

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

Penn America Insurance Company and
Global Indemnity Group, LLC,

Appellant,

v.

Morris Beach Hutson a/k/a M.B. Hutson,

Respondents.

Morris Beach Hutson a/k/a M.B. Hutson

Third-Party Plaintiff,

v.

Timothy J. Newton, Esq.; Murphy &
Grantland, P.A.; Christian Stegmaier, Esq.;
and Collins & Lacy P.C.,

Third-Party Defendants.

IN THE COURT OF COMMON PLEAS

FIFTH JUDICIAL CIRCUIT

Civil Action No.: 2020-CP-40-03810

**ORDER GRANTING PLAINTIFFS PENN
AMERICA INSURANCE COMPANY
AND GLOBAL INDEMNITY GROUP,
LLC'S MOTION FOR PERMANENT
RESTRAINING ORDER.**

RECEIVED

OCT 07 2026

SC Court of Appeals

2025
For Daniel Coble

This matter came before the Court upon Plaintiffs Penn America Insurance Company and Global Indemnity Group, LLC's Complaint for Permanent Injunction. A hearing was held in Richland County on October 16, 2024, before the Honorable Daniel Coble. Plaintiffs/Counter-Defendants Penn America Insurance Company ("PAIC") and Global Indemnity Group, LLC ("Global") were represented by Christian Stegmaier, Esquire. Mr. Stegmaier also represented himself and Collins & Lacy P.C. as Third-Party Defendants. Third-Party Defendants Timothy J. Newton, Esq. and Murphy & Grantland, P.A. were represented by John Grantland, Esquire and Timothy Newton, Esquire. The *pro se* Defendant/Counter-Plaintiff/Third-Party Plaintiff Morris Beach Hutson a/k/a M.B. Hutson ("Hutson") failed to appear. Having considered the written

filings and exhibits, the oral presentations at the hearing on October 16, 2024, and the applicable law, this Court grants Plaintiffs Penn America Insurance Company and Global Indemnity Group, LLC's Motion for Permanent Injunction. The Court presents its findings and conclusions below.

PROCEDURAL BACKGROUND

Plaintiffs PAIC and Global initiated the instant matter with the filing of a ~~Summons~~ and Complaint seeking Preliminary and Permanent Injunctions and a Motion for Temporary Injunction on August 10, 2020. This filing was preceded by the granting of a Temporary Injunction on December 9, 2020, against Hutson. Litigation surrounding Hutson began in 2010 with his purchase of property (hereinafter "the Land Deal") in Clarendon County. Since that time Hutson has been a party to numerous lawsuits and has initiated many meritless claims against nearly everyone connected with any of his cases and individuals not at all related to the matters. This includes frivolous suits against the individual attorneys representing the named parties as well as the Judges who have heard the cases and ruled on the matters. He has sent many threatening and harassing correspondence and appears to be undeterred in his futile legal pursuits.

LEGAL STANDARD

"Actions for injunctive relief are equitable in nature." Hipp v. South Carolina Dept. of Motor Vehicles, 381 S.C. 323, 324, 673 S.E.2d 416 (2009) (citing Shaw v. Coleman, 373 S.C. 485, 492, 645 S.E.2d 252, 256 (Ct.App.2007)). "In actions in equity this Court may find facts in accordance with its own view of the preponderance of the evidence." Id. "The remedy of injunction is a drastic one and should be cautiously applied only when legal rights are unlawfully invaded or legal duties are willfully or wantonly neglected." Shaw, 373 S.C. at 498, 645 S.E.2d at 258 (quoting LeFurky v. Long Cove Club Owners Ass'n, Inc., 313 S.C. 555, 558, 443 S.E.2d 577, 578 (Ct. App. 1994)).

In cases where an injunction is sought . . . the court must deal with the conflicting interests of the [parties] by balancing the benefits of an injunction to the plaintiff against the inconvenience and damage to the defendant, and grant or deny an injunction as seem most consistent with justice and equity under the circumstances of the case.

Id.

