

THE STATE OF SOUTH CAROLINA
IN THE SUPREME COURT

RECEIVED

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Appeal from Richland County Court of Common Pleas
George James, Jr., Circuit Court Judge
James F. Barber, Supervising Circuit Court Judge
(Formerly Pending before the South Carolina Court of Appeals) **S.C. Supreme Court**

Howard Hammer Appellant

v.

Shirley Hammer Respondent

Case No. 2009-CP-40-05911
Appellate No. 2013-001652

1634 Main, L.P. Plaintiff/ Appellant

v.

Shirley Hammer a/k/a Shirley Grace Hightower Defendant and Third Party
Plaintiff/Respondent

v.

Howard Hammer Appellant/Additional
Defendant on Counterclaim/Appellant

Case No. 2010-CP-40-2889
Appellate No. 2013-001634

**RECORD ON APPEAL
VOLUME IV**

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Form 4562 (2007)

1634 Main, LP c/o Danville Business Advi

2

Part IV Listed Property (include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		☐ Yes ☐ No		24b If "Yes," is the evidence written?		☐ Yes ☐ No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/Investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use							25
26 Property used more than 50% in a qualified business use:							
		%					
		%					
		%					
27 Property used 50% or less in a qualified business use:							
		%			S/L		
		%			S/L		
		%			S/L		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part V Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year:					
43 Amortization of costs that began before your 2007 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

716252/11-03-07

Form 4562 (2007)

16060325 758692 3459

8
2007.05030 1634 Main, LP c/o Danville 3459__1

2007 DEPRECIATION AND AMORTIZATION REPORT
Office Building, Columbia, SC

R- 1

[illegible]

1634 Main, LP c/o Danville Business Advi

Schedule K	Net Income (Loss) from Rental Real Estate	Statement	1

Description	Amount
Office Building, Columbia, SC	13,155.
Office Building, Columbia, SC	0.
Total to Schedule K, Line 2	13,155.

Schedule K	Interest Income	Statement	2

Description	U.S. Bonds	Other
Interest Income		517.
Total to Schedule K, Line 5		517.

Form 1065	Partners' Capital Account Summary	Statement	3

Partner Number	Beginning Capital	Capital Contributed	Schedule M-2 Lns 3, 4 & 7	With- drawals	Ending Capital
1	8,816.		86.		8,902.
2	130,872.		5,168.		136,040.
5	91,548.		7,766.		99,314.
6	62,384.		652.		63,036.
Total	293,620.		13,672.		307,292.

1634 Main, LP c/o Danville Business Adv

Other Rental Expenses

Statement

4

Property: Office Building, Columbia, SC

Description

Amount

Water & Sewer	950.
Telephone	1,208.
Security	494.
Professional Fees	6,500.
Bank Charges	134.
Miscellaneous	112.
Total to Rental Schedule, Line 15	9,398.

10.1

728104
04-27-07

Schedule K-1
(Form 1065)

For calendar year 2007, or tax

2007

Department of the Treasury
Internal Revenue Service

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, LP
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201C IRS Center where partnership filed return
Cincinnati, OHD ☐ Check if this is a publicly traded partnership (PTP)**Part II** Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

SH5, LLC
1634 Main Street
Columbia, SC 29201G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC memberH ☒ Domestic partner ☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	0.6300000%	0.6300000%
Loss	0.6300000%	0.6300000%
Capital	0.6300000%	0.6300000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	8,816.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	86.
Withdrawals & distributions	\$	
Ending capital account	\$	8,902.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	16 Credits
2 Net rental real estate income (loss)	83.	17 Alternative min tax (AMT) items
3 Other net rental income (loss)		A 1.
4 Guaranteed payments		18 Tax-exempt income and nondeductible expenses
5 Interest income	3.	19 Distributions
6a Ordinary dividends		20 Other information
6b Qualified dividends		A 3.
7 Royalties		
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		
9c Unrecaptured sec 1250 gain		
10 Net section 1231 gain (loss)		
11 Other income (loss)		
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

*See attached statement for additional information.

For IRS Use Only

JWA For Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 2007

711261
12-31-07

16060325 758692 3459

2007.05030 1634 Main, LP c/o Danville 3459 1
20

Schedule K-1
(Form 1065)

For calendar year 2007, or tax

2007

Department of the Treasury
Internal Revenue Serviceyear beginning _____
ending _____**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, LP
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201D IRS Center where partnership filed return
Cincinnati, OHD ☐ Check if this is a publicly traded partnership (PTP).**Part II Information About the Partner**

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

Howard Hammer
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC☒ Limited partner or other LLC
member-manager memberH ☒ Domestic partner☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	37.8000000%	37.8000000%
Loss	37.8000000%	37.8000000%
Capital	37.8000000%	37.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	130,872.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	5,168.
Withdrawals & distributions	\$	
Ending capital account	\$	136,040.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	4,972.	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	196.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		A 62.
7 Royalties		18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 196.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

*See attached statement for additional information.

For IRS Use Only

JWA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2007

711281
12-31-07

16060325 758692 3459

2007.05030 1634 Main, LP c/o Danville 3459 1

651107

Schedule K-1
(Form 1085)

For calendar year 2007, or tax

2007

Department of the Treasury
Internal Revenue Service

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

Part I

Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, LP
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

Cincinnati, OH

D ☐ Check if this is a publicly traded partnership (PTP)**Part II**

Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC
member-manager☒ Limited partner or other LLC
memberH ☒ Domestic partner☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	56.8000000%	56.8000000%
Loss	56.8000000%	56.8000000%
Capital	56.8000000%	56.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	91,548.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	7,766.
Withdrawals & distributions	\$	
Ending capital account	\$	99,314.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	7,473.	
3 Other net rental income (loss)		16 Foreign transactions
4 Guaranteed payments		
5 Interest income	293.	
6a Ordinary dividends		
6b Qualified dividends		17 Alternative min tax (AMT) items
7 Royalties		A 92.
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 293.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

*See attached statement for additional information.

For IRS Use Only

JWA For Paperwork Reduction Act Notice, see Instructions for Form 1085.

Schedule K-1 (Form 1085) 2007

711281
12-31-07

16060325 758692 3459

13
2007.05030 1634 Main, LP c/o Danville 3459 5
1

Schedule K-1
(Form 1065)

For calendar year 2007, or tax

2007

Department of the Treasury
Internal Revenue Serviceyear beginning _____
ending _____Partner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number _____

B Partnership's name, address, city, state, and ZIP code

1634 Main, LP
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201C IRS Center where partnership filed return
Cincinnati, OHD ☐ Check if this is a publicly traded partnership (PTP)**Part II** Information About the Partner

E Partner's identifying number _____

F Partner's name, address, city, state, and ZIP code

David Hammer
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC memberH ☒ Domestic partner ☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	4.7700000%	4.7700000%
Loss	4.7700000%	4.7700000%
Capital	4.7700000%	4.7700000%

K Partner's share of liabilities at year end:

Nonrecourse	\$ _____
Qualified nonrecourse financing	\$ _____
Recourse	\$ 0.

L Partner's capital account analysis:

Beginning capital account	\$ 62,384.
Capital contributed during the year	\$ _____
Current year increase (decrease)	\$ 652.
Withdrawals & distributions	\$ _____
Ending capital account	\$ 63,036.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain) _____
☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	627.	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	25.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		A 8.
7 Royalties		18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 25.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

* See attached statement for additional information.

For IRS Use Only

JWA For Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 2007

711281
12-31-07

16060325 758692 3459

2007.05030 1634 Main, LP c/o Danville 3459 1

1065

U.S. Return of Partnership Income

1511
CLIENT COPY

OMB No. 1545-0046

2008

For calendar year 2008, or tax year beginning _____, ending _____

A Principal business activity

Rental

B Principal product or service

Real Estate

C Business code number

531120

Use
the
IRS
label,
Other-
wise,
print
or
type.

Name of partnership

1634 Main, L.P.

c/o Danville Business Advisors, LLC

Number, street, and room or suite no. If a P.O. box, see the instructions.

500 Taylor Street, Suite 401

City or town, state, and ZIP code

Columbia, SC 29201

D Employer identification number

E Date business started

01/01/2001

F Total assets

\$ 291,385.

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return (6) ☐ Technical termination - also check (1) or (2)

H Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 4

J Check if Schedule M-3 attached ☐

Caution. Include only trade or business income and expenses or

the instructions for more information.

Income	1 a Gross receipts or sales		1c
	b Less returns and allowances		
	2 Cost of goods sold (Schedule A, line 8)		2
	3 Gross profit. Subtract line 2 from line 1c		3
	4 Ordinary income (loss) from other partnerships, estates, and		4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))		5
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form		6
	7 Other income (loss) (attach statement)		7
8 Total income (loss). Combine lines 3 through 7		8	
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)		9
	10 Guaranteed payments to partners		10
	11 Repairs and maintenance		11
	12 Bad debts		12
	13 Rent		13
	14 Taxes and licenses		14
	15 Interest		15
	16 a Depreciation (if required, attach Form 4562)	16a	16
	b Less depreciation reported on Schedule A and elsewhere on return	16b	16c
	17 Depletion (Do not deduct oil and gas depletion.)		17
	18 Retirement plans, etc.		18
	19 Employee benefit programs		19
	20 Other deductions (attach statement)		20
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20		21	
22 Ordinary business income (loss). Subtract line 21 from line 8		22	

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager

Date

May the IRS discuss this return with the preparer shown below (see Instr.?)

☒ Yes ☐ No

Paid

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or RDN

Preparer's Use Only

Firm's name (or yours if self-employed), address, and ZIP code

Bernard N. Ackerman, CPA, P.A.

864 Riverview Road

Rock Hill, SC 29730-2743

EIN

Phone no.

803-366-8371

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form 1065 (2008)

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Page 2

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9 a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ▶

- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ☐
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐
- d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No
- e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
- If "Yes," attach explanation.

Schedule B Other Information

- 1 What type of entity is filing this return? Check the applicable box:
- | | | | |
|---|--|-----|----|
| a ☐ Domestic general partnership | b ☒ Domestic limited partnership | Yes | No |
| c ☐ Domestic limited liability company | d ☐ Domestic limited liability partnership | | |
| e ☐ Foreign partnership | f ☐ Other ▶ | | |
- 2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? ☒
- 3 At the end of the tax year:
- a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below ☒

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

- b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below ☒

(i) Name of Individual or Estate	(ii) Social Security Number or Employer Identification Number	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Shirley Hightower	1	United States	56.80

- 4 At the end of the tax year, did the partnership:

- a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below ☒

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

Form 1065 (2008) **1634 Main, L.P. c/o Danville Business Ad**

Page 3

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see Instructions. If "Yes," complete (i) through (v) below.

Yes	No
	X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

6	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
6	Does the partnership satisfy all four of the following conditions?		
a	The partnership's total receipts for the tax year were less than \$250,000.		
b	The partnership's total assets at the end of the tax year were less than \$ 1 million.		
c	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d	The partnership is not filing and is not required to file Schedule M-3	X	
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10	At any time during calendar year 2008, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.		X
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a	Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (including a disregarded entity)		
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions		
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.		
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		X

Designation of Tax Matters Partner (see Instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ► **SH5, LLC - Howard Hammer**

Identifying number of TMP

Address of designated TMP ► **1634 Main Street
Columbia, SC 29201**

Form 1065 (2008)

Form 1065 (2008) 1634 Main, L.P. c/o Danville Business Ad

Page 4

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	0.
	2 Net rental real estate income (loss) (attach Form 8825) See Statement 1	2	<12,831.>
	3 a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income See Statement 2	5	260.
	6 Dividends: a Ordinary dividends 6b	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
Deductions	9 a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b Collectibles (28%) gain (loss) 9b		
	c Unrecaptured section 1250 gain (attach statement) 9c		
	10 Net section 1231 gain (loss) (attach Form 4797)	10	
	11 Other income (loss) (see instructions) Type ▶	11	
	12 Section 179 deduction (attach Form 4562)	12	
	13 a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
	d Other deductions (see instructions) Type ▶	13d	
	Self-Employment	14 a Net earnings (loss) from self-employment	14a
b Gross farming or fishing income		14b	
c Gross nonfarm income		14c	
		14d	
Credits	15 a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16 a Name of country or U.S. possession ▶		
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
	d Passive category ▶ e General category ▶ f Other ▶	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense ▶ h Other ▶	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive category ▶ j General category ▶ k Other ▶	16k	
	l Total foreign taxes (check one): ▶ Paid ☐ Acrued ☐	16l	
	m Reduction in taxes available for credit (attach statement)	16m	
Alternative Minimum Tax (AMT) Items	n Other foreign tax information (attach statement)		
	17 a Post-1986 depreciation adjustment	17a	163.
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties - gross income	17d	
	e Oil, gas, and geothermal properties - deductions	17e	
Other Information	f Other AMT items (attach statement)	17f	
	18 a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19 a Distributions of cash and marketable securities	19a	3,335.
	b Distributions of other property	19b	
	20 a Investment income	20a	260.
b Investment expenses	20b		
c Other items and amounts (attach statement)			

Analysis of Net Income (Loss)

1 Net Income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1	<12,571.>
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners		<79.>					
b Limited partners			<12,492.>				

Schedule L Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		40,027.		10,619.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	Statement 3			20,000.
7 Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets	295,940.		295,940.	
b Less accumulated depreciation	87,739.	208,201.	94,237.	201,703.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)		59,063.		59,063.
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)				
14 Total assets		307,291.		291,385.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)				
21 Partners' capital accounts		307,291.		291,385.
22 Total liabilities and capital		307,291.		291,385.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net Income (loss) per books	<12,571.>	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation \$	
a Depreciation \$		8 Add lines 6 and 7	
b Travel and entertainment \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	<12,571.>
5 Add lines 1 through 4	<12,571.>		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	307,291.	6 Distributions: a Cash	3,335.
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net Income (loss) per books	<12,571.>	8 Add lines 6 and 7	3,335.
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 6	291,385.
5 Add lines 1 through 4	294,720.		

Form **8825**
(Rev. December 2006)
Department of the Treasury
Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

OMB No. 1545-1186

▶ See instructions on page 2.
▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

Name 1634 Main, L.P.

c/o Danville Business Advisors, LLC

Employer identification number

1 Show the kind and location of each property. See page 2 to list additional properties.

A Office Building, Columbia, SCB Office Building, Columbia, SCCD

Rental Real Estate Income		Properties			
		A	B	C	D
2 Gross rents	2	83,079.			
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5	12,625.			
6 Commissions	6	960.			
7 Insurance	7	1,854.			
8 Legal and other professional fees	8				
9 Interest	9				
10 Repairs	10	15,492.			
11 Taxes	11	27,124.			
12 Utilities	12	21,548.			
13 Wages and salaries	13				
14 Depreciation (see instructions)	14	6,498.			
15 Other (list) ▶ Stmt 5	15	9,809.			
16 Total expenses for each property. Add lines 3 through 15	16	95,910.			
17 Total gross rents. Add gross rents from line 2, columns A through H		17	83,079.		
18 Total expenses. Add total expenses from line 16, columns A through H		18	(95,910.)		
19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities		19			
20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)		20a			
b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:					
(1) Name	(2) Employer identification number				
21 Net rental real estate income (loss). Combine lines 17 through 20a. Enter the result here and on:		21	<12,831.>		
- Form 1065 or 1120S: Schedule K, line 2, or - Form 1065-B: Part I, line 4					

1 Show the kind and location of each property.

E _____
F _____
G _____
H _____

		Properties			
		E	F	G	H
Rental Real Estate Income					
2	Gross rents	2			
Rental Real Estate Expenses					
3	Advertising	3			
4	Auto and travel	4			
5	Cleaning and maintenance	5			
6	Commissions	6			
7	Insurance	7			
8	Legal and other professional fees	8			
9	Interest	9			
10	Repairs	10			
11	Taxes	11			
12	Utilities	12			
13	Wages and salaries	13			
14	Depreciation (see instructions)	14			
15	Other (list) ▶	15			
16	Total expenses for each property. Add lines 3 through 15	16			

JWA

Form 8825 (12-2006)

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

R-

1

OMB No. 1545-0172

2008Attachment
Sequence No. 67Name(s) shown on return
1634 Main, L.P.

c/o Danville Business Advisors, LLC

Business or activity to which this form relates

Office Building,
Columbia, SC

Identifying number

Part I Election To Expense Certain Property Under Section 179. Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	6,498.

18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	6,498.
23	Portion of the basis attributable to section 263A costs	23	

816251
11-08-08 LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2008)

13410408 758692 3459

2008.03040 1634 Main, L.P. c/o Danvill 3459 1

Form 4562 (2008)

1634 Main, L.P. c/o Danville Business Ad

Page 2

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No 24b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ Investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	

26 Property used more than 50% in a qualified business use:

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ Investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ Investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
		%				S/L		
		%				S/L		
		%				S/L		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year:					
43 Amortization of costs that began before your 2008 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

816252 11-08-08

Form 4562 (2008)

2008 DEPRECIATION AND AMORTIZATION REPORT
Office Building, Columbia, SC

R- 1

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	Building	01/01/01	SL	39.00	17	253,415.			253,415.	45,214.		6,498.
2	Land	01/01/01	L			59,063.			59,063.			0.
3	Carpet & Furnishings	01/01/01	200DB	5.00	17	42,525.			42,525.	42,525.		0.
	* Total Rental Depreciation					355,003.			355,003.	87,739.		6,498.

828102
04-25-08

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

1634 Main, L.P. c/o Danville Business Ad

Schedule K	Net Income (Loss) from Rental Real Estate	Statement	1
Description		Amount	
Office Building, Columbia, SC		<12,831.>	
Office Building, Columbia, SC		0.	
Total to Schedule K, Line 2		<12,831.>	

Schedule K	Interest Income	Statement	2
Description	U.S. Bonds	Other	
Interest Income		260.	
Total to Schedule K, Line 5		260.	

Schedule L	Other Current Assets	Statement	3
Description	Beginning of Tax Year	End of Tax Year	
Amount due from Howard Hammer		20,000.	
Total to Schedule L, Line 6		20,000.	

Form 1065	Partners' Capital Account Summary				Statement	4
Partner Number	Beginning Capital	Capital Contributed	Schedule M-2 Lns 3, 4 & 7	With- drawals	Ending Capital	
1	8,902.		<79.>		8,823.	
2	136,039.		<4,752.>	1,744.	129,543.	
5	99,314.		<7,140.>	1,591.	90,583.	
6	63,036.		<600.>		62,436.	
Total	307,291.		<12,571.>	3,335.	291,385.	

Other Rental Expenses

Statement 5

Property: Office Building, Columbia, SC

DescriptionAmount

Water & Sewer	1,189.
Telephone	1,217.
Security	506.
Professional Fees	6,750.
Miscellaneous	112.
Garbage Removal	35.
Total to Rental Schedule, Line 15	9,809.

ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	Regular Depreciation	AMT Depreciation	AMT Adjustment
1	Building	01/01/01	SL	40.00	253,415.	44,083.	6,498.	6,335.	163.
3	Carpet & Furnishings	01/01/01	150DB		42,525.	42,525.	0.	0.	0.
	Totals				295,940.	86,608.	6,498.	6,335.	163.
	MACRS AMT Adjustment							163.	

828104
04-25-08

Schedule K-1
(Form 1085)

2008

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

Cincinnati, OH

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

SH5, LLC
1634 Main Street
Columbia, SC 29201G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC memberH ☒ Domestic partner ☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	0.6300000%	0.6300000%
Loss	0.6300000%	0.6300000%
Capital	0.6300000%	0.6300000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	8,902.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	<79.
Withdrawals & distributions	\$	
Ending capital account	\$	8,823.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)
☐ Final K-1☐ Amended K-1

OMB No. 1545-0089

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	16 Credits
2 Net rental real estate income (loss)	<81.>	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	2.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		A 1.
7 Royalties		
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 2.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

*See attached statement for additional information.

For IRS Use Only

LHA For Paperwork Reduction Act Notice, see Instructions for Form 1085.

Schedule K-1 (Form 1085) 2008

811291
12-31-08

13410408 758692 3459

12
2008.03040 1634 Main, L.P. c/o Danville 3459 1

Schedule K-1
(Form 1065)

2008

For calendar year 2008, or tax

Department of the Treasury
Internal Revenue Serviceyear beginning _____
ending _____Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partner's employment identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201C IRS Center where partnership filed return
Cincinnati, OHD ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

Howard Hammer
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC
member-manager☒ Limited partner or other LLC
memberH ☒ Domestic partner☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	37.8000000%	37.8000000%
Loss	37.8000000%	37.8000000%
Capital	37.8000000%	37.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	136,039.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	<4,752.
Withdrawals & distributions	\$	1,744.
Ending capital account	\$	129,543.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	<4,850.>	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	98.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends	A	62.
7 Royalties		18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		A 1,744.
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 98.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

*See attached statement for additional information.

For IRS Use Only

LHA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2008

811201
12-31-08

13410408 758692 3459

2008.03040 13
1634 Main, L.P. c/o Danville 3459 2
1

Schedule K-1
(Form 1065)

2008

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

Cincinnati, OH

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC
member-manager☒ Limited partner or other LLC
memberH ☒ Domestic partner☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	56.8000000%	56.8000000%
Loss	56.8000000%	56.8000000%
Capital	56.8000000%	56.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	99,314.
Capital contributed during the year	\$	
Current year Increase (decrease)	\$	<7,140.
Withdrawals & distributions	\$	1,591.
Ending capital account	\$	90,583.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	<7,288.>	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	148.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		A 92.
7 Royalties		
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		A 1,591.
10 Net section 1231 gain (loss)		20 Other Information
11 Other income (loss)		A 148.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	0.	

*See attached statement for additional information.

For IRS Use Only

LHA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2008

811261
12-31-08

Schedule K-1
(Form 1065)

2008

For calendar year 2008, or tax

Department of the Treasury
Internal Revenue Service

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

Cincinnati, OH

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

David Hammer
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC
member-manager☒ Limited partner or other LLC
memberH ☒ Domestic partner☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	4.7700000%	4.7700000%
Loss	4.7700000%	4.7700000%
Capital	4.7700000%	4.7700000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	63,036.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	<600.
Withdrawals & distributions	\$	
Ending capital account	\$	62,436.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)

0.

15 Credits

2 Net rental real estate income (loss)

<612.>

16 Foreign transactions

3 Other net rental income (loss)

4 Guaranteed payments

5 Interest income

12.

6a Ordinary dividends

6b Qualified dividends

17 Alternative min tax (AMT) items

A

8.

7 Royalties

8 Net short-term capital gain (loss)

18 Tax-exempt income and
nondeductible expenses

9a Net long-term capital gain (loss)

9b Collectibles (28%) gain (loss)

19 Distributions

9c Unrecaptured sec 1250 gain

10 Net section 1231 gain (loss)

20 Other information

A

12.

11 Other income (loss)

12 Section 179 deduction

13 Other deductions

14 Self-employment earnings (loss)

A

0.

*See attached statement for additional information.

For IRS Use Only

LHA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2008

811201
12-31-08

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2008.03040 1634 Main, L.P. c/o Danvill 3459

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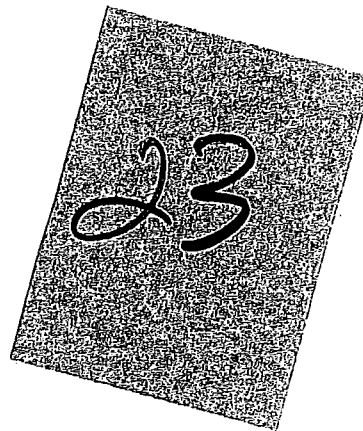
1634 Main, L.P.
c/o 1634 Main Street
Columbia, S.C. 29201

To: All Limited and General Partners of 1634 Main LP
From: SH5LLC, The General Partner of 1634 Main LP
Date: November 12, 2009

Enclosed please find self explanatory letter requiring payment of funds in accord with said letter, payment being required prior to November 30th, 2009.

Please consider this as a formal demand for payment in accord with letter dated November 10, 2009 from Danville Business Advisors LLC, 1634 Main LP's management company.

c.c. SH5LLC
David Hammer, a minor
Shirley Hightower
Howard Hammer





Marion D. Turbeville
Principal

BUSINESS ADVISORS, LLC

William O. Danielson
Principal

November 10, 2009

HAND DELIVERED

Howard Hammer
Managing Partner
1634 Main, LP
1634 Main Street, Suite 201
Columbia, SC 29201

Re: Capital Building Improvements
1634 Main Street

Dear Howard:

Pursuant to our most recent meeting and my previous correspondence to you dated October 12, 2009, regarding the capital improvements that need to be made at 1634 Main Street, I have now obtained a quote from a stucco contractor for the removing the existing EFIS system on the front and back of the building, as well as the back parking lot wall. Pressure washing the exterior of the building and the wall are not an option, since the existing finishes are severely delaminated. This is consistent with the opinion given to me by architect Curt Davis a couple of years ago when I explored pressure washing with him.

Now that I have all of the capital improvement proposal in my file, the revised numbers are as follows:

Meyer Mechanical Services, LLC	Replac ten (10) ton heating and air conditioning unit \$10,240.00
Aqua Seal Mfg. & Roofing, Inc.	Remove and replace existing roof \$38,950.00
Flooring Concepts, Inc.	Remove existing carpet in first and second floor hallways and elevator and replace with new carpet and hard tile \$17,500.00
Superior Stone Designs, LLC	Remove existing EIFS stucco system from front and back of building and stucco from back parking lot wall and replace with Acrocrete's hard coat system \$84,185.00
Miscellaneous General Repairs	\$4,000.00
Total	\$154,875.00 Rounded \$155,000.00

Page 2

November 10, 2009

Each member's proportionate share of the capital improvements budget based on their respective ownership interest is as follows:

SH5, LLC (0.63 %)	\$976.50
David Hammer (4.77%)	\$7,393.50
Howard Hammer (37.80%)	\$58,590.00
Shirley Hightower (56.80%)	\$88,040.00

Howard, these capital improvements, at a minimum, need to be made to protect 1634 Main, LP's investment in this property. Given the current economic climate, most construction subcontractors are in dire need of work, and these quotes are likely to be the most competitive that we will obtain in the near future.

Please share this information with the other members of the partnership and make arrangements to have funds to me by November 30, 2009.

Sincerely yours,

Marion D. Turbeville



Quality Stonework By . . .

Superior Stone Designs, LLC

November 9, 2009

Buildvision, Inc.
P.O. Box 6906
1087 Harbor Drive
West Columbia, SC 29171
Attn: Mike Hunt

RE: Stucco Replacement 1634 Main St.

Dear Mike,

It was good to see you again the other day. I'm glad to see that your business is off and running. Thank you for allowing us to quote you on the above referenced project. The following is our proposal:

SCOPE OF WORK

1. We will remove all EIFS stucco system from the front and rear building face and replace with Acrocrete's hard coat stucco system. The building accents and details will remain the same as they are currently. The stucco colors are to be chosen by others.
Total.....\$54,385.00
2. We will remove all existing stucco from the back parking lot wall and replace with Acrocrete's hard coat stucco system. This wall is currently a mix of EIFS stucco and hard coat stucco. The hard coat stucco has started to delaminate in several large areas and we would highly recommend replacing rather than trying to patch this stucco.
Total.....\$29,800.00
3. We will skim the existing stucco system on the back parking lot wall and install new color finish. This option is a patch method and not recommended due to the current delaminating of the existing stucco system.
Total.....\$15,280.00
4. The left side wall of the building already has a hard coat stucco system. We recommend power washing the existing finish, patching where necessary, and painting this wall with an elastomeric paint, color to be chosen by others.
Total.....\$8,575.00

949-B Barr Road • Lexington, SC 29072 • Phone (803) 233-4349 • Fax (803) 233-4807

11/09/09 MON 18:25 ITX/RX NO 9534J

1532

11/10/09 12:43 FAA 803/011/09

Nov. 9. 2009 5:37PM

superior_stone

AEC FIRMS

No. 5516

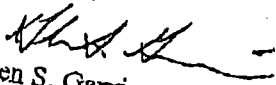
0002

P. 2

We will provide all labor, material, tools and equipment, scaffolding, supervision, and insurances to perform the above mentioned work for the prices above. We will need an area near the building to set a roll off container for trash. Power and water for construction to be furnished by building owner. We will provide a walk tunnel for pedestrian traffic on the Main Street side of the building. Work permits for this project to be obtained by others.

Thank you again for allowing us to quote you on this project. If you have any questions, please feel free to call anytime.

Sincerely,


Glen S. Garrison

11/09/09 12

MON 18:25

[TX/RX NO 0533]



Aqua Seal Manufacturing & Roofing, Inc.

Manufacturers and Appliers of Elastomeric Liquid Rubber Coatings
Certified Appliers of B.U.R., Modified, EPDM Roof Systems

BID PROPOSAL

SC Contractor's License Number: G97868

DATE: September 29, 2009
PROJECT: 1634 Main Street Re-roof
LOCATION: 1634 Main Street, Columbia.
CONTACT: Marion Turbiville / Danville Business Advisors
PHONE: 603-6897 FAX: 765-0799

Scope of Work

Provide all labor, materials and equipment necessary to install a new .045 mechanically attached TPO roof system to achieve a 15 year labor and materials warranty.

Price Includes:

- Removal and disposal of both existing roof systems down to deck.
- Repair rotten wood decking if needed @ an additional charge of \$3.00 per Ft.
- Provide and install new 1/2" High Density board as per manufacturer's specs.
- Provide and install a new .045 TPO roof system as per manufacturer's specs.
- Provide and install all flashing details @ parapet walls, curbs, vents, roof drains and equipment rails as per manufacturer's specs.
- Provide and install new 24 gauge pre-finished coping cap in standard colors.
- Price includes all permits and A/C condensing unit disconnects and reconnects so roof can be installed properly. (Spoke with Bruce about this.)

Proposal Price: \$38,950.00

ACCEPTED BY:

By: _____
Signature Date

Print Name & Title

AQUA SEAL MFG. & ROOFING, INC.

By: Stephen J. Riha
Stephen J. Riha, Vice President

Meyer Mechanical Services LLC.

619 B Avenue

West Columbia, S.C. 29169

803-806-4620

License S.C. # W105823, N.C. # 26990

PROPOSAL NO.
SHEET NO.
DATE 2-25-09

PROPOSAL SUBMITTED TO:

NAME DANVILLE
ADDRESS
PHONE NO. ATTN: MARION

WORK TO BE PERFORMED AT:

ADDRESS HAMMER LAKE BLDG.
DATE OF PLANS
ARCHITECT

We hereby propose to furnish the materials and perform the labor necessary for the completion of

REPLACE EXISTING 10 TON ROOF TOP HEAT PUMP WITH NEW 10 TON UNIT, INCLUDES NEW CURB ADAPTER, ELECTRICAL WORK AND TESTS.

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of

TEN THOUSAND TWO HUNDRED FORTY DOLLARS (\$10,240.00)

with payments to be made as follows.

Respectfully submitted M. M. S.

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Per Bruce Meyer

Note — This proposal may be withdrawn by us if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Date	Signature
	Signature

1065Form
Department of the Treasury
Internal Revenue Service**U.S. Return of Partnership Income**

For calendar year 2010, or tax year beginning _____, ending _____

OMB No. 1545-0099

2010

A Principal business activity		Print or type.	Name of partnership 1634 Main, L.P. c/o Danville Business Advisors, LLC		D Employer identification number 3 [REDACTED]
B Principal product or service			Number, street, and room or suite no. If a P.O. box, see the instructions. 500 Taylor Street, Suite 401		E Date business started 01/01/2001
C Business code number 531120			City or town, state, and ZIP code Columbia SC 29201		F Total assets \$ 280,865.
G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return (6) ☐ Technical termination - also check (1) or (2)					
H Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶					
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶				4	
J Check if Schedules C and M-3 are attached ☐					

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1 a Gross receipts or sales	1a		1c	
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	
	7 Other income (loss) (attach statement)			7	
8 Total income (loss). Combine lines 3 through 7			8		
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	
	12 Bad debts			12	
	13 Rent			13	
	14 Taxes and licenses			14	
	15 Interest			15	
	16 a Depreciation	16a			
	b Less depreciation on return	16b		16c	
	17 Depletion			17	
	18 Retirement plans			18	
	19 Employee's share of self-employment tax			19	
	20 Other deductions			20	
	21 Total deductions. Add the amounts from the far right column for lines 9 through 20			21	
22 Ordinary business income (loss). Subtract line 21 from line 8			22	0.	

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with the preparer shown below (see Instr.)? ☒ Yes ☐ No		
	Signature of general partner or limited liability company member manager		Date		
Paid Preparer Use Only	Print/Type preparer's name Bernard N. Ackerman, CPA	Preparer's signature	Date	Check ☐ If self-employed	PTIN P00153155
	Firm's name Bernard N. Ackerman, CPA, P.A.	Firm's EIN ▶ 57-0707119			
	Firm's address ▶ 864 Riverview Road Rock Hill, SC 29730-2743	Phone no. 803-366-8371			

24

	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$ 1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.	X	
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2010, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ►		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year) ► ☐		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ►		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ►		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ►		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ► SH5, LLC - Howard Hammer

Identifying number of TMP ►

If the TMP is an entity, name of TMP representative ►

Phone number of TMP ►

Address of designated TMP ► 1634 Main Street
Columbia, SC 29201

Schedule K Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 0.
	2 Net rental real estate income (loss) (attach Form 8825) See Statement 1	2 -8,251.
	3 a Other gross rental income (loss) 3a	
	b Expenses from other rental activities (attach statement) 3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Guaranteed payments	4
	5 Interest income See Statement 2	5 17.
	6 Dividends: a Ordinary dividends	6a
	b Qualified dividends 6b	
	7 Royalties	7
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
Income (Loss)	9 a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a
	b Collectibles (28%) gain (loss) 9b	
	c Unrecaptured section 1250 gain (attach statement) 9c	
	10 Net section 1231 gain (loss) (attach Form 4797)	10
Deductions	11 Other income (loss) (see instructions) Type ▶	11
	12 Section 179 deduction (attach Form 4562)	12
	13 a Contributions	13a
	b Investment interest expense	13b
Self-Employment	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)
	d Other deductions (see instructions) Type ▶	13d
	14 a Net earnings (loss) from self-employment	14a 0.
	b Gross farming or fishing income	14b
Credits	c Gross nonfarm income	14c
	15 a Low-income housing credit (section 42(j)(5))	15a
	b Low-income housing credit (other)	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c
	d Other rental real estate credits (see instructions) Type ▶	15d
	e Other rental credits (see instructions) Type ▶	15e
Foreign Transactions	f Other credits (see instructions) Type ▶	15f
	16 a Name of country or U.S. possession ▶	
	b Gross income from all sources	16b
	c Gross income sourced at partner level	16c
	Foreign gross income sourced at partnership level	
	d Passive category ▶ e General category ▶ f Other ▶	16f
	Deductions allocated and apportioned at partner level	
	g Interest expense ▶ h Other ▶	16h
	Deductions allocated and apportioned at partnership level to foreign source income	
	i Passive category ▶ j General category ▶ k Other ▶	16k
	l Total foreign taxes (check one): Paid ☐ Accrued ☐ k Other ▶	16l
m Reduction in taxes available for credit (attach statement)	16m	
Alternative Minimum Tax (AMT) Items	n Other foreign tax information (attach statement)	
	17 a Post-1986 depreciation adjustment	17a 163.
	b Adjusted gain or loss	17b
	c Depletion (other than oil and gas)	17c
	d Oil, gas, and geothermal properties - gross income	17d
	e Oil, gas, and geothermal properties - deductions	17e
Other Information	f Other AMT items (attach statement)	17f
	18 a Tax-exempt interest income	18a
	b Other tax-exempt income	18b
	c Nondeductible expenses	18c
	19 a Distributions of cash and marketable securities	19a
	b Distributions of other property	19b
Other Information	20 a Investment income	20a 17.
	b Investment expenses	20b
	c Other items and amounts (attach statement)	

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16i						1	-8,234.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners		-52.					
b Limited partners			-8,182.				

