

true," she said.

Goodloe's comments Friday were the district's first public ones to address the situation beyond a brief statement made when the teacher was put on leave.

The concerns raised by the two teachers who filed discrimination complaints this month sparked a community outcry. On Friday a school nurse who worked at Brentwood last year also filed a complaint with the federal Equal Employment Opportunity Commission

and the state Human Affairs Commission. All three complaints are white and maintain they were discriminated against because of their race.

Beth Jones argues in a state filing that the school discriminated against her because she was a single mother. Wanda Marshall, did not give her the information or assistance she needed to do her job. She also criticized discipline at the school. In the section of her filing where

## \$45 million gift to USC sets record

Moore donates to business school

BY ALLISON C. DRUCE  
Of The Post and Courier Staff

Six years ago, Darla Moore gave the University of South Carolina its largest gift ever. On Friday she did it again, showering the business school already named after her with \$45 million.

The gift from the USC graduate and investment banker is nearly double her previous record setting donation of \$25 million on Combined, the \$70 million is the largest private contribution ever to business school in the United States, according to the university. University officials waxed ecstatic about the gift Friday.

We're excited," said Peggy Bennett, a university spokeswoman. "It does put us in a different league," said Joel Smith, dean of the business school.

Moore did not attend Friday's announcement, but a student read remarks she had prepared according to a news release.

She said the school is an integral part of the state's future and needs to continue to improve.

If our students are prepared with state-of-the-art training and a rigorous educational environment, then they can add fuel to the economic engine of our state's future, as well as our nation's," she said.

The university is planning to raise enough money to be able to match Moore's gift, Smith said. The money will go toward an extensive renovation of the school's facilities and toward scholarships and professorships.

Smith said the school's current home is a barrier to recruiting top students and teachers. In this competitive environment, we need to have a state-of-the-art facility to compete, he said. This build a unfortunate reality doesn't even meet code.

The building, which is 30 years old, will be gutted and refitted with new technology and other

## FALLEN SOLDIER

Former NFL defensive back Pat Tillman killed in combat while serving in Afghanistan

Pat Tillman, who gave up a professional football career to join the Army Rangers, was killed in Afghanistan, U.S. officials said Friday.

BY BOB BAUM  
Associated Press

TEMPE, ARIZ. — Pat Tillman walked away from millions in the NFL to fight for his country in Afghanistan. He paid with his life.

The former Arizona Cardinals safety was killed Thursday night in a firefight while on combat patrol. A member of the elite Army Rangers, he was 27.

He is the first American to die in the war since the Sept. 11 attacks.

President Michael Bushnell said, "He was a brave man. There are very few people who have the courage to do what he did: the courage to walk away from a professional sports career and make the ultimate sacrifice."

Lt. Col. Matt Rogers, a spokesman for the U.S. military, said Tillman was a "true hero."

Tillman was killed by anti-aircraft fire from a Taliban fighter. He was the only American killed in the war since the Sept. 11 attacks.

His death was a huge blow to the Rangers. He was a member of the 75th Ranger Regiment, which is the most elite of the Army's light infantry units.

He was a member of the 1st Battalion, 5th Airborne Cavalry Regiment, which is the most elite of the Army's light infantry units.

He was a member of the 1st Battalion, 5th Airborne Cavalry Regiment, which is the most elite of the Army's light infantry units.

## LAWSUIT TARGETS STAFFING AGENCY

6 laborers sue L&L Services

BY JAMES SCOTT  
Of The Post and Courier Staff

Six laborers filed a class-action lawsuit Friday accusing a Charleston staffing agency of racketeering by making false federal documents, cheating workers out of overtime pay and housing them in rundown properties that created a culture of intimidation.

The 33-page lawsuit against L&L Services, filed in federal court by the Holsey Litigation Group, describes a pattern of racketeering workers' hours, conspiring to avoid paying overtime and three Mexican laborers who complained with deportation.

The suit also lists as defendants yet-to-be-named Lowcountry businesses that may have used L&L Services with the knowledge that workers were being exploited. It is a list that could include area golf courses, construction companies and restaurants.

This is a classic racketeering scheme, said Paul Hulsey, founder of the Holsey Litigation Group, a law firm in downtown Charleston. "This sets the community back 150 years."

Lawton Limeh, owner of L&L Services, declined to comment on the lawsuit Friday. His attorney Dennis Rhoads also had no comment.

The lawsuit is grounded in the Racketeer Influenced and Corrupt Organizations Act, which Congress passed several decades ago to allow criminal and civil lawyers to go after organized crime families. The premise of the act is that various illegal activities controlled by one group of companies can add up to a criminal enterprise.

Lawyers filed the six workers — five men and one woman, all of whom are in the country illegally — argue that the federal law applies to L&L Services and its subsidiary

See LAWSUIT Page 9A

ry last week, "is reluctant to use the Eucharist as a sanction," according to his spokeswoman Susan Gibbs.

The Kerry campaign steered clear of responding directly to the Arinze's remarks and issued a statement saying Sen Kerry agrees with President Kennedy when he said, "I do not speak for my church on public matters; and to my church does not speak for me." Kerry, who has said he personally opposes abortion but supports a woman's right to choose, reiterated that position at a rally Friday with women's rights activists who are gathering in Washington for a march Sunday.

SC state Rep Jim Merrill R-Daniel Island a Catholic who opposes abortion, said "If you're Roman Catholic and somebody votes contrary to your faith that would certainly have to raise a red flag."

He stopped short of wholeheartedly endorsing the Vatican statement, though. "I don't think I'm qualified to determine whether someone else should receive communion," he said.

The Vatican said lay people must not deliver sermons or preach the Gospel during Mass, issuing a new directive to crack down on practices that are becoming increasingly frequent in

the United States and Europe.

The document commissioned by John Paul softened a draft that had discouraged the use of altar girls and denounced such practices as applauding and dancing during Mass.

The final instructions described the participation of boys as "laudable" a reflection of the belief among Vatican officials that service as an altar boy can aid recruitment into the priesthood but said that girls also can serve.

The document also touched on other aspects of the Mass that are likely to resonate in the United States and elsewhere.

The gesture of exchanging the

peace greeting should be done only to those who are nearest and in a sober manner. In many U.S. parishes, the exchange can go on for some time, with the priest greeting many worshippers.

The introduction of rites taken from other religions into Mass is forbidden, and priests may not celebrate Mass in a temple or sacred place of any non-Christian religion.

Priests should be careful not to allow non-Catholics and non-Christians to take Communion.

The Associated Press contributed to this report.

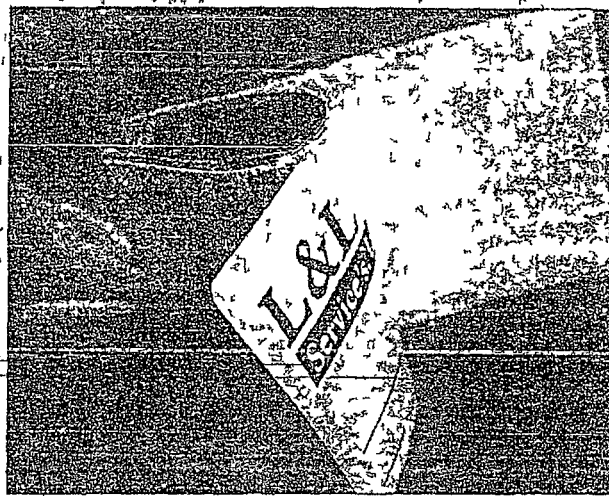
## 6 laborers file lawsuit against staffing firm

LAWSUIT from Page 1A

staffing agency WLL LLC which is run out of the same office and uses the same laborers. The lawsuit states that WLL was intentionally created to avoid paying overtime to laborers, some of whom worked more than 70 hours a week at the flat rate of \$6 an hour. When checks were written each week, some workers' hours would be paid by L&L Services and the rest by WLL. Federal wage law requires a company to pay employees time-and-a-half once a worker has logged more than 40 hours in a week.

In previous interviews Limehouse has told The Post and Courier that the reason for the two companies was workers' compensation insurance premiums. L&L Services, he said, provides workers for less dangerous jobs such as landscaping while WLL is reserved for more risky work, such as construction.

For workers without legal documentation, the lawsuit alleges that L&L Services managers made and sold fake green cards and Social Security cards altered records and failed to carry proper insurance. The suit also alleges that as part of its enterprise L&L Services housed dozens of workers in substandard properties, two of



A worker displays an identity card split open to show an L&L Services logo inside.

which were condemned and shuttled them back and forth to work in company vans to guarantee a ready labor force.

This is a blatant case of indentured servitude," said Hulse for merly of the Ness Motley law firm. L&L Services took advantage of the complexity of the system. They have created a perfect racketeering enterprise just like

Tony Soprano. Attorneys with the Hulsev Litigation Group said Friday that the case is not limited to the six workers. The firm plans to take out ads in Spanish language newspapers and on radio stations to let other employees and former employees of the Ashley River Road business

know the suit exists. Money generated from the suit, the attorneys said, will be set aside in a bank account from which workers will be able to draw money owed to them.

The lawsuit comes on the heels of an investigation of L&L Services by the U.S. Labor Department in which Limehouse said he was ordered to pay back wages to an undisclosed number of employees. Limehouse told the newspaper earlier this week that the back wages involved the use of the two staffing agencies and a failure to pay overtime to some laborers.

The SC Workers' Compensation Commission also has begun investigating WLL, which officials in Columbia said does not have work

ers' compensation insurance as required by law. State officials also said Friday that L&L Services workers' compensation carrier Builders Mutual Insurance Co. in Raleigh has dropped L&L Services effective May 21.

Experts say lawsuits such as the one filed Friday represent a growing trend of illegal aliens using the court system to try to recover owed wages and deal with problems including workers' compensation. Andrew Siegel, a constitutional law professor at the University of South Carolina, said the U.S. Constitution allows undocumented workers many of the same rights as regular citizens. Just because you are here illegally you are not barred from accessing the courts," Siegel said. "Most of the rights of protection in the Constitution protect everybody in our borders, not just citizens."

Wilfredo Leon, who was a member of former Gov. Jim Hodges' committee on Hispanic issues and is the publisher of El Latino news paper in Greenville County, said, despite the fear of deportation, the number of lawsuits being brought by undocumented workers is on the rise. Leon said many Hispanics are learning how the legal system works and know that companies must pay minimum wage and overtime and carry workers' compensation insurance.

A big factor is that the Hispanic community is becoming better educated," Leon said. "There are more people helping these workers realize that they may be here illegally but they still have rights under the law."

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### PROFFER for JAMES SCOTT

In James Scott's capacity as a reporter for The Post and Courier, North Charleston housing and building inspectors would sometimes notify him of raids that they would perform on houses they suspected to be in violation of municipal code. Mr. Scott was invited to participate in such a raid to take place early Tuesday morning on February 10, 2004. Mr. Scott, along with the North Charleston inspectors armed with search warrants and a video camera, raided a house at 5:00 a.m. that morning on Ivydale Drive off Dorchester Road. At that house they found 19 individuals living in a four bedroom, two bathroom house, including 5 men sleeping in a storage shed in the back yard. This raid was followed by another 45 minutes later near Park Circle, where they found 12 people sleeping in cots in a roughly 1,500 square foot duplex. At both houses, they found documents that linked the residents to a temporary staffing agency called L&L Services. These documents included pay stubs, work schedules, and identification cards.

Based upon this raid, city officials issued 10 citations for municipal building and planning violations at the two houses. Those included overcrowding, not having adequate heating and plumbing, using bedrooms as kitchens, and running an illegal boarding house. L&L Services faced up to \$10,050 in fines for these violations. City officials also discovered that L&L Services did not have business licenses for operating rental houses in North Charleston or Charleston County. Mr. Scott learned from his investigation that city law banned more than four unrelated people from living in one house. L&L Services pled guilty to 5 municipal zoning and building violations and paid \$2,500 in fines.

Mr. Scott began to investigate L&L Services and its owners, Lawton Limehouse Sr., and Lawton Limehouse, Jr. Lawton Limehouse Sr. told Mr. Scott that he knew nothing of the conditions at the two North Charleston homes that were raided. However, Mr. Scott discovered that company managers came to these residences to take photographs of employees for identification cards. Mr. Scott also discovered that L&L Services had similar boarding houses shut down in Charleston six months previously. These boarding houses were located on Hester Street in Wagener Terrace, and investigators discovered about 60 people living in the two houses. Because of the condition of the two Hester Street houses, they were both condemned by the city. These houses had major plumbing issues and holes in the ceiling. Mr. Scott's investigation revealed that Charleston officials deemed the houses uninhabitable and considered the conditions atrocious.

Mr. Scott also discovered that most employees of the temporary staffing agency were illegal aliens, and that L&L Services was accused of making phony resident alien cards (also known as green cards) and social security cards. Some employees of L&L Services accused it of selling these phony documents for \$80 to \$120. Based upon documentation provided by the workers, it appeared that some workers had purchased more than one set of phony cards from L&L Services using different names.

Employees also provided Mr. Scott with pay stubs demonstrating that laborers sometimes worked up to 75 hours per week for L&L Services and its sister company WLL, LLC, without receiving overtime pay. The federal Department of Labor ordered L&L Services to pay \$66,485 to 223 workers for unpaid overtime.

The South Carolina Worker's Compensation Commission found that WLL did not carry worker's compensation insurance. Mr. Scott's investigation also revealed that neither L&L Services nor WLL carried business licenses in North Charleston or Charleston County.



Based upon a series of articles Mr. Scott had written from February to April of 2004 regarding L&L Services, Paul Hulsey and he had lunch together because Mr. Hulsey was preparing a lawsuit on behalf of L&L Service's laborers. Mr. Scott and Mr. Hulsey did not know each other and had never met before that lunch. In fact, neither Mr. Hulsey nor his law firm had anything to do with Mr. Scott's previous investigation regarding L&L Services. Mr. Hulsey filed a class action lawsuit on April 23, 2004, on behalf of L&L Service's laborers based upon RICO and the alleged misconduct of L&L Services. Mr. Scott called Mr. Hulsey to discuss the lawsuit and to learn the concept of RICO. Mr. Scott initiated the phone conversation. Mr. Hulsey explained that it was unlawful under RICO to use a legitimate business front to engage in illegal behavior. As an example of someone who had created a racketeering enterprise, Mr. Hulsey used Tony Soprano, a fictitious HBO character. Mr. Hulsey told Mr. Scott L&L Services had created a racketeering enterprise. He did not accuse either of the Limehouses personally. Further, Mr. Hulsey did not call anyone Tony Soprano or say that either Limehouse engaged in illegal acts attributed to the fictitious Tony Soprano. After this phone conversation, Mr. Scott wrote another article published on April 24, 2004, regarding the RICO lawsuit against L&L Services. Mr. Scott continued to cover the L&L Services controversy.

Neither the Limehouses, nor anyone on their behalf, ever complained or contested any of the articles to Mr. Scott. No one requested Mr. Scott to make any corrections for the articles and no corrections were published.

**PROFFER ISAIAS FLORES**

Isaias Flores, an ex-employee of Plaintiff's company would testify that he worked for L&L from 2003 to 2004

He witnessed coyotes dropping people off in company's worker residences. They would drop people off and later the coyote would come back and collect the money that had been discounted from the worker's paycheck by the company. One person would collect and pay the coyotes. This was a common occurrence in the residences and was talked about among the workers. The coyote would come by about every 1-2 months to collect.

When he came to work for L&L/WLL they never asked him if he had any documents. About twenty (20) days later the company gave him a Social Security Card and a Resident Alien Card. The company charged him somewhere between \$120-150. This amount was discounted from his check. He used the employee identification card the company gave him to cash his checks.

He never worked for WLL. When he would work over 40 hours a week, they would give two L&L checks. They never paid him overtime. The checks he received from the companies would sometimes be missing hours worked. When he would ask for the missing hours, he would be told that the missing hours would be included in the following week's check but were not included. Those hours were never paid.

While working for the company, he lived in several houses provided by the company. They were all overcrowded and in deplorable conditions. After the police raid, the company tried to move him and his family to a trailer in deplorable conditions.

He was threatened by a company manager with immigration. He witnessed this happen to other employees.

One time he got hurt while lifting some trashcans at work and they took him to the hospital for X-Ray. The company didn't pay the bills; they would take the money for the doctor's visit out of the paycheck. It was his understanding that if you got injured at the job and miss work, you would get fired.

He was very happy with the representation he received from Paul Hulse and his firm. They safeguarded his rights and helped him stand up to somebody that had wronged him. He was especially happy since very few people had been willing to help him about his problems with the company. The money he received as a result of the lawsuit was substantially more than what he was owed from the missing hours.

**PROFFER MAXIMINA FLORES**

Maximina Flores an ex-employee of Plaintiff's companies and former client for Defendants, would testify that she worked for L&L Services from September, 2003 through February, 2004 She heard about L&L through her uncle Maximino Flores

The checks he received from the companies would be missing hours worked When she would ask for the missing hours, she would be told that the missing hours would be included in the following week's check but were not included

While working for the company, she lived in several houses provided by the company They were all overcrowded and in deplorable condition

She was very happy with the representation she received from Paul Hulsey and his firm They safeguarded her rights and helped her stand up to somebody that had wronged her She was especially happy since very few people had been willing to help her about her problems with the company The money she received as a result of the lawsuit was substantially more than what she was owed from the missing hours

Susan Rosen Esq. a partner in the Rosen Law Firm is expected to testify regarding her background, experience and qualifications which give her expertise in the area of civil litigation. She will also testify generally about class actions and civil litigation. More specifically, she will testify regarding the fact that after you have qualified class representatives in a class action who are capable of representing the class members, you do not need additional clients. Moreover, she will state that a RICO case with a full blown RICO statement and which survived a Motion to Dismiss and a Motion for Summary Judgment in front of the Hon. Weston Houck is certainly not a frivolous case. Judge Houck is a highly experienced and well respected judge. The Court would not let a frivolous case go to a jury. She will also state that when a class action case settles before class certification, it is a matter of the individual clients approving the settlement while afterwards the Court must approve any settlement. Also, pre-certification settlement typically avoids additional problems such as notification and usually involves a smaller amount since it must compensate the individual representatives rather than the entire class. In this case, she will testify that the original demand of \$6,000,000.00 on behalf of the entire class was not unusual under the circumstances and that the ultimate settlement of \$20,000.00 for the 3 remaining class representatives was in line with that demand if one were to consider the number of class members, not to mention the specific desire of the class representatives to settle the case. In other words, the ultimate settlement number was not an indication that the case was frivolous. Mr. Hulsey had an ethical duty to follow the directions and desires of his clients and settle the case in the manner in which he did.

**PROFFER MAXIMINO FLORES**

Maximino Flores, an ex-employee of Plaintiff's companies and former client for Defendants, would testify that he worked for Plaintiff from 2002 to 2004. He worked for both companies L&L Services, LLC and WLL, LLC. He got work at L&L through a friend who worked there. He called the company and they told him that they had work. They told him that they provided housing.

He witnessed coyotes dropping people off in company's worker residences. They would drop people off and later the coyote would come back and collect the money that had been discounted from the worker's paycheck by the company. One person would collect and pay the coyotes. This was a common occurrence in the residences and was talked about among the workers. The coyote would come by about every 1-2 months to collect.

When he came to work at L&L/WLL they asked him if he had documentation. He showed them some he had gotten previously and they told him that one wouldn't work and that he would need another one. They told him at the office that they would get the documentation for him and that it would cost \$120. They gave him the documents and about two weeks later the drivers picked up the money. After he got the documentation the company told him that if he didn't pay in eight days they would start discounting the money from his paycheck. He also saw the company give documents to the workers that the coyotes would bring in.

The company told him that if he wanted to work extra hours he would need a separate set of documents. They gave him documents under the name Oscar Mejias. He also paid \$120 for these documents. He also got company ID cards under both names.

When he got paid he used the documents and ID Card under his own name to cash the checks payable to him and he used the Oscar Mejias to cash the checks payable to Oscar Mejias. He knew at least two other people who were working under two different names.

The checks he received from the companies would sometimes be missing hours worked. When he would ask for the missing hours, he would be told that the missing hours would be included in the following week's check but were not included. Those hours were never paid. Several times he was threatened with deportation when he asked about the missing hours.

While working for the company, he lived in several houses provided by the company. They were all overcrowded and in subpar condition. All the people who lived there were L&L employees. They didn't have to pay for the houses but got charged for repairs. They would be charged for damage even if they weren't responsible for causing it. After the police raid, the company tried to move him and his family to a trailer in deplorable conditions. The toilet would overflow when flushed, it had no heating.

Several of the workers sent a letter to Mr. Limehouse to try to talk to him about the problems with the company like missing hours and abusive managers. They were told that Mr. Limehouse didn't care what they had to say.

He did not feel like Plaintiff treated him and the other employees well. In fact, he felt threatened and intimidated.

One time he got hurt while lifting some trashcans at work and had to have surgery. The company didn't pay the medical bills. He ended up having to file a worker's compensation claim against the company.

He was very happy with the representation he received from Paul Hulsey and his firm. They safeguarded his rights and helped him stand up to somebody that had wronged him. He was especially happy since very few people had been willing to help him about his problems with the company. The money he received as a result of the lawsuit was substantially more than what he was owed from the missing hours.

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# The Post and Courier

Charleston North Charleston, S.C.

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50 cents

WEDNESDAY

February 11, 2004



Mostly cloudy  
with a little rain.  
High 53  
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## Kerry wins Virginia Tennessee Clark quits

John Kerry extended his sweep into the South, winning a crushing victory in Tennessee and taking half the vote in Virginia. Wesley Clark dropped out of the race after his second third-place finish. 7A

## Council edges toward settling voting case

Charleston County Council members increased their support for settling their appeal of a district judge's order that the county switch to nine single-member districts. 1B

## S.C. lawmakers fight gay marriage rights

Last week's Massachusetts Supreme Court ruling granting same-sex marriages the rights of traditional marriages prompted S.C. representatives to seek legislation to deny benefits to gay couples wed in other states. 1B

## Avian flu found on second U.S. farm

After bird flu was found on a second Delaware farm, officials quarantined 80 farms, banned all sales or auctions of farm equipment and canceled farmer-related meetings in the area. 5A

## Buttman takes on youth smoking

An overweight, chain-smoking superhero is the star of an ad aimed at keeping children and teens from using tobacco. 7B

## Arnside loyalists barricade Haitian city

Roadblocks in Cap-Haitien have prevented food and fuel deliveries as armed supporters of President Jean Bertrand Arnside claimed to be protecting the city. 5A

## Some builders oppose fire safety proposal

State officials are considering a fire-safety proposal requiring a new type of circuit breaker in new houses, but a builders group says the rule is too restrictive. 7B

## Stocks advance in light trading

The Dow rose 34.82 to 10,613.85

## STUDENT SEARCH POLICY MAY CHANGE

### Berkeley Co. School Board gives initial OK 3 months after Stratford High raid

BY SEANNA ADCOX  
Of The Post and Courier Staff

MONCK'S CORNER—Berkeley County School Board members gave unanimous initial approval Tuesday to revised policy on how administrators and police officers should conduct student searches.

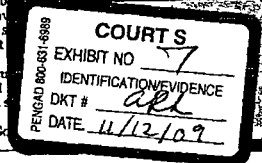
#### Interrogations and arrests

The drafted guidelines include making it possible to attempt to contact students' parents before any interrogation, limiting searches to a suspected area, using only trained and reliable dogs during searches and ending physical contact between dogs and students.

The proposed administrative rules and revision to the district's 10-year-old policy come three months after a controversial drug raid at Stratford High School led to two federal law suits. "This looks out for all students," said board member Laddison. "This is our smooth things out." Several of the 14 Co-

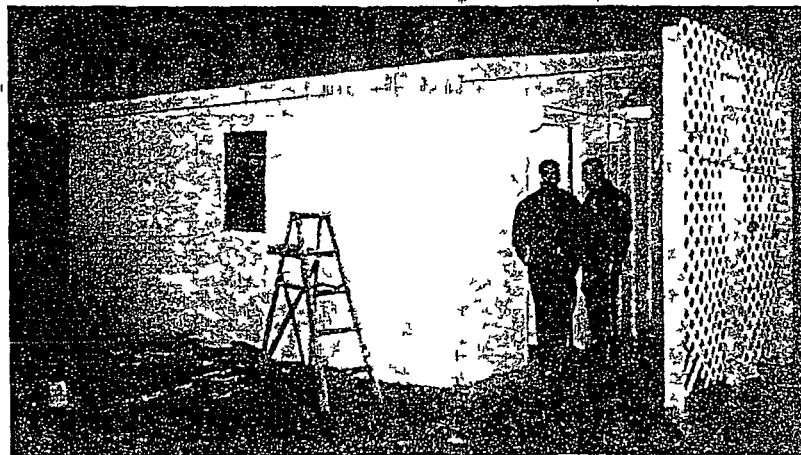
lice officers who rushed into Stratford's main hallway about 6:45 a.m. on Nov. 5 had guns drawn. Officers ordered students to the ground.

Jesse Jackson organized several local rallies protesting the police tactics. On Jan. 5, school district Superintendent Chester Floyd announced that George McCrae had voluntarily stepped down from his 20-year post as Stratford's principal to concentrate on preparing for two federal lawsuits filed over the search. Floyd also announced the formation of a committee to review



See SEARCH Page 13A

## N. Charleston raids boarding homes



North Charleston officers Mitchell Wilson and Oscar Moka check a shed at 4745 Ivydale Drive where five men were sleeping.

### Inspectors find 31 people living in 2 houses, 'storage shed'

BY JAMES SCOTT  
Of The Post and Courier Staff

Armed with search warrants and a video camera, North Charleston inspectors raided two boarding houses early Tuesday, discovering 19 men and women living in one home, including five men sleeping in a storage shed in the back yard.

The 5 a.m. raid at a single-family house in the Wando Woods subdivision was followed about 45 minutes later by a raid near Park Circle, where investigators in the city's code, building and planning departments found 12 people sleeping on cots in a roughly 1,500-sq.-ft. duplex.

At both houses, investigators found documents, including pay stubs, work schedules and identification cards that linked the residents — most of them Hispanic — to temporary staffing agency that provides housing, transportation and job paying



North Charleston officials served a search warrant Tuesday at this house at 1126 Buist Ave. They found 12 people living there.

about \$5 an hour.

City officials, who plan to issue building and code citations for violations such as over-occupancy as early as today, said they are

investigating the connection to Charleston-based L&L Services LLC. North Charleston officials, including Mayor Keith Summey, said the city's goal is to make

sure no one is exploited or put in danger.

North Charleston lacks the authority to enforce labor or immigration laws, but Summey and other city leaders said they would turn over any information they gather to the proper agencies.

"What we are doing is finding the gentlemen who run this service, finding out how widespread this is and looking to see if there are any state or federal statutes that have been broken," Summey said.

Lawton Limehouse, owner of L&L Services, said he knew nothing about the conditions at the two North Charleston homes. Limehouse, who said his company employed more than 500 people last year, said employees of L&L Services are allowed to stay rent free in homes his company rents in North Charleston and elsewhere in the Lowcountry. All

See RAID Page 13A

## Transfer policy to ease up

### Board 2nd reading to make school changes official

BY ALLI ONI BRUCE  
Of The Post and Courier Staff

Income-enriched parents now may have an easier time transferring their children to a new school in Charleston County School District. Currently, most parents may need to prove a hardship, they want to attend the children from one school to another but the rule has been applied unevenly over the years.

The new policy will say that transfers are allowed when they are convenient for parents, it takes into account parental pressures other than hardships, says Charleston County School Board member Gregg Meyers.

The board gave its first reading to the changes Monday with members voting 8-1 in favor of the changes. Hillary Douglas voted against it. The policy becomes official on second reading.

Currently, students can transfer for reasons such as whether a child attends a special program or uses special services offered only at particular schools. But parents have also cited the distance from a school to their work as a reason for transfer.

"I think there's an erratic standard applied," Meyers said. In

See TRANSFER Page 13A

## OPEC action will keep gas prices high

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hatched another plan. Going out at 4:30 a.m., inspectors began videotaping the home in question, which later led them to discover a similar situation near Park Circle. That surveillance led to an early morning raid Tuesday at 4745 Ivydale Drive and 1126 Buist Ave. All told, inspectors found 31 men and women living in the two homes and a storage shed.

## North Charleston raids 2 homes

RAID from Page 1A

his employees, Limehouse said, are in the country legally.

"We don't have any labor issues," Limehouse told The Post and Courier. "We rent legal houses, livable houses. I don't require anyone to stay there and don't charge them if they do."

The predawn strike began about 5 a.m. when a dozen inspectors accompanied by North Charleston police officers, descended on a one-story brick house at 4745 Ivydale Drive off Dorchester Road.

Inspectors found 16 men and three women living in the four-bedroom, two-bath home. The inspectors also found cots scattered throughout most of the rooms as were refrigerators, cooking supplies and clothing.

A family of five — a husband, wife, two sons and a daughter — lived above the two-car garage in a makeshift room where a bed sheet was hung to provide privacy around one of the beds, inspectors said. Five men also were discovered sleeping in a small storage shed behind the home.

After hitting the Ivydale residence, inspectors moved on to a home at 1126 Buist Ave., where they discovered a dozen men in the two-story home about a block off Park Circle.

Cots were in most of the rooms, officials said.

Relying on a bilingual police officer and a planning staff member

Charleston inspectors swarmed the houses, no one asked whether the more than two dozen men and women were here legally. "It does bother us," said North Charleston Mayor Keith Summey. "It puts us in a dilemma. We have folks we need to handle while they are part of our community, but we have to make sure they are a legal part of our community."

for translations, inspectors interviewed the residents individually, asking for names, ages and employment information. Investigators who videotaped the houses found pay stubs, identification cards and work schedules for many of the residents that showed they worked at well-known area golf courses and restaurants.

Both homes, according to Charleston County property tax records, are owned by Total Properties LLC, which tax records show owns about 38 properties in the Lowcountry.

Company owner John Derbyshire said he had no knowledge of what was going on at the two houses. Derbyshire, who said he rented the houses thinking they would be used as single-family residences, said he believed those were the only two houses his company rented to L&L Services.

"If I would have had any inkling of what was going on, I would have evicted them," said Derbyshire, adding that he plans to speak with his attorney about his options. "I don't buy houses to rent them like that."

During the raids on both houses, inspectors assured residents that the city was unconcerned about their legal status and was focused only on making sure the homes were safe.

"We are not going out to harass anyone," said Darbus Briggman, the city's building director. "It's a life-safety issue."

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Block 28



The Post and Courier

# LOCAL STATE

BUSINESS

Employers are poised to boost  
hiring of college grads for  
time in three years, 98

SECTION B

INSIDE: Obituaries 4 B, Business 9 B, Weather 14 B

THURSDAY, FEBRUARY 12, 2004

## Prescription drug database raises privacy concerns

BY JIM DAVENPORT  
Associated Press Writer

COLUMBIA—The state would maintain a database of prescription drugs sold in the state and their purchasers under a measure a House budget panel approved Wednesday.

The plan immediately raised concerns about privacy.

House Majority Leader Rick Quinn, R-Columbia, won approval for the database as a Ways and Means subcommittee wrapped up

work on temporary law changes that will be part of the state budget.

Quinn told the panel that the database, operated by the state Department of Health and Environmental Control, would help cut down on prescription drug abuses.

For instance, he said, police would be able to catch people who visit multiple doctors for treatment of the same malady and get prescription drugs that they then resell.

The legislation affects Schedule II through V drugs. Those are the harshest legal narcotics, such as

morphine down to cough syrups with codeine.

It seems very overreaching for the government to be tracking prescription drug use of all health care recipients in our state, said S. Berkowitz, executive director of the South Carolina Appleseed Legal Justice Center.

The budget amendment says if several groups could access the data.

Pharmacists for the prescriptions they issue.

Patients, for the prescriptions they receive.

State regulators in estimating pharmacies.

Grand juries with a subpoena.

L. W. officers in estimating abuse of legal drugs.

Quinn's proposal requires no subpoena or warrant for law enforcement access.

The information people who improperly disclose database information face a fine of no more than \$5,000.

Law-abiding citizens should not have their records gone through just because law enforcement wants to check them, Berkowitz

said.

Usually to get that information, you have to have some probable cause to believe something is wrong, said House Minority Leader James Smith, D-Columbia.

Most people don't like the idea of government creating these vast warehouses of data for the purpose of surveilling people's habits without a suspicion or the reason to believe that maybe something criminal is going on.

There's more than human drug

trade at issue. The measure affects prescriptions for the person or animal getting medicine.

In going after drug dealers, House Republicans are hitting the privacy of all South Carolina citizens, Smith said.

It's a sad day for animals everywhere, said Rep. Todd Rutherford, D-Columbia. They're not likely to show up in the Statehouse lobby to protest, he said.

How do you stop big brother looking in on your animals?

## Zumalt seeks residents' aid in crime fight

N. Charleston chief outlines 2004 goals

BY STEVE REEVES  
Of The Post and Courier Staff

Police Chief Jon Zumalt wants to enlist the help of residents in the fight against crime in North Charleston's neighborhoods.

The crime problem today is much different than it was 30 years ago when people took ownership of their neighborhoods, Zumalt said. "We've got to help people get engaged in battling crime."

Zumalt unveiled his goals for 2004, which were formulated at a meeting with residents, com

If we're successful there, it's going to have an impact on the whole city.



North Charleston Police Chief Jon Zumalt.

community leaders and his ranking police officers.

"My number one priority is to get guns and drugs off the streets, he said."

Zumalt said officers will focus particularly on the Chicora-Cherokee area, which has been plagued by serious crimes involving guns and drugs.

"If we're successful there, it's going to have an impact on the whole city," Zumalt said.

That was welcome news to Jay Patel, president of the Chicora-Cherokee Neighborhood Association, who said he's glad police plan to spend so much time in the neighborhood.

"We'll do everything we can to help the chief obtain his goals," Patel said.

Zumalt's other goals for this year



Willie Nelson stops in at the Texas Roadhouse in North Charleston to meet fans before a concert Wednesday.

## Red Headed Stranger comes calling

Willie Nelson meets with fans in North Charleston before taking the stage

BY BRIAN HICKS  
Of The Post and Courier Staff

It is the sort of thing they write country songs about, sitting in a dark roadhouse, shooting the bull with Willie Nelson.

A reporter would have to be a bit crazy to turn down such an assignment, but it does present a slight problem: What does one talk about with a legend?

The answer is, anything Willie wants.

Nelson, on the road again, met fans Wednesday afternoon at the Texas Roadhouse in North Charleston, a festive occasion with waitresses in braids and bandanas humming Willie tunes. In between autographs, Nelson chatted with The Post



Texas Roadhouse employees welcome the 70-year-old singer as he enters the restaurant through the kitchen.

Sellout crowd welcomes Willie to Lowcountry 3B

Roadhouse restaurant chain: "They're Texas, I'm from Texas. It seemed like a natural thing. We got together and liked each other a lot. I enjoy coming to the Roadhouses."

Toby Keith's song "I'll Never Smoke Weed with Willie Again" Yeah, I heard it. One of the guys on the tour was playing it every night at the show.

Old Whiskey Rive: The Kentucky-born band that takes its name from one of his famous songs: "A friend of mine said I ought to have a whiskey, so I said, 'Bring me one I like. So he brought me samples for about two years."

And the answer to the obvious follow-up question: Yeah, that

## CHARGES IN RAID LAWSUIT DENIED

Goose Creek says rights not violated

BY TONY BARTELMIE  
Of The Post and Courier Staff

Attorneys for Goose Creek say police didn't violate state constitutional rights during a November 5 controversial drug sweep at Stratford High School.

In their first response to a federal lawsuit stemming from the raid, attorneys for the city and its police department also denied that officers used excessive force.

Seventeen students filed the lawsuit in December 1 U.S. District Court in Charleston, alleging that their constitutional rights were violated on the Nov. 5 raid.

Among other things, the lawsuit claimed that an officer pointed his gun at the back of one student's head and that students were frightened by the department's drug-sniffing dog. No drugs were found in the sweep.

In its response to the lawsuit, attorneys for Goose Creek denied nearly all of the students' allegations. The lawyers said that because the department and city are public agencies, they are protected by state law from such lawsuits.

Kind of bland said Marlon Kimpton, an attorney for the Stratford students, about Goose Creek's response.

He said that students don't shed their constitutional rights once you go through a schoolhouse door. He noted that the Berkeley County School District recently drafted new guidelines on student searches and that the sweep led to the resignation of Stratford Principal George McCrackin.

Berkeley County is making ef

P E C Feb 12, 2004

revealed his goals for  
the community and  
the residents' com-



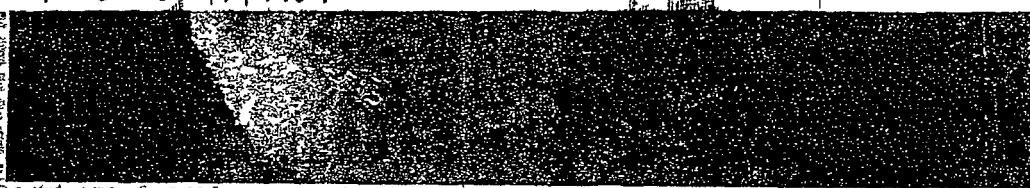
Leon Police Chief

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s Civic Club said Zu-  
bout setting his goals  
as really brought the  
and the residents into  
said, "I'm sure there  
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obtainable goals."

ies can be contacted  
landowner.com or



Willie Nelson stops in at the Texas Roadhouse in North Charleston to meet fans before a concert Wednesday. ALAN HAWES/STAFF

# Red Headed Stranger comes calling

Willie Nelson meets with fans in North Charleston before taking the stage

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Of The Post and Courier Staff

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Nelson chatted with The Post  
and Courier, a conversation  
that touched on various things  
going on in the 70-year-old  
icon's life, including



Texas Roadhouse employees welcome the 70 year old singer as he enters the restaurant through the kitchen. ALAN HAWES/STAFF

## Sellout crowd welcomes Willie to Lowcountry 3B

ad featuring a talking Willie  
Nelson doll offering poof ad-  
vice: "I think the idea was that  
I'm maybe not the best person  
to get financial advice from."  
Nelson said alluding to his run-  
in with the IRS. Now I've had  
a lot of orders for a doll that  
doesn't exist.  
His affiliation with the Texas

Roadhouse restaurant chain.  
They're Texas. I'm from  
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► Toby Keith's song "I'll Never  
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said, "Bring me one I like. So he  
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two years."

► And the answer to the obvious  
follow-up question: "Yeah, that  
was fun. I've always envied  
those beer salesmen who go in  
a bar and buy everyone a beer."

See NELSON Page 7B



Weak-kneed, I've been a Willie fan for 40 years"

Liz Wood of Goose Creek

## Temp agency faces \$10,050 in city fines

Employees being  
relocated after raid

BY JAMES SCOTT  
Of The Post and Courier Staff

A temporary staffing agency that  
housed 31 people in two North  
Charleston houses and a storage  
shed faces up to \$10,050 in fines  
for 10 building and planning viola-  
tions.

The citations issued to the owner  
of Charleston-based L&L Services  
LLC came during a meeting  
Wednesday with inspectors at City  
Hall about the properties in the



Jose Martinez discusses his Buist Avenue home in North Charleston. MIC SMITH/STAFF

Wando Woods and Park Circle  
neighborhoods.

City officials, who raided both  
houses before dawn Tuesday said  
all but eight residents must be re-  
located within the next 10 days to  
comply with a city law banning

more than four unrelated people  
from living in one house. A court  
date was set for Feb. 27 on the vi-  
olations.

North Charleston is not sitting  
See FINES Page 7B

## Church grows with illegal c

Mt Pleasant says men

BY DAVE MUNDAY  
Of The Post and Courier Staff

MOUNT PLEASANT—Eight  
church workers from Albu-  
querque, N.M., are facing charges  
of illegally collecting money from  
motorists.

Mount Pleasant police arrested  
the group Tuesday evening after  
receiving a complaint from a citi-  
zen that solicitors dressed in traf-  
fic vests were collecting money in  
buckets on Bowman Road near I-  
526.

The group was later identified as  
members of Deeper Life Christian  
Church, also called the House of

FROM 1B/LOWCOUNTRY

Thursday February 12, 2004 7B

## Temp agency faces \$10,050 in fines after raid

**FINES** from Page 1B

back to let some tragedy happen, said Building Director Darbis Briggman. We are going after the rest of these staffing agencies and any contractors out there who are bringing folks in to work on jobs sites and not abiding by the law.

Lawton Limehouse, owner of L&L Services, said his company is committed to complying with city law for the properties at 4745 Ivydale Drive and 1126 Buist Ave. Limehouse said his company, which rents many houses in the Lowcountry for its employees to use free of charge, will relocate the residents to other homes in the area.

The five residents found sleeping in bunk beds in the storage shed behind the Ivydale house already have been relocated. Limehouse said, as has the family of five discovered sleeping on cots in a small room above the garage.

"I am not going to put people out on the street. You just can't do that," said Limehouse, adding that

*"I am not going to put people out on the street. You just can't do that. We are going to make an effort to get it straightened out."*

Lawton Limehouse

he was unaware so many residents lived in the two houses. "We are going to make an effort to get it straightened out."

City officials who were tipped off about the boarding houses after neighbors complained about too much trash being put out each week, said seven of the citations stemmed from the Ivydale house and three from Buist. The citations range from overcrowding and not having adequate heating and plumbing to using bedrooms as kitchens and running an illegal boarding house. The citations were written for the maximum fine al-

lowable. City officials said neither L&L Services nor Total Properties LLC, which leases the houses to the staffing agency, have business licenses in North Charleston or Charleston County for operating rental houses. The lack of a business license, officials said, could result in more legal action.

Caught in the middle of the controversy are residents such as Jose Martinez, who lives in the upstairs unit of the Buist home. Martinez, who works 40 hours a week at a local cemetery, said he hadn't heard anything from L&L about whether he might have to move. The Mexico native, who has lived in South Carolina for four years, said his main focus is working and saving money.

"There is no money in Mexico," Martinez said in Spanish. "There is work, but very little. Here, I make a lot of money."

News of Tuesday's raid by about a dozen code, building and planning inspectors drew

concern and praise from some neighborhood and city leaders, who said they were surprised to learn of what was going on in the houses.

"We will do all we can to put a stop to this," said Councilman Kurt Taylor, whose district includes the Buist home. "People should not be forced to live in conditions like that regardless of their economic status."

Joe McIntyre, president of the Wando Woods Civic Club, said the issue had come up in a recent neighborhood meeting where some residents complained about the slew of early morning vans coming and going from the property.

The immediate neighbors who were taking all the flak, I am sure they will be very pleased," said McIntyre. "It certainly is an intrusion into neighbors' lives when such goings-on are allowed to continue."

James Scott can be reached at 745-5855.

**GML**  
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upgrade showrooms 78

# LOCAL STATE

SECTION B

INSIDE: Obituaries 4 B, Business 7 B, Weather 12 B

WEDNESDAY, FEBRUARY 18, 2004

## COURT TO HEAR APPEAL ON ELECTION FORMAT

County council approves rule change permitting replacement of its officers

BY ROBERT BEHRE  
Of The Post and Courier Staff

Talk of setting Charleston County a lawsuit with the U.S. Justice Department over its at-large election format quieted Tuesday a week before the 4th Circuit Court of Appeals is scheduled to hear the county's appeal.

Meanwhile, county council members did approve a rule change that would allow them to replace their chairman and vice chairman with a majority vote at any meeting. Despite that vote, no one expressed a desire to oust current Chairman Barrett Lawmire or Vice Chairman Curtis Bostic. The change comes two weeks after

Lawmire presided over a county council meeting in which members deadlocked 4-4 on a motion to ask U.S. District Judge Patrick Duffy to require all council members to seek re-election this fall if the county must change to single-member districts. Lawmire called for the vote on Feb. 3, even though it wasn't on the printed agenda and even though Bostic, who favored the motion, was absent. The motion failed. Council members discussed the rule change in general terms Tuesday

without reference to what happened two weeks ago or to anything else that Lawmire had said or done. "This is the only body in my experience that has no provision removing its officers," Bostic said. "I think if I don't get some advice, I don't see how the prospect of them being removed is an ambitious one." Councilman Tim Scott agreed. "For the unforeseen, I think this is a necessary corollary of a governing body," Scott said.

Council backs moving John's to urban line 28

The rule change, which he said could disrupt not only on council but also on boards and committees, the format appoints. "I think there are other motives at work here," he said. Lawmire and council members Charles Wallace and Stavrinakis also voted no. Wallace and Stavrinakis usually are not scheduled to seek reelection in the fall. The individual council members expressed increased interest why County Council needed to rush

See ELECTION Page 6B

### DEFENDANTS EXHIBITS

3



Rescue personnel work to free several victims after an accident involving two cars and a CSX train Tuesday on Meeting Street.

## 5 hurt in Charleston car-train collision

Car carrying adult, 3 children strikes train, then another car at Meeting St. intersection

BY PHILLIP CASTON  
Of The Post and Courier Staff

Five people were hospitalized after a car collided with a train on Meeting Street and careened into another vehicle, Charleston police said.

The accident occurred at the corner of Meeting Street and Pittsburgh Avenue just before 8:30 p.m., according to police. A white Honda Civic was traveling south when it struck a CSX freight train, which was crossing over the street. The Honda careened into the left lane, causing a green Ford Taurus to slam into the Honda's driver side, according to officers. The workers on the train were

sounding their horn and bells as they crossed over Meeting Street, police said. The Honda's driver and three passengers, all young children, were taken to the Medical University of South Carolina, police spokesman Charles Francis said. The driver of the Taurus also was taken to MUSC, he said. All suffered minor injuries according to Francis. However, it took rescue workers almost half an hour before the adult driver of the Honda could be

extracted from the car, which was crumpled on both the passenger and driver sides and the front of the vehicle. The driver of the Taurus was crushed in, as well, and a large hole was in the middle of the windshield. No one was ejected from either vehicle, police said. Francis did not know the victims' ages. Charges are pending, he said. Philip C. can be reached at 937-5550. pcaston@postandcourier.com

## 2 homes controlled by staffing agency condemned in '03

Boarding houses found overcrowded and unfit to live in

BY JAMES SCOTT  
Of The Post and Courier Staff

The temporary staffing agency that housed 31 people in two North Charleston houses — including five men living in an indoor storage shed — had two similar boarding houses shut down last month.

Charleston inspectors, tipped off by neighbors' complaints of excessive trash in the yard, discovered about 60 people crowded into two Wagner Terrace properties in August. The city immediately condemned the neighboring Hester Street houses, which inspectors said were controlled by L&L Services, a temporary staffing agency on Ashley River Road. When I got the complaint last year, I saw that the conditions were atrocious, said Charleston police Sgt. Daniel Rocco. We shut both of the houses down the same day. Lawton Lirnhouse, owner of L&L Services, said it was the condition of the rental homes rather than the number of people living in them that prompted Charleston inspectors to condemn the homes. In both cases he said the houses suffered from deferred maintenance that was the responsibility of the rental agencies, not his company. Lirnhouse declined to name the rental agencies. If the houses had been fit to live in, we could have cut the number of people down, said Lirnhouse, whose company employed between 400 and 500 people last year. The city won't condemn a house for being overcrowded. They just tell you to move people out that are not supposed to be there. North Charleston inspectors who conducted a pre-dawn raid last week on two homes controlled by L&L on the city's south side said it was about the Wagner Terrace houses that raised concerns that the overcrowding could be a pattern. Darbus Briggman, the city building director, said he believes L&L. See HOMES, Page 6B

## 'Borderline' fill slows Ladson Road work

Drainage problem addressed DOT says

BY JESSICA VANEGEREN  
Of The Post and Courier Staff

A borderline bldg material is causing some work on an already tardy Ladson Road widening project to be redone. The clay-based material used to build the roadbed for additional lanes on the Summerville road was not dense enough to drain water off the clay in two spots, said T. N. Ch. pro a deputy state highway engineer with the DOT.