FINDINGS OF FACT

The documentation provided by the parties reflects that in December 2010, Hutson entered into a Membership Interest Purchase Agreement with Richard U. Clark, Jimmy S. Lovell, James Thigpen and The Big Water Resort, LLC, related to the outstanding membership interests in The Big Water Resort, LLC. Contemporaneously therewith, Hutson also entered into a Lease Purchase Agreement with TLC Holdings, LLC ("TLC"), Richard U. Clark, Jimmy S. Lovell and James Thigpen related to the purchase of property in Clarendon County, South Carolina, including a campground known as "Big Water Resort," a convenience store facility and adjacent land known as the "Big Water Country Store and Restaurant," and a 57.81 acre tract known as "Roger's Tract." These two transactions comprise the 2010 Land Deal.

In the fourteen years since Hutson entered into the Land Deal, he has perpetuated litigation claiming that he was defrauded in that transaction. Specifically, Hutson has repeatedly claimed that he did not know that TLC had sold lifetime memberships in a private club operated on the property that prevented Hutson from developing the land for the sale of condominiums. This allegation has been litigated multiple times and found to be materially false. E-mails and trial testimony have established that Hutson entered into the Land Deal with full knowledge of the lifetime memberships.

In December 2011, TLC filed an ejectment action against Hutson alleging he defaulted on the terms of the Lease Purchase Agreement. TLC Holdings, LLC v. Hutson, Case No. 2011-CP-14-602 (Clarendon Cnty. Ct. Comm. Pleas) ("the Ejectment Action"). Hutson filed counterclaims

against TLC in the Ejectment Action in which he asserted that various misrepresentations and material omissions were made with respect to the Subject Property and that TLC and its members interfered with the Property's development and operation. The parties agreed to a partial settlement that allowed Hutson to remain on the property if certain conditions were met. As part of this settlement, Hutson agreed that if he breached those conditions, TLC would be entitled to an automatic release of all claims relating to the Land Deal and Hutson would be required to vacate the Subject Property. The Settlement Agreement was adopted into a Consent Order filed April 13, 2012.

Hutson defaulted under the terms of the 2012 Settlement Agreement and Consent Order.

TLC sought to evict Hutson from the Big Water Resort property. Following a hearing, the Honorable George C. James, Jr., entered an order on March 21, 2014, which enforced the terms of the Consent Order and Settlement Agreement. Judge James found that Hutson breached the 2012 Settlement Agreement and Consent Order and as a result, the Lease Purchase Agreement was terminated, Hutson was required to vacate the property, and Hutson was deemed to have released TLC from any further claims involving the Land Deal.

Global is the parent company of PAIC, a member of Penn-America Group, which offers specialty property and casualty products designed for small businesses. PAIC issued commercial general liability (CGL) policy number PAC7045167 to "BWR, Inc. d/b/a Big Water Resort" as the named insured ("the Policy"). The Policy was in effect from October 16, 2013 through April 7, 2014. Hutson was the principal in BWR, Inc., a now defunct corporation formerly organized and existing under the laws of the State of South Carolina. Pursuant to the Policy, PAIC provided a defense and indemnity to Hutson in two lawsuits, known as the Class Action and the Defamation Action. Big Water Resort, LLC, et al. v. TLC Holdings, LLC, C/A: 2:14-1583-DCN-MGB

(D.S.C.) ("the Class Action"); TLC Holdings, LLC, et al. v. Hutson, Case No. 2015-CP-14-0615 (Clarendon Cnty. Ct. Comm. Pleas) ("the Defamation Action").

The Class Action lawsuit was brought in federal court by a group of Big Water Resort campground members against TLC and its members. TLC then asserted third-party claims for equitable indemnification against Hutson. In contravention of Judge James' Order, Hutson also asserted counterclaims against TLC. TLC and Hutson filed cross motions for summary judgment, which were ruled upon in favor of TLC on May 20, 2016. Hutson's counterclaims were dismissed based upon *res judicata*. Federal District Judge David C. Norton later also entered an Order granting sanctions against Hutson, explaining:

Hutson has established a pattern of making misrepresentations to the court, of making unsupported allegations of unethical and criminal conduct by third-party plaintiffs, and of using the judicial process as a mechanism of harassment. His meritless filings have wasted untold hours of the court's time. He lacks any evidence to support his counterclaims and other allegations against third-party plaintiffs. Indeed, Hutson routinely fails to provide factual or legal support for anything he files with the court. Accordingly, the court finds that sanctions are appropriate under the court's inherent power.

Class Action, Norton Order Granting Sanctions, Oct. 6, 2017.