Schedule L Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		7,331.		5,594.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	Statement 3	27,500.		27,500.
7 Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets	295,940.		295,940.	
b Less accumulated depreciation	100,735.	195,205.	107,232.	188,708.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)		59,063.		59,063.
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)				
14 Total assets		289,099.		280,865.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)				
21 Partners' capital accounts		289,099.		280,865.
22 Total liabilities and capital		289,099.		280,865.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	-8,234.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16i, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16i (itemize):		a Depreciation \$	
a Depreciation \$		8 Add lines 6 and 7	
b Travel and entertainment \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-8,234.
5 Add lines 1 through 4	-8,234.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	289,099.	6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	-8,234.	8 Add lines 6 and 7	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	280,865.
5 Add lines 1 through 4	280,865.		

Form **8825**
(Rev. December 2010)
Department of the Treasury
Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

OMB No. 1545-1186

▶ See instructions on page 2.
▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

Name **1634 Main, L.P.**
c/o Danville Business Advisors, LLC

Employer identification number

1	Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.	Physical address of each property - street, city, state, ZIP code	Type - Enter code 1-8; see page 2 for list	Fair Rental Days	Personal Use Days
A			8 - Office Building, Columbia, SC		
B					
C					
D					

Rental Real Estate Income		Properties			
		A	B	C	D
2	Gross rents	84,396.			
Rental Real Estate Expenses					
3	Advertising				
4	Auto and travel				
5	Cleaning and maintenance	13,109.			
6	Commissions	5,330.			
7	Insurance	1,678.			
8	Legal and other professional fees				
9	Interest				
10	Repairs	30,540.			
11	Taxes				
12	Utilities	23,165.			
13	Wages and salaries				
14	Depreciation (see instructions)	6,498.			
15	Other (list) ▶ Stmt 5	12,327.			
16	Total expenses for each property. Add lines 3 through 15	92,647.			
17	Income or (Loss) from each property. Subtract line 16 from line 2	-8,251.			

18a	Total gross rents. Add gross rents from line 2, columns A through H	18a	84,396.
b	Total expenses. Add total expenses from line 16, columns A through H	18b	(92,647)
19	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	19	
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	20a	
b	Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:		
(1) Name		(2) Employer identification number	
21	Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4	21	-8,251.

1634 Main, L.P. c/o Danville Business Ad

Form 8825 (12-2010)

Page 2

1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.			
	Physical address of each property - street, city, state, ZIP code	Type - Enter code 1-8; see below for list	Fair Rental Days Personal Use Days
E			
F			
G			
H			

Rental Real Estate Income		Properties			
		E	F	G	H
2 Gross rents	2				
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7				
8 Legal and other professional fees	8				
9 Interest	9				
10 Repairs	10				
11 Taxes	11				
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ▶	15				
16 Total expenses for each property. Add lines 3 through 15	16				
17 Income or (Loss) from each property. Subtract line 16 from line 2	17				

Allowable Codes for Type of Property

- 1 - Single Family Residence
- 2 - Multi-Family Residence
- 3 - Vacation or Short-Term Rental
- 4 - Commercial
- 5 - Land
- 6 - Royalties
- 7 - Self-Rental
- 8 - Other (Include description with the code on Form 8825 or on a separate statement)

JWA

Form 8825 (12-2010)

**SCHEDULE B-1
(Form 1065)**(December 2009)
Department of the Treasury
Internal Revenue Service**Information on Partners Owning 50% or
More of the Partnership**

▶ Attach to Form 1065. See instructions.

OMB No. 1545-0099

Name of partnership

1634 Main, L.P.

c/o Danville Business Advisors, LLC

Employer identification number

Part I Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Shirley Hightower		United States	56.80

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule B-1 (Form 1065) (12-2009)

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

R-

1

OMB No. 1545-0172

2010Attachment
Sequence No. 67

Name(s) shown on return

1634 Main, L.P.
c/o Danville Business Advisors, LLC

Business or activity to which this form relates

Office Building,
Columbia, SC

Identifying number

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	6,498.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life				S/L	
b 12-year		12 yrs.		S/L	
c 40-year	/	40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	6,498.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Form 4562 (2010)

1634 Main, L.P. c/o Danville Business Ad

Page 2

Part V**Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A - Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		☐ Yes ☐ No		24b If "Yes," is the evidence written?		☐ Yes ☐ No		
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year:					
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

2010 DEPRECIATION AND AMORTIZATION REPORT
Office Building, Columbia, SC

R- 1

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	Building	01/01/01	SL	39.00	17	253,415.			253,415.	58,210.		6,498.
2	Land	01/01/01	L			59,063.			59,063.			0.
3	Carpet & Furnishings	01/01/01	200DB	5.00	17	42,525.			42,525.	42,525.		0.
	* Total Rental Depreciation					355,003.			355,003.	100,735.		6,498.

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

10.1

1634 Main, L.P. c/o Danville Business Ad

Schedule K	Net Income (Loss) from Rental Real Estate	Statement	1

Description	Amount
Office Building, Columbia, SC	-8,251.
Total to Schedule K, Line 2	-8,251.

Schedule K	Interest Income	Statement	2

Description	U.S. Bonds	Other
Interest Income		17.
Total to Schedule K, Line 5		17.

Schedule L	Other Current Assets	Statement	3

Description	Beginning of Tax Year	End of Tax Year
Amount due from Howard Hammer	27,500.	27,500.
Total to Schedule L, Line 6	27,500.	27,500.

Form 1065	Partners' Capital Account Summary	Statement	4

Partner Number	Beginning Capital	Capital Contributed	Schedule M-2 Lns 3, 4 & 7	With-drawals	Ending Capital
1	8,809.		-52.		8,757.
2	128,678.		-3,112.		125,566.
5	89,285.		-4,677.		84,608.
6	62,327.		-393.		61,934.
Total	289,099.		-8,234.		280,865.

1634 Main, L.P. c/o Danville Business Ad

Other Rental Expenses

Statement 5

Property: Office Building, Columbia, SC
 Location:

Description	Amount
Supplies	76.
Water & Sewer	1,652.
Telephone	1,213.
Security	563.
Professional Fees	8,212.
Bank Charges	107.
Miscellaneous	504.
Total to Rental Schedule, Line 15	12,327.

Gross Rental Income

Statement 6

Property: Office Building, Columbia, SC
 Location:

Description	Amount
Gross rental income	84,376.
Other Income, M-3 Line 1	20.
Total to Rental Schedule, Line 2	84,396.

ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	Regular Depreciation	AMT Depreciation	AMT Adjustment
1	Building	01/01/01	SL	40.00	253,415.	56,753.	6,498.	6,335.	163.
3	Carpet & Furnishings	01/01/01	150DB		42,525.	42,525.	0.	0.	0.
	Totals				295,940.	99,278.	6,498.	6,335.	163.
	MACRS AMT Adjustment							163.	

Schedule K-1
(Form 1065)

2010

For calendar year 2010, or tax

Department of the Treasury
Internal Revenue Service

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	15 Credits
0.	
2 Net rental real estate income (loss)	16 Foreign transactions
-52.	
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	A 1.
7 Royalties	
8 Net short-term capital gain (loss)	18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	
10 Net section 1231 gain (loss)	20 Other information
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss)	
A 0.	

*See attached statement for additional information.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

Ogden, UT

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

SH5, LLC
1634 Main Street
Columbia, SC 29201G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC memberH ☒ Domestic partner ☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	0.6300000%	0.6300000%
Loss	0.6300000%	0.6300000%
Capital	0.6300000%	0.6300000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	8,809.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-52.
Withdrawals & distributions	\$	
Ending capital account	\$	8,757.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If "Yes", attach statement (see instructions)

For IRS Use Only

651110

Schedule K-1
(Form 1065)

For calendar year 2010, or tax

2010Department of the Treasury
Internal Revenue Service

year beginning

ending

**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See separate instructions.

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	15 Credits
0.	
2 Net rental real estate income (loss)	16 Foreign transactions
-3,119.	
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income	
7.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	A 62.
7 Royalties	
8 Net short-term capital gain (loss)	18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	
10 Net section 1231 gain (loss)	20 Other Information
	A 7.
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss)	
A 0.	

*See attached statement for additional information.

For IRS Use Only

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

Ogden, UT

D ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner**

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

Howard Hammer
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC memberH ☒ Domestic partner ☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	37.8000000%	37.8000000%
Loss	37.8000000%	37.8000000%
Capital	37.8000000%	37.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	128,678.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-3,112.
Withdrawals & distributions	\$	
Ending capital account	\$	125,566.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If "Yes", attach statement (see instructions)

Schedule K-1
(Form 1065)

2010

For calendar year 2010, or tax

Department of the Treasury
Internal Revenue Service

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

Part I Information About the Partnership	
A Partnership's employer identification number [REDACTED]	
B Partnership's name, address, city, state, and ZIP code 1634 Main, L.P. c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201	
C IRS Center where partnership filed return Ogden, UT	
D ☐ Check if this is a publicly traded partnership (PTP)	
Part II Information About the Partner	
E Partner's identification number [REDACTED]	
F Partner's name, address, city, state, and ZIP code Shirley Hightower 1634 Main Street Columbia, SC 29201	
G ☐ General partner or LLC member-manager	☒ Limited partner or other LLC member
H ☒ Domestic partner	☐ Foreign partner
I What type of entity is this partner? <u>Individual</u>	
J Partner's share of profit, loss, and capital:	
	Beginning Ending
Profit	56.8000000% 56.8000000%
Loss	56.8000000% 56.8000000%
Capital	56.8000000% 56.8000000%
K Partner's share of liabilities at year end:	
Nonrecourse	\$
Qualified nonrecourse financing	\$
Recourse	\$ 0.
L Partner's capital account analysis:	
Beginning capital account	\$ 89,285.
Capital contributed during the year	\$
Current year increase (decrease)	\$ -4,677.
Withdrawals & distributions	\$()
Ending capital account	\$ 84,608.
☒ Tax basis ☐ GAAP ☐ Section 704(b) book ☐ Other (explain)	
M Did the partner contribute property with a built-in gain or loss?	
☐ Yes ☒ No	
If "Yes", attach statement (see Instructions)	

1 Ordinary business income (loss)	15 Credits
0.	
2 Net rental real estate income (loss)	16 Foreign transactions
-4,686.	
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income	
9.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
	A 92.
6b Qualified dividends	
7 Royalties	18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	20 Other information
	A 9.
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss)	
A 0.	

*See attached statement for additional information.

For IRS Use Only

651110

Schedule K-1
(Form 1065)

2010

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Department of the Treasury
Internal Revenue Service

For calendar year 2010, or tax

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201C IRS Center where partnership filed return
Ogden, UTD ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

David Hammer
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC memberH ☒ Domestic partner ☐ Foreign partner

I What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	4.7700000%	4.7700000%
Loss	4.7700000%	4.7700000%
Capital	4.7700000%	4.7700000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	62,327.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-393.
Withdrawals & distributions	\$(	
Ending capital account	\$	61,934.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	-394.	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	1.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		A 8.
7 Royalties		
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 1.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

*See attached statement for additional information.

For IRS Use Only

STATE OF SOUTH CAROLINA 1019 PARTNERSHIP RETURN Tax Year 2010	SC1065 (Rev. 8/3/10) 3087

Return is due on or before the 15th day of the fourth month following the close of the taxable year.

Mail to: SC Department of Revenue, Partnership Return,
Columbia SC 29214-0008

For the year January 1 - December 31, 2010, or fiscal tax year
beginning _____
and ending _____

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC

29201

FEIN: [REDACTED]

SC File #: [REDACTED] County: Richland

Total Number of Partners:

4

Number of Partners that are Not SC Residents:

Check all boxes that apply:

Check if this is the first SC1065
filed for this entity ☐Check if this is the last SC1065
filed for this entity ☐Check here if address has
changed ☐

ATTACH A COPY OF FORM 1065 FEDERAL PARTNERSHIP RETURN AND COPIES OF ALL SCHEDULES.
Read the instructions carefully and fill in all applicable lines and schedules.

Location of business property: City ColumbiaState South Carolina Phone Number _____

COMPLETE SCHEDULE SC-K FIRST

Schedule W-H Withholding Tax on Income of Nonresident Partners

STAPLE PAYMENT HERE	1. Total from line 29, page 3, SC1065	1.	-8,234.
	2. Amount of line 1 income taxable to nonresident partners (from SC1065 K-1s)	2.	0.
	3. Amount of line 2 exempt from withholding because of I-309 affidavit or composite filing	3.	0.
	4. Subtract line 3 from line 2, if less than zero, enter -0-	4.	0.
	5. Withholding tax due - line 4 times .05 (5%)	5.	0.
	6. Withholding from nonresident sale of real estate (Attach I-290) or SC Withholding from form 1099MISC	6.	
	7. Amount paid with extension SC8736	7.	
	8. Add lines 6 and 7	8.	
	9. Subtract line 8 from line 5. If zero or less, enter zero here. This is the amount due with this return. Refunds cannot be issued from the SC1065. An overpayment must be claimed and refunded at the partner level.	9.	0.

BALANCE DUE

I declare that this return and all attachments are true, correct and complete to the best of my knowledge and belief.

14-0832

Please Sign Here	Signature of general partner or LLC/LLP member _____		Date _____
	I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes ☒ No ☐		
Paid Preparer's Use Only	Preparer Printed Name	Check if self-employed ☐	Preparer telephone number
	Bernard N. Ackerman, CPA		803-366-8371
	Preparer signature		PTIN P00153155
			Date
	Firm's name (or yours if self-employed) and address	FEIN [REDACTED]	
	Bernard N. Ackerman, CPA, P Rock Hill, SC 29730-2743		

077201 10-08-10

Form SC1065

SCHEDULE SC-K PARTNERS' SHARES OF INCOME (LOSSES), DEDUCTIONS, CREDITS ETC. (See Instructions.)

* Enter amounts from corresponding lines on your federal Schedule K in Column A.

	(A) * Amounts From Federal Schedule K	(B) Plus or Minus South Carolina Adjustment	(C) Federal Schedule K Amounts After SC Adjustments	(D) Amounts Allocated to SC	(E) Amounts Subject to Apportionment
1	Ordinary Business Income (loss)				
2	Net Real Estate Rents (loss) -8,251.	0.	-8,251.	-8,251.	0.
3	Other Net Rents (loss)				
4	Guaranteed Payments				
5	Interest Income 17.	0.	17.	17.	0.
6	Dividends				
7	Royalties				
8	Net Short Term Cap. Gain (loss)				
9	Net Long Term Cap. Gain (loss)				
10	Net § 1231 Gain (loss)				
11	Other Income (loss)				
12	§ 179 Deduction				
13a	Contributions				
13b	Investment Interest Expense				
13c	§ 59(e)(2) Expenditures				
13d	Other Deductions				
14	Total -8,234.	0.	-8,234.	-8,234.	0.

PFX
077211
10-08-10

Form SC1065

15. Amounts from federal Schedule K (line 14, Schedule SC-K, Col. A)	15	-8,234.
16. Amount Allocated to South Carolina (from line 14, Schedule SC-K, Col. D)	16	-8,234.
17. Net Income (loss) subject to apportionment (from line 14, Schedule SC-K, Col. E)	17	
APPORTIONMENT FACTORS FOR MULTISTATE BUSINESS (LINES 18 THROUGH 21 - MULTISTATE ONLY)		
18. SALES	TOTALS	SC
Total Sales or Gross Receipts		
18a Sales or Gross Receipts Percentage		%
For apportionment based on gross receipts only, enter the sales percentage on line 22, skip lines 24 through 27, and enter the amount from line 23 on line 28. See instructions.		
18b Multiply Sales Percentage by 2 (if you have an entry on Line 19 or 20)		%
19. PROPERTY		
Total Owned and Rented Property		
Property Percentage		%
20. PAYROLL		
Total Wages and Salaries		
Payroll Percentage		%
21. TOTAL PERCENT		%
22. Apportionment factor (average percent), 100% if operating entirely within SC (see instructions)	22	100.0000 %
23. Net business income (loss) apportioned to SC (line 17 multiplied by line 22)	23	
If line 22 is 100%, skip lines 24 through 27 and enter this amount on line 28	24	
24. Enter the sales percentage from line 18a	24	
25. Multiply line 17 by line 24. If line 23 is less than line 25, STOP HERE and enter amount from line 23 on line 28	25	
26. Line 23 minus line 25	26	
27. For Tax Year 2010, multiply line 26 by 80% (.80). This is the reduction in SC taxable income allowed this year	27	
28. Line 23 minus line 27	28	
29. Net business income (loss) taxable to SC (line 16 plus line 28)	29	-8,234.

1019

1

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**PARTNER'S SHARE OF SOUTH CAROLINA
INCOME, DEDUCTIONS, CREDITS, ETC.**

SC1065 K-1

(Rev. 8/26/10)
3515For calendar year 2010 or tax year beginning 01/01/10 and ending 12/31/10

Partner's Identifying number <u>[REDACTED]</u>	Partnership's FEIN <u>[REDACTED]</u>
Partner's name, address and ZIP code SH5, LLC 1634 Main Street Columbia, SC 29201	Partnership's name, address and ZIP code 1634 Main, L.P. c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201

Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1 (3) ☐ Nonresident

Partner's Share of Current Year Income, Deductions, Credits, etc.	(A) Federal K-1 Amounts	(B) Plus or Minus SC Adjustments	(C) Amounts Not Allocated or Apportioned to SC	(D) Amounts Allocated or Apportioned to SC
1 Ordinary business income (loss) ...	1	1	1	1
2 Net rental real estate income (loss) ...	2 -52.	2	2	2 -52.
3 Other net rental income (loss) ...	3	3	3	3
4 Guaranteed payments ...	4	4	4	4
5 Interest income ...	5	5	5	5
6 Dividends ...	6	6	6	6
7 Royalties ...	7	7	7	7
8 Net short-term capital gain (loss) ...	8	8	8	8
9 Net long-term capital gain (loss) ...	9	9	9	9
10 Net Section 1231 gain (loss) ...	10	10	10	10
11 Other income (loss) ...	11	11	11	11
12 Section 179 deduction ...	12	12	12	12
13 Other deductions ...	13	13	13	13
14 Withholding tax for nonresident partner ...				14
List applicable South Carolina tax credits. (Attach an additional sheet if needed.)				
15				15
16				16
17				17
18				18
19 Total South Carolina tax credits				19 0.

077521 12-09-10

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2

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**PARTNER'S SHARE OF SOUTH CAROLINA
INCOME, DEDUCTIONS, CREDITS, ETC.**

SC1065 K-1

(Rev. 8/26/10)
3515For calendar year **2010** or tax year beginning **01/01/10** and ending **12/31/10**

Partner's identifying number 2	Partnership's FEIN 1634 Main, L.P.
Partner's name, address and ZIP code Howard Hammer 1634 Main Street Columbia, SC 29201	Partnership's name, address and ZIP code c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201

Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1 (3) ☐ Nonresident

Partner's Share of Current Year Income, Deductions, Credits, etc.	(A) Federal K-1 Amounts	(B) Plus or Minus SC Adjustments	(C) Amounts Not Allocated or Apportioned to SC	(D) Amounts Allocated or Apportioned to SC
1 Ordinary business income (loss) ...	1	1	1	1
2 Net rental real estate income (loss) ...	2 -3,119.	2	2	2 -3,119.
3 Other net rental income (loss)	3	3	3	3
4 Guaranteed payments	4	4	4	4
5 Interest income	5 7.	5	5	5 7.
6 Dividends	6	6	6	6
7 Royalties	7	7	7	7
8 Net short-term capital gain (loss) ...	8	8	8	8
9 Net long-term capital gain (loss)	9	9	9	9
10 Net Section 1231 gain (loss)	10	10	10	10
11 Other income (loss)	11	11	11	11
12 Section 179 deduction	12	12	12	12
13 Other deductions	13	13	13	13
14 Withholding tax for nonresident partner	14	14	14	14
List applicable South Carolina tax credits. (Attach an additional sheet if needed.)				
15				15
16				16
17				17
18				18
19 Total South Carolina tax credits				19 0.

077521 12-09-10

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5

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**PARTNER'S SHARE OF SOUTH CAROLINA
INCOME, DEDUCTIONS, CREDITS, ETC.**

SC1065 K-1

(Rev. 8/26/10)
3515For calendar year 2010 or tax year beginning 01/01/10 and ending 12/31/10

Partner's Identifying number <u>██████████</u>	Partnership's FEIN <u>██████████</u>
Partner's name, address and ZIP code Shirley Hightower 1634 Main Street Columbia, SC 29201	Partnership's name, address and ZIP code 1634 Main, L.P. c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201

Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1 (3) ☐ Nonresident

Partner's Share of Current Year Income, Deductions, Credits, etc.	(A) Federal K-1 Amounts	(B) Plus or Minus SC Adjustments	(C) Amounts Not Allocated or Apportioned to SC	(D) Amounts Allocated or Apportioned to SC
1 Ordinary business income (loss) ...	1	1	1	1
2 Net rental real estate income (loss) ...	2 -4,686.	2	2	2 -4,686.
3 Other net rental income (loss)	3	3	3	3
4 Guaranteed payments	4	4	4	4
5 Interest income	5 9.	5	5	5 9.
6 Dividends	6	6	6	6
7 Royalties	7	7	7	7
8 Net short-term capital gain (loss) ...	8	8	8	8
9 Net long-term capital gain (loss)	9	9	9	9
10 Net Section 1231 gain (loss)	10	10	10	10
11 Other income (loss)	11	11	11	11
12 Section 179 deduction	12	12	12	12
13 Other deductions	13	13	13	13
14 Withholding tax for nonresident partner				14
List applicable South Carolina tax credits. (Attach an additional sheet if needed.)				
15				15
16				16
17				17
18				18
19 Total South Carolina tax credits				19 0.

077521 12-09-10

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6

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**PARTNER'S SHARE OF SOUTH CAROLINA
INCOME, DEDUCTIONS, CREDITS, ETC.**

SC1065 K-1

(Rev. 8/26/10)
3515For calendar year **2010** or tax year beginning **01/01/10** and ending **12/31/10**

Partner's identifying number ██████████	Partnership's FEIN ██████████
Partner's name, address and ZIP code David Hammer 1634 Main Street Columbia, SC 29201	Partnership's name, address and ZIP code 1634 Main, L.P. c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201
Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1 (3) ☐ Nonresident	

Partner's Share of Current Year Income, Deductions, Credits, etc.	(A) Federal K-1 Amounts	(B) Plus or Minus SC Adjustments	(C) Amounts Not Allocated or Apportioned to SC	(D) Amounts Allocated or Apportioned to SC
1 Ordinary business income (loss) ...	1	1	1	1
2 Net rental real estate income (loss)	2	-394.	2	-394.
3 Other net rental income (loss)	3	3	3	3
4 Guaranteed payments	4	4	4	4
5 Interest income	5	1.	5	1.
6 Dividends	6	6	6	6
7 Royalties	7	7	7	7
8 Net short-term capital gain (loss) ...	8	8	8	8
9 Net long-term capital gain (loss)	9	9	9	9
10 Net Section 1231 gain (loss)	10	10	10	10
11 Other income (loss)	11	11	11	11
12 Section 179 deduction	12	12	12	12
13 Other deductions	13	13	13	13
14 Withholding tax for nonresident partner	14			
List applicable South Carolina tax credits. (Attach an additional sheet if needed.)				
15				
16				
17				
18				
19 Total South Carolina tax credits	19			0.

077521 12-09-10

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1065

U.S. Return of Partnership Income

OMB No. 1545-0099

Form
Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax year beginning _____ ending _____

Extension Granted to 09/17/12

2011

A Principal business activity Rental		Print or type	Name of partnership 1634 Main, L.P. c/o Danville Business Advisors, LLC		D Employer identification number [REDACTED]
B Principal product or service Real Estate			Number, street, and room or suite no. If a P.O. box, see the instructions. 500 Taylor Street, Suite 401		E Date business started 01/01/2001
C Business code number 531120			City or town, state, and ZIP code Columbia SC 29201		F Total assets \$ 275,837.

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return (6) ☐ Technical termination - also check (1) or (2)

H Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) _____

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____ 4

J Check if Schedules C and M-3 are attached ☐

Caution. Include only trade or business income and expenses on lines

Instructions for more information.

Income	1 a Merchant card and third-party payments (including amounts reported on 1099-K). For 2011, enter -0- _____		0.	
	b Gross receipts or sales not reported on line 1a _____			
	c Total. Add lines 1a and 1b _____			
	d Returns and allowances plus any other adjustments to line 1a _____			
	e Subtract line 1d from line 1c _____			
	2 Cost of goods sold (attach Form 1125-A) _____			
	3 Gross profit. Subtract line 2 from line 1e _____		3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (a) _____		4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040)) _____		5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) _____		6	
	7 Other income (loss) (attach statement) _____		7	
	8 Total income (loss). Combine lines 3 through 7 _____		8	
	Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits) _____		9
		10 Guaranteed payments to partners _____		10
		11 Repairs and maintenance _____		11
		12 Bad debts _____		12
		13 Rent _____		13
		14 Taxes and licenses _____		14
		15 Interest _____		15
		16 a Depreciation (if required, attach Form 4562) _____ 16a		
		b Less depreciation reported on Form 1125-A and elsewhere on return _____ 16b		16c
17 Depletion (Do not deduct oil and gas depletion.) _____		17		
18 Retirement plans, etc. _____		18		
19 Employee benefit programs _____		19		
20 Other deductions (attach statement) _____		20		
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20 _____		21		
22 Ordinary business income (loss). Subtract line 21 from line 8 _____		22		

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No		
	Signature of general partner or limited liability company member manager _____		Date _____		
Paid Preparer Use Only	Print/Type preparer's name Bernard N. Ackerman, CPA	Preparer's signature _____	Date 05/31/12	Check ☐ if self-employed	PTIN P00153155
	Firm's name Bernard N. Ackerman, CPA, P.A.	Firm's EIN [REDACTED]			
	Firm's address 864 Riverview Road Rock Hill, SC 29730-2743	Phone no. 803-366-8371			

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:				Yes	No
a	☐ Domestic general partnership	b	☒ Domestic limited partnership		
c	☐ Domestic limited liability company	d	☐ Domestic limited liability partnership		
e	☐ Foreign partnership	f	☐ Other		
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?					X
3 At the end of the tax year:					
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X
b	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership			X	
4 At the end of the tax year, did the partnership:					
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below				X
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below					X
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Form 1065 (2011)

Form 1065 (2011) 1634 Main, L.P. c/o Danville Business Ad

e 3

	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$ 1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.	X	
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2011, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the Instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See Instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See Instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See Instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See Instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year) ▶ ☐		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See Instructions ▶		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18a Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions		X
b If "Yes," did you or will you file all required Form(s) 1099?		
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ SH5, LLC - Howard Hammer

Identifying number of TMP ▶ 248-76-0847

If the TMP is an entity, name of TMP representative ▶

Phone number of TMP ▶

Address of designated TMP ▶ 1634 Main Street
Columbia, SC 29201

Form 1065 (2011)

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	0.
	2 Net rental real estate income (loss) (attach Form 8825) See Statement 1	2	-19,366.
	3 a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income See Statement 2	5	5.
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends 6b		
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
Deductions	9 a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b Collectibles (28%) gain (loss) 9b		
	c Unrecaptured section 1250 gain (attach statement) 9c		
	10 Net section 1231 gain (loss) (attach Form 4797)	10	
	11 Other income (loss) (see instructions) Type ▶	11	
	12 Section 179 deduction (attach Form 4562)	12	
	13 a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
	d Other deductions (see instructions) Type ▶	13d	
	Self-Employment	14 a Net earnings (loss) from self-employment	14a
b Gross farming or fishing income		14b	
c Gross nonfarm income		14c	
Credits	15 a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16 a Name of country or U.S. possession ▶		
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	d Passive category ▶ e General category ▶ f Other ▶	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense ▶ h Other ▶	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive category ▶ j General category ▶ k Other ▶	16k	
	l Total foreign taxes (check one): Paid ☐ Accrued ☐	16l	
	m Reduction in taxes available for credit (attach statement)	16m	
	n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	17 a Post-1986 depreciation adjustment	17a	163.
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties - gross income	17d	
	e Oil, gas, and geothermal properties - deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18 a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19 a Distributions of cash and marketable securities	19a	667.
	b Distributions of other property	19b	
	20 a Investment income	20a	5.
	b Investment expenses	20b	
	c Other items and amounts (attach statement)		

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16i						1	-19,361.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners		-122.					
b Limited partners			-19,239.				

Schedule L Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		5,594.		7,064.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	Statement 3	27,500.		27,500.
7a Loans to partners (or persons related to partners)				
b Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets	295,940.		295,940.	
b Less accumulated depreciation	107,232.	188,708.	113,730.	182,210.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)		59,063.		59,063.
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)				
14 Total assets		280,865.		275,837.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)	Statement 4			15,000.
18 All nonrecourse loans				
19a Loans from partners (or persons related to partners)				
b Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)				
21 Partners' capital accounts		280,865.		260,837.
22 Total liabilities and capital		280,865.		275,837.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	-19,361.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16i, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16i (itemize):		a Depreciation \$	
a Depreciation \$		8 Add lines 6 and 7	
b Travel and entertainment \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-19,361.
5 Add lines 1 through 4	-19,361.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	280,865.	6 Distributions: a Cash	667.
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	-19,361.	8 Add lines 6 and 7	667.
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	260,837.
5 Add lines 1 through 4	261,504.		

Form **8825**
(Rev. December 2010)
Department of the Treasury
Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

OMB No. 1545-1186

▶ See instructions on page 2.
▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

Name **1634 Main, L.P.**

c/o Danville Business Advisors, LLC

Employer identification number

1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.

	Physical address of each property - street, city, state, ZIP code	Type - Enter code 1-8; see page 2 for list	Fair Rental Days	Personal Use Days
A		8 - Office Building, Columbia, SC		
B				
C				
D				

		Properties			
		A	B	C	D
Rental Real Estate Income					
2 Gross rents	2	87,522.			
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6	4,540.			
7 Insurance	7	1,351.			
8 Legal and other professional fees	8				
9 Interest	9				
10 Repairs	10	25,207.			
11 Taxes	11	29,830.			
12 Utilities	12	24,413.			
13 Wages and salaries	13				
14 Depreciation (see instructions)	14	6,498.			
15 Other (list) ▶ Stmt 6	15	15,049.			
16 Total expenses for each property. Add lines 3 through 15	16	106,888.			
17 Income or (Loss) from each property. Subtract line 16 from line 2	17	-19,366.			

18a Total gross rents. Add gross rents from line 2, columns A through H	18a	87,522.
b Total expenses. Add total expenses from line 16, columns A through H	18b	(106,888.)
19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	19	
20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	20a	
b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:		

(1) Name

(2) Employer identification number

21 Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on:

- Form 1065 or 1120S; Schedule K, line 2, or
- Form 1065-B; Part I, line 4

21 -19,366.

1634 Main, L.P. c/o Danville Business Ad

Form 8825 (12-2010)

Page 2

1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.			
Physical address of each property - street, city, state, ZIP code		Type - Enter code 1-8; see below for list	Fair Rental Days
E			
F			
G			
H			

Rental Real Estate Income		Properties			
		E	F	G	H
2 Gross rents	2				
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7				
8 Legal and other professional fees	8				
9 Interest	9				
10 Repairs	10				
11 Taxes	11				
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ▶	15				
16 Total expenses for each property. Add lines 3 through 15	16				
17 Income or (Loss) from each property. Subtract line 16 from line 2	17				

Allowable Codes for Type of Property

- 1 - Single Family Residence
- 2 - Multi-Family Residence
- 3 - Vacation or Short-Term Rental
- 4 - Commercial
- 5 - Land
- 6 - Royalties
- 7 - Self-Rental
- 8 - Other (Include description with the code on Form 8825 or on a separate statement)

JWA

Form 8825 (12-2010)

**SCHEDULE B-1
(Form 1065)**(Rev. December 2011)
Department of the Treasury
Internal Revenue Service**Information on Partners Owning 50% or
More of the Partnership**

▶ Attach to Form 1065. See instructions.

OMB No. 1545-0099

Name of partnership

1634 Main, L.P.

c/o Danville Business Advisors, LLC

Employer identification number

[REDACTED]

Part I Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Shirley Hightower	[REDACTED]	United States	56.80

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule B-1 (Form 1065) (Rev. 12-2011)

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

R-

1

OMB No. 1545-0172

2011Attachment
Sequence No. 179

Name(s) shown on return

1634 Main, L.P.
c/o Danville Business Advisors, LLC

Business or activity to which this form relates

Office Building,
Columbia, SC

Identifying number

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	500,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2011	17	6,498.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	6,498.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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11-21-11 LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2011)

Form 4562 (2011)

1634 Main, L.P. c/o Danville Business Ad

Page 2

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use **25**

26 Property used more than 50% in a qualified business use:

		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

		%			S/L			
		%			S/L			
		%			S/L			

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year

42 Amortization of costs that begins during your 2011 tax year:

43 Amortization of costs that began before your 2011 tax year **43**

44 Total. Add amounts in column (f). See the instructions for where to report **44**

2011 DEPRECIATION AND AMORTIZATION REPORT
Office Building, Columbia, SC

R- 1

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	Building	01/01/01	SL	39.00	17	253,415.			253,415.	64,708.		6,498.
2	Land	01/01/01	L			59,063.			59,063.			0.
3	Carpet & Furnishings	01/01/01	200DB	5.00	17	42,525.			42,525.	42,525.		0.
	* Total Rental Depreciation					355,003.			355,003.	107,233.		6,498.