60-feet in size. The contractor also is laying the higher grade material over the entire 4-mile roadbed. The repressions of using the lower-grade dirt were twofold. The road would more easily flood and utilities would not stay in place because the soil didn't pack well. It was a borderline material, Chapman said. As long as there is no rain you are fine but there was a lot of rain this past spring and fall.



## Man tied to break-in, bank heist

BY GLENN SMITH  
Of The Post and Courier Staff

MOUNT PLEASANT—A 21-year-old man is accused of stealing a

house on U.S. Highway 17 the previous night. Police say he fled from both crimes in a 2004 Acura SUV stolen from the Isle of Palms home of

ees discovered a hole cut through the roof and a 35-foot rope the burglar used to lower himself inside. A burglar alarm had apparently spoiled the thief, and he ran off

E/FROM 1B

# Panels slash budgets of state agencies

Associated Press

COLUMBIA—State agencies face across-the-board reductions in travel, meals and telephone spending and other targeted cuts approved by House Ways and Means subcommittees on Tuesday.

The state Education Department and colleges appear to lose the most in the spending bill.

But there's some good news for state workers in a plan that would give them 2 percent raises—the first in a couple of years.

The Education Department loses \$294,523 in phone, travel and meal

expenses. It loses \$3.1 million from its base budget and Education Superintendent Inez Tenenbaum will have to decide where those reductions come from, said House Ways and Means Committee Chairman Bobby Harrell, R-Charleston.

The Education Department's overall budget is more than \$1.7 billion, but most of that goes to school districts.

"We've already cut our operating expenses back, so the only place left to cut may be people," Education Department spokesman Jim Foster said.

And fewer people will mean fewer services to local school districts, including less help with new federal requirements, he said. Overall spending at colleges and universities is cut by \$5.5 million below their current \$473.9 million budget.

For instance, Clemson University loses \$1.7 million to the across-the-board reduction in phone, travel and meal expenses.

The University of South Carolina's Columbia campus loses \$1 million to that, and the Medical University of South Carolina gives up \$1.5 million.

## Staffing agency homes condemned in '03

HOMES from Page 1B

controls more than a half-dozen homes in North Charleston.

Tracking the houses is difficult, officials said, because L&L rents properties rather than buys them. That means houses used by the agency can't necessarily be traced using county property-tax records.

"I need my counterparts—other building officials out there—to assist with this," Briggman said.

"If all of us get out there and enforce this, then we can stomp this out."

In the Charleston cases, Riccio said inspectors found bunk beds scattered throughout many of the rooms at 121 and 135 Hester St. From the number of beds, Riccio said, it appeared that each house had more than 30 residents.

Limehouse relocated the residents to area hotels that day and avoided being hit with any citations. He said the houses, which lacked air conditioning, had major plumbing issues and holes in the ceilings.

"We deemed them both uninhabitable," Riccio said of the properties. "The residents were like, 'Please help us.' That is why I stayed and spent a whole day there getting folks out."

Limehouse was issued 10 planning and building citations last week related to North Charleston's discovery of 31 people living at 4745 Ivydale Drive and 1126 Buist Ave. Limehouse, who could face up to \$10,050 in fines when he appears in court Feb. 27, has hired Charleston attorney Dennis Rnood to represent him.

In the meantime, Limehouse, who said his company provides free

lodging and health care for employees, said he plans to monitor no more people live in the two dozen homes his company provides.

"Since we never charged any rent, we didn't care who stayed where," said Limehouse, adding that he charges only a \$15 per week transportation fee. "We didn't know the many were staying there."

Some city leaders contacted Tuesday vowed that North Charleston would not tolerate overcrowding that could endanger residents.

"We don't want a proliferation of unsafe housing anywhere in the city," said Councilman Kurt Taylor, whose district includes the Buist Avenue property. "Zoning ordinances, building codes and health safety regulations are written for a reason—protecting the people living here and the public. They have to be adhered to."

# LOCAL STATE

## BUSINESS

Hispanics fared best in 2003 job market, 7B

## SECTION 8

INSIDE: Obituaries 4.B Business 7.B Weather 12.B

TUESDAY, FEBRUARY 24, 2004

## Tempers flare over YMCA land sale, proposed merger

BY DENESHA GRAHAM  
Of The Post and Courier Staff

Tempers flared Monday night over the sale of land owned by the Cannon Street YMCA and a planned merger with historically white YMCA organization. Though the goal of the meeting was to open minds to opposing views and to sign up new members, most of about 25 in attendance walked away with their opinions entrenched about what is best for the future of the historically black organization. No one joined, although some attendees were already members.

Debate concerning the 138-year-old Cannon Street YMCA springs from two separate issues. First is the recent sale of a 13,200-square-foot parcel behind its 61 Cannon St. building to Civitas, a home builder. The \$400,000 generated from the sale paid off all the Y's debts with nearly half going into an endowment to fund operating expenses, YMCA Board Chairman Dwayne Green said.

Second, the board is negotiating a lease with an abandoned skating rink for a merged operating with Charleston Family and Youth, a predominantly white social service organization, which plans to close its building and pool at 21 George St. later this month. Opponents said the community should have been informed before the land — an asset of the organization — was sold. Also, they said

a merger threatens the heritage of the Cannon Street organization. "I think that it was a poor decision," Wilmet Fraser said of the land sale. A former board member he is leading the opposition with Raymond Gadsden. "Before you took a community's assets and sold them, you should have informed the community. We must have something to remember our own heritage," Gadsden said of the merger. "Merging has a tendency to erase all that stuff."

Green said the sale is in the best financial interest of the organization, and the merger will allow the organization to expand to an area closer to schools. "I care about the Y and I would never give away its heritage," Green said. Wilton Stewart, the Y's executive director, said the Y in its current condition is not competitive with other YMCA organizations nationwide, although it is the oldest of six historically black Y's in the nation.

Also he said the Y needs more programming options. "Where are we as an organization supposed to be?" Stewart said. Arthur Lawrence said he grew up using the Y and had fond memories, but the community cannot live in the past. The sale removed which could have shut down the organization altogether, he said. See TEMPER, Page 7B

## Charleston schools redo budget process

BY ALLISON L. BRUCE  
Of The Post and Courier Staff

When the Charleston County School Board starts deciding how it will spend money next year the public can keep up with the process through community meetings and by pulling up budget information on the district's Web site.

The board heard from interim Chief Financial Officer Larry Clark on Monday night about how it should build the budget this year. The district's budget was a main point of concern in a financial audit done at the request of new Superintendent Maria Goodloe.

"We've developed a budget process that explains the whole purpose of the budget, the various parts, how to go about building the budget and who will be involved," Clark said.

The audit by the Broad Foundation made several recommendations specific to the budget, including the need for regular updates on the current budget and likely year-end results, linking the budgets for the construction and educational programs and making the budget process more transparent, meaning that people should be able to see and understand what goes into the budget from start to finish.

Clark said the budget should include all money in the district, not just what it costs to run the schools, but all programs in them, which is usually reported as the annual operating budget. This approach would include construction expenses, food services and debt in the overall budget.

A "Budget Development Team" of district staff is responsible for reviewing how the district spends its money each year and seeing if money is being spent most effectively on personnel and programs. The budget is the financial means for carrying out the Plan for Excellence put forth by Goodloe earlier this month to improve student test scores and schools in the district. The plan is also to involve the



Rick Holmes talks Monday with fellow Johnson & Wales student Victoria Carroll as his parents, Terry and Richard Holmes, pack his belongings from the school's dorm into cars for the trip back to Florida. Rick Holmes broke his neck in a car accident in Florida over the Martin Luther King Jr. holiday weekend.

## J&W student's dreams on hold

### School drops freshman from rolls after injuries in accident

BY ALLISON L. BRUCE  
Of The Post and Courier Staff

Two weeks after Rick Holmes broke his neck in a car accident, the 20-year-old was ready to get back to school to finish his freshman year of college.

But the travel-tourism management student quickly learned that it wasn't as easy as making a few phone calls.

He said he could mean that they cannot finish their degrees at the Charleston campus. The school told Holmes' mother that he violated the attendance policy, which allows the college to drop students from classes based on excessive absences.

"It's not like I'm some jerk who's out doing

The winter term, which began Dec. 1, ends this week. The college did make an exception to refund his tuition for the term.

Most years, Holmes' situation would have meant at worst a couple of dropped classes that he could make up. The problem is Johnson & Wales' Charleston campus won't

be a year's first-year courses next year as the college prepares to close its campus.

## SCHOOL CHANGES CALLED RISKY

Segregation issues may be raised

BY ALLISON L. BRUCE  
Of The Post and Courier Staff

The state Attorney General's Office says changing how Charleston County schools are governed could bring new charges that the district is segregated.

Responding to a query from state Rep. Ben H. Good, R-Sullivan's Island, Assistant Deputy Attorney General Robert Cook wrote in an opinion that, "Even though the Legislature is now free to hastily change the law if it so desires, it should also be recognized that by doing so, the District may well be giving up the defenses and protections which could be used in any future lawsuits raising desegregation issues."

But Charleston County School Board member and former U.S. Justice Department attorney Gregg Meyers said since a court determined the district had done all it could to end segregation, whoever brought a suit would face a huge burden of proof. "It doesn't mean you might suddenly undo all of that by making a change," he said.

Charleston County has a unique system of school boards. When the district was formed through the 1988 Act of Consolidation, eight constituent school districts with separate constituent boards were created.

The constituent boards have separate responsibilities, which include student discipline, assessment of teachers to schools and student transfers. The district's multiple school boards have been criticized for tying the superintendent's hands, and bills have been filed in the General Assembly to kill or restructure the constituent boards.

Legislation sponsored by Hagood

It will spend money next year the public, and keep up with the process through community meetings and by putting up budget information on the district's Web site.

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The audit by the Broad Foundation made several recommendations specific to the budget, including the need for regular updates on the current budget and likely year-end results, linking the budgets for the construction and educational programs and making the budget process more "transparent," meaning that people should be able to see and understand what goes into the budget from start to finish.

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A "Budget Development Team" of district staff is responsible for reviewing how the district spends its money each year and seeing if money is being spent most effectively on personnel and programs. The budget is the financial means for carrying out the Plan for Excellence put forth by Goodloe earlier this month to improve student test scores and schools in the district.

The plan is also to involve the public, rather than simply presenting the budget when it is approved. That includes posting budget information on the district Web site.

"One of the things we are recommending is to involve the community and the public," Clark said. So, what is it finally approved?

The board is discussing its comments for building the budget for March 2004.

See BUDGET Page 6B



Rick Holmes takes Monday with fellow Johnson & Wales student Victoria Carroll as his parents, Terry and Richard Holmes, pack his belongings from the school's dorm into cars for the trip back to Florida. Rick Holmes broke his neck in a car accident in Florida over the Martin Luther King Jr. holiday weekend.

## J&W student's dreams on hold

### School drops freshman from rolls after injuries in accident

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Two weeks after Rick Holmes broke his neck in a car accident, the 20-year-old was ready to get back to school to finish his freshman year of college.

But the travel-tourism management student quickly learned that it wasn't as easy as making up a few missed classes. His professor who had called him in the hospital to check on him, had offered to work with him. Johnson & Wales officials said he could return to school.

But it wasn't that simple. He said he couldn't make up the work or return to school because he was in a new campus in Florida. He said he was reducing the course load and admitting no more students who miss even a single class.

It could mean that they cannot finish their degrees at the Charleston campus.

The school told Holmes' mother that he violated the attendance policy which allows the college to drop students from classes based on excessive absences.

It's not like I'm some jerk who's out doing

**"My gut feeling is it wasn't fair. It wasn't right, it wasn't morally right to do this to a kid who has been through this much. If the teacher wants to work with him, you should make an exception because it's not our fault you're closing the school."**

Terry Holmes, mother of Johnson & Wales student Rick Holmes

drugs, he said. I broke my neck. I didn't just skip class.

His mother, Terry Holmes, was hit equally hard by the decision.

"Legally they may be covered," she said. "But you would think for good public relations."

Just being educators, they would be bending over backward to accommodate him.

The winter term, which began Dec. 1 ends this week. The college did make an exception to refund his tuition for the term.

Most years, Holmes' situation would have meant at worst a couple of dropped classes that he could make up. The problem is,

Johnson & Wales Charleston campus won't have any first-year classes next year as the college prepares to lose the campus in 2006. Johnson & Wales offers programs in subjects such as hospitality, tourism and culinary arts.

College officials said Holmes' injury had no bearing on his situation.

Steve Parker, president of the Charleston campus, said he could not discuss Holmes' situation because of privacy laws.

When asked about a student who misses class because he is hospitalized, Parker said it's not a problem for the students, he said.

But it's possible the college is

See STUDENT Page 6B

## Desegregation issues may be raised

BY ALLISON L. BRUCE  
Of The Post and Courier Staff

The State Attorney General's Office says it will bring new charges that the district is segregated.

Responding to a query from state Rep. Ben Hagood, the Sullivan County Attorney General Robert Cook, wrote in a letter that the district is segregated. The legislature is now free to substantively change the law if it so desires. It should also be recognized that by doing so, the district may well be giving up the defenses and protections which could be used in any future lawsuits raising desegregation issues.

But Charleston County School Board member and former U.S. Justice Department attorney Gregg Meyers said since a court determined the district had done all it could to end segregation, whoever brought a suit would face a huge burden of proof.

"It doesn't mean you might suddenly find all 61 that by making a change," he said.

Charleston County has a unique system of school boards. When the district was formed through the 1958 Act of Consolidation, eight constituent school districts with separate constituent boards were created.

The constituent boards have separate responsibilities which include student discipline, assignment of teachers to schools, and student transfers.

The district's board of schools has been criticized for tying the superintendent, hands, and bills have been filed in the General Assembly to kill or restructure the constituent boards.

Legislation sponsored by Hagood would give the superintendent more authority in decisions such as hiring. He requested the opinion on about a year ago shortly after introducing the bill.

It goes without saying that such legislation could lead to a new look at whether the district has achieved desegregation.

I wanted to get a full understanding from the attorney general's perspective, he said.

In the 1980s the school district was involved in a desegregation lawsuit that, when finally decided in 1990, declared the district

tary A. Harvey district has done

See CHANGES Page 6B

## Staffing agency on spot as 2nd raid finds 10 people living in house

BY JAMES SCOTT  
Of The Post and Courier Staff

A temporary staffing agency has until 9 a.m. today to prove that 10 men and women living in a North Charleston house are related or it will face another round of citations.

Armed with a search warrant city building inspectors raided a house Monday at 4745 Ivydale Drive and found four people living above the garage and another six in the house.

**Every day they are in violation will be considered another violation**

Building Director Darbis Briggman

Inspectors, who visited the same house about two weeks earlier as a staffing agency L&L Services is in violation of city law unless it can prove today that all the residents

living in the Wando Woods home are related. City law does not allow more than four non-related people to live in a single-family house.

Building Director Darbis Briggman said the city will not accept laminated company identification cards as proof. He said L&L must produce valid photo identification, such as driver's licenses, to verify that the residents are family.

Every day they are in violation will be considered another violation.

Briggman said.

Elvira Luebke, a manager for L&L Services, said the Ashley River Road business which rents the home is trying to relocate many of the tenants. We are working hard, but it is not easy, she said. We are working on it.

Monday's raid followed a similar one about two weeks ago when inspectors hit the Ivydale home as well as one on B Street Avenue near Park Circle. During the 4 a.m. raid, inspectors discovered 31 people

living in the two homes, including five men sleeping in an outdoor storage shed at Ivydale. Those men were gone Monday.

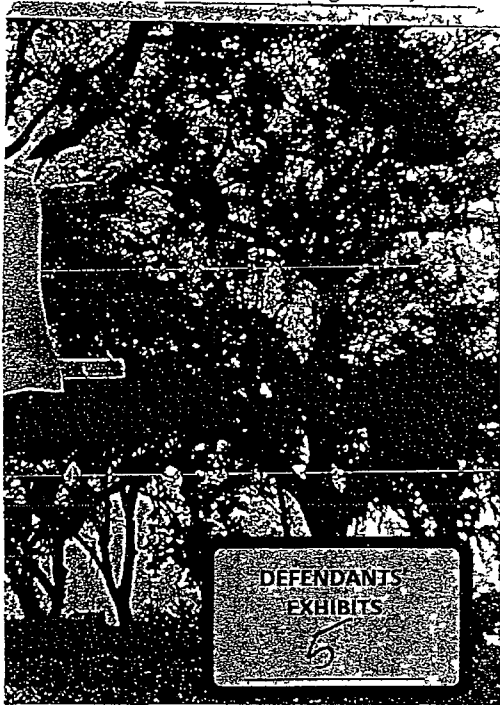
Following the first raid, city inspectors issued L&L owner Lawton Linn house 10 planning and building citations which could bring up to \$10,050 in fines if he is found guilty Friday in municipal court.

On Monday morning of the residents crowded around the kitchen as inspectors went room to room

through the house. Only a few had a valid identification which appeared to be company issued cards.

Oswaldo Jimenez, who said he lives in the home with his wife, said he has lived in the house for six months. He said there are about 10 people moved out after the first raid. Life has been smoother in the four-bedroom two-bath home, which property records show is about 2,000 square feet.

It is better now, he said. I like it. I've got no problems.



Friday along Daniel Ellis Drive and Folly Road

ALAN HAWES/STAFF

## or James Island oaks

should not be repeated  
was just heartbreaking, she

e plans presented Thursday to  
city of Charleston's Comm

Corridor Design Review  
rd called for four office build  
and parking to go on the site  
b is next to the James Island  
ressway

chitect Reggie Gibson said  
the plans were carefully  
ght out with the trees in mind  
e wouldn't build there if we  
ight that those trees were go-  
o be harmed, he said.

ard members echoed oppo-  
s concerns, and unanimously

voted against the plans.

City planner Bill Turner said the  
plans were just too much for the  
site

The decision does not prevent a  
scaled-down version of the devel-  
opment from coming back in the  
future, however

Some opponents said they would  
be against any development on the  
site

Anything there is going to spoil  
the scene, said James Island resi-  
dent Glenda Owens

Jason Hardin covers the city of  
Charleston. Contact him at 937-5549  
or at jhardin@postandcourier.com.

## nd erosion fight stalls

(reswoman for the corps  
leston office. We're not sure  
at the funding for next year  
Hunting Island) remains a pri

ite officials could put the pro-  
n back on course by offering  
art of the \$4.2 million they've  
aside for the Hunting Island  
h nourishment project, which  
expected to be under con-  
tion in 2005. The state is hop-  
or \$5 million from the federal  
rment.

en asked if the state would  
ider giving the corps the  
1000 Phil Games, assistant di-  
or of the state Department of  
ks, Recreation and Tourism  
state officials are open to all  
ons that would keep the  
ess going

If the federal government tells  
us that's one of our options, we'd  
certainly look at it, he said, be-  
cause the clock is ticking on Hunt-  
ing Island.

The month delay could mean the  
corps will have to wait until the  
2006 budget year to lobby for the  
\$5 million.

Local officials had hoped the  
Hunting Island project would com-  
pete with other corps projects na-  
tionwide for federal funding in the  
2005 federal budget.

Erosion has washed away 20 fa-  
cilities, including restrooms, show-  
ers and cabins over the past seven  
years. An additional three rest-  
rooms, two serving the park's 200  
camp sites are within 30 feet of  
the high water mark and are in  
danger of being washed away

## Temp agency gets delay of housing case

Inspectors drop in  
on 2 more homes

BY JAMES SCOTT  
Of The Post and Courier Staff

The owner of a temporary  
staffing agency that housed 31 peo-  
ple in two North Charleston homes  
got a continuance in the city's case,  
which had been scheduled to go to  
municipal court this morning.

Meanwhile, city inspectors paid  
a surprise visit to two homes — a  
mobile home and small apartment  
complex — housing employees of  
L&L Services just off Rivers Av-  
enue near the intersection with  
Montague Avenue.

Deputy City Attorney Rich Lin-  
genfelter said North Charleston  
was in talks with L&L attorney  
Dennis Rhoad about the 10 plai-  
ring and building code citations  
which carry a maximum penalty  
of \$10,050.

Lingenfelter said no new court  
date has been set for L&L owner  
Lawton Limehouse.

We have been discussing a  
resolution and monitoring L&L's  
compliance, Lingenfelter said.  
Our ultimate goal is to make sure  
that L&L and all other landlords  
abide by city laws and ordinances.

Rhoad provided The Post and  
Courier with a two-page set of  
guidelines in Spanish and English,  
for tenants in agency-controlled  
properties. Part of the memo says  
L&L will keep a register of who  
lives in which homes, inspect  
homes twice each month and assign  
a house monitor. Violators will be  
issued one written warning and  
will be fired after a second offense.

North Charleston's case against  
the staffing agency stems from the  
city's discovery of 31 men and  
women crowded into homes at  
4145 Ivydale Drive off Dorchester  
Road and 1126 Buist Ave. near  
Park Circle, including five men  
sleeping in an outdoor storage shed  
at the Ivydale home.

Rhoad said this will be the last  
month that L&L leases the Ivydale  
property, a home city leaders said  
has drawn the concern of neigh-  
bors. Rhoad said the company  
which last year employed more  
than 500 people plans to keep rent-  
ing the two-story home on Buist.

The continuance came the same  
day city inspectors paid a surprise  
visit to two L&L-controlled prop-  
erties on Rich Street.

Darbis Briggman, the city's  
building director, said inspectors  
did not find any overcrowding but  
noted other possible building vi-  
olations. No citations were issued  
Thursday, Briggman said.

We continue to follow up on any  
leads we receive, he said. We  
will make sure that any life-safety  
issues are corrected.

HORIBACK, Pearl, Charleston  
HADDON, Estelle, Hampton  
JACKSON, James Jr., Georgetown  
JENNINGS, Mary, Sumter  
JUDGE, Mary, Moncks Corner  
KIRNEY, Edward, Moncks Co.

## Broadcaster

Staff report

Russell D. Long, one of  
the nation's earliest newscast  
leader, for the March of  
died Thursday. He was 81.  
Long, a polio victim at  
the former chairman and  
man of the Metro-Cl  
chapter of the March of I  
With the proper guid-  
care, you can overcome  
thing, Long once said in  
paper interview.

Long graduated cum la  
the College of Charleston  
and took a job at WCSC  
an announcer and later  
gram manager. In 195  
came program manager  
TV. He was known by  
Uncle Russ on the chil-  
dio program of the same

In 1975 Long began  
with the Medical Univ  
South Carolina as assoc-  
essor and director of the  
Communications Netwo  
Division of Continuing E  
He retired as director in  
He served as head of the  
Carolina March of Dime  
March of Dimes nation.  
He had a key role in field-  
ing the polio vaccine in 19

## 1st female C

Staff report

BREVARD N.C. — Aline  
Mahan, the first woman  
to the South Carolina  
Board of Examiners in  
Psychology and the first  
full-time female associ-  
ate professor at The  
Citadel, died Wednesday  
at her winter home in  
Bluffton, S.C. She was 77.

Mahan moved to  
Charleston in 1971 and  
was appointed head of  
the psychology depart-  
ment at The Baptist Co.  
Charleston. In 1974 she  
became the first full-time fema-  
le professor at The Citad-  
el. Years later, she was may-  
time professor and given  
of major.

In 1988 she became  
woman promoted to colon  
Citadel's history.

She was instrumental in

## Former Rep

Staff report

ORANGEBURG — F Hal-  
ough a lawyer and form-  
lator in the state House, re-  
presentatives died Thursday  
82.

Yarbrough served in  
House for 17 years and w



# THE HIDDEN ECONOMY

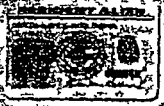
## Owner: L&L Services has never given anyone papers

### Green card

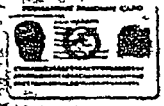
A resident alien card, commonly called a green card because of its fluorescent color, is a document issued by the federal government that indicates an immigrant is a lawful permanent resident of the United States. Cardholders can live, work and study in the U.S. as well as receive certain education and health benefits. Ways an immigrant can obtain a green card include being sponsored by a relative who is a U.S. citizen or permanent resident, being sponsored by a U.S. employer who can prove the non-citizen possesses a skill American workers do not or through winning an annual green card lottery.



Fisher: This green card, obtained from a former L&L Services employee, is fake. It lacks the required fingerprint and signature. Close inspection shows the photo was cut out and pasted down.



Realt: This type of card, the model for the one above, has the floor print and signature. The U.S. government stopped issuing this style card in 1997, replacing it with the one below. The new green card has a hologram, photo and finger print, making it more difficult to fake. Note that the photos are of the face only, and no portion of the torso is visible.

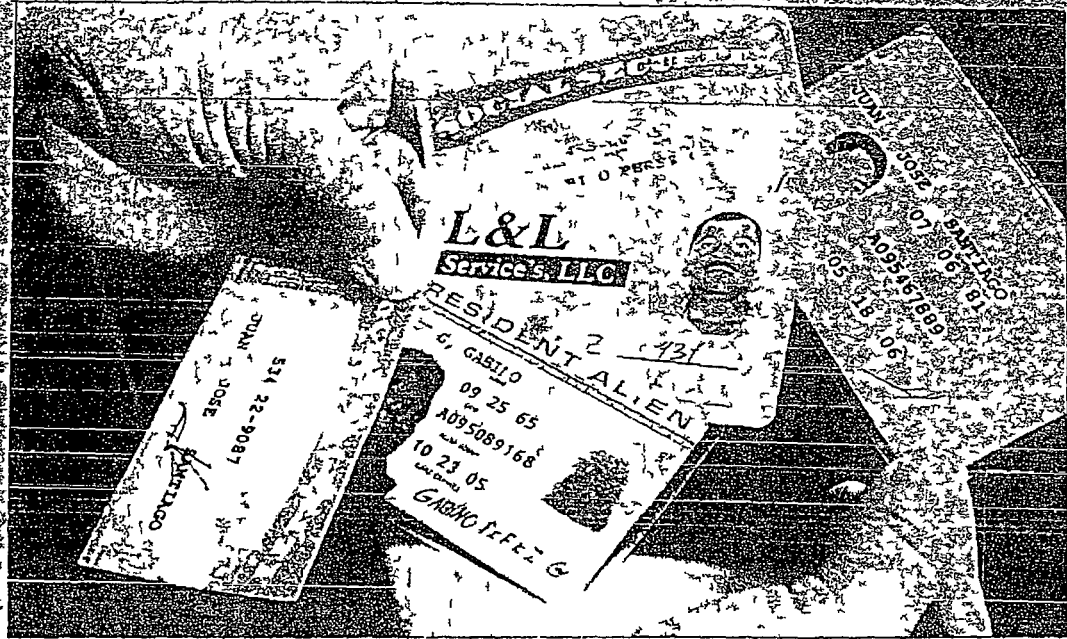


### Social Security card



First issued in 1936, Social Security numbers allow the government to track a worker's contributions into the federal pension plan. Each nine digit number is unique and to date more than 400 million have been issued. The first three numbers, which never begin with 000, are determined by the person's ZIP code and mailing address. The middle two digits have no special geographic or data significance but help break the number into conveniently sized blocks for orderly issuance. The final four numbers are serial numbers, representing a straight numerical sequence of digits from 0001 to 9999. Non-citizens with work authorization are eligible to receive Social Security numbers.

Source: U.S. Department of Social Security



Some employees of L&L Services have accused the company of selling fake Social Security and green cards. Company owners have denied the allegations.

### L&L SERVICES from Page

all. "His employees are here legally. If he discovers workers without legal documentation, Limehouse said, he immediately fires them. Last year, he said, he fired 17 Hispanic employees with bogus Social Security numbers.

"We give nobody papers. We don't send them to oblige to get papers," said Limehouse, who said his enterprise employed more than 500 laborers last year.

If they can't get to us with good set of papers, we can't hire them. If we find out the papers aren't any good, we fire them.

The workers' statements to police and the newspaper came as North Charleston is riding inspectors continue a search for L&L Services-controlled properties in the state's third-largest city. Acting on a tip, inspectors raided two homes rented by L&L Services on Feb. 10, discovering 31 Hispanic men and women crowded into two single-family homes, including five men sleeping in bunk beds in an outdoor storage shed.

At both properties along with other L&L Services-controlled houses and trailers, city officials seized company pay stubs and work schedules and shot video of Social Security and green cards. City inspectors, who sought for months to get help from federal immigration authorities, launched task force made up of investigators from local and federal law enforcement agencies, including the Secret Service, the FBI and the Internal Revenue Service. Police who gave copies of their files to the U.S. Immigration and Customs Enforcement office said that federal agents would take the lead role in any investigation.

We are going to investigate this to the absolute fullest extent of the law. North Charleston Police Chief Jon Zurnall said. "I protect all people from victimization. It is my responsibility.

### WORK EXPENSE

Mexico native Jose Luis Jimenez said the price for him to become a legal resident



The offices of L&L Services, a Charleston-based temporary staffing agency that provides laborers to a number of Lowcountry golf courses, restaurants, hotels and other businesses.

of the United States was \$80. Jimenez, who shares a dingy motel room with two other Mexicans off the southern end of Rivers Avenue, said he came here illegally about six months ago. With no supporting documentation, Jimenez said he bought a Social Security card for \$80 from L&L Services. "The company sold the card to me," Jimenez, who is listed on company schedules as doing work for a local landscaping company. "Most of the employees I know also bought cards."

Jimenez's roommates told a similar story. Mateo Alvarez and Eugenio Quilabua both said they came here illegally about three months ago. Like Jimenez, the two men said, they paid \$80 in cash to L&L Services for Social Security cards. Alvarez's card has his last name listed twice. Quilabua's card has an unnecessary comma between his first and last name.

What else can we do, Alvarez asked. "We don't have anything else."

In recent weeks, a bilingual newspaper reporter has interviewed nearly two dozen current and former L&L Services employ-

ees. Some of the workers have provided documents that they said were purchased out of state. Others, some of whom have given statements to police, said green cards and Social Security cards were purchased from L&L Services. In those cases, the documents appear crude and unsophisticated. For example, two green cards lacked the required fingerprint and signature of the individual. At least one Social Security card had the person's name misspelled. Several other Social Security cards had an unusual placement of commas between each name.

Several L&L Services workers said company managers came to their residences and took their photographs. Those photos the employees said, later ended up on laminated green cards. Close examination of those green cards shows that photos were cut out and pasted down before being laminated. The required fingerprint and signature on green cards, workers said, came from someone else.

As part of his investigation, the newspaper tried to verify the Social Security

numbers of L&L Services employees found on pay stubs, Social Security cards and other financial documents. Of roughly 60 Social Security numbers of employees over the past two years, only one came back as a match to the employee.

Limehouse denied the workers' allegations. He filed attorney Dennis Rhoads, provided the newspaper with notarized statements from Limehouse and company managers, all of whom denied any involvement in making or obtaining fake federal documents for L&L Services workers.

Limehouse, who runs the company with his son, Lawton Limehouse Jr., said the company currently employs about 200 workers. Most of them, scheduled show are Hispanic. L&L Services, Limehouse said, requires all new hires to produce identification to verify the workers are here legally. As required by federal law, about 90 percent of those IDs, Limehouse said, are Social Security cards and

green cards, both federally issued documents. If the cards are fake, he said, employees are getting them elsewhere.

L&L Services has never given anyone papers, Limehouse said. The only thing L&L Services issues is an L&L Identification card.

NO OVERTIME PAY

Some workers also have accused the company of cheating them out of overtime pay, which is required by federal law once an employee works more than 40 hours in a week. While many of the staffers work through L&L Services at area golf courses and restaurants, at the end of the week those companies pay the staffing agency, rather than the workers. L&L Services, which then takes a roughly \$4 per person per hour cut, then pays its workers. Most of the employees, paychecks show, get \$8 an hour.

Al Jandro Hernandez, who is from Mexico and has worked for L&L Services

See CARDS Page 7A

# THE HIDDEN ECONOMY

## Worker: 'We know the cards are fake. What can we do?'

CARDS from Page 6A

for about the past three years, during which time he often worked 60- to 70-hour weeks with no overtime pay. Hernandez, who still works for the company, provided a pay stub for the week of Jan. 18-21 showing he worked 37.3 hours at \$6 an hour for L&L Services. Another pay stub from WLL with a one-letter change in his name — Alejandro instead of Al Jan — showed Hernandez worked another 32 hours at \$6 an hour during the same period. All told, Hernandez worked 69.3 hours that week at \$6 an hour with no overtime.

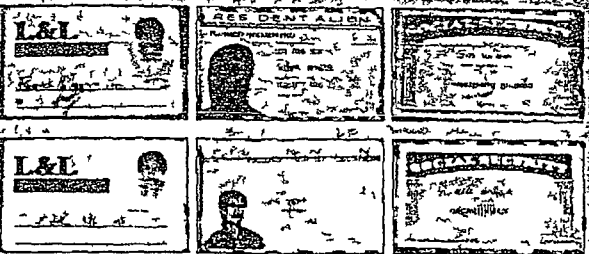
The following week, Hernandez's paycheck receipts showed he worked 40 hours for L&L Services and another 35.45 hours for WLL. That week, Jan. 25-31, Hernandez worked 75.45 hours at \$6 an hour again without receiving overtime. The pay stubs bear two different Social Security numbers depending on who they are paid by: L&L Services or WLL. Neither number, according to a search by the newspaper, belongs to Hernandez.

Hernandez, who admitted he is here illegally, said he works most of the time at a local yacht club. L&L Services work schedules show he often works the 6 p.m. to-midnight shift. "There are others just like me who work for no overtime," Hernandez said during a visit by North Charleston police and building inspectors to his small apartment on the city's south side. "I have worked for the company for three years and have never been given over time."

Maximino Flores story was in the same. The Mexican native, who is here with his wife and two children, provided pay stubs showing he worked at times under the name of Flores and other times under the name of Oscar Mejias, a false identity he said the staffing agency assigned him about a year and a half ago. He said the company was short staffed and issued him information belonging to Mejias, a former employee who he said left the company "so he could work double shifts without overtime. Flores said he paid a total of \$240 to L&L Services for a set of false Social Security and green cards in both names. He also showed the newspaper his L&L Services issued photo identification cards in both names. The laminated cards, which are made of hard plastic, appear to display the same picture of Flores wearing

### ONE EMPLOYEE, TWO SETS OF DOCUMENTS

Former L&L Services employee Maximino Flores said the staffing agency issued him two sets of company identification cards so he could work longer hours without being paid overtime. One card is under the name Flores and the other is under the name Oscar Mejias, a former employee who has since left the company. Flores said L&L Services owner Lawton Limehouse said Flores must have needed office employees with existing identification. Limehouse said Flores has committed fraud against his company.



ing a white T shirt and sporting a mustache.

Flores, who said his two teenage sons also worked 40 hours per week for L&L Services, produced pay stubs under both names. For the work week ending May 25 of last year, a pay stub shows Mejias worked 40 hours for L&L Services at \$6 an hour. That same work week, a pay stub shows Flores worked 18.5 hours, also at \$6 an hour. In the case of Mejias, the Social Security number on his pay stub and on the Social Security card he produced for the newspaper are different by one number. The spelling of his name also is one letter different.

While working at Limehouse's two names, Flores said he sometimes worked more than 40 hours a week, he said. In the situation Hernandez described, he rarely got overtime. A pay stub he produced showed he worked 40 hours at \$6 an hour for L&L Services for the pay period of Jan. 25-31. He also produced a pay stub from WLL for the same period showing he worked 35.45 hours at \$6 an hour. The company's records, Flores said, show there is no difference.

Limehouse said Maximino Flores and his family could be trusted. He said he was forced to fire Flores and his two sons last month after the family refused to move from one-room garage apartment provided by the company

after city inspectors cited L&L Services for overcrowding and running an illegal board of house for about 20 people. Since then, Limehouse said Flores tried to file a workers' compensation claim against L&L Services after Flores' appendix ruptured. The attorney hired to represent Flores withdrew the claim last month.

Maximino Flores has an ax to grind, Limehouse said. He and his family are out to get us because we had to fire them.

The family tells a different story. At city inspectors' raid of the home at 4746 Lyndale Drive off Dorchester Road, L&L Services relocated the family to a rundown trailer off S.C. Highway 61 near Summerville. Flores said the trailer set off in the woods had no heat and was not close to any grocery store. After four days there, the family called one of North Charleston's bill collectors for help, but the city was powerless to intervene because the trailer was out of its jurisdiction. The family then returned to the Lyndale residence, moved back into the one-room garage apartment where four single beds were lined up side by side.

Flores, who said the company blamed him for the family's situation, said the L&L Services faces, said all his family wanted was a decent place to live. He denied he or anyone in his family is out for revenge.

The trailers were horrible, said Flores, whose wife is a landscape designer employed and now supports the family. All we wanted to do was work

### L&L SERVICES VERSUS WLL

Despite being different businesses in name, not all companies are considered so in the eyes of the federal government, according to Dennis Nolan, a University of South Carolina labor law professor. Nolan said two or more companies owned by the same individual that share employees can be considered a business enterprise. That means employees who work more than 40 hours a week between two such companies should be paid overtime.

When a court finds that a company has violated federal wage laws, a judge can require a company to pay double the unpaid overtime plus attorney's fees.

The overtime is the big thing, Nolan said. What that means is from one hour to the next, the wages jump 50 percent. If you are barely making a profit paying people a straight wage, you are in trouble when you have to pay overtime.

In the case of L&L Services and WLL, it is difficult to tell one company from the other, both of which are owned by Limehouse. L&L Services, which state records show was started in September 1999, initially was formed from Limehouse's home address at 1488 South Edgewater Drive in West Ashley. L&L Services is now run out of a small home at 2313 Ashley River Road. That address is listed in the phonebook, and pay stubs obtained from employees show the address as well as a local post office box. WLL, a card to state records was started about seven months later in

April 2000. Unlike L&L Services, WLL is not listed in the phone book. Employee pay stubs show the company's address as Limehouse's home in West Ashley. Neither L&L Services nor WLL has a business license in Charleston County. The different names of the companies, Limehouse said, comes down to the type of work laborers perform. L&L Services provides temporary employees to area golf courses, landscaping companies and private homes for domestic help. WLL, Limehouse said, supplies workers to construction companies and dishwashers to restaurants, both of which he said require higher workers' compensation premiums. "We have two companies on account of workers' compensation," said Limehouse, adding that he and his son are the proprietors of both companies.

Certain kinds of jobs that tend to be more risky than others go to WLL.

Company work schedules lump all work — construction, restaurants and lawn services — under the name of L&L Services. Limehouse, who said all employees are issued only a L&L Services identification card, said that both businesses are run out of the same office by the same managers. Also, the owner of at least one of the construction companies listed on the schedules, Gregory Bailey of Gregory Bailey Construction in Summerville, said at the end of each week, checks are written to L&L Services, not WLL.

Many of the workers said there is no difference in the two companies other than the names that show up on the top of the paycheck. Each week, company managers tell them where to go to work. Company vans shuttle them back and forth often beginning at 6 a.m. In some cases, workers said it might be to do yard work at a golf course, clean graves at a cemetery and then wash dishes at night in a restaurant or help cater a party.

Fo Alvarez, Quiza and Jimenez, three new arrivals in the Lowcountry living in a three-bedroom motel, buying life Social Security cards was an \$80 investment. Limehouse said, "So far the three men with company schedules show often do landscape work, have to obtain green cards."

We know the cards are fake, Quilhana said. What can we do?

J. M. Lee III can be reached at jlee@postandcourier.com.

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THE SOUTH'S OLDEST DAILY NEWSPAPER

March 21 2004

## Alcohol referendum pushed in Berkeley

## Environmentalists back U.S. 17 project

## Farmers Market more than just veggies

## Chemical industry in poor health

Workers in the sector are getting hit hard, with jobs evaporating in a trend that began over a decade ago with the fall of communism. ID

## Methodist jury acquits minister

A lesbian pastor was acquitted of breaking church law after about 10 hours of deliberations and will be all wed to continue her ministry. The jury said it reached a decision after much painful deliberation. 124

## Militants apologize for killing Arab

The Al Qaeda Martyrs' Brigade called the family of a college student to offer condolences after mistakenly killing him in a drive-by shooting. They declared him a martyr. 13A

## Taiwan's president claims victory

President Chen Shui-bian claimed victory in a close race for re-election, but Taiwan's Court ordered ballot boxes sealed as violent protests erupted. 3

## Feeding tube removal immoral — Pope says

Pope John Paul II said that the removal of feeding tubes from people in vegetative states was degrading to them. He said providing food and water is ordinary care and depriving them is euthanasia by omission.

BY DAVE MUNDAY  
Of The Post and Courier Staff

It asked to point to his father 4-year-old Christopher, Redman-Gress might have trouble deciding which one.

His legal father is Warren Redman, a 47-year-old former Catholic priest who is director of the Alliance for Full Acceptance in Charleston. He signed the adoption papers when Christopher was 9 months old and living in a foster

born in Guatemala City. Jim Raman-Gess, a 46-year-old customs broker, is also Christopher's father. Jim and Warren have been living as partners for 18 years. They own everything jointly, were married in Canada last year and both consider themselves Christopher's parents. Christopher calls Warren Daddy and Jim Papa.

In the eyes of S.C. law Jim is not a part. The question is if Warren should be, for example, the two

least the sit to could take Christopher into custody  
Jim can't make medical decisions for Christopher in Warren's absence if he so gets the paper that gives him power of attorney. He can't sign school documents and he can't take Christopher on a trip to another country.  
The only thing we do is have equal claim to the child in our lives," Jim said.  
Jim and Warren are one of at least 40 homosexual couples rais-

ing children to the Charleston area record a gay parenting group which has a gay parenting group. The majority of couples are le- bian, but it is becoming more com- mon for gay men to adopt child- ren.

Gay single men and women also raise children in Charleston. O'eg y man alone has taken in more than 20 foster boys over the past several y ars.

Some of the children being raised by homosexuals are from previous

## Local company accused of trafficking in illegal immigrant labor



North Charleston police inspect L&L Services identification cards during a recent raid on a home that earlier was found to house 19 men and women, most of them Hispanic.

- STORIES BY JAMES SCOTT *Of The People and Court Staffs*

**E**mployees of a temporary staffing agency that provides laborers to prominent Lowcountry golf courses, restaurants and hotels have told police that the company sold them fake federal documents and cheated them out of overtime pay.

The Hispanic workers, many of whom provided documents that appear to support the allegations said L&L Services, LLC charged from \$80 to \$120 for phony residential cards, commonly known as green cards, and Social Security cards. One worker said he bought two sets of documents under two differ-

Other current and former employees of the Ashley River Flood-staffing agency provided authorities and The Post and Courier with pay statements showing that laborers sometimes work as many as 7

and its sister agency WLL, LLC neither of which have business licenses without receiving overtime. In one case, an employee provided pay stubs from L&L Services and WLL that showed a one-letter change in the spelling of his name and two different Social Security numbers, neither of which matched the employee.

Limehouse, who owns both L&L Services and WLL, said neither his company nor any of his office employees are making or selling false identification cards for illegal alien.

## False document industry thriving

**M**inneapolis resident Ronald Novak never has met L&L Services, LLC employee Briblesco Flores. Novak never even has been to South Carolina.

So imagine Novak's surprise when he learned his Social Security number issued to him about 40 years ago somehow ended up on an L&L Services pay stub under Flores' name.

Who is this guy?" Novak asked when contacted by The Post and Courier. What's he doing here? How long has he been here?" Novak isn't alone. A

BYRON MENCHACA  
Of the Post and Courier Staff

FAVETTEVILLE, N.C. — War protesters returned to this military town's Rowan Park Saturday morning to do for soldiers in the Middle East what an earlier generation of activists helped do for soldiers in Vietnam: Bring them home.

On the first anniversary of the beginning of Operation Iraqi Freedom about 1,500 people from across the Southeast, including two from South Carolina, a Lowcountry rally

g inst th U.S.  
occupation of  
Iraq  
They came to  
the front g tes  
of Fort Bragg  
home of some

of the military's  
to guest com  
bat nits, outfits  
that have lost soldiers in the war.  
But with the exception of a few  
verbal insults, the protesters met  
with no confrontation.

The event was one of several coinciding protests around the country, including a small one in Charleston. The protests are among the first large-scale public demonstrations organized in part by family members of soldiers.

Among the aile dees was Harri  
et Johnson, mother of Army Spc  
Darius T Jennings of Orangeburg  
who was killed in Iraq on Nov 2  
2003, when a helicopter he was rid  
ing in was shot down over Fallujah.

Vietnam and Gulf War veterans marched alongside college students, grandmothers and state government employees. Most said they st...

**Photo:** This green card, obtained from a former L&L Services employee, is fake. It lacks the required fingerprint and signature. Close inspection shows the photo was cut out and pasted down.



**Photo:** This type of card, the model for the one shown, has the fingerprint and signature. The U.S. government stopped issuing this style card in 1997, replacing it with the one below. The new green card has a hologram, photo and finger print, making it more difficult to fake. Note that the photos are of the face only, and no portion of the torso is visible.

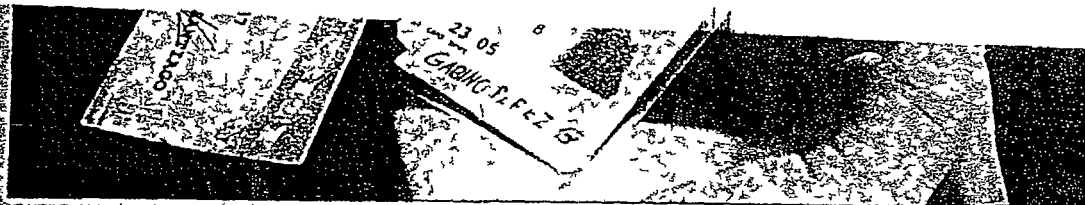


## Social Security card



First issued in 1936, Social Security numbers allow the government to track a worker's contributions into the federal pension plan. Each nine-digit number is unique, and to date more than 400 million have been issued. The first three numbers, which never begin with 000, are determined by the person's ZIP code and mailing address. The middle two digits have no special geographic or data significance but help break the number into conveniently sized blocks for orderly issuance. The final four numbers are serial numbers representing a straight numerical sequence of digits from 0001 to 9999. Non-digits with work authorization are eligible to receive Social Security numbers.

SOURCE: U.S. government



Some employees of L&L Services have accused the company of selling fake Social Security and green cards. Company owners have denied the allegations.

## L&L SERVICES from Page 1

all of his employees are here legally. If he discovers workers without legal documentation, Limehouse said, he immediately fires them. Last year, he said, he fired 17 Hispanic employees with bogus Social Security numbers. "We give nobody papers. We don't send them to nobody to get papers," said Limehouse, who said his enterprise employed more than 500 laborers last year. "If they can't get to us with a good set of papers, we can't hire them. If we find out the papers aren't any good, we fire them."

The workers' statements to police and the newspaper came as North Charleston building inspectors continue a search for L&L Services-controlled properties in the state's third largest city. Acting on a tip, inspectors raided two homes rented by L&L Services on Feb. 18, discovering 31 Hispanic men and women crowded into two single-family homes, including men sleeping in bunk beds in an outdoor storage shed.