The Defamation Action was instituted by TLC in state court on December 7, 2015. TLC's claims related to statements made by Hutson in the postcard he sent to campground members and certain statements Hutson made to the attorney who represented the campground members in the Class Action. Hutson raised identical counterclaims against TLC in the Defamation Action as he raised in the Class Action, once again violating Judge James' Order. Hutson's counterclaims were also disposed of on summary judgment based upon *res judicata* by the Honorable R. Ferrell Cothren, Jr. TLC's claims in the Defamation Action proceeded to a jury trial. The jury returned a verdict against Hutson in the amount of Three Million Five Hundred Thousand Dollars (\$3,500,000) on January 26, 2018. The case was mediated during appeal and resolved.

PAIC retained Murphy & Grantland, P.A. as coverage counsel and instituted a coverage action on June 14, 2016. Penn-America Insurance Company v. BWR, Inc., et al., C/A: 2:16-cv-01943-DCN (D.S.C.) ("the Coverage Action"). On or about September 16, 2016, Hutson entered into a Settlement Agreement and Release of Certain Claims with PAIC. PAIC paid Hutson the sum of Nine Thousand Five Hundred Dollars (\$9,500.00) as consideration for the Settlement Agreement and Release in the Coverage Action.

Following resolution of both lawsuits without any personal liability to Hutson, Hutson initiated a lawsuit against PAIC, Global, and their coverage counsel, Timothy Newton and J.R. Murphy, on December 5, 2018. Hutson v. Penn America Ins. Co., et al., Case No. 2018-CP-40-06344 (Richland Cnty. Comm. Pleas) ("the Bad Faith Action"). Hutson generally alleged that PAIC, Newton, and Murphy knew Hutson was defrauded in the 2010 Land Deal and failed to report it to a court. Following a hearing before the Honorable Michael G. Nettles, the court granted summary judgment in favor of the defendants on all of Hutson's claims. Hutson appealed those Orders; however, the South Carolina Court of Appeals dismissed Hutson's appeal on November 10, 2021, for his failure to file a compliant record on appeal. Hutson v. Penn America Inc. Co., et al., Appellate Case No. 2019-001488 ("the Bad Faith Appeal").

Hutson has also separately sued attorney Paul Weissenstein, who represented him in the 2012 Ejectment Action and resulting Settlement Agreement. Hutson v. Weissenstein, Case No. 2018-CP-43-1583 (Sumter Cnty. Ct. Comm. Pleas) ("the Weissenstein Malpractice Action"). On February 25, 2019, the Honorable Kristi Curtis granted summary judgment in favor of Weissenstein based upon both the statute of limitations and the merits. In that Order Judge Curtis found, as the federal court in the Class Action had previously found, that Hutson knew about the lifetime memberships when he entered into the 2010 Land Deal. Hutson appealed from that Order

and the South Carolina Court of Appeals affirmed the trial court's order granting summary judgment. Hutson v. Weissenstein, Appellate Case No. 2019-873 (S.C. Ct. App.) ("the Weissenstein Appeal"). Hutson also sued attorneys Stephen "Chip" Burn and Sarah Gutherie and Burn Law Firm, LLC, related to advice they purportedly gave him in the Ejectment Action. On April 10, 2019, the Honorable Frank R. Addy, Jr. entered an Order of Dismissal, finding that Hutson failed to cure the lack of expert affidavit or establish that such an affidavit was not necessary. Hutson did not appeal from the Order of Dismissal.

Plaintiff has provided copies of numerous e-mails from Hutson to counsel for PAIC and Global, Newton, Murphy, and others threatening to bring a new lawsuit against them and claiming that they are all co-conspirators in the original fraud he claims was perpetrated by TLC in the land deal and 2012 settlement. On June 21 and 22, 2020, Hutson told counsel for PAIC, Christian Stedmaier, that he was "having to seriously consider bringing a[n] immediately separate action against you for participating with Tim Newton and JR Murphy in extrinsic fraud upon the Appeals Court and the lower Court." He added: "I plan to serve the insurance companies copies of the complaint as well as serving you." On July 6, 2020, Hutson wrote: "If I don't hear from you within the next (5) business days, I will proceed with a complaint in State or Federal Court against you." On July 27, 2020, Hutson accused the Plaintiff and Third-Party Defendants of "concealing extrinsic fraud" and stated: "I plan to take these immoral actions to court rightaway [sic]. I have an abundance of evidence showing my damages and mental depression and stress that you have caused me intentionally and continue to cause on a daily basis. All are warned."