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05-01-11

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

10.1

1634 Main, L.P. c/o Danville Business Ad

Schedule K	Net Income (Loss) from Rental Real Estate	Statement	1

Description	Amount
Office Building, Columbia, SC	-19,366.
Total to Schedule K, Line 2	-19,366.

Schedule K	Interest Income	Statement	2

Description	U.S. Bonds	Other
Interest Income		5.
Total to Schedule K, Line 5		5.

Schedule L	Other Current Assets	Statement	3

Description	Beginning of Tax Year	End of Tax Year
Amount due from Howard Hammer	27,500.	27,500.
Total to Schedule L, Line 6	27,500.	27,500.

Schedule L	Other Current Liabilities	Statement	4

Description	Beginning of Tax Year	End of Tax Year
Amount due to Howard's Brother		15,000.
Total to Schedule L, Line 17		15,000.

1634 Main, L.P. c/o Danville Business Ad

Form 1065		Partners' Capital Account Summary			Statement 5
Partner Number	Beginning Capital	Capital Contributed	Schedule M-2 Lns 3, 4 & 7	With- drawals	Ending Capital
1	8,757.		-122.		8,635.
2	125,566.		-7,318.	667.	117,581.
5	84,608.		-10,997.		73,611.
6	61,934.		-924.		61,010.
Total	280,865.		-19,361.	667.	260,837.

1634 Main, L.P. c/o Danville Business Ad

Other Rental Expenses

Statement 6

Property: Office Building, Columbia, SC
Location:

DescriptionAmount

Water & Sewer	1,163.
Telephone	1,211.
Security	594.
Professional Fees	11,932.
Bank Charges	164.
Miscellaneous	-15.
Total to Rental Schedule, Line 15	15,049.

ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	Regular Depreciation	AMT Depreciation	AMT Adjustment
1	Building	01/01/01	SL	40.00	253,415.	63,088.	6,498.	6,335.	163.
3	Carpet & Furnishings	01/01/01	DB	5.00	42,525.	42,525.	0.	0.	0.
	Totals				295,940.	105,613.	6,498.	6,335.	163.
	MACRS AMT Adjustment							163.	

128104
05-01-11

Schedule K-1
(Form 1065)

2011

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

E-File

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

SH5, LLC
1634 Main Street
Columbia, SC 29201G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC memberH ☒ Domestic partner ☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	0.6300000%	0.6300000%
Loss	0.6300000%	0.6300000%
Capital	0.6300000%	0.6300000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	8,757.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-122.
Withdrawals & distributions	\$	
Ending capital account	\$	8,635.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	-122.	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income		
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		A 1.
7 Royalties		
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1085)

2011

For calendar year 2011, or tax

Department of the Treasury
Internal Revenue Service

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

Part I Information About the Partnership	
A Partnership's employer identification number [REDACTED]	
B Partnership's name, address, city, state, and ZIP code 1634 Main, L.P. c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201	
C IRS Center where partnership filed return E-File	
D ☐ Check if this is a publicly traded partnership (PTP)	
Part II Information About the Partner	
E Partner's identifying number [REDACTED]	
F Partner's name, address, city, state, and ZIP code Howard Hammer 1634 Main Street Columbia, SC 29201	
G ☐ General partner or LLC member-manager	☒ Limited partner or other LLC member
H ☒ Domestic partner	☐ Foreign partner
I What type of entity is this partner? <u>Individual</u>	
J Partner's share of profit, loss, and capital:	
	Beginning Ending
Profit	37.8000000% 37.8000000%
Loss	37.8000000% 37.8000000%
Capital	37.8000000% 37.8000000%
K Partner's share of liabilities at year end:	
Nonrecourse	\$
Qualified nonrecourse financing	\$
Recourse	\$ 0.
L Partner's capital account analysis:	
Beginning capital account	\$ 125,566.
Capital contributed during the year	\$
Current year increase (decrease)	\$ -7,318.
Withdrawals & distributions	\$ 667.
Ending capital account	\$ 117,581.
☒ Tax basis ☐ GAAP ☐ Section 704(b) book	
☐ Other (explain)	
M Did the partner contribute property with a built-in gain or loss?	
☐ Yes ☒ No	
If "Yes", attach statement (see instructions)	

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	-7,320.	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	2.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		62.
7 Royalties		
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		667.
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		2.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	0.	
*See attached statement for additional information.		

For IRS Use Only

651111

Schedule K-1
(Form 1085)Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax

year beginning

ending

2011**Partner's Share of Income, Deductions,
Credits, etc.**

► See separate instructions.

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss) 0.	15 Credits
2 Net rental real estate income (loss) -11,000.	16 Foreign transactions
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income 3.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	A 92.
7 Royalties	
8 Net short-term capital gain (loss)	18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	
10 Net section 1231 gain (loss)	A 3.
11 Other income (loss)	20 Other information
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss) A 0.	

*See attached statement for additional information.

For IRS Use Only

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

E-File

D ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner**

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC memberH ☒ Domestic partner ☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	56.8000000%	56.8000000%
Loss	56.8000000%	56.8000000%
Capital	56.8000000%	56.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	84,608.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-10,997.
Withdrawals & distributions	\$	
Ending capital account	\$	73,611.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If "Yes", attach statement (see instructions)

L51111

Schedule K-1
(Form 1085)

2011

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	15 Credits
0.	
2 Net rental real estate income (loss)	16 Foreign transactions
-924.	
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	A 8.
7 Royalties	
8 Net short-term capital gain (loss)	18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	
10 Net section 1231 gain (loss)	20 Other information
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss)	
A 0.	

*See attached statement for additional information.

For IRS Use Only

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

E-File

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

David Hammer
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC member-manager☒ Limited partner or other LLC memberH ☒ Domestic partner☐ Foreign partner

I What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	4.7700000%	4.7700000%
Loss	4.7700000%	4.7700000%
Capital	4.7700000%	4.7700000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	61,934.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-924.
Withdrawals & distributions	\$	
Ending capital account	\$	61,010.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?

☐ Yes☒ No

If "Yes", attach statement (see instructions)

1579

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SC8736

(Rev. 4/23/09)
3390**REQUEST FOR EXTENSION OF TIME
TO FILE SOUTH CAROLINA RETURN
FOR FIDUCIARY AND PARTNERSHIP****2011**

Or other taxable year beginning		and ending	
Name 1634 Main, L.P. c/o Danville Business Advisors, LLC Present home address (number and street, or P.O. Box)		SC File number, if any 72027267-4	
500 Taylor Street, Suite 401 City, State and ZIP code Columbia, SC 29201		FEIN [REDACTED]	
Area Code Daytime telephone 803-765-1230		County code number 40	
This application is a request for extension of time to file the following return: ☐ FIDUCIARY SC1041 14-0828 ☒ PARTNERSHIP SC1065 14-0832			

Check this box if this will be your first time filing a return in South Carolina ☐**PART I.**

STAPLE PAYMENT HERE

1. Total state income tax	1 \$
2. Payments on declaration of estimated tax	2 \$
3. Tax credits	3 \$
4. Total credits (add lines 2 and 3)	4 \$
5. Balance due (subtract line 4 from line 1). Pay in full with this form Make check or money order payable to: SC DEPARTMENT OF REVENUE (Partnerships enter on line 5 the estimated amount required to be withheld on income of nonresident partners)	BALANCE DUE ▶ 5 \$ 0.

PART II.

A COPY OF THIS FORM PLUS ANY ADDITIONAL EXTENSION MUST BE ATTACHED TO YOUR FINAL RETURN WHEN FILED.
NOTE: This extension cannot be processed without proper SC file number or FEIN.

Signature _____

Date _____

Prepared by:

 Bernard N. Ackerman, CPA, P.A.
 864 Riverview Road
 Rock Hill, SC 29730-2743

177251 10-27-11

Mail To: SC DEPARTMENT OF REVENUE

INCOME TAX

COLUMBIA SC 29214-0013

SC8736

33901026

1019 STATE OF SOUTH CAROLINA
PARTNERSHIP RETURN
 Tax Year 2011

SC1065
 (Rev. 9/13/11)
 3087

Return is due on or before the 15th day of the fourth month following the close of the taxable year.

Mail to: SC Department of Revenue, Partnership Return,
 Columbia SC 29214-0008

For the year January 1 - December 31, 2011, or fiscal tax year beginning _____, _____

and ending _____
 1634 Main, L.P. c/o Danville Business Ad
 500 Taylor Street, Suite 401
 Columbia, SC 29201

FEIN (Required): XXXXXXXXXX SC File # (Required): 72027267-4 County: RICHLAND

Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Address change (4) ☐ Amended return

Total Number of Partners: 4 Number of Partners that are Not SC Residents:

ATTACH A COPY OF FORM 1065 FEDERAL PARTNERSHIP RETURN AND COPIES OF ALL SCHEDULES.

Read the instructions carefully and fill in all applicable lines and schedules.

Location of business property: City **Columbia** State **South Carolina** Phone Number **803-765-1230**

COMPLETE SCHEDULE SC-K FIRST

Schedule W-H Withholding Tax on Income of Nonresident Partners

STAPLE PAYMENT HERE	1. Total from line 21, page 2, SC1065	1.	-19,361.
	2. Amount of line 1 income taxable to nonresident partners (from SC1065 K-1s)	2.	0.
	3. Amount of line 2 exempt from withholding because of I-309 affidavit or composite filing	3.	0.
	4. Subtract line 3 from line 2, if less than zero, enter -0-	4.	0.
	5. Withholding tax due - line 4 times .05 (5%)	5.	0.
	6. Withholding from nonresident sale of real estate (Attach I-290) or SC Withholding from form 1099MISC	6.	
	7. Amount paid with extension SC8736	7.	
	8. Add lines 6 and 7	8.	
	9. Subtract line 8 from line 5. If zero or less, enter zero here. This is the amount due with this return. Refunds cannot be issued from the SC1065. An overpayment must be claimed and refunded at the partner level.	9.	0.

BALANCE DUE

I declare that this return and all attachments are true, correct and complete to the best of my knowledge and belief.

14-0832

Please Sign Here	Signature of general partner or LLC/LLP member _____		Date _____
	I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes ☒ No ☐		
Paid Preparer's Use Only	Preparer Printed Name	Check if self-employed ☐	Preparer telephone number
	Bernard N. Ackerman, CPA		803-366-8371
	Preparer signature		PTIN P00153155
			Date 05/31/12
	Firm's name (or yours if self-employed) and address		FEIN 57-0707119
	Bernard N. Ackerman, CPA, P Rock Hill, SC 29730-2743		

177201 PFX
 09-26-11

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Form SC1065
SCHEDULE SC-K
PARTNERS' SHARES OF INCOME (LOSSES), DEDUCTIONS, CREDITS ETC. (See Instructions.)

* Enter amounts from corresponding lines on your federal Schedule K in Column A.

	(A) *	(B)	(C)	(D)	(E)
	Amounts From Federal Schedule K	Plus or Minus South Carolina Adjustment	Federal Schedule K Amounts After SC Adjustments	Amounts Allocated to SC	Amounts Subject to Apportionment DO NOT include amounts allocated to other states
1	Ordinary Business Income (loss)				
2	Net Real Estate Rents (loss) -19,366.	0.	-19,366.	-19,366.	0.
3	Other Net Rents (loss)				
4	Guaranteed Payments				
5	Interest Income 5.	0.	5.	5.	0.
6	Dividends				
7	Royalties				
8	Net Short Term Cap. Gain (loss)				
9	Net Long Term Cap. Gain (loss)				
10	Net §1231 Gain (loss)				
11	Other Income (loss)				
12	§179 Deduction				
13a	Contributions				
13b	Investment Interest Expense				
13c	§59(e)(2) Expenditures				
13d	Other Deductions				
14	Total -19,361.	0.	-19,361.	-19,361.	0.
15	Amounts from federal Schedule K (line 14, Schedule SC-K, Col. A)				15 -19,361.
16	Amount Allocated to South Carolina (from line 14, Schedule SC-K, Col. D)				16 -19,361.
17	Net Income (loss) subject to apportionment (from line 14, Schedule SC-K, Col. E)				17 0.
APPORTIONMENT					
18	Total Sales or Gross Receipts	TOTAL		SC	
19	Apportionment factor (SC ÷ TOTAL). 100% if operating entirely within SC				19 100.0000 %
20	Net business income (loss) apportioned to SC (line 17 multiplied by line 19)				20 0.
21	Net business income (loss) taxable to SC (line 16 plus line 20)				21 -19,361.

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09-26-11

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1

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**PARTNER'S SHARE OF SOUTH CAROLINA
INCOME, DEDUCTIONS, CREDITS, ETC.**

SC1065 K-1

(Rev. 5/27/11)
3515For calendar year **2011** or tax year beginning **01/01/11** and ending **12/31/11**

Partner's identifying number 2-000000000	Partnership's FEIN 2-000000000
Partner's name, address and ZIP code SH5, LLC 1634 Main Street Columbia, SC 29201	Partnership's name, address and ZIP code 1634 Main, L.P. c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201

Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1 (3) ☐ Nonresident

Partner's Share of Current Year Income, Deductions, Credits, etc.	(A) Federal K-1 Amounts	(B) Plus or Minus SC Adjustments	(C) Amounts Not Allocated or Apportioned to SC	(D) Amounts Allocated or Apportioned to SC
1 Ordinary business income (loss)	1	1	1	1
2 Net rental real estate income (loss)	2 -122.	2	2	2 -122.
3 Other net rental income (loss)	3	3	3	3
4 Guaranteed payments	4	4	4	4
5 Interest income	5	5	5	5
6 Dividends	6	6	6	6
7 Royalties	7	7	7	7
8 Net short-term capital gain (loss)	8	8	8	8
9 Net long-term capital gain (loss)	9	9	9	9
10 Net Section 1231 gain (loss)	10	10	10	10
11 Other income (loss)	11	11	11	11
12 Section 179 deduction	12	12	12	12
13 Other deductions	13	13	13	13
14 Withholding tax for nonresident partner				14
List applicable South Carolina tax credits. (Attach an additional sheet if needed.)				
15				15
16				16
17				17
18				18
19 Total South Carolina tax credits				19 0.

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**PARTNER'S SHARE OF SOUTH CAROLINA
INCOME, DEDUCTIONS, CREDITS, ETC.**

SC1065 K-1

(Rev. 5/27/11)
3515For calendar year **2011** or tax year beginning **01/01/11** and ending **12/31/11**

Partner's Identifying number ▶ 2	Partnership's FEIN ▶ 28
Partner's name, address and ZIP code Howard Hammer 1634 Main Street Columbia, SC 29201	Partnership's name, address and ZIP code 1634 Main, L.P. c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201

Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1 (3) ☐ Nonresident

Partner's Share of Current Year Income, Deductions, Credits, etc.	(A) Federal K-1 Amounts	(B) Plus or Minus SC Adjustments	(C) Amounts Not Allocated or Apportioned to SC	(D) Amounts Allocated or Apportioned to SC
1 Ordinary business income (loss) ...	1	1	1	1
2 Net rental real estate income (loss)	2 -7,320.	2	2	2 -7,320.
3 Other net rental income (loss)	3	3	3	3
4 Guaranteed payments	4	4	4	4
5 Interest income	5 2.	5	5	5 2.
6 Dividends	6	6	6	6
7 Royalties	7	7	7	7
8 Net short-term capital gain (loss) ...	8	8	8	8
9 Net long-term capital gain (loss)	9	9	9	9
10 Net Section 1231 gain (loss)	10	10	10	10
11 Other income (loss)	11	11	11	11
12 Section 179 deduction	12	12	12	12
13 Other deductions	13	13	13	13
14 Withholding tax for nonresident partner				14
List applicable South Carolina tax credits. (Attach an additional sheet if needed.)				
15				15
16				16
17				17
18				18
19 Total South Carolina tax credits				19 0.

177521 08-11-11

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5

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**PARTNER'S SHARE OF SOUTH CAROLINA
INCOME, DEDUCTIONS, CREDITS, ETC.**

SC1065 K-1

(Rev. 5/27/11)

3515

For calendar year 2011 or tax year beginning 01/01/11 and ending 12/31/11

Partner's identifying number 26 Partnership's FEIN 26
 Partner's name, address and ZIP code
 Shirley Hightower
 1634 Main Street
 Columbia, SC 29201
 Partnership's name, address and ZIP code
 1634 Main, L.P.
 c/o Danville Business Advisors, LLC
 500 Taylor Street, Suite 401
 Columbia, SC 29201

Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1 (3) ☐ Nonresident

Partner's Share of Current Year Income, Deductions, Credits, etc.	(A) Federal K-1 Amounts	(B) Plus or Minus SC Adjustments	(C) Amounts Not Allocated or Apportioned to SC	(D) Amounts Allocated or Apportioned to SC
1 Ordinary business income (loss) ...	1	1	1	1
2 Net rental real estate income (loss)	2 -11,000.	2	2	2 -11,000.
3 Other net rental income (loss)	3	3	3	3
4 Guaranteed payments	4	4	4	4
5 Interest income	5 3.	5	5	5 3.
6 Dividends	6	6	6	6
7 Royalties	7	7	7	7
8 Net short-term capital gain (loss) ...	8	8	8	8
9 Net long-term capital gain (loss)	9	9	9	9
10 Net Section 1231 gain (loss)	10	10	10	10
11 Other income (loss)	11	11	11	11
12 Section 179 deduction	12	12	12	12
13 Other deductions	13	13	13	13
14 Withholding tax for nonresident partner				14
List applicable South Carolina tax credits. (Attach an additional sheet if needed.)				
15				15
16				16
17				17
18				18
19 Total South Carolina tax credits				19 0.

177521 08-11-11

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6

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**PARTNER'S SHARE OF SOUTH CAROLINA
INCOME, DEDUCTIONS, CREDITS, ETC.**

SC1065 K-1

(Rev. 5/27/11)
3515For calendar year 2011 or tax year beginning 01/01/11 and ending 12/31/11

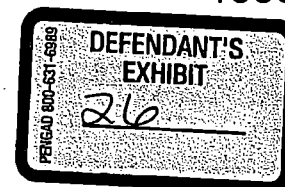
Partner's identifying number <u> </u>	Partnership's FEIN <u>30-0070876</u>
Partner's name, address and ZIP code David Hammer 1634 Main Street Columbia, SC 29201	Partnership's name, address and ZIP code 1634 Main, L.P. c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201

Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1 (3) ☐ Nonresident

Partner's Share of Current Year Income, Deductions, Credits, etc.	(A) Federal K-1 Amounts	(B) Plus or Minus SC Adjustments	(C) Amounts Not Allocated or Apportioned to SC	(D) Amounts Allocated or Apportioned to SC
1 Ordinary business income (loss) ...	1	1	1	1
2 Net rental real estate income (loss)	2 -924.	2	2	2 -924.
3 Other net rental income (loss)	3	3	3	3
4 Guaranteed payments	4	4	4	4
5 Interest income	5	5	5	5
6 Dividends	6	6	6	6
7 Royalties	7	7	7	7
8 Net short-term capital gain (loss) ...	8	8	8	8
9 Net long-term capital gain (loss)	9	9	9	9
10 Net Section 1231 gain (loss)	10	10	10	10
11 Other income (loss)	11	11	11	11
12 Section 179 deduction	12	12	12	12
13 Other deductions	13	13	13	13
14 Withholding tax for nonresident partner				14
List applicable South Carolina tax credits. (Attach an additional sheet if needed.)				
15				15
16				16
17				17
18				18
19 Total South Carolina tax credits				19 0.

177521 08-11-11

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**MONTHLY CHECK REGISTER****OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: AUGUST 31, 2012**

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2328	9-Jan	SCE&G	\$ 1,602.96	Electricity
2329	9-Jan	City of Columbia	92.57	Water/Sewer
2330	9-Jan	ThyssenKrupp Elevator	1,465.53	Elevator Maintenance
2331	9-Jan	Gregory Pest Control	68.51	Exterminating
2332	9-Jan	AT&T	99.24	Elevator Telephone
2333		Void		
2334	9-Jan	Madison Fludd	135.00	Parking Lot
2335	9-Jan	Central Midlands	850.00	Janitorial
2336	18-Jan	Crawford Electric	336.00	Repairs
2337	19-Jan	Lewis Corneliu	295.00	Repairs
TOTAL			944.81	
2338	2-Feb	Danville Business	68.90	Prop Mgt
2339	6-Feb	Central Midlands	50.00	Janitorial
2340	14-Feb	Madison Fludd	230.00	Parking Lot
2341	14-Feb	Meyer Mechanical	170.00	HVAC Repairs
2342	16-Feb	Central Midlands Cleaning	175.00	Janitorial
2343	16-Feb	On Call Plumbing	500.00	Repairs
2344	16-Feb	Ridge Services	220.00	Exterminating
2345	16-Feb	AirCond	636.00	HVAC Maintenance
2346	16-Feb	Gregory Pest Control	67.50	Exterminating
2347	16-Feb	Lipscomb Law Firm	60.00	Legal
2348	16-Feb	City of Columbia	114.92	Water/Sewer
2349	16-Feb	SCE&G	2,017.07	Electricity
2350	27-Feb	Lewis Corneliu	125.00	Repairs
2351	28-Feb	Montgomery Insurance	1,404.00	Insurance
TOTAL			\$ 7,458.39	
2352	6-Mar	Danville Business Advisors	\$ 868.90	Prop Mgt
2353	8-Mar	Madison Fludd	135.00	Parking Lot
2354	14-Mar	AT&T	204.80	Elevator Telephone
2355	14-Mar	Key Shop	123.40	Repairs
2356	14-Mar	Gregory Pest Control	67.50	Exterminating
2357	14-Mar	City of Columbia	88.10	Water/Sewer
2358	14-Mar	On Call Plumbing	168.50	Repairs
2359	14-Mar	Central Midlands Cleaning	850.00	Janitorial
2360	14-Mar	SCE&G	1,727.62	Electricity
2362	27-Mar	Ridge Services	1,760.00	Termite Treatment
TOTAL			\$ 5,993.82	
2361	1-Apr	Danville Business Advisors	\$ 868.90	Prop Mgt
2363	9-Apr	Central Midlands Cleaning	1,262.50	Janitorial
2364	18-Apr	Madison Fludd	135.00	Parking Lot
2365	18-Apr	Crawford Electric	910.00	Repairs

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: AUGUST 31, 2012

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2366	19-Apr	Lipscomb Law Firm	\$ 105.00	Legal
2367	19-Apr	AT&T	103.85	Elevator Telephone
2368	19-Apr	Gregory Pest Control	67.50	Exterminating
2369	19-Apr	City of Columbia	74.69	Water/Sewer
2370	19-Apr	ADT Security	150.58	Security
2371	19-Apr	AirCond	663.00	HVAC Maintenance
2372	19-Apr	ThyssenKrupp Elevator	1,465.53	Elevator Maintenance
2373	19-Apr	SCE&G	1,900.90	Electricity
2374	19-Apr	On Call Plumbing	1,600.00	Repairs
2375	20-Apr	Wagner Consulting	125.00	Elevator Inspection
2376	20-Apr	Richland County Treasurer	5,000.00	Real Estate Taxes
TOTAL			\$ 14,432.45	
2377	4-May	Danville Business Advisors	\$ 868.90	Prop Mgt
2378	11-May	Richland County Treasurer	2,000.00	Real Estate Taxes
2379	11-May	SCE&G	1,924.70	Electricity
2380	11-May	City of Columbia	83.63	Water/Sewer
2381	11-May	Central Midlands Cleaning	850.00	Janitorial
2382	11-May	Gregory Pest Control	68.51	Exterminating
2383	11-May	AT&T	100.57	Elevator Telephone
2384	11-May	Madison Fludd	135.00	Parking Lot
2385	11-May	On Call Plumbing	1,500.00	Repairs
2386	18-May	Danville Business Advisors	868.90	Prop Mgt
TOTAL			\$ 8,400.21	
2387	6-Jun	Madison Fludd	\$ 200.00	Parking Lot
2388	7-Jun	City of Columbia	79.16	Water/Sewer
2389	7-Jun	SCE&G	1,869.02	Electricity
2390	7-Jun	Gregory Pest Control	67.50	Exterminating
2391	7-Jun	Columbia Fire & Safety	328.97	Fire Ext Inspection
2392	7-Jun	Lipscomb Law Firm	733.85	Legal
2393	7-Jun	Richland County Treasurer	2,000.00	Real Estate Taxes
2394	7-Jun	AT&T	102.21	Elevator Telephone
2395	7-Jun	Central Midlands Cleaning	850.00	Janitorial
2396	12-Jun	Crawford Electric	100.00	Repairs
TOTAL			\$ 6,330.71	
2397	2-Jul	Palmetto Custon Creations	\$ 836.00	Repairs
2398	10-Jul	Danville Business Advisors	868.90	Prop Mgt
2399	13-Jul	Thyssen krupp Elevator	1,465.53	Elevator Maintenance
2400	13-Jul	Central Midlands Cleaning	850.00	Janitorial
2401	13-Jul	AT&T	102.21	Elevator Telephone
2402	13-Jul	City of Columbia	79.16	Water/Sewer

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: AUGUST 31 2012

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2403	13-Jul	Heritage Landscape	\$ 550.00	Landscaping
2404	13-Jul	Madison Fludd	135.00	Parking Lot
2405	13-Jul	SCE&G	2,536.94	Electricity
2406	13-Jul	Gregory Pest Control	71.00	Exterminating
2407	13-Jul	ADT Security	158.86	Security
2407	13-Jul	AirCond	663.00	HVAC Maintenance
2408	13-Jul	Richland County Treasurer	1,000.00	Real Estate Taxes
TOTAL			\$ 9,316.60	
2410	2-Aug	Danville Business Advisors	\$ 868.90	Prop Mgt
2411	13-Aug	Madison Fludd	135.00	Parking Lot
2412	13-Aug	Bernard Ackerman, CPA	800.00	Tax Returns
2413	13-Aug	AT&T	102.55	Elevator Telephone
2414	13-Aug	City of Columbia	120.30	Water/Sewer
2415	13-Aug	SCE&G	2,809.20	Electricity
2416	13-Aug	Central Midlands Cleaning	850.00	Janitorial
2417	13-Aug	Gregory Pest Control	71.00	Exterminating
2418	13-Aug	Richland County Treasurer	1,000.00	Real Estate Taxes
2419	31-Aug	Danville Business Advisors	500.00	Prop Mgt
TOTAL			\$ 7,256.95	

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2011**

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2205	6-Jan	Danville Business Advisors	\$ 826.83	Property Mgt
2206	22-Jan	SCE&G	1,598.07	Electricity
2207	22-Jan	On Call Plumbing	89.00	Repairs
2208	22-Jan	AirCond	612.00	HVAC Maintenance
2209	22-Jan	AT&T	103.42	Elevator Telephon
2210	22-Jan	Madison Fludd	135.00	Parking Lot
2211	22-Jan	Midlands Electrical	80.00	Repairs
TOTAL			\$ 3,444.32	
2212	2-Feb	Danville Business Advisors	\$ 826.83	Prop Mgt
2213	2-Feb	Central Midlands Cleaning	1,000.00	Janitorial
2214		Void		
2215		Void		
2216	25-Feb	City of Columbia	62.56	Water/Sewer
2217	25-Feb	SCE&G	2,199.20	Electricity
2218	25-Feb	City of Columbia	154.13	Water/Sewer
2219	25-Feb	Gregory	65.00	Exterminating
2220	25-Feb	AT&T	101.18	Elevator Telephon
2221	25-Feb	Lipscomb Law Firm	280.00	Legal
2222	25-Feb	The Glass Shop	638.00	Repairs
2223	25-Feb	On Call Plumbing	178.00	Repairs
TOTAL			\$ 5,504.90	
Debit	1-Mar	Return Check Fee	\$ 32.00	
2224	2-Mar	Danville Business Advisors	826.83	Prop Mgt
Debit	2-Mar	Overdraft Fee	32.00	
Debit	2-Mar	Overdraft Fee	32.00	
Debit	2-Mar	Overdraft Fee	32.00	
2225	7-Mar	Madison Fludd	203.00	Parking Lot
2226	7-Mar	Cincinnati Insurance	1,678.00	Insurance
Debit	9-Mar	IRS Levy	15,498.45	
Debit	9-Mar	Levy Fee	100.00	
Debit	14-Mar	Overdraft Fee	36.00	
Debit	15-Mar	Richland County Treasurer	29,830.27	2010 Prop Taxes
2227	21-Mar	Home Depot	171.50	Repairs
2228	21-Mar	Lewis Cornelius	675.00	Repairs
2229	31-Mar	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 49,282.05	
2230	11-Apr	Central Midlands Cleaning	1,000.00	Janitorial
2231	11-Apr	Danville Business Advisors	826.83	Prop Mgt
2232	11-Apr	SCE&G	1,740.94	Electricity
2233	12-Apr	ADT Security	142.73	Security
2234	12-Apr	Gregory	130.00	Exterminating

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MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2011**

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2235	12-Apr	City of Columbia	98.75	Water/Sewer
2236	12-Apr	City of Columbia	85.97	Water/Sewer
2237	12-Apr	AT&T	203.09	Elevator Telephone
2238	12-Apr	ThyssenKrupp Elevator	1,363.28	Elevator Maintenance
2239	18-Apr	Central Midlands Cleaning	1,000.00	Janitorial
2240	18-Apr	Montgomery Insurance	1,351.00	Insurance
TOTAL			7,942.59	
2241	4-May	Madison Fludd	\$ 174.00	Parking Lot
2242	10-May	Central Midlands Cleaning	1,000.00	Janitorial
2243	11-May	SCE&G	1,567.01	Electricity
2244	11-May	Danville Business Advisors	826.83	Prop Mgt
2245	11-May	City of Columbia	172.65	Water/Sewer
2246	11-May	AirCond	636.00	HVAC Maintenance
2247	12-May	Gregory	65.00	Exterminating
2248	12-May	AT&T	100.51	Elevator Telephone
2249	12-May	Central Midlands Cleaning	1,000.00	Janitorial
2250	31-May	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 5,677.00	
2251	1-Jun	Danville Business Advisors	\$ 826.83	Prop Mgt
2252	3-Jun	Central Midlands Cleaning	1,000.00	Janitorial
2253	14-Jun	Gregory	67.50	Exterminating
2254	14-Jun	SCE&G	1,728.46	Electricity
2255	14-Jun	Gregory	65.00	Exterminating
2256	14-Jun	AT&T	100.62	Elevator Telephone
2257	14-Jun	City of Columbia	81.71	Water/Sewer
2258	14-Jun	Bernard Ackerman, CPA	800.00	Tax Return
2259	14-Jun	Madison Fludd	135.00	Parking Lot
2260	14-Jun	Ridge Services	130.00	Exterminating
2261	14-Jun	Lipscomb Law Firm	1,266.74	Legal
2262	14-Jun	SCE&G	1,980.91	Electricity
TOTAL			\$ 8,182.77	
2263	1-Jul	Lewis Cornelius	\$ 175.00	Repairs
2264	1-Jul	Danville Business Advisors	865.68	Prop Mgt
2265	11-Jul	Central Midlands Cleaning	850.00	Janitorial
2266	11-Jul	ADT Security	150.58	Security
2267	11-Jul	AirCond	636.00	HVAC Maintenance
2268	11-Jul	City of Columbia	103.01	Water/Sewer
2269	11-Jul	AT&T	100.62	Elevator Telephone
2270	11-Jul	Madison Fludd	135.00	Parking Lot
2271	11-Jul	ThyssenKrupp Elevator	1,363.28	Elevator Maintenance

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2011

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2272	11-Jul	SCE&G	2,637.43	Electricity
TOTAL			\$ 7,016.60	
2273	1-Aug	Danville Business Advisors	\$ 868.90	Prop Mgt
2274	9-Aug	Madison Fludd	135.00	Parking Lot
2275	11-Aug	Central Midlands Cleaning	850.00	Janitorial
2276	15-Aug	City of Columbia	79.16	Water/Sewer
2277	15-Aug	SCE&G	2,413.38	Electricity
2278	15-Aug	Gregory	67.50	Exterminating
2279	15-Aug	AT&T	100.11	Elevator Telephone
2280	15-Aug	On Call Plumbing	256.00	Repairs
2281	15-Aug	Midlands Electrical	495.00	Repairs
2282	15-Aug	Lipscomb Law Firm	605.00	Legal
2283	15-Aug	Midlands Electrical	98.00	Repairs
2284	15-Aug	Ridge Services	10.00	Exterminating
2285	30-Aug	Meyer Mechanical	395.00	HVAC Repairs
TOTAL			\$ 6,373.05	
2286	1-Sep	Danville Business Advisors	868.90	Prop Mgt
2287	14-Sep	Central Midlands Cleaning	892.50	Janitorial
2288	14-Sep	Gregory	68.51	Exterminating
2289	14-Sep	SCE&G	2,698.21	Electricity
2290	14-Sep	City of Columbia	79.16	Water/Sewer
2291	14-Sep	AT&T	100.37	Elevator Telephone
2292	14-Sep	Madison Fludd	135.00	Parking Lot
2293	14-Sep	Lipscomb Law Firm	391.08	Legal
2294	30-Sep	Lewis Cornelius	150.00	Repairs
2295	1-Oct	Daville Business Advisors	\$ 868.90	Prop Mgt
2296	5-Oct	Madison Fludd	135.00	Parking Lot
2297	5-Oct	SCE&G	2,572.17	Electricity
2298	5-Oct	Central Midlands Cleaning	850.00	Janitorial
2299	5-Oct	ADT Security	150.58	Security
2300	5-Oct	ThyssenKrupp Elevator	1,363.28	Elevator Maintnance
2301	5-Oct	City of Columbia	79.10	Water/Sewer
2302	5-Oct	Gregory	67.50	Exterminating
2303	5-Oct	AT&T	100.37	Elevator Telephone
2304	5-Oct	AirCond	636.00	HVAC Maintenance
TOTAL			\$ 6,822.90	
2305	3-Nov	Danville Business Advisors	\$ 868.90	Prop Mgt
2306	8-Nov	Madison Fludd	185.00	Parking Lot
2307		Void		

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MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2011**