At both properties, along with other L&L Services-controlled houses and trailers, city officials seized company pay stubs and work schedules and shot video of Social Security and green cards. City inspectors, who sought for months to get help from federal immigration authorities, launched a task force made up of investigators from local and federal law enforcement agencies, including the Secret Service, the FBI and the Internal Revenue Service. Police who gave copies of their files to the U.S. Immigration and Customs Enforcement of force, said that federal agents would take the lead role in any investigation.

"We are going to investigate this to the absolute fullest extent of the law," North Charleston Police Chief Jon Zurn said. "I protect all people from intimidation. That is my responsibility."

## WORK EXPENSE

Mexico native Jose Luis Jimenez said the price for him to become a "legal resident



The offices of L&L Services, a Charleston-based temporary staffing agency that provides laborers to a number of lowcountry golf courses, restaurants, hotels and other businesses.

of the United States was \$80. Jimenez, who shares a dingy motel room with two other Mexicans off the southern end of R. Avenue, said he came here illegally about six months ago. With no supporting documentation, Jimenez said, he bought a Social Security card for \$80 from L&L Services. "The company sold the card to me said Jimenez, who is listed on company schedules as doing work for a local landscaping company. "Most of the employees I know also bought cards."

Jimenez's roommates told a similar story. Mateo Alvarez and Eugenio Quibana both said they came here illegally about three months ago. Like Jimenez, the two men said, they paid \$80 in cash to L&L Services for Social Security cards. Alvarez's card has his last name listed twice. Quibana's card has an unnecessary comma between his first and last name.

"What else can we do? All are asked we don't have anything else."

In recent weeks, a bilingual newspaper reporter has interviewed nearly two dozen current and former L&L Services employ-

ees. Some of the workers have provided documents that they said were purchased out of state. Others, some of whom have given statements to police, said green cards and Social Security cards were purchased from L&L Services. In those cases, the documents appear crude and unsophisticated. For example, two green cards lacked the required fingerprint and signature of the individual. At least one Social Security card had the person's name misspelled. Several other Social Security cards had an unusual placement of commas between each name.

Several L&L Services workers said company managers came to their residences and took their photographs. Those photos, the employees said, later ended up laminated green cards. Close examination of these green cards shows that photos were cut out and pasted down before being laminated. The required fingerprint and signature on green cards, workers said, came from someone else.

As part of his investigation, the newspaper tried to verify the Social Security

numbers of L&L Services employees found on pay stubs, Social Security cards and other financial documents. Of roughly 60 Social Security numbers of employees over the past two years, only one came back as a match to the employer, yet.

Limehouse denied the workers' allegations. His attorney Dennis Rhoads, provided the newspaper with polarized statements from Limehouse and company managers, all of whom denied any involvement in making or obtaining fake federal documents for L&L Services workers.

Limehouse, who runs the company with his son, Lawton Limehouse Jr., said the company currently employs about 200 workers. Most of them, schedules show, are Hispanic. L&L Services, Limehouse said, requires all new hires to produce identification to verify the workers are here legally as required by federal law. About 90 percent of those IDs, Limehouse

said, are Social Security cards and green cards, both federally issued documents. If the cards are fake, he said, employees are getting them elsewhere. "L&L Services has never given anyone papers," Limehouse said. "The only thing L&L Services issues is an L&L identification card."

## NO OVERTIME PAY

Some workers also have accused the company of cheating them out of overtime pay which is required by federal law once an employee works more than 40 hours in a week. While many of the staffers work through L&L Services at area golf courses and restaurants, at the end of the week those companies pay the staffing agency rather than the workers. L&L Services which then takes a roughly \$4 per person per hour cut, then pays its workers. Most of the employees, paychecks show, get \$6 an hour.

Alejandro Hernandez, who is from Mexico and has worked for L&L Services

See CARDS Page 7A

# Construction, service industries fuel demand for cheap labor

## DEMAND from Page 1A

out 60 Social Security numbers found on pay stubs, Social Security cards and other financial documents related to L&L Services, a Charleston-based employment agency that provides day laborers to some prominent golf courses and restaurants.

Of those numbers, only one name and number matched. Most Social Security numbers came back with no match; some came back listed to different people, such as Noyak; others, as in the case of L&L Services employee Juan M. Bautista, came back having five different names linked to the number none of which were Bautista's.

In recent weeks, some current and former employees of the Ashley River Road staffing agency have said L&L Services sells fake Social Security and resident alien cards for \$80 to \$120. Lawton Limehouse, who owns the business with his son, denied those allegations.

Still, the high number of mismatches has shined a light on what many experts say is a national issue, one fueled by foreign workers willing to work long hours for low wages and booming construction and entertainment businesses thirsty for cheap labor.

"This is a result of a market need for employees. A temporary staffing agency is filling a void or gap in the market place."

Heather MacKenzie, immigration lawyer

Heather MacKenzie, an immigration lawyer and senior lecturing fellow at Duke University, said the rising number of illegal immigrants has created a need for employment agencies to screen workers to ensure they are here legally. A move that lifts the liability of the third-party business if laborers are found to be here illegally.

"This is a result of a market need for employees," MacKenzie said. "A temporary staffing agency is filling a void or gap in the market place."

L&L Services' client list is a virtual Who's Who of Lowcountry businesses. Company work schedules list the Peninsula Grill in downtown Charleston, Osprey Point Golf Course on Kiawah Island and the city of Hanahan public works department, among others. All of those businesses told the newspaper that they rely on

L&L Services to make sure its workers are properly documented and legally allowed to work. "The workers are employees of L&L Services," said Hanahan City Administrator Dennis Pieper, who uses one employee two days a week to work on a garbage truck. "That is the company's responsibility."

Charleston, with its booming construction and tourism business, offers only a sampling of what goes on elsewhere. Experts say the Lowcountry and the rest of the Carolinas have a reputation for lax enforcement of federal immigration laws, which local police are powerless to enforce.

To ease entry into the work force, experts say a booming cottage industry is churning out false documents from driver's licenses and identification cards to Social Security and resident alien cards, also known as green cards. Sue Brown, who handles public affairs for the Department of Homeland Security in Atlanta, said her agency, which also investigates immigration issues, is overworked and understaffed. So immigration agents focus on bigger operations.

Fake documents are being made everywhere, Brown said. People go out on the street and sell them. These people know how to go to get them.

One of the more popular documents being hawked is the Social Security card, which has no photo. Social Security numbers, first issued in 1936 to track how much money a worker contributed to the federal pension plan, have become the de-facto national identifier. It is a window to get into our society, said Paul Wood, the Social Security Administration's assistant inspector general for communications. Once you have this number you can get a job, you can obtain credit. It is a doorway of opportunity. When a Social Security number is fake or doesn't match the name of a worker on a W2 form, the money normally earmarked for that person goes into a separate account, where auditors try to figure out who is entitled to the money. More than \$400 billion in unmatched money sits in federal accounts.

Experts say, however, that the immigration system is flawed when it comes to employers checking to make sure documents are legal. Under the law, an employer must see the documents but has no legal obligation to verify that the documents are real. That, experts say, has opened the door for some employers, desperate for labor to do as little as possible to verify the legality of workers' documents.

You don't need an elaborate system. You just need someone making up a number and an employer who is not checking," said Walter E. Sawyer, director of the Social Security Administration's Office of Inspector General in Philadelphia. "For an employer who really wants to solve the problem, there are some tools out there."

Still, federal laws make it illegal for a person or business to knowingly hire or recruit an illegal alien or to continue to employ one after discovering the person is here illegally. A person or business that shows a pattern of such behavior can be fined up to \$2,000 for each illegal alien or imprisoned for up to six months. Federal law also makes it a felony for a worker to use a fake identification card to get a job.

For illegal immigrants wanting to work in the United States, however, obtaining fake green cards or Social Security cards is a dangerous first step closer to the American dream, even if they don't fully understand how it works. L&L Services employee Crisoforo Hernandez, who said he is here illegally, originally thought the nine-digit Social Security number on his pay stub was a phone number.

All I want to do is work, Hernandez said. "The company tells me where to go work and I go work."

50 <sup>Ex</sup> cent

00967

Enrique, a cook at Taqueria La Nortena in North Charleston, a restaurant and mini-mart owned by Cesar Aguirre, carries a box of tomatoes to the kitchen.

YALON K. JAMES/STAFF

# For many in Mexico, lure of U.S. strong

Friends

returning

home leave

indelible

impressions

The decision

often is easy

BY MICHAEL GARTLAND

Of The Post and Courier Staff

The clatter-klick-klack of a worker sharpening a butcher knife and the aroma of grilled beef fill the air.

The lunch crowd is starting to file in, and Cesar Aguirre has lowered the volume on a Spanish ballad so a customer can hear the party on the other end of a phone call. Aguirre then resumes his conversation, speaking quietly and in not-quite-perfect English.

"I didn't finish high school," says the 30-year-old, sitting down in a booth at his La Nortena, a North Charleston taqueria. My brother he told me "You want to come?" I said, "Yeah." I said, "Cesar, tomorrow's my last day I see you teachers."

That was 12 years ago. Aguirre was an 18-year-old high school student living with his family in Guadalajara, Mexico's second-largest city.

His older brother Luis already had moved to Atlanta, where friends from home and a dishwashing job at a Mexican restaurant awaited him. Back in Guadalajara, life wasn't hard. Aguirre lived in a house with his mother and father and seven other brothers and sisters. As he recalls, his parents took good care

"When you have some wings, you want to fly. In the barrio, you see a lot of people come back from the U.S.A. When they come back they bring some money."

Cesar Aguirre

of him, paying for his studies and clothes. The pull to the United States and his brother didn't stem from necessity but the lure was great anyway. When the time came the decision wasn't hard to make.

"When you have some wings, you want to fly," says Aguirre, who lives in Mount Pleasant with his wife and three children. "In the barrio you see a lot of people come back from the U.S.A. When they come back, they bring some money."

Fat-pocketed neighbors and friends returning home left an early and indelible impression on Aguirre. Even at 12, he may not have known what he wanted to be when he grew up, but he knew where he was going. Getting there wasn't as difficult as

many Americans might think. As a student, he had little trouble obtaining a visa, and when he came, Aguirre did not cross a border in the middle of the night, hidden in the back of a truck. "I flew," he recalls.

In Atlanta, he and his brother worked only in restaurants and always together. Aguirre knew little English then, and textbooks didn't appeal to him. Most of what he learned has been through fellow immigrants.

"If you have some friends and you work in the same place, they try to help you," Aguirre says as a Spanish-language soap opera hums along in the background, along with the grinding sound of a meat slicer. "Fourteen years, I'm still not comfortable with English. I have a lot of time, I can learn."

For the past 10 years, though, Aguirre has focused more of his attention on work. He and his brother scrounged and saved until finally they moved to Charleston and went into business together.

His brother's end is a meat-supply company that does most of its business with local Mexican restaurants. La Nortena, a restaurant, meat market and grocery store, is Cesar's. Located across from some railroad

tracks at a Piedmont Road shopping center, the restaurant is one part blue-collar luncheonette, another part cultural sanctuary and one more part neighborhood bodega. Over the course of a morning, reminders of South Carolina and the outside world are scarce and limited to two deliverymen, neither of them Hispanic, dropping off meat and produce.

Practically everyone else who walks in, whether it's to buy phone cards or sit down for lunch, speaks Spanish. Most of them are carpenters, painters, construction workers. While business people, office workers, Aguirre calls them, sometimes dine at La Nortena, too.

It's a lot of business, and Aguirre says workweeks invariably stretch into the weekends, with each day lasting until 10 p.m. Sometimes, he says, he misses his mother and father and his siblings in Guadalajara. He has a little more eyes talking about his homeland, but it's thoughts of his sons' futures and a new restaurant he'll manage will keep him in the United States.

"Now I have my family, I have to do the best I can do for them," he says. "They have better things in America. Twelve years from now, I'll know if I made the right decision."

## A tough road for Hispanics

ROAD from Page 1A

steel girders of the new Cooper River bridge, rushing to finish the \$125 million hotel on Klawah Island, grooming many of the Low country's golf courses and working lot of the dishes at area restaurants.

For example, Hispanics constitute about a quarter of the 160 or so workers at Charleston Marine Containers Inc., a company that makes shipping crates for the military. The positions they fill range from high-skill slots such as welders to assembly-line laborers.

Herb Ellis, president of Charleston Marine Containers, said the Hispanics he employs are generally excellent workers. "Landscape and nursery outfits also employ a lot of Hispanics," according to Donna Foster, executive director of the South Carolina Nursery and Landscape Association.

The Hispanic work force is a very good work force, Foster said. They apply for the jobs, and they do a good job when they're at work.

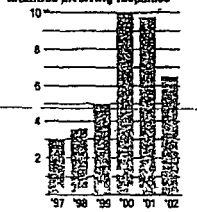
While the jobs they take tend to pay a decent wage, better certainly than fast-food restaurant work, many Hispanics also find themselves doing work that involves big risks.

Hispanic worker fatalities nationwide shot up 58 percent, from 533 to 840, between 1992 and 2002. One-out of every 19,880 Hispanic workers died on the job in 2002, compared with one in 25,340 white workers and one in 28,643 black workers, according

### Death on the job

Work-related deaths among Hispanics have surged in South Carolina in recent years.

Percent of all workplace fatalities involving Hispanics



SOURCE: U.S. Occupational Safety & Health Admin.

to government statistics. While Hispanics officially made up only 2.7 percent of South Carolina's 1.97 million member work force in 2002, 6.5 percent of the 107 workplace fatalities that year—seven deaths—involved Hispanics. That's down from 9.8 percent in 2001 and 10 percent in 2000. But the numbers underscore that Hispanics are dying in disproportionate numbers.

In one of the more notorious incidents the government fined Burruss Electric Co. of Lexington \$42,075 in the deaths last year of two teenage Mexican brothers, Riguerito and Moses Xaca Sandoval. The boys, ages 15 and 16, were digging a trench that collapsed at a school construction site.

### At work

Most Hispanics in South Carolina hold dangerous occupations. Here's a look at the sort of jobs the Palmetto State's Hispanic labor force is filling.

|       |                                                      |
|-------|------------------------------------------------------|
| 21.9% | Machine operations, assemblers and inspectors        |
| 13.7% | Service occupations                                  |
| 12.3% | Executive, administrative and managerial             |
| 12.1% | Farming, forestry and fishing                        |
| 12.0% | Process production, craft and repair                 |
| 10.0% | Hand labor, equipment cleaners, helpers and laborers |
| 6.2%  | Professional specialty                               |
| 5.8%  | Administrative support, including clerical           |
| 2.4%  | Technicians and support                              |
| 1.9%  | Sales                                                |
| 1.7%  | Transportation and material moving                   |

SOURCE: U.S. Bureau of Labor Statistics

High-risk jobs are even more dangerous for people who don't understand their boss's instructions or for illegal immigrants who fear being deported if they refuse unsafe assignments. "They're taught not to make waves," said Jim Knight, a spokesman for the South Carolina Occupational Safety and Health Administration. "They respect authority and they're not as likely to challenge and question safety conditions."

It's often the workers themselves struggling to get ahead financially and hoping to keep a low profile who are to blame for their injuries, according to Daemy Dilworth, risk control manager for the South Carolina Homebuilders Self Insurers Fund. Dilworth is paid by the state's homebuilders to check on construction sites and make sure they're operating as safely as possible.

"They're wanting to please their employers and going too far sometimes," Dilworth said. "They're not going to look at their boss and say, 'I'm not going up there.' Even if the employer says to use the harness, that's the way these guys have done it before."

In a lot of cases, however, supervisors are to blame for failing to train workers properly, pushing them too hard or encouraging safety shortcuts. Hector Esquivel, a Hilton Head Island lawyer whose clients are mostly Hispanics, said he frequently hears about undocumented immigrants being taken advantage of on the job.

"The biggest exploitation is in the work force," said Esquivel, who was part of a task force set up by former Gov. Jim Hodges to study the impact of Hispanic immigration on the state's economy.

Worker compensation claims are a major source of abuse. Esquivel said.

Someone will get hurt on the job and the employer knows the worker is illegal and will threaten to call immigration (if the injury is reported). Esquivel said. "Those are typically empty threats, however, in part because drawing the attention of authorities to a worker's legal status also means drawing questions

about whether an employer knowingly hired an illegal immigrant."

At the same time, federal crackdowns on illegal workers are becoming increasingly rare as the government directs more of its energy to stopping terrorism at airports and borders.

Chalmers Johnson, an employment lawyer in Florence, said he's seen a rash of grievances in years to come, as more workers who feel they have been exploited take their employers to court.

Johnson, a native of Charleston, is learning Spanish so he can communicate better with aggrieved workers.

It's not here yet, but the wave is coming. It's going to hit, and it's going to hit hard, Johnson said. What I'm seeing now is usually African Americans coming in saying, 'We're treated bad on the job, but you should see the way they're treating the Hispanics.'

What eventually may help make the difference is advocacy and labor groups that will stand up to these newcomers.

Yadira Omar, a Mexican who runs a peninsula grocery store with her husband, already is doing some of that work.

Officially Omar is representative of the Carolina Alliance for Fair Employment, a nonprofit set up 24 years ago to fight for union rights in the Upstate. Unofficially Omar is part advocate, part social worker and part teacher for the Hispanic community. She connects mistreated workers with sympathetic lawyers or the U.S. Department of Labor. She takes on crooked

contractors in small-claims court. And she does a lot of less noticeable things, such as lining up newcomers with English classes and persuading them to open bank accounts so they can be less of a target for criminals.

I feel I try to find out the best ways to get them the better life here, Omar said. "You cannot fix all the things in this world, but we try to do what we can."

Omar is increasingly dealing with contractors who knowingly pass out bad checks to illegal Hispanic workers, assuming they won't seek legal recourse. "More and more Hispanics, meanwhile, are starting businesses and escaping the yoke of abusive bosses and crooked employers."

Hispanics account for about 5.8 percent of all U.S. small business owners, and their enterprises far outnumber businesses owned by other minority groups, according to Hispanic Business.

We've had Hispanic workers for a while. Dilworth said, "and now it's like they're starting to live the American dream."

Just like Angel Noguera. He is now a U.S. citizen with a wife and a 6-year-old daughter. Noguera is 50 or so employees, mostly Mexicans, Brazilians and Ecuadorians, are also kind of like family.

Unlike some competitors, Noguera makes sure his crews take the proper safety precautions. On Saturdays, instead of working overtime, they gather to relax and play volleyball on Noguera's yard next to the home he is building for his family. "I had some guys leave me because they were offered \$15 an hour, but they weren't treated good and came back to me at \$10," he said. "Pretty much, we

# The Post and Courier

Charleston • North Charleston, S.C.

THE SOUTH'S OLDEST DAILY NEWSPAPER

50 cents

TUESDAY

April 20, 2004

Mostly sunny  
and warm.  
High 82.  
Low 60.

## Sanford school plan support lukewarm

The tax credit plan, which gives up to \$4,600 to parents for alternatives to local schools, was not being openly opposed by GOP leaders, but recent comments showed some concern over the legislation. 1B

## Jordan's king delays meeting with Bush

Jordanian officials said the meeting would be held after the Bush administration clarified its policy on the peace process between Israel and the Palestinians. Bush's statements altered established U.S. positions on settlements and Palestinians' right of return following a peace deal. 3A

## Police in Brazil chase building squatters

Brazil's first elected leftist president promised to redistribute property. But leaders of urban and rural squatter groups say efforts have fallen short. Eight people were arrested during the eviction in Sao Paulo, the country's largest city. 3A

## Document hints at - Okla. bombing video

A document from the Secret Service written shortly after the 1995 blast describes security video and witness testimony suggesting Timothy McVeigh may have had accomplices at the scene. 4A

## Shell CFO quits amid oil reserves scandal

An investigation, accepted by Royal Dutch/Shell Group, found that top executives had known for almost two years that the company had overstated its oil reserves. The resignation of the company's top financial officer is the latest result of the revelation. 7B

## McDonald's CEO dies successor named

McDonald's Corp. chairman and CEO Jim Cantalmo orchestrated a turnaround of the fast-food giant after overseeing the proliferation of its restaurants worldwide in the 1980s and 1990s. 7B

## Interest rate worries keep markets mixed

The Dow lost 14.12 to 70,437.85 as investors remained wary of a rate hike, but the Nasdaq rose 24.69 to 2,020.43, the first gain in a week for the technology-heavy index. 10B

### INDEX

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## Blood Sport

Shadowy players in illegal world of dog fighting obsessive about animals, bloodlines and secrecy



PLANTS: ANTI-ILLEGAL SOCIETY OF THE UNITED STATES  
The secretive world of dog fighting pits two dogs in a ring until one quits or dies.

BYRON MENCHACA  
Of The Post and Courier Staff

The premise is simple: Put two dogs in fighting ring and let them hear each other apart until one quits, collapses from exhaustion or dies.

The action stirs spectators into a fever. Dog fighters get rich. Breeders notch precious wins for sought after bloodlines.

The secretive, violent and illegal culture of dog fighting is a complex world unto itself, for decades cultivating its own language, social structure and rules. Generations of dog-fighting families have honed the practice to an art. They view the pit bull as an athlete born to fight and the fight itself as exhilarating sport.

This intelligent, friendly breed, which makes up a number of bull terrier mix

### COMING WEDNESDAY

Suspected dog-fighting heavyweight pits to court for custody of 47 pit bulls.  
High-stakes matches and improved safety take place across the state.

es, got its nickname in early 1800s when it was used to bait bulls. The American Pit Bull Terrier is the one most commonly bred for fighting.

Once the preferred pet of American homes ("Pit" the b light dog from the Little Rascals was a close relative), the dog has become the cornerstone of what some experts estimate is a half-billion-dollar per year underground industry. Decades of selective breeding for fighting has exploited its inherent stubbornness.

See FIGHTS, Page 7A

## Firm owes back wages to laborers

Staffing company also faces workers' comp investigation

BY JAMES SCOTT  
Of The Post and Courier Staff

The owner of a temporary staffing agency caught crowding dozens of Hispanic laborers into area boarding houses said the federal government has ordered him to pay back wages to some of his employees.

To make matters worse, the S.C. Workers' Compensation Commission has launched its own probe and two fake green cards obtained from former L&L Services employees were discovered to have been made using company identification cards.

Lawton Lim house, who was the Charleston-based L&L Services, said the U.S. Department of Labor wrapped up a 10-day audit of his business last week and found he owes back wages to unpaid overtime.

Limhouse said no criminal charges or penalties were brought against him or his business. He declined to say how many employees he owes or how much money it will cost the Ashley River Road business.

No penalties, no fines, no charges. Nothing on top of back wages, Limhouse said Monday. "We owe the workers so we are going to pay them."

A spokesman with the labor department said the agency does not comment on investigations.

Chuck Thompson, a University of South Carolina adjunct professor, said the secret sound typewriter department operates off the books, giving a chance to repay employees. If the money is paid, the employees will be in the issue drop.

"The Department of Labor's first goal is that the employees are paid."

## DEAL REACHED ON FALLUJAH



MARINE PAINCOUR 17  
Marines remove heavy weapons from a large cache they found Monday in a stable near a site where they were taken in northwest Fallujah.

2 sides agree to end attacks; rebels to lay down weapons

BY RAJIV CHANDRASEKARAN  
AND PAMELA CONSTABLE  
The Washington Post

BAGHDAD, IRAQ—America's officials and local Iraqi leaders agreed Monday on a series of assurances in a deal to end fighting in the violence-wracked city of Fallujah, where fierce clashes between insurgents and U.S. Marines have killed hundreds of people over the past two weeks.

But in a political setback for the coalition, Honduras announced late Monday it was following Spain's example and would pull its 370 troops.

The Fallujah deal hammered out after three days of negotiations calls for people inside the city to cease attacks on the Marines and surrender heavy

IRAQ/WAR ON TERROR

Supreme Court to hear detainees' case today 6A

Sept. 11 commission to assume lower profile 6A

weapons in exchange the Marines pledged to halt offensive operations, lax then cordon the city and cede responsibility to local authorities for tracking down and prosecuting the killers of four American security contractors.

Although the agreement provided the first possibility of a resolution to the crisis, U.S. officials said they are not sure whether the city leaders who signed the nine-paragraph communique have sufficient influence over Sunni Muslim insurgents in the city to help bring a mix of local residents and outsiders to make them lay down their weapons. There is a big question about whether not they can deliver, said Dan al-Sayid, a spokesman for the U.S. occupation authority.

But representatives of Iraq's Government Council who participated

## Temporary staffing agency ordered to pay back wages

**WAGES** from Page 1A

what they are due," Thompson said. "Generally if the employer is cooperative the Department of Labor is happy with that. If the employer is uncooperative, they can face fines."

Limehouse said the pay problems came from a misunderstanding about federal wage law, which requires overtime to be paid once an employee works more than 40 hours in a week. At the center of the issue is a small subsidiary staffing agency called WLL, LLC, which is run out of the same office as L&L Services and uses the same laborers to work at area gas stations, restaurants and construction sites. Since last July Limehouse said,

laborers sometimes worked 40 hours for L&L Services at the company rate of \$6 an hour and additional hours for WLL in the same week. In some of those cases, employees would work in excess of 40 hours per week without receiving overtime, which is time and a half.

WLL faces trouble on another front, as the S.C. Workers Compensation Commission has begun an investigation.

Alicia Q. Wynn, executive director of the state agency said WLL does not carry workers' compensation, which is required by state law if a company has more than four employees. Clawson, who said her office has sent two letters to WLL in recent weeks, said that

WLL listed 125 employees for the fourth quarter of last year. "It creates a risk for the employee," Clawson said. "Employees can be faced with any number of risks and dangers in performance of the job. They could even be killed."

Limehouse told The Post and Courier last month that the reason he had two staffing agencies was because of workers' compensation premiums. More dangerous jobs such as construction, Limehouse said, were handled by WLL. Less risky jobs, such as yard work, were run by L&L Services.

Asked about the lack of workers' compensation, Limehouse said the coverage must have lapsed. He said he is in the process of restoring

coverage. We didn't know it, he said. "They probably wrote us a letter but it got lost in the mail or we lost it."

State regulators, who said they are having difficulty pinpointing when WLL might have had coverage, have alerted L&L Services Insurance carrier Builders Mutual Insurance Co. in Raleigh. Judy Rogers, head of underwriting at Builders Mutual, declined to comment when reached by phone.

Workers' compensation insurance, experts said, is a necessary business expense that can be pricey, depending on the danger involved in a job. For example, a clerical job typically costs an employer about 31 cents in workers'

compensation insurance for every \$100 of payroll. A carpenter, however, can run about \$20.30 for every \$100 of payroll.

It is a very significant expense, said USC's Thompson. If your employees are engaged in a high-risk occupation it becomes even more expensive.

The investigation by state and federal agencies follows the discovery that two resident alien cards, commonly called green cards, were made using L&L Services identification cards. The discovery made by two former employees who cut the laminated cards, came after some employees accused L&L Services of manufacturing and selling fake green cards. They threatened federal criminal charges, felony punishable by possible prison time and fines, to manufacture fraudulent

government immigration documents.

Soe Brown, who handles public affairs for USC's Immigration and Customs Enforcement in Atlanta, said it is the policy of the agency to discuss any investigation.

Limehouse, who has denied that his company nor any of his office employees made or sold false identification cards for illegal aliens, said none of his employees had access to the blank cards at his office. "Nobody in my office that I know did anything like that," Limehouse said. "We used to keep everything out on the desk in the office. Not any more."

James Scott can be reached at 745-5855 or jscott@postandcourier.com.

## BLOOD SPORT Pit bull terriers face death in the ring

**FIGHTS** from Page 1A

and loyalty. The dogs are programmed to die for their owners, and they often do.

### REDNECK SPORT

Law enforcement and animal rights groups consider dog fighting a sadistic crime and its participants mentally disturbed people who often tend toward other destructive pastimes, namely illegal drugs and firearms.

"Dog fighters are simply a collection of barely literate, knockdragging cowards who are too afraid to fight themselves so they send their dogs in to do it for them," said Martin Mersereau of PETA. It is a quintessential redneck sport.

There are an estimated 40,000 people involved in dog fighting throughout the country. Each may own anywhere from one to 70 pit bulls.

Experts say South Carolina easily ranks in the top five states with widespread dog fighting.

The arrest earlier this month of David Earl of North Charleston, said to be one of the industry's major players, has heightened concerns about the prevalence of dog fighting in the state.

While few are surprised that in the home state of the Fighting Gamecocks authorities might occasionally bust up a dog fight,

A typical purse is tens of thousands of dollars. Some bets occasionally climb into the six figure range.

A thoracic vertebra busted in an Arkansas dog fight in 1979 recovered \$500,000 at the scene.

Each dog owner puts up a percentage of the bet as earnest money.

At first, being scheduled to fight bodes well for the dogs, who until that point likely have been languishing in a dusty open yard, heavy collars and thick chains tethered to rusted car axles and splintered logs.

Police who have uncovered these troops of canines are often surprised to find excited and friendly pit bulls. The animals are starved for attention. Set apart from each other and deprived of any regular human contact, they wait until their number is called.

After the contract is signed, the owner may take the dog out of the yard and move it closer to his house, signaling the start of an intense four to six week training

lifter's protein powder is common.

Fight dogs typically shed three to five pounds from their chain weight during training, ensuring they'll be lean and mean in the pit.

Spectators may travel several states to see and bet on a fight.

A convention featuring multiple fights may draw hundreds. At other times, fight contracts stipulate "five per side" to keep from creating a spectacle that might tip off law enforcement.

The initial meeting location is announced by e-mail or phone. It might be a truck stop or a restaurant parking lot. From there, groups pool into a few cars and caravan to the next stop, which may or may not be the fight location.

"They will take you on a circuitous path to throw off tails and detect tails," said Sakach, a rare animal abuse investigator who has infiltrated a dog-fighting ring. The fight location could be a wooded field, a barn, a suburban neighborhood living room, an

The dog handlers, who may or may not be the owners, wash their opponent's animal, going so far as to lick its dogs' mouths to make sure they're free of harmful substances.

Fighters have been known to smear cocaine or Novocain on their dog's mouths to numb the area, hopes the dog's bite will last longer.

If there are several fights on the bill, a few spectators may be asked to judge superlative awards, such as Best in Show. The audience settles into the seats. By now they've had a few drinks and are ready to see what they came for.

There is often open smoking of marijuana, but harder drugs such as cocaine and methamphetamine are used more discreetly. The demographics vary by fight. Some crowds are exclusively white, some all black. Some are diverse. The fights draw men and women. Some of the top breeders and owners are women. Children may be in attendance. Doctors, lawyers, even police officers, will show.

The handlers and their dogs take their positions at opposite ends of the pit, typically a 15-foot by 20-foot rectangle surrounded by plywood walls 3 feet high.

Carpet is the preferred covering for the pit floor because it gives

rules are in effect — the most common are cajan rules — someone can call for a "scratch" if one or both of the dogs are not aggressive enough. After a few seconds rest, the dogs are placed on their respective "scratch" lines, two parallel marks scrawled into the pit floor.

The burden is on the losing dog to prove it still has "game" by darting across the pit and mouthing its opponent.

The dogs may then go on for several more minutes alternating in a series of "scratch" and turns. If they are well matched the fight can go on for several hours. The longest Sakach saw was five hours, 33 minutes.

A winning dog will line his owner's pockets. Wins are precious, determining the dog's ranking and raising its stock for breeding.

The losing dog may be killed depending on its value for breeding. Dehydration and shock claim some on the bloody fight floor.

Others succumb to injuries days or weeks later.

At big league fights, a "medic" will rush in with a fishing tackle box full of medical instruments and drugs. The quick suturing of wounds with medical staples and treatment of cuts with antibiotics can make it difficult for authorities to identify professional fight dogs from scar ring.

"The big boys take real excellent care of their dogs," said Hu-

## \$60 million target set for new museum

**MUSEUM** from Page 1A

give a family visit. Charleston, for a week a reason to visit, once then come back on a second day.

Ideally Kea said, there would be something new each day. "People will have to come back," he said.

Planners say the museum will be a "world class facility."

Committee member Jim Campbell said the way to do that is to make sure the museum's content is paramount and not to skip over the "deadly bloody details of slavery."

It is not form. It is not appearance. It is content, he said.

Others agree. Clyburn said the museum has to be accurate and truthful.

Planners envision a multi-story building with about 6,000 to 70,000 square feet of space and a rooftop garden overlooking the water.

Much of the money for the project would come from private funds, backers say. The city of Charleston, which owns the site, has indicated it might donate the

# The Post and Courier

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50 cents

SATURDAY

April 24, 2004

Partly sunny and warm.  
High 84.  
Low 60.

## IRAQ WAR ON TERROR

• Cleric threatens suicide attacks - 16A

• Number of wounded soars in Iraq - 16A

• Dog fighting takes to inner city streets

• Preteens are joining the growing trend of impromptu dog fighting on city streets and in alleys and parks, according to authorities. The practice is putting dangerous dogs out into the community - 1B

• Proposal would alter retiree health benefits

• The Equal Employment Opportunity Commission voted in favor of allowing employers to reduce or eliminate their retiree health benefits once they qualify for Medicare - 1A

• Protest filed against Election Commission

• Palmetto United, passed over for a lucrative statewide voter machine contract, has accused the state Election Commission of four violations, including a potential conflict of interest - 1B

• United Healthcare Roper hospitals align

• The agreement adds Roper St. Francis Healthcare's two hospitals to a budding network of South Carolina providers who have joined forces with the nation's largest health insurer - 7B

• North Korea issues rare plea for help

• A devastating train explosion near the Chinese border killed hundreds of people and injured more than 1,000, according to the communist government. U.S. intelligence sources regard the blast as an industrial accident - 3A

• U.S. eases sanctions as reward for Libya

• The easing of sanctions dating back to the Reagan era will allow a resumption of oil imports from Libya and most other commercial and investment transactions - 6A

• Markets close mixed despite good news

• The Dow rose 11.54 to 10,472.44 and the Nasdaq gained 16.36 to 2,049.77 but most stocks on the Big Board were lower as 11 largest firms outweighed upbeat earnings reports - 6B

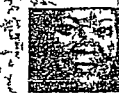
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## Students safe at Brentwood Middle, Goodloe says

BY ALBISON L. BRUCE  
Of The Post and Courier Staff

Charleston County Schools Superintendent Maria Goodloe said Friday she wants parents to know that their children are safe at Brentwood Middle School. The school has come under fire in recent days because teachers have filed discrimination complaints that maintain the school lacks discipline. They also say the school administration failed to handle their



"It is unfair to the kids and community to portray them as being out of control because that's not true," Superintendent Maria Goodloe

discipline concerns and criticized teachers for branding them up. One teacher was put on paid administrative leave Wednesday because of safety concerns. Goodloe said the school is not out of control nor unsafe. In the case

of the teacher put on leave, Goodloe said the principal does not know all of the personnel issues surrounding that case. "It is unfair to the kids and community to portray them as being out of control because that's not

true," she said. Goodloe's comments Friday were the district's first public ones to address the situation beyond a brief statement made by teachers who filed discrimination complaints this month. A school nurse who worked at Brentwood last year also filed a complaint with the federal Employment Opportunity

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## \$45 million gift to USC sets record

Moore donates to business school

BY JASON H. POIR  
Of The Post and Courier Staff

Six years ago, Daria Moore gave the University of South Carolina its largest gift ever. On Friday she did it again, showering the business school already named after her with \$45 million.

The gift from the USC graduate and investment banker is nearly double her previous record setting donation of \$25 million. Combined the \$70 million is the largest private contribution ever to a business school in the United States, according to the university.

University officials waxed ecstatic about the gift Friday. We're excited, said Peggy Blumette, a university spokeswoman.

It does put us in a different league, said Joel Smith, dean of the business school. Moore did not attend Friday's announcement, but a student record remarks she had prepared according to a news release.

She said the school is integral part of the state's future and needs to continue to improve.

If our school is prepared with state-of-the-art training and a rigorous educational environment, then they can do it. It's the economic engine of a state's future, as well as our nation's, he said.

The university is planning to raise enough money to be able to match Moore's gift, Smith said.

The money will go toward an extensive renovation of the school's facilities and toward scholarships and professorships.

Smith said the school's current home is a barrier to recruiting top students and teachers.

In this competitive environment we need to have a state-of-the-art facility to compete, he said.

This building, unfortunately, doesn't even meet code.

The building, which is 30 years old, will be gutted and refitted with new technology and other

## FALLEN SOLDIER

Former NFL defensive back Pat Tillman killed in combat while serving in Afghanistan



Pat Tillman, who gave up a professional football career to join the Army Rangers, was killed in Afghanistan, U.S. officials said Friday.



And while most of us didn't really know Pat

Tillman, we wish we did.

Ken Guttridge

Page 1C

BY BOB BAUM  
Associated Press

TEMPE, ARIZ. — Pat Tillman walked away from millions in the NFL to fight for his country in Afghanistan.

He paid with his life.

The former Arizona Cardinals safety was killed Thursday night in a firefight while on combat patrol. A member of the elite Army Rangers, he was 27.

He is a hero. Cardinals vice

president Michael Bidwell said. "He was a brave man. There are very few people who have the courage to do what he did, the courage to walk away from a professional sports career and make the ultimate sacrifice."

Col. Matt Bevers, a spokesman for the U.S. military

in Kabul, said Tillman was killed by anti-aircraft machine gun fire about 25 miles from U.S.

forces. Tillman, 27, was a

## LAWSUIT TARGETS STAFFING AGENCY

6 laborers sue L&L Services

BY JAMES SCOTT  
Of The Post and Courier Staff

Six laborers filed a class-action lawsuit Friday accusing Charleston staffing agency of racketeering by making fake federal documents, cheating workers out of overtime pay and housing them in rundown properties that created a culture of indentured servitude.

The 33-page lawsuit against L&L Services and its owners, filed in federal court by the Halsey Litigation Group, describes a pattern of underreporting workers' hours, conspiring to avoid paying overtime and threatening the Mexican laborers who complained with deportation.

The suit also lists as defendants yet to be named Lowcountry businesses that may have used L&L Services with the knowledge that workers were being exploited. It is a list that could include area golf courses, construction companies and restaurants.

"This is a classic racketeering scheme," said Paul Halsey, founder of the law firm in downtown Charleston. "This sets the community back 150 years."

L&L Services owner L&L Services declined to comment on the lawsuit Friday. His attorney Dennis Rhoad also had no comment.

The lawsuit is grounded in the Racketeer Influenced and Corrupt Organizations Act, which Congress passed several decades ago to allow criminal and civil lawyers to go after organized crime families. The premise of the act is that various illegal acts, if committed by one group or company, can add up to a criminal enterprise.

Lawyers for the six workers — five men and one woman, all of whom are in the country illegally — argue that the federal law applies to L&L Services and its subsidiary

FROM 1A

Saturday April 24, 2004 9A

ry last week "is reluctant to use the Eucharist as a sanction" according to his spokeswoman, Susan Gibbs.

The Kerry campaign steered late, clear of responding directly to n. he Arinzo's remarks and issued a statement saying "Sen Kerry eping agrees with President Kennedy tma when he said I do not speak for ugh a my church on public matters, and ied to my church does not speak for i cer me." Kerry, who has said he personally opposes abortion but supports a woman's right to choose, reiterated that position at a rally Friday with women's rights activists who are gathering in Washington for a march Sunday

SC state Rep Jim Merrill, R-Daniel Island, a Catholic who opposes abortion, said "If you are Roman Catholic and somebody votes contrary to your faith that would certainly have to raise a red flag."

He stopped short of wholeheartedly endorsing the Vatican's statement, though. "I don't think I'm qualified to determine whether someone else should receive communion," he said.

The Vatican said lay people must not deliver sermons or preach the Gospel during Mass, issuing a new directive to crack down on practices that are becoming increasingly frequent in

the United States and Europe.

The document commissioned by John Paul softened a draft that had discouraged the use of altar girls and denounced such practices as applauding and dancing during Mass.

The final instructions described the participation of boys as "laudable," a reflection of the belief among Vatican officials that service as an altar boy can aid recruitment into the priesthood but said that girls also can serve.

The document also touched on other aspects of the Mass that are likely to resonate in the United States and elsewhere.

The gesture of exchanging the

peace greeting should be done only "to those who are nearest and in a sober manner." In many U.S. parishes, the exchange can go on for some time with the priest greeting many worshipers.

The introduction of rites taken from other religions into Mass is forbidden, and priests may not celebrate Mass in a temple or sacred place of any non-Christian religion.

Priests should be careful not to allow non-Catholics and non-Christians to take Communion.

The Associated Press contributed to this report.

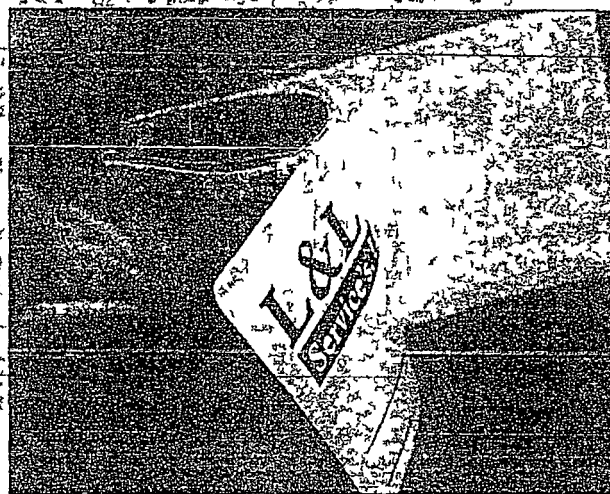
## 6 laborers file lawsuit against staffing firm

LAWSUIT from Page 1A

staffing agency WLL LLC which is run out of the same office and uses the same laborers. The lawsuit states that WLL was intentionally created to avoid paying overtime to laborers, some of whom worked more than 70 hours a week at the flat rate of \$6 an hour. When checks were written each week, some workers' hours would be paid by L&L Services and the rest by WLL. Federal wage law requires a company to pay employees time and a half once a worker has logged more than 40 hours in a week.

In previous interviews Limehouse has told The Post and Courier that the reason for the two companies was workers' compensation insurance premiums. L&L Services, he said, provides workers for less dangerous jobs such as landscaping while WLL is reserved for more risky work, such as construction.

For workers without legal documentation, the lawsuit alleges that L&L Services managers made and sold fake green cards and Social Security cards, altered records and failed to carry proper insurance. The suit also alleges that as part of its enterprise, L&L Services housed dozens of workers in substandard properties, two of



A worker displays an identity card split open to show an L&L Services logo inside.

which were condemned and shut them back and forth to work in company vans to guarantee a ready labor force.

This is a blatant case of indentured servitude, said Hulseley for merly of the Ness Motley law firm. "L&L Services took advantage of the complexity of the system. They have created a perfect racketeering enterprise just like Tony Soprano."

Attorneys with the Hulseley Litigation Group said Friday that the case is not limited to the six workers. The firm plans to take out ads in Spanish language newspapers and on radio stations to let other current and former employees of the Ashley River Road business

know the suit exists. Money generated from the suit, the attorneys said, will be set aside in a bank account from which workers will be able to draw money owed to them.

The lawsuit comes on the heels of an investigation of L&L Services by the U.S. Labor Department in which Limehouse said he was ordered to pay back wages to an undisclosed number of employees. Limehouse told the newspaper earlier this week that the back wages involved the use of the two staffing agencies and a failure to pay overtime to some laborers.

The S.C. Workers' Compensation Commission also has begun investigating WLL, which officials in Columbia said does not have work-

ers' compensation insurance as required by law. State officials also said Friday that L&L Services workers' compensation carrier Builders Mutual Insurance Co. in Raleigh has dropped L&L Services effective May 21.

Experts say lawsuits such as the one filed Friday represent a growing trend of illegal aliens using the court system to try to recover owed wages and deal with problems including workers' compensation. Andrew Siegel, a constitutional law professor at the University of South Carolina, said the U.S. Constitution allows undocumented workers many of the same rights as regular citizens. Just because you are here illegally you are not barred from accessing the courts," Siegel said. "Most of the rights of protection in the Constitution protect everybody in our borders, not just citizens."

Wilfredo Leon, who was a member of former Gov. Jim Hodges' committee on Hispanic issues and is the publisher of El Latino news paper in Greenville County, said, despite the fear of deportation, the number of lawsuits being brought by undocumented workers is on the rise. Leon said many Hispanics are learning how the legal system works and know that companies must pay minimum wage and overtime and carry workers' compensation insurance.

A big factor is that the Hispanic community is becoming better educated," Leon said. There are more people helping these workers realize that they may be here illegally but they still have rights under the law.

## S in despair

An orange screen atop the feet registered blood pressure and heart rate. The blue screen at the knees announced the level of post-operative pressure on the brain. On the stomach, a small gray readout recorded the level of medicine pumping into the patient. The slender plastic box

Gen. Geoffrey Miller told the reporters. "These are violations not only of our national policy but of how we conduct ourselves as members of the international community."

Brig. Gen. Mark Kimmitt, the spokesman for the U.S. command, also apologized. "My Army has been embarrassed by this. My Army has been shamed by this. But we retained confidence in our Secretary Donald H.

See WOUNDED, Page 8A

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Page 15A

## Staffing agency facing lawsuit closes doors

BY JAMES SCOTT  
Of The Post and Courier Staff

A temporary staffing agency has shut its doors less than two weeks after it was hit with a class-action lawsuit alleging racketeering and exploitation of Hispanic workers, according to the company's landlord.

Walter Carr, who rents the office at 2313 Ashley River Road to L&L Services, said company owner Lawton Limehouse notified him he was moving out this week and shutting down the agency, despite

recently signing a one-year, roughly \$1,000-a-month renewal of his lease.

Meanwhile, former employees of the staffing agency have told attorneys suing L&L Services that company managers have informed laborers there is no more work.

"The man is completely ruined," Carr said of Limehouse. "The media went overboard and the ambulance chasers got after him."

Limehouse declined to comment.

See AGENCY, Page 12A

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O  
4

FROM 1A

# Temporary staffing agency facing lawsuits decides to close its doors

AGENCY from Page 1A

His attorney, Dennis Rhoad, also refused to comment. The L&L Services sign in front of the agency's office has been taken down. No one answered the phone Wednesday, during business hours. An employee of a neighboring business also said people appeared to be moving out in recent days. County officials said neither L&L Services nor its subsidiary WLL LLC has a business license. Even if the companies had business licenses, officials said, neither agency would be required to notify the county about closing. Attorneys with the Hulsey Litigation Group, which filed the federal lawsuit on behalf of more than a half-dozen former laborers said closing the doors will not dissolve the case. Allegations in the lawsuit about L&L Services' failure to pay overtime took place before the company closed, attorneys said. "Just because he shut down the business doesn't mean the suit will end," said Marco Torres, one of the attorneys handling the suit for the Wharfside Street law firm. "We're not going away." News of the shutdown comes on the heels of an investigation by the U.S. Labor Department in which

Limehouse said he was ordered to pay back wages to an undisclosed number of employees. The S.C. Workers' Compensation Commission also is investigating WLL, which officials in Columbia said "just because he shut down the business doesn't mean the suit will end. We're not going away." Attorney Marco Torres said does not have workers' compensation insurance as required by law. State officials also said L&L Services workers compensation carrier dropped L&L Services effective May 21. The civil lawsuit, which attorneys have said could be expanded to include L&L Services clients, has left many in the Charleston business community tight lipped. Of more than a half dozen businesses that used L&L Services, none would talk on the record when contacted by the newspaper. Several others did not return phone calls. Dennis Nolan, a University of South Carolina labor law professor, said businesses often falsely

assume that using a temp agency shields them from legal liability when problems arise. "Anybody who uses temporary staffing agencies should know there is risk," Nolan said. "They can't wash their hands of every law because they go through a middle man." While L&L Services' former clients have been reluctant to talk, some in the staffing industry said they hoped the agency's problems would not result in a blanket indictment of all such businesses in the eyes of the public. Dottie Karst, president of North Charleston based Charles Foster Staffing Inc., said many of the area's golf courses, hotels, restaurants and construction companies depend on an estimated 53 local temp agencies to provide as many as 4,000 laborers each day in the Charleston area. The combined payroll of these agencies, she said, is \$62 million a year, which is the same size as North Charleston's annual budget. Karst, past president of the S.C. Association of Personnel Services, said her organization works closely with state regulators in an effort to root out businesses that cut corners, trying to ensure that member companies carry proper insurance and treat employees fairly.