On August 8, 2020, two days before Plaintiff initiated the instant action, Hutson wrote: "Have no choice but to move forward with a new needed complaint. 'Defamation by way of Extrinsic Fraud' naming Christian Stedmaier [sic], Tim Newton, JR Murphy, Penn America and

Global. Soon I will file the same 'Defamation by way of Extrinsic Fraud' against Turner Padgett and Tom Harper." Then, following service with the instant Complaint and Motion for Preliminary Injunction, Hutson responded by filing counterclaims and third-party claims.

In this action, Plaintiffs filed a Motion for a Temporary Injunction on August 10, 2020, which came before this court for a hearing on October 15, 2020. At that hearing, Hutson was provided ample opportunity to explain the nature of the fraud he is alleging against Plaintiffs and the Third-Party Defendants and how it differs what has been asserted in the past, including before Judge Nettles. Hutson pointed to two pieces of ~~correspondence~~ he received from Newton, who was acting in his capacity as coverage counsel for PAIC at the time. They include an August 13, 2018 e-mail and a November 8, 2018 letter. The e-mail states that, based on Huston's allegations, "there ~~might possibly be extrinsic fraud~~ on the court" but advises that Newton cannot provide legal advice or representation to Hutson regarding the same. (emphasis added). The November 8, 2018 letter denies that Penn-America or its counsel has "acknowledged the existence of fraud upon the court." While Hutson claims that the two letters are inconsistent, the Court disagreed. The August 13 e-mail did not acknowledge the ~~existence of fraud~~—it provided that fraud "might possibly" exist. There is no evidence that Newton had actual knowledge of any fraud or perpetrated any fraud himself.

By written Orders dated December 9, 2020, the Honorable Robert E. Hood: granted Newton and Murphy & Grantland's Motion to Dismiss; denied Hutson's Motion for Temporary Injunction; granted PAIC, Global, Stegmaier, and Collins & Lacy's Motions to Strike; and granted PAIC and Global's Motion for Temporary Injunction.¹ Thereafter, Hutson appealed the December

¹ The Court's findings and conclusions from the December 9, 2020 Orders are incorporated by reference herein.

9, 2020, Orders and, after extensive motions practice at the appellate level, withdrew the appeal, leading to the Court of Appeals to enter a dismissal on March 8, 2022.

Hutson responded to those orders by suing Judge Hood. Hutson v. Hood, No. 2021-CP-40-00946 (Richland County Comm. Pl.) That suit was dismissed on October 8, 2021.

Additionally, Hutson has recently filed several frivolous matters in the United States District Court for the District of South Carolina. The first was filed on March 22, 2022—just two weeks after the dismissal of Hutson's appeal in this action. Hutson v. Harner, No. 2:22-cv-00941-DCN-MHC (D.S.C.) Hutson sued PAIC, Global, Newton, Stegmaier, TLC, and several other attorneys that were involved in prior Big Water Resort litigation. Hutson claimed that the defendants' failure to report fraud in the Land Deal transaction violated his Seventh Amendment rights. This suit was dismissed without prejudice in pre-service review for lack of subject matter jurisdiction. The court found that "Hutson's Seventh Amendment claim is . . . not a viable federal cause of action."

Hutson filed another suit making similar claims—this time based on alleged Fourteenth Amendment violations. Hutson v. Harner, No. 2:23-cv-3543-DCN (D.S.C.). This suit was again dismissed based on lack of subject matter jurisdiction. The court found that the "state action" requirement for a proceeding under 42 U.S.C. § 1983 was not met.

Undeterred, Hutson filed a third action in federal court earlier this year. Hutson v. Harner, No. 2:24-cv-4357-DCN-MGB (D.S.C.) Hutson once again made the same baseless allegations that the defendants all knew that Hutson was defrauded in the 2010 Land Deal and failed to report it to a court. Several defendants filed motions to dismiss in that suit seeking to stop Hutson's endless regurgitation of the same frivolous allegations in court filings. In opposition to one of those motions, Hutson recently argued that simply because dismissals for lack of subject matter

jurisdiction are without prejudice, he has the right to continue filing suits at will. In essence, Hutson argued his suit should proceed because the court lacks subject matter jurisdiction. This exhibits malicious intent to litigate for the sole purpose of harassment and defamation.