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2308	10-Nov	Gregory	67.50	Exterminating
2309	10-Nov	Central Midlands Cleaning	850.00	Janitorial
2310	10-Nov	City of Columbia	79.16	Water/Sewer
2311	10-Nov	AT&T	102.17	Elevator Telephone
2312	10-Nov	Aqua Seal Mfg & Roofing	300.00	Roof Repairs
2313	10-Nov	Lipscomb Law Firm	1,181.75	Legal
2314	10-Nov	SCE&G	1,731.16	Electricity
TOTAL			\$ 5,365.64	
2315	1-Dec	Danville Business Advisors	\$ 868.90	Prop Mgt
2316	13-Dec	Central Midlands Cleaning	841.50	Janitorial
2317	13-Dec	Central Midlands Cleaning	850.00	Janitorial
2318	19-Dec	AT&T	99.00	Elevator Telephone
2319	19-Dec	Gregory	67.50	Exterminating
2320	19-Dec	City of Columbia	88.10	Water/Sewer
2321	19-Dec	Key Shop	123.40	Repairs
2322	19-Dec	SCE&G	1,546.13	Electricity
2323	19-Dec	ADT Security	150.58	Security
2324	19-Dec	Lipscomb Law Firm	907.20	Legal
2325	19-Dec	Madison Fludd	135.00	Parking Lot
2326	21-Dec	Danville Business Advisors	868.90	Prop Mgt
2327	22-Dec	Midlands Electrical	871.62	Repairs
TOTAL			\$ 7,417.83	

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2010**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2071	4-Jan	Danville Business Advisors	\$ 500.00	Prop Mgt
2072	6-Jan	Lewis Cornelius	60.00	Repairs
2073	21-Jan	Central Midlands Cleaning	790.00	Janitorial
2074	28-Jan	SCE&G	1,491.89	Electricity
2075	28-Jan	AirCond	582.00	HVAC Maintenance
2076	28-Jan	AT&T	100.61	Elevator Telephone
2077	28-Jan	Midlands Electric	105.00	Repairs
2078	28-Jan	City of Columbia	198.00	Water/Sewer
2079	28-Jan	ThyssenKrupp Elevator	1,277.68	Elevator Maintenance
2080	28-Jan	Gregory Pest Solutions	124.00	Exterminating
2081	29-Jan	Madison Fludd	185.00	Parking Lot
TOTAL			\$ 5,414.18	
2082		Void		
2083	2-Feb	Danville Business Advisors	\$ 500.00	Prop Mgt
2084	2-Feb	Lewis Cornelius	150.00	Repairs
2085	25-Feb	Central Midlands Cleaning	790.00	Janitorial
2086	25-Feb	AT&T	102.93	Elevator Telephone
2087	25-Feb	City of Columbia	79.75	Water/Sewer
2088	25-Feb	SCE&G	1,718.18	Electricity
2089	25-Feb	Ridge Services	850.00	Repairs
2090	25-Feb	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 4,325.86	
2091	1-Mar	Danville Business Advisors	\$ 500.00	Prop Mgt
2092	15-Mar	Central Midlands Cleaning	1,005.00	Janitorial
2093	19-Mar	Danville Business Advisors	1,075.00	Commission
2094	22-Mar	Gregory Pest Solutions	62.00	Exterminating
2095	22-Mar	AT&T	100.94	Elevator Telephone
2096	22-Mar	City of Columbia	198.33	Water/Sewer
2097	22-Mar	Key Shop	138.15	Repairs
2098	22-Mar	Gregory Pest Solutions	62.00	Exterminating
2099	22-Mar	ADT Security	135.29	Security
2100	22-Mar	SCE&G	1,503.76	Electricity
2101	22-Mar	Madison Fludd	135.00	Parking Lot
2102	30-Mar	Cincinnati Insurance	1,678.00	Insurance
TOTAL			\$ 6,593.47	
2103	1-Apr	Bill Lyles	\$ 3,500.00	Tenant Improvements
2104	6-Apr	Danville Business Advisors	500.00	Prop Mgt
2105	13-Apr	Midlands Electric	1,242.00	Repairs
2106	15-Apr	Central Midlands Cleaning	1,345.00	Janitorial
2107	15-Apr	Danville Business Advisors	500.00	Prop Mgt
2108	20-Apr	Marion Turbeville	8.35	Repairs

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2010

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2109	20-Apr	Cosmetic Painting	\$ 1,450.00	Tenant Improvements
2110	26-Apr	Madison Fludd	210.00	Parking Lot
2111	26-Apr	AT&T	100.94	Elevator Telephone
2112	26-Apr	SCE&G	1,689.81	Electricity
2113	26-Apr	ThyssenKrupp Elevator	1,277.68	Elevator Maintenance
2114	26-Apr	City of Columbia	1.21	Water/Sewer
2115	26-Apr	AirCond	612.00	HVAC Maintenance
TOTAL			\$ 12,436.99	
2116	10-May	Cosmetic Painting	\$ 2,500.00	Parking Lot/Doors
2117	11-May	Danville Business Advisors	553.75	Prop Mgt
2118	12-May	Central Midlands Cleaning	1,000.00	Janitorial
2119	17-May	Sign A Rama	285.00	Repairs
2120	17-May	AT&T	101.36	Elevator Telephone
2121	17-May	Madison Fludd	135.00	Parking Lot
2122	17-May	Sign A Rama	159.17	Repairs
2123	17-May	Key Shop	1,147.53	Repairs
2124	17-May	City of Columbia	77.99	Water/Sewer
2125	17-May	SCE&G	1,549.01	Electricity
2126	17-May	Gregory Pest Solutions	124.00	Exterminating
	31-May	NBSC BANK FEES	107.00	
TOTAL			\$ 7,739.81	
2127	7-Jun	Danville Business Advisors	\$ 553.75	Prop Mgt
2128	21-Jun	Central Midlands Cleaning	1,000.00	Janitorial
2129	22-Jun	AT&T	101.14	Elevator Telephone
2130	22-Jun	Gregory Pest Solutions	62.00	Exterminating
2131	22-Jun	ADT Security	142.73	Security
2132	22-Jun	City of Columbia	72.60	Water/Sewer
2133	22-Jun	SCE&G	1,657.01	Electricity
2134	22-Jun	Key Shop	176.36	Repairs
2135	22-Jun	Columbia Fire & Safety	278.05	Repairs
2136	22-Jun	Lipscomb Law Firm	635.00	Legal
2137	22-Jun	John Lipscomb	16.91	Repairs
2138	22-Jun	Madison Fludd	135.00	Parking Lot
2139	22-Jun	Simply Connected	460.00	Repairs
TOTAL			\$ 5,290.55	
2140	1-Jul	Bernard Ackerman, CPS	\$ 950.00	Tax Returns
2141	1-Jul	Danville Business Advisors	553.75	Prop Mgt
2142	15-Jul	Central Midlands Cleaning	1,000.00	Janitorial
2143	19-Jul	Madison Fludd	200.00	Parking Lot
2144	19-Jul	SCE&G	2,642.10	Electricity

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2010

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2145	19-Jul	ThyssenKrupp Elevator	1,277.68	Elevator Maintenance
2146	19-Jul	City of Columbia	80.96	Water/Sewer
2147	19-Jul	Gregory Pest Control	65.00	Exterminating
2148	19-Jul	AirCond	612.00	HVAC Maintenance
2149	19-Jul	Midlands Electric	1,271.00	Repairs
2150	19-Jul	Lipscomb Law Firm	85.20	Legal
2151	19-Jul	AT&T	101.14	Elevator Telephon
TOTAL			\$ 8,838.83	
2152	5-Aug	Danville Business Advisors	\$ 553.75	Prop Mgt
2153	9-Aug	Danville Business Advisors	2,730.89	Commission
2154	25-Aug	Madison Fludd	225.00	Parking Lot
2155	26-Aug	Central Midlands Cleaning	1,064.95	Janitorial
2156	31-Aug	Meyer Mechanical	442.00	HVAC Repairs
2157		Void		
2158	31-Aug	SCE&G	2,750.90	Electricity
2159	31-Aug	City of Columbia	335.32	Water/Sewer
2160	31-Aug	Gregory Pest Control	65.00	Exterminating
2161	31-Aug	AT&T	100.40	Elevator Repairs
2162	31-Aug	Southern Atlantic Mechanical	403.22	Repairs
TOTAL			\$ 8,671.43	
2163	8-Sep	Danville Business Advisors	\$ 828.83	Prop Mgt
2164	21-Sep	Central Midlands Cleaning	1,000.00	Janitorial
2165	23-Sep	Madison Fludd	135.00	Parking Lot
2166	24-Sep	ADT Security	142.73	Security
2167	24-Sep	Gregory Pest Control	65.00	Exterminating
2168	24-Sep	SCE&G	2,395.47	Electricity
2169	24-Sep	AT&T	100.91	Elevator Telephone
2170	24-Sep	Lipscomb Law Firm	370.00	Legal
2171	24-Sep	Key Shop	80.00	Repairs
2172	24-Sep	Southern Atlantic Mechanical	143.50	Repairs
2173	24-Sep	Willie Lyles	1,450.00	Repairs
TOTAL			\$ 6,711.44	
2174	12-Oct	AT&T	\$ 102.30	Elevator Telephone
2175	12-Oct	SCE&G	2,430.44	Electricity
2176	12-Oct	City of Columbia	92.05	Water/Sewer
2177	12-Oct	AirCond	612.00	HVAC Maintenance
2178	12-Oct	Madison Fludd	135.00	Parking Lot
2179	12-Oct	Danville Business Advisors	826.83	Prop Mgt
2180	12-Oct	Central Midlands Cleaning	1,114.50	Janitorial
TOTAL			\$ 5,313.12	

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2010

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2181	5-Nov	Danville Business Advisors	\$ 826.83	Prop Mgt
2182	11-Nov	Central Midlands Cleaning	1,000.00	Janitorial
2183	12-Nov	Madison Fludd	135.00	Parking Lot
2184	30-Nov	SCE&G	1,725.83	Electricity
2185	30-Nov	City of Columbia	286.96	Water/Sewer
2186	30-Nov	AT&T	99.93	Elevator Telephone
2187	30-Nov	Midlands Electrical	1,232.50	Repairs
2188	30-Nov	Aqua Seal Mfg & Roofing	400.00	Roof Repairs
2189	30-Nov	Southern Atlantic Mechanical	747.25	Repairs
2190	30-Nov	Thyssen Krupp Elevator	1,277.68	Elevator Maintenance
2191	30-Nov	Gregory Pest Control	130.00	Exterminating
TOTAL			\$ 7,861.98	
2192	10-Dec	Danville Business Advisors	\$ 826.83	Prop Mgt
2193	20-Dec	Madison Fludd	135.00	Parking Lot
2194	21-Dec	Central Midlands Cleaning	1,000.00	Janitorial
2195	31-Dec	SCE&G	1,610.22	Electricity
2196	31-Dec	Central Midlands Cleaning	1,000.00	Janitorial
2197	31-Dec	City of Columbia	228.93	Water/Sewer
2198	31-Dec	Thyssen Krupp Elevator	1,363.28	Elevator Maintenance
2199	31-Dec	ADT Security	142.73	Security
2200	31-Dec	AT&T	100.41	Elevator Telephone
2201	31-Dec	Gregory Pest Control	65.00	Exterminating
2202	31-Dec	On Call Plumbing	172.50	Repairs
2203	31-Dec	Lipscomb Law Firm	86.30	Legal
2204	31-Dec	Bernard Ackerman, CPA	85.00	Tax Return
TOTAL			\$ 6,816.20	

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2009**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1958	6-Jan	Meyer Mechanical	\$ 500.00	HVAC Repair
1959	7-Jan	Danville Business Advisors	500.00	Prop Mgt
1960	12-Jan	Central Midlands Cleaning	963.00	Janitorial
1961	28-Jan	Meyer Mechanical	290.00	HVAC Repair
Total			2,253.00	
1962	5-Feb	Madison Fludd	\$ 135.00	Parking Lot
1963	25-Feb	Central Midlands Cleaning	963.00	Janitorial
1964	26-Feb	SCE&G	3,269.54	Electricity
1965	27-Feb	Madison Fludd	135.00	Parking Lot
1966	27-Feb	Danville Business Adviors	500.00	Prop Mgt
Total			\$ 5,002.54	
1967	4-Mar	SC Dept of LLR	\$ 125.00	Elevator Inspection
1968	4-Mar	AT&T	203.25	Elevator Telephone
1969	4-Mar	Samco	157.50	Pluming Repair
1970	4-Mar	Gregory Pest Control	118.00	Exterminating
1971	4-Mar	AirCond	552.00	HVAC Maintenance
1972	4-Mar	City of Columbia	232.98	Water/Sewer
1973	4-Mar	Central Midlands Cleaning	963.00	Janitorial
1974	4-Mar	Madison Fludd	135.00	Parking Lot
1975	4-Mar	Danville Business Advisors	500.00	Prop Mgt
1976	24-Mar	Meyer Mechanical	320.00	HVAC Repair
1977	24-Mar	SCE&G	1,675.42	Electricity
1978	27-Mar	Gregory Pest Control	59.00	Exterminating
1979		Void		
1980	27-Mar	AT&T	101.14	Elevator Telephone
1981	27-Mar	ADT	128.24	Security
1982	27-Mar	Madison Fludd	135.00	Parking Lot
Total			\$ 5,405.53	
1983	16-Apr	Danville Business Advisors	\$ 500.00	Prop Mgt
1984	24-Apr	Cincinnati Insurance	1,678.00	Insurance
1985	24-Apr	City of Columbia	91.48	Water/Sewer
1986	24-Apr	City of Columbia	34.75	Garbage
1987	24-Apr	SCE&G	1,407.60	Electricity
1988	24-Apr	ThyssenKrupp Elevator	1,208.78	Elevator Maintenance
1989	24-Apr	Central Midlands Cleaning	963.00	Janitorial
1990		Void		
1991	24-Apr	AT&T	103.88	Elevator Telephone
1992	24-Apr	Madison Fludd	135.00	Parking Lot
1993	27-Apr	Lewis Cornelius	275.00	Repairs
Total			\$ 6,397.49	

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2009

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1994		Void		
1995	5-May	Marion Turbeville	\$ 112.71	Reimburse Repairs
1996	5-May	Central Midlands Cleaning	790.00	Janitorial
1997	11-May	SCE&G	1,501.14	Electricity
1998	11-May	Gregory Pest Control	59.00	Exterminating
1999	11-May	AT&T	102.98	Elevator Telephone
2000	11-May	City of Columbia	145.00	Water/Sewer
2001	11-May	AirCond	582.00	HVAC Maintenance
2002	11-May	Key Shop	310.34	Repairs
2003	11-May	Madison Fludd	135.00	Parking Lot
2004	12-May	Danville Business Advisors	500.00	Prop Mgt
Total			\$ 4,238.17	
2005	10-Jun	Lewis Cornelius	\$ 150.00	Repairs
2006	15-Jun	Madison Fludd	185.00	Parking Lot
2007	15-Jun	Danville Business Advisors	500.00	Prop Mgt
2008	25-Jun	Gregory Pest Control	121.00	Exterminating
2009	26-Jun	SCE&G	1,351.24	Electricity
2010	26-Jun	B Ackerman CPA	1,000.00	Tax Returns
2011	26-Jun	AT&T	101.15	Elevator Telephone
2012	26-Jun	ADT	135.29	Security
2013	26-Jun	City of Columbia	76.78	Water/Sewer
2014	26-Jun	Central Midlands Cleaning	790.00	Janitorial
Total			\$ 4,410.46	
2015	13-Jul	Danville Business Advisors	\$ 500.00	Prop Mgt
2016	23-Jul	Madison Fludd	285.00	Parking Lot
2017	23-Jul	AirCond	582.00	HVAC Maintenance
2018	24-Jul	ThyssenKrupp Elevator	1,208.78	Elevator Maintenance
2019	24-Jul	City of Columbia	72.60	Water/Sewer
2020	24-Jul	SCE&G	1,963.28	Electricity
2021	24-Jul	AT&T	99.63	Elevator Telephone
2022	24-Jul	Central Midlands Cleaning	790.00	Janitorial
Total			\$ 5,501.29	
2023	23-Aug	City of Columbia	\$ 83.21	Water/Sewer
2024	23-Aug	AT&T	100.92	Elevator Telephone
2025	23-Aug	Central Midlands Cleaning	790.00	Janitorial
2026		Void		
2027	23-Aug	SCE&G	1,989.31	Electricity
2028	23-Aug	Gregory Pest Control	62.00	Exterminating
2029	23-Aug	Madison Fludd	135.00	Parking Lot

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MONTHLY CHECK REGISTER
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PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2009

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2030	23-Aug	Danville Business Advisors	500.00	Prop Mgt
Total			\$ 3,660.44	
2031	2-Sep	Danville Business Advisors	\$ 500.00	Prop Mgt
2032	27-Sep	Central Midlands Cleaning	790.00	Janitorial
2033	27-Sep	City of Columbia	214.72	Water/Sewer
2034	27-Sep	ADT	135.29	Security
2035		Void		
2036	27-Sep	AT&T	101.03	Elevator Telephone
2037	27-Sep	Central Midlands Cleaning	125.00	Janitorial
2038	27-Sep	Gregory Pest Control	124.00	Exterminating
2039	27-Sep	SCE&G	2,106.68	Electricity
2040	27-Sep	Madison Fludd	135.00	Parking Lot
Total			\$ 4,231.72	
2041	12-Oct	Key Shop	\$ 55.53	Repair
2042		Void		
2043	12-Oct	SCE&G	1,479.37	Electricity
2044	12-Oct	City of Columbia	76.78	Water/Sewer
2045	12-Oct	AT&T	101.03	Elevator Telephone
2046	12-Oct	AirCond	582.00	HVAC Maintenance
2047	12-Oct	ThyssenKrupp Elevator	1,208.78	Elevator Maintenance
2048	12-Oct	Central Midlands Cleaning	790.00	Janitorial
2049	12-Oct	Madison Fludd	135.00	Parking Lot
2050	12-Oct	Danville Business Advisors	500.00	Prop Mgt
2051	12-Oct	Michael Hunt	35.00	Repair
Cashiers Check	29-Oct	Howard Hammer	7,500.00	Loan
Total			\$ 12,463.49	
2052	5-Nov	Danville Business Advisors	\$ 500.00	Mgt
2053	6-Nov	Madison Fludd	285.00	Parking Lot
2054	24-Nov	Midlands Electric	425.00	Repair
2055	30-Nov	Central Midlands Cleaning	821.75	Janitorial
2056	30-Nov	SCE&G	1,527.02	Electricity
2057	30-Nov	City of Columbia	71.65	Water/Sewer
2058	30-Nov	AT&T	100.83	Elevator Telephone
2059	30-Nov	Gregory Pest Control	124.00	Exterminating
2060	30-Nov	City of Columbia	190.67	Water/Sewer
2061	30-Nov	Samco	122.50	Repair
Total			4,168.42	
2062	15-Dec	Danville Business Advisors	\$ 500.00	Prop Mgt
2063	18-Dec	Madison Fludd	135.00	Parking Lot
2064	18-Dec	SCE&G	803.81	Electricity
2065	18-Dec	ADT Security	135.29	Security

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2009

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2066	18-Dec	AT&T	102.26	Elevator Telephone
2067	18-Dec	Central Midlands Cleaning	790.00	Janitorial
2068	18-Dec	Midlands Electrical	1,301.75	Repair
2069	18-Dec	Key Shop	116.64	Repair
2070	31-Dec	Richland County Treasurer	<u>26,669.80</u>	Real Estate Taxes
Total			\$ 30,554.55	

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2008**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1834	14-Jan	Larry Palmer	\$ 825.00	Painting
1835	18-Jan	Larry Palmer	825.00	Painting
1836	18-Jan	Danville Business Advisors	580.00	Prop Mgt
1837	24-Jan	Central Midlands Cleaning	900.00	Janitorial
1838	28-Jan	Gregory Pest Control	57.00	Exterminating
1839	28-Jan	City of Columbia	84.88	Water/Sewer
1840	28-Jan	SCE&G	1,517.81	Exterminating
1841	28-Jan	ThyssenKrupp Elevator	1,129.70	Elevator Maintenance
1842	28-Jan	Madison Fludd	135.00	Parking Lot
1843	28-Jan	AT&T	101.00	Elevator Telephone
1844	28-Jan	AirCond	490.00	HVAC Maintenance
TOTAL			\$ 6,645.39	
1845	20-Feb	Central Midlands Cleaning	\$ 2,001.03	Janitorial
1846	25-Feb	SCE&G	1,299.28	Electricity
1847	25-Feb	AT&T	100.70	Elevator Telephone
1848	25-Feb	City of Columbia	116.56	Water/Sewer
1849	25-Feb	JP Plumbing	100.00	Repair
1850	25-Feb	Madison Fludd	135.00	Parking Lot
1851	25-Feb	Danville Business Advisors	580.00	Prop Mgt
TOTAL			\$ 4,332.57	
1852	18-Mar	Danville Business Advisors	\$ 580.00	Prop Mgt
1853	26-Mar	SCE&G	1,585.17	Electricity
1854	26-Mar	Randall's Electric	60.00	Repair
1855	26-Mar	Central Midlands Cleaning	900.00	Janitorial
1856	26-Mar	Gregory Pest Control	57.00	Exterminating
1857	26-Mar	City of Columbia	89.16	Water/Sewer
1852	26-Mar	AT&T	100.79	Elevator Telephone
1859		Void		
1860	26-Mar	Adams Eaddy	1,854.00	Insurance
1861	26-Mar	SE Atlantic Mechanical	121.50	Plumbing Repair
1862	26-Mar	ADT	121.55	Security
1863	26-Mar	Madison Fludd	135.00	Parking Lot
1864	28-Mar	Howard & Shirley Hammer	3,182.36	Owner Distribution
1865	28-Mar	Howard Hammer, GAI	152.75	Owner Distribution
TOTAL			\$ 8,939.28	
1866	10-Apr	Central Midlands Cleaning	\$ 900.00	Janitorial
1867	16-Apr	Danville Business Advisors	580.00	Prop Mgt
1868	18-Apr	City of Columbia	95.39	Water/Sewer
1869	18-Apr	City of Columbia	34.75	Garbage
1870	18-Apr	ThyssenKrupp Elevator	1,129.70	Elevator Maintenance
1871	18-Apr	Gregory Pest Control	57.00	Exterminating

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2008

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1872	18-Apr	AT&T	100.79	Elevator Telephone
1873	18-Apr	SCE&G	1,434.94	Electricity
1874	18-Apr	SE Atlantic Mechanical	112.50	Plumbing Repair
1875	18-Apr	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 4,580.07	
1876	9-May	Danville Business Advisors	\$ 580.00	Prop Mgt
1877	10-May	SCE&G	1,693.71	Electricity
1878	10-May	AT&T	101.30	Elevator Telephone
1879	10-May	Gregory Pest Control	57.00	Exterminating
1880	10-May	City of Columbia	92.71	Water/Sewer
1881	10-May	Key Shop	553.50	Repair
1882	10-May	SE Atlantic Mechanical	132.50	Plumbing Repair
1883	10-May	AirCond	552.00	HVAC Maintenance
1884	10-May	Madison Fludd	135.00	Parking Lot
1885	10-May	Central Midlands Cleaning	1,020.00	Janitorial
1886	12-May	Madison Fludd	75.00	Parking Lot
TOTAL			\$ 4,992.72	
1887	4-Jun	Meyer Mechanical	\$ 400.00	HVAC Repair
1888	11-Jun	Central Midlands Cleaning	900.00	Janitorial
1889	16-Jun	Danville Business Advisors	580.00	Prop Mgt
1890	23-Jun	Howard Hammer	20,000.00	Loan
1891	27-Jun	Madison Fludd	135.00	Parking Lot
1892	30-Jun	City of Columbia	176.23	Water/Sewer
1893	30-Jun	ThyssenKrupp Elevator	1,129.70	Elevator Maintenance
1894	30-Jun	AT&T	101.04	Elevator Telephone
1895	30-Jun	SCE&G	1,789.57	Electricity
1896	30-Jun	ADT	128.24	Security
1897	30-Jun	SE Atlantic Mechanical	245.50	Plumbing Repair
1898	30-Jun	Bernard Ackerman, CPA	750.00	Tax Returns
1899	30-Jun	Franklin D Plumbing	80.00	Plumbing Repair
1900	30-Jun	Gregory Pest Control	57.00	Exterminating
TOTAL			\$ 26,472.28	
1901	21-Jul	Central Midlands Cleaning	\$ 900.00	Janitorial
1902	21-Jul	Danville Business Advisors	580.00	Prop Mgt
1903	21-Jul	AT&T	101.20	Elevator Telephone
1904	21-Jul	Gregory Pest Control	59.00	Exterminating
1905	21-Jul	SCE&G	2,393.14	Electricity
1906	21-Jul	Madison Fludd	135.00	Parking Lot
1907	21-Jul	AirCond	552.00	HVAC Maintenance
Total			\$ 4,720.34	

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MONTHLY CHECK REGISTER
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<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1908	4-Aug	Madison Fludd	\$ 205.00	Landscaping
1909	4-Aug	Madison Fludd	135.00	Parking Lot
1910	18-Aug	Danville Business Advisors	580.00	Prop Mgt
1911	18-Aug	Gregory	59.00	Exterminating
1912	18-Aug	AT&T	102.39	Elevator Telephone
1913	18-Aug	Samco	154.50	Plumbing Repair
1914	18-Aug	Central Midlands Cleaning	963.00	Janitorial
1915	18-Aug	City of Columbia	85.85	Water/Sewer
1916	18-Aug	SCE&G	2,488.94	Electricity
Total			\$ 4,773.68	
1917	2-Sep	Meyer Mechanical	\$ 73.00	HVAC Repair
1918	12-Sep	Danville Business Advisors	580.00	Prop Mgt
1919	15-Sep	Madison Fludd	305.00	Parking Lot/Landscap
1920	17-Sep	Meyer Mechanical	493.00	HVAC Repair
1921	30-Sep	Central Midlands Cleaning	963.00	Janitorial
1922	30-Sep	Gregory	118.00	Exterminating
1923	30-Sep	City of Columbia	80.96	Water/Sewer
1924	30-Sep	City of Columbia	94.71	Water/Sewer
1925	30-Sep	AT&T	102.79	Elevator Telephone
1926	30-Sep	SCE&G	2,348.43	Electricity
1927	30-Sep	ADT	128.24	Security
1928	30-Sep	ThyssenKrupp Elevator	1,129.70	Elevator Maintenance
1929	30-Sep	AirCond	552.00	HVAC Repair
1930	30-Sep	Madison Fludd	135.00	Parking Lot/Landscap
Total			\$ 7,103.83	
1931	3-Oct	Sign A Rama	\$ 112.35	Signage
1932	8-Oct	Central Midlands Cleaning	1,211.75	Janitorial
1933	15-Oct	Danville Business Advisors	580.00	Prop Mgt
1934	31-Oct	City of Columbia	89.32	Water/Sewer
1935	31-Oct	Gregory	59.00	Exterminating
1936	31-Oct	Samco	333.50	Plumbing Repair
1937	31-Oct	SCE&G	1,943.54	Electricity
1938	31-Oct	AT&T	101.43	Elevator Telephone
1039	31-Oct	Madison Fludd	135.00	Parking Lot
Total			\$ 4,565.89	
1940	24-Nov	Central Midlands Cleaning	\$ 963.00	Janitorial
1941	30-Nov	Gregory	59.00	Exterminating
1942	30-Nov	City of Columbia	97.68	Water/Sewer
1943	30-Nov	Samco	116.50	Plumbing Repair
1944		Void		
1945	30-Nov	Madison Fludd	195.00	Parking Lot

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2008

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1946	30-Nov	AT&T	102.79	Elevator Telephone
1947	30-Nov	SCE&G	1,604.75	Electricity
Total			\$ 3,138.72	
1948	15-Dec	Central Midlands Cleaning	\$ 1,003.00	Janitorial
1949	15-Dec	AT&T	101.10	Elevator Telephone
1950	15-Dec	SCE&G	1,448.80	Electricity
1951	15-Dec	Madison Fludd	195.00	Parking Lot
1952	15-Dec	Danville Business Advisors	1,160.00	Prop Mgt
1953	31-Dec	Gregory	59.00	Exterminating
1954	31-Dec	ADT	128.24	Security
1955	31-Dec	City of Columbia	85.14	Water/Sewer
1956	31-Dec	ThyssenKrupp Elevator	1,208.78	Elevator Maintenance
1957	31-Dec	Richland County Treasurer	27,124.22	Real Estate Taxes
Total			\$ 32,513.28	

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2007**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1704	16-Jan	Danville Business Advisors	\$ 575.00	Prop Mgt
1705	26-Jan	Clarence Winfrey	100.00	Repairs
1706	29-Jan	Midlands Electric	225.00	Repairs
1707	29-Jan	Sign A Rama	79.50	Signage
1708	29-Jan	SCE&G	1,004.29	Electricity
1709	29-Jan	Bell South	98.48	Elevator Telephone
1710	29-Jan	City of Columbia	134.09	Water/Sewer
1711	29-Jan	Gregory Pest	55.00	Exterminating
1712	29-Jan	AirCond	435.00	HVAC Maintenance
1713	29-Jan	SC Dept LLR	125.00	Elevator Inspection
1714	29-Jan	ThyssenKrupp	1,060.75	Elevator Maintenance
1715	29-Jan	Key Shop	454.18	Repairs
1716	29-Jan	Central Midlands Cleaning	515.00	Janitorial
TOTAL			\$ 4,861.29	
1717	2-Feb	Madison Fludd	\$ 200.00	Parking Lot
1718	7-Feb	Lowe's	635.03	Repairs
	7-Feb	NSF FEES	35.00	Bank Fee
	8-Feb	NSF FEES	35.00	Bank Fee
1719	16-Feb	ADT	13.86	Security
1720	16-Feb	Bell South	100.30	Elevator Telephone
1721	16-Feb	Central Midlands Cleaning	515.00	Janitorial
1722	16-Feb	SCE&G	986.24	Electricity
1723	16-Feb	Adams Eaddy Insurance	1,854.00	Insurance
1724	16-Feb	Danville Business Advisors	577.50	Prop Mgt
1725	16-Feb	Madison Fludd	135.00	Parking Lot
	21-Feb	NSF FEES	64.00	Bank Fee
TOTAL			5,150.93	
1726	16-Mar	Danville Business Advisors	\$ 577.50	Prop Mgt
1727		Void		
1728	19-Mar	Central Midlands Cleaning	540.00	Janitorial
1729	21-Mar	Meetze Plumbing	263.00	Plumbing Repair
1730	21-Mar	ADT	115.21	Security
1731	21-Mar	Bell South	98.58	Elevator Telephone
1732	21-Mar	SCE&G	1,199.05	Electricity
1733	21-Mar	Gregory Pest	55.00	Exterminating
1734	21-Feb	City of Columbia	65.99	Water/Sewer
1735	21-Mar	Madison Fludd	135.00	Parking Lot
TOTAL			3,049.33	
1736	17-Apr	Danville Business Advisors	\$ 577.50	Prop Mgt
1737	25-Apr	ThyssenKrupp	1,060.75	Elevator Maintenance
1738		Void		

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

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MONTH ENDING: DECEMBER 31, 2007

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1739	25-Apr	City of Columbia	73.57	Water/Sewer
1740	25-Apr	AT&T	99.60	Elevator Telephone
1741	25-Apr	AirCond	\$ 459.00	HVAC Maintenance
1742	25-Apr	City of Columbia	34.75	Garbage
1743	25-Apr	Gregory	110.00	Exterminating
1744	25-Apr	Central Midlands Cleaning	515.00	Janitorial
1745	25-Apr	SCE&G	980.65	Electricity
1746	25-Apr	Midlands Electrical	295.00	Repairs
1747	25-Apr	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 4,340.82	
1748	16-May	Danville Business Advisors	\$ 577.50	Prop Mgt
1749	28-May	Bernard Ackerman, CPA	500.00	Tax Returns
1750	28-May	Gregory	55.00	Exterminating
1751	28-May	AT&T	100.26	Elevator Telephone
1752	28-May	City of Columbia	174.77	Water/Sewer
1753	28-May	SCE&G	969.75	Electricity
1754	28-May	Central Midlands Cleaning	545.00	Janitorial
1755	28-May	Midlands Electrical	150.00	Repairs
1756	28-May	Madison Fludd	135.00	Parking Lot
1757	28-May	Key Shop	204.42	Repairs
TOTAL			\$ 3,411.70	
1758	14-Jun	Danville Business Advisors	\$ 577.50	Prop Mgt
1759	29-Jun	Central Midlands Cleaning	515.00	Janitorial
1760	29-Jun	Madison Fludd	135.00	Parking Lot
1761	29-Jun	SCE&G	1,396.78	Electricity
1762	29-Jun	City of Columbia	78.92	Water/Sewer
1763	29-Jun	AT&T	100.70	Elevator Telephone
1764	29-Jun	ADT	121.55	Security
1765	29-Jun	Thyssen Krupp	1,060.75	Elevator Maintenance
1766	29-Jun	AirCond	459.00	HVAC Maintenance
1767	29-Jun	Gregory	57.00	Exterminating
TOTAL			\$ 4,502.20	
1768	13-Jul	Danville Business Advisors	\$ 577.50	Prop Mgt
1769	16-Jul	NAI Avant	8,367.00	Commission
1770	24-Jul	Central Midlands Cleaning	515.00	Janitorial
1771	24-Jul	Central Midlands Cleaning	840.00	Janitorial
1772	25-Jul	Gregory	57.00	Exterminating
1773	25-Jul	Sign A Rama	112.35	Signage
1774	25-Jul	AT&T	102.35	Elevator Telephone