"We want to know about agencies with problems," Karst said. "Businesses should really look into the companies they do business with. It is very important to your reputation." Despite L&L Services' problems, Karst said, "I don't count on the need for day laborers to go away according to Al Parish, an economist at Charleston Southern University, and owner of ExtraHelp Personnel staffing agency." Parish said

such businesses help prop up the \$5 billion a year tourism industry. "If we were to eliminate temporary help in construction, for example, our housing industry would collapse. Same with other industries," Parish said. "We have to depend on temporary help, especially for industries that are in a way seasonal." James Scott can be reached at 745-5855.

GRILL

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Church to hold its  
13th year 2B

SECTION B

The Post and Courier

# LOCAL STATE

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BUSINESS

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sues former NYSE chief  
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TUESDAY, MAY 25, 2004

## MEN MAY BE LINKED TO STRING OF HEISTS

Police arrest pair after armed robbery at local sports bar

BY PHILIP CASTON  
Of The Post and Courier Staff

Charleston police are investigating a link between the two Johns Island men charged with holding up Bobby Martin's Sports Grill & Raw Bar on Sam Rittenberg Boulevard Sunday and a string of armed robberies that has plagued Lowcountry businesses over the past few months, Charleston police officials said.

Allen Jerome Capers, 19, and Ray Anthony Williams, 22, both of Brownswood Road, are charged with armed robbery, kidnapping and possession of a firearm during commission of a violent crime, according to Charleston police.

Police said that about 11:15 p.m. Sunday night, two armed men



Capers



Williams

**Location of 19 robberies  
across the Lowcountry 6B**

wearing ski masks entered the back door of the bar. They ordered one employee and five patrons into the men's bathroom. Two employees and two patrons escaped before the others were moved into

the bathroom. The two men took more than \$800 in cash and personal items from the victims, officers said.

The robbery has similarities to 19 others in recent months, all of which involved one to four men entering the rear doors of the businesses while wearing ski masks and carrying handguns. Each time, employees and customers were ordered into offices, bathrooms or walk-in freezers.

"We're looking into the possibility that they are related," said Charles Francis, spokesman for the Charleston Police Department. North Charleston, Charleston County, Mount Pleasant and Goose Creek law enforcement officials

See HEISTS, Page 6B



Police wait outside Bobby Martin's Sports Grill & Raw Bar early Monday morning after an armed robbery that began shortly after 11 p.m. Sunday.

DEFENDANTS  
EXHIBITS

## Fed agents nab illegal Hispanics

2 dozen ex L&L  
Services workers  
seized in Ravenel

BY JAMES SCOTT  
Of The Post and Courier Staff

Armed immigration agents arrested nearly two dozen illegal aliens who used to work for a now-defunct Charleston temporary staffing agency that is the focus of civil and criminal investigations involving allegations of making fake federal documents and failing to pay overtime.

The Hispanic workers, formerly employed by L&L Services and picked up in Ravenel, were released on personal recognizance bonds on the condition that they cooperate with the U.S. Attorney's Office in Columbia.

The workers who must report June 1 to local immigration officials in downtown Charleston, are employed by a Hilton Head Island area temp agency that is run locally by a former L&L Services manager.

Heather MacKenzie, an immigration lawyer and senior lecturer fellow at Duke University said it would be unusual to involve the U.S. Attorney's Office in a routine deportation case of undocumented Hispanic workers. When workers are arrested for overstaying a visa or entering the country illegally, MacKenzie said the action often is triggered by underlying criminal activity.

Immigration officials, who have confirmed a criminal investigation of L&L Services, did not return calls for comment Monday. An official with the U.S. Attorney's Office declined to comment.

Seven of the workers interviewed following the raid de-



Kenny Phelan, a technician with First Student school bus company, surveys the damage to a bus that ran off the side of Palms Connector and into a ditch Monday.

## Tire blowout sends school bus crashing into ditch

BY ADAM FERRELL  
The Post and Courier Staff

MOUNT PLEASANT—A school bus swerved toward oncoming traffic and crashed into a nearby ditch after a tire blew on the side of Palms Connector Monday afternoon. No children were aboard, and the accident caused only minor injuries, police said.

The bus driver, 69-year-old Willie Thompson, said he had just

day and was heading toward Mount Pleasant when the right rear tire of the bus blew out less than a mile before Rutledge Road. The bus swerved to the right, and Thompson steered left toward an oncoming pickup truck.

Mount Pleasant police officers at the scene said the pickup driver swerved left to avoid a head-on collision. The truck clipped the passenger door of the bus and flipped over but the driver was not hurt.

Pagliarini said. The bus tore through about 15 feet of tall grass and muddy water before it was stopped by an embankment on the other side of a drainage canal.

Traffic backed up on the road between 4 and 5 p.m. as police cleared the scene.

Thompson said he started driving a school bus in 1953 and never thought he would crash one. "It ain't supposed to happen to me,"

he said. Thompson stood next to the road in front of the muddy school bus. The front windshield was gone, and grass and cattails hung from the mirrors and roof. Marsh debris was strewn about on the ground for 50 feet in front of the bus, and the path behind it looked like a small pond where the vegetation had been cleared away.

Thompson's right forearm was wrapped in gauze and his right

arm hurt as he struggled to keep the bus upright, he said.

Pagliarini said Thompson was at fault in the accident, but he didn't receive traffic citation. He blew a tire, the officer said. "There's not much you can do about that."

Thompson and his supervisor said they weren't sure whether the bus could be salvaged.

Adam Ferrell covers police and

City of his employ-  
ons.  
in this business for  
Hartin said. If I  
20 without some  
happening again, I'll  
happy

- 7 Jan. 18 474 U.S. Highway 17
- 8 Jan. 21 142 St. James Ave.
- 9 Jan. 22 65 Sycamore Dr.
- 10 March 8 4430 Bohicket Rd.
- 17 May 10 2571 Ashley River Rd
- 18 May 10 7550 Dorchester Rd
- 19 May 19 8780 Rivers Ave
- 20 May 20 1124 Sam Hittenberg Blvd

SCOTT SHELS/STAFF

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## REPORT

wounded  
Charleston home

Charleston police are in-  
Monday evening  
left a 25-year-old  
bullet wound in his  
Bodin Road home.  
the victim was play-  
log in his yard when  
him once with a pis-  
nan then fled, ac-  
or in Charleston Po-  
lan Spencer Pryor.  
nan was transport-  
al Pryor said.

man charged  
hley stabbing

old Charleston man  
illegally enter-  
Ashley residence  
a man in the shoul-

Police arrested  
uns Jr. Sunday and  
with first degree  
d assault and battery  
to kill. Magistrate  
lia set no bail on the  
nday.

to police, Gaskins  
in Ashley Hall Planta-  
partment, the home of  
tend, early Sunday.

33-year-old man in  
He then fled

# Agents arrest nearly 2 dozen illegal Hispanic workers

AGENTS from Page 1B

scribed federal agents surprising  
them early Thursday morning in  
Burbage's Mobile Home Park off  
of U.S. Highway 17. Workers said  
about 20 of them were arrested,  
fingerprinted and interviewed in-  
dividually. Questions focused in-  
part on fake federal documents,  
such as green cards and Social Se-  
curity cards.

During the raid, agents seized  
documentation, including pay  
stubs. No date was set for them to  
appear before a deportation judge  
in U.S. Immigration Court in At-  
lanta.

L&L Services, which operated  
for years out of an Ashley River  
Road office, shut down last month  
after a class-action lawsuit was  
filed by workers alleging the com-  
pany sold fake federal documents,  
cheated workers out of overtime  
pay and housed them in rundown  
properties.

L&L Services owner Lawton  
Eimehouse repeatedly has denied  
the workers' accusations.

The workers are now employed  
by LTD Services Inc., a Hilton  
Head area temp. agency that shut-  
tles laborers to some of the same  
Charleston area golf courses,  
cemeteries and construction com-  
panies they worked at as employ-  
ees of L&L Services.

Workers also said former  
L&L Services manager Elvira  
Luebke, who could not be reached  
Monday, now is working locally  
for LTD Services. A woman who  
answered the phone at LTD Ser-  
vice's office in Hilton Head con-  
firmed that Luebke worked for  
that company. She said LTD Ser-  
vices was not associated with L&L  
Services.

LTD Services is not registered  
with the S.C. Secretary of State's  
Office. If the business has organ-  
ized in the past three weeks, offi-  
cials said, its information might  
not appear in the system.

The company also does not have  
a business license in Hilton Head,  
according to city officials, nor does  
it have a business license in  
Charleston County or the city of  
Charleston. County officials said  
any business operating within its  
jurisdiction must have a business  
license even if the company is  
headquartered elsewhere.

Meanwhile, the S.C. Workers'  
Compensation Commission fined  
L&L Services subsidiary, WLL  
LLC, \$4,239 for failing to have  
workers' compensation insurance  
required by state law. Alicia Claw-  
son, executive director of the state  
agency, said her office has deter-  
mined that WLL never had work-  
ers' compensation insurance. A  
hearing has been set for June 9.

**SPORTS**  
**DOLL-FACE**  
Ball fans vote for  
bobbie in chief

**INK**  
**UP AND AWAY**  
Moncks Corner  
teen takes off '3D'

**SCHOOLS PLUS**  
**TAX-BREAKS**  
Back to school  
exemptions '1D'

# The Post and Courier

Charleston, North Charleston, S.C.

THE SOUTH'S OLDEST DAILY NEWSPAPER

50 cents

**TUESDAY**

August 3, 2004

Some sun,  
a stray storm.  
High 88  
Low 75

## Holington pulls out of Wrazen inquest

The 9th Circuit Solicitor Ralph Holington withdrew his office participation in the coroner's inquest into the death of Molly Wrazen, a Mount Pleasant pianist. Holington cited his long ties to Mount Pleasant. 1B

## Tropical Storm Alex passes Charleston

A tropical storm warning remained in effect from South Santee to Cape Lookout, N.C., and from Oregon Inlet, N.C. to the Virginia state line. 1B

## Tenenbaum's toll goes through Canada

Democratic U.S. Senate candidate Iwan Tenenbaum's campaign has severed ties with BellSouth after learning her conference call to discuss plans to stop sending South Carolina's jobs overseas was routed through a call center in Canada. 1B

## Palestinian gunmen kill collaborators

Two men, who confessed during their trials to helping Israeli forces kill two top Islamic militants, were shot dead at close range in a Gaza City hospital. 3A

## Archivists try to save Kennedy recording

The only known sound recording of the gunshot that killed President John F. Kennedy are badly deteriorated. Attempts are being made to save the sound with optical scanners. 4A

## Deregulation bill signed by Sanford

Homeowner insurers no longer need prior approval for rate increases under the legislation that Gov. Mark Sanford signed into law. 7B

## Apple's Jobs resting after cancer surgery

The computer maker named interim executives to serve while his co-founder recovers from surgery for a rare and relatively non-lethal form of pancreatic cancer. 7B

## Stocks edge higher

## Some people do smell sweeter to skeeters, experts say

BY BOB PATTERSON  
Of The Post and Courier Staff

You're sitting at the picnic table, the back yard and it's all you can do to keep the mosquitoes from eating you alive. A few feet away, a group of friends is laughing and watching in amusement as they ignore the annoying little pests.

While you sweat yourself silly, you wonder: Do mosquitoes have a nose for certain people?

Some people are just more attractive, said Ulrich Bernier, U.S. Department of Agriculture research chemist. Mosquitoes are so keen at figuring out who the best people are to have a blood meal, we still don't understand how they figure it out so well. — Ulrich Bernier, USDA research chemist

Mosquitoes are so keen at figuring out who the best people are to have a blood meal, we still don't understand how they figure it out so well. — Ulrich Bernier, USDA research chemist

But science is closing in. Bernier's job is to sniff his way through what he suspects are more than 400 chemicals coming off each person's skin to find which

ones attract and which ones repel the annoying little insects. One of every 10 people is highly attractive to mosquitoes. Genetics accounts for 85 percent of the attraction. Sweet smells such as perfume

What attracts mosquitoes has been a lot easier to figure than what repels them. Lactic acid, so in sweat, is a bugger. Carbon dioxide is so attractive that the latest technology in mosquito traps smells like it. It's so attractive that it's used in traps. In Charlotte County, mosquito control superintendent, sometimes baits traps with dry ice, which is solidified carbon dioxide.

been a lot easier to figure than what repels them. Lactic acid, so in sweat, is a bugger. Carbon dioxide is so attractive that the latest technology in mosquito traps smells like it. It's so attractive that it's used in traps. In Charlotte County, mosquito control superintendent, sometimes baits traps with dry ice, which is solidified carbon dioxide. Sweet smells such as perfume

## Elections chairman quits post

### DeHaven blames power struggle

BY SCHUYLER KROPP  
Of The Post and Courier Staff

Just 90 days before the general election is the chairman of Charleston County's elections board abruptly resigned Monday, saying he was in a power struggle involving his wife and former TV reporter Jill Miller.

In a letter to Charleston County lawmakers, Chairman R. DeHaven said his position had become weakened because the voting pattern of the Board of Elections and Voter Registration appeared to be skewed 6-3 against him and in favor of Miller. Being in the minority ahead of the November general election would make him ineffective, DeHaven said.

As a member of the minority after the election, DeHaven's most recent appointment to the board, he said, "I believe it will be best for the delegation to appoint a new chairman who supports the strong director/weak board format." DeHaven said in his resignation letter. Miller said DeHaven was targeting her to thank some of the dissent from the board members had with him. "He has lost the support of the board, bottom line," she said. "That's what I read into this."

DeHaven was viewed as a leading Miller supporter when she was hired months ago. She had no experience running elections but had solid Republican Party contacts. As a hired staffer, Miller has no vote on the commission, which now has only six members: two candidates are awaiting confirmation by the governor's office. DeHaven's resignation was met with surprise by other board members who said it remains a strong board despite what the former chairman said. While not being critical of DeHaven's exit



Armed police stand guard Monday outside the New York Stock Exchange.

## NYC, D.C. beef up security

Financial centers do business amid heightened terror threat

BY DEEPTHAJALA

WAR ON TERROR

ments indicates terrorists have focused on the stock ex

## BUSH BACKS INTEL BOSS

BY TERENCE HUNT

WASHINGTON — President Bush urged creation of a national intelligence director Monday to coordinate the war on terrorism but without the sweeping powers to hiring, firing and spending at the CIA, FBI and other agencies as recommended by the Sept. 11 commission.

"We're a nation in danger. Bush said in White House Rose Garden appearance where he announced his support for a national intelligence chief and the establishment of a national center to plan counterterrorism operations in the United States and abroad. "We're doing everything we can in our power to protect the nation from danger."

While Congress works on legislation to create the new intelligence director post, the president will tell the CIA director to tap all the authority he has under current law to manage the danger.

"We're a nation in danger. Bush said in White House Rose Garden appearance where he announced his support for a national intelligence chief and the establishment of a national center to plan counterterrorism operations in the United States and abroad. "We're doing everything we can in our power to protect the nation from danger."

is spy agencies. President Bush's senior administration official said on condition of anonymity that the commission would not specify about who would be put in charge of carrying out the

PEC Aug 03, 2004

...TV reporter Jim Miller...  
...in Charleston County...  
...Chairman Roy De...  
...Haven said his position had become...  
...weakened because the voting...  
...of the board of elections and...  
...voter registration appeared to be...  
...skewed against him and in fa...  
...vor of Miller. Being in the minority...  
...ahead of the November general...  
...election would make him ineffective...  
...DeHaven said.

As a member of the minority after the delegation's most recent appointments, I believe it will be best for the delegation to appoint a new chairman who supports the strong director/weak board format. DeHaven said in his resignation letter. Miller said DeHaven was targeting her to mask some of the dissatisfaction other board members had with him. He has lost the support of the board, bottom line, she said. That's what I read into that. DeHaven was viewed as a leading Miller supporter when she was hired months ago. She had no experience in running elections but had solid Republican Party contacts.

As a hired staffer, Miller has no vote on the commission, which now has only six members. Two candidates are awaiting confirmation by the governor's office. DeHaven's resignation was met with surprise by other board members who said it remains a strong board despite what the former chairman said. While not being critical of DeHaven's exit, board member Dan Martin said DeHaven had tried to give some of the staffers at the election warehouse in North Charleston work assignments, which he disagreed with. Martin said he considered work instructions to be outside a board member's responsibility.

I think the day-to-day operations should be handled by the director.

See ELECTIONS, Page 11A



Armed policemen stand guard Monday outside the New York Stock Exchange.

## NYC, D.C. beef up security

Financial centers do business amid heightened terror threat

BY DEEPTI HAJELA  
Associate Press

NEW YORK—Police searched trucks, blocked streets and posted machine gun-toting officers out

**WAR ON TERROR**  
Hostage killed, Turkish truckers leave Iraq 8A

"You realize that's the world you live in, and you deal with it," said Kenneth Polcar, a trader at the New York Stock Exchange, one of five buildings the government says al-Qaida operatives have studied.

Recent intelligence—including photos, drawings and written doc

uments—indicates terrorists have focused on the stock exchange and the Citigroup Center in Manhattan, the International Monetary Fund and World Bank buildings in Washington and Prudential Financial Inc.'s headquarters in Newark, N.J., officials said.

In Washington, D.C., police announced plans to block all traffic flow around the Capitol, and to search some of the vehicles to ensure that explosives do not get

urg of creation of a national intelligence director Monday to coordinate the war on terrorism but without the sweeping powers for hiring, firing and spending at the CIA, FBI and other agencies as recommended by the Senate commission.

"We're a nation in danger," Bush said in a White House Rose Garden appearance where he announced his support for a national intelligence chief and the establishment of a national center to plan counterterrorism operations in the United States and abroad. "We're doing everything we can in our power to confront the danger."

While Congress works on legislation to create the new intelligence director post, the president will tell the CIA director to tap all the authority he has under current law to manage the nation's 15 spy agencies.

A senior administration official said on condition of anonymity. The official would not speculate about who would be put in charge of carrying this out.

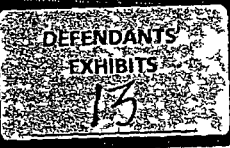
The president also needs to fill the CIA director's slot by picking acting director John McLaughlin or someone new.

I expect he'll have more to say on that soon, White House press secretary Scott McClellan said. Democratic presidential nominee John Kerry said Bush should act more quickly.

I regret that the president seems



"We're a nation in danger."



## Attorneys seek to freeze assets of staffing agencies' owners

Father and son, accused in illegal immigrant labor case, sold property after suit was filed

BY JAMES SCOTT  
Of The Post and Courier Staff

Attorneys suing a Charleston employment agency accused of profiting off illegal immigrant labor are trying to freeze the owners' assets after discovering Lawton Limehouse and his son have disposed of nearly a half-million dollars

in real estate.

Attorneys with the Hulseley Ligation Group filed a request for a temporary restraining order late Friday in federal court, citing Limehouse's recent \$280,000 sale of property in Hollywood. Records show his son, Lawton Limehouse Jr., who also is a defendant, gave his West Ashley home to his wife.

Both transactions occurred after the class action suit was filed in April.

The men owned and operated L&L Services LLC and WLL LLC, two temporary staffing agencies that provided as many as 500 workers a year to prominent area golf courses, restaurants and construction sites. Both businesses have since shut down and are the focus of a federal investigation.

Paul Hulseley, founding partner of the Wharfside Street law firm in

downtown Charleston, said he hopes to persuade a judge to bar the Limehouses from disposing of any other assets that could be subject to a verdict when the case goes to trial. He said a hearing on the order is expected soon.

Limehouse's attorney John Massalon of the Meeting Street firm Wills & Massalon, declined to comment Monday. For his part, Massalon filed a motion Thursday asking a judge to stall the discovery phase of the civil suit based on the

fact that federal postal inspectors seized all business documents in a May raid on the elder Limehouse's home in West Ashley. Massalon wrote in the motion that he has tried unsuccessfully to get copies of his client's seized records.

The federal lawsuit, brought on behalf of six Mexican workers, accuses the Limehouses of businesses of making fake Social Security and green cards, cheating workers out

See AGENCY Page 11A

steroids on the skin's surface, not necessarily high levels in the bloodstream, attract them. Even dark clothing can pull them in.

"Oh yeah," Conlon said, "and it attracts deer flies and horse flies. What body chemicals repel them? Bernier said he knows a few, but he's not talking yet because there are patents involved. Still, the research is encouraging."

"I would never say we would be 100 percent safe. I would say we're getting better all the time," Bernier said. Conlon said mosquito populations could be reduced below the level that spreads disease by the research and technology being developed today.

Bernier's USDA lab in Gainesville, Fla., was created after World War II to find repellents for the military. Scientists worked their way through 80,000 chemicals and came up with DEET, which has been considered the gold

a bite, a cascade of behaviors," Conlon said. "We're just scratching our knowledge of it."

Along with our arms. So what can a person who is a choice meal do? Not much so far, about ourselves, Bernier said. "These chemicals are dynamic. They're always coming off the skin."

Don't believe in old wives tales of home remedies like eating brewer's yeast, garlic or vitamin B-12.

"I don't care whether you eat them or smear them on the skin, it doesn't make any difference," Bernier said. Diet does seem to make some difference. But little research has been done on that. It apparently helps not to be down stream in the aroma flow from people when the mosquitoes follow a plume.

Anything with DEET helps, said Hyatt, who considers himself about the middle on the bite-ability scale. Bernier, who considers himself on the high end of the

mosquitoes are at electric shocks and left "rings of death" around netting when he was in Africa, he said.

But permethrin is not for the skin. It's a neurotoxin that can cause tremors and tumors, and the Environmental Protection Agency classifies it as a carcinogen.

The effectiveness of mosquito magnets still is being researched, Conlon said. There are indications a single device could significantly reduce populations across an acre over three weeks. "Theoretically these things should work really well. (But) while you're in the yard it's not going to keep mosquitoes away from you."

"We get a big salt marsh mosquito outbreak going on, I'm not sure they're going to be effective," Hyatt said. A lot of homeowners could get better results just by draining standing water where mosquitoes breed, he said.

## Attorneys try to freeze assets of agency owner

**AGENCY from Page 1A**

of overtime pay and housing them in rundown properties. Several of which were condemned by city inspectors. Limehouse, who along with his son could not be reached for comment Monday, have denied the allegations in court filings.

If granted the restraining order would bar the father and son from selling or disposing of any personal or business assets without first getting a judge's permission. It also would forbid the destruction of any possible evidence ranging from pay stubs and employee records to e-mails.

To support their argument that the order is needed, attorneys attached real estate records showing that on May 13, younger Limehouse gave his home at 2410 Syl-

van Shore Drive to his wife for \$1 and "love and affection." County records show the couple purchased the home off Savannah Highway in 1988 for \$100,000. The county now values the three-bedroom, two-bath house at \$139,500 for tax purposes. The following day, property records show the elder Limehouse sold four vacant lots in Hollywood for a combined \$280,000, \$40,000 less than what he paid for the properties in August 2002.

Attorneys have said one goal of the suit, which also lists yet-to-be named restaurants, hotels and golf courses that used L&L Services, is to establish a fund to compensate victimized workers. Hulsey said Monday that his office is close to naming some Lowcountry businesses in the suit, but before doing so plans to call a meeting with

those companies.

"This is a community problem," Hulsey said. "I hope that I can sit down with these companies and we can all find a way to resolve this."

Marco Torres, an attorney with the Hulsey Litigation Group handling the case, added that the suit also will be amended soon to include nine new plaintiffs, bringing the total involved to 15.

Our goal is for this lawsuit to encompass all former employees who have been injured who weren't paid regular wages and former employees who weren't paid overtime, Torres said. Hopefully the lawsuit will eventually cover them all."

James Scott can be reached at 745-5855 or jscott@postandcourier.com

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# The Post and Courier

Charleston, North Charleston, SC

THE SOUTH'S OLDEST DAILY NEWSPAPER

50 cents

THURSDAY

August 19, 2004

Partly sunny  
High 91  
Low 73

ntwood Middle  
dent remains jailed

reek after police charged two  
s with hitting Brentwood  
le School teachers give re-  
in jail and both have been  
mended for expulsion. 1B

rtier school loses  
port of district

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Dorchester District 2  
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ing that district officials  
not let the school open.  
als decided the school had  
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9th Circuit Court of Appeals  
red that parolees give up  
of their rights as a con-  
tion ng released ea ly. The  
ly divided court uph ld a  
equiring federal parolees to  
lood samples to the FBI. 3A

na naming rights  
ady drawing bids

clals say the College of  
ento as intialles with several  
is interested in buying the  
ng rights to its new basket-  
arena, which won't be  
ed before 2007. 4B

riots Point board  
s sale of leases

company that is taking over  
the cino's golf course will  
le leases to two nearby  
front properties in deals  
officials hope will help spur  
ercial development. 4B

vey of candidates  
s meager response

omparisan clearnhouse for  
information asked stat and  
l on issues. Seventy percent  
t respond. 1B

ifat promises  
arget corruption

sser Arafat told P. Jettinian  
kers that he and others  
guilty of "mistakes" and  
used to curtail corruption,  
awmakers as it was turn-  
ov beyond mere words. 3A

cks rise again  
pite oil fears

e Dow gained 110.32 to  
73.5 and the Nasdaq rose  
to 1,831.37. The biggest close  
toth indexes in nearly two  
ks. 9B

INDEX

70 70  
18 18  
11 11  
679 679

## Environmental group against half-cent tax

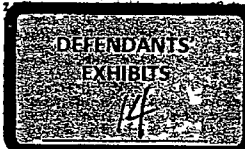
Lack of specifics cited as crucial issue

BY ROBERT BEHRRE  
Of The Post and Courier Staff

A quiet effort to get Charleston  
environmental community to sup-  
port a new half-cent sales tax has  
broken down, and the S.C. Coastal  
Conservation League will urge its

program director said the group  
wanted County Council to pass an  
ordinance specifying how it would  
spend the money partly be alse,  
the league opposes certain new  
roads that could speed development  
in rural areas. The county missed  
the league's deadline for action,

simply there's no ality and no fiscal respon-  
sibility attached to this referen-  
dum. Mayor said the  
county memb rs did t  
nagine they still plan  
some of what I thought  
transportation planning and



Page 5A

## How the tax would work

Percentage tax amount  
Price Tax amount  
Price Tax amount

| Price    | Tax amount | Tax amount |
|----------|------------|------------|
| \$10.00  | 0.50       | 0.50       |
| \$20.00  | 1.00       | 1.00       |
| \$30.00  | 1.50       | 1.50       |
| \$40.00  | 2.00       | 2.00       |
| \$50.00  | 2.50       | 2.50       |
| \$60.00  | 3.00       | 3.00       |
| \$70.00  | 3.50       | 3.50       |
| \$80.00  | 4.00       | 4.00       |
| \$90.00  | 4.50       | 4.50       |
| \$100.00 | 5.00       | 5.00       |

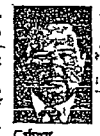
SOURCE: S.C. Department of Revenue

## State's insurance chief quits for job with trade group

BY JONATHAN MAZE  
Of The Post and Courier Staff

Slate Insurance Commission  
Ernst Celszar who generated a  
firestorm of protest among con-  
sumer advocates for backing  
deregulation as a way to improv-  
South Carolina's insurance market,  
resigned Wednesday to take the  
top job with major trade group  
Celszar will take as president  
and chief executive of the  
Property and Casualty Insurers  
Association of America October  
— a move that didn't surprise  
groups who were infuriated by

Celszar's anti-regulation bent.  
The sheep's clothing has fallen  
off, said Robert  
Hammer director of  
insurance for the  
Consumer Federation  
of America.  
He's been work-  
ing for the insur-  
ance industry the  
entire time he's  
been insurance  
commissioner.



Celszar said his resignation is ef-  
fective immediately because he  
See INSURANCE Page 13A

## Judge tells agency to turn over its records

L&L Services  
under court order

BY JAMES SCOTT  
Of The Post and Courier Staff

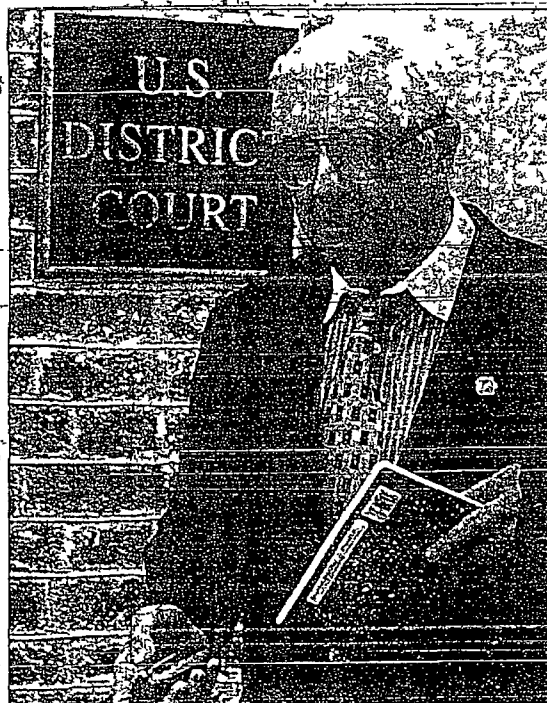
A federal judge ruled Wednes-  
day that the owners of a  
Charleston staffing agency ac-  
cused of profiting from illegal  
immigrant labor must give  
turning over records in a civil  
lawsuit despite the seizure of  
most company files during a  
raid by postal inspectors.

U.S. District Judge C. Weston  
Hoack also refused to freeze the  
assets of company owners Law-  
ton Limehouse and his son, Law-  
ton Limehouse Jr., saying it  
would do them irreparable  
harm. The elder Limehouse, ac-  
cording to his attorney, has been  
hospitalized recently due to part  
to stress from this case.

The rulings come as The Post  
and Courier has obtained, via the  
Freedom of Information Act, the  
investigative audit report cited  
this spring by the U.S. Depart-  
ment of Labor that found the  
Limehouses fail to pay  
\$66,485.38 in 223 work rs for  
overtime.

The father and son owned and  
operated L&L Services LLC and  
WILL LLC, two tempo-ary  
staffing agencies that provided  
as many as 500 workers a year  
most of them Hispanic, to promi-  
nent area golf courses and  
restaurants and construction  
sites. Both companies, which op-  
erated out of the same office,  
have shut down and are the fo-  
cus of a federal criminal investi-  
gation and class-action lawsuit  
on behalf of six former workers.

Limehouse attorney John  
Massalon, had asked the court to  
stall the discovery phase of the  
civil suit, a thing that elder  
Limehouse's home was raided in  
May by federal agents who



Lawton Limehouse leaves federal court in Charleston on Wednesday

seized 10-12 boxes of business  
records. Massalon told the judge  
Wednesday that he'd been unable  
to get copies of those records  
from inspectors, even by re-  
questing a third-party contrac-  
tor approved by the govern-  
ment to make copies.

I have not seen them nor had  
access to them since I was hired  
to handle this case, Massalon  
said. "Without access to that in-  
formation, I feel like I am fight-  
ing with one hand behind my  
back."

Despite a lack of business  
records, attorney Paul Hulsey

who represents the workers, said  
the case could begin with depo-  
sitions and obtaining copies of  
any documents Limehouse may  
possess.

Hoack agreed. He ordered dis-  
covery to proceed with the un-  
derstanding that some docu-  
ments might not be produced  
immediately. I don't think it is  
right, he said, to let this case  
become stalled because we  
are waiting on the government.  
What that was win for the  
plaintiffs, Hoack dealt Hulsey's



Lawton Limehouse Jr.

## AL-SADR SIGNALS INTENT TO DEAL

Clenc requests  
further negotiations

BY RAJIV CHANDRASEKARAN  
AND KARL VICK  
The Washington Post

BAGHDAD IRAQ—Shiite Mus-  
lim cleric Muqtada al-Sadr sig-  
naled that he would accept a plea  
from Iraqi leaders to dissolve his  
militia and enter the armed  
forces in a bid to end the  
asked for further negotiations with  
Iraqi interim government to work  
out details, according to a letter  
from al-Sadr's office that was de-  
livered Wednesday to a political  
conference in Baghdad.

Al-Sadr (left) did not specify  
a condition, but it also did  
not indicate when he planned  
to accomplish the pullout from  
the shrine and the dissolution of  
his militia. His  
correspondence,  
a response to al-Sadr's  
commander was is-  
sued this week by delegates at the  
political conference, arrived in  
Baghdad shortly after Iraq de-  
fense minister warned that a de-  
cisive battle would commence if  
al-Sadr's fighters did not surren-  
der within hours.

Al-Sadr (right) and Najaf did  
not escalate the warning, it  
did not shield al-Sadr's  
forces continued to battle al-Sadr's  
militiamen in neighborhood  
around the shrine.

U.S. and Iraqi officials were skep-  
tical about whether al-Sadr would  
follow through, particularly with  
the pledge to "disband his militia."

Thursday August 19, 2004 13A

## Agency under judge's order

AGENCY from Page 1A



BERKARIM KADIM/AP  
Muqaddas al-Sadr  
moves in the al-

plex than had been  
any previous ar

irst," said Maj. Bob  
utive officer of the  
Fifth Regiment of  
Cavalry Division,  
ng in the cemetery  
upport  
er than I thought  
ut it was safe," said  
olahan of the 11th  
itionary Unit, which  
fight in Najaf.

Press contributed to

team a setback by denying a mo-  
tion to freeze the Limehouses' as-  
sets. In court documents, Hulsey  
cited the recent \$280,000 sale of  
property the elder Limehouse  
owned in Hollywood. The younger  
Limehouse also transferred own-  
ership of his West Ashley home to  
his wife.

Massalon said the Hollywood sale  
was under contract before the law  
suit was filed. He added that the  
proceeds of the sale helped pay the  
Department of Labor. Freezing the  
Limehouses' assets, Massalon said,  
would affect the families' ability  
to live. "They have to eat, pay the  
mortgage," he said. "The hardship  
on them would be extreme."

Houck said freezing the assets  
would harm the Limehouse fami-  
lies more than it would help the  
plaintiffs. "I see little irreparable  
harm the plaintiffs will suffer if I  
don't grant this relief," Houck said.  
Meanwhile, the labor depart-  
ment audit shows that the Lime-  
houses have paid \$32,254.49 in  
back wages to former workers.  
The remaining \$34,230.87 was  
paid to the labor department be-  
cause those workers could not be  
located. The audit, which records  
indicate was triggered by the

newspaper's investigation shows  
that the \$66,485.36 was calculated  
by multiplying the number of  
hours by the half-time rate, which  
in most cases would be \$3. That  
means the 223 employees worked  
a total of about 22,162 hours with-  
out being paid overtime.

In court, Hulsey said the labor  
department investigation didn't  
factor in employees whose hours  
weren't logged in L&L Services  
system. As an example, he said he  
has documentation showing one la-  
borer worked eight hours in a  
restaurant and never was paid.  
Hulsey also raised the question of  
employees who worked under two  
names at times, often using fake  
green cards and Social Security  
cards that workers said were pur-  
chased from company officials. In  
a dramatic moment, Hulsey held  
up a fake green card that was split  
open to reveal an L&L Services  
identification card inside.

"The Limehouse defendants  
made the ID cards the workers  
used. They gave them the names  
they used. They gave them the So-  
cial Security numbers," Hulsey  
said. "I'm holding one right here in  
my hand."

James Scott can be reached at 745-  
5855 or jscott@postandcounner.com

said Wednesday in  
his regulatory ap-  
can come down with  
in California because  
to be a Fortune 500  
a have to do business  
an be a Fortune 500  
d not do business in

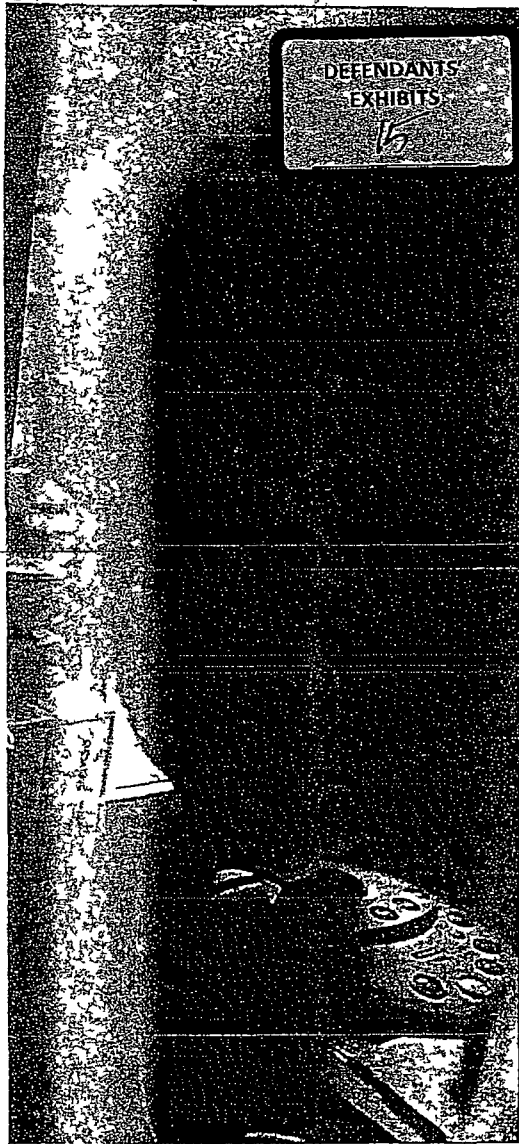
ship. To his credit, Ernie has al-  
ways stayed true to those ideals in  
his role as insurance director —  
and even advanced them given his  
particular skills and talents.

Csiszar's regulatory efforts also  
earned him praise from the indus-  
try.

ed to be," Love said. "He's been  
very fair."

But Csiszar's deregulation drive  
only angered consumer groups  
particularly when he became pres-  
ident of the National Association  
of Insurance Commissioners earli-  
er this year. More than 100 state

A  
U  
G



ALAN HAWES/STAFF

lay as he is helped up from the scanner by nurse  
anper one of the first in the nation

## Heart of matter

they've got  
n a picture  
s"

as stents or bypass surgery. Begin  
ning a treatment regimen of med  
ication, diet changes and exercise  
can help keep patients from get  
ting sicker.

If used correctly — that is not  
solely as a screening device for pa

# L&L Services pays \$2,500 in fines

## Defunct staffing agency, owner face suit

BY JAMES SCOTT  
Of The Post and Courier Staff

A defunct staffing agency that housed as many as 30 Hispanic men and women in two North Charleston residences last winter paid \$2,500 in fines Tuesday and pleaded guilty to five municipal zoning and building violations.

A class action lawsuit against L&L Services LLC and owner Lawton Limehouse brought by 14 former employees of the staffing agency is scheduled for trial in August in federal court in Charleston.

The municipal court action against L&L Services stemmed from a raid in February of two homes by city inspectors who cited the business for 10 zoning and building violations that carried a maximum fine of about \$10,000.

That raid and information uncovered by The Post and Courier triggered state and federal investigations. The S.C. Workers Compensation Commission fined Limehouse roughly \$5,000 for not having workers compensation insurance for one of his staffing agencies. The U.S. Labor Department found that the company failed to

pay 223 workers \$66,485 in overtime. The business closed.

Deputy City Attorney Rich Lingenfelter struck a deal with L&L Services attorney, Dennis Rhoad, for the code violations in which the business, not Limehouse, would plead guilty to five violations including improper plumbing and living space and running an illegal boarding house in exchange for sparing the city a trial. The other violations were dismissed.

Due to North Charleston building and planning department investigations, the company was heavily fined by the state and federal government," Lingenfelter said. It has been forced to pay back overtime wages. A class action lawsuit has been filed against it on behalf of the workers and the company has closed its doors.

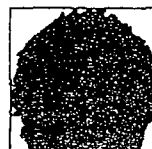
Limehouse wasn't in court. Rhoad said afterward that his clients were glad the code case was resolved and looked forward to resolving the civil suit.

Marco Torres, an attorney handling the civil case for a group of former L&L Services employees, said the suit has grown from six to 14 plaintiffs.

## Man accused of burning 3-year-old goes to trial

BY NITA BIRMINGHAM  
Of The Post and Courier Staff

ST. GEORGE—Josiah Perry will bear a permanent reminder that he sucked his fingers as a child.



GMLC

Story starts  
this holiday  
season. 28

SECTION B

The Post and Courier

# LOCAL STATE

INSIDE: Obituaries 4 B Business 7 B Weather 12 B

BUSINESS

State Ports Authority  
faces unexpected rise  
in maintenance costs, 7B

WEDNESDAY, DECEMBER 15, 2004

## Mayor speaks after arrest

BY JASON HARDIN  
Of The Post and Courier Staff

Folly Beach Mayor Vernon Knox issued an apology Tuesday in the wake of the automobile crash earlier this month that led to his arrest on a DUI charge.

His comments came in the form of a brief statement he read at Tuesday's meeting of Folly Beach City Council.

Knox, who crashed his car into a utility pole on the island Dec. 4, said that he has always tried to represent the city well.

Unfortunately the name of the

### DEFENDANTS EXHIBITS

16



Knox said he has been in the forefront of all accidents. For that I humbly apologize to the citizens of Folly Beach and will endeavor to repair any damage caused, he said in the statement.

The mayor thanked those who

See MAYOR Page 6B

## TUG OF WAR OVER IMMIGRANT FILES

Judge to hear arguments about release of workers' records in class action suit

BY JAMES SCOTT  
Of The Post and Courier Staff

Fourteen immigrants suing a defunct Charleston staffing agency want to keep their personal information out of the hands of the agency's attorneys, fearing the release of home addresses, current employers or immigration status could expose them to deportation.

The attorney for L&L Servi LLC and its owner, Lawton Lumbhouse, however, wants the information to mount a defense in the "discovery" suit, their attorneys Lumbhouse, charging workers out of overtime pay making it

difficult to uncover earlier. They alleged immigrants worked in year by North Charleston building a gallery. In some cases, they said, inspectors, who discovered the company housing scores of workers in overcrowded conditions, including five men living in an outdoor storage shed.

That discovery, buoyed by workers' accounts of buying fake federal documents and being cheated out of over three pay led to a raid by federal agents, the business closing and the civil suit. A criminal investigation is ongoing.

Anita Sinha, an attorney with the California-based National Immigration Law Center who is familiar with this case, said guarding immigration status is vital to protect

workers for immigration violations. Retaliation is very real in these cases, she said. Immigration status can be used to intimidate workers.

Anita Sinha, an attorney with the California-based National Immigration Law Center who is familiar with this case, said guarding immigration status is vital to protect

See RECORDS Page 6B

## THEIR LIVES IN PICTURES



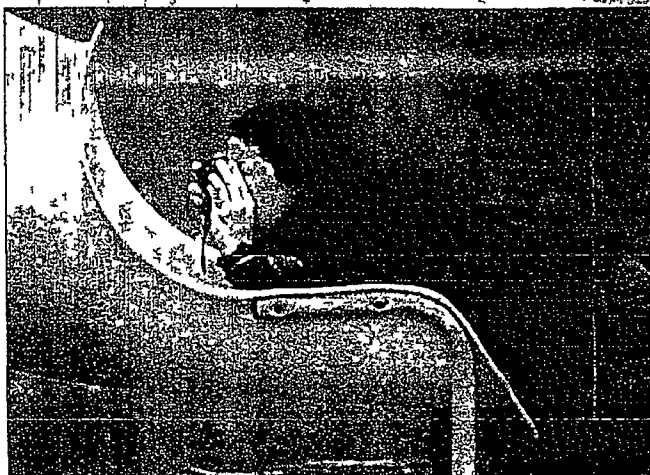
Stephanie Simmons photographed 2-year-old James Kinloch in a hubbub side of a playground on Meeting Street, across from Crisis Ministries.

BY ADAM FERRELL  
Of The Post and Courier

View Point project brings together Crisis Ministries residents, professional photographers, best images to be exhibited during Piccolo Spoleto

Donavon Halls struck off on a dirt path worn smooth through high weeds and sparse trees. In low were local photographer Ray Roca and videographer Jeff Poole, both wielding their tools, hoping to capture on film world people like Halls rarely see.

The stretch of wilderness Halls called "the jungle" runs from Huger Street to the Crosstown Expressway



Stephanie Simmons, who lives at the Crisis Ministries Family Center, takes pictures Sunday of children near the center. Simmons is participating in a photography mentoring project with area professional photographers.

just yards east of Interstate 26. Backs of buildings along upper Meeting Street border the area on the eastern edge.

"I'd like to show you something very interesting," Halls said mysteriously as the group left the shadowy underbelly of I-26, where it crosses Huger.

Halls wore a black leather cap, the stereotypical biker sort. Her left hand gripped a long-haired action figure in a silver coat. Roca suggested with a giggle that it was her mascot. Halls just laughed and didn't explain it.

In her right hand was a black camera.

"This is where people come to smoke," she said, her voice trailing off as she walked. And whatever empty glass bottles and scattered glass shards littered the ground. The chain link fence that runs along the right of the path was draped in more than a dozen dirty sheets and blank. Halls said that so police officers on horseback can't see through it. It goes people chance to run, she said.

Halls pointed out a person sleeping

on a "fifty quill" pallet on the other side of the fence. She stopped to take a photograph. Roca squatted and took a few shots of Halls shooting the napping person. Poole rolled his camera.

It was what organizers of the View Point project call a field day. Professional photographers and photography students from the College of Charleston and from Trident Technical College began visiting

See PROJECT Page 6B

## Mother, sons need warmth, home repairs this holiday

The little house on James Island looks to be comfortable home. Inside tells different story. The home is without heat for a mother and her two sons. The old gas heaters



Tuesday Morning and Evening Ladies Bridge Club  
With thanks for Mac, Chris, Audrey, Haley, August & Roderic  
Charleston Exchange Club Auxiliary  
Two Friends  
Joe and Helen, Joseph

25.00  
100.00  
85.00  
100.00  
100.00  
200.00  
25.00

Fred J. Martusinski Jr.  
Brother Williams W. Mock, trustee Douglas A. Strickland & Rex Strickland, from Nat and Ronelle Clark  
Matthew Williams, from Michaela Woods & Pruthi  
LAWYERS: RICHARD H. HARRIS, JR., CHARLOTTE, N.C.