This Court has entered a temporary injunction requiring Hutson to stop filing frivolous, vexatious, and repetitive suits regarding Big Water Resort. A federal court sanctioned Hutson for filing the same false allegations that he is still reiterating eight years later. Hutson's pattern of misconduct continues without abatement. Consequently, this Court finds that Hutson has exhibited a continuing pattern of misconduct necessitating a permanent injunction.

CONCLUSIONS OF LAW

"In cases where an injunction is sought... the court must deal with the conflicting interests of [the parties] by balancing the benefits of an injunction to the plaintiff against the inconvenience and damage to the defendant, and grant or deny an injunction as seem most consistent with justice and equity under the circumstances of the case." Shaw v. Coleman, 373 S.C. 485, 498, 645 S.E.2d 252, 258 (Ct. App. 2007). "The remedy of injunction is a drastic one and should be cautiously applied only when legal rights are unlawfully invaded or legal duties are willfully or wantonly neglected." Id.

A. Balancing of the Interests

In weighing the interests and damage of all parties, the Court finds that Plaintiffs have suffered, and will continue to suffer, substantial harm associated with the time and costs they will incur in defending against further litigation by Hutson and they cannot be adequately compensated with monetary damages in light of Hutson's limited financial resources. Hutson has filed numerous suits and motions in past litigation in both state and federal court which impose a substantial burden of time and money for preparation of responses. Defendant Hutson has no

interest to gain in filing future actions against Plaintiffs as he has had scant success in his prior efforts and therefore suffered no damage in the granting of an injunction.

B. Due Caution Paid to the Drastic Nature of Remedy

This Court recognizes the drastic nature of any permanent injunction and is especially cautious when imposing one that prohibits a citizen of this State access to our Courts and Justice System. The weight of this decision is not lost on this Court. Despite the significance of the injunction, there is substantial evidence of Hutson's excessive, improper, and harassing litigation and as his personal conduct in furtherance of it is deeply troubling to the Court. Mr. Hutson's actions have sought to impede and prevent the fair administration of justice, thus warranting the imposition of an injunction to preserve the right and access to justice for all citizens of this State.

CONCLUSION

IT IS ORDERED Plaintiffs Penn America Insurance Company and Global Indemnity Group, LLC's Motion for Permanent Injunction is hereby **GRANTED**. Defendant Morris Beach Hutson a/k/a M.B. Hutson is prohibited from filing any further pro se litigation in state court in South Carolina (a) against Penn America Insurance Company, Global Indemnity Group, LLC, Collins & Lacy, P.C., Christian Stegmaier, Laura Baer, Murphy & Grantland, P.A., John Robert "J.R." Murphy, John Grantland, and/or Timothy Newton, or (b) related to the claims already ruled upon by the Honorable Michael G. Nettles.

[JUDICIAL E-SIGNATURE PAGE TO FOLLOW]

STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

Penn America Insurance Company and
Global Indemnity Group, LLC,

Appellant,

v.)

Morris Beach Hutson s/k/a M.B. Hutson,

Respondents.)

IN THE COURT OF COMMON PLEAS

FIFTH JUDICIAL CIRCUIT

Civil Action No.: 2020CP4003810

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he caused to be served to the following named individual with a copy of the pleading indicated below by mailing a copy of same to him in the United States mail with sufficient postage affixed thereto and return address clearly marked on the date indicated below.

COUNSEL SERVED:

M. B. Hutson

1345 Biltmore Street

Orangeburg, SC 29115

Plaintiff Pro Se

RECEIVED

OCT 07 2026

SC Court of Appeals

**PLEADING: ORDER GRANTING PLAINTIFFS PENN AMERICA INSURANCE
COMPANY AND GLOBAL INDEMNITY GROUP, LLC'S MOTION FOR
PERMANENT RESTRAINING ORDER**

Respectfully submitted,
COLLINS & LACY, P.C.

By: s/Christian Stegmaier
CHRISTIAN STEGMAIER
SC Bar No.: 68648
cstegmaier@collinsandlacy.com
Post Office Box 12487
Columbia, SC 29211
803.256.2660 (voice)
803.771.4484 (fax)

January 9, 2025
Columbia, South Carolina

ATTORNEYS FOR PENN AMERICA
INSURANCE COMPANY AND GLOBAL
INDEMNITY GROUP, LLC