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
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<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1775	25-Jul	SCE&G	422.16	Electricity
1776	25-Jul	Madison Fludd	135.00	Parking Lot
1777	25-Jul	Franklin D's	187.50	Plumbing Repair
TOTAL			\$ 11,315.86	
1778	6-Aug	Lewis Cornelius	\$ 800.00	Repairs
1779	8-Aug	Central Midlands Cleaning	900.00	Janitorial
1780	8-Aug	Central Midlands Cleaning	172.50	Janitorial
1781	10-Aug	Lewis Cornelius	3,000.00	Repairs
1782	14-Aug	Danville Business Advisors	577.50	Prop Mgt
1783	15-Aug	Lewis Cornelius	275.38	Repairs
1784	16-Aug	Midlands Electric	150.00	Repairs
1785	20-Aug	Madison Fludd	235.00	Parking Lot
1786	28-Aug	City of Columbia	158.94	Water/Sewer
1787	28-Aug	Gregory	57.00	Exterminaitng
1788	28-Aug	SCE&G	4,286.94	Electricity
1789	28-Aug	AT&T	100.49	Elevator Telephone
1790	28-Aug	Midlands Electric	1,210.00	Repairs
1791	28-Aug	Key Shop	419.68	Repairs
1792	28-Aug	Meetze Plumbing	418.85	Plumbing Repairs
TOTAL			\$ 12,762.28	
1793	14-Sep	Danville Business Advisors	\$ 577.50	Prop Mgt
1794	25-Sep	Central Midlands Cleaning	900.00	Janitorial
1795	28-Sep	SCE&G	2,567.32	Electricity
1796	28-Sep	AirCond	399.40	HVAC Maintenance
1797	28-Sep	ADT	121.55	Security
1798	28-Sep	Gregory	57.00	Exterminating
1799	28-Sep	AT&T	100.57	Elevator Telephone
1800	28-Sep	ThyssenKrupp	1,060.75	Elevator Maintenance
1801		Void		
1802	28-Sep	City of Columbia	84.58	Water/Sewer
1803	28-Sep	Midlands Electric	225.00	Repairs
TOTAL				
1804	2-Oct	Madison Fludd	\$ 210.00	Parking Lot
1805	9-Oct	Central Midlands Cleaning	900.00	Janitorial
1806	19-Oct	Danville Business Advisors	577.50	Prop Mgt
1807	31-Oct	Madison Fludd	335.00	Landscaping
1808	31-Oct	SCE&G	1,766.65	Electricity
1809	31-Oct	AT&T	102.24	Elevator Telephone
1810	31-Oct	Meetze Plumbing	133.95	Plumbing Repairs

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2007

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1811	31-Oct	City of Columbia	83.45	Water/Sewer
1812	31-Oct	Gregory	57.00	Exterminating
1813	31-Oct	AirCond	719.44	HVAC Maintenance
TOTAL			\$ 4,885.23	
1814	16-Nov	Danville Business Advisors	\$ 577.50	Prop Mgt
1815	26-Nov	SCE&G	979.31	Electricity
1816	26-Nov	Madison Fludd	135.00	Parking Lot
1817	26-Nov	AT&T	103.11	Elevator Telephone
1818	26-Nov	Central Midlands Cleaning	900.00	Janitorial
1819	30-Nov	Gregory	57.00	Exterminating
1820	30-Nov	Meetze Plumbing	119.85	Plumbing Repairs
TOTAL			\$ 2,871.77	
1821	3-Dec	Madison Fludd	\$ 200.00	Parking Lot
1822	11-Dec	Meyer Mechanical	380.00	HVAC Repairs
1823	17-Dec	Danville Business Advisors	577.50	Prop Mgt
1824	21-Dec	City of Columbia	95.39	Water/Sewer
1825	21-Dec	Air Cond	291.00	HVAC Repairs
1826	21-Dec	SCE&G	1,494.12	Electricity
1827	21-Dec	Central Midlands Cleaning	900.00	Janitorial
1828	21-Dec	Gregory	57.00	Exterminating
1829	21-Dec	AT&T	101.00	Elevator Telephone
1830	21-Dec	ADT Security	121.55	Security
1831	21-Dec	SC Dept of LLR	125.00	Elevator Inspeccion
1832	26-Dec	Madison Fludd	200.00	Parking Lot
1833	31-Dec	Richland County Treasury	25,753.44	Real Estate Taxes
TOTAL			\$ 30,296.00	

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2006**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1575	5-Jan	Larry Palmer	\$ 75.00	Painting
1576	6-Jan	Marc Wintersteen	130.00	HVAC Repairs
1577	16-Jan	Gregory Pest	52.00	Exterminating
1578	16-Jan	SCE&G	1,247.24	Electricity
1579	16-Jan	Bell South	198.36	Elevator Telephone
1580	16-Jan	Commercial Maintenance	1,493.24	Janitorial
1581	16-Jan	City of Columbia	116.20	Water-Sewer
1582	16-Jan	ADT	109.21	Security
1583	16-Jan	Madison Fludd	135.00	Parking Lot
1584	16-Jan	ThyssenKrupp	990.43	Elevator Maintenance
1585	16-Jan	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 5,166.58	
1586	8-Feb	Marc Wintersteen	\$ 410.00	HVAC Repairs
1587	14-Feb	Bell South	98.38	Elevator Telephone
1588	14-Feb	Key Shop	277.66	Repairs
1589	14-Feb	City of Columbia	68.36	Water/Sewer
1590	14-Feb	Gregory Pest	52.00	Exterminating
1591	14-Feb	Madison Fludd	135.00	Parking Lot
1592	14-Feb	Commercial Maintenance	915.00	Janitorial
1593	14-Feb	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 2,576.30	
1594	7-Mar	Adams Eaddy	\$ 1,854.00	Insurance
1595	14-Mar	Columbia Fire & Safety	35.41	Fire Extinguisher
1596	14-Mar	Sign A Rama	47.70	Signage
1597	14-Mar	Midlands Electrical	525.00	Repairs
1598	14-Mar	Bell South	98.38	Elevator Telephone
1599	14-Mar	Gregory Pest	52.00	Exterminating
1600	14-Mar	City of Columbia	112.52	Water/Sewer
1601	14-Mar	SCE&G	2,157.80	Electricity
1602	14-Mar	Air Cond	420.00	HVAC Maintenance
1603	14-Mar	Commercial Maintenance	524.54	Janitorial
1604	14-Mar	Madison Fludd	135.00	Parking Lot
1605	14-Mar	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 6,582.25	
1606	18-Apr	Commercial Maintenance	\$ 524.54	Janitorial
1607	18-Apr	Bell South	98.52	Elevator Telephone
1608	18-Apr	ThyssenKrupp	990.43	Elevator Maintenance
1609	18-Apr	Dependable Plumbing	85.00	Plumbing Repairs
1610	18-Apr	City of Columbia	34.75	Garbage
1611	18-Apr	ADT	109.21	Security

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2006

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1612	18-Apr	City of Columbia	\$ 79.40	Water/Sewer
1613	18-Apr	Gregory Pest	1,882.00	Exterminating
1614	18-Apr	Midlands Electrical	225.00	Repairs
1615	18-Apr	Madison Fludd	135.00	Parking Lot
1616	18-Apr	SCE&G	991.26	Electricity
1617	20-Apr	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 5,775.01	
1618	8-May	Tom Lentz	\$ 128.00	Repairs
1619	10-May	City of Columbia	68.36	Water/Sewer
1620	10-May	SCE&G	1,149.71	Electricity
1621	10-May	Gregory Pest	52.00	Exterminating
1622	10-May	Commercial Maintenance	524.54	Janitorial
1623	10-May	Bell South	98.52	Elevator Telephone
1624	10-May	Sign A Rama	52.56	Signage
1625	10-May	Air Cond	435.00	HVAC Maintenance
1626	10-May	Madison Fludd	135.00	Parking Lot
1627	12-May	Marc Wintersteen	142.00	HVAC Repairs
1628	12-May	Danville Business Advisors	619.90	Prop Mgt
1629	31-May	Pardee's Refrigeration & AC	11,450.00	Replace HVAC Unit
TOTAL			\$ 14,855.59	
1630	15-Jun	Danville Business Advisors	\$ 619.90	Prop Mgt
1631	16-Jun	SCE&G	1,512.49	Electricity
1632	16-Jun	Bell South	98.50	Elevator Telephone
1633	16-Jun	Gregory Pest	107.00	Exterminating
1634	16-Jun	Commercial Maintenance	524.54	Janitorial
1635	16-Jun	Madison Fludd	135.00	Parking Lot
1636	16-Jun	City of Columbia	83.08	Water/Sewer
1637	16-Jun	Sign A Rama	37.10	Signage
TOTAL			\$ 3,117.61	
1638	3-Jul	Russell Nothdurft	\$ 800.00	Repairs
1639	15-Jul	Bell South	98.39	Elevator Telephone
1640	15-Jul	Commercial Maintenance	524.54	Janitorial
1641	15-Jul	Key Shop	396.00	Repairs
1642	15-Jul	SCE&G	1,792.94	Electricity
1643	15-Jul	Meetze Plumbins	962.85	Plumbing Repairs
1644	15-Jul	AirCond	2,072.14	HVAC Repairs
1645	15-Jul	ADT Security	115.21	Security
1646	15-Jul	City of Columbia	86.76	Water/Sewer
1647	15-Jul	ThyssenKrupp	990.43	Elevator Maintenance

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2006

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1648	15-Jul	Midlands Electrical	985.00	Repairs
1649	15-Jul	Madison Fludd	135.00	Parking Lot
1650	15-Jul	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 9,579.16	
1651	15-Aug	Key Shop	\$ 280.20	Repairs
1652	15-Aug	Bell South	98.31	Elevator Telephone
1653	15-Aug	Commercial Maintenance	524.54	Janitorial
1654	15-Aug	Gregory Pest	55.00	Exterminating
1655	15-Aug	SCE&G	1,943.51	Electricity
1656	15-Aug	Midlands Electrical	70.00	Repairs
1657	15-Aug	AirCond	435.00	HVAC Maintenance
1658	15-Aug	City of Columbia	90.44	Water/Sewer
1659	15-Aug	Madison Fludd	135.00	Parking Lot
1660	15-Aug	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 4,251.90	
1661	12-Sep	Commercial Maintenance	\$ 524.54	Janitorial
1662	12-Sep	Bell South	98.39	Elevator Telephone
1663	12-Sep	City of Columbia	79.40	Water/Sewer
1664	12-Sep	Gregory Pest	55.00	Exterminating
1665	12-Sep	Madison Fludd	135.00	Parking Lot
1666	12-Sep	SCE&G	1,910.93	Electricity
1667		Void		
1668	12-Sep	Bernard Ackerman, CPA	495.00	Tax Return
1669	12-Sep	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 3,918.16	
1670	13-Oct	ThyssenKrupp Elevator	\$ 990.43	Elevator Maintenance
1671	13-Oct	SCE&G	1,535.07	Electricity
1672	13-Oct	Commercial Maintenance	524.54	Janitorial
1673	13-Oct	Madison Fludd	135.00	Parking Lot
1674	13-Oct	Gregory Pest	55.00	Exterminating
1675	13-Oct	Bell South	98.16	Elevator Telephone
1676	13-Oct	City of Columbia	75.72	Water/Sewer
1677	13-Oct	Sign A Rama	37.10	Signage
1678	13-Oct	Midlands Electrical	545.00	Repairss
1679	13-Oct	Bernard Ackerman, CPA	540.00	Tax Return
1680	13-Oct	Danville Business Advisors	575.00	Prop Mgt
1681	23-Oct	SC Bar	45.00	Advertising
TOTAL			\$ 5,156.02	

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2006

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1682		Void		
1683	8-Nov	Gregory Pest	\$ 55.00	Exterminating
1684	8-Nov	Aqua Seal Mfg & Roofing	150.00	Roof Repairs
1685	8-Nov	City of Columbia	72.04	Water/Sewer
1686	8-Nov	Commercial Maintenance	524.54	Janitorial
1687	8-Nov	Air Cond	435.00	HVAC Maintenance
1688	8-Nov	SCE&G	1,144.19	Electricity
1689	8-Nov	Madison Fludd	135.00	Parking Lot
1690	8-Nov	Danville Business Advisors	575.00	Prop Mgt
TOTAL			<u>3,090.77</u>	
1691	1-Dec	Danville Business Advisors	\$ 575.00	Prop Mgt
1692	15-Dec	Madison Fludd	135.00	Parking Lot
1693	15-Dec	Madison Fludd	175.00	Landscaping
1694	27-Dec	The Key Shop	257.11	Repairs
1695	27-Dec	SCE&G	919.83	Electricity
1696	27-Dec	Gregory Pest	110.00	Exterminating
1696	27-Dec	Central Midlands Cleaning	515.00	Janitorial
1697	27-Dec	Bell South	197.73	Elevator Telephone
1698	27-Dec	ADT	115.21	Security
1700	27-Dec	City of Columbia	72.04	Water/Sewer
1701	27-Dec	Midlands Electrical	975.00	Repairs
1702	31-Dec	Central Midlands Cleaning	700.00	Janitorial
1703	31-Dec	Richland County Treasurer	24,532.50	Real Estate Taxes
TOTAL			<u>\$ 29,279.42</u>	

MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2005

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1418	3-Jan	Stanley Hammer	\$ 71,423.00	D. 551.00
1419	3-Jan	Judith Hammer	35,709.00	"
1420	3-Jan	Alvin Hammer	71,421.00	"
1421		Void		
1422		Void		
1423		Void		
1424	8-Jan	ADT	103.51	Security
1425	8-Jan	City of Columbia	80.07	water/sewer
1426	8-Jan	Gregory Pest Control	104.00	exterminator
1427	18-Jan	ThyssenKrupp	916.22	Elevator
1428	18-Jan	Commercial Maintenance	915.00	Janitorial
1429	18-Jan	Bell South	94.46	Elevator Phone
1430	18-Jan	SCE&G	1,599.23	Electricity
1431	18-Jan	Madison Fludd	135.00	Parking Lot
1432	18-Jan	Danville Business Advisors	585.00	Prop Mgt
TOTAL			\$ 183,085.49	
1433	8-Feb	Air Cond	\$ 408.00	HVAC
1434	13-Feb	City of Columbia	83.27	water/sewer
1435	13-Feb	Commercial Maintenance	915.00	Janitorial
1436	13-Feb	Bell South	94.46	Elevator Phone
1437	13-Feb	SCE&G	1,597.39	Electricity
1438	13-Feb	Madison Fludd	135.00	Parking Lot
1439	14-Feb	Danville Business Advisors	585.00	Prop Mgt
TOTAL			\$ 3,818.12	
1440	9-Mar	SH5, LLC	\$ 527.00	Distribution
1441	9-Mar	Howard Hammer	33,165.00	"
1442	9-Mar	Shirley Hammer	4,212.00	"
1443	9-Mar	David Hammer	4,212.00	"
1444	9-Mar	Alvin Hammer	4,211.00	"
1445	9-Mar	Stanley Hammer	4,212.00	"
1446	9-Mar	Judith Hammer	2,105.00	"
1447	11-Mar	Midland's Electric	70.00	Repairs
1448	11-Mar	Gregory Pest Control	52.00	Exterminating
1449	11-Mar	Adams Eaddy	1,854.00	Insurance
1450	11-Mar	City of Columbia	89.67	water/sewer
1451	11-Mar	SCE&G	1,294.99	Electricity
1452	11-Mar	Commercial Maintenance	915.00	Janitorial
1453	11-Mar	Bell South	94.76	Elevator Phone
1454	11-Mar	Madison Fludd	135.00	Parking Lot
1455	11-Mar	Danville Business Advisors	585.00	Prop Mgt
TOTAL			\$ 57,734.42	

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2005

CHECK NO	DATE	PAYEE	\$ AMOUNT
1456	11-Apr	City of Columbia	\$ 34.75
1457	11-Apr	City of Columbia	83.27
1458	11-Apr	Dependable Plumbing	122.99
1459	11-Apr	Commercial Maintenance	915.00
1460	11-Apr	Gregory Pest Control	52.00
1461	11-Apr	ADT	103.51
1462	11-Apr	ThyssenKrupp	916.22
1463	11-Apr	SCE&G	1,371.36
1464	11-Apr	Madison Fludd	135.00
1465	13-Apr	Danville Business Advisors	585.00
1466	14-Apr	AirCond	408.00
TOTAL			\$ 4,727.10
1467	10-May	City of Columbia	\$ 86.47
1468	10-May	AirCond	420.00
1469	10-May	Dependable Plumbing	125.00
1470	10-May	Bell South	94.76
1471	10-May	Danville Business Advisors	585.00
1472	10-May	Madison Fludd	135.00
1743	10-May	Commercial Maintenance	915.00
1474	10-May	Gregory Pest Control	52.00
1475	10-May	SCE&G	1,421.14
1476		Void	
1477	21-May	Dependable Plumbing	127.92
1478	21-May	Bell South	97.20
1479	23-May	Scott Friday	50.00
TOTAL			\$ 4,109.49
1480	13-Jun	Commercial Maintenance	\$ 915.00
1481	13-Jun	Key Shop	145.08
1482	13-Jun	Bell South	98.39
1483	13-Jun	Dependable Plumbing	204.08
1484	13-Jun	Commercial Maintenance	25.00
1485	13-Jun	City of Columbia	86.47
1486	13-Jun	Gregory Pest Control	52.00
1487	13-Jun	SCE&G	1,742.67
1488	13-Jun	Madison Fludd	135.00
1489	13-Jun	Service Master	771.92
1490	13-Jun	Danville Business Advisors	585.00
1491	21-Jun	Brett Barkoot	30.00
1492		Void	
1493	21-Jun	Randy Marcum	30.00
1494	22-Jun	Howard Hammer	39,071.00

garbage
water sewer
repairs
Janitorial
extermination
security
Elevator
Electricity
Parking lot
PROP Mgt
HVAC

water/sewer
HVAC
Repairs
Elevator Phone
PROP Mgt
Parking lot
Janitorial
Extermination
Electricity
Repairs
Elevator Phone
Repairs

Janitorial
Repairs
Elevator Phone
Repairs
Janitorial
water sewer
extermination
Electricity
Parking lot
Repairs
PROP Mgt
Repairs
Repairs
Distribution

PAGE 3
 MONTHLY CHECK REGISTER
 OWNER: 1634 MAIN, LP
 PROPERTY: 1634 MAIN STREET
 MONTH ENDING: DECEMBER 31, 2005

CHECK NO	DATE	PAYEE	\$ AMOUNT
1495	22-Jun	Shirley Hightower	4,962.00
1496	22-Jun	David Hammer	4,961.00
1497	22-Jun	Stanley Hammer	4,961.00
1498	22-Jun	Judith Hammer	2,481.00
1499	22-Jun	SH5, LLC	\$ 620.00
1500	22-Jun	Beernard Ackerman, CPA	2,675.00
1501	22-Jun	Alvin Hammer	4,962.00
TOTAL			69,513.61

Distribution
 11
 11
 11
 11
 Tax Returns
 Distribution

1502	13-Jul	ADT Security	\$ 109.21
1503	13-Jul	City of Columbia	86.47
1504	13-Jul	Gregory Pest Control	52.00
1505	13-Jul	Dependable Plumbing	185.00
1506	13-Jul	Commercial Maintenance	915.00
1507	13-Jul	Bell South	98.20
1508	13-Jul	ThyssenKrupp Elevator	916.22
1509	13-Jul	SCE&G	2,356.69
1510	13-Jul	Madison Fludd	135.00
1511	14-Jul	Danville Business Advisors	854.58
1512	27-Jul	SC Bar	140.00
1513	27-Jul	Richland County Bar	33.00
1514	27-Jul	Columbia Fire & Safety	379.04
1515	27-Jul	AirCond	420.00
1516	27-Jul	City of Columbia	83.27
TOTAL			\$ 6,763.68

Security
 Water Sewer
 Extermination
 Repairs
 Janitorial
 Elevator Phone
 Elevator
 Electricity
 Parking Lot
 Prop mgmt
 Advertising
 Advertising
 Extinguishers
 HVAC
 Water Sewer

1517	10-Aug	Commercial Maintenance	\$ 915.00
1518	10-Aug	Gregory Pest Control	52.00
1519	10-Aug	ThyssenKrupp Elevator	133.63
1520	10-Aug	Madison Fludd	135.00
1521	10-Aug	SCE&G	2,412.94
1522	11-Aug	Danville Business Advisors	619.33
1523	31-Aug	Marion Turbeville	345.60
TOTAL			\$ 4,613.50

Janitorial
 Extermination
 Elevator
 Parking Lot
 Electricity
 Prop mgmt
 Repairs

1524	8-Sep	Midlands Electric	303.00
1525	8-Sep	Dependable Plumbing	525.00
1526	9-Sep	Marc Wintersteen	300.00
1527	14-Sep	SCE&G	2,392.89
1528	14-Sep	Commercial Maintenance	915.00
1529	14-Sep	City of Columbia	83.27
1530	14-Sep	Gregory Pest Control	52.00

Repairs
 Repairs
 HVAC
 Electricity
 Janitorial
 Water Sewer
 Extermination

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2005

CHECK NO	DATE	PAYEE	\$ AMOUNT
1531	14-Sep	Bell South	197.98
1532	14-Sep	Dependable Plumbing	125.00
1533	14-Sep	SCDLLR	125.00
1534	14-Sep	ADT Security	140.00
1535	14-Sep	Madison Fludd	\$ 135.00
1536	14-Sep	Danville Business Advisors	619.33
1537	14-Sep	Marc Wintersteen	400.00
TOTAL			\$ 6,313.47
1538	10-Oct	SCE&G	\$ 2,378.02
1539	10-Oct	Commercial Maintenance	915.00
1540	10-Oct	ADT	109.21
1541	10-Oct	ADT	142.10
1542	10-Oct	City of Columbia	105.16
1543	10-Oct	Gregory Pest Control	52.00
1544	10-Oct	ThyssenKrupp Elevator	916.22
1545	10-Oct	Madison Fludd	135.00
1546	10-Oct	Danville Business Advisors	619.33
1547	10-Oct	Marc Wintersteen	155.00
1548	10-Oct	Marion Turbeville	172.80
TOTAL			\$ 5,699.84
1549	11-Nov	Bell South	\$ 198.04
1550	11-Nov	Gregory Pest Control	52.00
1551	11-Nov	Commercial Maintenance	915.00
1552	11-Nov	City of Columbia	97.80
1553	11-Nov	AirCond	420.00
1554	11-Nov	SCE&G	1,816.96
1555	11-Nov	Madison Fludd	135.00
1556	14-Nov	Danville Business Advisors	619.33
TOTAL			\$ 4,254.13
1557	2-Dec	Danville Business Advisors	\$ 750.00
1558	6-Dec	Marion Turbeville	172.80
1559	6-Dec	SH5, LLC	932.50
1560		Void	
1561	6-Dec	Shirley Hightower	7,500.00
1562	6-Dec	David Hammer	7,500.00
1563	13-Dec	Commercial Maintenance	915.00
1564	13-Dec	Gregory Pest Control	52.00
1565	13-Dec	City of Columbia	97.80
1566	13-Dec	Madison Fludd	135.00

Elevator Phone
Repairs
Elevator Inspect
Security
Parking Lot
Pilot Light
HVAC

Electricity
Janitorial
Security
Security
Water Sewer
Exterminating
Elevator
Parking Lot
Pilot Light
HVAC
Repairs

Elevator Phone
Exterminating
Janitorial
Water Sewer
HVAC
Electricity
Parking Lot
Pilot Light

Comm
Repairs
Distribution

Janitorial
Exterminating
Water Sewer
Parking Lot

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 MONTHLY CHECK REGISTER
 OWNER: 1634 MAIN, LP
 PROPERTY: 1634 MAIN STREET
 MONTH ENDING: DECEMBER 31, 2005

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>
1567	13-Dec	Danville Business Advisors	544.90
1568	13-Dec	SCE&G	1,458.98
1569	18-Dec	Larry Palmer	1,300.00
1570	23-Dec	Larry Palmer	800.00
1571		Void	
1572	29-Dec	Howard Hammer	59,062.50
1573	29-Dec	Richland County Treasurer	22,912.17
TOTAL			\$ 104,133.65

Propmt
 Electric
 Painting
 Painting
 Distribution
 Property taxes

1634 MAIN LP 1864

PAY TO THE ORDER OF Howard Hammer & Shirley Hammer DATE 3/28/08 07-118/539

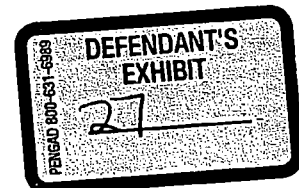
Three Thousand One Hundred Eighty two and 26/100 \$ 3,182.36

NBSC
THE NATIONAL BANK OF SOUTH CAROLINA
COLUMBIA, SOUTH CAROLINA
A Member of Fidelity Financial Services

FOR St. James St. Acct UH

⑈00001864⑈ ⑈053901198⑈09⑈

Date:03-28-2008 Sequence:9747940 Serial:1864 TR:53901198 Account:94559580206 TranCodo:0 Amount:\$3,182.36
DbCr:D MIAccount:4559580206



1634 MAIN LP 1890

PAY TO THE ORDER OF Howard Hammer DATE 6/23/08 07-119/087

Twenty Thousand and no/100 \$20,000.00

DOLLARS @ EL

NBSC
THE NATIONAL BANK OF SOUTH CAROLINA
CORPUS CHRISTI, SOUTH CAROLINA
A member of Sun Life Financial Group

FOR Owner Distribution [Signature]

⑈00001890⑈ ⑈053901198⑈09⑈

8889446268 06/24/2008 >861188686< BK834ER8889

09457-08
[Signature]

Date:06-24-2008 Sequence:9446260 Serial:1890 TR:53901198 Account:94559580206 TranCode:0
Amount:\$20,000.00 DbCr:D MIAccount:4559580206

1634 MAIN LP		1572
DATE <u>12/29/05</u>		6-12/05
PAY TO THE ORDER OF <u>Howard Hammer</u>	\$ <u>59,062.50</u>	
<u>Fifty nine thousand sixty two dollar & 54/100</u>	DOLLARS	
		
FOR <u>[Signature]</u>	<u>[Signature]</u>	
⑈00001572⑈ ⑈053901198⑈		⑈0005406250⑈

CK 1572 1/3/2006 \$59,062.50

2009-10-29 16:27

8039292122

8039292122 >>

1621
P 1/1



Member FDIC
The National Bank of South Carolina
P.O. Box 1437 • Columbia, SC 29202
a SYNOVUS bank

OFFICIAL CHECK

280061068

DATE October 29, 2009

84.60
811

PAY SEVEN THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS

TO
THE
ORDER OF
Howard Hammer

\$ *****7,500.00

ISSUED BY
OR
Howard Hammer

PAID THROUGH COLUMBUS BANK AND TRUST COLUMBUS, GEORGIA

AUTHORIZED SIGNATURE
NOT NEGOTIABLE

NOTE

BORROWER

Howard Hammer
1634 Main Street, Suite 201
Columbia, SC 29201

LENDER

1634 Main, LP
1634 Main Street, Suite 201
Columbia, SC 29201

Date: June 23, 2008

Maturity Date: June 22, 2011

Amount: \$20,000.00

For value received, I promise to pay to 1634 Main, LP, or your order, at the address listed above the PRINCIPAL sum of TWENTY THOUSAND AND NO/100 Dollars (\$20,000.00).

This is a single advance loan that I will receive the entire principal sum on August 20, 2008. No additional advances are contemplated under this note.

I agree to pay interest on the outstanding principal balance from June 23, 2008, until maturity, on June 22, 2011 at an annual interest rate of five (5%) percent per annum.

I agree to pay interest on the outstanding principal balance after maturity, until paid in full or renewed, at an annual interest rate of seven (7%) percent per annum.

The purpose of this loan is for commercial purposes.

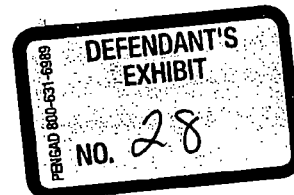
Dated at Columbia, South Carolina this 23rd day of June, 2008.

Signature of Lender
1634 Main, LP

By: Howard Hammer
Its: Managing Member

Signature of Borrower

Howard Hammer



28

NOTE

BORROWER

Howard Hammer
1634 Main Street, Suite 201
Columbia, SC 29201

LENDER

1634 Main, LP
1634 Main Street, Suite 201
Columbia, SC 29201

Date: October 30, 2009

Maturity Date: October 29, 2012

Amount: \$7,500.00

For value received, I promise to pay to 1634 Main, LP, or your order, at the address listed above the PRINCIPAL sum of SEVEN THOUSAND FIVE HUNDRED AND NO/100 Dollars (\$7,500.00).

This is a single advance loan that I will receive the entire principal sum on October 30, 2009. No additional advances are contemplated under this note.

I agree to pay interest on the outstanding principal balance from October 30, 2009, until maturity, on October 29, 2012 at an annual interest rate of five (5%) percent per annum.

I agree to pay interest on the outstanding principal balance after maturity, until paid in full or renewed, at an annual interest rate of seven (7%) percent per annum.

The purpose of this loan is for commercial purposes.

Dated at Columbia, South Carolina this 30th day of October, 2009.

Signature of Lender
1634 Main, LP



By: Howard Hammer
Its: Managing Member

Signature of Borrower



Howard Hammer

Marion D. Turbeville
Principal

Danville
BUSINESS ADVISORS, LLC

William O. Danielson
Principal

November 29, 2011

HAND DELIVERED

Wally Moring, CPA
Camp, Moring, & Cannon, LLC
1418 Laurel Street
Columbia, SC 29201

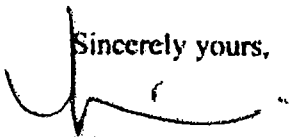
Re: 1634 Main, LP

Dear Mr. Moring:

It has been brought to my attention that Shirley Hightower may not have received her copies of the Schedule K-1 for the above referenced partnership for tax years 2005-2010. In the event she did not receive them, I am enclosing copies herewith for her files.

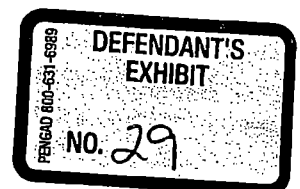
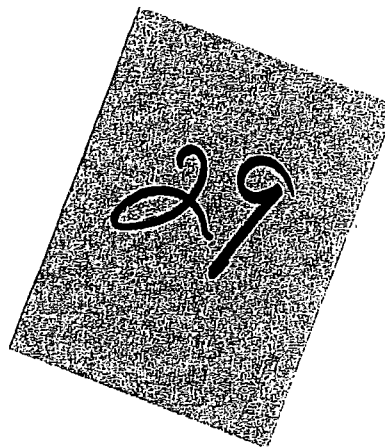
If you have any questions, give me a call.

Sincerely yours,



Marion D. Turbeville

Enclosures



651105

Schedule K-1
(Form 1065)

2005

For calendar year 2005, or tax

Department of the Treasury
Internal Revenue Serviceyear beginning _____
ending _____Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, LP
P.O. Box 1421
Columbia, SC 29201-1421

C IRS Center where partnership filed return

Cincinnati, OH

D ☐ Check if this is a publicly traded partnership (PTP)E ☐ Tax shelter registration number, if anyF ☐ Check if Form 8271 is attached

Part II Information About the Partner

G Partner's identifying number

H Partner's name, address, city, state, and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201I ☐ General partner or LLC☒ Limited partner or other LLC
member-manager memberJ ☒ Domestic partner☐ Foreign partnerK What type of entity is this partner? Individual

L Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	8.00000000%	56.80000000%
Loss	8.00000000%	56.80000000%
Capital	8.00000000%	56.80000000%

M Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

N Partner's capital account analysis:

Beginning capital account	\$	67,208.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	40,044.
Withdrawals & distributions	\$	7,497.
Ending capital account	\$	99,755.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	851.	15 Credits & credit recapture
2 Net rental real estate income (loss)	33,542.	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	5,650.	
6a Ordinary dividends		
6b Qualified dividends		17 Alternative min tax (AMT) items
7 Royalties		A <1,150.>
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
8a Net long-term capital gain (loss)		
9a Collectibles (28%) gain (loss)		19 Distributions
9b Unrecaptured sec 1250 gain		A 7,497.
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 5,650.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

* See attached statement for additional information.

For IRS Use Only

JWA For Privacy Act and Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 2005

611201
01-11-06

17190822 758692 3459

15
2005.06000 1634 Main, LP5
3459 1

**SOUTH CAROLINA
SCHEDULE K-1
EQUIVALENT**
**Partner's South Carolina Information
For Calendar Year 2005 or Fiscal Year**

Beginning _____, 2005, and Ending _____

2005

Partner's Name, Address and ZIP Code

Shirley Hightower
1634 Main Street
Columbia, SC 29201

Partner Number 5

Partner's Identifying Number

Resident ☒Nonresident ☐Amended K-1 ☐Final K-1 ☐

Partnership's Name, Address and ZIP Code

1634 Main, LP
P.O. Box 1421
Columbia, SC 29201-1421

Partnership's Identifying Number

Partner's Percentage of

Profit and Loss Sharing 56.8000000 %
Partner's Share of South Carolina Income

	(B) Plus or Minus South Carolina Adjustment	(C) Federal Schedule K Amounts After SC Adjustments	(D) Amounts Allocated to SC	(E) Amounts Subject to Apportionment
1 Ordinary business income (loss)		851.		851.
2 Net real estate income		33,542.		33,542.
3 Net income from other rental				
4 Guaranteed payments				
5 Interest		5,650.	5,650.	0.
6 Dividends				
7 Royalties				
8 Short-term capital gain (loss)				
9 Long-term capital gain (loss)				
10 Section 1231 gain (loss)				
11 Other income				
12 Section 179 expense				
13a Charitable contributions				
13b Investment interest expense				
13c Section 59(e)(2) expenditures				
13d Other deductions				
14 Total	0.	40,043.	5,650.	34,393.
15 Amounts from federal Schedule K-1 (share of line 14, Schedule SC-K, Col. A)				40,043.
16 Amount Allocated to South Carolina (from line 14, Col. D)				5,650.
17 Net income (loss) subject to apportionment (from line 14, Col. E)				34,393.
18 Apportionment factor				100.0000 %
19 Net business income (loss) apportioned to SC (line 17 multiplied by line 18)				34,393.
20 Net business income (loss) taxable to SC (line 16 plus line 19)				40,043.
Income Tax Withheld				
Withholding From Nonresident Sale of Real Estate				
Composite Tax Paid				

Schedule K-1
(Form 1085)

2006

Department of the Treasury
Internal Revenue Service

For calendar year 2006, or tax

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, LP
c/o Danville Business Advisors, LLC
500 Taylor Street
Columbia, SC 29201

C IRS Center where partnership filed return

Cincinnati, OH

D ☐ Check if this is a publicly traded partnership (PTP)E ☐ Tax shelter registration number, if anyF ☐ Check if Form 8271 is attached

Part II Information About the Partner

G Partner's identifying number

H Partner's name, address, city, state, and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201I ☐ General partner or LLC

member-manager

☒ Limited partner or other LLC

member

J ☒ Domestic partner☐ Foreign partnerK What type of entity is this partner? Individual

L Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	56.8000000%	56.8000000%
Loss	56.8000000%	56.8000000%
Capital	56.8000000%	56.8000000%

M Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

N Partner's capital account analysis:

Beginning capital account	\$	99,755.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	<8,207.
Withdrawals & distributions	\$	
Ending capital account	\$	91,548.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)

Final K-1

Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	<8,983.>	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	776.	
6a Ordinary dividends		17 Alternative min tax (AMT) debts
6b Qualified dividends		A <529.>
7 Royalties		
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 776.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

* See attached statement for additional information.