Mac Wilson, grandmother of Tommy Watson. Don't tell student of Johnson & Stokes Law  
Our fathers William A. Johnson Jr. & Lawrence C. Oatman, from Doreen and Terri  
Doreen and Terri Oatman, from Doreen and Terri

## Battle ensues over records

**RECORDS** from Page 1B

In the case of L&L Services, nearly two dozen former employees were arrested by armed federal agents for immigration violations this summer in a raid at a Ravenel mobile home park. Those workers, who later were released, are under orders to cooperate with the U.S. Attorney's office.

Attorneys with the Hulsey Litigation Group, who represent the workers, declined to comment on the case. In recent court documents, however, the attorneys cited a history of harassment and threats of deportation by L&L Services managers.

As evidence, attorneys attached an internal memo from the North Charleston Police Department in which a bilingual officer described a caller on a local Hispanic radio show where the officer was giving an interview.

That February memo recounted the caller's complaint about being forced to move out of an L&L Services-controlled house.

The caller, according to the memo, said a company manager threatened to call immigration officials and have the worker and his family arrested if the family didn't obey.

"Given defendants' history of attempting to use such information

for purposes of threats and intimidation, and given the manner in which such information could now be used for improper purposes against the plaintiffs," lawyers wrote in court documents, "it would be unfair, inappropriate and potentially dangerous at this juncture to force plaintiffs to disclose such information."

Limehouse's attorney John Massalon of Wills & Massalon also declined to comment. In court filings, Massalon has asked a judge to force the disclosure of the information. He wrote that opposing attorneys have provided only minimal documentation to back up workers' claims and have objected to requests for information central to the case, including passports, green cards and Social Security cards.

Wilfredo Leon, who was a member of former Gov. Jim Hodges' committee on Hispanic issues and is publisher of El Latino newspaper in Greenville County, said undocumented Hispanics' fear of immigration authorities prevents many from seeking help when problems arise, making them prime targets for exploitation.

"That fear is what holds back a lot of people from coming forward and talking to law enforcement," said Leon. "You don't go to the police if you are afraid of them."

## Folly Mayor Knox speaks out

**MAYOR** from Page 1B

all day and wrote him in the days

cal resident Jerry Pierce said he supports the mayor.

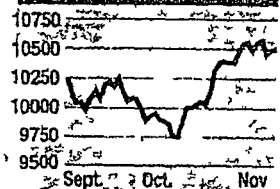
"Everyone makes mistakes," he

7B

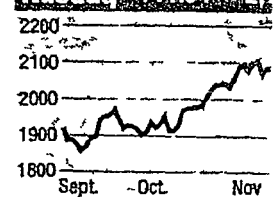
### BRIEFCASE

#### Market indexes

**Dow** +38.13 100



**Nasdaq** +11.34 24



Source: Associated Press

### U.S. trade deficit hits all time high of \$55

WASHINGTON—America's trade deficit swelled to an all-time high of \$55.5 billion in October as imports surged to their highest levels on record. Skyrocketing crude oil prices also contributed to the yawning trade gap. The latest snapshot of the

Tuesday, January 25, 2005 3B

# Judge says immigrant status must be revealed

## L&L Services warned not to abuse information

BY JAMES SCOTT  
Of The Post and Courier Staff

Fourteen immigrants suing a defunct Charleston staffing agency were ordered Monday to turn over information about their immigration status and current employers, though a judge declined to force the workers to reveal home addresses and phone numbers.

U.S. District Judge C. Weston Houck warned L&L Services LLC owners Lawton Limehouse and his son Lawton Limehouse Jr. that using the plaintiffs' personal information for retaliation could bring contempt of court charges.

Houck ordered the Limehouses and the attorneys involved to sign a protective order guaranteeing that the information would be used solely to defend a class action lawsuit that accuses L&L Services of cheating workers out of overtime pay, making fake Social Security cards and housing workers in rundown properties.

I want them to understand this is serious business. Limehouse



Houck told the Limehouses attorney John Massalon, "We're not messing around."

Monday's hearing was the latest development in the case against L&L Services.

The suit grew out of Limehouse Jr.'s of code violations uncovered last year by North Charleston building inspectors who discovered the company housing scores of workers in overcrowded conditions, including five men living in an outdoor storage shed.

That discovery, buoyed by workers' accounts of buying fake federal documents and being cheated out of overtime pay, led to a raid last spring by federal agents, the business closing and the lawsuit.

A criminal investigation led by U.S. postal inspectors is ongoing.

Massalon has pushed in recent months for personal information about the plaintiffs to help mount his defense. The move has been fought by opposing attorneys, who fear it could have a "chilling effect" on the case and expose former employees to deportation.

That fear materialized last summer when nearly two dozen former employees were arrested by armed federal agents for immigration violations in a raid at a Ravenel mobile home park. Those workers, who later were released, are under orders to cooperate with the U.S. attorney's office.

In court Monday, Massalon said the workers' immigration status was central to the case since a majority of the 14 plaintiffs have alleged that the Limehouses' business made and sold fake Social Security cards and green cards to undocumented workers.

Massalon said he planned to subpoena the plaintiffs' current em



ployed by opposing attorneys, who fear it could have a "chilling effect" on the case and expose former employees to deportation.

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In court Monday, Massalon said the workers' immigration status was central to the case since a majority of the 14 plaintiffs have alleged that the Limehouses' business made and sold fake Social Security cards and green cards to undocumented workers.

Massalon said he planned to subpoena the plaintiffs' current employers to find out what kind of immigration documentation workers might be using now. That, he said, could show that workers got documentation elsewhere and clear his clients.

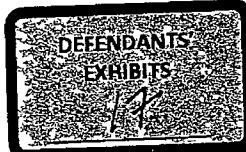
"It goes directly to the credibility of the claims that my clients did it," Massalon said. "We don't have any hidden agenda here other than trying to defend these gentlemen as best we can."

Attorneys representing the workers argued that information about current employers is irrelevant and serves only as a "red herring" since the suit involves only the workers' time at L&L Services.

Attorney Marco Torres, one of the lawyers representing the workers, argued that releasing the current employers could result in the plaintiffs losing their jobs.

Some former employees of L&L Services, Torres said, have declined to participate in the case because of such fear.

"The dangers are real in this case," Torres said. "Our clients won't benefit by sanctions if they are deported or lose their current employment. Once the information is released, the damage is done."





UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
CHARLESTON DIVISION  
Civil Action No

ORIGINAL FILED

APR 23 2004

LARRY W. PROPER, CLERK  
CHARLESTON, SC

Maximino Flores, Mateo Alvarez, Manuel  
Ramirez, Jose Luis Jimenez, Maximina Flores,  
and Macrno Flores and Others Similarly  
Situating,

Plaintiffs

2 0 4 1 2 9 5 2 3

vs

CLASS ACTION COMPLAINT  
TRIAL BY JURY DEMANDED

Lawton Limehouse, Sr., Lawton Limehouse, Jr.,  
L&L Services LLC, WLL, LLC, unknown  
John Doe individuals, and unknown businesses,  
including, but not limited to, A, B, & C temporary  
staffing agencies, farms, hotels restaurants golf  
courses, construction companies, landscaping  
services, cleaning services, municipalities, and  
other undiscovered businesses owned by or  
affiliated with Defendants,

Defendants

HUI SEY LITIGATION GROUP LLC  
Paul H Hulsey  
William J Cook, D S C Bar No 7167  
Marco T Torres  
Charleston Harbor  
2 Wharfside 3  
Charleston, SC 29401  
tel (843) 723 5303  
fax (843) 723-5307

ATTORNEYS FOR PLAINTIFFS

|                         |          |
|-------------------------|----------|
| COURT S                 |          |
| EXHIBIT NO              | 8        |
| IDENTIFICATION/EVIDENCE |          |
| DKT #                   | alk      |
| DATE                    | 11/12/09 |

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## I INTRODUCTION

- 1 This case arises out the abuse of employee rights by Defendant Lawton Limehouse, Sr , Defendant Lawton Limehouse, Jr 's, Defendants L&L Services, LLC, and WLL, LLC, and other John Doe and A, B, & C Defendants, as well as violations of the Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U S C §§ 1961 to 1968, and violations of other federal and state laws as detailed below
- 2 This Complaint is brought by the Plaintiffs on their behalf and for all others similarly situated to vindicate their rights to receive full and fair compensation for their labor The Defendants' acts and omissions include, but are not limited to, an unlawful scheme to defraud, corrupt, cheat, steal, extort, and convert the money and property of the Plaintiffs who provided labor services in exchange for wages This scheme to defraud the Plaintiffs for the economic benefit of the Defendants involves, among other crimes, mail fraud, wire fraud, falsification of government documents, extortion, and transportation of persons or property stolen, obtained by fraud or converted

## II JURISDICTION AND VENUE

- 3 This Court has jurisdiction over this action under 18 U S C § 1964(a) and (c) (RICO), 28 U S C §§ 1331 (federal question), and 28 U S C § 1367 (commerce) Supplemental jurisdiction under 28 U S C § 1367 exists as to those claims that are so related to the federal claims in that they form part of the same case or controversy The matters in controversy arise under the Constitution, treaties, and laws of the United States, including those regulating commerce

4 Personal jurisdiction and venue are proper in this Court under 18 U S C § 1965(a)  
and 28 U S C § 1391(b) because a substantial part of the events and omissions  
giving rise to the claims occurred in this district

### III PARTIES

5 Defendants Lawton Limehouse, Sr , and Lawton Limehouse, Jr started Defendant  
L&L Services, LLC and Defendant WLL, LLC (the "Limehouse Defendants") in  
September 1999 and April 2000 respectively, or perhaps earlier as discovery may  
disclose, to provide temporary employees to Charleston, South Carolina,  
businesses Other undiscovered individuals are denominated as Defendant John  
Doe and other undiscovered businesses are denominated as Defendant A, B, & C  
Their identities will be disclosed as discovery progresses

6 The John Doe and A, B & C Defendants either knowingly or willfully and  
recklessly turned a blind eye to the impropriety and illegality of the conduct of the  
Limehouse Defendants, and either aided and abetted or participated in the scheme  
by providing continuous demand for temporary staffing

### IV RELEVANT PERIODS OF TIME

7 The various Enterprises, pled hereinafter, were formed no later than 1999, if not  
earlier, and have continued in existence through the date of filing of this  
Complaint The scheme to defraud, corrupt, cheat, steal, and convert property,  
pled hereinafter, began on or before 1999, and continues to this date

### V DEFINITIONS

8 As used in this Complaint and as used hereinafter, "mail," "mails," "mailed,"  
"mailing" or "letter" means placing in any post office or authorized depository for

mailed matter, any matter or thing to be delivered by the United States Postal Service or depositing or causing to be deposited any matter or thing to be delivered by any private or commercial interstate carrier, or taking or receiving therefrom, any such matter or thing, or knowingly causing to be delivered by any such means any such matter, and "wire communication" or "telephone" refers to any transmission by means of wire or radio communication in interstate commerce

## **VI THE SCHEME TO DEFRAUD**

- 9 The Plaintiffs and Class Members in this action were hired by the Defendants, through which they worked at various area businesses as temporary employees
- 10 The businesses that contract employees from Defendants' enterprise pay salaries and wages directly to the Limehouse Defendants. The businesses benefit by neither paying wages or benefits, such as health or worker's compensation insurance.
- 11 The Limehouse Defendants, in turn, take at least \$4.00 per hour from each of their employees' wages and then issue a paycheck to the employees.
- 12 Although deductions are taken from each employee for Social Security and Medicare, the Plaintiffs and all others similarly situated are deprived of the benefit of those deductions through Defendants' scheme of reporting false Social Security and other identification numbers. Plaintiffs thus earn, but not accrue, the benefits intended by the Social Security and Medicare laws.
- 13 Each week, the Defendants' managers tell the employees at which area businesses they need to report for work. The Limehouse Defendants provide vans to shuttle

the employees back and forth from the substandard company-owned residences where the majority of the company employees reside, to the various work sites

- 14 The housing the Limehouse Defendants provide is substandard and yet the workers are charged for it. Often, ten to thirty, and sometimes more, employees are crowded into the homes. Many of the homes used by Defendants to house its employees have been deemed uninhabitable by city inspectors, but Defendants still deduct rent from Employees' paychecks.
- 15 The Plaintiffs individually and on behalf of other employees similarly situated allege that Defendants developed a scheme whereby they would illegally, willfully and consistently withhold portions of its employees' wages without any justification or right under state or federal law. For example, employees would work a forty (40) hour work week and would be compensated for either thirty-five (35) or thirty-seven (37) hours without written or verbal notification of said deductions or justification for said deductions.
- 16 Plaintiffs individually and on behalf of other employees similarly situated also allege Defendants developed a scheme whereby they would illegally, willfully and consistently fail to compensate its employees at the rate of one-half times the regular rate for hours worked in excess of forty (40) hours a week. For example, Plaintiffs would often work sixty (60) to seventy (70) hours a week and received no overtime pay.
- 17 Moreover, in order to circumvent the federal overtime requirements, Defendants would divide the hours employees worked between its two companies so that an employee who worked over forty hours would receive two checks, one issued by

L&L Services and another from WLL, LI C The employee was thereby denied the federally mandated time and half compensation for his/her hours worked over forty in a week

- 18 Although the Limehouse Defendants set up two companies, they were for all intents and purposes one and the same
- 19 In addition to dividing the hours employees worked between its two companies to circumvent federal overtime wage requirements Defendants would also routinely issues pay checks to employees that reflected over forty hours a week but were compensated at the same pay rate for all of the hours with no explanation as to why they were denied overtime pay

#### **VII OTHER FACTS COMMON TO ALL CLAIMS**

- 20 Plaintiff Maximino Flores ( 'Flores') worked for the Defendants from approximately February 2002 through February 2004
- 21 Through Defendants employment agencies, Flores worked at various businesses and companies including, several Charleston restaurants, landscaping companies, and collecting trash for the area municipalities
- 22 Flores regularly worked over forty hours a week in landscaping jobs during the day and at various restaurants in the evening Both jobs were coordinated by and paid through Defendants' companies
- 23 In addition, Defendants, by and through their agents, advised Flores that if he worked two shifts in one day he would need to use a different name at the second job

- 24 Defendants then provided Flores with a resident alien card and Social Security card bearing the name of Oscar Mejias Plaintiff Flores asserts that Defendants' identification and Social Security card scheme was used as a means to regularly deny him overtime wages
- 25 Defendants' also routinely withheld hours that Flores worked during the week from his paycheck Flores informed Defendants of the missing hours on several occasions and was credited for some of these However, at the time Flores' termination from Defendants' companies, he was owed approximately twelve hours of wages he has never received
- 26 Plaintiff Mateo Alvarez ("Alvarez") worked for the Defendants from approximately August 2003 through March 2004
- 27 Alvarez worked through Defendants' companies for Trident Construction in Charleston County and at local restaurants Like Flores, Alvarez worked two jobs a day through Defendants staffing agencies Alvarez worked eight hour days for Trident Construction, accumulating forty (40) hours a week there Alvarez would then work up to an additional eight hours at local restaurants the same night Alvarez was issued two separate pay checks by Defendants, one for the construction job and one for the restaurant work As a result, Alvarez was routinely, willfully and illegally denied overtime wages
- 28 Additionally, Alvarez alleges that Defendants routinely withheld hours he worked from his paychecks For example, in October 2003 Defendants did not compensate Alvarez for twenty hours of work he performed while working for a local construction company and a local restaurant.

29 On other occasions, when Alvarez's paycheck did not reflect the complete hours he had worked, the Defendants' would reimburse him several weeks later, but only after he complained to the Defendants. The Defendants' regularly withheld from Alvarez one or several hours he worked a pay period and since his departure from Defendants' employment, Alvarez has yet to be reimbursed for approximately forty hours owed to him for work performed.

30 Plaintiff Manuel Ramirez ("Ramirez") worked for the Defendants from approximately November 2002 through February 2004. Through Defendants' temporary staffing agency, Ramirez worked for various construction companies and for Waste Industries, Inc. collecting trash.

31 Ramirez regularly worked ten to twelve hour days, five days a week, and was routinely, willfully and illegally denied overtime compensation. In addition, on at least one occasion, Ramirez was not compensated for the full amount of hours he at local businesses through the Defendants' agencies.

32 Plaintiff José Louis Jimenez ("Jimenez") worked for the Defendants from approximately November 2003 through March 2004. Through Defendants' temporary staffing agency, Jimenez worked for various landscaping and construction companies, as well as for various local restaurants.

33 Jimenez alleges that Defendants' routinely withheld hours he worked during the week from his paycheck without justification or cause. For example, during the week of December 11, 2003, Defendants willfully failed to pay Jimenez for approximately fourteen hours he worked in landscaping and at a local restaurant. In total, Jimenez believes he was willfully and illegally not paid for a total of

twenty-one hours he worked at various companies through Defendants' temporary staffing agency

34 Maximina Flores ("Maximina") worked for the Defendants from approximately September 2003 to February 2004

35 Through Defendants' temporary staffing agencies, Maximina worked in housekeeping and at local restaurants

36 Maximina alleges that at least on one occasion she was willfully and illegally denied overtime compensation during a week she worked fifty six hours. In addition, Defendants willfully failed to compensate Maximina for at least twenty-two hours she worked at two local restaurants

37 Macrino Flores ("Macrino") worked for the Defendants from approximately August 2003 to February 2004

38 Through Defendants' temporary staffing agencies, Macrino worked for various landscaping and construction companies and restaurants. Macrino regularly worked over forty hours a week in landscaping jobs during the day and at various restaurants in the evening all of which were coordinated by and paid through Defendants' companies. Macrino was issued a separate check for the construction work and a separate check for the restaurant work.

39 As a result, Macrino was routinely, willfully and illegally denied overtime wages. In addition, Defendants willfully failed to compensate Macrino for at least twenty hours he worked for various construction companies and restaurants. For example, Macrino was not compensated for eight hours he worked at a local

restaurant in January 2004, even though he notified Defendants of the missing hours

- 40 On information and belief, the Defendants treated all as yet unidentified individuals in a similar fashion

#### VIII. CLASS ACTION ALLEGATIONS

- 41 The Representative Plaintiffs bring this action individually and on behalf of the Class pursuant to Rule 23, FRCP
- 42 The proposed class does not include directors, officers, or employees of the Defendant companies
- 43 Class Members include all persons who worked for the Defendants and their companies, who did not receive their hourly wages and/or overtime wages in accordance with federal and state law
- 44 Upon information and belief, the class period begins at least five years prior to the date of the filing of the Complaint in this action
- 45 Class members are numerous. Joinder is impracticable. Plaintiff believes there are hundreds if not thousands of Class Members. Their exact number and identities are known by Defendants
- 46 Plaintiffs' claims and any defenses thereto are typical of the Class Members, arise from the same course of conduct, and involve questions of fact and law common to the Class
- 47 Any claims or defenses of Defendants are common to all Class Members, including Plaintiffs, and are typical of the claims and defenses they will raise against the Class

- 48 Plaintiffs and the Class Members were damaged in the same way by the same wrongful conduct of the Defendants
- 49 Representative questions of law and fact common to the Class Members include, but are not limited to whether Defendants illegally manufactured government documentation to allow them to perpetuate their illegal practices, including their failure to pay wages and overtime to Plaintiffs and their Class Members, whether Defendants failed to pay wages, whether Defendants failed to pay overtime, and other violations of state and federal law articulated herein, and other yet undiscovered violations of state and federal law
- 50 Plaintiff will fairly and adequately protect and represent the interests of the Class
- 51 The interests of the Plaintiffs are coincidental with and not antagonistic to those of the Class Members
- 52 Neither Plaintiffs nor their counsel have any interest which might cause them not to vigorously pursue this action.
- 53 Plaintiffs are represented by counsel who are experienced and competent in the prosecution of complex litigation, including class action litigation. Lead counsel Paul H. Hulsey is experienced in complex racketeering and class litigation, including several trials to verdict
- 54 Counsel has the ability to advance the costs and expenses of the litigation
- 55 To the extent the relief sought is not declaratory or injunctive, the amount in controversy exceeds one hundred dollars for each member of the Class
- 56 The maintenance of this action as a class action will be superior to other available methods of adjudication in promoting the convenient administration of justice

because the prosecution of separate actions by individual class members would create a risk of inconsistent or varying adjudications with respect to individual members of the class who would confront the party opposing the Class with incompatible standards of conduct, and adjudications with respect to individual Class Members would as a practical matter be dispositive of the interests of adjudications or would substantially impair or impede their ability to protect their interests, final equitable and declaratory relief is appropriate with respect to the class the action is manageable as a class, individual claims of the separate class members might and could be prejudiced by the expense of multiple separate litigations, and it is probable that the amount which may be recovered by individual class members will be large enough in relation to the expense and effort of administering the action to justify class treatment

#### **IX FACTS RELEVANT TO THE § 1964 CLAIMS**

##### **1 The Temporary Staffing Enterprise**

57 At all relevant times, at least one "enterprise" existed within the meaning of 18

U.S.C. § 1961(4). Thus "enterprise" is an entity that engaged in activities affecting interstate commerce.

58 The Enterprise was an association-in fact enterprise which is referred to herein as the "Temporary Staffing Enterprise." The Individual Defendants participated in the operation and management of this enterprise and conduct its affairs through their pattern of unlawful activity, including execution of their Scheme to Defraud, corrupt, cheat, steal, and convert the money and property of the Plaintiffs.

**a Purpose of the Enterprise**

59 At all relevant times, the purposes of the Temporary Staffing Enterprise were to  
(1) provide for the temporary staffing needs of local organizations and businesses  
including those of Charleston County, and (2) to make profits by engaging in  
activities in connection with the provision of temporary workers to area  
businesses

60 At all relevant times, the legitimate purpose of the Temporary Staffing Enterprise  
was to match temporary workers with area businesses for employment. Some  
members of the enterprise were owners and provided management in connection  
with the enterprise. Other members of the enterprise served supporting roles and  
participated in the business of the enterprise.

61 At all relevant times, the Defendants utilized the Temporary Staffing Enterprise to  
further their illegitimate purpose to retain monies earned as wages by the  
Plaintiffs and other former temporary workers to increase their own profits and  
those of the enterprise, and to manipulate reporting requirements to governmental  
labor and taxing authorities in order to deprive, corrupt, cheat, steal, and convert  
the money and property of the Plaintiffs.

62 The Plaintiffs were the intended victims of this Scheme, and were deprived and  
cheated out their wages and overtime earned through their employment by the  
Temporary Staffing Enterprise.

**b Membership in the Temporary Staffing Enterprise**

63 The membership, both witting and unwitting, in the Temporary Staffing  
Enterprise was and is as follows: (1) the Defendants Lawton Limehouse, Sr. and

Lawton Limehouse, Jr , (2) the Defendants L&L Services, LLC and WLL, LLC, and their affiliates, (3) the various yet unnamed Defendant "John Doe" individuals, and (4) the various yet unnamed Defendant A, B & C businesses, including, but not limited to temporary staffing agencies, farms, hotels, restaurants, golf courses, construction companies, landscaping services, cleaning services, and municipalities, (5) Elvira Luebke, a supervisor employed by Defendants Limehouse and their Defendant companies, who assisted and facilitated the Defendant's Scheme to Defraud, including but not limited to threatening, extorting, and coercing Plaintiffs in order to further the purposes of the Enterprise, (6) Carlton Elliott, a staffer employed by Defendants Limehouse and their Defendant companies, who assisted and facilitated the Defendants' Scheme to Defraud, including, but not limited to, their falsification of government documents, (7) other unnamed individuals, partnerships, corporations, and associations, including yet unnamed resident nationals of Mexico and Argentina, (8) the Plaintiffs, who provided licit labor services incidental to Defendants' Scheme to Defraud, and who were the Scheme's intended and unknowing victims

**c Structure of the Enterprise**

64 At all relevant times, the Temporary Staffing Scheme was an ongoing association-in-fact enterprise composed of entities and individuals with a common and shared purpose, a continuity of structure and personnel and a consensual decision making structure that was used to both encourage and effect its legitimate

purposes and to carry out the Scheme to defraud, corrupt, cheat, steal, and convert the money and property of Plaintiffs

65 The roles that were performed by the various members of the Temporary Staffing Enterprise are described as follows (A) The members of the Temporary Staffing Enterprise, with the exception of Plaintiffs, who formulated a broad plan to exploit the temporary labor market by attracting and/or providing a continuous supply of temporary labor The plan included the employment of temporary laborers, typically aliens from Latin American countries, who were then effectively held in indentured servitude by a scheme of forced housing, transportation, threats of retaliation, and coercion, (B) Defendants who concealed from labor, insurance, and taxing authorities the full nature and existence of their Employment scheme and indeed the existence of the Plaintiffs in this county, state, and country by falsifying government documents and reports, including Social Security numbers visas, and reports submitted to regulatory authorities, (C) Defendants who concealed the true value of the wages earned by Plaintiffs by dividing wages earned between the Defendants' companies such that the full amount of wages and/or overtime earned were never disclosed or paid to the Plaintiffs, (D) Defendants and other members of the Enterprise who used and relied on the complexity of immigration regulations and law, along with the bureaucracy of government regulatory schemes, such as taxation, Social Security, and workers' compensation, to prey upon the Plaintiffs in the Scheme to Defraud Because of the methods used, Defendants' Scheme to Defraud is intentionally designed to be almost impossible for the relevant governmental authorities to

uncover, (E) Defendants who lured and trafficked into South Carolina workers by the promise of legal and gainful employment, (F) as part of their pattern of racketeering activity, Defendants and members of the enterprise who provided false Social Security numbers and/or documentation, and/or immigration visas to their workers so that they could then work as temporary laborers at various area businesses, (G) Defendants who transported Plaintiffs and Class Members as part of the Scheme to Defraud. Workers, including Plaintiffs, were transported by Defendants to prevent frolic and diversion on highways inter- and intrastate in vehicles licenses and registered in North Carolina, (H) in furtherance of this pattern, Defendants who used extortion and threats of retaliation by government authorities to keep Plaintiffs as virtual slaves. To this end, Defendants corralled and housed Plaintiffs in substandard housing, thus controlling how and where they lived.

66 Through this circular pattern of subterfuge described above, Defendants were able to unlawfully divert from Plaintiffs their lawful wages and/or overtime and credit for Social Security and Medicare.

67 Upon information and belief, Defendants (1) divert these monies for their own personal use, (2) launder money in North Carolina, Argentina, and other Latin American countries, and (3) reinvest these monies in the maintenance of the Enterprise so that the Plaintiffs are injured in a perpetual cycle.

68 The Defendants' involvement in these illegal activities in furtherance of their Scheme was through their participation in the management and operation of the Temporary Staffing Enterprise.

69 Defendants played a central role in the management and operation of the  
Temporary Staffing Enterprise, especially in its illegitimate endeavors

70 The Defendants managed and organized the enterprise, dictating its structure,  
decisional process, and organization

**d. Distinction Between the Temporary Staffing Enterprise and Pattern of  
Unlawful Activity**

71 As described herein, the Temporary Staffing Enterprise was separate and apart  
from the pattern of unlawful activity because the enterprise engaged in both  
legitimate and illegitimate activity. The members of the Temporary Staffing  
Enterprise included innocent parties including the Plaintiffs, unaware of the  
Defendants' Scheme or the use of the enterprise in its execution

**e. Continuity of the Temporary Staffing Enterprise**

72 The Temporary Staffing Enterprise was created at least as early as 1999, possibly  
earlier, upon the formation of Defendants L&L Services, LLC and WLL, LLC by  
Defendant Lawton Limehouse, Sr., and Defendant Lawton Limehouse, Jr. It  
continues today and may continue into the future. It has continuity of structure  
and personnel in that many of its original members, including the Individual  
Defendants, continue to be active in its management and control

**f. Culpability of Members of the Enterprise**

73 Some of the members of the Temporary Staffing Enterprise, including each of the  
Defendants, acted with culpability in their conduct of its affairs. Other members  
of the Temporary Staffing Enterprise were the unwitting instruments or victims of  
the culpable members of the Temporary Staffing Enterprise

## **2 Unlawful Activity**

74 Defendants engaged in a pattern of unlawful activity consisting of predicate acts of mail fraud in violation of 18 U S C § 1341, wire fraud in violation of 18 U S C §§ 2 and 1343, transportation of persons or monies and property stolen, or converted in violation of 18 U S C § 2 and 2314, extortion in violation of 18 U S C § 1961(1), and violations of 18 U S C § 1962(a) (d)

### **a Mail and Wire Fraud**

75 At the times relevant to this Complaint, as previously alleged herein, Defendants devised, intended to devise and carried out a Scheme to Defraud, and to deprive, corrupt, cheat, steal, deprive, and convert the money and property of the Plaintiffs, including their wages and/or overtime. The Scheme to Defraud involved calculated efforts to interfere with monies owed to the U S government and the use of material misrepresentations and/or omissions and other deceptive practices reasonably calculated to deceive the Plaintiffs, as well as taxing, insurance, and labor authorities. The scheme to corrupt involved depriving the Plaintiffs of their entitlement to overtime and/or credits paid into federal and state insurance and benefit plans. The scheme to cheat was inconsistent with moral uprightness, fundamental honesty, and fair play and right dealing in the general business life of members of society. In executing or attempting to execute these schemes and to receive the financial benefits of the Scheme to Defraud, Defendants repeatedly used the United States mails and interstate wire communications, as described above.

76 From at least 1999 or earlier, the Plaintiffs were paid less than the hours they earned by way of wages and/or overtime. Payments were facilitated through use of the mails and wire communications. Every report transmitted by Defendants and members of the Enterprise that used the mails and wires constituted separate executions of the Scheme to Defraud. Each report and payment accomplished the dual purposes of, first, making possible the retention of the fruits of the illegal Scheme by the Defendants, and, second, concealing from the Plaintiffs the true value of their services rendered and credits earned in federal and state insurance and taxing programs.

**b Transportation of Stolen Property or Monies**

77 As alleged herein, the Defendants throughout the course of the Scheme failed to pay Plaintiffs their fair value of their labor services rendered used by the Defendants in furtherance of the Temporary Staffing Enterprise. The Defendants created the supply and demand for the labor services of the Plaintiffs, and used these services for activities in the marketplace to the Defendants' financial benefit. The Defendants stole and converted for their own use the difference in the true value of the Plaintiffs' labor services actually rendered and the amounts Plaintiffs were actually paid.

78 On numerous occasions, the Defendants transported and caused to be transported property or money belonging to Plaintiffs, knowing that it had been converted to the Defendants' own use and benefit with a value in excess of \$5,000.

79 On numerous occasions, the Defendants transported and caused to be transported persons or induced a person to travel, in interstate commerce in the execution and

concealment of the Scheme to deprive, corrupt, cheat, steal, and convert the Plaintiffs' money and other property

**c. Extortion**

80 In furtherance of the pattern and Scheme to Defraud, Defendants used extortion and threats of violence or retaliation by government authorities to ensure that Plaintiffs are compelled to remain a part of their subterfuge. This control extends to transporting Plaintiffs to prevent their free movement and housing Plaintiffs in substandard lodgings in locations that require transportation by the Defendants to and from work in a continuous cycle.

**d. Money Laundering**

81 Upon information and belief, Defendants, through their Enterprise, take monies gained by their Scheme to Defraud out-of state and to Argentina and other Latin American countries where they divert and launder it.

**e. Pattern**

82 The forgoing predicate acts constitute a pattern of unlawful activity. Defendants' conduct constitutes a pattern in that there is both relationship and continuity of the predicate acts. The acts are related in that they are connected to one another as part of a scheme to accomplish a uniform purpose. Their continuity is established by both the repeated nature of the conduct during the period of the Scheme and the threat of similar conduct occurring in the future. This threat is established by the continuing and ongoing nature of the conduct.

**f. Relatedness**

83 In addition, within the Scheme to Defraud, as shown herein, the predicate acts are related in the sense that they have the same purpose or goal (to retain wages and overtime pay of workers for the economic benefit of the Defendants and members of the enterprise), results (retention of wages and overtime pay), participants (the Defendants and other members of the Enterprise), victims (the Plaintiffs and other members of the Class), and methods of commission (the Scheme to Defraud and predicate acts described in the Complaint)

84 The predicate racketeering acts are otherwise interrelated by their distinguishing characteristics and are not isolated events, since they were carried out for the same purposes in a continuous manner throughout a substantial period of time

85 The continuity and relatedness of these racketeering activities constitute a pattern of racketeering activities within the meaning of 18 U S C § 1961(5)

### **3 Summary of the § 1964 Allegations**

86 In connection with the activities giving rise to these claims, the Defendants at all relevant times acted with malice, intent, and knowledge and in reckless disregard of the rights of the Plaintiffs

87 At all relevant times, the enterprises as defined herein were engaged in interstate commerce in various states

88 As set forth hereinabove, the Defendants at all relevant times in connection with the activities giving rise to these claims, conspired with each other and with others unknown to engage in the various activities set forth herein and aided and abetted one another in these activities all in violation of the statutes set forth herein, and

specifically 18 U S C § 2, and conspired to do so in violation of 18 U S C. § 1962(d)

89 In addition to these unknown, known individuals not named as Defendants, including Elvira Luebke, Carlton Elliott, and others, conspired with the Defendants as alleged herein

90 Each of the Defendants agreed to the operation of the conspiracies to deprive, corrupt, cheat, steal, and convert the property and money of the Plaintiffs

91 As set forth hereinabove, at all relevant times and in furtherance of and for the purpose of executing the Scheme to Defraud and schemes to deprive, corrupt, cheat, steal, and convert the money or property of the Plaintiffs, the Defendants on numerous occasions used the mails and wire communications in connection with and in furtherance of the Scheme constitutes the offense of mail fraud in violation of 18 U S C §§ 2 and 1341 and the offense of wire fraud in violation of 18 U S C §§ 2 and 1343

92 As set forth hereinabove, at all relevant times, the Defendants on numerous occasions transported and caused to be transported persons or property or money in excess of \$5,000, knowing the same to have been stolen and converted or obtained by fraud or misrepresentation, and each such transportation constitutes the offense of transportation of persons or stolen or converted monies, all in violation of 18 U S C §§ 2 and 2314

93 As set forth hereinabove, at all relevant times, the Defendants corruptly persuaded and caused individuals including Elvira Lubke (to coerce or threaten the

Plaintiffs) and Carlton Elliott (to produce false and misleading documents) in violation of various federal and state statutes

**X CLAIMS FOR RELIEF**

**FIRST CLAIM FOR RELIEF**

**(Violation of § 1962(a))**

- 94 The Plaintiffs re-allege the preceding paragraphs
- 95 Each Defendant is a person under 18 U S C §§ 1961(1) and 1962(c)
- 96 The Temporary Staffing Enterprise is an "enterprise" within the meaning of 18 U S C §§ 1961(4) and 1962(c), which enterprise was engaged in activities affecting interstate commerce at all times relevant to this Complaint
- 97 Each Defendant has received income resulting from a pattern of racketeering activity in which such Defendant has participated as a principal to use or invest any part of such income, or the proceeds from this income, in the acquisition in, or the establishment and operation of, an enterprise which is engaged in, or whose activities affect, interstate or foreign commerce
- 98 Each Defendant was associated with the enterprise within the meaning of 18 U S C § 1962(d) and conspired to violate 18 U S C § 1962(a), that is, the Defendants conspired to conduct or participate directly or indirectly, in the conduct of the affairs of that enterprise in relationship to the Plaintiff through a pattern of unlawful activity within the meaning of 18 U S C §§ 1961(1)(B), 1961(5), and 1962(c), to wit: multiple, repeated, and continuous instances of mail fraud in violation of 18 U S C §§ 2 and 1341, multiple, repeated, and continuous instances of wire fraud in violation of 18 U S C §§ 2 and 1343, multiple

repeated, and continuous instances of interstate transportation of persons, or property or money stolen, obtained by fraud or converted in violation of 18 U S C §§ 2 and 2314, multiple, repeated, and continuous instances of extortion by threats of coercion in violation of the Hobbs Act, 18 U S C § 1951 in interference with commerce of labor and services, and South Carolina Code § 16-17 640 (blackmail and other offenses against public policy), and upon information and relief, money laundering in violation of 18 U S C § 1956

99 The Plaintiffs were injured within the meaning of 18 U S C § 1964(c) by reason of the commission of the unlawful activities within the meaning of 18 U S C § 1961(1)(B) that were overt acts in violation of 18 U S C § 1962(d) committed by the Defendants

#### **SECOND CLAIM FOR RELIEF**

##### **(Conspiracy in Violation of § 1962(d) to Violate § 1962(a))**

100 The Plaintiffs re-allege the preceding paragraphs, including the allegations set forth in the First Claim for Relief

101 Each Defendant is a person under 18 U S C §§ 1961(1) and 1962(c)

102 The Temporary Staffing Enterprise is an "enterprise within the meaning of 18 U S C §§ 1961(4) and 1962(c), which enterprise was engaged in activities affecting interstate commerce at all times relevant to this Complaint

103 Defendants conspired to receive income in violation of 18 U S C § 1962(a)

104 Each of the Defendants conspired within the meaning of 18 U S C § 1962(d) to violate 18 U S C § 1962(a), that is, the Defendants conspired to receive income and/or reinvest this income from a pattern of racketeering activity through

participation in an enterprise related to the Plaintiffs that affected interstate or foreign commerce within the meaning of 18 U S C §§ 1961(1)(B), 1961(5) and 1962(c), to wit multiple, repeated, and continuous instances of mail fraud in violation of 18 U S C §§ 2 and 1341, multiple, repeated, and continuous instances of wire fraud in violation of 18 U S C §§ 2 and 1343, multiple, repeated, and continuous instances of interstate transportation of persons, or property or money stolen, obtained by fraud or converted in violation of 18 U S C §§ 2 and 2314, multiple, repeated, and continuous instances of extortion by threats of coercion in violation of the Hobbs Act, 18 U S C § 1951 in interference with commerce of labor and services, and South Carolina Code § 16-17 640 (blackmail and other offenses against public policy), and upon information and relief, money laundering in violation of 18 U S C § 1956

105 The Plaintiffs were injured within the meaning of 18 U S C § 1964(c) by reason of the commission of the unlawful activities within the meaning of 18 U S C § 1961(1)(B) that were overt acts in violation of 18 U S C § 1962(d) committed by the Defendants

### **THIRD CLAIM FOR RELIEF**

#### **(Violation of § 1962(c))**

106 The Plaintiffs reallege the preceding paragraphs

107 Each Defendant is a person under 18 U S C §§ 1961(1) and 1962(c)

108 The Temporary Staffing Enterprise is an “enterprise” within the meaning of 18 U S C §§ 1961(4) and 1962(c), which enterprise was engaged in activities affecting interstate commerce at all times relevant to this Complaint

109 Each of the Defendants was associated with the enterprise and acquired or maintained an interest, through a pattern of racketeering, in the enterprise, whose activities affected interstate or foreign commerce, which harmed Plaintiffs through a pattern of unlawful activity within the meaning of 18 U S C 1961(1)(B), 1961(5), and 1962(c), to wit multiple, repeated, and continuous instances of mail fraud in violation of 18 U S C 2 and 1341 multiple, repeated, and continuous instances of wire fraud in violation of 18 U S C §§ 2 and 1343, multiple, repeated, and continuous instances of interstate transportation of persons, or property or money stolen, obtained by fraud or converted in violation of 18 U S C §§ 2 and 2314, multiple, repeated, and continuous instances of extortion by threats of coercion in violation of the Hobbs Act , 18 U S C § 1951 in interference with commerce of labor and services, and South Carolina Code § 16-17-640 (blackmail and other offenses against public policy), and upon information and relief, money laundering in violation of 18 U S C § 1956

110 The Plaintiffs were injured within the meaning of 18 U S C § 1964(c) by reason of the commission of the unlawful activities within the meaning of 18 U S C § 1961(1)(B) that were overt acts in violation of 18 U S C § 1962(d) committed by the Defendants

#### **FOURTH CLAIM FOR RELIEF**

##### **(Conspiracy in Violation of § 1962(d) to Violate § 1962(c))**

111 The Plaintiffs re-allege the preceding paragraphs, including the allegations set forth in the Third Claim for Relief

112 Each Defendant is a person under 18 U S C §§ 1961(1) and 1962(c)

113 The Temporary Staffing Enterprise is an ‘ enterprise’ within the meaning of 18  
U S C §§ 1961(4) and 1962(c), which enterprise was engaged in activities  
affecting interstate commerce at all times relevant to this Complaint

114 Defendants conspired to receive income in violation of 18 U S C § 1962(a)

115 Each of the Defendants was associated with the enterprise and conspired within  
the meaning of 18 U S C § 1962(d) to violate 18 U S C § 1962(c), that is, the  
Defendants conspired to conduct or participate, directly, or indirectly, in the  
conduct of the affairs of that enterprise in relationship to the Plaintiff through a  
pattern of unlawful activity within the meaning of 18 U S C §§ 1961(1)(B),  
1961(5), and 1962(c), to wit. multiple, repeated, and continuous instances of mail  
fraud in violation of 18 U S C §§ 2 and 1341, multiple, repeated, and continuous  
instances of wire fraud in violation of 18 U S C §§ 2 and 1343, multiple,  
repeated, and continuous instances of interstate transportation of persons, or  
property or money stolen, obtained by fraud or converted in violation of 18  
U S C §§ 2 and 2314, multiple, repeated, and continuous instances of extortion  
by threats of coercion in violation of the Hobbs Act , 18 U S C § 1951 in  
interference with commerce of labor and services, and South Carolina Code § 16-  
17 640 (blackmail and other offenses against public policy) and upon  
information and relief, money laundering in violation of 18 U S C § 1956

116 The Plaintiffs were injured within the meaning of 18 U S C § 1964(c) by reason  
of the commission of the unlawful activities within the meaning of 18 U S C §  
1961(1)(B) that were overt acts in violation of 18 U S C § 1962(d) committed by  
the Defendants

**FIFTH CLAIM FOR RELIEF**

**(Violations of the Fair Labor Standards Act)**

- 117 The Plaintiffs re allege each of the preceding allegations
- 118 The Fair Labor Standards Act (FLSA), 29 U S C § 207 et seq , provides a cause  
of action to recover overtime wages not paid
- 119 Defendants' bad faith conduct as described herein entitles Plaintiffs to an  
additional equal amount of lost wages in liquidated damages, attorney s fees, and  
costs
- 120 Plaintiffs satisfy standing requirements insofar as they have handled or otherwise  
worked on goods or materials that have been moved in interstate commerce and  
whose gross sales volume exceeds \$500,000

**SIXTH CLAIM FOR RELIEF**

**(Violations of the Payment of Wages Act)**

- 121 The Plaintiffs re-allege each of the preceding allegations
- 122 The Payment of Wages Act, S C Code Ann. §§ 41 10-10 to 110, provides that  
an employer shall not withhold or divert any portion of an employee's wages  
unless the employer is required or permitted to do so by state or federal law or  
the employer has given written notification to the employee of the amount and  
terms of the deductions
- 123 As detailed herein, Defendants have unlawfully withheld wages without legal  
justification.

124 As a result of Defendants' statutory violations, Plaintiffs and Class Members are  
entitled to treble damages in the amount of three times the full amount of the  
unpaid wages, plus costs and reasonable attorney's fees

**SEVENTH CLAIM FOR RELIEF**

**(Breach of Contract)**

125 The Plaintiffs re-allege each of the preceding allegations

126 The Defendants and their agents, by their acts and omissions, described herein  
breached their contractual obligations, which were owed to the Plaintiffs and  
Class Members, including but not limited to failing to pay Plaintiffs and Class  
Members their wages and/or overtime earned in exchange for services provided

127 Plaintiffs and Class Members have been damaged by Defendants' breach of  
contract, and Defendant, and its agents, have illegally profited from this breach

128 Plaintiffs and Class Members are entitled to actual damages as a result of this  
breach

**EIGHTH CLAIM FOR RELIEF**

**(Unjust Enrichment, Restitution, and Disgorgement of Illegal Profits)**

129 The Plaintiffs re-allege each of the preceding allegations

130 The Defendants, and their agents, have been unjustly enriched by reaping the  
benefits of their deception by failing to pay wages and/or overtime earned

131 Based upon the practices alleged hereinabove, the Defendants intended to and  
did fail to account for and pay wages and/or overtime to Plaintiffs and Class  
Members in exchange for services they provided

- 132 The Defendants intended to retain, and did retain, monies not paid to Plaintiffs and Class Members for work they provided to the detriment of the Plaintiffs and Class Members
- 133 The Defendants manipulated their internal wage accounting process for its benefit and to the detriment of the Plaintiffs and Class Members
- 134 The Defendants have therefore been unjustly enriched. The Plaintiffs and Class Members are entitled to appropriate equitable relief to recover the amounts by which the Defendants have been unjustly enriched as a result of said conduct, together with pre judgment interest, along with disgorgement or all profits and ill gotten gains thus obtained.

#### **NINTH CLAIM FOR RELIEF**

##### **(Civil Conspiracy)**

- 135 The Plaintiffs re-allege each of the preceding allegations
- 136 Defendants, in concert with their agents in South Carolina, did purposely harm and injure the Plaintiffs and Class Members
- 137 Individual and Corporate Defendants acted together as agents for the other, individually and in concert to the detriment of Plaintiffs and Class Members
- 138 Defendants and their agents, with full knowledge of the prohibitions against their practices in the State of South Carolina, and despite that knowledge, continued their illegal practices to the detriment of the Plaintiffs and Class Members
- 139 Defendants, and their agents in South Carolina, sought to damage Plaintiffs and the Class Members by failing to pay money for work that was performed on Defendants' behalf

140 That Defendants, and their agents in South Carolina, caused the Plaintiffs and Class Members special damages as a result of their civil conspiracy for failing to pay for services performed on Defendants' behalf

141 That Plaintiffs and Class Members have suffered damages as a result of the civil conspiracy of Defendants and their agents, and are entitled to receive actual and punitive damages together with costs

**TENTH CLAIM FOR RELIEF**

**(Accounting)**

142 Plaintiffs re-allege each of the preceding allegations

143 Plaintiffs request this Court require the Defendants to provide an accounting for all sums they illegally and improperly retained from the Plaintiffs and Class Members out of the practices alleged herein, and to determine all wages and benefits the Plaintiffs would have been entitled to receive had the Defendants' conduct been lawful, and to determine which Defendants, named or unnamed, may be responsible

**XI DEMAND FOR JURY TRIAL**

144 Plaintiffs demand a trial by jury on behalf of themselves and the Class Members

## XII PRAYER FOR RELIEF

WHEREFORE, the Plaintiffs on behalf of themselves and the Class Members, pray for judgment, jointly and severally against the Defendants, as follows

- a Awarding the Plaintiffs and Class Members actual damages, punitive damages and pre-judgment interest as a result of the wrongful conduct complained of herein,
- b Awarding injunctive relief prohibiting Defendant from continuing to engage in the illegal practices described herein,
- c Awarding the Plaintiff and Class Members their costs and expenses in this litigation including reasonable attorneys fees and expert fees
- d Requiring the Defendants to provide an accounting to the Plaintiffs and to disgorge all profits illegally obtained and for which they were unjustly enriched and to provide a mechanism for identifying and notifying all Class Members similarly situated and a mechanism for the fair and equitable distribution of damages to the Class,
- e Awarding the Plaintiff and Class Members such other and further relief as may be just and proper

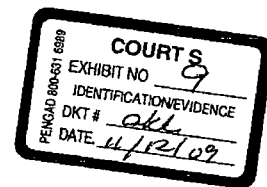
  
HULSEY LITIGATION GROUP, LLC  
Paul H. Hulsey  
William J. Cook, D.S.C. Bar No. 7167  
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ATTORNEYS FOR THE PLAINTIFFS

STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON )  
LAWTON LIMEHOUSE, JR )  
Plaintiff )  
vs )  
PAUL H HULSEY, and )  
THE HULSEY LITIGATION )  
GROUP, LLC )  
Defendants )

IN THE COURT OF COMMON PLEAS  
NINTH JUDICIAL CIRCUIT  
CASE NO 06-CP-10-1578

**JOINT BRIEF REGARDING  
WEBSITE AND PUNITIVE DAMAGES**



TO THE HONORABLE COURT

Plaintiff has attempted to introduce evidence regarding Defendants' website to purportedly demonstrate the "duration of the conduct" in furtherance of his claim for punitive damages. Plaintiff's complaint makes no mention of any website or ongoing conduct, and any issue surrounding the website has not been deemed admitted as a result of the default. Because of the Court's rulings that deny the Defendants the ability to introduce evidence to contradict what witnesses say on the stand, Plaintiffs have and will continue to answer questions without regard for the truth, all the while knowing that Defendants are "stuck with their answer" and unable to impeach them. In fact, in the prior case regarding Limehouse Sr., the witness's fabrication regarding what the website said resulted in the jury awarding \$5,000,000 in punitive damages. In fact, the jury specifically passed a written note to the Court during deliberations regarding the website.

Because the default and admitted allegations do not extend to the website, which was nowhere in the complaint, Defendants have not admitted that anything with regard to the website is defamatory. Plaintiff's witnesses cannot fabricate information about the website and leave

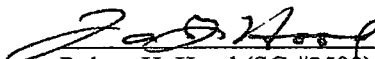
Defendants “stuck with their answer as to matters that have not been deemed admitted. It is especially troubling because nowhere on the website does it mention Limehouse Jr., Limehouse Sr., or L&L Services. Instead, it simply refers to a temporary staffing agency. Further, the link to the Post & Courier appears only in the context of discussing the RICO lawsuit that had been filed. Defendants have not admitted that anything on their website was defamatory or that anything linked to their website was defamatory. Furthermore, the matter on the website did not relate to the instant lawsuit and was not placed on the website in reference to the instant lawsuit but instead in reference to the RICO case. Either Plaintiff should not be allowed to use the website to support his claim for punitive damages or Defendants should be allowed to contradict the witnesses’ testimony regarding the website by presenting evidence and calling witnesses.

Even beyond the fact that Defendants have not admitted anything regarding the website, the statements on or linked to the website are protected by the litigation privilege. Because the default does not apply to matters outside the complaint, the litigation privilege would apply to any alleged defamatory statements on the website. South Carolina courts have long recognized that the litigation privilege is absolute, no matter what the circumstances under which the alleged defamatory publication. Pond Place Partners, Inc. v. Poole, 567 S.E.2d 881, 892 (Ct. App. S.C. 2002). The South Carolina law of litigation privilege accords with that found in the Restatement of Torts. Id. at 893. The Restatement provides that “An attorney at law is absolutely privileged to publish defamatory matter concerning another in communication preliminary to a proposed judicial proceeding, or in the institution of, or during the course and as part of a judicial proceeding in which he participates as counsel, if it has some relation to the proceeding.” Restatement (Second) of Torts § 586. The publication of defamatory matter is protected not only “in the conduct of litigation before a tribunal” but also “in conferences and other

communications” Id at cmt a. Indeed, the Supreme Court of Tennessee has extended the litigation privilege to defamatory statements made on an attorney’s website. See Simpson Strong-Tie Co., Inc. v. Stewart, Estes & Donnell, 232 S.W.3d 18 (Tenn. 2007). The statements in Simpson were even more egregious than the statements in the present case because they were made before a lawsuit had even been filed and made to solicit clients. If the Plaintiff’s complaint is taken as true and Defendants really did make defamatory statements to drum up clients for their class action, then this is even more reason that the litigation privilege would apply under the Simpson decision. Because the litigation privilege applies to matters outside the complaint and there is no mention of the website in the complaint, any alleged defamatory statements in or linked to the website are protected by the litigation privilege.

WHEREFORE Defendants request that this Honorable Court exclude any information regarding the website and instruct the jury not to consider the website in its consideration of punitive damages.

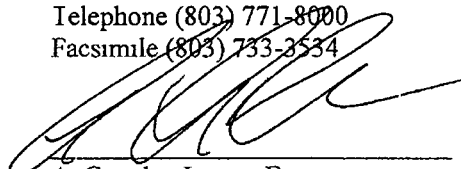
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Attorneys for the Defendant  
Paul H. Hulsey

11/12, 2009  
Columbia, South Carolina

### **CERTIFICATE OF SERVICE**

I certify that on this date a copy of the foregoing was served on each party or counsel of record by ☐ mailing, ☐ e-mailing, ☐ facsimile, or ☒ hand delivery in the manner prescribed by the applicable Rule of Civil Procedure

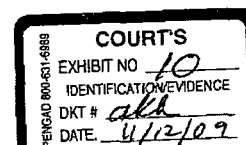
This 12 day of Nov, 2009



|                         |   |                              |
|-------------------------|---|------------------------------|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
|                         | ) | NINTH JUDICIAL CIRCUIT       |
| COUNTY OF CHARLESTON    | ) | CASE NO 06-CP-10-1578        |
|                         | ) |                              |
| LAWTON LIMEHOUSE, JR    | ) | <b>JOINT MOTION FOR</b>      |
|                         | ) | <b>DIRECTED VERDICT</b>      |
| Plaintiff,              | ) |                              |
|                         | ) |                              |
| vs                      | ) |                              |
|                         | ) |                              |
| PAUL H HULSEY and       | ) |                              |
| THE HULSEY LITIGATION   | ) |                              |
| GROUP, LLC              | ) |                              |
|                         | ) |                              |
| Defendants              | ) |                              |

The Defendants, Paul H Hulsey and The Hulsey Litigation Group, LLC  
(hereinafter "the Defendants"), move this Court for Directed Verdict for the following reasons

In ruling on a motion for directed verdict, the trial court is required to view the evidence and the inferences that reasonably can be drawn therefrom in the light most favorable to the party opposing the motion and to deny the motion when either the evidence yields more than one inference or its inference is in doubt Law v S C Dep't of Corr., 368 S C 424, 434 (S C 2006), Sabb v S C State Univ 350 S C 416, 427 (S C 2002) However, this rule does not authorize submission of speculative, theoretical or hypothetical views to the jury Proctor v Dept of Health & Envtl Control, 368 S C 279, 292-93 (S C Ct App 2006) In essence, the court must determine whether a verdict for the opposing party would be reasonably possible under the facts as liberally construed in his or her favor Harvey v Strickland, 350 S C 303, 309 (S C 2002) Proctor, at 293 Directed verdict has been granted when the record contains no evidence that a Plaintiff's injuries resulted from Defendants conduct See e.g., Godfrey v Little River Fishing



Fleet, Inc., 302 S C 426 429 (S C 1990) The appellate court will reverse the trial court's ruling on a directed verdict motion only when there is no evidence to support the ruling or when the ruling is controlled by an error of law Law, at 434-35

Even in a default damages hearing, Plaintiff has the burden of proving their damages by competent evidence even though the Defendants are in default See Lewis v Congress of Racial Equality and/or C O R E , Inc., 275 S C 556, 561 (1981)(even in a case where a defendant has made an appearance but is in default, liability is admitted but the amount of damages is not the amount must be proved) Howard v Holiday Inns, Inc 246 S E 2d 880, 881 (S C 1978)(“The plaintiff must prove by competent evidence the amount of his damages, and such proof must be by a preponderance of the evidence ’ ) Thus, Plaintiff has the burden of showing with competent evidence that he had a good reputation that was damaged by the Defendant’s statement Plaintiff has not met his burden in the present case

The alleged defamatory statements were not about Limehouse Jr Instead the actual language in the Post & Courier article clearly demonstrates that any defamatory statements were about the companies owned by Plaintiff and his father and not an individual<sup>1</sup> Thus, Plaintiff’s reputation, if he had one was not damaged in the first place Since the statements were made about the company any statement that Plaintiff was personally damaged by the statements is false The reason for this is that damage to reputation is based upon the way the community looks at him Although the pleadings in this case establish liability they have nothing to do with the community’s perception of Plaintiff or with what the community actually knew In order to prove damages, Plaintiff

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<sup>1</sup> The article states This is a blatant case of indentured servitude L&L Services took advantage of the complexity of the system They have created a perfect racketeering enterprise just like Tony Soprano

has to prove that his reputation was damaged by what the public actually hear or saw  
This was no done No one in the public heard or saw the pleadings and there was no  
evidence about what they did see The only evidence offered was how much the article  
upset Mr Limehouse but even then could not differentiate between the article and the  
other articles or even the Rico lawsuit

Plaintiff has failed prove damage to his reputation with competent evidence and  
without resorting to bald allegations or mere beliefs Thus, Plaintiff has not met his  
burden of proof of damages to his reputation with competent evidence Furthermore  
because a corporation or business does not have a reputation or character in the personal  
sense it cannot suffer humiliation and its recovery is limited to the pecuniary loss to the  
business Hospital Care Corp v Commercial Casualty Ins Co, 194 S C 370, 374  
(1940) Any alleged damages that could have resulted by Defendant's statements would  
be limited to the pecuniary losses suffered by the business

Plaintiff cannot recover for the pecuniary loss suffered by his limited liability  
companies because he lacks standing to do so A fundamental prerequisite to institute an  
action is the requirement that the plaintiff have standing Blandon v Coleman 285 S C  
472 (1985), Sloan v School Dist of Greenville County, 342 S C 515, 518  
(S C App ,2000) Standing is 'a personal stake in the subject matter of a lawsuit '  
Newman v Richland County Hist Preserv Com'n, 325 S C 79, 82 (1997) (quoting  
✓ Bailey v Bailey 312 S C 454, 458 (1994)) Plaintiff does not have a personal stake in  
the companies' claims for their business losses

Since a corporation is a distinct legal entity, it is a well established principle that  
the assets of a corporation belong to the corporation and not the individual stockholders

Thompson v Thompson, 214 S C 61 (1948) Johnson v Baldwin, 221 S C 141 (1952), Davis v Hamm, 300 S C 284 288 (S C App 1989) It is also a general precept of corporate law that a shareholder of a corporation does not have a personal or individual right of action for damages based solely on an injury to the corporation and a suit for damages arising from an injury to the corporation can only be brought by the corporation itself 19 Am Jur 2d *Corporations* § 1870 (2009), Twohy v First Nat'l Bank, 758 F 2d 1185 1194 (7th Cir 1985), United States v Palmer, 578 F 2d 144, 145 46 (5th Cir 1978) South Carolina Courts recognize this principle See Johnson, 221 S C at 141 (1952) Bradley v Hullander, 272 S C 6, 41 (1978), Ward v Griffin, 295 S C 219, 221 (S C App 1988), Todd v Zaldo, 304 S C 275, 278 (S C App 1991)

Just like a corporation, a limited liability company is a legal entity distinct from its members S C Code Ann § 33-44-201 (1996) Accordingly, members are not proper parties to suits involving the company unless an object of the proceeding is to enforce members rights against the company or to enforce their liability to the company See Id at Comment Because it s a separate legal entity, the LLC provides its members and/or managers the same protections provided by a corporation to its shareholders See S C Code Ann § 33-44-303 (1996)(the debts, obligations and liabilities of a limited liability company, whether arising in contract tort, or otherwise, are solely the debts obligations and liabilities of the company) South Carolina law treats limited liability companies the same as corporations in regard to the protection of its members and as to a member's ability to bring a personal suit for the damages suffered by the LLC Thus any cause of action based upon injury to a LLC would belong to the company as opposed to the individual member/manager

In order to recover for the pecuniary losses suffered by the business, the LLCs needed bring any such claims on their own behalf. Plaintiff does not have a right of action to recover for the damages to the LLC. Plaintiff failed to name either of his limited liability companies as parties to the lawsuit. Thus, Plaintiff lacks standing to bring any claims to recover the business losses suffered by L&L Services, LLC and WLL, LLC. Thus, as a matter of law, Plaintiff should not recover the pecuniary losses suffered by his business.

In addition, Plaintiff has not been able to show whether the alleged statement by Defendant over Tony Soprano were in fact the cause of Plaintiff's damages. Defamation is not actionable unless the defamatory statement has caused or has a natural and direct tendency to cause damage to plaintiff's reputation. Capps v. Watts, 271 S. C. 276 (1978); see also Loges v. Mack Trucks, Inc., 417 S. E. 2d 538 (1992), Wardlaw v. Peck, 282 S. C. 199 (Ct. App. 1984). Therefore, injury to reputation is a necessary element of damages in a libel or slander case. Abofreaka v. Alston Tobacco Co., 288 S. C. 122 (1986); Smith v. Smith, 194 S. C. 247 (1940). Thus, Plaintiff has the burden of showing that his reputation was in fact harmed by the alleged defamatory statements. Plaintiff has failed to establish that the defamatory statements were in fact the cause of his alleged damages.

For over three months prior to the article of April 24, 2004, the Post and Courier ran a series of articles involving Plaintiff and/or L&L Services, LLC and/or WLL, LLC. Those articles establish what the community already knew about Plaintiff. These articles dealt with several issues related to Plaintiff and the businesses he owned with his father. These issues included housing violations and the fines resulting from them, condemnation of previous L&L Services, LLC boarding houses, trafficking and

employment of illegal immigrant labor and the manufacturing of false papers or credentials for employees, wage and hour violations of Federal laws and failure to maintain workers compensation insurance. In addition, less than a week before the article, the United States Department of Labor found that Plaintiff's companies owed over 22,000 hours of overtime pay to their workers.

Further, it is not clear if the damages Plaintiff allegedly suffered were caused by the statement by Defendants, the RICO class action complaint filed against him and his companies the day before the article, the previous articles written about him and his business or the subsequent investigation by the United States Postal Inspectors. Thus, at this point it is impossible to tell whether Defendant's statement was the actual cause of the alleged damage to Plaintiff's reputation, whether his reputation was already tarnished when the comments were made or whether his alleged damages were caused by the statements or something else like the investigation by the Postal Inspector. It is telling, that even with the procedural posture of the case, which has Defendants in a straight jacket, Plaintiff has not been able to meet his burden of proof.

Moreover, Plaintiff must prove entitlement to punitive damages by clear and convincing evidence of constitutional actual malice. Deloach v. Beaufort Gazette, 281 S. C. 474, 483, cert. denied, 469 U. S. 981 (1984), see also Gertz v. Robert Welch, Inc., 418 U. S. 323, 349 (1974), Peeper v. Spartan Radiocasting Inc., 324 S. C. 261 (1996). Plaintiff has not met his burden in arguing that he is entitled to punitive damages. Plaintiff cites to Defendants' website as evidence of actual malice and duration of conduct. Plaintiff has argued to this Court and will argue to the jury that, Plaintiff's website contained the article which allegedly damaged Plaintiff. Plaintiff argues that this

shows actual malice or reckless disregard to Plaintiff's rights. Plaintiff has not met his burden. To begin with, the website information referring to a different case is covered by the litigation privilege. See e.g., Pond Place Partners, Inc. v. Poole, 567 S.E.2d 881, 892 (Ct. App. S.C. 2002), Simpson Strong-Tie Company, Inc. v. Stewart, Estes & Donnell, 232 S.W.3d 18, 26 (2007), Restatement (Second) of Torts § 586. Moreover, all the website indicates is that several immigrant laborers filed a racketeering lawsuit against a temporary staffing agency. Neither Plaintiff nor his companies are mentioned in the website. Allowing Plaintiff to argue that the website mentioned him directly, that it contained the article and that it is evidence of malice or reckless disregard of Plaintiff's rights, would be a fraud upon the court as these statements that are not true. Neither Plaintiff nor his companies are mentioned in the website. All it did was give a brief description of a racketeering lawsuit several immigrant laborers filed against an unnamed temporary staffing agency.

Plaintiff implies that the fact that the website content was still up after he sued Defendants is evidence of intentional malice by Defendants and that it's evidence of continuing conduct. The website at issue never mentioned the instant case. In fact, that content was in Defendants' website years before Plaintiff filed his lawsuit. This content was in reference to another case. Any implication that the web content was created or left up as a result of Plaintiff's lawsuit is completely unfounded. Plaintiff has provided no evidence that the website was done with malice or reckless disregard.

Furthermore, the fact that there website contained a link to the article as archived in the Post and Courier's website, should not be a relevant consideration in determining the duration of the conduct. The article was already out in the public domain. Whether it

was linked to Defendants' website or not, the article was still available to anybody who wished to read it in the Post & Courier website, newspaper archives at the local library or anywhere else where newspapers are stored. Under this theory, any statement that is published in the public domain would be considered "continuing conduct" for purposes of punitive damages for all eternity. Defendant made the statement on April 24, 2004. The conduct started and stopped on that date.

Finally, Plaintiff presented certain evidence to show that Defendant has the ability to pay punitive damages. This evidence does not meet the clear and convincing evidence standard imposed on Plaintiff. Plaintiff had a representative from Bank of America testify as to Defendant's net worth. She gave this testimony based on a financial statement submitted to the bank in 2006 even though Plaintiff has had access to more recent financial statements by Defendant but which would show information Plaintiff finds less inflammatory. Furthermore, the deferred compensation which forms the bulk of Defendant's worth was not presented in present value. This deferred compensation is payable over a period, under certain circumstances, of 25 years. By presenting to the jury the amount of deferred compensation without doing it in present value, Plaintiff is presenting an inflated number which does not accurately reflect Defendant's actual ability to pay.

Plaintiff failed to establish other than through gross speculation when and under what circumstances Defendants' deferred compensation would be available to him in order to prove ability to pay. This is a situation in which the United States Supreme Court disagrees with the trial court that such evidence should even be presented to the jury. Surely the Plaintiff has a duty, in order to sustain his burden of proof to present the

evidence accurately and contemporaneously. It is Defendants present ability to pay, not the time the suit was filed that is at issue. Given the economic climate, the existence of more contemporary "best evidence" and lack of proof concerning the nature of deferred compensation, the issue is subject to nothing more than mere speculation. It is clear under South Carolina law that no element of damages may be subject to speculation. Not only does this testimony ignore the truth of Defendants' financial situation, it does not show Defendant's actual ability to pay punitive damages today. There is no evidence in the record which supports any conclusion about Defendant's ability to pay and should not be allowed to go to the jury.

WHEREFORE and for the foregoing reasons, this Honorable Court should grant Directed Verdict in favor of Plaintiff.

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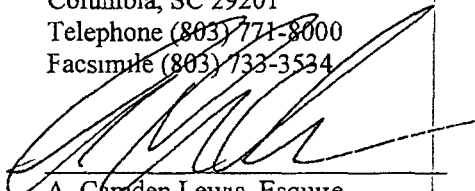


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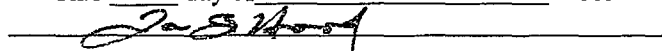
Attorneys for the Defendant  
Paul H Hulsey

11/12, 2009  
Columbia, South Carolina

### ***CERTIFICATE OF SERVICE***

I certify that on this date a copy of the foregoing  
was served on each party or counsel of record by ☐   
mailing ☐ e-mailing, ☐ facsimile, or ☒ hand delivery in  
the manner prescribed by the applicable Rule of Civil  
Procedure

This 12 day of Nov 2009



STATE OF SOUTH CAROLINA ) IN THE COURT OF COMMON PLEAS  
COUNTY OF CHARLESTON ) NINTH JUDICIAL CIRCUIT  
Lawton Limehouse, Jr , ) C/A No 06 CP 10 1578  
Plaintiff )  
Versus ) DEFENDANTS JOINT PROPOSED  
Paul H Hulsey and The Hulsey ) JURY CHARGES  
Litigation Group, LLC, )  
Defendants )

TO THE HONORABLE ROGER M YOUNG

The Defendants Paul H Hulsey and The Hulsey Litigation Group, LLC  
(hereinafter "Defendants") hereby submit their proposed jury charges to the Court

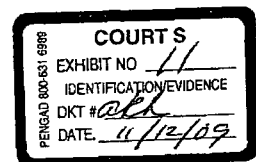
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11/12, 2009  
Charleston South Carolina

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***CERTIFICATE OF SERVICE***

I certify that on this date a copy of the foregoing was served on each party or counsel of record by ☐ mailing, ☐ e mailing, ☐ facsimile, or ☒ hand delivery in the manner prescribed by the applicable Rule of Civil Procedure

This 12 day of Nov, 2009



Defendants Request to Charge No 1

DEFAMATION IN A DEFAULT CASE

If a defamation is actionable per se, then the law presumes this defendant acted with common law actual malice and that the plaintiff suffered general damages. Such defamation is actionable without proof of special damages. Words actionable per se carry with them the presumption that actual damage to reputation and character directly and proximately resulted therefrom, and it is not necessary to allege or prove any actual or special damages. SC JICIV 14 21

However, in a default case, the plaintiff must prove by competent evidence the amount of his damages and such proof must be by a preponderance of the evidence. *Howard v Holiday Inns, Inc* 271 S C 238, 240 (S C, 1978)

Where a plaintiff is entitled to recover actual damages for the injury the statement has caused him, these damages include

- (1) injury to reputation and standing in the community,
- (2) embarrassment
- (3) personal humiliation,
- (4) mental anguish and suffering,
- (5) wounded feelings caused by injury to reputation

A plaintiff who proves he is entitled to special damages may recover as special damages any expenses or loss of value that can be attributed to the slanderous statements. In other words, the finder of fact must determine that the special damages were caused directly by the slanderous statements. Special damages consist of specific identifiable economic or material losses to the plaintiff as a result of the defamation. Special damages are tangible losses or injury to the plaintiff's property, business, occupation or profession, which are capable of being assessed monetarily and which result from injury to the plaintiff's reputation.

Defendants' Request to Charge No 2

ACUTAL MALICE

Common law actual malice means this defendant acted with ill will toward the plaintiff or acted recklessly or wantonly, meaning with conscious indifference toward the plaintiff's rights. In other words, actual malice means this defendant was actuated by ill will in what he did, with the design to causelessly and wantonly injure the plaintiff, or that the statements were published with such recklessness as to show a conscious indifference toward the plaintiff's rights. SC JICIV 14 12

Defendants' Request to Charge No 3

NOMINAL DAMAGES

If you find Defendants negligence caused the plaintiff some damage, but the evidence does not convince you the plaintiff sustained any real or substantial damages as a proximate result of Defendants' negligence, you could find nominal damages in favor of the plaintiff

A small sum, known as nominal damages, may be awarded when the plaintiff has proved no substantial loss or injury but when the law recognizes the violation or invasion of a legal right or the breach of a duty, or when the plaintiff's evidence shows the existence but not the amount of an actual injury. Nominal damages are a trivial or trifling sum awarded to a plaintiff in an action where there is not substantial loss or injury to be compensated but still the law recognizes a technical invasion of the plaintiff's rights or a breach of Defendants' duty. Nominal damages are awarded for the vindication of a right where no real loss or injury can be proved.

If no actual damages capable of pecuniary estimation have been sustained but legal right of the plaintiff has been thereby violated through Defendants negligence you can award only nominal damages -such as one dollar one cent, or other inconsiderable amount to vindicate plaintiff's legal right. SC JICIV 13 1

Defendants' Request to Charge No 4

ACTUAL DAMAGES

Actual damages are properly called compensatory damages, meaning to compensate to make the injured party whole to put him in the same position he was in prior to the damages received insofar as this is monetarily possible. In other words actual or compensatory damages include compensation for all injuries which are naturally the proximate result of the alleged wrongful conduct of this defendant.

Actual damages are awarded to a litigant in compensation for his actual loss or injury. Actual damages are such as will compensate the party for injuries suffered or losses sustained. They are such damages as will simply make good or replace the loss caused by the wrong or injury. Actual damages are damages in satisfaction of, or in recompense for loss or injury sustained. The goal is to restore the injured party as nearly as possible through the payment of money, to the same position he was in before the wrongful injury occurred.

The basic measure of actual damages is the amount needed to compensate the plaintiff for the losses proximately caused by Defendants' wrong so that the plaintiff will be in the same position he would have been in if there had been no wrongful injury. Actual damages include compensation for all injuries which are naturally the proximate result of the alleged wrongful conduct of this defendant.

The existence, causation, or amount of damages cannot be left to conjecture, guesswork or speculation. However proof of amount of loss with absolute or mathematical certainty is not required. Damages must be proved with a reasonable degree of certainty. The evidence presented by the plaintiff must enable you, the jury to determine what amount is fair, just and reasonable.

The plaintiff bears the burden of proving by the preponderance of the evidence that he is entitled to compensatory damages SC JICIV 13-2

Defendants' Request to Charge No 5

MENTAL ANGUISH

'Mental anguish' is more than mere disappointment, anger, worry, resentment, or embarrassment, although it may include all of these, and it includes mental sensation of pain resulting from such painful emotions as grief, severe disappointment, indignation wounded pride, shame, despair, and humiliation "Mental anguish" can be composed of fright nervousness, grief, anxiety, worry, mortification humiliation embarrassment, terror or ordeal

If you find the injured party is entitled to recover damages you may consider as an element of those damages such mental anguish as you find to a reasonable certainty, will occur in the future as a result of the injuries In assessing mental anguish you may take into account anxiety or worry about the possible future occurrence or condition resulting from the injuries that the plaintiff received if you are satisfied to a reasonable certainty that the plaintiff will suffer such anxiety and worry You may award damages for mental anguish where the evidence shows, for example, that the plaintiff suffered shock, fright emotional upset, and/or humiliation as the result of Defendants' negligence SC JICIV 13 2

Defendants' Request to Charge No 8

**Business Damages**

A shareholder of a corporation does not have a personal or individual right of action for damages based solely on injury to the corporation and a suit for damages arising from injury to the corporation can only be brought by the corporation itself

19 Am Jur 2d Corporations § 1870 (2009)

Defendants' Request to Charge no 9

Business Damages

Defamatory words published about a business entity do not give rise to individual claims for damages for its officers directors, employees or shareholder

Sack on Defamation Libel Slander and Related Problems § 2 9 5 (2004)

Defendants' Request to Charge No 10

Contact with Represented Party

In representing a client, a lawyer shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter unless the lawyer has the consent of the other lawyer or is authorized to do so by law or a court order

Rule 4.2, Code of Professional Conduct, Rule 407, SCACR

Defendants' Request to Charge No 11

Evidence

The unexplained failure to call a material witness or submit evidence under a party's control raises adverse inferences

Davis v By Pass Auto Parts Inc 304 S C 75, 77 403 S E 2d 133 135  
(S C App 1991)

Defendants' Request to Charge No 12

### RICO

Section 1962(c) of Title 18 of the United States Code the RICO Act provides  
that

It shall be unlawful for any person employed by or associated with any enterprise  
engaged in or the activities of which affect, interstate or foreign commerce, to  
conduct or participate directly or indirectly, in the conduct of such enterprise's  
affairs through a pattern of racketeering activity or collection of an unlawful debt

38 Fed Jury Prac and Inst §161 12

Defendants' Request to Charge No 13

**Racketeer Influenced and Corrupt Organizations**

(a) It shall be unlawful for any person who has received any income derived, directly or indirectly, from a pattern of racketeering activity or through collection of an unlawful debt in which such person has participated as a principal within the meaning of section 2, title 18, United States Code to use or invest directly or indirectly, any part of such income or the proceeds of such income in acquisition of any interest in or the establishment or operation of any enterprise which is engaged in or the activities of which affect, interstate or foreign commerce A purchase of securities on the open market for purposes of investment and without the intention of controlling or participating in the control of the issuer, or of assisting another to do so shall not be unlawful under this subsection if the securities of the issuer held by the purchaser the members of his immediate family, and his or their accomplices in any pattern or racketeering activity or the collection of an unlawful debt after such purchase do not amount in the aggregate to one percent of the outstanding securities of any one class, and do not confer, either in law or in fact, the power to elect one or more directors of the issuer

(b) It shall be unlawful for any person through a pattern of racketeering activity or through collection of an unlawful debt to acquire or maintain directly or indirectly any interest in or control of any enterprise which is engaged in, or the activities of which affect interstate or foreign commerce

(c) It shall be unlawful for any person employed by or associated with any enterprise engaged in or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity or collection of unlawful debt

(d) It shall be unlawful for any person to conspire to violate any of the provisions of subsection (a) (b) or (c) of this section

18 U S C A § 1962

We would like to know the actual and  
punitive damage be taxable

Johanna  
296

That should NOT Factor  
into your consideration.

Roger Young



STATE OF SOUTH CAROLINA  
COUNTY OF CHARLESTON

COURT OF COMMON PLEAS  
DOCKET NO 2006-CP-10-1577 1578

LAWTON LIMEHOUSE SR ,

Plaintiff

VS

TRANSCRIPT OF MOTION

PAUL H HULSEY and THE HULSEY  
LITIGATION GROUP, LLC

December 15 2008  
Charleston South Carolina

Defendants

-----  
LAWTON LIMEHOUSE JR

Plaintiff

VS

PAUL H HULSEY and THE HULSEY  
LITIGATION GROUP, LLC

Defendants

BEFORE

THE HONORABLE DANIEL F PIEPER, Judge

APPEARANCES

FRANK CISA ESQ  
ATTORNEY FOR PLAINTIFFS

PAUL H HULSEY, ESQ  
ATTORNEY FOR DEFENDANTS

HEATHER GAYLE BURNS RDR  
OFFICIAL COURT REPORTER

1 THE COURT All right

2 First thing This is  
3 2006-CP-10-1577 and 1578 The  
4 first thing I need you to do is  
5 identify yourselves for the  
6 record and who you are  
7 representing, please

8 MR HULSEY Your Honor,  
9 I m Paul Hulsey I represent  
10 Hulsey litigation group and I  
11 represent myself pro se Also  
12 appearing is Reynaldo  
13 Quinones-Souss and Fraser Reid

14 MR CISA Your Honor, my  
15 name is Frank Cisa I represent  
16 the plaintiffs in these two  
17 cases Lawton Limehouse, Senior  
18 and Lawton Limehouse, Junior  
19 Seated with me is both Lawton  
20 Limehouse, Senior and Lawton  
21 Limehouse, Junior

22 THE COURT All right  
23 Let me - you know this one kind  
24 of piqued my interest when I read  
25 the record and all This case

1 was served on April twenty-first  
2 Is that correct?

3 MR CISA Correct

4 THE COURT And it was  
5 removed to District Court on the  
6 fifth?

7 MR CISA Correct

8 THE COURT And it was  
9 remanded by the District Court

10 MR CISA Correct

11 THE COURT Why was it  
12 remanded by the District Court?  
13 Was it by motion or on the  
14 Court's own motion?

15 MR CISA I moved to  
16 remand, Judge

17 THE COURT All right  
18 When did you move to remand it?

19 MR CISA I don't think I  
20 brought that information with me  
21 I was trying to think -- I think  
22 you have to move to remand within  
23 thirty days, so I think it was  
24 within the statutory time frame  
25 I don't really recall

1 THE COURT All right

2 But it came back to state court?

3 MR CISA Correct On  
4 the basis that it didn't involve  
5 a federal question Judge Judge  
6 Halperin remanded it to state  
7 court

8 THE COURT Well, let me  
9 ask you Before it was remanded,  
10 had the time for default run?

11 MR CISA No, sir

12 THE COURT It had not  
13 run?

14 MR CISA Oh, before it  
15 was remanded, the time for  
16 default had run, before it was  
17 remanded

18 THE COURT All right  
19 Why was an answer not filed prior  
20 to that time?

21 MR HULSEY We didn't  
22 file the answer We waited to  
23 see whether the Court would keep  
24 the case We have companion  
25 cases that have the same

1           allegations in it

2                   THE COURT   All right

3           But is there a -- is there some  
4           case that says a motion to remand  
5           tolls the time to file an answer?

6                   MR HULSEY   It tolls the  
7           time in the state courts

8                   THE COURT   Is there a  
9           case that says that?

10                  MR HULSEY   I couldn't  
11           find one that says that it  
12           didn't your Honor

13                  THE COURT   Well, I mean  
14           but normally the tolling of the  
15           rules the Rules of Civil  
16           Procedure, do they not indicate  
17           what types of motions toll the  
18           time to answer?

19                  MR HULSEY   Yes sir

20                  THE COURT   Is that one  
21           listed?

22                  MR HULSEY   What we  
23           looked at when we looked at the  
24           statute was the notice of removal  
25           was otherwise -- was in effect

1 otherwise pleading In other  
2 words, it was a, it was a motion  
3 that spoke to the venue of the  
4 circuit court And so in our  
5 practice the notice of removal  
6 removes jurisdiction and the  
7 federal court decides the issue  
8 so --

9 THE COURT All right  
10 Let me hear you out on your  
11 argument I just had those  
12 questions about the procedures  
13 Go ahead Let me hear  
14 from the movant please You  
15 have a motion to set aside  
16 default?

17 MR HULSEY Yes, sir, I  
18 do Your Honor our motion to  
19 set aside default is based upon  
20 the - several things and I know  
21 that your Honor probably has  
22 reviewed everything so I won't go  
23 through the cases at length

24 But the case was removed  
25 to to federal court under Davis

1           versus Davis   your Honor   which  
2           is 29 Southeast 2nd, 847    The  
3           circuit court loses jurisdiction  
4           while the matter is, is in the  
5           hands of the federal court  
6           Judge Hauk remanded the case  
7           The clerk noticed - sent the  
8           notice of removal by mail on July  
9           twenty-seventh   on July  
10          twenty-seventh, your Honor

11                       Within the thirty-five  
12          days allowable for answer under,  
13          under the rules of the circuit  
14          court we filed an answer on  
15          August twenty ninth which was in  
16          which was within thirty-five days  
17          of July twenty-seventh when the  
18          federal court noticed the remand

19                      And so we believe your  
20          Honor, that, that under the  
21          applicable statutes that we were  
22          in time when we filed our answer  
23          and also our, our motion to set  
24          aside default

25                      Additionally your

1 Honor, we had, we had entered our  
2 appearance by filing the notice  
3 of removal so counsel was aware  
4 of who represented the respective  
5 parties and we were never  
6 notified of the default under  
7 South Carolina Rules of Civil  
8 Procedure 5 (A) we were never  
9 notified of the motion for  
10 default before it was  
11 administratively --

12 THE COURT Well I  
13 thought the filing of default is  
14 just administrative duty under the  
15 cases and --

16 MR HULSEY Yes, sir

17 THE COURT -- and doesn't  
18 require any action Even the  
19 clerk doesn't actually physically  
20 enter a default The case law  
21 says that it's administrative in  
22 nature

23 MR HULSEY Yes, sir As  
24 far as the clerk is concerned,  
25 yes, sir, it's administrative

1 But as far as counsel seeking it,  
2 they have, they have a duty to  
3 notify the other party if the  
4 party in fact entered an  
5 appearance My point sir, is  
6 that is that by filing the  
7 notice of removal we had in fact  
8 made our appearance known by the  
9 notice of removal in state court,  
10 removed to federal court

11 So that under those  
12 situations we would have, have  
13 been entitled to three days  
14 notice that they were going to  
15 seek default and we responded at  
16 that particular time, sir

17 THE COURT I see what  
18 you re saying You re saying  
19 they filed an affidavit of  
20 default that says that no one has  
21 made an appearance

22 MR HULSEY Yes sir

23 THE COURT Is that  
24 correct, counsel? Did you file  
25 an affidavit of default saying

1 that?

2 MR CISA I did not I  
3 filed an affidavit of default  
4 saying nobody's filed an answer  
5 I did not say nobody made an  
6 appearance, Judge

7 THE COURT Okay Did you  
8 get served with that affidavit of  
9 default?

10 MR HULSEY No, sir We  
11 didn't get served with it We  
12 didn't get any notice That's my  
13 point, sir I think, I think the  
14 philosophy of the rule is when  
15 you know somebody is involved in  
16 a case you give them notice The  
17 affidavit of default was on  
18 August ninth and there wasn't any  
19 default on August ninth in any  
20 event sir

21 So we believe, Judge  
22 that we were on time by our  
23 response number one, so that we  
24 weren't in default We believe,  
25 second of all, if we were in

1 default the provisions of Rule  
2 55, South Carolina Rules of Civil  
3 Procedure were not followed in  
4 that the affidavit on August  
5 ninth wasn't correct because  
6 there wasn't default on August  
7 ninth and it didn't disclose that  
8 we in fact represented the other  
9 party, which we did

10 Had the clerk entered  
11 administrative action, either  
12 notified us or had counsel  
13 notified us, we would have  
14 appeared and the default wouldn't  
15 have been entered. So we believe  
16 that the provisions of Rule 55  
17 weren't followed

18 And third of all, your  
19 Honor, 55 (C) says it shall be  
20 liberally construed to do justice  
21 and in this case, your Honor,  
22 there is a valid defense to these  
23 claims

24 These these issues have  
25 been litigated for several years

1       There s a valid defense to the  
2       claims, both to the liability and  
3       against, so for those those  
4       reasons I, your Honor, we believe  
5       that it would be proper for if  
6       the Court had found in fact  
7       found us to be in default, it  
8       would be proper for the Court  
9       under Rule 55 (C) to set aside  
10      the, the entry of default

11               In that regard we have,  
12      excuse me Top Line Homes versus  
13      Hardin which is 319 Southeast  
14      2nd 302 which basically says  
15      good cause factors are the  
16      timing --

17               THE COURT   Well, let me  
18      stop you again   I want to go  
19      back to my original question  
20      because I just find it difficult  
21      to believe that whether or not it  
22      be some federal treatise, federal  
23      practice no one has ever  
24      commented on the fact that when a  
25      motion to remand is filed in

1 federal court it tolls your time  
2 to answer

3 If you had to answer in  
4 this case and the motion to  
5 remand did not toll it, would you  
6 not agree the answer would have  
7 had to be filed in the federal  
8 court before the remand?

9 MR HULSEY If we had to  
10 answer

11 THE COURT Okay And not  
12 one commentator has ever  
13 addressed that issue That is  
14 very difficult for me to believe

15 MR HULSEY I didn't find  
16 it sir, and, and we've looked  
17 What I found was that the state  
18 court loses jurisdiction at the  
19 time that the case is transferred  
20 and so --

21 THE COURT Well all that  
22 says is it then becomes a federal  
23 proceeding

24 MR HULSEY Yes sir

25 THE COURT And so that

1           begs the question still as to  
2           whether or not you must file your  
3           answer    I mean I'm still some  
4           perplexed that -- honestly I'll  
5           just tell you why    Having spent  
6           six years in federal court --

7                   MR HULSEY    Yes, sir

8                   THE COURT    - it, it s  
9           not like jumping out at me that a  
10          motion to remand would toll the  
11          time to answer    And it doesn't  
12          seem like that type of motion  
13          that would    but that doesn't mean  
14          that that reaction is correct on  
15          my part    It's just hard for  
16          me --

17                   MR HULSEY    Yes, sir

18                   THE COURT    -- to think  
19          that not even civil treatises or  
20          something hasn't addressed that  
21          issue

22                   MR HULSEY    If -- well I  
23          didn't find it Judge but but  
24          clearly the issue had been joined  
25          with the parties so an answer

1 could have been filed and there  
2 would be -- and there would have  
3 been no prejudice to them

4 Obviously our position  
5 had been very clear had been  
6 litigated for several years, and  
7 so I would -- the only way I  
8 could respond to that is that, is  
9 that we at least would show --  
10 good cause shown good cause  
11 shown why we wouldn't be in  
12 default because we have a valid  
13 defense both to liability and  
14 damages, sir

15 THE COURT Okay  
16 Anything else?

17 MR HULSEY No, sir  
18 Thank you

19 THE COURT All right  
20 Let me hear from your response  
21 I'd like you to first address  
22 when you submit an affidavit of  
23 default, did you send him a copy?

24 MR CISA No, sir

25 THE COURT Why not?

1 MR CISA The rules don't  
2 require it

3 THE COURT Why is that?

4 MR CISA Because he's in  
5 default It's like you say it's  
6 an administerial act on my part  
7 and on the clerk's part

8 THE COURT Well, do the  
9 rules not require if he's not  
10 made any appearance? Is there  
11 not some cases in South Carolina  
12 law that deal with that concept,  
13 if you made any type of  
14 appearance in the case?

15 MR CISA I don't -- not  
16 that I know of Not that I've  
17 seen Not that anybody has cited  
18 to me, Judge It's an affidavit  
19 of default It's simply an  
20 indication to the Court or to the  
21 clerk's office that no answer has  
22 been filed, that brings it to the  
23 clerk's attention and you request  
24 the clerk to enter default and  
25 that's what happened

1                   But it's a 55 (C)     He s  
2     got a 55 (C) motion, but I know  
3     of nothing that requires me  
4     What happened is I filed the  
5     affidavit of default on August  
6     twenty-first     The clerk entered  
7     default on August twenty-second  
8     So I mean it's just an  
9     administerial function on my part  
10    to bring it to the clerks's  
11    attention and it's an  
12    administerial function on the  
13    clerk's part when they look in  
14    the file and see there s no  
15    answer in the file     So I don t  
16    think it requires it

17                   Now he was served after  
18    the entry of default was issued

19                   --  
20                   THE COURT     Well    what if  
21    he had filed a late answer?  
22    Would he have been entitled to  
23    notice before any default?

24                   MR   CISA     Well    I think  
25    if he filed a late answer, what

1           you would do is you move to  
2           strike the answer

3           THE COURT     But would  
4           his -- would that have  
5           constituted an appearance that he  
6           would be entitled to have late  
7           notice before a default judgment  
8           could be entered?

9           MR CISA     It wasn't a  
10          default judgment     your Honor

11          THE COURT     I understand  
12          that

13          MR CISA     It was entry of  
14          default

15          THE COURT     The question  
16          is resolves -- revolves around  
17          that concept of appearance  
18          Would that be an appearance?

19          MR CISA     I don't -- what  
20          I'm suggesting to the Court is  
21          that I know of no rule when  
22          somebody is in default where  
23          you're required to notify them  
24          ahead of time that you are going  
25          to file an affidavit of default

1 and ask the clerk to enter  
2 default

3 You know I certainly  
4 have to notify somebody of the  
5 damages hearing, but I know of no  
6 rule -- he cited rule -- I think  
7 he cited Rule 6 Rule 6 doesn't  
8 apply I know of no rule It's  
9 an administrative function on my  
10 part in bringing to the clerk of  
11 court's, the clerk's attention  
12 that no answer had been filed

13 If an answer had been  
14 filed probably the proper  
15 procedure would be to move to  
16 strike the answer and place him  
17 in default on the basis of  
18 whether or not he filed, an  
19 answer was timely filed under  
20 Rule 12

21 THE COURT All right  
22 What is your position on the  
23 filing of the motion to remand  
24 number one, and, secondly, would  
25 the confusion give him good cause

1 to have this entry set aside, and  
2 finally have you been prejudiced  
3 in any way?

4 MR CISA Well, let me  
5 tell you on the basis of the  
6 first one Who let him under the  
7 federal Rules of Civil Procedure  
8 address what happens when  
9 somebody, when you bring your  
10 case to federal court? In fact  
11 in most cases, Judge, the time  
12 for answering is shortened  
13 because Rule 81 says 'In a  
14 removed action in which the  
15 defendant does not answer the  
16 defense shall answer or present  
17 the other defenses or objections  
18 available under these rules  
19 within twenty days after receipt  
20 through service or otherwise of a  
21 copy of the initial pleading '

22 So the federal rule  
23 requires you to answer within  
24 twenty days So when you remove  
25 the case to federal court under

1 Rule 81 of the federal Rules of  
2 Civil Procedure it actually  
3 shortens the time for answering

4 In this particular case  
5 they were served on April  
6 twenty-first We filed the  
7 lawsuit on April nineteenth  
8 They were served on April  
9 twenty-first I didn't move for  
10 -- I didn't ask the Court to  
11 enter default until August  
12 twenty-first They're well over  
13 three months late in filing an  
14 answer And I think the federal  
15 rule would apply, but the state  
16 court rule, Rule 12 requires an  
17 answer within thirty days

18 You know, Mr Limehouse  
19 wants Mr Hulsey to be required  
20 to play by the rules But  
21 Mr Hulsey comes into court today  
22 to say as a as good cause, under  
23 the case law says good cause  
24 means a good reason His good  
25 reasons is, is the law doesn't

1 require him to answer the  
2 complaint because he filed, filed  
3 a removal to federal court  
4 That's simply not the law  
5 That's not a good reason That's  
6 not good cause, Judge

7 The the issue of  
8 prejudice Judge you know, I  
9 don't know Legal prejudice  
10 is -- when you got a trial docket  
11 of eighteen months, it's hard for  
12 me to sit here and argue that  
13 I've been legally prejudiced I  
14 guess I could --

15 THE COURT Well, I mean  
16 when you're talking about a  
17 motion under Rule 55 as opposed  
18 to Rule 60, all the standards are  
19 similar We're not talking  
20 about -- this case is not one  
21 where judgment is being entered  
22 Correct?

23 MR CISA Only thing that  
24 has happened is the Court has  
25 entered -- the clerk has entered

1 default You're right No entry  
2 of the judgment

3 THE COURT The entry of  
4 default What, what -- how have  
5 you been hurt or prejudiced in  
6 any way as far as this case is  
7 concerned or preparing this if  
8 the Court were to find that  
9 confusion was good cause? I'm  
10 not saying it is I do want to  
11 check into that, my concern about  
12 the motion to remand

13 But, you know, the  
14 Courts have been pretty liberal  
15 about that, have they not?

16 MR CISA Well they  
17 have But there's several cases  
18 on point that deal with this  
19 issue of - and clearly the cases  
20 do say that you should consider  
21 when you, when you're considering  
22 a 55 (C) motion you consider the  
23 timeliness of filing the motion  
24 to start with, whether there's  
25 meritorious defense, and whether

1           there's been any prejudice

2                       But the first -- the  
3           threshold issue you got to deal  
4           with, and the cases say this  
5           "Good cause means good reason"  
6           And there's a number of cases  
7           that say things like the attorney  
8           for the appellant informed the  
9           Circuit Court that superiors  
10          present had no good reason other  
11          than depression for failing to  
12          act     The Court said that's not,  
13          that's not a good reason

14                      Or we have insurance  
15          company cases where they come in  
16          and say we don't know what  
17          happened     We just lost the  
18          pleading somewhere     That's not a  
19          good reason

20                      In this particular case  
21          Mr. Hulsey has not given the  
22          Court a good reason     He's saying  
23          that he's not required to file an  
24          answer pursuant to statute or  
25          pursuant to Court rules, which is

1 absolutely not correct under Rule  
2 81 of the federal Rules of Civil  
3 Procedure

4 THE COURT He s also  
5 arguing that his notice of  
6 removal constituted an appearance  
7 and so therefore you were  
8 required to serve every document  
9 you filed with the Court on them  
10 because that was an appearance

11 MR CISA Well, Judge  
12 even if I had copied Mr Hulsey  
13 with my affidavit of default to  
14 the clerk on August twenty-first  
15 when I mailed it, the clerk  
16 entered default on August  
17 twenty-second

18 THE COURT I understand  
19 what you're saying I m saying  
20 you re still entitled to, whether  
21 you served him or not, you re  
22 still entitled to entry of  
23 default

24 MR CISA Right And  
25 you know, the rules require the

1 answer within thirty days under  
2 the state court rules and they  
3 require you to answer when you  
4 remove to federal court within  
5 twenty days of of service

6 And all I m suggesting  
7 to the Court is, is that  
8 Mr Hulsey did not follow the  
9 rules nor did his law firm follow  
10 the rules and he hasn't shown  
11 any good cause

12 THE COURT Have you read  
13 any treatises on this anything  
14 about whether the motion to  
15 remand tolls the time to answer?