For IRS Use Only

SOUTH CAROLINA SCHEDULE K-1 EQUIVALENT	Partner's South Carolina Information For Calendar Year 2006 or Fiscal Year Beginning _____, 2006, and Ending _____	2006
Partner's Name, Address and ZIP Code Shirley Hightower 1634 Main Street Columbia, SC 29201		Partner Number <u>5</u> Partner's Identifying Number Resident ☒ Nonresident ☐ Amended K-1 ☐ Final K-1 ☐
Partnership's Name, Address and ZIP Code 1634 Main, LP c/o Danville Business Advisors, LLC 500 Taylor Street Columbia, SC 29201		Partnership's Identifying Number Partner's Percentage of Profit and Loss Sharing <u>56.8000000 %</u>

Partner's Share of South Carolina Income

	(B) Plus or Minus South Carolina Adjustment	(C) Federal Schedule K Amounts After SC Adjustments	(D) Amounts Allocated to SC	(E) Amounts Subject to Apportionment
1 Ordinary business income (loss)				
2 Net real estate income		<8,983.>		<8,983.>
3 Net income from other rental				
4 Guaranteed payments				
5 Interest		776.	776.	0.
6 Dividends				
7 Royalties				
8 Short-term capital gain (loss)				
9 Long-term capital gain (loss)				
10 Section 1231 gain (loss)				
11 Other income				
12 Section 179 expense				
13a Charitable contributions				
13b Investment interest expense				
13c Section 53(a)(2) expenditures				
13d Other deductions				
14 Total	0.	<8,207.>	776.	<8,983.>
15 Amounts from federal Schedule K-1 (share of line 14, Schedule SC-K, Col. A)				<8,207.>
16 Amount Allocated to South Carolina (from line 14, Col. D)				776.
17 Net income (loss) subject to apportionment (from line 14, Col. E)				<8,983.>
18 Apportionment factor				100.0000 %
19 Net business income (loss) apportioned to SC (line 17 multiplied by line 18)				<8,983.>
20 Net business income (loss) taxable to SC (line 16 plus line 19)				<8,207.>
Income Tax Withheld				
Withholding From Nonresident Sale of Real Estate				
Composite Tax Paid				
Entity South Carolina Gross Income				
Entity South Carolina Taxable Income				
Guaranteed Payment for Use of Capital				
				<14,448.>

651107

Schedule K-1
(Form 1065)

2007

For calendar year 2007, or tax

Department of the Treasury
Internal Revenue Serviceyear beginning _____
ending _____**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See separate instructions.

Part I Information About the PartnershipA Partnership's employer identification number
[REDACTED]B Partnership's name, address, city, state, and ZIP code
1634 Main, LP
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201C IRS Center where partnership filed return
Cincinnati, OHD ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner**E Partner's identifying number
[REDACTED]

F Partner's name, address, city, state, and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC memberH ☒ Domestic partner ☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	56.8000000%	56.8000000%
Loss	56.8000000%	56.8000000%
Capital	56.8000000%	56.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	91,548.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	7,766.
Withdrawals & distributions	\$	
Ending capital account	\$	99,314.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain) _____
☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	0.	15 Credits	
2 Net rental real estate income (loss)	7,473.	16 Foreign transactions	
3 Other net rental income (loss)			
4 Guaranteed payments			
5 Interest income	293.		
6a Ordinary dividends		17 Alternative min tax (AMT) items	
6b Qualified dividends		A	92.
7 Royalties			
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses	
9a Net long-term capital gain (loss)			
9b Collectibles (28%) gain (loss)		19 Distributions	
9c Unrecaptured sec 1250 gain			
10 Net section 1231 gain (loss)		20 Other information	
11 Other income (loss)		A	293.
12 Section 179 deduction			
13 Other deductions			
14 Self-employment earnings (loss)			
A	0.		

* See attached statement for additional information.

For IRS Use Only

JVA For Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 2007

711201
12-31-07

13

16060325 758692 3459

2007.05030, 1634 Main, LP c/o Danville 3459 1

5

SOUTH CAROLINA SCHEDULE K-1 EQUIVALENT	Partner's South Carolina Information For Calendar Year 2007 or Fiscal Year Beginning _____, 2007; and Ending _____	2007
Partner's Name, Address and ZIP Code Shirley Hightower 1634 Main Street Columbia, SC 29201		Partner Number <u>5</u> Partner's Identifying Number Resident ☒ Nonresident ☐ Amended K-1 ☐ Final K-1 ☐
Partnership's Name, Address and ZIP Code 1634 Main, LP c/o Danville Business Advisors, LLC 500 Taylor Street, Suite 401 Columbia, SC 29201		Partnership's Identifying Number Partner's Percentage of Profit and Loss Sharing <u>56.8000000 %</u>

	(B) Plus or Minus South Carolina Adjustment	(C) Federal Schedule K Amounts After SC Adjustments	(D) Amounts Allocated to SC	(E) Amounts Subject to Apportionment
1 Ordinary business income (loss)				
2 Net real estate income		7,473.	7,473.	0.
3 Net income from other rental				
4 Guaranteed payments				
5 Interest		293.	293.	0.
6 Dividends				
7 Royalties				
8 Short-term capital gain (loss)				
9 Long-term capital gain (loss)				
10 Section 1231 gain (loss)				
11 Other income				
12 Section 179 expense				
13a Charitable contributions				
13b Investment interest expense				
13c Section 59(e)(2) expenditures				
13d Other deductions				
14 Total	0.	7,766.	7,766.	0.
15 Amounts from federal Schedule K-1 (share of line 14, Schedule SC-K, Col. A)				7,766.
16 Amount Allocated to South Carolina (from line 14, Col. D)				7,766.
17 Net income (loss) subject to apportionment (from line 14, Col. E)				0.
18 Apportionment factor				100.0000 %
19 Net business income (loss) apportioned to SC (line 17 multiplied by line 18)				0.
20 Net business income (loss) taxable to SC (line 16 plus line 19)				7,766.
Income Tax Withheld				
Withholding From Nonresident Sale of Real Estate				
Composite Tax Paid				
Entity South Carolina Gross Income				
Entity South Carolina Taxable Income				13,672.
Guaranteed Payment for Use of Capital				

Schedule K-1
(Form 1065)

2008

For calendar year 2008, or tax

year beginning

ending

Department of the Treasury
Internal Revenue ServicePartner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

Cincinnati, OH

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC
member-manager☒ Limited partner or other LLC
memberH ☒ Domestic partner☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	56.8000000%	56.8000000%
Loss	56.8000000%	56.8000000%
Capital	56.8000000%	56.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	99,314.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	<7,140.
Withdrawals & distributions	\$	1,591.
Ending capital account	\$	90,583.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	<7,288.>	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	148.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		A 92.
7 Royalties		18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		A 1,591.
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 148.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

* See attached statement for additional information.

For IRS Use Only

SOUTH CAROLINA SCHEDULE K-1 EQUIVALENT	Partner's South Carolina Information For Calendar Year 2008 or Fiscal Year Beginning _____ 2008; and Ending _____	2008

Partner's Name, Address and ZIP Code

Shirley Hightower
1634 Main Street
Columbia, SC 29201

Partner Number 5Partner's Identifying Number
[REDACTED]Resident ☒Nonresident ☐Amended K-1 ☐Final K-1 ☐

Partnership's Name, Address and ZIP Code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

Partnership's Identifying Number

30-0070876

Partner's Percentage of:

Profit and Loss Sharing 56.8000000 %

Partner's Share of South Carolina Income

	(B) Plus or Minus South Carolina Adjustment	(C) Federal Schedule K Amounts After SC Adjustments	(D) Amounts Allocated to SC	(E) Amounts Subject to Apportionment
1 Ordinary business income (loss)				
2 Net real estate income		<7,288.>	<7,288.>	0.
3 Net income from other rental				
4 Guaranteed payments				
5 Interest				
6 Dividends		148.	148.	0.
7 Royalties				
8 Short-term capital gain (loss)				
9 Long-term capital gain (loss)				
10 Section 1231 gain (loss)				
11 Other income				
12 Section 179 expense				
13a Charitable contributions				
13b Investment interest expense				
13c Section 59(e)(2) expenditures				
13d Other deductions				
14 Total	0.	<7,140.>	<7,140.>	0.
15 Amounts from federal Schedule K-1 (share of line 14, Schedule SC-K, Col. A)				<7,140.>
16 Amount Allocated to South Carolina (from line 14, Col. D)				<7,140.>
17 Net income (loss) subject to apportionment (from line 14, Col. E)				0.
18 Apportionment factor				100.0000 %
18a South Carolina taxable income reduction factor				
19 Net business income (loss) apportioned to SC (line 17 multiplied by line 18 minus line 18a)				0.
20 Net business income (loss) taxable to SC (line 16 plus line 19)				<7,140.>
Income Tax Withheld				
Withholding From Nonresident Sale of Real Estate				
Composite Tax Paid				
Entity South Carolina Gross Income				
Entity South Carolina Taxable Income				
Guaranteed Payment for Use of Capital				<12,571.>

Schedule K-1
(Form 1065)

2009

Department of the Treasury
Internal Revenue ServiceFor calendar year 2009, or tax
year beginning
endingPartner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201C IRS Center where partnership filed return
Ogden, UTD ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC
member-manager☒ Limited partner or other LLC
memberH ☒ Domestic partner☐ Foreign partnerI What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	56.8000000%	56.8000000%
Loss	56.8000000%	56.8000000%
Capital	56.8000000%	56.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	90,583.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-1,298.
Withdrawals & distributions	\$	
Ending capital account	\$	89,285.

☒ Tax basis☐ GAAP☐ Section 704(b) book☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?

☐ Yes☒ No

If "Yes", attach statement (see instructions)

☐ Final K-1☐ Amended K-1

OMB No. 1545-0049

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	0.	15 Credits
2 Net rental real estate income (loss)	-1,361.	16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	63.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		A 92.
7 Royalties		
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		
10 Net section 1231 gain (loss)		20 Other information
11 Other income (loss)		A 63.
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A 0.	

*See attached statement for additional information.

For IRS Use Only

**SOUTH CAROLINA
SCHEDULE K-1
EQUIVALENT**
**Partner's South Carolina Information
For Calendar Year 2009 or Fiscal Year**

Beginning _____, 2009, and Ending _____

2009

Partner's Name, Address and ZIP Code

 Shirley Hightower
1634 Main Street
Columbia, SC 29201
Partner Number 5Partner's Identifying Number
[REDACTED]Resident ☒Nonresident ☐Amended K-1 ☐Final K-1 ☐

Partnership's Name, Address and ZIP Code

 1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201
Partnership's Identifying Number
[REDACTED]
 Partner's Percentage of
Profit and Loss Sharing 56.8000000 %

Partner's Share of South Carolina Income

	(B) Plus or Minus South Carolina Adjustment	(C) Federal Schedule K Amounts After SC Adjustments	(D) Amounts Allocated to SC	(E) Amounts Subject to Apportionment
1 Ordinary business income (loss)				
2 Net real estate income		-1,361.	-1,361.	0.
3 Net income from other rental				
4 Guaranteed payments				
5 Interest		63.	63.	0.
6 Dividends				
7 Royalties				
8 Short-term capital gain (loss)				
9 Long-term capital gain (loss)				
10 Section 1231 gain (loss)				
11 Other income				
12 Section 179 expense				
13a Charitable contributions				
13b Investment interest expense				
13c Section 55(e)(2) expenditures				
13d Other deductions				
14 Total	0.	-1,298.	-1,298.	0.
15 Amounts from federal Schedule K-1 (share of line 14, Schedule SC-K, Col. A)				-1,298.
16 Amount Allocated to South Carolina (from line 14, Col. D)				-1,298.
17 Net income (loss) subject to apportionment (from line 14, Col. E)				0.
18 Apportionment factor				100.0000 %
18a South Carolina taxable income reduction factor				
19 Net business income (loss) apportioned to SC (line 17 multiplied by line 18 minus line 18a)				0.
20 Net business income (loss) taxable to SC (line 16 plus line 19)				-1,298.
Income Tax Withheld				
Withholding From Nonresident Sale of Real Estate				
Composite Tax Paid				
Entity South Carolina Gross Income				
Entity South Carolina Taxable Income				-2,286.
Guaranteed Payment for Use of Capital				

Schedule K-1
(Form 1065)

2010

For calendar year 2010, or tax

Department of the Treasury
Internal Revenue Service

year beginning

ending

Partner's Share of Income, Deductions,
Credits, etc.

▶ See separate instructions.

First K-1 Amended K-1 OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1 Ordinary business income (loss)	16 Credits
0.	
2 Net rental real estate income (loss)	17 Foreign transactions
- 4,686.	
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income	
9.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	A 92.
7 Royalties	18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	20 Other information
10 Net section 1231 gain (loss)	A 9.
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss)	
A 0.	

* See attached statement for additional information.

For IRS Use Only

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

C IRS Center where partnership filed return

Ogden, UT

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201G ☐ General partner or LLC member-manager☒ Limited partner or other LLC memberH ☒ Domestic partner☐ Foreign partner

I What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	56.8000000%	56.8000000%
Loss	56.8000000%	56.8000000%
Capital	56.8000000%	56.8000000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	0.

L Partner's capital account analysis:

Beginning capital account	\$	89,285.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	- 4,677.
Withdrawals & distributions	\$	
Ending capital account	\$	84,608.

☒ Tax basis☐ GAAP☐ Section 704(b) back☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?

☐ Yes☒ No

If "Yes", attach statement (see instructions)

1019

5

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**PARTNER'S SHARE OF SOUTH CAROLINA
INCOME, DEDUCTIONS, CREDITS, ETC.**

SC1065 K-1

(Rev. 8/26/10)

3515

For calendar year **2010** or tax year beginning **01/01/10** and ending **12/31/10**

Partner's identifying number

Partnership's FEIN

Partner's name, address and ZIP code

Partnership's name, address and ZIP code

Shirley Hightower
1634 Main Street
Columbia, SC 29201

1634 Main, L.P.
c/o Danville Business Advisors, LLC
500 Taylor Street, Suite 401
Columbia, SC 29201

Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1 (3) ☐ Nonresident

Partner's Share of Current Year Income, Deductions, Credits, etc.		(A) Federal K-1 Amounts	(B) Plus or Minus SC Adjustments	(C) Amounts Not Allocated or Apportioned to SC	(D) Amounts Allocated or Apportioned to SC
Income (Loss)	1 Ordinary business income (loss)	1	1	1	1
	2 Net rental real estate income (loss)	2 -4,686.	2	2	2 -4,686.
	3 Other net rental income (loss)	3	3	3	3
	4 Guaranteed payments	4	4	4	4
	5 Interest income	5 9.	5	5	5 9.
	6 Dividends	6	6	6	6
	7 Royalties	7	7	7	7
	8 Net short term capital gain (loss)	8	8	8	8
	9 Net long-term capital gain (loss)	9	9	9	9
	10 Net Section 1231 gain (loss)	10	10	10	10
	11 Other income (loss)	11	11	11	11
Deductions	12 Section 179 deduction	12	12	12	12
	13 Other deductions	13	13	13	13
Credits	14 Withholding tax for nonresident partner				14
	List applicable South Carolina tax credits. (Attach an additional sheet if needed.)				15
	15				15
	16				16
	17				17
	18				18
	19 Total South Carolina tax credits				19 0.

07/521 12-00-10

35151018

YEAR-TO-DATE OPERATING STATEMENT
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
PERIOD ENDING: DECEMBER 31, 2005 (REVISED)

REVENUE

1.RENTAL INCOME

<u>TENANT</u>	<u>\$ AMT PAID</u>
JOY S GOODWIN	\$ 73,679.32
HAMMER LAW FIRM	60,492.00
AIKEN & HIGHTOWER	12,066.84
TAYLOR & POTTERFIELD	7,184.00
CAROLINA PUBLIC RELATIONS	1,500.00
CHARLIE JOHNSON ATTORNEY	2,700.00
SUBTOTAL RENTAL INCOME	\$ 167,622.16

2. MISC. RECEIPTS

TRANSFER FROM MMA	<u>\$ 80,000.00</u>

TOTAL RECEIPTS

\$ 237,622.16

\$ 237,622.16

LESS EXPENSES:

BUILDING EXPENSES

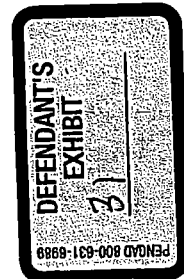
REPAIRS & MAINTENANCE	\$ 5,234.03
ELEVATOR MAINTENANCE CONTRACT	3,923.51
HVAC MAINTENANCE CONTRACT	2,931.00
EXTERMINATING	624.00
LANDSCAPING	1,620.00
JANITORAL	<u>11,005.00</u>
	\$ 25,337.54

PROFESSIONAL FEES

ACCOUNTING	\$ 2,675.00
LEGAL	
OTHER	<u>-</u>
	\$ 2,675.00

PROPERTY MANAGEMENT

\$ 5,500.00



PAGE 2
 YEAR-TO-DATE OPERATING STATEMENT
 1634 MAIN STREET
 PERIOD ENDING: DECEMBER 31, 2005 (REVISED)

UTILITIES

GAS/ELECTRIC	\$ 21,843.26
ELEVATOR TELEPHONE	1,068.25
WATER/SEWER	1,062.99
SECURITY	707.54
	\$ 24,682.04

GARBAGE REMOVAL \$ 34.75

INSURANCE \$ 1,854.00

REAL ESTATE TAXES \$ 22,912.17

ADVERTISING \$ 864.20

COMMISSIONS \$ 2,051.80

GENERAL SUPPLIES

MISCELLANEOUS \$ 60.00

PARTNERSHIP DISTRIBUTIONS \$ 127,639.00

PARTNERSHIP BUY OUT \$ 178,563.00

DEBT SERVICE

INTEREST
 PRINCIPAL

TOTAL EXPENSES \$ 392,163.50 \$ (392,163.50)

YEAR-TO -DATE CASH FLOW \$ (154,541.34)

MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2005

CHECK NO	DATE	PAYEE	\$ AMOUNT	
1418	3-Jan	Stanley Hammer	\$ 71,423.00	D. 951.00
1419	3-Jan	Judith Hammer	35,709.00	"
1420	3-Jan	Alvin Hammer	71,421.00	"
1421		Void		
1422		Void		
1423		Void		
1424	8-Jan	ADT	103.51	Security
1425	8-Jan	City of Columbia	80.07	water/sewer
1426	8-Jan	Gregory Pest Control	104.00	exterminator
1427	18-Jan	ThyssenKrupp	916.22	Elevator
1428	18-Jan	Commercial Maintenance	915.00	Janitorial
1429	18-Jan	Bell South	94.46	Elevator Phone
1430	18-Jan	SCE&G	1,599.23	Electricity
1431	18-Jan	Madison Fludd	135.00	Parking Lot
1432	18-Jan	Danville Business Advisors	585.00	Prop Mgt
TOTAL			\$ 183,085.49	
1433	8-Feb	Air Cond	\$ 408.00	HVAC
1434	13-Feb	City of Columbia	83.27	water/sewer
1435	13-Feb	Commercial Maintenance	915.00	Jan. Floor
1436	13-Feb	Bell South	94.46	Elevator Phone
1437	13-Feb	SCE&G	1,597.39	Electricity
1438	13-Feb	Madison Fludd	135.00	Parking Lot
1439	14-Feb	Danville Business Advisors	585.00	Prop Mgt
TOTAL			\$ 3,818.12	
1440	9-Mar	SH5, LLC	\$ 527.00	Distribution
1441	9-Mar	Howard Hammer	33,165.00	"
1442	9-Mar	Shirley Hammer	4,212.00	"
1443	9-Mar	David Hammer	4,212.00	"
1444	9-Mar	Alvin Hammer	4,211.00	"
1445	9-Mar	Stanley Hammer	4,212.00	"
1446	9-Mar	Judith Hammer	2,105.00	"
1447	11-Mar	Midland's Electric	70.00	Repairs
1448	11-Mar	Gregory Pest Control	52.00	Exterminating
1449	11-Mar	Adams Eaddy	1,854.00	Insurance
1450	11-Mar	City of Columbia	89.67	water/sewer
1451	11-Mar	SCE&G	1,294.99	Electricity
1452	11-Mar	Commercial Maintenance	915.00	Janitorial
1453	11-Mar	Bell South	94.76	Elevator Phone
1454	11-Mar	Madison Fludd	135.00	Parking Lot
1455	11-Mar	Danville Business Advisors	585.00	Prop Mgt
TOTAL			\$ 57,734.42	

PAGE 2

MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2005

CHECK NO	DATE	PAYEE	\$ AMOUNT
1456	11-Apr	City of Columbia	\$ 34.75
1457	11-Apr	City of Columbia	83.27
1458	11-Apr	Dependable Plumbing	122.99
1459	11-Apr	Commercial Maintenance	915.00
1460	11-Apr	Gregory Pest Control	52.00
1461	11-Apr	ADT	103.51
1462	11-Apr	ThyssenKrupp	916.22
1463	11-Apr	SCE&G	1,371.36
1464	11-Apr	Madison Fludd	135.00
1465	13-Apr	Danville Business Advisors	585.00
1466	14-Apr	AirCond	408.00
TOTAL			\$ 4,727.10
1467	10-May	City of Columbia	\$ 86.47
1468	10-May	AirCond	420.00
1469	10-May	Dependable Plumbing	125.00
1470	10-May	Bell South	94.76
1471	10-May	Danville Business Advisors	585.00
1472	10-May	Madison Fludd	135.00
1743	10-May	Commercial Maintenance	915.00
1474	10-May	Gregory Pest Control	52.00
1475	10-May	SCE&G	1,421.14
1476		Void	
1477	21-May	Dependable Plumbing	127.92
1478	21-May	Bell South	97.20
1479	23-May	Scott Friday	50.00
TOTAL			\$ 4,109.49
1480	13-Jun	Commercial Maintenance	\$ 915.00
1481	13-Jun	Key Shop	145.08
1482	13-Jun	Bell South	98.39
1483	13-Jun	Dependable Plumbing	204.08
1484	13-Jun	Commercial Maintenance	25.00
1485	13-Jun	City of Columbia	86.47
1486	13-Jun	Gregory Pest Control	52.00
1487	13-Jun	SCE&G	1,742.67
1488	13-Jun	Madison Fludd	135.00
1489	13-Jun	Service Master	771.92
1490	13-Jun	Danville Business Advisors	585.00
1491	21-Jun	Brett Barkoot	30.00
1492		Void	
1493	21-Jun	Randy Marcum	30.00
1494	22-Jun	Howard Hammer	39,071.00

garbage
water sewer
repairs
Janitorial
extermination
security
Elevator
Electricity
Parking lot
PROP Mgt
Hvac

water sewer
Hvac
Repairs
Elevator Phone
PROP Mgt
Parking lot
Janitorial
extermination
Electricity
Repairs
Elevator Phone
Repairs

Janitorial
Repairs
Elevator Phone
Repairs
Janitorial
water sewer
extermination
Electricity
Parking lot
Repairs
PROP Mgt
Repairs
Repairs
Distribution

PAGE 3
 MONTHLY CHECK REGISTER
 OWNER: 1634 MAIN, LP
 PROPERTY: 1634 MAIN STREET
 MONTH ENDING: DECEMBER 31, 2005

CHECK NO	DATE	PAYEE	\$ AMOUNT
1495	22-Jun	Shirley Hightower	4,962.00
1496	22-Jun	David Hammer	4,961.00
1497	22-Jun	Stanley Hammer	4,961.00
1498	22-Jun	Judith Hammer	2,481.00
1499	22-Jun	SH5, LLC	\$ 620.00
1500	22-Jun	Beernard Ackerman, CPA	2,675.00
1501	22-Jun	Alvin Hammer	4,962.00
TOTAL			69,513.61

Distribution
 11
 11
 11
 11
 Tax Returns
 Distribution

1502	13-Jul	ADT Security	\$ 109.21
1503	13-Jul	City of Columbia	86.47
1504	13-Jul	Gregory Pest Control	52.00
1505	13-Jul	Dependable Plumbing	185.00
1506	13-Jul	Commercial Maintenance	915.00
1507	13-Jul	Bell South	98.20
1508	13-Jul	ThyssenKrupp Elevator	916.22
1509	13-Jul	SCE&G	2,356.69
1510	13-Jul	Madison Fludd	135.00
1511	14-Jul	Danville Business Advisors	854.58
1512	27-Jul	SC Bar	140.00
1513	27-Jul	Richland County Bar	33.00
1514	27-Jul	Columbia Fire & Safety	379.04
1515	27-Jul	AirCond	420.00
1516	27-Jul	City of Columbia	83.27
TOTAL			\$ 6,763.68

Security
 Water Sewer
 Extermination
 Repairs
 Janitorial
 Elevator Phone
 Elevator
 Electricity
 Parking Lot
 Prop Mgt
 Advertising
 Extinguishers
 Water Sewer

1517	10-Aug	Commercial Maintenance	\$ 915.00
1518	10-Aug	Gregory Pest Control	52.00
1519	10-Aug	ThyssenKrupp Elevator	133.63
1520	10-Aug	Madison Fludd	135.00
1521	10-Aug	SCE&G	2,412.94
1522	11-Aug	Danville Business Advisors	619.33
1523	31-Aug	Marion Turbeville	345.60
TOTAL			\$ 4,613.50

Janitorial
 Extermination
 Elevator
 Parking Lot
 Electricity
 Prop Mgt
 Repairs

1524	8-Sep	Midlands Electric	303.00
1525	8-Sep	Dependable Plumbing	525.00
1526	9-Sep	Marc Wintersteen	300.00
1527	14-Sep	SCE&G	2,392.89
1528	14-Sep	Commercial Maintenance	915.00
1529	14-Sep	City of Columbia	83.27
1530	14-Sep	Gregory Pest Control	52.00

Repairs
 Repairs
 Repairs
 Electricity
 Janitorial
 Water Sewer
 Extermination

PAGE 4

MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2005

CHECK NO	DATE	PAYEE	\$ AMOUNT	
1531	14-Sep	Bell South	197.98	Elevator Phone
1532	14-Sep	Dependable Plumbing	125.00	Repairs
1533	14-Sep	SCDLLR	125.00	Elevator Inspect
1534	14-Sep	ADT Security	140.00	Security
1535	14-Sep	Madison Fludd	\$ 135.00	Parking Lot
1536	14-Sep	Danville Business Advisors	619.33	Prod Mtg
1537	14-Sep	Marc Wintersteen	400.00	HVAC
TOTAL			\$ 6,313.47	
1538	10-Oct	SCE&G	\$ 2,378.02	Electricity
1539	10-Oct	Commercial Maintenance	915.00	Janitorial
1540	10-Oct	ADT	109.21	Security
1541	10-Oct	ADT	142.10	Security
1542	10-Oct	City of Columbia	105.16	Water Sewer
1543	10-Oct	Gregory Pest Control	52.00	Exterminating
1544	10-Oct	ThyssenKrupp Elevator	916.22	Elevator
1545	10-Oct	Madison Fludd	135.00	Parking Lot
1546	10-Oct	Danville Business Advisors	619.33	Prod Mtg
1547	10-Oct	Marc Wintersteen	155.00	HVAC
1548	10-Oct	Marion Turbeville	172.80	Repairs
TOTAL			\$ 5,699.84	
1549	11-Nov	Bell South	\$ 198.04	Elevator Phone
1550	11-Nov	Gregory Pest Control	52.00	Exterminating
1551	11-Nov	Commercial Maintenance	915.00	Janitorial
1552	11-Nov	City of Columbia	97.80	Water Sewer
1553	11-Nov	AirCond	420.00	HVAC
1554	11-Nov	SCE&G	1,816.96	Electricity
1555	11-Nov	Madison Fludd	135.00	Parking Lot
1556	14-Nov	Danville Business Advisors	619.33	Prod Mtg
TOTAL			\$ 4,254.13	
1557	2-Dec	Danville Business Advisors	\$ 750.00	Comm
1558	6-Dec	Marion Turbeville	172.80	Repairs
1559	6-Dec	SH5, LLC	932.50	Distribution
1560		Void		
1561	6-Dec	Shirley Hightower	7,500.00	
1562	6-Dec	David Hammer	7,500.00	
1563	13-Dec	Commercial Maintenance	915.00	Janitorial
1564	13-Dec	Gregory Pest Control	52.00	Exterminating
1565	13-Dec	City of Columbia	97.80	Water Sewer
1566	13-Dec	Madison Fludd	135.00	Parking Lot

PAGE 5

MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2005

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>
1567	13-Dec	Danville Business Advisors	544.90
1568	13-Dec	SCE&G	1,458.98
1569	18-Dec	Larry Palmer	1,300.00
1570	23-Dec	Larry Palmer	800.00
1571		Void	
1572	29-Dec	Howard Hammer	59,062.50
1573	29-Dec	Richland County Treasurer	22,912.17
TOTAL			\$ 104,133.65

Prophet
Electric
Painting
Painting
Distribution
Property taxes

YEAR-TO-DATE OPERATING STATEMENT
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
PERIOD ENDING: DECEMBER 31, 2006

REVENUE

1.RENTAL INCOME

TENANT

CAROLINA PUBLIC RELATIONS	<u>\$ AMT PAID</u>
HAMMER LAW FIRM	\$ 18,000.00
TAYLOR & POTTERFIELD	60,492.00
	8,082.00
SUBTOTAL RENTAL INCOME	<u>\$ 86,574.00</u>

2. MISC. RECEIPTS

TRANSFER FROM MMA	\$ 10,000.00
INTEREST ON CHECKING	36.75
SUBTOTAL MISCELLANEOUS	<u>\$ 10,036.75</u>

TOTAL RECEIPTS

\$ 96,610.75	\$ 96,610.75

LESS EXPENSES:

BUILDING EXPENSES

REPAIRS & MAINTENANCE	\$ 8,832.49
ELEVATOR MAINTENANCE CONTRACT	3,961.72
HVAC MAINTENANCE CONTRACT	15,799.14
EXTERMINATING	697.00
LANDSCAPING	1,795.00
JANITORAL	8,344.10
	<u>\$ 39,429.45</u>

PROFESSIONAL FEES

ACCOUNTING	\$ 1,035.00
LEGAL	
OTHER	
	<u>\$ 1,035.00</u>

PROPERTY MANAGEMENT

\$ 6,000.00

PAGE 2
YEAR-TO-DATE OPERATING STATEMENT
1634 MAIN STREET
PERIOD ENDING: DECEMBER 31, 2006

UTILITIES

GAS/ELECTRIC	\$ 16,304.97
ELEVATOR TELEPHONE	1,281.64
WATER/SEWER	1,004.32
SECURITY	<u>448.84</u>
	\$ 19,039.77

GARBAGE REMOVAL	\$ 34.75

INSURANCE	\$ 1,854.00

REAL ESTATE TAXES	\$ 24,532.50

ADVERTISING	\$ 45.00

COMMISSIONS	\$ 1,304.10

GENERAL SUPPLIES

MISCELLANEOUS	\$ 74.20

PARTNERSHIP DISTRIBUTIONS

DEBT SERVICE

INTEREST
 PRINCIPAL

TOTAL EXPENSES	\$ 93,348.77	<u>\$ (93,348.77)</u>

YEAR-TO -DATE CASH FLOW		\$ 3,261.98

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2006**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1575	5-Jan	Larry Palmer	\$ 75.00	Painting
1576	6-Jan	Marc Wintersteen	130.00	HVAC Repairs
1577	16-Jan	Gregory Pest	52.00	Exterminating
1578	16-Jan	SCE&G	1,247.24	Electricity
1579	16-Jan	Bell South	198.36	Elevator Telephone
1580	16-Jan	Commercial Maintenance	1,493.24	Janitorial
1581	16-Jan	City of Columbia	116.20	Water-Sewer
1582	16-Jan	ADT	109.21	Security
1583	16-Jan	Madison Fludd	135.00	Parking Lot
1584	16-Jan	ThyssenKrupp	990.43	Elevator Maintenance
1585	16-Jan	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 5,166.58	
1586	8-Feb	Marc Wintersteen	\$ 410.00	HVAC Repairs
1587	14-Feb	Bell South	98.38	Elevator Telephone
1588	14-Feb	Key Shop	277.66	Repairs
1589	14-Feb	City of Columbia	68.36	Water/Sewer
1590	14-Feb	Gregory Pest	52.00	Exterminating
1591	14-Feb	Madison Fludd	135.00	Parking Lot
1592	14-Feb	Commercial Maintenance	915.00	Janitorial
1593	14-Feb	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 2,576.30	
1594	7-Mar	Adams Eaddy	\$ 1,854.00	Insurance
1595	14-Mar	Columbia Fire & Safety	35.41	Fire Extinguisher
1596	14-Mar	Sign A Rama	47.70	Signage
1597	14-Mar	Midlands Electrical	525.00	Repairs
1598	14-Mar	Bell South	98.38	Elevator Telephone
1599	14-Mar	Gregory Pest	52.00	Exterminating
1600	14-Mar	City of Columbia	112.52	Water/Sewer
1601	14-Mar	SCE&G	2,157.80	Electricity
1602	14-Mar	Air Cond	420.00	HVAC Maintenance
1603	14-Mar	Commercial Maintenance	524.54	Janitorial
1604	14-Mar	Madison Fludd	135.00	Parking Lot
1605	14-Mar	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 6,582.25	
1606	18-Apr	Commercial Maintenance	\$ 524.54	Janitorial
1607	18-Apr	Bell South	98.52	Elevator Telephone
1608	18-Apr	ThyssenKrupp	990.43	Elevator Maintenance
1609	18-Apr	Dependable Plumbing	85.00	Plumbing Repairs
1610	18-Apr	City of Columbia	34.75	Garbage
1611	18-Apr	ADT	109.21	Security

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2006

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1612	18-Apr	City of Columbia	\$ 79.40	Water/Sewer
1613	18-Apr	Gregory Pest	1,882.00	Exterminating
1614	18-Apr	Midlands Electrical	225.00	Repairs
1615	18-Apr	Madison Fludd	135.00	Parking Lot
1616	18-Apr	SCE&G	991.26	Electricity
1617	20-Apr	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 5,775.01	
1618	8-May	Tom Lentz	\$ 128.00	Repairs
1619	10-May	City of Columbia	68.36	Water/Sewer
1620	10-May	SCE&G	1,149.71	Electricity
1621	10-May	Gregory Pest	52.00	Exterminating
1622	10-May	Commercial Maintenance	524.54	Janitorial
1623	10-May	Bell South	98.52	Elevator Telephone
1624	10-May	Sign A Rama	52.56	Signage
1625	10-May	Air Cond	435.00	HVAC Maintenance
1626	10-May	Madison Fludd	135.00	Parking Lot
1627	12-May	Marc Wintersteen	142.00	HVAC Repairs
1628	12-May	Danville Business Advisors	619.90	Prop Mgt
1629	31-May	Pardee's Refrigeration & AC	11,450.00	Replace HVAC Unit
TOTAL			\$ 14,855.59	
1630	15-Jun	Danville Business Advisors	\$ 619.90	Prop Mgt
1631	16-Jun	SCE&G	1,512.49	Electricity
1632	16-Jun	Bell South	98.50	Elevator Telephone
1633	16-Jun	Gregory Pest	107.00	Exterminating
1634	16-Jun	Commercial Maintenance	524.54	Janitorial
1635	16-Jun	Madison Fludd	135.00	Parking Lot
1636	16-Jun	City of Columbia	83.08	Water/Sewer
1637	16-Jun	Sign A Rama	37.10	Signage
TOTAL			\$ 3,117.61	
1638	3-Jul	Russell Nothdurft	\$ 800.00	Repairs
1639	15-Jul	Bell South	98.39	Elevator Telephone
1640	15-Jul	Commercial Maintenance	524.54	Janitorial
1641	15-Jul	Key Shop	396.00	Repairs
1642	15-Jul	SCE&G	1,792.94	Electricity
1643	15-Jul	Meetze Plumbins	962.85	Plumbing Repairs
1644	15-Jul	AirCond	2,072.14	HVAC Repairs
1645	15-Jul	ADT Security	115.21	Security
1646	15-Jul	City of Columbia	86.76	Water/Sewer
1647	15-Jul	ThyssenKrupp	990.43	Elevator Maintenance

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2006

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1648	15-Jul	Midlands Electrical	985.00	Repairs
1649	15-Jul	Madison Fludd	135.00	Parking Lot
1650	15-Jul	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 9,579.16	
1651	15-Aug	Key Shop	\$ 280.20	Repairs
1652	15-Aug	Bell South	98.31	Elevator Telephone
1653	15-Aug	Commercial Maintenance	524.54	Janitorial
1654	15-Aug	Gregory Pest	55.00	Exterminating
1655	15-Aug	SCE&G	1,943.51	Electricity
1656	15-Aug	Midlands Electrical	70.00	Repairs
1657	15-Aug	AirCond	435.00	HVAC Maintenance
1658	15-Aug	City of Columbia	90.44	Water/Sewer
1659	15-Aug	Madison Fludd	135.00	Parking Lot
1660	15-Aug	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 4,251.90	
1661	12-Sep	Commercial Maintenance	\$ 524.54	Janitorial
1662	12-Sep	Bell South	98.39	Elevator Telephone
1663	12-Sep	City of Columbia	79.40	Water/Sewer
1664	12-Sep	Gregory Pest	55.00	Exterminating
1665	12-Sep	Madison Fludd	135.00	Parking Lot
1666	12-Sep	SCE&G	1,910.93	Electricity
1667		Void		
1668	12-Sep	Bernard Ackerman, CPA	495.00	Tax Return
1669	12-Sep	Danville Business Advisors	619.90	Prop Mgt
TOTAL			\$ 3,918.16	
1670	13-Oct	ThyssenKrupp Elevator	\$ 990.43	Elevator Maintenance
1671	13-Oct	SCE&G	1,535.07	Electricity
1672	13-Oct	Commercial Maintenance	524.54	Janitorial
1673	13-Oct	Madison Fludd	135.00	Parking Lot
1674	13-Oct	Gregory Pest	55.00	Exterminating
1675	13-Oct	Bell South	98.16	Elevator Telephone
1676	13-Oct	City of Columbia	75.72	Water/Sewer
1677	13-Oct	Sign A Rama	37.10	Signage
1678	13-Oct	Midlands Electrical	545.00	Repairss
1679	13-Oct	Bernard Ackerman, CPA	540.00	Tax Return
1680	13-Oct	Danville Business Advisors	575.00	Prop Mgt
1681	23-Oct	SC Bar	45.00	Advertising
TOTAL			\$ 5,156.02	

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2006

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1682		Void		
1683	8-Nov	Gregory Pest	\$ 55.00	Exterminating
1684	8-Nov	Aqua Seal Mfg & Roofing	150.00	Roof Repairs
1685	8-Nov	City of Columbia	72.04	Water/Sewer
1686	8-Nov	Commercial Maintenance	524.54	Janitorial
1687	8-Nov	Air Cond	435.00	HVAC Maintenance
1688	8-Nov	SCE&G	1,144.19	Electricity
1689	8-Nov	Madison Fludd	135.00	Parking Lot
1690	8-Nov	Danville Business Advisors	575.00	Prop Mgt
TOTAL			<u>3,090.77</u>	
1691	1-Dec	Danville Business Advisors	\$ 575.00	Prop Mgt
1692	15-Dec	Madison Fludd	135.00	Parking Lot
1693	15-Dec	Madison Fludd	175.00	Landscaping
1694	27-Dec	The Key Shop	257.11	Repairs
1695	27-Dec	SCE&G	919.83	Electricity
1696	27-Dec	Gregory Pest	110.00	Exterminating
1696	27-Dec	Central Midlands Cleaning	515.00	Janitorial
1697	27-Dec	Bell South	197.73	Elevator Telephone
1698	27-Dec	ADT	115.21	Security
1700	27-Dec	City of Columbia	72.04	Water/Sewer
1701	27-Dec	Midlands Electrical	975.00	Repairs
1702	31-Dec	Central Midlands Cleaning	700.00	Janitorial
1703	31-Dec	Richland County Treasurer	24,532.50	Real Estate Taxes
TOTAL			<u>\$ 29,279.42</u>	

YEAR-TO-DATE OPERATING STATEMENT
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
PERIOD ENDING: DECEMBER 31, 2007

REVENUE

1.RENTAL INCOME

<u>TENANT</u>	<u>\$ AMT PAID</u>
VOICES FOR SC'S CHILDREN	\$ 33,816.63
CAROLINA PR	18,800.00
HAMMER LAW FIRM	<u>60,492.00</u>
SUBTOTAL RENTAL INCOME	\$ 112,908.63

2. MISC. RECEIPTS

INTEREST ON CHECKING	\$ 14.27
INTEREST ON MMA	502.74
VOID CHECK	155.00
TRANSFER FROM MMA	<u>11,953.54</u>
	\$ 12,625.55

TOTAL RECEIPTS

\$ 125,534.18

LESS EXPENSES:

BUILDING EXPENSES

REPAIRS & MAINTENANCE	\$ 9,346.34
ELEVATOR MAINTENANCE CONTRACT	4,243.00
HVAC MAINTENANCE CONTRACT	3,142.84
EXTERMINATING	674.00
LANDSCAPING	2,325.00
JANITORIAL	<u>9,172.50</u>
	\$ 28,903.68

PROFESSIONAL FEES

ACCOUNTING	\$ 500.00
LEGAL	
OTHER	<u>-</u>
	\$ 500.00

PROPERTY MANAGEMENT

\$ 6,000.00

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YEAR-TO-DATE OPERATING STATEMENT
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
PERIOD ENDING: DECEMBER 31, 2007

UTILITIES

GAS/ELECTRIC	\$ 18,053.26
ELEVATOR TELEPHONE	1,207.68
WATER/SEWER	949.70
SECURITY	<u>493.72</u>
	\$ 20,704.36

GARBAGE REMOVAL \$ 34.75

INSURANCE \$ 1,854.00

REAL ESTATE TAXES \$ 25,753.44

ADVERTISING

BANK FEES \$ 134.00

COMMISSIONS \$ 9,294.50

GENERAL SUPPLIES

MISCELLANEOUS \$ 362.35

TOTAL EXPENSES \$ 93,541.08

\$ (93,541.08)

\$ 31,993.10

YEAR-TO -DATE CASH FLOW

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2007**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1704	16-Jan	Danville Business Advisors	\$ 575.00	Prop Mgt
1705	26-Jan	Clarence Winfrey	100.00	Repairs
1706	29-Jan	Midlands Electric	225.00	Repairs
1707	29-Jan	Sign A Rama	79.50	Signage
1708	29-Jan	SCE&G	1,004.29	Electricity
1709	29-Jan	Bell South	98.48	Elevator Telephone
1710	29-Jan	City of Columbia	134.09	Water/Sewer
1711	29-Jan	Gregory Pest	55.00	Exterminating
1712	29-Jan	AirCond	435.00	HVAC Maintenance
1713	29-Jan	SC Dept LLR	125.00	Elevator Inspection
1714	29-Jan	ThyssenKrupp	1,060.75	Elevator Maintenance
1715	29-Jan	Key Shop	454.18	Repairs
1716	29-Jan	Central Midlands Cleaning	515.00	Janitorial
TOTAL			\$ 4,861.29	
1717	2-Feb	Madison Fludd	\$ 200.00	Parking Lot
1718	7-Feb	Lowe's	635.03	Repairs
	7-Feb	NSF FEES	35.00	Bank Fee
	8-Feb	NSF FEES	35.00	Bank Fee
1719	16-Feb	ADT	13.86	Security
1720	16-Feb	Bell South	100.30	Elevator Telephone
1721	16-Feb	Central Midlands Cleaning	515.00	Janitorial
1722	16-Feb	SCE&G	986.24	Electricity
1723	16-Feb	Adams Eaddy Insurance	1,854.00	Insurance
1724	16-Feb	Danville Business Advisors	577.50	Prop Mgt
1725	16-Feb	Madison Fludd	135.00	Parking Lot
	21-Feb	NSF FEES	64.00	Bank Fee
TOTAL			5,150.93	
1726	16-Mar	Danville Business Advisors	\$ 577.50	Prop Mgt
1727		Void		
1728	19-Mar	Central Midlands Cleaning	540.00	Janitorial
1729	21-Mar	Meetze Plumbing	263.00	Plumbing Repair
1730	21-Mar	ADT	115.21	Security
1731	21-Mar	Bell South	98.58	Elevator Telephone
1732	21-Mar	SCE&G	1,199.05	Electricity
1733	21-Mar	Gregory Pest	55.00	Exterminating
1734	21-Feb	City of Columbia	65.99	Water/Sewer
1735	21-Mar	Madison Fludd	135.00	Parking Lot
TOTAL			3,049.33	
1736	17-Apr	Danville Business Advisors	\$ 577.50	Prop Mgt
1737	25-Apr	ThyssenKrupp	1,060.75	Elevator Maintenance
1738		Void		

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2007

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1739	25-Apr	City of Columbia	73.57	Water/Sewer
1740	25-Apr	AT&T	99.60	Elevator Telephone
1741	25-Apr	AirCond	\$ 459.00	HVAC Maintenance
1742	25-Apr	City of Columbia	34.75	Garbage
1743	25-Apr	Gregory	110.00	Exterminating
1744	25-Apr	Central Midlands Cleaning	515.00	Janitorial
1745	25-Apr	SCE&G	980.65	Electricity
1746	25-Apr	Midlands Electrical	295.00	Repairs
1747	25-Apr	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 4,340.82	
1748	16-May	Danville Business Advisors	\$ 577.50	Prop Mgt
1749	28-May	Bernard Ackerman, CPA	500.00	Tax Returns
1750	28-May	Gregory	55.00	Exterminating
1751	28-May	AT&T	100.26	Elevator Telephone
1752	28-May	City of Columbia	174.77	Water/Sewer
1753	28-May	SCE&G	969.75	Electricity
1754	28-May	Central Midlands Cleaning	545.00	Janitorial
1755	28-May	Midlands Electrical	150.00	Repairs
1756	28-May	Madison Fludd	135.00	Parking Lot
1757	28-May	Key Shop	204.42	Repairs
TOTAL			\$ 3,411.70	
1758	14-Jun	Danville Business Advisors	\$ 577.50	Prop Mgt
1759	29-Jun	Central Midlands Cleaning	515.00	Janitorial
1760	29-Jun	Madison Fludd	135.00	Parking Lot
1761	29-Jun	SCE&G	1,396.78	Electricity
1762	29-Jun	City of Columbia	78.92	Water/Sewer
1763	29-Jun	AT&T	100.70	Elevator Telephone
1764	29-Jun	ADT	121.55	Security
1765	29-Jun	Thyssen Krupp	1,060.75	Elevator Maintenance
1766	29-Jun	AirCond	459.00	HVAC Maintenance
1767	29-Jun	Gregory	57.00	Exterminating
TOTAL			\$ 4,502.20	
1768	13-Jul	Danville Business Advisors	\$ 577.50	Prop Mgt
1769	16-Jul	NAI Avant	8,367.00	Commission
1770	24-Jul	Central Midlands Cleaning	515.00	Janitorial
1771	24-Jul	Central Midlands Cleaning	840.00	Janitorial
1772	25-Jul	Gregory	57.00	Exterminating
1773	25-Jul	Sign A Rama	112.35	Signage
1774	25-Jul	AT&T	102.35	Elevator Telephone

PAGE 3
MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2007

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1775	25-Jul	SCE&G	422.16	Electricity
1776	25-Jul	Madison Fludd	135.00	Parking Lot
1777	25-Jul	Franklin D's	187.50	Plumbing Repair
TOTAL			\$ 11,315.86	
1778	6-Aug	Lewis Cornelius	\$ 800.00	Repairs
1779	8-Aug	Central Midlands Cleaning	900.00	Janitorial
1780	8-Aug	Central Midlands Cleaning	172.50	Janitorial
1781	10-Aug	Lewis Cornelius	3,000.00	Repairs
1782	14-Aug	Danville Business Advisors	577.50	Prop Mgt
1783	15-Aug	Lewis Cornelius	275.38	Repairs
1784	16-Aug	Midlands Electric	150.00	Repairs
1785	20-Aug	Madison Fludd	235.00	Parking Lot
1786	28-Aug	City of Columbia	158.94	Water/Sewer
1787	28-Aug	Gregory	57.00	Exterminaitng
1788	28-Aug	SCE&G	4,286.94	Electricity
1789	28-Aug	AT&T	100.49	Elevator Telephone
1790	28-Aug	Midlands Electric	1,210.00	Repairs
1791	28-Aug	Key Shop	419.68	Repairs
1792	28-Aug	Meetze Plumbing	418.85	Plumbing Repairs
TOTAL			\$ 12,762.28	
1793	14-Sep	Danville Business Advisors	\$ 577.50	Prop Mgt
1794	25-Sep	Central Midlands Cleaning	900.00	Janitorial
1795	28-Sep	SCE&G	2,567.32	Electricity
1796	28-Sep	AirCond	399.40	HVAC Maintenance
1797	28-Sep	ADT	121.55	Security
1798	28-Sep	Gregory	57.00	Exterminating
1799	28-Sep	AT&T	100.57	Elevator Telephone
1800	28-Sep	ThyssenKrupp	1,060.75	Elevator Maintenance
1801		Void		
1802	28-Sep	City of Columbia	84.58	Water/Sewer
1803	28-Sep	Midlands Electric	225.00	Repairs
TOTAL				
1804	2-Oct	Madison Fludd	\$ 210.00	Parking Lot
1805	9-Oct	Central Midlands Cleaning	900.00	Janitorial
1806	19-Oct	Danville Business Advisors	577.50	Prop Mgt
1807	31-Oct	Madison Fludd	335.00	Landscaping
1808	31-Oct	SCE&G	1,766.65	Electricity
1809	31-Oct	AT&T	102.24	Elevator Telephone
1810	31-Oct	Meetze Plumbing	133.95	Plumbing Repairs

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2007

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1811	31-Oct	City of Columbia	83.45	Water/Sewer
1812	31-Oct	Gregory	57.00	Exterminating
1813	31-Oct	AirCond	719.44	HVAC Maintenance
TOTAL			\$ 4,885.23	
1814	16-Nov	Danville Business Advisors	\$ 577.50	Prop Mgt
1815	26-Nov	SCE&G	979.31	Electricity
1816	26-Nov	Madison Fludd	135.00	Parking Lot
1817	26-Nov	AT&T	103.11	Elevator Telephone
1818	26-Nov	Central Midlands Cleaning	900.00	Janitorial
1819	30-Nov	Gregory	57.00	Exterminating
1820	30-Nov	Meetze Plumbing	119.85	Plumbing Repairs
TOTAL			\$ 2,871.77	
1821	3-Dec	Madison Fludd	\$ 200.00	Parking Lot
1822	11-Dec	Meyer Mechanical	380.00	HVAC Repairs
1823	17-Dec	Danville Business Advisors	577.50	Prop Mgt
1824	21-Dec	City of Columbia	95.39	Water/Sewer
1825	21-Dec	Air Cond	291.00	HVAC Repairs
1826	21-Dec	SCE&G	1,494.12	Electricity
1827	21-Dec	Central Midlands Cleaning	900.00	Janitorial
1828	21-Dec	Gregory	57.00	Exterminating
1829	21-Dec	AT&T	101.00	Elevator Telephone
1830	21-Dec	ADT Security	121.55	Security
1831	21-Dec	SC Dept of LLR	125.00	Elevator Inspeccion
1832	26-Dec	Madison Fludd	200.00	Parking Lot
1833	31-Dec	Richland County Treasury	25,753.44	Real Estate Taxes
TOTAL			\$ 30,296.00	

YEAR-TO-DATE OPERATING STATEMENT**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****PERIOD ENDING: DECEMBER 31, 2008****REVENUE****1.RENTAL INCOME****TENANT****VOICES FOR SC'S CHILDREN****CAROLINA PR****HAMMER LAW FIRM****SUBTOTAL RENTAL INCOME****\$ AMT PAID****\$ 68,679.15****14,400.00****-****\$ 83,079.15****2. MISC. RECEIPTS****AIRCOND REFUND****INTEREST ON MMA****INTEREST ON CHECKING****\$ 31.00****207.62****52.24****\$ 290.86****TOTAL RECEIPTS****\$ 83,370.01****LESS EXPENSES:****BUILDING EXPENSES****REPAIRS & MAINTENANCE****ELEVATOR MAINTENANCE CONTRACT****HVAC MAINTENANCE CONTRACT****EXTERMINATING****LANDSCAPING****JANITORIAL****\$ 3,326.50****6,061.08****3,112.00****698.00****2,325.00****12,624.78****\$ 28,147.36****PROFESSIONAL FEES****ACCOUNTING****LEGAL****OTHER****\$ 750.00****-****\$ 750.00****PROPERTY MANAGEMENT****\$ 6,000.00**

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YEAR-TO-DATE OPERATING STATEMENT
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
PERIOD ENDING: DECEMBER 31, 2008

UTILITIES

GAS/ELECTRIC	\$ 21,548.08
ELEVATOR TELEPHONE	1,217.32
WATER/SEWER	1,188.59
SECURITY	506.27
	<u>\$ 24,460.26</u>

GARBAGE REMOVAL	\$ 34.75

INSURANCE	\$ 1,854.00

REAL ESTATE TAXES	\$ 27,124.22

ADVERTISING

BANK FEES

COMMISSIONS	\$ 960.00

GENERAL SUPPLIES

MISCELLANEOUS	\$ 112.35

OWNER DISTRIBUTIONS	\$ 3,335.11

SHAREHOLDER LOAN	\$ 20,000.00

TOTAL EXPENSES	\$ 112,778.05	<u>\$ (112,778.05)</u>

YEAR-TO -DATE CASH FLOW		\$ (29,408.04)

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2008**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1834	14-Jan	Larry Palmer	\$ 825.00	Painting
1835	18-Jan	Larry Palmer	825.00	Painting
1836	18-Jan	Danville Business Advisors	580.00	Prop Mgt
1837	24-Jan	Central Midlands Cleaning	900.00	Janitorial
1838	28-Jan	Gregory Pest Control	57.00	Exterminating
1839	28-Jan	City of Columbia	84.88	Water/Sewer
1840	28-Jan	SCE&G	1,517.81	Exterminating
1841	28-Jan	ThyssenKrupp Elevator	1,129.70	Elevator Maintenance
1842	28-Jan	Madison Fludd	135.00	Parking Lot
1843	28-Jan	AT&T	101.00	Elevator Telephone
1844	28-Jan	AirCond	490.00	HVAC Maintenance
TOTAL			\$ 6,645.39	
1845	20-Feb	Central Midlands Cleaning	\$ 2,001.03	Janitorial
1846	25-Feb	SCE&G	1,299.28	Electricity
1847	25-Feb	AT&T	100.70	Elevator Telephone
1848	25-Feb	City of Columbia	116.56	Water/Sewer
1849	25-Feb	JP Plumbing	100.00	Repair
1850	25-Feb	Madison Fludd	135.00	Parking Lot
1851	25-Feb	Danville Business Advisors	580.00	Prop Mgt
TOTAL			\$ 4,332.57	
1852	18-Mar	Danville Business Advisors	\$ 580.00	Prop Mgt
1853	26-Mar	SCE&G	1,585.17	Electricity
1854	26-Mar	Randall's Electric	60.00	Repair
1855	26-Mar	Central Midlands Cleaning	900.00	Janitorial
1856	26-Mar	Gregory Pest Control	57.00	Exterminating
1857	26-Mar	City of Columbia	89.16	Water/Sewer
1852	26-Mar	AT&T	100.79	Elevator Telephone
1859		Void		
1860	26-Mar	Adams Eaddy	1,854.00	Insurance
1861	26-Mar	SE Atlantic Mechanical	121.50	Plumbing Repair
1862	26-Mar	ADT	121.55	Security
1863	26-Mar	Madison Fludd	135.00	Parking Lot
1864	28-Mar	Howard & Shirley Hammer	3,182.36	Owner Distribution
1865	28-Mar	Howard Hammer, GAI	152.75	Owner Distribution
TOTAL			\$ 8,939.28	
1866	10-Apr	Central Midlands Cleaning	\$ 900.00	Janitorial
1867	16-Apr	Danville Business Advisors	580.00	Prop Mgt
1868	18-Apr	City of Columbia	95.39	Water/Sewer
1869	18-Apr	City of Columbia	34.75	Garbage
1870	18-Apr	ThyssenKrupp Elevator	1,129.70	Elevator Maintenance
1871	18-Apr	Gregory Pest Control	57.00	Exterminating

PAGE 2
MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2008

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1872	18-Apr	AT&T	100.79	Elevator Telephone
1873	18-Apr	SCE&G	1,434.94	Electricity
1874	18-Apr	SE Atlantic Mechanical	112.50	Plumbing Repair
1875	18-Apr	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 4,580.07	
1876	9-May	Danville Business Advisors	\$ 580.00	Prop Mgt
1877	10-May	SCE&G	1,693.71	Electricity
1878	10-May	AT&T	101.30	Elevator Telephone
1879	10-May	Gregory Pest Control	57.00	Exterminating
1880	10-May	City of Columbia	92.71	Water/Sewer
1881	10-May	Key Shop	553.50	Repair
1882	10-May	SE Atlantic Mechanical	132.50	Plumbing Repair
1883	10-May	AirCond	552.00	HVAC Maintenance
1884	10-May	Madison Fludd	135.00	Parking Lot
1885	10-May	Central Midlands Cleaning	1,020.00	Janitorial
1886	12-May	Madison Fludd	75.00	Parking Lot
TOTAL			\$ 4,992.72	
1887	4-Jun	Meyer Mechanical	\$ 400.00	HVAC Repair
1888	11-Jun	Central Midlands Cleaning	900.00	Janitorial
1889	16-Jun	Danville Business Advisors	580.00	Prop Mgt
1890	23-Jun	Howard Hammer	20,000.00	Loan
1891	27-Jun	Madison Fludd	135.00	Parking Lot
1892	30-Jun	City of Columbia	176.23	Water/Sewer
1893	30-Jun	ThyssenKrupp Elevator	1,129.70	Elevator Maintenance
1894	30-Jun	AT&T	101.04	Elevator Telephone
1895	30-Jun	SCE&G	1,789.57	Electricity
1896	30-Jun	ADT	128.24	Security
1897	30-Jun	SE Atlantic Mechanical	245.50	Plumbing Repair
1898	30-Jun	Bernard Ackerman, CPA	750.00	Tax Returns
1899	30-Jun	Franklin D Plumbing	80.00	Plumbing Repair
1900	30-Jun	Gregory Pest Control	57.00	Exterminating
TOTAL			\$ 26,472.28	
1901	21-Jul	Central Midlands Cleaning	\$ 900.00	Janitorial
1902	21-Jul	Danville Business Advisors	580.00	Prop Mgt
1903	21-Jul	AT&T	101.20	Elevator Telephone
1904	21-Jul	Gregory Pest Control	59.00	Exterminating
1905	21-Jul	SCE&G	2,393.14	Electricity
1906	21-Jul	Madison Fludd	135.00	Parking Lot
1907	21-Jul	AirCond	552.00	HVAC Maintenance
Total			\$ 4,720.34	

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2008

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1908	4-Aug	Madison Fludd	\$ 205.00	Landscaping
1909	4-Aug	Madison Fludd	135.00	Parking Lot
1910	18-Aug	Danville Business Advisors	580.00	Prop Mgt
1911	18-Aug	Gregory	59.00	Exterminating
1912	18-Aug	AT&T	102.39	Elevator Telephone
1913	18-Aug	Samco	154.50	Plumbing Repair
1914	18-Aug	Central Midlands Cleaning	963.00	Janitorial
1915	18-Aug	City of Columbia	85.85	Water/Sewer
1916	18-Aug	SCE&G	2,488.94	Electricity
Total			\$ 4,773.68	
1917	2-Sep	Meyer Mechanical	\$ 73.00	HVAC Repair
1918	12-Sep	Danville Business Advisors	580.00	Prop Mgt
1919	15-Sep	Madison Fludd	305.00	Parking Lot/Landscape
1920	17-Sep	Meyer Mechanical	493.00	HVAC Repair
1921	30-Sep	Central Midlands Cleaning	963.00	Janitorial
1922	30-Sep	Gregory	118.00	Exterminating
1923	30-Sep	City of Columbia	80.96	Water/Sewer
1924	30-Sep	City of Columbia	94.71	Water/Sewer
1925	30-Sep	AT&T	102.79	Elevator Telephone
1926	30-Sep	SCE&G	2,348.43	Electricity
1927	30-Sep	ADT	128.24	Security
1928	30-Sep	ThyssenKrupp Elevator	1,129.70	Elevator Maintenance
1929	30-Sep	AirCond	552.00	HVAC Repair
1930	30-Sep	Madison Fludd	135.00	Parking Lot/Landscape
Total			\$ 7,103.83	
1931	3-Oct	Sign A Rama	\$ 112.35	Signage
1932	8-Oct	Central Midlands Cleaning	1,211.75	Janitorial
1933	15-Oct	Danville Business Advisors	580.00	Prop Mgt
1934	31-Oct	City of Columbia	89.32	Water/Sewer
1935	31-Oct	Gregory	59.00	Exterminating
1936	31-Oct	Samco	333.50	Plumbing Repair
1937	31-Oct	SCE&G	1,943.54	Electricity
1938	31-Oct	AT&T	101.43	Elevator Telephone
1039	31-Oct	Madison Fludd	135.00	Parking Lot
Total			\$ 4,565.89	
1940	24-Nov	Central Midlands Cleaning	\$ 963.00	Janitorial
1941	30-Nov	Gregory	59.00	Exterminating
1942	30-Nov	City of Columbia	97.68	Water/Sewer
1943	30-Nov	Samco	116.50	Plumbing Repair
1944		Void		
1945	30-Nov	Madison Fludd	195.00	Parking Lot

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2008

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1946	30-Nov	AT&T	102.79	Elevator Telephone
1947	30-Nov	SCE&G	1,604.75	Electricity
Total			\$ 3,138.72	
1948	15-Dec	Central Midlands Cleaning	\$ 1,003.00	Janitorial
1949	15-Dec	AT&T	101.10	Elevator Telephone
1950	15-Dec	SCE&G	1,448.80	Electricity
1951	15-Dec	Madison Fludd	195.00	Parking Lot
1952	15-Dec	Danville Business Advisors	1,160.00	Prop Mgt
1953	31-Dec	Gregory	59.00	Exterminating
1954	31-Dec	ADT	128.24	Security
1955	31-Dec	City of Columbia	85.14	Water/Sewer
1956	31-Dec	ThyssenKrupp Elevator	1,208.78	Elevator Maintenance
1957	31-Dec	Richland County Treasurer	27,124.22	Real Estate Taxes
Total			\$ 32,513.28	

YEAR-TO-DATE OPERATING STATEMENT**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****PERIOD ENDING: DECEMBER 31, 2009****REVENUE****1.RENTAL INCOME**

<u>TENANT</u>	<u>\$ AMT PAID</u>
CHILDREN'S TRUST FUND	\$ 71,119.56
HAMMER LAW FIRM	<u>13,330.00</u>
SUBTOTAL RENTAL INCOME	\$ 84,449.56

2. MISC. RECEIPTS

INTEREST ON MMA	91.19
INTEREST ON CHECKING	<u>18.95</u>
	\$ 110.14

TOTAL RECEIPTS**\$ 84,559.70****LESS EXPENSES:****BUILDING EXPENSES**

REPAIRS & MAINTENANCE	\$ 3,976.97
ELEVATOR MAINTENANCE CONTRACT	3,626.34
HVAC MAINTENANCE CONTRACT	2,618.00
EXTERMINATING	667.00
LANDSCAPING	2,105.00
JANITORIAL	<u>10,328.75</u>
	\$ 23,322.06

PROFESSIONAL FEES

ACCOUNTING	\$ 1,000.00
LEGAL	
OTHER	<u>-</u>
	\$ 1,000.00

PROPERTY MANAGEMENT**\$ 6,000.00**

PAGE 2
YEAR-TO-DATE OPERATING STATEMENT
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
PERIOD ENDING: DECEMBER 31, 2009

UTILITIES

GAS/ELECTRIC	\$ 19,074.41
ELEVATOR TELEPHONE	1,218.10
WATER/SEWER	1,255.87
SECURITY	<u>534.11</u>
	\$ 22,082.49

GARBAGE REMOVAL	\$ 34.75

INSURANCE	\$ 1,678.00

REAL ESTATE TAXES	\$ 26,669.80

ADVERTISING**BANK FEES****COMMISSIONS****GENERAL SUPPLIES**

MISCELLANEOUS Loan to Howard Hammer	\$ 7,500.00

OWNER DISTRIBUTIONS**SHAREHOLDER LOAN**

TOTAL EXPENSES	\$ 88,287.10	\$ (88,287.10)
YEAR-TO -DATE CASH FLOW		\$ (3,727.40)

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2009**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1958	6-Jan	Meyer Mechanical	\$ 500.00	HVAC Repair
1959	7-Jan	Danville Business Advisors	500.00	Prop Mgt
1960	12-Jan	Central Midlands Cleaning	963.00	Janitorial
1961	28-Jan	Meyer Mechanical	290.00	HVAC Repair
Total			2,253.00	
1962	5-Feb	Madison Fludd	\$ 135.00	Parking Lot
1963	25-Feb	Central Midlands Cleaning	963.00	Janitorial
1964	26-Feb	SCE&G	3,269.54	Electricity
1965	27-Feb	Madison Fludd	135.00	Parking Lot
1966	27-Feb	Danville Business Adviors	500.00	Prop Mgt
Total			\$ 5,002.54	
1967	4-Mar	SC Dept of LLR	\$ 125.00	Elevator Inspection
1968	4-Mar	AT&T	203.25	Elevator Telephone
1969	4-Mar	Samco	157.50	Pluming Repair
1970	4-Mar	Gregory Pest Control	118.00	Exterminating
1971	4-Mar	AirCond	552.00	HVAC Maintenance
1972	4-Mar	City of Columbia	232.98	Water/Sewer
1973	4-Mar	Central Midlands Cleaning	963.00	Janitorial.
1974	4-Mar	Madison Fludd	135.00	Parking Lot
1975	4-Mar	Danville Business Advisors	500.00	Prop Mgt
1976	24-Mar	Meyer Mechanical	320.00	HVAC Repair
1977	24-Mar	SCE&G	1,675.42	Electricity
1978	27-Mar	Gregory Pest Control	59.00	Exterminating
1979		Void		
1980	27-Mar	AT&T	101.14	Elevator Telephone
1981	27-Mar	ADT	128.24	Security
1982	27-Mar	Madison Fludd	135.00	Parking Lot
Total			\$ 5,405.53	
1983	16-Apr	Danville Business Advisors	\$ 500.00	Prop Mgt
1984	24-Apr	Cincinnati Insurance	1,678.00	Insurance
1985	24-Apr	City of Columbia	91.48	Water/Sewer
1986	24-Apr	City of Columbia	34.75	Garbage
1987	24-Apr	SCE&G	1,407.60	Electricity
1988	24-Apr	ThyssenKrupp Elevator	1,208.78	Elevator Maintenance
1989	24-Apr	Central Midlands Cleaning	963.00	Janitorial
1990		Void		
1991	24-Apr	AT&T	103.88	Elevator Telephone
1992	24-Apr	Madison Fludd	135.00	Parking Lot
1993	27-Apr	Lewis Cornelius	275.00	Repairs
Total			\$ 6,397.49	

PAGE 2
MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2009

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
1994		Void		
1995	5-May	Marion Turbeville	\$ 112.71	Reimburse Repairs
1996	5-May	Central Midlands Cleaning	790.00	Janitorial
1997	11-May	SCE&G	1,501.14	Electricity
1998	11-May	Gregory Pest Control	59.00	Exterminating
1999	11-May	AT&T	102.98	Elevator Telephone
2000	11-May	City of Columbia	145.00	Water/Sewer
2001	11-May	AirCond	582.00	HVAC Maintenance
2002	11-May	Key Shop	310.34	Repairs
2003	11-May	Madison Fludd	135.00	Parking Lot
2004	12-May	Danville Business Advisors	500.00	Prop Mgt
Total			\$ 4,238.17	
2005	10-Jun	Lewis Cornelius	\$ 150.00	Repairs
2006	15-Jun	Madison Fludd	185.00	Parking Lot
2007	15-Jun	Danville Business Advisors	500.00	Prop Mgt
2008	25-Jun	Gregory Pest Control	121.00	Exterminating
2009	26-Jun	SCE&G	1,351.24	Electricity
2010	26-Jun	B Ackerman CPA	1,000.00	Tax Returns
2011	26-Jun	AT&T	101.15	Elevator Telephone
2012	26-Jun	ADT	135.29	Security
2013	26-Jun	City of Columbia	76.78	Water/Sewer
2014	26-Jun	Central Midlands Cleaning	790.00	Janitorial
Total			\$ 4,410.46	
2015	13-Jul	Danville Business Advisors	\$ 500.00	Prop Mgt
2016	23-Jul	Madison Fludd	285.00	Parking Lot
2017	23-Jul	AirCond	582.00	HVAC Maintenance
2018	24-Jul	ThyssenKrupp Elevator	1,208.78	Elevator Maintenance
2019	24-Jul	City of Columbia	72.60	Water/Sewer
2020	24-Jul	SCE&G	1,963.28	Electricity
2021	24-Jul	AT&T	99.63	Elevator Telephone
2022	24-Jul	Central Midlands Cleaning	790.00	Janitorial
Total			\$ 5,501.29	
2023	23-Aug	City of Columbia	\$ 83.21	Water/Sewer
2024	23-Aug	AT&T	100.92	Elevator Telephone
2025	23-Aug	Central Midlands Cleaning	790.00	Janitorial
2026		Void		
2027	23-Aug	SCE&G	1,989.31	Electricity
2028	23-Aug	Gregory Pest Control	62.00	Exterminating
2029	23-Aug	Madison Fludd	135.00	Parking Lot