16 MR CISA Judge, it's  
17 clear it doesn't because Rule 81,  
18 I can hand up -

19 THE COURT Can I see Rule  
20 81?

21 All right Go ahead

22 MR CISA Well, I was  
23 just going to address the issue  
24 of meritorious defense Of  
25 course we don't think Mr

1           Hulsey's got a meritorious  
2           defense    He said a couple of  
3           times this case has been  
4           litigated two or three years  
5           That's incorrect   This lawsuit  
6           was filed, the defamation action  
7           was filed on April nineteenth of  
8           this year   It has not been  
9           litigated two or three years  
10                    In our complaint what we  
11           allege and what we say is that  
12           Mr Hulsey made statements to the  
13           Post and Courier to the effect,  
14           one of the statements was that  
15           the plaintiff Mr Limehouse  
16           created a perfect racketeering  
17           enterprise just like Tony  
18           Soprano  
19                    Judge, if he thinks he s  
20           got a meritorious defense   I'd  
21           ask you to put him under oath  
22           let him explain to the Court how  
23           it's been proved that  
24           Mr Limehouse engaged in the kind  
25           of conduct that Tony Soprano is

1 depicted of engaging in, such as  
2 murder, prostitution, drug sales  
3 et cetera We don't think he has  
4 a meritorious defense

5 And we don't think he  
6 complied with the rules and we  
7 don't think he has a good reason  
8 to ask this Court to relieve him  
9 from default

10 THE COURT All right  
11 What is the -- tell me a little  
12 bit more about what you claim is  
13 a meritorious defense, counsel

14 MR HULSEY Your Honor  
15 meritorious defense would go to  
16 the the facts of the case with  
17 respect to the racketeering  
18 scheme I believe that whatever  
19 the newspaper reporter wrote is  
20 subject to to various  
21 interpretations which would have  
22 to be would have to be proven

23 But, your Honor we  
24 filed a an in-depth RICO  
25 statement racketeering statement

1 showing the allegations of  
2 racketeering conduct in federal  
3 court It was not opposed  
4 Thereafter we we successfully  
5 opposed the motion for summary  
6 judgment on the very issue of  
7 whether a racketeering scheme had  
8 existed

9 I have an expert  
10 witness Professor Robert Blakey  
11 of Notre Dame who in fact wrote  
12 the criminal racketeering  
13 statute who offered the opinion  
14 to us that racketeering in fact  
15 was involved, so there, there,  
16 the issue would be whether or not  
17 a racketeering scheme in fact had  
18 been involved and whether or not  
19 in fact the court the court  
20 reporter or the newspaper  
21 reporter wrote the quote  
22 correctly

23 I wasn't calling him  
24 Tony Soprano sir I was using  
25 an example of what racketeering

1 was That ought to be a question  
2 of fact for the jury

3 But we have ample  
4 evidence and ample investigation  
5 that supported the racketeering  
6 scheme according, according --  
7 using two companies in order to  
8 avoid wage and hour laws,  
9 harboring fugitives, running the  
10 business, all of his businesses  
11 were -- all of his workers were  
12 illegal aliens, a scheme to  
13 defraud Social Security by  
14 sending in false Social Security  
15 numbers and then repeatedly  
16 sending them in by just changing  
17 one number one number and  
18 sending it back to Social  
19 Security again

20 I have an expert in that  
21 area that gave us an opinion in  
22 that So there is a meritorious  
23 defense whether or not the  
24 defendant was engaged in  
25 racketeering and that was in fact

1        litigated for several years  
2        Judge

3                    The -- with respect to  
4        the question the Court asked  
5        about, about Rule 5 and the entry  
6        of default, it s when, it s when  
7        a party in default fails to  
8        appear, then we look at the case  
9        that construed Rule 55    The  
10       words otherwise defend refer to  
11       the imposition of various  
12       challenges such as venue, your  
13       Honor, and that's Star Trust  
14       Company versus Superior  
15       Construction Company 360 South  
16       Carolina 503 and that's why I was  
17       saying, your Honor, that we  
18       interpreted our    our notice of  
19       removable as objecting to the  
20       venue of the Circuit Court for  
21       the issues we believe were being  
22       conducted in federal court at the  
23       time

24                    THE COURT    I mean what,  
25       what was the basis of your

1 federal claim if this is a  
2 slander slash defamation or  
3 libel, whatever type of case?

4 MR HULSEY The basis of  
5 the removal, your Honor were  
6 were that the, the base  
7 allegations or facts of the  
8 libel-slander case arose from and  
9 were inextricably intertwined  
10 with the federal case which in  
11 fact was dealing with whether or  
12 not racketeering in fact had  
13 occurred And so we believe that  
14 there was federal question under  
15 the federal racketeering statute,  
16 and that that federal question  
17 would be would be important to  
18 the determination of whether in  
19 fact a statement that the person  
20 was a racketeer was in fact  
21 libelous or slanderous

22 THE COURT Well, why  
23 wouldn't you just move in state  
24 court to stay the proceeding for  
25 the resolution of that claim? I

1 mean the, the fundamental claim  
2 is slander and that is at its  
3 heart as a state court action

4 MR HULSEY Yes sir  
5 That's true It was our, our  
6 judgment that a resolution of the  
7 racketeering issue could clearly  
8 have been a resolution of the  
9 state court issues, too In  
10 other words if the jury had  
11 found that the racketeering had  
12 in fact occurred then that would  
13 have been very relevant as to  
14 whether or not the statement  
15 about racketeering was libelous  
16 or slanderous in the first place,  
17 sir

18 THE COURT Okay  
19 Anything else?

20 MR CISA I don't know,  
21 Judge if you want me to comment  
22 on this case and not about -

23 THE COURT Well I'm  
24 talking - well, he just  
25 responded to your question of

1 meritorious defense If you have  
2 anything further, I'll be happy  
3 to hear you out on that

4 MR CISA Not other than  
5 what I've, what I've indicated to  
6 the Court, Judge

7 THE COURT Anything else  
8 that you wish to add?

9 MR HULSEY No, sir  
10 Thank you

11 THE COURT Whose book is  
12 this?

13 MR CISA Mine, Judge

14 THE COURT All right  
15 I'll think about that and let you  
16 know I want to research that  
17 remand question

18 MR CISA Thank you, your  
19 Honor

20 THE COURT All right  
21 Thank you

22 MR HULSEY One last  
23 thought as I was looking at my  
24 notes The issue, the federal  
25 issue, I just wanted to point out

1 procedurally was never addressed  
2 in federal court the failure of  
3 answering, and we always, both  
4 sides addressed the remand issue

5 THE COURT All right

6 Well my, my gut is telling me  
7 that there s something out there  
8 It seems to me I recall some  
9 things about is something deemed  
10 filed a moment it s removed

11 MR HULSEY Yes sir

12 That may be true I just didn't  
13 find it

14 THE COURT I'm just  
15 thinking that you know, I  
16 haven't had to deal with some of  
17 those federal questions in a long  
18 time, but my gut is telling me I  
19 had to research a lot of that a  
20 long time ago about when  
21 something is deemed filed in  
22 federal court, et cetera, and  
23 there is something out there  
24 about the answer And I m just  
25 not prepared to rest it on the

1           assertion we haven't found  
2           anything

3                   MR CISA    I think Rule  
4           Rule 81 just seems very, very  
5           clear to me, Judge    I don't, I  
6           don't know    You, you - it seems  
7           very clear to me and I think  
8           that's always how long that rule  
9           has been there

10                   THE COURT   All right  
11           I'll look at it

12                   MR CISA    Just very  
13           clear

14                   THE COURT   I'll be -- I'm  
15           going to look at federal Rule 81  
16           also    Thank you

17                   MR CISA    Thank you

18                   MR HULSEY   Thank you,  
19           Judge

20                               (Whereupon, the matter  
21           was concluded )

22

23

24

25

CERTIFICATION

I the undersigned HEATHER GAYLE BURNS Official Court Reporter for the Ninth Judicial Circuit of the State of South Carolina do hereby certify that the foregoing is a true, accurate and complete transcript of the proceedings in the captioned case relative to appeal heard in the Court of Common Pleas for Charleston County South Carolina on the 15th day of December 2006

I do further certify that I am neither of kin, counsel nor interest to any party hereto

DATED

March 24, 2007

Heather Gayle Burns RDR  
HEATHER GAYLE BURNS R D R  
Official Court Reporter

**Electronic Case Filing  
Policies and Procedures  
District of South Carolina**



**May 12, 2006**

UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH CAROLINA

**Electronic Case Filing Policies and Procedures**

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UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH CAROLINA

**Electronic Case Filing Policies and Procedures**

**1 Definitions**

*Defined Terms* are italicized in this document

- 1.1 *Attorney User Manual* means the District of South Carolina's ECF Attorney User Manual. All *Filing Users* are required to periodically check the court's website for updates to the *Attorney User Manual*. See [www.scd.uscourts.gov](http://www.scd.uscourts.gov).
- 1.2 *Electronic Case Filing (ECF) System* refers to the District of South Carolina's automated system for receiving and storing documents filed in electronic form. This program is part of the Case Management/Electronic Case Files software developed by the Administrative Office of the United States Courts.
- 1.3 *Filing User* is an attorney who has a court issued login and password allowing electronic filing of documents on the *ECF System*. Only attorneys admitted in this district or counsel in multi-district litigation transferred to this district may be *Filing Users*.
- 1.4 *Local Rules* means the Local Civil Rules and the Local Criminal Rules for the District of South Carolina.
- 1.5 *Notice of Electronic Filing (NEF)* is a notice automatically generated by the *ECF System* at the time a docket entry, with or without a hyperlinked document, is created in the system. This notice sets forth the time of filing, text of the docket entry, and name of the party and/or attorney(s) required to receive the notice. If a PDF document is attached to the docket entry, the *NEF* will also identify the person filing the document, the type of document, and a hyperlink to the filed document. The hyperlink will allow recipients one opportunity to view and download the document without cost. See *infra* §§ 2.4 (Consent to Electronic Service), 5 (Notice of Court Orders, Judgments and Hearings), and 11.2.1 (Service on *Filing User*).
- 1.6 *PACER* (Public Access to Court Electronic Records) is an automated system that allows an individual to view, print, and download court docket information over the internet. See *infra* § 3.4 (website addresses for PACER).
- 1.7 *PDF* refers to a Portable Document Format file. To be filed electronically, a document must be converted to portable document format. Converted documents must contain the .pdf file extension.
- 1.8 *Pro Hac Vice Participant* is an attorney admitted *pro hac vice* and who is registered to receive *Notice of Electronic Filings* in the specific case for which they are admitted. *Pro Hac Vice Participants* may not, however, file documents electronically. Participation shall be required for all attorneys admitted *pro hac vice* after the *ECF*.

*System start date* The Clerk of Court may require participation by *pro hac vice* attorneys admitted before the *ECF System* start date. Except to the extent service is provided through the *NEF*, service will not be provided by the court. *Pro hac vice* attorneys are not entitled to service; documents are to be provided them by associated local counsel. See also Local Civil Rule 83 I 06.

- 1 9 *Proposed Order* is a draft document submitted for a district judge's or magistrate judge's signature. See *infra* § 4 3 (proposed orders).
- 1 10 *Technical Failure* is defined as a malfunction of court owned or court leased hardware, software, or telecommunications facilities which results in the inability of a *Filing User* to submit a court filing electronically. **Technical Failure does not include malfunctioning of a *Filing User's* equipment, hardware or software.** See *infra* §§ 11.2 1(c) (Failed Transmission of *NEF*), 12 (Technical Failure), and 12 3 (Other Technical Difficulties).
- 1 11 *Traditional Filing Method* means filing original documents bearing the signature(s) of the attorney or the *pro se* party.
- 1 12 *Traditional Service* means service of a paper copy of a document using the forms of service authorized under the Federal Rules of Civil Procedure and the Federal Rules of Criminal Procedure.

## 2 Scope of Electronic Filing

### 2 1 Cases Subject to Electronic Filing

All civil, criminal, and miscellaneous cases shall be managed using the *ECF System*. Except as expressly provided herein or by order of a court, or in exceptional circumstances including *Technical Failure* (§ 1 10), a *Filing User* shall file all documents electronically on the *ECF System*. See *infra* §§ 12 (Technical Failure).

### 2 2 Submission of Scanned Documents and Documents on Disk or CD-ROM

By filing a scanned version of a document in PDF format, the *Filing User* certifies the legibility of the document. If the court directs submission of a document on disk or CD-ROM, the person submitting the document on disk or CD-ROM shall ensure that the media utilized is virus free. See *supra* § 1 7 (PDF definition).

### 2 3 Initiation of Actions

The filing of initial papers shall be accomplished electronically under procedures outlined in the District of South Carolina's *Attorney User Manual*. *Filing Users* who file new cases electronically must provide the Clerk of Court with a credit card number for payment of filing fees, or electronically file an Application to Proceed Without Prepayment of Fees (*in forma pauperis*) as outlined in the *Attorney User Manual*. It is the responsibility of the *Filing User* to keep credit card information current. Failure to pay any filing fee may delay or prevent the *Filing User* from filing the document.

#### **2.4 Consent to Electronic Service**

Registration as a *Filing User* or *Pro Hac Vice Participant* in the District of South Carolina constitutes consent to electronic service of all documents (except service of a summons and complaint under Fed. R. Civ. P. 4). See *infra* § 11 (Service). Registration as a *Filing User* or *Pro Hac Vice Participant* also constitutes consent to the alternative methods of service provided under § 11.2.1(c) in the event of a failure of the *Notice of Electronic Filing* or under § 12.1 in the event of a *Technical Failure*.

The document is deemed served on *Filing Users* and *Pro Hac Vice Participants* upon transmission of the *NEF* indicating that the document was sent electronically. See *infra* § 11.2.1(a) (Automatic Service), § 11.2.1(c) (Failed Transmission of *NEF*), and § 11.2.2 (Service on Persons Other Than *Filing Users* and *Pro Hac Vice Participants*).

#### **2.5 Removed Cases**

In a case removed from state court to federal court, the *Filing User* is required to file electronic copies of all documents previously filed in the state court together with the electronically filed Notice of Removal.

#### **2.6 Scope**

Nothing in the Electronic Case Filing Policies and Procedures supercedes the Federal Rules of Civil Procedure (Fed. R. Civ. P.), the Federal Rules of Criminal Procedure (Fed. R. Crim. P.), the *Local Rules* of this District, or other order of this court.

### **3 Participation, Registration, and Passwords**

#### **3.1 Participation**

Unless excused as set forth below, all members of the District of South Carolina Bar shall register as *Filing Users* and shall file all documents pursuant to these Policies and Procedures. Counsel in multi-district litigation are allowed to participate as *Filing Users* in the case(s) transferred into this district pursuant to the Rules of Procedure of the Judicial Panel on Multi-District Litigation. Upon registration and receipt of a password and login, counsel in multi-district litigation shall file all documents pursuant to these Policies and Procedures. Once registration is complete, a *Filing User* may not withdraw from participation in the *ECF System* except by order of the court. Attorneys admitted *pro hac vice* may not participate as *Filing Users* but shall be required to participate as *Pro Hac Vice Participants*. See *supra* § 1.8 (definition) and *infra* § 3.4 (registration).

#### **3.2 Attorneys Excused from Participation**

Attorneys shall be excused from participation in the *ECF System* only upon a showing of good cause why the attorney should not be required to participate. Such showing shall require attorneys to establish that participation would impose a substantial and undue hardship. Requests to be excused shall be submitted to the Clerk of Court and

shall be accompanied by affidavits establishing the basis of the claim of hardship. Final authority to grant such requests is vested in the Chief Judge. Attorneys Excused from Participation shall file using the *Traditional Filing Method*. See *supra* §1.11 (*Traditional Filing Method* definition).

### 3.3 *Pro Se* Participation

A party who is not represented by an attorney shall file papers in the *Traditional Filing Method*. See *supra* § 1.11 (definition) *infra* § 11.2.2 (Service on Persons Other Than Filing Users and *Pro Hac Vice* Participants). A member of the District Court Bar who represents himself or herself *pro se* is NOT exempt from the electronic filing of documents, unless he or she has been exempted from the electronic filing of documents due to substantial and undue hardship. See *supra* § 3.2 (Attorneys Excused from Participation).

### 3.4 Registration

To be registered as a *Filing User*, an attorney must be admitted as a member of the District of South Carolina Bar or be counsel in multi district litigation transferred to this district pursuant to the Rules of Procedure of the Judicial Panel on Multi-District Litigation. Counsel for multi district litigation cases who wish to register as a *Filing User* must use the appropriate form. An attorney admitted *pro hac vice* shall register as a *Pro Hac Vice Participant* by providing the court with an e-mail address on the Application/Affidavit for *Pro Hac Vice* Admission and filing the appropriate registration form.

To register as a *Filing User*, an attorney must: (1) establish a PACER account, (2) certify in writing that *ECF System* training has been completed, (3) complete and submit the appropriate registration form to the Clerk of Court via facsimile or mail as provided on the form, and (4) provide ONE internet e-mail address. (Additional e-mail addresses may be added by the *Filing User* as outlined in the *Attorney User Manual*.) Information on registering to use *PACER* can be found at <http://pacer.psc.uscourts.gov>. Costs for *PACER* access can be found at <http://pacer.scd.uscourts.gov>.

It is the responsibility of all *Filing Users* to notify the Clerk of Court about a change of name, address, phone number, or facsimile number in a timely manner. It is also the responsibility of all *Filing Users* to keep their e-mail addresses current in the *ECF System*. *Pro Hac Vice Participants* must timely provide the Clerk of Court with any changed name, address, phone number, facsimile number, or e-mail address.

### 3.5 Passwords

Once the registration is processed by the Clerk of Court, the *Filing User* will receive notification of the *Filing User's* login and password. A *Filing User* shall protect the security of the *Filing User's* password. See *infra* § 10.3 (misuse).

#### **4 Signing and Entry of Court Orders and Related Papers**

##### **4.1 Filing and Entry of Orders**

All orders, decrees and judgments of the court will be entered electronically by the court or court personnel. Electronic filing of these documents shall constitute entry on the docket under Fed. R. Civ. P. 58 and 79, and Fed. R. Crim. P. 55.

The court may issue routine orders by a text-only docket entry for which a *Notice of Electronic Filing* will be generated. In such cases, no *PDF* document will be issued, and the text-only entry shall constitute the court's only order on the matter. Such docket text orders are official and binding.

##### **4.2 Signing of Electronic Orders**

All orders, including docket text orders, and judgments shall be electronically filed by the court or court personnel. Electronically filed court orders and judgments shall have the same force and effect as if the judge had affixed a signature to a paper copy of the document and the document had been entered on the docket in the traditional manner. The judge's signature on an electronic order may appear as "s/" followed by the judge's name where the signature would otherwise appear or as a digital signature.

##### **4.3 Proposed Orders**

A *Filing User* submitting a proposed order shall submit the document in accordance with the procedure for proposed orders provided in the *Attorney User Manual* and Local Civil Rule 7.10 (Rules for Submission of Draft Orders in Civil Cases).

#### **5 Notice of Court Orders, Judgments and Hearings**

Immediately upon the entry of an order or judgment in an action, the Clerk of Court shall electronically transmit a *Notice of Electronic Filing* to *Filing Users* and *Pro Hac Vice Participants* in the case. Electronic transmission of the *NEF* constitutes the notice required by Fed. R. Civ. P. 77 and Fed. R. Crim. P. 49(c). Notices of hearings will be sent electronically by the Clerk of Court to *Filing Users* and *Pro Hac Vice Participants*. The Clerk of Court must give notice of court orders, judgments and court hearings in paper form to *pro se* parties and to attorneys who are not *Filing Users* or *Pro Hac Vice Participants* to the extent notice is required. See *supra* §§ 3.2 (Excused Attorneys) and 3.3 (*Pro Se* Participation).

#### **6 Consequences of Electronic Filing**

##### **6.1 Filing and Entry**

Electronic transmission of a document to the *ECF System*, together with the transmission of the *Notice of Electronic Filing (NEF)* in accordance with the Order adopting these Policies and Procedures, as well as the District of South Carolina *Attorney User Manual*, constitutes filing of the document for all purposes under the

Federal Rules of Civil Procedure, the Federal Rules of Criminal Procedure and the Local Rules, and effects entry of the document on the docket maintained by the Clerk of Court under Fed. R. Civ. P. 5, 58 and 79 as well as Fed. R. Crim. P. 49 and 55. See *supra* § 2.6 (Scope).

## **6.2 Official Record**

When a document is filed electronically, the electronic record constitutes the official record. The filed document is binding as the official record. Later modifications of a previously-filed document or docket entry are only allowed by the court or Clerk's Office. An electronically filed document is deemed filed on the date and time stated on the court-generated NEF. See *supra* § 1.5 (NEF definition).

## **6.3 Timeliness**

Timeliness of electronic filing is based on local time in the District of South Carolina (eastern time zone). Filing must be completed with a court-generated NEF before midnight in the eastern time zone to be considered timely filed that day. The time for a response after service by electronic means is governed by Fed. R. Civ. P. 6(e) (allowing an additional three days after electronic service) and Fed. R. Crim. P. 45(c) (same). Nothing in these policies and procedures should be construed to change or extend any deadlines set by statutes of limitations prescribed by law, Federal Rules of Procedure, Local Rules, or orders of the court.

The ECF System automatically calculates final dates for filing a response to certain pleadings, memoranda, and orders. The computer-generated deadline is contained in the docket entry for the document to which a response is due and is on the NEF if an NEF is issued. The date calculated by the ECF System controls as the deadline, unless the presiding judge has specified a different deadline by either oral or written order. The judges' oral or written ruling controls even if issued prior to the computer-generated deadline.

# **7 Attachments and Exhibits**

## **7.1 Electronic Submission Required**

All documents referenced as exhibits or attachments to an electronically filed document shall be submitted in electronic form, as electronic attachments to the main document, subject to requirements and limitations of the *Attorney User Manual* or as otherwise ordered by the court.

## **7.2 Excerpts**

A Filing User shall submit as exhibits or attachments only those excerpts of referenced documents that are directly pertinent to the matter under consideration by the court together with the cover sheet or other excerpts necessary to identify the source of the information (e.g., deposition cover page). Excerpted materials must be clearly and prominently identified as such. Filing Users who file excerpts of documents as

exhibits or attachments under this provision do so without prejudice to their right to file additional excerpts or the complete document. Responding parties or attorneys may file the complete document or additional excerpts that they believe are directly pertinent to the matter under consideration.

### **7.3 Filing of Original Deposition**

*Filing Users* shall not be required to file the original deposition from which excerpts were drawn absent a court order to the contrary.

### **7.4 Bookmarks and Hyperlinks**

Electronically-filed documents may contain bookmarks to locations within the same document. Hyperlinks to other documents or external sites are not permitted due to the risk of broken links and the possibility of introducing a virus or malicious code from another website.

## **8 Sealed Documents**

### **8.1 Filing of Motions**

A document subject to an existing sealing order or sealing statute (e.g. initial documents in a *quid tam* action) shall be filed electronically under seal pursuant to procedures established by the Clerk of Court. No other document may be filed under seal, **except upon motion**. A motion to file any document under seal shall be filed electronically, unless prohibited by law. The document for which sealing is sought shall be submitted for *in camera* review and shall not be filed.

An order of the court granting a motion to seal shall be filed electronically and shall not itself be sealed, unless prohibited by law or unless the court finds that electronic filing of the order without seal would be inappropriate. *See infra* §§ 13.3 (Sealed Case and Documents) and 13.4 (Privacy) *see also* Local Civil Rule 5.03 and Local Criminal Rule 49.01.

### **8.2 In Camera Submissions**

*In Camera* submissions shall be presented to the court by paper copy.

## **9 Document Retention Requirements**

A document that is electronically filed and requires an original signature other than that of the *Filing User* must be maintained in paper form by the *Filing User* and/or the firm representing the party on whose behalf the document was filed. The document must be retained for six (6) years after the time for all appeals has expired or the judgment otherwise becomes final. On request of the court, the *Filing User* or law firm must provide the original document.

Such papers in criminal cases filed on behalf of the government shall be retained by the Office of the United States Attorney or the United States Department of Justice. On request of the court, the Office of the United States Attorney must provide the original document for review.

## **10 Electronic Signatures of *Filing Users***

### **10.1 Effectiveness of Electronic Signature**

The *Filing User's* login, password, and s/ [typed name] or digital signature serve as the *Filing User's* signature on all electronically filed documents and for the purposes of Fed. R. Civ. P. 11, all other Federal Rules of Civil Procedure (including the Section 2254 Rules, Section 2255 Rules and the Rules for Admiralty Cases), the Federal Rules of Criminal Procedure, the *Local Rules* and any other purpose for which a signature is required in connection with proceedings before the court. Documents submitted under a *Filing User's* login and password must include a digital signature or s/ followed by the *Filing User's* name typed in the space where the *Filing User's* signature would otherwise appear.

### **10.2 Identifying Information Required**

An electronically filed document must include a signature block and must set forth the name, address, telephone number, facsimile number, and e-mail address of the *Filing User* along with the District Court Bar number provided to the attorney upon admission. Out of state attorneys in multi-district litigation must also include the name of the District Court Bar to which they have been admitted.

### **10.3 Misuse of *Filing User* Login and Passwords**

A *Filing User* is solely responsible for and shall protect the security of the *Filing User's* password. No *Filing User* may knowingly or willfully permit or cause a *Filing User's* login and password to be used by anyone other than an authorized agent of the *Filing User*. A *Filing User* shall immediately notify the Clerk of Court if the *Filing User* learns or suspects that his or her login or password has been used without authorization. A *Filing User* may change his or her password without contacting the court, using the procedure set forth in the *Attorney User Manual*. A *Filing User* is responsible for overseeing non-attorney employees with respect to electronic filing done on the attorney's behalf. See *supra* § 3.5 (Passwords).

### **10.4 Multiple Signatures**

A document requiring the signatures of more than one person shall be electronically filed by a single *Filing User* unless otherwise ordered by the court or authorized in the *Attorney User Manual*.

A non-filing signatory or party who disputes the authenticity of an electronically filed document containing multiple signatures or the representation as to consent of a named

signatory must file an objection to the document within ten days of receiving the *Notice of Electronic Filing*

Unless otherwise ordered by the court, or authorized in the *Attorney User Manual* there are two methods to file a document requiring multiple signatures. First the *Filing User* who files the document may obtain original signatures on a paper copy of the document to be filed. The *Filing User* will then electronically file the document, representing the consent of the signatories by an s/ and the name typed in the space where a signature would appear. In the alternative, the *Filing User* who files the document may obtain digital signatures on the document and electronically file the document with the digital signatures. The *Filing User's* signature must comply with the signature requirements of § 10.1 *supra*.

The *Filing User* who files the document(s) shall retain the hard copy of the document(s) containing the original signatures or an accessible copy of the document with digital signatures in compliance with the court's retention requirements. See *supra* § 9 (Document Retention Requirements).

#### **10.5 Signatures of Persons Other Than Filing Users**

Except as provided in the preceding section, documents containing the signature of persons other than *Filing Users* are to be filed electronically as a scanned image. Documents must be retained in compliance with the court's retention requirements. See *supra* § 9 (Document Retention Requirements).

### **11 Service**

#### **11.1 Service of Process (Summons)**

Service of process must be made in accordance with Fed. R. Civ. P. 4, which does not allow for electronic service of process. See Fed. R. Civ. P. 4.

#### **11.2 Service of Other Papers**

##### **11.2.1 Service on Filing User and Pro Hac Vice Participants**

###### **(a) Automatic Service**

Upon the electronic filing of a pleading or other document, the court's *ECF System* will automatically generate and send a *Notice of Electronic Filing (NEF)* to all *Filing Users* and *Pro Hac Vice Participants* associated with that case. Transmission of the *NEF* constitutes service of the filed document on *Filing Users* and *Pro Hac Vice Participants*. See *supra* §§ 1.5 (*NEF* definition), 2.4 (Consent to Electronic Service), and 6 (Consequences of Electronic Filing). See *infra* § 11.2.2 (Service on Persons other than *Filing Users* and *Pro Hac Vice Participants*).

Service of the *NEF* on *Pro Hac Vice Participants* is provided as a courtesy and does not override the general rule that *pro hac vice* attorneys need not be served. See *supra* § 1.8 (*Pro Hac Vice Participant* definition). Local counsel remains responsible for insuring notice to associated *pro hac vice* attorneys.

**(b) Content of Notice of Electronic Filing**

The *NEF* will include the time of filing, text of the docket entry, and name of the party and/or attorney(s) required to receive the notice. If a PDF document is attached to the docket entry, the *NEF* will also identify the person filing the document, the type of document, and a hyperlink to the filed document. The hyperlink will allow anyone receiving the notice by e-mail one opportunity to retrieve and download the document without cost. See *supra* § 1.5 (*NEF* definition).

**(c) Failed Transmission of *NEF***

If the *Filing User* becomes aware that the *NEF* was not transmitted successfully to other *Filing Users* or *Pro Hac Vice Participants*, or that the notice is deficient, i.e., the hyperlink to the document on the docket is defective, the *Filing User* shall, upon learning of the deficiency, serve the electronically-filed document by e-mail, hand delivery, facsimile, or first-class mail. See *supra* § 2.4 (Consent to Electronic Service). Proof of such service shall be filed with the court electronically within one (1) business day after service and shall be made in accordance with the procedures in the *Attorney User Manual*.

**11.2.2 Service on Persons Other Than *Filing Users* and *Pro Hac Vice Participants***

*Pro se* parties and attorneys who are members of this District's bar but are not *Filing Users* shall be served with electronically-filed documents through *Traditional Service*. Service of the filed documents must be accompanied by a copy of the *NEF*. Proof of such service shall be electronically filed with the court within one (1) business day after the electronic filing of the document. See *supra* §§ 3.2 (Attorneys Excused from Participation), and 3.3 (*Pro Se* Participation). Attorneys appearing *pro hac vice* who are not *Pro Hac Vice Participants* are not entitled to service.

**11.2.3 Time to Respond Under Electronic Service**

In accordance with Fed. R. Civ. P. 6(e) and Fed. R. Crim. P. 45(c), service by electronic means is treated the same as service by mail; three (3) days are added to the prescribed period to respond. See *supra* § 6.3 (Timeliness).

## 12 Technical Failure

The point of contact for a *Filing User* who is experiencing technical difficulty shall be the court's ECF Help Desk at the telephone numbers listed in the *Attorney User Manual*. The court's ECF Help Desk is open during the hours listed in the *Attorney User Manual*.

The Clerk of Court shall deem the Electronic Case Filing Website (internet site) to be subject to a *Technical Failure* (§ 1.10) if the Website is unable to accept filings continuously or intermittently for more than one (1) hour occurring after 12:00 noon local time (Eastern Time zone) on a given day. If a *Filing User* experiences a *Technical Failure*, the *Filing User* may submit the document to the Clerk of Court using one of the alternative methods listed below (§ 12.1), provided that the document is accompanied by a certification, signed by the *Filing User*, that the *Filing User* has attempted to file the document electronically at least twice, with those unsuccessful attempts occurring at least one (1) hour apart after 12:00 noon.

The alternative method of submission is not in itself a proper filing. The submission shall be effective only to preserve the time for filing. The subsequent electronic filing will be deemed filed at the time the alternative submission was accomplished if electronic filing is accomplished within one (1) business day after the *Technical Failure* is remedied. See generally § 6.3 (Timeliness).

### 12.1 Methods of Alternative Submission

In the event of a *Technical Failure*, the *Filing User* may preserve the time for filing by submitting the document using one of the following alternative methods of submission:

- (a) **E-mail**  
via e-mail with an attachment containing the document with digital signature or s/ [typed name] for the signature in PDF format sent to the e-mail address for *Technical Failures* as instructed in the *Attorney User Manual*,
- (b) **Facsimile**  
through facsimile transmission of the first and signature pages of the document to the Clerk's Office or
- (c) **Physical Presentation**  
by physically delivering a copy of the document to the Clerk's Office during normal hours of operation, if neither of the above methods is available.

### 12.2 Relief From Technical Failure

A *Filing User* who suffers prejudice as a result of a *Technical Failure* may seek appropriate relief from the court. See *supra* § 1.10 (defining *Technical Failure* as excluding malfunctioning of a *Filing User's* equipment hardware or software).

### 12.3 Other Technical Difficulties

The Clerk of Court may make provisions in the *Attorney User Manual* to accommodate unforeseen technical difficulties, such as failure of the *Filing User's* equipment, that are not *Technical Failures*

### **13 Public Access and Sensitive Information**

#### **13.1 PACER Access**

With limited exceptions, a person may retrieve information from the *ECF System* through the court's internet website by obtaining a *PACER* (Public Access to Court Electronic Records) login and password. Any person, whether a registered *Filing User* or not, who has *PACER* access may retrieve docket sheets and documents in civil and criminal cases. Only registered *Filing Users* may file documents using the *ECF System*. See *supra* §§ 1.6 (*PACER* definition), 1.3 (*Filing User* definition) and 3 (Participation).

#### **13.2 Limited Access to Cases and Documents**

The Clerk of Court shall implement any privacy policy or similar protection required by the Judicial Conference of the United States, the Federal Rules of Civil or Criminal Procedure, *Local Rules*, these *ECF Policies and Procedures*, and local operating orders of this Court. The implementing procedures shall be set forth in the *Attorney User Manual* and be narrowly tailored to protect those privacy interests addressed by the authority requiring the protection. Judicial review and modification of limited electronic or other access may be initiated in a specific case by motion of any person.

#### **13.3 Sealed Cases and Documents**

Any case or document under seal shall not be available to the public through electronic or any other means, however, attorneys may be permitted access to sealed documents in cases in which they appear with permission of the court.

#### **13.4 Privacy**

Attorneys are responsible for ensuring that their clients have sufficient information to make informed decisions regarding the inclusion, redaction and exclusion of personal information in filings in this court and for implementing those decisions. Redaction may not be necessary, but should be considered in cases with limited electronic access because documents which have been designated for limited electronic access may be available to the public at the courthouse. Only sealed documents are protected from all public access. See *supra* § 13.2 (Limited Access to Cases and Documents).

##### **13.4.1 Compliance with E-Government Act of 2002 (as amended)**

In compliance with the E-Government Act of 2002 (as amended), a party or attorney wishing to file a document containing personal identifiers listed below in Section 13.4.2 or other sensitive information in Section 13.4.3 may

- (a) file an unredacted version of the document under seal (*see supra* § 8), or
- (b) file a reference list under seal. The reference list shall contain the complete data identifier(s) (e.g., social security number) and the redacted identifier(s) (e.g., last four digits of a social security number) used in its/their place in the filing. All references in the case to the redacted identifiers will be construed to refer to the corresponding complete personal data identifier. The reference list must be filed under seal, and may be amended as of right.

The unredacted version of the document or the reference list shall be retained by the court as part of the record. The court may, however, still require the attorney or party file a redacted copy for the public file.

#### 13.4.2 Redaction of Certain Personal Identifiers

To protect personal privacy and other legitimate interests, attorneys and parties shall refrain from including, or shall redact where inclusion is necessary, the following personal identifiers in all documents filed with the court, whether filed electronically or by the *Traditional Filing Method*:

- (a) **Social Security numbers.** If an individual's social security number must be included, only the last four digits of that number shall be used.
- (b) **Names of Minor Children.** If the involvement of a minor child must be mentioned, only the initials of that child shall be used.
- (c) **Dates of Birth.** If an individual's date of birth must be included, only the year shall be used.
- (d) **Financial Account Numbers.** If financial account numbers are relevant, only the last four digits of these numbers shall be used.
- (e) **Home Address Information in Criminal Cases ONLY.** If the home address of a person must be included, only the city and state shall be listed.
- (f) **Juror Information.** If a document containing identifying information about a juror or potential juror must be filed (e.g., verdict form or indictment), all personal information identifying a juror or potential juror must be redacted.

### 13.4.3 Protection of Other Sensitive Information

Attorneys and parties shall exercise caution and shall consider redaction or consider filing a motion to seal if any of the following information is referenced in a document to be filed

- (a) any personal identifying number such as driver's license number
- (b) medical records, treatment records, or diagnoses
- (c) employment history,
- (d) individual financial information,
- (e) proprietary or trade secret information
- (f) information regarding an individual's cooperation with the government,
- (g) information regarding the victim of any criminal activity
- (h) national security information, or
- (i) sensitive security information as described in 49 U.S.C. § 114(s)
- (j) information or materials which would otherwise be inappropriate for display or distribution through the PACER or ECF System (including materials with graphic, pornographic, obscene, or scandalous content)

Items (a) through (d) and (j) above must be afforded maximum protection from public dissemination. A document containing this information shall be filed electronically in a redacted version with all the protected information removed or be presented for in camera review with a motion to seal. See *supra* § 8 (Sealed Documents)

Attorneys or a party wishing to file a document containing information described by items (e) through (i) above shall first consult opposing attorneys or the opposing party (if unrepresented) to determine if an alternative to filing under seal is available. Alternatives may include stipulations or filing of a redacted document. If no alternative is found and the information must be filed, the attorney or party may seek to file the document in compliance with the procedures for sealed documents in these Policies and Procedures. See *supra* § 8 (Sealed Documents). The court may still require electronic filing of a redacted copy of the document.

### 13.4.4 Compliance and Sanctions

Responsibility for redacting the above-listed information rests solely with attorneys and the parties. The Clerk of Court will not review filings for compliance. Attorneys and the parties are cautioned that failure to protect the above-listed information may subject them to the disciplinary power of the court.

UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH CAROLINA

IN RE

ELECTRONIC CASE FILING  
POLICIES AND PROCEDURES

Misc No 3 05 MC 5003 17

ORDER

Federal Rule of Civil Procedure 5(e) authorizes this Court to establish practices and procedures for the filing, signing, and verification of documents by electronic means. This Order establishes an Electronic Case Filing (hereinafter "ECF") system in the United States District Court for the District of South Carolina. ECF utilizes automation technology in the administration of justice and is intended to promote cost savings, to make maintenance of court records more efficient, and to give the public greater access to case file information.<sup>1</sup> This Order adopts the ECF Policies and Procedures, which provides direction for the filing and maintenance of documents electronically.

IT IS THEREFORE ORDERED THAT

1. The United States District Court for the District of South Carolina establishes an ECF system by adoption of the ECF Policies and Procedures. The court directs the Clerk of Court to establish more detailed procedures to be published in the District of South Carolina's ECF Attorney User Manual. The Clerk of Court may amend the ECF Attorney User Manual

<sup>1</sup>ECF will be implemented in accordance with the E-Government Act of 2002, 44 U.S.C. §§ 3601-06 (2004).

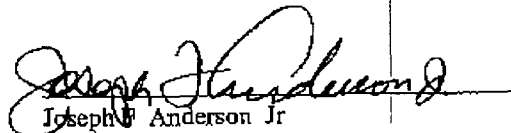
from time to time as appropriate. In the event of a conflict, the ECF Policies and Procedures control.

2 The Clerk of Court shall maintain a copy of this Order, the ECF Policies and Procedures, and a current version of the ECF Attorney User Manual on the court's public website and make these documents available to individuals who may not have web access.

3 The ECF system shall be implemented on February 28, 2005.

IT IS SO ORDERED.

FOR THE COURT

  
Joseph Anderson Jr.  
Chief Judge

Entered at  
Columbia, South Carolina  
on February 18, 2005

IN THE DISTRICT COURT OF THE UNITED STATES  
DISTRICT OF SOUTH CAROLINA  
CHARLESTON DIVISION

|                                    |   |                  |
|------------------------------------|---|------------------|
| MAXIMINO FLORES, MATEO ALVAREZ,    | * |                  |
| MANUEL RAMIREZ, JOSE LUIS JIMENEZ, | * |                  |
| MAXIMINA FLORES, MACRINO FLORES,   | * |                  |
| Plaintiffs                         | * |                  |
|                                    | * | 2 04-CV-01295    |
| VS                                 | * |                  |
|                                    | * |                  |
| LAWTON LIMEHOUSE, SR ,             | * | Charleston,      |
| LAWTON LIMEHOUSE, JR ,             | * | South Carolina   |
| L&L SERVICES, LLC,                 | * | January 24, 2005 |
| UNKNOWN JOHN DOE INDIVIDUALS,      | * |                  |
| UNKNOWN BUSINESSES, WLL, LLC,      | * |                  |
|                                    | * |                  |
| Defendants                         | * |                  |

\*\*\*\*\*

TRANSCRIPT OF MOTIONS HEARING  
BEFORE THE HONORABLE C WESTON HOUCK,  
SENIOR UNITED STATES DISTRICT JUDGE

APPEARANCES

|                    |                                                                                                                                                           |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| For the Plaintiffs | Hulsey Litigation Group, LLC<br>BY MARCO T TORRES, ESQ<br>*CHERIE K DURAND, ESQ<br>Charleston Harbor<br>2 Wharfside 3<br>Charleston, South Carolina 29401 |
| For the Defendants | Wills & Massalon, LLC<br>134 Meeting Street, Suite 100<br>P O Box 859<br>Charleston, South Carolina 2402                                                  |
| Court Reporter     | JANET A COLLINS, RMR, CRR, FCRR<br>P O Box 835<br>Charleston, South Carolina 29402<br>(843) 958-0202                                                      |

\*Admitted in VA and USDC PR only

Proceedings recorded by mechanical Stenography, transcript  
produced by Computer-Aided Transcription software

1 (On the record, 11 08 a m )

2 THE COURT This is Civil Action 04-1295 Maximino  
3 Flores, et al , Plaintiffs, against Lawton Limehouse, Sr , et  
4 al , Defendants

5 We have scheduled this hearing this morning to deal  
6 with the discovery problems that have arisen in this case  
7 The Plaintiff raises those problems by Motion for Protective  
8 Order, and, the Defendant by Motion to Compel

9 So, ah, I think probably the clearest way to  
10 proceed would be to, first of all, have the Defendant state,  
11 at least for the record, exactly what it is you want to  
12 compel, and then the Plaintiffs can address those concerns of  
13 yours

14 MR MASSALON Thank you, Your Honor

15 THE COURT I say that because, partially  
16 sometimes, you settle the discovery matter and the other side  
17 sometimes misunderstands exactly what the other side wants

18 Let's deal generally with your Motions to Compel  
19 first

20 I say that, in addition, if I don't decide that  
21 you're entitled to compel the discovery, then we don't have  
22 to worry about a Protective Order

23 MR MASSALON And, Your Honor, you're correct In  
24 the Motion to Compel that I filed on November the 23rd, I  
25 believe we've resolved the issues except for what I have

1 listed as three types of information that we have requested  
2 in the written discovery and would like to explore during  
3 depositions to which the Plaintiffs, I think, still object  
4 and is the subject of their Motion for Protective Order And  
5 they may characterize it differently, but I have it described  
6 as this

7 Information about the Plaintiffs' immigration  
8 status and their authority to work in the United States

9 Information about the Plaintiffs' current  
10 employment

11 And, information about the Plaintiffs' personal  
12 information, like where they live and -- and things of that  
13 nature Kind of background information

14 So that is what I believe that's still outstanding  
15 that we want that they object to And our position on that,  
16 Your Honor, is essentially this -- first of all, to answer  
17 your question about why we want this information is very  
18 simply this This case differs from a lot of employment  
19 cases, and I think from all of the cases cited in the  
20 Plaintiffs' Motion for a Protective Order in this important  
21 aspect this is not just a claim by a plaintiff or several  
22 plaintiffs for wages that they weren't paid or should have  
23 been paid

24 This case involves a RICO allegation in which the  
25 Plaintiffs have alleged that my clients engaged in a pattern

1 of conduct - not involving just a few plaintiffs, but a class  
2 of plaintiffs - that included manufacturing false Immigration  
3 papers and hiring them -- or, placing them in jobs using that  
4 information

5 And the reason that that information --

6 THE COURT Let me ask you this Have you made a  
7 motion to require the Plaintiffs to produce said false  
8 identification?

9 MR MASSALON We have asked for it in our  
10 discovery requests, Judge

11 THE COURT And have they given that to you?

12 MR MASSALON We have seen some of it, but I don't  
13 think that we have seen -- and if they have more -- I don't  
14 know if they have more than what I've seen during the  
15 deposition We've seen one card, and I believe they showed  
16 it to you during the last hearing

17 But what we want, Judge, is this We think that  
18 this goes to the very heart of the claims that they have  
19 made, which is, I'd like to question the Plaintiffs about how  
20 they got into this country, whether they came of their own  
21 volition There's an allegation, although inspecific, that  
22 my clients were trafficking in illegal aliens And, frankly,  
23 I don't know if that means that the Plaintiffs' claim that we  
24 were recruiting illegal aliens and bringing them into this  
25 country to work here, but I would like to know that

1 I would like to question these Plaintiffs to find  
2 out if any of them claim that they were recruited and brought  
3 here by my clients, but that will necessarily involve me  
4 asking them how they got here

5 Secondly, they --

6 THE COURT Let me ask you this -- I started to say  
7 I'm thoroughly familiar, but I'm not familiar at all, with  
8 what the documentation looks like for someone to come into  
9 this country Now, I have a passport of my own

10 MR MASSALON Yes, sir

11 THE COURT And I assume it's not a passport, but I  
12 don't know what it would -- I assume it would have a date on  
13 it?

14 MR MASSALON Yes, sir It's a nonresident alien  
15 card And I will ask Ms DuPre if she can find one in the  
16 discovery while we're talking

17 But, basically, when you make an application to  
18 Immigration, you are issued a card, and it looks similar to a  
19 driver's license it's laminated, has a photograph of the  
20 person, some basic information about 'em, and it shows that  
21 they are authorized to be in this country by the Immigration  
22 and Naturalization Service

23 THE COURT And what's the length of time that such  
24 authorization can be given? Six months?

25 MR MASSALON I think it depends on the reason

1     that the person immigrates     I believe that generally there's  
2     a set amount of time that someone can have a card without  
3     having to get it renewed, but I believe --

4             THE COURT     Any record kept of those cards by the  
5     Immigration and Naturalization Service?

6             MR MASSALON     Immigration and Naturalization  
7     Service would have copies or records of the cards that they  
8     issue     And then you also can get --

9             THE COURT     So everybody that's a Plaintiff in this  
10     case -- I would assume you have checked with Immigration to  
11     see if such a card was issued?

12             MR MASSALON     No, sir, I have not done that yet

13             THE COURT     But you will do it?

14             MR MASSALON     I will do that

15             THE COURT     It seems that good practice would  
16     dictate that you do that

17             MR MASSALON     Yes, sir

18             THE COURT     And you would see the dates that they  
19     had such cards issued to them --

20             MR MASSALON     Yes, sir

21             THE COURT     -- and how the dates relate to the  
22     events alleged in this case

23             MR MASSALON     Yes, sir

24             But, in the event that they are not legally here,  
25     meaning that some or all of these Plaintiffs do not have

1 nonresident alien cards or valid Social Security cards, if I  
2 check -- or, when I check with Immigration, they won't have  
3 any records on those people

4 And then that gets back to the Plaintiffs'  
5 allegation that they came here and received false  
6 identification papers from my clients

7 THE COURT Well, I -- now, what about the current  
8 employment? What -- what issue does that relate to?

9 MR MASSALON Well, Judge, what I think it relates  
10 to is this It seems to me if they claim that my clients  
11 made them false papers and hired them and it turns out that  
12 one Plaintiff, we call him Mr X, came into this country  
13 illegally and worked at a job before working for the  
14 Limehouses in which he used false documentation that he got  
15 from somewhere else, then, to me, that seems to go directly  
16 to the credibility of their claim that my clients did it

17 Likewise, Judge, I think that a similar argument  
18 pertains to their current employer For instance, you've  
19 heard in this courtroom claims that these Plaintiffs were  
20 held in indentured servitude The idea being that my client  
21 hired them, made them false papers, and threatened to turn  
22 them in or have them deported if they left

23 But, again, if they had left and gone on to other  
24 employment where they are working illegally or legally,  
25 Judge, I think that goes directly to the credibility of the

1 claims that they have made here

2 And because of the RICO allegations in this case, I  
3 don't know how we can adequately prepare a defense without  
4 knowing that kind of information, because the claim involves  
5 an alleged scheme by my clients, repetition, all the things  
6 that Your Honor knows of that you have to prove to prove a  
7 RICO case We've got a civil conspiracy case in here as  
8 well

9 So I think that makes this case different from all  
10 the claims or the citations that the Plaintiffs have in their  
11 briefs

12 As far as the claim that we're going to harass them  
13 or use this information to intimidate 'em, we would be  
14 perfectly willing to enter into a Protective Order limiting  
15 the use of that information to the Defendants in this case

16 We have no agenda that's hidden We have no intent  
17 to use it for any purpose other than ferreting the claims out  
18 in this case And I think with a Court-approved Protective  
19 Order, then those issues can be adequately addressed

20 We've also seen the claim from the Plaintiffs'  
21 attorneys that the disclosure of this information would have  
22 some type of chilling effect on the other Plaintiffs,  
23 preventing them from coming forward, intimidate them in some  
24 way But, Judge, I think that the way that these issues have  
25 developed doesn't substantiate that claim because, as we cite

1 in our memorandum, the Plaintiffs themselves, before this  
2 case was filed, gave interviews with the local newspaper --

3 THE COURT All of them did?

4 MR MASSALON No, sir, I don't think it's fair to  
5 say that all of them did

6 -- and, one of them admitted in the paper that he  
7 was here illegally

8 So it's hard for us to understand why they can pick  
9 and choose who they tell this information to They can tell  
10 it to the newspaper, but they don't tell it to us when we can  
11 ask it of them in this lawsuit

12 So I think, again, their own behavior has been  
13 inconsistent with the claim that they're now making that they  
14 will somehow be discouraged by this

15 And as far as a showing of need, Judge, as I said,  
16 if there were no RICO claims in this case, no conspiracy  
17 claims in the case, I would probably agree with the  
18 Plaintiffs that this kind of information doesn't really  
19 pertain to just a plain vanilla

20 I-work-for-you-and-I-didn't-get-paid-everything-I-was-owed  
21 claim the difference between this one and all the ones that  
22 they cite are those claims

23 And I think if they're going to pursue this class  
24 action on a RICO claim, then we have to have this information  
25 to proceed

1 THE COURT What about the personal information?

2 MR MASSALON The personal information I don't  
3 really have any grand aspirations as far as delving into the  
4 personal information And this goes into our case where I  
5 don't know where they're going

6 There are claims here, for instance, that my  
7 clients had housing that they made these folks live in and  
8 that they charged them for, which we deny both of those  
9 claims But, in the course of a deposition of, say,  
10 Mr Flores, I would anticipate asking him places he's lived  
11 to try to ferret out some of those claims because we've got  
12 an issue and I don't know what those claims mean, but I would  
13 like to know

14 Similarly, with the transportation, there's a  
15 claim that my clients made them use transportation and  
16 charged them for it And I want to know things like, you  
17 know, Do you have a driver's license, Do you own a car I  
18 don't know of any other personal information that --

19 THE COURT Let me ask you this You mentioned --  
20 you mentioned -- you mentioned a Protective Order How far  
21 would you be willing to go with a Protective Order?

22 MR MASSALON Yes, sir

23 THE COURT You would have to look at the material?

24 MR MASSALON Yes, sir

25 THE COURT Other than you, who would you need to

1 look at it?

2 MR MASSALON Other than myself, the people I  
3 would need to look at it are possibly expert witnesses in the  
4 case, and I know of at least one I will probably name,  
5 perhaps more than one

6 I need to be able to confer with my clients about  
7 it and show them that information and let them discuss it  
8 with me and -- and give me their reaction to it

9 Off the top of my head, other than submitting it  
10 with the court filing, there is no one else I would need to  
11 share it with

12 And as far as I would need to go with it, we have  
13 no hidden agenda, other than trying to defend these gentlemen  
14 as best we can And short of anything that would hamper me  
15 in defending this lawsuit - like filing in connection with  
16 motions, conferring with my clients or hiring experts - I  
17 would be willing to do just about anything that you or the  
18 Plaintiffs thought was appropriate to protect 'em, including  
19 giving them advance notice before I file it

20 So they would have the time to file a Motion to  
21 Seal it if it's something that they feel they need to do

22 THE COURT All right, sir

23 MR TORRES Thank you, Your Honor Marco Torres  
24 on behalf of the Plaintiffs

25 Your Honor, if you'd like, I'd like to address some

1 of the issues brought up by Mr Massalon

2 THE COURT Sure

3 MR TORRES First of all, Your Honor, one of the  
4 issues Mr Massalon brought up was the fact that this case  
5 differs from the case cited in our memorandums and our  
6 briefs He's correct, there's an issue of RICO in this case,  
7 but, Your Honor, I --

8 THE COURT Well, actually, in the Ninth Circuit  
9 case, didn't the Court specifically hold that the information  
10 was not relevant?

11 MR TORRES That's correct, Your Honor And one  
12 of --

13 THE COURT That was, as I read the case, purely  
14 a -- a -- these guys are terminated and they brought a Title  
15 VII case Brought it and it was admitted that they were in a  
16 protected class

17 MR TORRES That's correct

18 THE COURT And, therefore, the status of  
19 immigrants made no difference

20 MR TORRES That's correct

21 THE COURT How can they possibly defend your  
22 allegations that they falsified Immigration documents if they  
23 can't inquire of your clients concerning those allegations?

24 MR TORRES Well, Your Honor, it's very specific  
25 It's an issue of whether they created those documents in

1 order to -- if you read our Complaint, Your Honor, the claim  
2 is that Defendants provided the documents in order for them  
3 to work with them, particularly in their employment We're  
4 not saying that they provided them -- there was a third party  
5 who was providing immigration status so they could --

6 THE COURT Let's say that you've got ten  
7 Plaintiffs and the Defendant provided those ten Plaintiffs  
8 with forgeries, false documents --

9 MR TORRES That's correct

10 THE COURT -- so they could work for the  
11 Defendants

12 MR TORRES Right

13 THE COURT Now, wouldn't it be just almost  
14 academic that the Defendants would say, Show us those  
15 documents?

16 MR TORRES That's correct, Your Honor And we  
17 have turned over copies of whatever documents we had to  
18 Defendants The --

19 THE COURT In other words, every document that you  
20 contend the Defendants either falsified or had falsified for  
21 your clients, you've turned them over to them?

22 MR TORRES That's correct That's our  
23 position -- they are in our possession as of today

24 THE COURT I'm not talking about your possession  
25 Your clients'?

1 MR TORRES Our clients' We turned over the  
2 documents that we claimed were specifically -- that were  
3 given to them by the Defendant, Your Honor

4 THE COURT Now, how many Plaintiffs turned over  
5 such documents?

6 MR TORRES We believe that we -- about -- Your  
7 Honor, I don't know off the top of my head About five or  
8 six so far

9 THE COURT Out of how many?

10 MR TORRES Fourteen But not every -- not every  
11 Plaintiff is claiming that they -- that they received false  
12 documents

13 THE COURT How many of them are claiming?

14 MR TORRES Off the top of my head, and I'm going  
15 off the top of my head -- I'm sorry if I'm saying something  
16 incorrect About 11 or 12 out of the 14

17 THE COURT You say 5 have turned them over out of  
18 11 or 12? How about the others? Have you questioned them?

19 MR TORRES We have questioned them Some of them  
20 have stated, We don't have the documents anymore But we can  
21 aggressively try again, Your Honor, and try to get those  
22 documents if they have them, Your Honor And that is not --

23 THE COURT Are you going to have a problem with  
24 the Best Evidence Rule on that particular allegation?

25 MR TORRES Excuse me? Can you clar -- whether or

1 not --

2 THE COURT Rule 1002 of the Federal Rules of  
3 Evidence, it says if you're going to prove the contents of a  
4 written document, you must do so through that document

5 MR TORRES Correct

6 THE COURT So, I mean, if you're claiming a  
7 document was falsified, aren't you going to have to prove the  
8 contents of that document? And aren't you going to run right  
9 headlong into the Best Evidence Rule?

10 MS DURAND (Shakes head )

11 THE COURT You're shaking your head Why not?  
12 You're shaking your head Why not?

13 MR TORRES Can I have a moment?

14 THE COURT No I would like for her to tell me  
15 why she isn't going to have a problem with the best evidence

16 MS DURAND Cherie Durand on behalf of the  
17 Plaintiff

18 We believe that we're not going to have a problem  
19 with the Best Evidence Rule because we're going to be able to  
20 show, through the documents actually produced by the  
21 Defendants, that -- we are currently having an opportunity to  
22 look right now

23 We will be able to show what their actions were and  
24 put together the alleged false documents and give them to the  
25 Plaintiff And although we may not have the particular

1 documents in possession of a particular Plaintiff at that  
2 time, it's not going to prevent us, through the other  
3 documents that we understand are going to be in the  
4 possession of -- the documents that are now with the U S  
5 Postal Inspector

6 THE COURT Okay

7 MR TORRES Your Honor, we feel -- we feel that  
8 even though -- all the dangers the Defendants have claimed,  
9 that there are some other allegations But we claim that the  
10 dangers are real in this case, Your Honor

11 We've cited in our briefs and on our Complaints  
12 that some of the actions that have occurred that the  
13 Defendants have committed against our clients, including  
14 threats of losing employment, threats of calling Immigration  
15 and the other -- and other police officials, Your Honor,  
16 there's been one client in particular that we have an  
17 agent -- or, former agent of Defendants An agent at the  
18 time went to their current employer to tell them that they --  
19 that they might not have the correct papers at work I mean,  
20 this is actual, real threats, Your Honor

21 There are some former employees of the company -  
22 not our clients, but some other former employees - that have  
23 actually been arrested by Immigration Officials in this case  
24 And the Plaintiffs know this -- of these arrests, and it's  
25 really -- Your Honor, the Defendants have not articulated a

1 real compelling reason why they need the information under --  
2 on the current employee It's not an issue in this case

3 We're claiming -- we're not claiming lost wages,  
4 we're not claiming future earnings, so there is no mitigation  
5 issues in this case

6 THE COURT What I'm talking about right now is the  
7 claim by the Plaintiffs that the Defendants manufactured  
8 these false documents And if that's an issue that you plan  
9 to raise --

10 MR TORRES Right

11 THE COURT -- at trial and pursue in your RICO  
12 claim I'm asking you how are they going to defend that issue  
13 if they can't -- what if you got one client who's in this  
14 country legally and has documents that can prove that when he  
15 was working for the Defendants he was legally in this  
16 country, yet he is going to claim that they falsified his  
17 documents?

18 I mean, how can you say it's fair not to let them  
19 question him about his immigration status and not to get to  
20 the root of what his immigration status really is and give  
21 him a free reign to claim anything he wants to claim?

22 I mean, this argument seems to me what discovery is  
23 all about, and I would be tying their hands as far as the  
24 defense of that claim

25 MR TORRES Well, Your Honor, the Defendants

1 engaged in their conduct regardless of the immigration status  
2 of our clients

3 Basically, our claims are that they provided our  
4 clients with the false document, and they can -- Your Honor,  
5 they're going to ask our clients during the deposition or in  
6 court, however they like, And were you provided with -- and  
7 they've asked about them through interrogatories and  
8 discovery Did you provide our clients with false documents,  
9 yes or no, and produce copies

10 The clients that did answer, said they did, and the  
11 clients that had the documents and believe they were created  
12 for them by the Plaintiff, we turned them over I mean,  
13 that's of record and we've answered that direct question  
14 They've had the opportunity to ask, and it's an issue for the  
15 jury to decide who do they believe, the Defendants' version  
16 or our version, Your Honor

17 As far as the credibility that Mr Massalon has  
18 brought up in order to inquire into the current employment,  
19 our position is that it has no relevancy in the case

20 Rule 608(b), we don't think it -- it's valid, Your  
21 Honor, under Rule 608(b), Your Honor, because, first of all,  
22 608(b) generally bars introduction of this extrinsic evidence  
23 and the admissibility at trial is not a standard for  
24 discovery, Your Honor And we feel, therefore, there is no  
25 need to inquire into the employment status because of the

1 dangers -- Your Honor, if the -- if any of -- if -- if their  
2 current employers --

3 THE COURT Let's go back to 608(b) I'm not sure  
4 I understand you

5 What does 608(b) have to do with this inquiry here  
6 today?

7 MR TORRES It goes to the credibility and the  
8 admissibility in the case

9 THE COURT I understand 608(b), but he's talking  
10 about current employment It has nothing to do with  
11 character

12 MR TORRES Well, Mr Massalon's argument is  
13 that -- he said it specifically, that it goes to the  
14 credibility of our clients With that information of where  
15 they're working now --

16 THE COURT But everything that goes to the  
17 credibility is not characterized as character evidence 608  
18 just deals with evidence of character, and it tells you, if  
19 they are going to use that as a piece of evidence and deal  
20 with specific instances that may attack the person's  
21 credibility, protect their character And it says you can't  
22 prove that by extrinsic evidence except under certain  
23 circumstances

24 He says this -- he says that these Plaintiffs are  
25 contending that they were brought into this country, and,

1 from reading your statement, it seems to me that the  
2 statement is broad enough to include that charge I mean,  
3 it's not as clear as it might be, but certainly in reading  
4 the statement, a good lawyer might conclude that you're  
5 charging these Defendants with bringing some or all of these  
6 Plaintiffs into this country illegally and then locking 'em  
7 up - you've used the word involuntary servitude several  
8 times - and putting them in a place where they can't come and  
9 go freely

10 Now, what Mr Massalon is saying is they're working  
11 now, they're living now under certain circumstances, doesn't  
12 that provide evidence that what they say was done to them by  
13 the Defendants was not true?

14 MR TORRES No, Your Honor Because what they are  
15 doing now -- irregardless of what they're doing now, at the  
16 time they are employed by the Defendants, this is what was  
17 occurring The fact that the company has shut down and gone  
18 on with their life doesn't mitigate or take away from the  
19 fact of what was going on while they were under the  
20 Defendants' -- or employed with the Defendants

21 THE COURT Now, what about the personal  
22 information?

23 MR TORRES Your Honor, we think that's highly  
24 prejudicial --

25 THE COURT How are you going to draw a jury

1     against the Plaintiff if you don't know where he lives, you  
2     don't know where he works, you don't know anything about him?

3             You know, I've tried an awful lot of cases and drew  
4     an awful lot of juries, and the first thing I did was, Where  
5     they lived, Who lives across the street from them, Next door  
6     to them or next to them, because I didn't want to get the  
7     neighbor on the jury

8             So how are they going to intelligently draw a jury  
9     if they don't know anything about them?

10            MR TORRES     Your Honor, well --

11            THE COURT     How is that going to prejudice your  
12     client?

13            MR TORRES     Because of the past conduct of the  
14     Defendants, of intimidation and harassment that we've  
15     documented and brought to the Court, we feel that any -- any  
16     information we have been -- any -- we feel any information,  
17     any type of Protective Order, Your Honor, that may impose  
18     sanctions if the information is disseminated, that  
19     information is not going to help our clients once the  
20     information is disseminated to parties that can access the  
21     information or get ahold of the information that prejudices  
22     my clients

23            They are not going to be subject to sanctions if  
24     they are deported     These are real dangers that are facing  
25     them     These are dangers that Courts across the country have

1    acknowledged and protected against    And these are dangers,  
2    Your Honor, that we don't feel can be dealt with by a  
3    sanction    Once the damage is done, there's nothing that can  
4    be done

5            If we get to the point of selecting a jury -- we're  
6    ready to go    And when we get to point to try the  
7    information, I guess if it comes to that point, we will be  
8    dealing with revealing a street number or location - a  
9    general North Charleston, West Ashley - and if we get to that  
10   point, Your Honor -- telephone numbers, at this point -- at  
11   this early stage of discovery -- this case just feels highly  
12   prejudicial

13           If you want, we can work something out    If we get  
14   to the point that we have to be at trial, Your Honor --

15           THE COURT    Well, I don't see what telephone  
16   numbers is asking that they needed to discover    Street  
17   addresses and places of employment concern me a lot more than  
18   telephone numbers because of, primarily, jury selection  
19   process    Co-workers, neighbors, that's just something basic  
20   that you have to determine when you draw a jury

21           The discovery that they seek, is it in deposition,  
22   or interrogatories, or what?

23           MR MASSALON    Your Honor, we asked, in a Request  
24   for Production, basically, almost all of what we've been  
25   talking about    We went through the Statute and made a list

1 of all of the types of valid INS -- Immigration and  
2 Naturalization Service information that one can have and  
3 said, If you have any of this, please give it to us And it  
4 is our understanding that that is one type of information  
5 that they said "no" to giving us

6 And then we've asked for information about their  
7 current employment and specifics about that Where they  
8 work, how much they work, those kinds of things And then  
9 we've asked for -- as to each one of the named Plaintiffs, to  
10 the extent you claim -- for instance, I'm looking at one

11 Number 11 We say that the resident alien card and  
12 Social Security Number bearing the name Oscar Mejias  
13 referenced to Paragraph 26 of the Amended Complaint So we  
14 went through the Complaint, and everywhere we could find that  
15 it appeared that someone was a claimant, they got false  
16 documentation, we asked them -- we said, Show us

17 THE COURT Let me finish hearing from him

18 Go ahead

19 MR TORRES Specifically Oscar, he has turned over  
20 copies of those documents that we have

21 MR MASSALON And that is one I have, but not the  
22 others

23 MR TORRES Your Honor, we feel that any of this  
24 information - I mean, current employers, personal identifier  
25 information - is collateral information of whether or not

1 they have the certain voter registration cards, the documents  
2 that they've asked for We feel this is collateral to the  
3 issues in this case

4 Any relevance it has to help the defense outweighs  
5 the prejudicial harm to our client We state in the briefs  
6 that it's a real danger

7 Like I said, some former employees of Defendants  
8 have been arrested by the Immigration and Naturalization  
9 Service There's a possibility of disrupting families  
10 There's a possibility of arrest, loss of personal freedom,  
11 possibly loss of job, loss of housing

12 Your Honor, in revealing that information, I  
13 personally have had employ -- potential clients who have  
14 chose not to join the lawsuit because of -- they're scared of  
15 that information about where they are now will be revealed

16 Your Honor, these clients, the Plaintiffs in this  
17 case, have been brave enough to come forward to assert their  
18 rights, Your Honor The statutes are written They are  
19 remedial statutes and they're written to empower plaintiffs  
20 that have been damaged and seek redress by the Courts by  
21 allowing them access to this information that is collateral,  
22 at best, and it's truly what the cases say

23 In the federal courts of appeal, it will cause a  
24 chilling effect and prevent these Plaintiffs from asserting  
25 the rights that they are granted under the Federal Statutes,

1 under the State laws, Your Honor, and we feel it's highly  
2 prejudicial

3 Your Honor, we're asking for a very limited  
4 Protective Order, as we stated in our -- in our briefs, Your  
5 Honor Basically, we provided almost all of the  
6 information -- as far as -- information we've had, we've  
7 provided ample information to Defendants

8 They are free to subpoena third parties, if they  
9 want, for information If they want -- Your Honor, we're  
10 only asking for a Protective Order to bar the Defendants from  
11 asking questions for documents leading to immigration status  
12 Information that leads to where they're working in the United  
13 States bars them from finding out where they currently work  
14 and does not allow them to have personal addresses or  
15 information of their residence Very narrow, tailored  
16 Protective Order

17 And we ask that you grant our clients these  
18 protections due to the highly sensitive nature of this  
19 information they're seeking

20 THE COURT Okay

21 MR TORRES Thank you

22 MR MASSALON Your Honor, if I might just respond  
23 to a few issues that were raised, I guess, starting in  
24 reverse order

25 But you asked me if we'd asked for this

1 information, and we asked for it in written discovery but,  
2 frankly, a lot of it, I would like to go into in depositions  
3 as well

4 And taking Mr Torres' suggestion, for instance,  
5 that we subpoena it from third parties, where I believe we  
6 stand now -- and perhaps I'm confused about it But where I  
7 think we stand now is For instance, if I took your  
8 suggestion and subpoenaed -- sent a subpoena to Immigration,  
9 as I understand the current motion, they would ask that you  
10 stop me from doing that because they don't want me to  
11 discover any information about their current immigration  
12 status

13 And perhaps I'm wrong about that, but -- but I  
14 believe what he says, is that -- that they want to stop me  
15 from getting the very information that we've discussed from  
16 anybody

17 Likewise, as far as current employment goes, you  
18 raised an issue about the documentation that they have and  
19 whether, ah, they had access to all the documents, and you  
20 heard that there are Plaintiffs who claim that they received  
21 illegal documents that they don't have, can't produce

22 One possible source of the information that they  
23 are using could be their current employers, but, under the  
24 current motion, if I sent a subpoena to ABC Company where  
25 Maximino Flores is working now, they would have me prohibited

1 from doing that ABC may have a copy of whatever  
2 documentation he is using now, but I won't be able to get  
3 access to that

4 So I'm going to be left having to take Mr Flores'  
5 word Believe me, they gave me documentation My dog ate it,  
6 or I lost it, but I don't know where it is now

7 I know that you want to know where we are  
8 ultimately headed with this, but the scope of discovery is  
9 broad and I ought to be able to follow that and discover it  
10 And whether or not it's admissible, we will fight that battle  
11 another day

12 And as far as the insinuation --

13 THE COURT If the Plaintiffs claim that the  
14 Defendants falsified Immigration documents --

15 MR MASSALON Yes, sir

16 THE COURT -- and the Defendant denies that --

17 MR MASSALON Yes, sir

18 THE COURT -- and the Plaintiff is in possession  
19 of a falsified document --

20 MR MASSALON Yes, sir

21 THE COURT -- that the Defendants didn't  
22 produce --

23 MR MASSALON Yes, sir

24 THE COURT -- then it seems to me that -- that  
25 that's discoverable It may not be admissible, but it -- it

1 may be admissable I'm not trying to make a ruling

2 MR MASSALON Yes, sir

3 THE COURT But when one of the -- one of the  
4 strengths -- or, one of the ways to strengthen your clients'  
5 contention that the Defendant gave them falsified documents  
6 is to show that they have one in their possession that the  
7 Defendants had nothing to do with

8 They say they have produced -- designated all of  
9 the Plaintiffs that claim that the Defendant provided them  
10 with falsified documents It's 14 Plaintiffs and they've  
11 told you which ones of those 14 Plaintiffs contend that the  
12 Defendants furnished them with falsified documents

13 MR MASSALON In the Complaint, Judge, there are  
14 allegations about specific --

15 THE COURT I get the impression from what  
16 Mr Torres said that they told you that in discovery

17 MR MASSALON In -- and in their --

18 THE COURT Is that true?

19 MR MASSALON They have supplemented their  
20 interrogatory answers to tell which ones received false  
21 documentation

22 THE COURT From the Defendant?

23 MR MASSALON I assume

24 THE COURT And they responded to the Rule 42  
25 Request to Produce it in all cases they haven't

1 MR MASSALON I only recall the one from Oscar  
2 Mejias, and maybe there are others that I'm not thinking of  
3 I've seen the one from Oscar Mejias, but I haven't seen  
4 others

5 It's my understanding, as it's come out here, there  
6 are people that claim that they have false documentation, had  
7 the false documentation provided to them, who also claimed  
8 they cannot produce it And that's what I -- one of the  
9 issues I'm trying to get at Because --

10 THE COURT Well --

11 MR MASSALON Excuse me

12 THE COURT All of these Defendants(sic) worked for  
13 the Defendant at one point in time did they not?

14 MR MASSALON All of the named Plaintiffs We  
15 don't know who is in the class

16 THE COURT Well, wouldn't the Defendants know  
17 whether or not they had false documents or not?

18 MR MASSALON Not necessarily, Judge When they  
19 are hired by the Defendants or any employee, they're required  
20 to fill out a form called an I-9, which is basically a form  
21 that requires an employer to check to make sure that somebody  
22 he is hiring is either a citizen or authorized to work here

23 And so for -- for employees, you have the I-9 form  
24 and the two forms of ID

25 Now, we have records and the postal --

1 THE COURT Two forms of ID tell me more about  
2 that

3 MR MASSALON Well, typically when they are in  
4 this situation, there would be a nonresident alien card and a  
5 Social Security card Because the real ticket, so to speak,  
6 that the nonresident alien card gets you in the work world is  
7 that you then can apply and receive a Social Security card  
8 and then you can go to work

9 And the -- for -- for the people that were hired by  
10 L&L, there are I-9 forms with nonresident alien cards and  
11 Social Security cards

12 But if someone brought false documents to these  
13 gentlemen and said, I'm authorized to work, here's my  
14 nonresident card, here's my Social Security card, they  
15 wouldn't really have any way of knowing that they were false  
16 unless they were -- they were obviously made up handwritten  
17 or something of that nature

18 THE COURT I got you, uh-huh

19 MR MASSALON But if they got them from somewhere  
20 else and brought them to them, the law doesn't require you to  
21 investigate the employees to prove that they are legal, and  
22 they would have no way of knowing that they are illegal

23 THE COURT What about counsel's statement that the  
24 records that have been already produced by the Defendants  
25 indicate the falsification of these Immigration documents?

1 At least that's what I understood her to say

2 MS DURAND That's right

3 MR MASSALON They may know that, but my clients  
4 adamantly deny that they falsified any employment records or  
5 any employment cards, nonresident cards And so I don't -- I  
6 don't believe that to be the case, Judge

7 THE COURT Do you have those documents?

8 MR MASSALON Which ones?

9 THE COURT The same ones they have They say they  
10 have documents, I gather, that were produced to the Labor  
11 Department people that back up their claim that these  
12 documents were falsified

13 MR MASSALON I don't believe that -- that -- that  
14 the Department of Labor made any findings on that at all  
15 They looked into overtime that was paid and they found out  
16 that the workers were entitled overtime

17 THE COURT These Plaintiffs?

18 MR MASSALON Some of them

19 THE COURT And I understand that these Plaintiffs  
20 didn't get any money

21 MR MASSALON Some of them were part of the  
22 Department of Labor findings, and at least one of them has  
23 gotten a check And, actually, I believe that he signed an  
24 authorization or release in the Department of Labor  
25 information that we have

1 THE COURT Were all of the Plaintiffs involved in  
2 the investigation?

3 MR MASSALON The Department of Labor looked back  
4 for two years I don't think that all of the Plaintiffs in  
5 this case are shown as being owed overtime Some of them  
6 are, and I believe at least one of them was paid, but what  
7 the Department of Labor did was look at the two-year period,  
8 from May of 2004 back to May of 2002, and they reviewed the  
9 Defendants' records and made a determination of which people  
10 were entitled to overtime and not paid it

11 THE COURT What impact do you contend the Labor  
12 Department's investigation and findings and the possible  
13 payment of funds -- or ordering funds to be paid have on this  
14 case?

15 MR MASSALON I believe it's conclusive as to the  
16 overtime claims

17 THE COURT You don't allege that, do you?

18 MR MASSALON Excuse me?

19 THE COURT You don't plead that, do you?

20 MR MASSALON I would have to look at my Answer to  
21 see I'm not sure -- give me just a second to look at my  
22 Answer to the --

23 THE COURT You don't need to I'm asking out of  
24 curiosity because I don't know the impact myself

25 MR MASSALON I believe I pleaded payment as a

1 defense I'm not sure But I believe the Statute -- and  
2 actually the report of the Department of Labor says that for  
3 the period of their investigation that it's conclusive as to  
4 those claims So I think, ultimately, that would be out of  
5 this case because I think that's done

6 But going back to the discovery issue, Judge And  
7 I will give you an example of what I'm thinking of I don't  
8 know this to be true this is purely hypothetical

9 But say, for instance, that Maximino Flores' claims  
10 that he was provided false documentation by my clients, and  
11 when we get access to Mr Flores' personnel file, what we'll  
12 have is an I-9 and then a nonresident alien card and Social  
13 Security card Now, if he takes the position those are false  
14 documents, I don't have the original copy of them Those are  
15 the only ones there are

16 If I subpoena his records --

17 THE COURT When you say, "those," what do you  
18 mean?

19 MR MASSALON The -- the Postal Inspector seized  
20 most of my clients' personnel files and they have, as part of  
21 the records at the Postal Inspector's office, there are I-9  
22 forms, big boxes of I-9 forms with nonresident cards and with  
23 Social Security cards attached to them

24 THE COURT In other words - you didn't say this -  
25 you're going through the steps that someone would take when

1 being employed by one of the Defendants?

2 MR MASSALON Yes

3 THE COURT And you said that they came in and  
4 signed an I-9 form and have two forms of identification?

5 MR MASSALON Yes, sir

6 THE COURT The Immigration --

7 MR MASSALON Nonresident card

8 THE COURT -- nonresident card with their picture  
9 on it, and then they have the Social Security card?

10 MR MASSALON Yes, sir

11 THE COURT They would give both of those to the  
12 Defendant?

13 MR MASSALON Yes, sir And then my client would  
14 make a copy of 'em I do the same thing when I hire  
15 somebody I make a copy of their driver's license and their  
16 Social Security card, or their -- the Statute lists a whole,  
17 maybe, 20 different forms of ID you can have I make a copy,  
18 then I give the -- driver's license, Social Security card  
19 to -- give it back to --

20 THE COURT The original

21 MR MASSALON The originals back

22 What I'm trying to get to the bottom of --

23 THE COURT That was a procedure that the  
24 Defendants followed as well?

25 MR MASSALON Yes, sir And they're really

1 records -- and perhaps this is what Mr Torres was referring  
2 to We have some -- and the Postal Inspector has those kinds  
3 of employment records

4 The problem that I run into in discovery, Judge, is  
5 I look at Mr Flores' I-9 and Social Security card and  
6 nonresident card and my client says, As far as I know, it is  
7 valid because he gave them to me he presented them to me as  
8 authenticate and I copied them and gave him a job

9 He says -- Mr Flores says -- I don't know if he  
10 will or not But say that he says, Those were false I went  
11 and got those made up Then what we've got is a swearing  
12 contest

13 If you have my client saying that he had no reason  
14 for them to be false and you have Mr Flores saying that he  
15 got them from my client, it seems if I can get records of his  
16 prior or current employment or subsequent employment, and his  
17 current employer has got Mr Flores with a different  
18 nonresident card and a different Social Security card, well,  
19 that --

20 THE COURT What's that going to tell you?

21 MR MASSALON What it probably tells me is  
22 Mr Flores is working illegally What I think it also tells  
23 me is that Mr Flores, if he's getting false documentation,  
24 he's not getting it from my clients Because it's impossible  
25 to think that he would go get another job, get false

1 documentation for that job, and get that from my client

2 What I think it shows is that Mr Flores is  
3 deceiving employers He's not being used, he is the one that  
4 is here illegally getting documentation and --

5 THE COURT So if you get the name of their current  
6 employers --

7 MR MASSALON Then I could send a subpoena to  
8 them I could send a subpoena to their current employer and  
9 ask for their immigration information But under the current  
10 motion as we stand, the Defendants -- the Plaintiffs would  
11 prevent me from doing that I have no way to test it

12 I have Mr Flores and I'm picking on him because  
13 he's first He's saying I have false documentation and my  
14 client's saying, That's not true But there's a means for me  
15 to test Mr Flores' credibility on that if I can send a  
16 subpoena to Immigration, if I can subpoena his current  
17 employment records But if the Plaintiffs hamstring me and  
18 get a Protective Order saying I can't do that, then what we  
19 have are unanswered questions

20 Umm, now, as far as the insinuation that the  
21 Defendants are threatening or intimidating these folks and  
22 that a number of them were arrested, just a -- I have to  
23 respond to that briefly

24 I understand that it is true that a number of these  
25 former employees were arrested Based on the information I

1 have, it appears that they were arrested before the  
2 Defendants even entered an appearance in this case, back in  
3 May of 2004 And so I don't know of any connection between  
4 those arrests and my clients but, at that time, the  
5 Department of Labor investigation was going on and I would  
6 suspect that the reason this came to the attention of the  
7 authorities was because that was already going on

8 So I don't want you to have the impression that  
9 what the Plaintiffs are trying to do is stop intimidation  
10 tactics that are ongoing, because I don't believe that to be  
11 true I believe there were some arrests, but they were  
12 arrested and released, as I understand it, and presumably are  
13 still in the country I don't know of any deportation or  
14 adverse action that occurred

15 So to tie this up, we were asking for documentation  
16 in the discovery and have gotten a written objection And,  
17 in discovery, I would like the opportunity to question these  
18 gentlemen about these issues and, to the extent there are  
19 third parties like Immigration and Naturalization, currently,  
20 former employers who would have information that would bear  
21 on this, I think that we should be allowed to discover that

22 To the extent that there is a concern about it  
23 being used for some other purpose, my clients would be happy  
24 to enter into or agree to some type of confidentiality order  
25 as suits you to protect them

1 MR TORRES May I respond?

2 THE COURT Certainly

3 MR TORRES As to the claim that we're not  
4 claiming for third party, we're talking about documents that  
5 were produced specifically by the Defendants and the  
6 Defendants were actually in possession of those documents,  
7 but they have access to the documents as much as we do  
8 because they are with the Postal Inspectors

9 As Mr Massalon explained to Your Honor, every time  
10 an employee comes for a job, as part of the job-hiring  
11 process, they have to fill out an I-9 form, which is  
12 photocopies of the nonresident alien card and passports

13 THE COURT As far as the Postal Inspector is  
14 concerned, they have all of that on the present claim?

15 MR TORRES They serve subpoenas --

16 THE COURT Have you looked at the documents?

17 MR TORRES We have

18 THE COURT And do they have those documents on all  
19 of the present Plaintiffs?

20 MR TORRES Well, there are bins full, so we  
21 haven't gone through every single one

22 THE COURT But we're just talking about 14 people

23 MR TORRES We are searching through those  
24 documents

25 THE COURT You just can't go to the 14, you have

1 to go through all of them?

2 MR TORRES There is no specific order or  
3 alphabetized they are just in a bin There are some of our  
4 clients' that we photocopied and gave them to the Defendants

5 Your Honor, we have the burden of proof, Your  
6 Honor, and there's no need to go to third parties We have  
7 to bring proof Either we will prove it at trial or won't  
8 prove it at trial It's up to the jury to decide if they  
9 believe our clients or the Defendants

10 Mr Massalon specifically stated that he would use  
11 the information to contact the firm, send copies to the  
12 current employer and get information about the immigration  
13 status, and which almost guarantees my clients being  
14 dismissed from the current employers

15 The protection that we're asking for is what the  
16 Courts have granted to protect Are those specific actions  
17 of intimidation or harassment, danger to our clients

18 Your Honor, there is -- Defendants have access to  
19 the same information we've had and we're trying to go -- and  
20 there's a lot of documents that were seized by the Postal  
21 Inspector So we're slowly going through it Whenever they  
22 give us an opportunity to go up there and review those  
23 documents, Your Honor

24 We're only -- we're claiming -- like I said, Your  
25 Honor, not every client is claiming that they were provided

1 false documents but, those who were, we provided those and  
2 we have access to those These are the documents that we  
3 claim -- that we claim are false We're not claiming that  
4 they were provided by any other third party They were  
5 provided by the Defendants, Your Honor, and, umm, we just  
6 claim -- Your Honor -- Your Honor, we feel that the  
7 information is collateral and burdens to our clients outweigh  
8 any harm that can -- the harms to our clients outweigh any  
9 prejudicial effects to the Defendants, Your Honor

10 THE COURT Okay

11 MS DURAND Your Honor, might I clarify something  
12 that was stated earlier in response to a question from the  
13 Court?

14 THE COURT Sure

15 MS DURAND I think one of the confusing factors  
16 here -- and I'm going to try to put into a perspective a  
17 little bit what we plan to prove when we get to trial, and  
18 that is It's not a question of whether or not the initial  
19 documents that were brought to L&L or WLL when our first  
20 clients went there may or may not have been false That's  
21 not our proof

22 Because, Your Honor, if they bring false documents  
23 to the employers or if they don't bring false documents to  
24 the employers, it's still not proper for the employers to  
25 engage in the kind of scheme that they engaged in It's

1 still not proper for the employers to use different names for  
2 the various Plaintiffs to issue them different Social  
3 Security numbers and to make up false ID cards for them

4 And we're not going to come in and allege that the  
5 Defendants were improper because they either relied upon a  
6 false document or something like that, and, we don't need to  
7 use documents from third parties in order to prove our case

8 We are going to use the documents that we've  
9 already produced to the Defendants as well as the Defendants'  
10 own documents to prove what we need to prove in our case So  
11 there is no way that the Defendants are in any way prejudiced  
12 by not being able to go to third parties

13 The Defendants engaged in the conduct they engaged  
14 in Either we can prove that, and we believe we can, or we  
15 cannot, based on their documents and the documents that we've  
16 already produced to them And whether or not an original ID  
17 card that was brought to them by one of the Plaintiffs is  
18 false or not doesn't negate the conduct that the Defendants  
19 themselves engaged in

20 THE COURT Such as?

21 MS DURAND Such as providing false ID cards, such  
22 as providing numerous names for various people and different  
23 Social Security numbers And we have the no-match letters  
24 from the Social Security Administration that came from the  
25 Postal Inspectors' documents that prove that that kind of

1 thing was going on

2 So I think that we're creating kind of a red  
3 herring here with the discussion, because Mr Massalon and  
4 the Defendants are not going to be prejudiced in any way by  
5 the fact that we might try to say that the INS has proof of  
6 this or proof of that No

7 We're focusing on the Defendants' conduct and what  
8 they did regardless of what might be in the possession of the  
9 INS or some current employer of our clients The current  
10 employers aren't going to have anything that's even going to  
11 end up having any relevancy whatsoever to what -- to what the  
12 actual conduct of these Defendants was The mere fact that a  
13 current employer might be hiring somebody illegal or has used  
14 a false document has no impact on the racketeering scheme  
15 that the Defendants were engaging in at the time that the  
16 Plaintiffs were employed by them

17 I think it's a red herring, Your Honor It's very  
18 prejudicial to the Plaintiffs

19 It can be used for abundant mischief by the  
20 Defendants in this case, and we really feel that our  
21 Plaintiffs will be prejudiced severely by it

22 THE COURT Yes, sir?

23 MR MASSALON Would you like -- I think that, with  
24 all respect to Ms Durand, what that argument amounts to is  
25 that we're not allowed to test the Plaintiffs' credibility in

1 this case

2 And I just don't think that the discovery rules  
3 permit the Plaintiffs to tell us what they can find or think  
4 they can find to prove their claims, and that we have to  
5 accept that and deal with it without making any independent  
6 inquiry

7 THE COURT Anything further?

8 MR TORRES No, Your Honor

9 (Pause )

10 THE COURT In listening to the arguments made by  
11 counsel, I'm convinced that the information sought is  
12 discoverable Some of it is relevant, all of it is likely to  
13 lead to relevant evidence

14 The Plaintiff has attempted to show that prejudice  
15 will result to them if this information is discovered, and  
16 they have particularized the dangers that they claim  
17 constitute prejudice

18 I have looked at the cases that have been cited,  
19 and they recognize the authority of the Court to issue  
20 Protective Orders in cases such as this but I think, in this  
21 case, the information is more clearly discoverable than it  
22 was in the cases cited to me And I think, in this case, if  
23 we protect this information entirely as the Plaintiff  
24 suggests, then we prohibit the Defendants from having the  
25 full use of the rules of discovery in preparing their case

1 And, I frankly believe that that prejudice to the Defendants,  
2 not having available the full scope of the rules of discovery  
3 in this case, is greater than the actual prejudice that the  
4 Plaintiffs may suffer if the discovery is permitted

5 I am, therefore, going to grant the Defendants'  
6 Motion to Compel information concerning the current  
7 immigration status of the Plaintiffs and their current  
8 employment I'm going to do that under the protection of a  
9 proper Protective Order, and I'd like for you to submit one  
10 to me

11 We have now passed a local rule adopting a standard  
12 Protective Order, and I have not signed any that didn't  
13 comply with that standard order, but I don't know that you  
14 need that order here

15 I think you might want to fashion a shorter order  
16 just relating to this information, and I would suggest that  
17 you protect it very severely and permit the Defendants to  
18 release that protection in specific instances upon specific  
19 showings

20 And I'd like for you also to provide in that order  
21 that the Defendants understand the order, they understand if  
22 they violate that order that they will be cited for contempt  
23 of court, and, if they are found to be guilty of same,  
24 punished accordingly

25 As far as the personal information concerning the

1 Defendants goes, I really do not see any possible relevance  
2 of that information except in the selection of a jury and,  
3 therefore, I think the timing of that information is not as  
4 crucial as the other

5 I think for the case to proceed, the other  
6 information, the current immigration status and employment,  
7 needs to come forth now so that the Defendant can use it in  
8 preparing their case

9 And then at some later date, when the Defendant  
10 determines that they need this personal information, then  
11 they can make another Motion to Compel at that time and  
12 thereby remind the Court, if it needs reminding, that that  
13 issue is hanging out there and we can deal with it at that  
14 time

15 But, for the present time, the Motion to Compel  
16 that information is denied

17 Has that -- does that cover the items necessary?  
18 Have I been specific enough about the discoverable material?

19 MR TORRES Yes, Your Honor

20 MR MASSALON Yes, Your Honor, I believe so

21 And just to get the process moving, how about if I  
22 start a Protective Order, and I will send it to Mr Torres,  
23 and, if we can agree on a form, we will submit it to you?  
24 And, if we can't --

25 THE COURT Let me put it in there, "So Ordered,"

1 so then we can talk

2 What I used to do years ago, before we had the  
3 standard order, is I would protect the information from  
4 everybody just give it to the lawyers or give it to the  
5 clients, and put the onus on the party wanting it to lift it  
6 if there's an expert If you had one, I think you would have  
7 to designate the expert and then lift it for that

8 It may be that you want to lift it for the use of  
9 examination by experts in the initial order, because the  
10 Plaintiffs may have experts that they want to have look at  
11 it, as well as your experts

12 But I would say, err on the side of restriction,  
13 and then as events develop, we can relax that restriction to  
14 the extent justice requires

15 MR MASSALON And just one clarification May I  
16 show it to my clients as well, or just for me and the people  
17 in my office to look at?

18 THE COURT When I asked the question about  
19 protection, if you had said no one had to look at it but you,  
20 or your ex -- and/or your expert, I would have been delighted  
21 because I would prefer that the Defendants not look at it

22 MR MASSALON Okay

23 THE COURT Because I think that is an area where I  
24 think the trail gets a little more difficult to follow But  
25 since you didn't say that and since you said you want to show

1 it to your clients, I don't think that I can protect it from  
2 them

3 I think, if for nothing more than due process,  
4 they're entitled to see the evidence and I don't think I can  
5 deny them that province

6 MR MASSALON Thank you, Your Honor

7 MR TORRES Thank you, Judge

8 THE COURT I want them to be well aware of -- I  
9 want them to sign the statement as well, that they understand  
10 what they're getting and all that -- I want them to  
11 understand that

12 I'm not worried about you, Mr Massalon I know  
13 you're not going to disseminate it, or have any problems  
14 And if you do, you're in a lot of hot water and have a lot to  
15 lose But I want the clients to understand that this is  
16 serious business and we're not kidding around

17 And what happened in the past, I don't have any  
18 problem with that I say I don't have any problem with that  
19 I don't have any concern about that I've looked at it, I  
20 don't see where it's bad enough for me to act any differently  
21 than I have today, and that's over with But the future, we  
22 do have something to do with, and I'm not going to tolerate  
23 anybody violating this Court's Order --

24 MR MASSALON Yes, sir

25 THE COURT -- as it relates to this information

1 MR MASSALON Thank you, Judge

2 MR TORRES Thank you, Your Honor

3 THE COURT Okay Thank you very much

4 Ms Durand, I'm advised that you are not a member  
5 of the Federal Bar?

6 MS DURAND No, Your Honor

7 THE COURT You need to be that if you're going to  
8 appear in this court

9 MS DURAND Yes, Your Honor --

10 THE COURT I don't know how you go about doing it,  
11 but it doesn't take but five minutes And I think it cost  
12 you \$25 when I did it, and probably 300 now

13 MS DURAND Your Honor, I apologize That was an  
14 administrative oversight

15 THE COURT That's fine I just wanted to call  
16 that to your attention

17 (Concluded, 12 18 p m )

18 \*\*\*\*\*

19 I certify that the foregoing is a correct transcript  
20 from the record of proceedings in the above-titled  
21 matter

22

23 Janet A Collins, RMR, CRR, FCRR

DATE

24

25

Pursuant to the Federal Rules of Procedure certain documents must bear the seal of the court. Beginning Tuesday, February 19, 2008, the Clerk of Court for the District of South Carolina will no longer manually emboss the seal of the court, but will instead use an electronic seal on all documents requiring the court's seal, e.g., criminal warrants, civil and criminal summons, subpoenas and writs.

Documents should be provided to the clerk as a PDF document. If applicable, the plaintiff will file the summons with the initiating documents when filing a new civil case into the court's shell case. The clerk will sign, date, affix the electronic seal, and electronically file the summons into CM/ECF. The plaintiff will access the summons from the Notice of Electronic Filing and print copies needed for service.

The Summons Issued event will continue to be a public entry on the court's docket sheet, but the summons will be accessible only by the plaintiff.

The court's electronic seal may also be used when certifying copies of documents filed in the court's record. Appropriate fees apply.

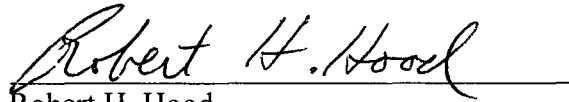
## CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the **Record on Appeal** contains all material proposed to be included by any of the parties and not any other material

The undersigned further certifies that the **Record on Appeal** complies with the Order of the South Carolina Supreme Court, dated August 13, 2007, RE Interim Guidance Regarding Personal Data Identifiers and Other Sensitive Information in Appellate Court Filings

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November 17, 2010



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**STATE OF SOUTH CAROLINA**  
**In the Court of Appeals**

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On Appeal from Charleston County  
Court of Common Pleas

The Honorable Roger M Young, Circuit Judge  
The Honorable Daniel F Pieper, Circuit Judge

Case No 06-CP-10-1578

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Lawton Limehouse, Jr ,

RESPONDENT,

v

Paul H Hulsey and The Hulsey  
Litigation Group, LLC,

APPELLANTS

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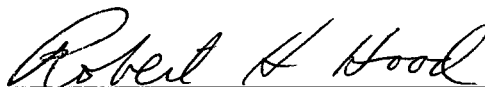
Certificate of Service

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I do certify that on this 17 day of November 2010, a bound copy of the Record on Appeal was served on Respondent by mail to his Counsel of Record at

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