PAGE 3
MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2009

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2030	23-Aug	Danville Business Advisors	500.00	Prop Mgt
Total			\$ 3,660.44	
2031	2-Sep	Danville Business Advisors	\$ 500.00	Prop Mgt
2032	27-Sep	Central Midlands Cleaning	790.00	Janitorial
2033	27-Sep	City of Columbia	214.72	Water/Sewer
2034	27-Sep	ADT	135.29	Security
2035		Void		
2036	27-Sep	AT&T	101.03	Elevator Telephone
2037	27-Sep	Central Midlands Cleaning	125.00	Janitorial
2038	27-Sep	Gregory Pest Control	124.00	Exterminating
2039	27-Sep	SCE&G	2,106.68	Electricity
2040	27-Sep	Madison Fludd	135.00	Parking Lot
Total			\$ 4,231.72	
2041	12-Oct	Key Shop	\$ 55.53	Repair
2042		Void		
2043	12-Oct	SCE&G	1,479.37	Electricity
2044	12-Oct	City of Columbia	76.78	Water/Sewer
2045	12-Oct	AT&T	101.03	Elevator Telephone
2046	12-Oct	AirCond	582.00	HVAC Maintenance
2047	12-Oct	ThyssenKrupp Elevator	1,208.78	Elevator Maintenance
2048	12-Oct	Central Midlands Cleaning	790.00	Janitorial
2049	12-Oct	Madison Fludd	135.00	Parking Lot
2050	12-Oct	Danville Business Advisors	500.00	Prop Mgt
2051	12-Oct	Michael Hunt	35.00	Repair
Cashiers Check	29-Oct	Howard Hammer	7,500.00	Loan
Total			\$ 12,463.49	
2052	5-Nov	Danville Business Advisors	\$ 500.00	Mgt
2053	6-Nov	Madison Fludd	285.00	Parking Lot
2054	24-Nov	Midlands Electric	425.00	Repair
2055	30-Nov	Central Midlands Cleaning	821.75	Janitorial
2056	30-Nov	SCE&G	1,527.02	Electricity
2057	30-Nov	City of Columbia	71.65	Water/Sewer
2058	30-Nov	AT&T	100.83	Elevator Telephone
2059	30-Nov	Gregory Pest Control	124.00	Exterminating
2060	30-Nov	City of Columbia	190.67	Water/Sewer
2061	30-Nov	Samco	122.50	Repair
Total			4,168.42	
2062	15-Dec	Danville Business Advisors	\$ 500.00	Prop Mgt
2063	18-Dec	Madison Fludd	135.00	Parking Lot
2064	18-Dec	SCE&G	803.81	Electricity
2065	18-Dec	ADT Security	135.29	Security

PAGE 4
MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2009

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>
2066	18-Dec	AT&T	102.26 Elevator Telephone
2067	18-Dec	Central Midlands Cleaning	790.00 Janitorial
2068	18-Dec	Midlands Electrical	1,301.75 Repair
2069	18-Dec	Key Shop	116.64 Repair
2070	31-Dec	Richland County Treasurer	26,669.80 Real Estate Taxes
Total			<u>\$ 30,554.55</u>

YEAR-TO-DATE OPERATING STATEMENT

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

PERIOD ENDING: DECEMBER 31, 2010

REVENUE1. RENTAL INCOMETENANT\$ AMT PAID

CHILDREN'S TRUST FUND

\$ 68,795.36

OLIVER GOSPEL MISSION

9,280.77

LIPSCOMB LAW FIRM

6,300.00

HAMMER LAW FIRM

-

SUBTOTAL RENTAL INCOME

\$ 84,376.13

2. MISC. RECEIPTS

TRANSFER FROM MMA

\$ 10,556.36

INTEREST ON MMA

10.71

INTEREST ON CHECKING

5.91

\$ 10,572.98

TOTAL RECEIPTS

\$ 94,949.11

LESS EXPENSES:BUILDING EXPENSES

REPAIRS & MAINTENANCE

\$ 18,482.32

ELEVATOR MAINTENANCE CONTRACT

6,474.00

HVAC MAINTENANCE CONTRACT

2,860.00

EXTERMINATING

824.00

LANDSCAPING

1,900.00

JANITORIAL

13,109.45

\$ 43,649.77

PROFESSIONAL FEES

ACCOUNTING

\$ 1,035.00

LEGAL

1,176.50

OTHER

-

\$ 2,211.50

PROPERTY MANAGEMENT

\$ 6,000.00

PAGE 2
YEAR-TO-DATE OPERATING STATEMENT
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
PERIOD ENDING: DECEMBER 31, 2010

UTILITIES

GAS/ELECTRIC	\$ 23,164.62
ELEVATOR TELEPHONE	1,213.01
WATER/SEWER	1,652.10
SECURITY	<u>563.48</u>
	\$ 26,593.21

GARBAGE REMOVAL

INSURANCE	\$ 1,678.00

REAL ESTATE TAXES

ADVERTISING

BANK FEES	\$ 107.00

COMMISSIONS	\$ 5,330.21

GENERAL SUPPLIES

MISCELLANEOUS	\$ 444.17

OWNER DISTRIBUTIONS

SHAREHOLDER LOAN

TOTAL EXPENSES	\$ 86,013.86	\$ <u>(86,013.86)</u>
		\$ 8,935.25

YEAR-TO -DATE CASH FLOW

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2010**

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2071	4-Jan	Danville Business Advisors	\$ 500.00	Prop Mgt
2072	6-Jan	Lewis Cornelius	60.00	Repairs
2073	21-Jan	Central Midlands Cleaning	790.00	Janitorial
2074	28-Jan	SCE&G	1,491.89	Electricity
2075	28-Jan	AirCond	582.00	HVAC Maintenance
2076	28-Jan	AT&T	100.61	Elevator Telephone
2077	28-Jan	Midlands Electric	105.00	Repairs
2078	28-Jan	City of Columbia	198.00	Water/Sewer
2079	28-Jan	ThyssenKrupp Elevator	1,277.68	Elevator Maintenance
2080	28-Jan	Gregory Pest Solutions	124.00	Exterminating
2081	29-Jan	Madison Fludd	185.00	Parking Lot
TOTAL			\$ 5,414.18	
2082		Void		
2083	2-Feb	Danville Business Advisors	\$ 500.00	Prop Mgt
2084	2-Feb	Lewis Cornelius	150.00	Repairs
2085	25-Feb	Central Midlands Cleaning	790.00	Janitorial
2086	25-Feb	AT&T	102.93	Elevator Telephone
2087	25-Feb	City of Columbia	79.75	Water/Sewer
2088	25-Feb	SCE&G	1,718.18	Electricity
2089	25-Feb	Ridge Services	850.00	Repairs
2090	25-Feb	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 4,325.86	
2091	1-Mar	Danville Business Advisors	\$ 500.00	Prop Mgt
2092	15-Mar	Central Midlands Cleaning	1,005.00	Janitorial
2093	19-Mar	Danville Business Advisors	1,075.00	Commission
2094	22-Mar	Gregory Pest Solutions	62.00	Exterminating
2095	22-Mar	AT&T	100.94	Elevator Telephone
2096	22-Mar	City of Columbia	198.33	Water/Sewer
2097	22-Mar	Key Shop	138.15	Repairs
2098	22-Mar	Gregory Pest Solutions	62.00	Exterminating
2099	22-Mar	ADT Security	135.29	Security
2100	22-Mar	SCE&G	1,503.76	Electricity
2101	22-Mar	Madison Fludd	135.00	Parking Lot
2102	30-Mar	Cincinnati Insurance	1,678.00	Insurance
TOTAL			\$ 6,593.47	
2103	1-Apr	Bill Lyles	\$ 3,500.00	Tenant Improvements
2104	6-Apr	Danville Business Advisors	500.00	Prop Mgt
2105	13-Apr	Midlands Electric	1,242.00	Repairs
2106	15-Apr	Central Midlands Cleaning	1,345.00	Janitorial
2107	15-Apr	Danville Business Advisors	500.00	Prop Mgt
2108	20-Apr	Marion Turbevillie	8.35	Repairs

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MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: DECEMBER 31, 2010

<u>CHECK NO</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2109	20-Apr	Cosmetic Painting	\$ 1,450.00	Tenant Improvements
2110	26-Apr	Madison Fludd	210.00	Parking Lot
2111	26-Apr	AT&T	100.94	Elevator Telephone
2112	26-Apr	SCE&G	1,689.81	Electricity
2113	26-Apr	ThyssenKrupp Elevator	1,277.68	Elevator Maintenance
2114	26-Apr	City of Columbia	1.21	Water/Sewer
2115	26-Apr	AirCond	612.00	HVAC Maintenance
TOTAL			\$ 12,436.99	
2116	10-May	Cosmetic Painting	\$ 2,500.00	Parking Lot/Doors
2117	11-May	Danville Business Advisors	553.75	Prop Mgt
2118	12-May	Central Midlands Cleaning	1,000.00	Janitorial
2119	17-May	Sign A Rama	285.00	Repairs
2120	17-May	AT&T	101.36	Elevator Telephone
2121	17-May	Madison Fludd	135.00	Parking Lot
2122	17-May	Sign A Rama	159.17	Repairs
2123	17-May	Key Shop	1,147.53	Repairs
2124	17-May	City of Columbia	77.99	Water/Sewer
2125	17-May	SCE&G	1,549.01	Electricity
2126	17-May	Gregory Pest Solutions	124.00	Exterminating
	31-May	NBSC BANK FEES	107.00	
TOTAL			\$ 7,739.81	
2127	7-Jun	Danville Business Advisors	\$ 553.75	Prop Mgt
2128	21-Jun	Central Midlands Cleaning	1,000.00	Janitorial
2129	22-Jun	AT&T	101.14	Elevator Telephone
2130	22-Jun	Gregory Pest Solutions	62.00	Exterminating
2131	22-Jun	ADT Security	142.73	Security
2132	22-Jun	City of Columbia	72.60	Water/Sewer
2133	22-Jun	SCE&G	1,657.01	Electricity
2134	22-Jun	Key Shop	176.36	Repairs
2135	22-Jun	Columbia Fire & Safety	278.05	Repairs
2136	22-Jun	Lipscomb Law Firm	635.00	Legal
2137	22-Jun	John Lipscomb	16.91	Repairs
2138	22-Jun	Madison Fludd	135.00	Parking Lot
2139	22-Jun	Simply Connected	460.00	Repairs
TOTAL			\$ 5,290.55	
2140	1-Jul	Bernard Ackerman, CPS	\$ 950.00	Tax Returns
2141	1-Jul	Danville Business Advisors	553.75	Prop Mgt
2142	15-Jul	Central Midlands Cleaning	1,000.00	Janitorial
2143	19-Jul	Madison Fludd	200.00	Parking Lot
2144	19-Jul	SCE&G	2,642.10	Electricity

PAGE 3

MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2010

CHECK NO	DATE	PAYEE	\$ AMOUNT	
2145	19-Jul	ThyssenKrupp Elevator	1,277.68	Elevator Maintenance
2146	19-Jul	City of Columbia	80.96	Water/Sewer
2147	19-Jul	Gregory Pest Control	65.00	Exterminating
2148	19-Jul	AirCond	612.00	HVAC Maintenance
2149	19-Jul	Midlands Electric	1,271.00	Repairs
2150	19-Jul	Lipscomb Law Firm	85.20	Legal
2151	19-Jul	AT&T	101.14	Elevator Telephone
TOTAL			\$ 8,838.83	
2152	5-Aug	Danville Business Advisors	\$ 553.75	Prop Mgt
2153	9-Aug	Danville Business Advisors	2,730.89	Commission
2154	25-Aug	Madison Fludd	225.00	Parking Lot
2155	26-Aug	Central Midlands Cleaning	1,064.95	Janitorial
2156	31-Aug	Meyer Mechanical	442.00	HVAC Repairs
2157		Void		
2158	31-Aug	SCE&G	2,750.90	Electricity
2159	31-Aug	City of Columbia	335.32	Water/Sewer
2160	31-Aug	Gregory Pest Control	65.00	Exterminating
2161	31-Aug	AT&T	100.40	Elevator Repairs
2162	31-Aug	Southern Atlantic Mechanical	403.22	Repairs
TOTAL			\$ 8,671.43	
2163	8-Sep	Danville Business Advisors	\$ 828.83	Prop Mgt
2164	21-Sep	Central Midlands Cleaning	1,000.00	Janitorial
2165	23-Sep	Madison Fludd	135.00	Parking Lot
2166	24-Sep	ADT Security	142.73	Security
2167	24-Sep	Gregory Pest Control	65.00	Exterminating
2168	24-Sep	SCE&G	2,395.47	Electricity
2169	24-Sep	AT&T	100.91	Elevator Telephone
2170	24-Sep	Lipscomb Law Firm	370.00	Legal
2171	24-Sep	Key Shop	80.00	Repairs
2172	24-Sep	Southern Atlantic Mechanical	143.50	Repairs
2173	24-Sep	Willie Lyles	1,450.00	Repairs
TOTAL			\$ 6,711.44	
2174	12-Oct	AT&T	\$ 102.30	Elevator Telephone
2175	12-Oct	SCE&G	2,430.44	Electricity
2176	12-Oct	City of Columbia	92.05	Water/Sewer
2177	12-Oct	AirCond	612.00	HVAC Maintenance
2178	12-Oct	Madison Fludd	135.00	Parking Lot
2179	12-Oct	Danville Business Advisors	826.83	Prop Mgt
2180	12-Oct	Central Midlands Cleaning	1,114.50	Janitorial
TOTAL			\$ 5,313.12	

YEAR-TO-DATE OPERATING STATEMENT

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

PERIOD ENDING: DECEMBER 31, 2011

REVENUE1. RENTAL INCOMETENANT

CHILDREN'S TRUST FUND
 OLIVER GOSPEL MISSION
 LIPSCOMB LAW FIRM
 HAMMER LAW FIRM
 SUBTOTAL RENTAL INCOME

\$ AMT PAID

\$ 66,122.45
 13,000.00
 8,400.00
 15,498.00
 \$ 103,020.45

2. MISC. RECEIPTS

CINCINNATI INSURANCE REFUND
 LOAN FROM HOWARD'S BROTHER
 CREDIT CK # 2309 FOR \$850.00 POSTED AS \$8.50
 INTEREST ON CHECKING

\$ 1,678.00
 15,000.00
 841.50
 4.57
 \$ 17,524.07

TOTAL RECEIPTS

\$ 120,544.52

LESS EXPENSES:BUILDING EXPENSES

REPAIRS & MAINTENANCE
 ELEVATOR MAINTENANCE CONTRACT
 HVAC MAINTENANCE CONTRACT
 EXTERMINATING
 LANDSCAPING
 JANITORIAL

\$ 4,430.52
 4,089.84
 2,915.00
 741.01
 1,888.00
 11,984.00
 \$ 26,048.37

PROFESSIONAL FEES

ACCOUNTING
 LEGAL
 OTHER

\$ 800.00
 4,631.77
 -
 \$ 5,431.77

PROPERTY MANAGEMENT

\$ 6,500.00

PAGE 2
 YEAR-TO-DATE OPERATING STATEMENT
 OWNER: 1634 MAIN, LP
 PROPERTY: 1634 MAIN STREET
 PERIOD ENDING: DECEMBER 31, 2011

UTILITIES

GAS/ELECTRIC	\$ 24,413.07
ELEVATOR TELEPHONE	1,211.46
WATER/SEWER	1,163.46
SECURITY	<u>594.47</u>
	\$ 27,382.46

GARBAGE REMOVAL

INSURANCE \$ 3,029.00

REAL ESTATE TAXES \$ 29,830.27

ADVERTISING

BANK FEES \$ 264.00

COMMISSIONS \$ 4,540.06

GENERAL SUPPLIES

MISCELLANEOUS H HAMMER IRS LEVY \$ 15,498.45

OWNER DISTRIBUTIONS

SHAREHOLDER LOAN

TOTAL EXPENSES	\$ 118,524.38	<u>\$ (118,524.38)</u>
		\$ 2,020.14

YEAR-TO -DATE CASH FLOW

MONTHLY CHECK REGISTER**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****MONTH ENDING: DECEMBER 31, 2011**

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2205	6-Jan	Danville Business Advisors	\$ 826.83	Property Mgt
2206	22-Jan	SCE&G	1,598.07	Electricity
2207	22-Jan	On Call Plumbing	89.00	Repairs
2208	22-Jan	AirCond	612.00	HVAC Maintenance
2209	22-Jan	AT&T	103.42	Elevator Telephon
2210	22-Jan	Madison Fludd	135.00	Parking Lot
2211	22-Jan	Midlands Electrical	80.00	Repairs
TOTAL			\$ 3,444.32	
2212	2-Feb	Danville Business Advisors	\$ 826.83	Prop Mgt
2213	2-Feb	Central Midlands Cleaning	1,000.00	Janitorial
2214		Void		
2215		Void		
2216	25-Feb	City of Columbia	62.56	Water/Sewer
2217	25-Feb	SCE&G	2,199.20	Electricity
2218	25-Feb	City of Columbia	154.13	Water/Sewer
2219	25-Feb	Gregory	65.00	Exterminating
2220	25-Feb	AT&T	101.18	Elevator Telephon
2221	25-Feb	Lipscomb Law Firm	280.00	Legal
2222	25-Feb	The Glass Shop	638.00	Repairs
2223	25-Feb	On Call Plumbing	178.00	Repairs
TOTAL			\$ 5,504.90	
Debit	1-Mar	Return Check Fee	\$ 32.00	
2224	2-Mar	Danville Business Advisors	826.83	Prop Mgt
Debit	2-Mar	Overdraft Fee	32.00	
Debit	2-Mar	Overdraft Fee	32.00	
Debit	2-Mar	Overdraft Fee	32.00	
2225	7-Mar	Madison Fludd	203.00	Parking Lot
2226	7-Mar	Cincinnati Insurance	1,678.00	Insurance
Debit	9-Mar	IRS Levy	15,498.45	
Debit	9-Mar	Levy Fee	100.00	
Debit	14-Mar	Overdraft Fee	36.00	
Debit	15-Mar	Richland County Treasurer	29,830.27	2010 Prop Taxes
2227	21-Mar	Home Depot	171.50	Repairs
2228	21-Mar	Lewis Cornelius	675.00	Repairs
2229	31-Mar	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 49,282.05	
2230	11-Apr	Central Midlands Cleaning	1,000.00	Janitorial
2231	11-Apr	Danville Business Advisors	826.83	Prop Mgt
2232	11-Apr	SCE&G	1,740.94	Electricity
2233	12-Apr	ADT Security	142.73	Security
2234	12-Apr	Gregory	130.00	Exterminating

Page 2

MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2011

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2235	12-Apr	City of Columbia	98.75	Water/Sewer
2236	12-Apr	City of Columbia	85.97	Water/Sewer
2237	12-Apr	AT&T	203.09	Elevator Telephone
2238	12-Apr	ThyssenKrupp Elevator	1,363.28	Elevator Maintenance
2239	18-Apr	Central Midlands Cleaning	1,000.00	Janitorial
2240	18-Apr	Montgomery Insurance	1,351.00	Insurance
TOTAL			7,942.59	
2241	4-May	Madison Fludd	\$ 174.00	Parking Lot
2242	10-May	Central Midlands Cleaning	1,000.00	Janitorial
2243	11-May	SCE&G	1,567.01	Electricity
2244	11-May	Danville Business Advisors	826.83	Prop Mgt
2245	11-May	City of Columbia	172.65	Water/Sewer
2246	11-May	AirCond	636.00	HVAC Maintenance
2247	12-May	Gregory	65.00	Exterminating
2248	12-May	AT&T	100.51	Elevator Telephone
2249	12-May	Central Midlands Cleaning	1,000.00	Janitorial
2250	31-May	Madison Fludd	135.00	Parking Lot
TOTAL			\$ 5,677.00	
2251	1-Jun	Danville Business Advisors	\$ 826.83	Prop Mgt
2252	3-Jun	Central Midlands Cleaning	1,000.00	Janitorial
2253	14-Jun	Gregory	67.50	Exterminating
2254	14-Jun	SCE&G	1,728.46	Electricity
2255	14-Jun	Gregory	65.00	Exterminating
2256	14-Jun	AT&T	100.62	Elevator Telephone
2257	14-Jun	City of Columbia	81.71	Water/Sewer
2258	14-Jun	Bernard Ackerman, CPA	800.00	Tax Return
2259	14-Jun	Madison Fludd	135.00	Parking Lot
2260	14-Jun	Ridge Services	130.00	Exterminating
2261	14-Jun	Lipscomb Law Firm	1,266.74	Legal
2262	14-Jun	SCE&G	1,980.91	Electricity
TOTAL			\$ 8,182.77	
2263	1-Jul	Lewis Cornelius	\$ 175.00	Repairs
2264	1-Jul	Danville Business Advisors	865.68	Prop Mgt
2265	11-Jul	Central Midlands Cleaning	850.00	Janitorial
2266	11-Jul	ADT Security	150.58	Security
2267	11-Jul	AirCond	636.00	HVAC Maintenance
2268	11-Jul	City of Columbia	103.01	Water/Sewer
2269	11-Jul	AT&T	100.62	Elevator Telephone
2270	11-Jul	Madison Fludd	135.00	Parking Lot
2271	11-Jul	ThyssenKrupp Elevator	1,363.28	Elevator Maintenance

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2011

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2272	11-Jul	SCE&G	2,637.43	Electricity
TOTAL			\$ 7,016.60	
2273	1-Aug	Danville Business Advisors	\$ 868.90	Prop Mgt
2274	9-Aug	Madison Fludd	135.00	Parking Lot
2275	11-Aug	Central Midlands Cleaning	850.00	Janitorial
2276	15-Aug	City of Columbia	79.16	Water/Sewer
2277	15-Aug	SCE&G	2,413.38	Electricity
2278	15-Aug	Gregory	67.50	Exterminating
2279	15-Aug	AT&T	100.11	Elevator Telephone
2280	15-Aug	On Call Plumbing	256.00	Repairs
2281	15-Aug	Midlands Electrical	495.00	Repairs
2282	15-Aug	Lipscomb Law Firm	605.00	Legal
2283	15-Aug	Midlands Electrical	98.00	Repairs
2284	15-Aug	Ridge Services	10.00	Exterminating
2285	30-Aug	Meyer Mechanical	395.00	HVAC Repairs
TOTAL			\$ 6,373.05	
2286	1-Sep	Danville Business Advisors	868.90	Prop Mgt
2287	14-Sep	Central Midlands Cleaning	892.50	Janitorial
2288	14-Sep	Gregory	68.51	Exterminating
2289	14-Sep	SCE&G	2,698.21	Electricity
2290	14-Sep	City of Columbia	79.16	Water/Sewer
2291	14-Sep	AT&T	100.37	Elevator Telephone
2292	14-Sep	Madison Fludd	135.00	Parking Lot
2293	14-Sep	Lipscomb Law Firm	391.08	Legal
2294	30-Sep	Lewis Cornelius	150.00	Repairs
2295	1-Oct	Daville Business Advisors	\$ 868.90	Prop Mgt
2296	5-Oct	Madison Fludd	135.00	Parking Lot
2297	5-Oct	SCE&G	2,572.17	Electricity
2298	5-Oct	Central Midlands Cleaning	850.00	Janitorial
2299	5-Oct	ADT Security	150.58	Security
2300	5-Oct	ThyssenKrupp Elevator	1,363.28	Elevator Maintnace
2301	5-Oct	City of Columbia	79.10	Water/Sewer
2302	5-Oct	Gregory	67.50	Exterminating
2303	5-Oct	AT&T	100.37	Elevator Telephone
2304	5-Oct	AirCond	636.00	HVAC Maintenance
TOTAL			\$ 6,822.90	
2305	3-Nov	Danville Business Advisors	\$ 868.90	Prop Mgt
2306	8-Nov	Madison Fludd	185.00	Parking Lot
2307		Void		

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MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: DECEMBER 31, 2011

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2308	10-Nov	Gregory	67.50	Exterminating
2309	10-Nov	Central Midlands Cleaning	850.00	Janitorial
2310	10-Nov	City of Columbia	79.16	Water/Sewer
2311	10-Nov	AT&T	102.17	Elevator Telephone
2312	10-Nov	Aqua Seal Mfg & Roofing	300.00	Roof Repairs
2313	10-Nov	Lipscomb Law Firm	1,181.75	Legal
2314	10-Nov	SCE&G	1,731.16	Electricity
TOTAL			\$ 5,365.64	
2315	1-Dec	Danville Business Advisors	\$ 868.90	Prop Mgt
2316	13-Dec	Central Midlands Cleaning	841.50	Janitorial
2317	13-Dec	Central Midlands Cleaning	850.00	Janitorial
2318	19-Dec	AT&T	99.00	Elevator Telephone
2319	19-Dec	Gregory	67.50	Exterminating
2320	19-Dec	City of Columbia	88.10	Water/Sewer
2321	19-Dec	Key Shop	123.40	Repairs
2322	19-Dec	SCE&G	1,546.13	Electricity
2323	19-Dec	ADT Security	150.58	Security
2324	19-Dec	Lipscomb Law Firm	907.20	Legal
2325	19-Dec	Madison Fludd	135.00	Parking Lot
2326	21-Dec	Danville Business Advisors	868.90	Prop Mgt
2327	22-Dec	Midlands Electrical	871.62	Repairs
TOTAL			\$ 7,417.83	

YEAR-TO-DATE OPERATING STATEMENT**OWNER: 1634 MAIN, LP****PROPERTY: 1634 MAIN STREET****PERIOD ENDING: MAY 31, 2012****REVENUE****1.RENTAL INCOME****TENANT**

CHILDREN'S TRUST FUND
 OLIVER GOSPEL MISSION
 LIPSCOMB LAW FIRM
 HAMMER LAW FIRM
 SUBTOTAL RENTAL INCOME

\$ AMT PAID

\$ 27,890.00
 5,705.00
 3,500.00
 -
 \$ 37,095.00

2. MISC. RECEIPTS

INTEREST ON CHECKING

3.35
 \$ 3.35

TOTAL RECEIPTS**\$ 37,098.35****LESS EXPENSES:****BUILDING EXPENSES**

REPAIRS & MAINTENANCE \$ 7,902.90
 ELEVATOR MAINTENANCE CONTRACT 2,931.06
 HVAC MAINTENANCE CONTRACT 1,469.00
 EXTERMINATING 2,099.52
 LANDSCAPING 790.00
 JANITORIAL 4,837.50
 \$ 20,029.98

PROFESSIONAL FEES

ACCOUNTING
 LEGAL 165.00
 OTHER -
 \$ 165.00

PROPERTY MANAGEMENT**\$ 2,500.00**

PAGE 2
 YEAR-TO-DATE OPERATING STATEMENT
 OWNER: 1634 MAIN, LP
 PROPERTY: 1634 MAIN STREET
 PERIOD ENDING: MAY 31, 2012

UTILITIES

GAS/ELECTRIC	\$ 9,173.25	
ELEVATOR TELEPHONE	508.46	
WATER/SEWER	453.91	
SECURITY	<u>150.58</u>	
	\$ 10,286.20	

GARBAGE REMOVAL

INSURANCE	\$ 1,404.00	

REAL ESTATE TAXES	\$ 7,000.00	

ADVERTISING

BANK FEES

COMMISSIONS	\$ 1,844.50	

GENERAL SUPPLIES

MISCELLANEOUS

OWNER DISTRIBUTIONS

SHAREHOLDER LOAN

TOTAL EXPENSES	\$ 43,229.68	\$ (43,229.68)
		\$ (6,131.33)

YEAR-TO -DATE CASH FLOW

PAGE 2

MONTHLY CHECK REGISTER

OWNER: 1634 MAIN, LP

PROPERTY: 1634 MAIN STREET

MONTH ENDING: AUGUST 31, 2012

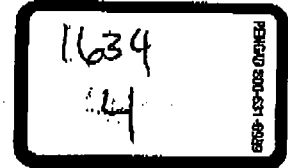
<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2366	19-Apr	Lipscomb Law Firm	\$ 105.00	Legal
2367	19-Apr	AT&T	103.85	Elevator Telephone
2368	19-Apr	Gregory Pest Control	67.50	Exterminating
2369	19-Apr	City of Columbia	74.69	Water/Sewer
2370	19-Apr	ADT Security	150.58	Security
2371	19-Apr	AirCond	663.00	HVAC Maintenance
2372	19-Apr	ThyssenKrupp Elevator	1,465.53	Elevator Maintenance
2373	19-Apr	SCE&G	1,900.90	Electricity
2374	19-Apr	On Call Plumbing	1,600.00	Repairs
2375	20-Apr	Wagner Consulting	125.00	Elevator Inspection
2376	20-Apr	Richland County Treasurer	5,000.00	Real Estate Taxes
TOTAL			\$ 14,432.45	
2377	4-May	Danville Business Advisors	\$ 868.90	Prop Mgt
2378	11-May	Richland County Treasurer	2,000.00	Real Estate Taxes
2379	11-May	SCE&G	1,924.70	Electricity
2380	11-May	City of Columbia	83.63	Water/Sewer
2381	11-May	Central Midlands Cleaning	850.00	Janitorial
2382	11-May	Gregory Pest Control	68.51	Exterminating
2383	11-May	AT&T	100.57	Elevator Telephone
2384	11-May	Madison Fludd	135.00	Parking Lot
2385	11-May	On Call Plumbing	1,500.00	Repairs
2386	18-May	Danville Business Advisors	868.90	Prop Mgt
TOTAL			\$ 8,400.21	
2387	6-Jun	Madison Fludd	\$ 200.00	Parking Lot
2388	7-Jun	City of Columbia	79.16	Water/Sewer
2389	7-Jun	SCE&G	1,869.02	Electricity
2390	7-Jun	Gregory Pest Control	67.50	Exterminating
2391	7-Jun	Columbia Fire & Safety	328.97	Fire Ext Inspection
2392	7-Jun	Lipscomb Law Firm	733.85	Legal
2393	7-Jun	Richland County Treasurer	2,000.00	Real Estate Taxes
2394	7-Jun	AT&T	102.21	Elevator Telephone
2395	7-Jun	Central Midlands Cleaning	850.00	Janitorial
2396	12-Jun	Crawford Electric	100.00	Repairs
TOTAL			\$ 6,330.71	
2397	2-Jul	Palmetto Custon Creations	\$ 836.00	Repairs
2398	10-Jul	Danville Business Advisors	868.90	Prop Mgt
2399	13-Jul	Thyssen krupp Elevator	1,465.53	Elevator Maintenance
2400	13-Jul	Central Midlands Cleaning	850.00	Janitorial
2401	13-Jul	AT&T	102.21	Elevator Telephone
2402	13-Jul	City of Columbia	79.16	Water/Sewer

PAGE 3
MONTHLY CHECK REGISTER
OWNER: 1634 MAIN, LP
PROPERTY: 1634 MAIN STREET
MONTH ENDING: AUGUST 31 2012

<u>CHECK NO.</u>	<u>DATE</u>	<u>PAYEE</u>	<u>\$ AMOUNT</u>	
2403	13-Jul	Heritage Landscape	\$ 550.00	Landscaping
2404	13-Jul	Madison Fludd	135.00	Parking Lot
2405	13-Jul	SCE&G	2,536.94	Electricity
2406	13-Jul	Gregory Pest Control	71.00	Exterminating
2407	13-Jul	ADT Security	158.86	Security
2407	13-Jul	AirCond	663.00	HVAC Maintenance
2408	13-Jul	Richland County Treasurer	1,000.00	Real Estate Taxes
TOTAL			\$ 9,316.60	
2410	2-Aug	Danville Business Advisors	\$ 868.90	Prop Mgt
2411	13-Aug	Madison Fludd	135.00	Parking Lot
2412	13-Aug	Bernard Ackerman, CPA	800.00	Tax Returns
2413	13-Aug	AT&T	102.55	Elevator Telephone
2414	13-Aug	City of Columbia	120.30	Water/Sewer
2415	13-Aug	SCE&G	2,809.20	Electricity
2416	13-Aug	Central Midlands Cleaning	850.00	Janitorial
2417	13-Aug	Gregory Pest Control	71.00	Exterminating
2418	13-Aug	Richland County Treasurer	1,000.00	Real Estate Taxes
2419	31-Aug	Danville Business Advisors	500.00	Prop Mgt
TOTAL			\$ 7,256.95	

LIPSCOMB LAW FIRM, PASusan Batten Lipscomb
*Attorney at Law*John Richard Lipscomb
*Attorney at Law*1634 Main St., Suite 200, Columbia, SC 29201
Tel.: (803) 233-6654 Fax: (803) 233-6663
LipscombLaw@Gmail.com
www.LipscombLawFirmSC.com

November 12, 2010

VIA FACSIMILETimothy E. Madden, Esquire
Nelson Mullins Riley & Scarborough, LLP
104 South Main Street, Ninth Floor
Greenville, SC 29601Re: Howard Hammer v. Shirley Hammer
2005-CP-40-2871

As we have discussed, I have spoken to Howard about a settlement offer. His views are set forth below. He has been anxious for me to get this to you to pass on to Ms. Hammer as soon as possible. The delay has been my fault.

Before I get to the details, however, I would like to say that from what Michael and I can see and glean from the relatively short period of time that we have been in this, there has been no rational reason that Howard and Ms. Hammer could not have sat down long ago with you and Jim or now, you and me and worked out all of the differences that existed. I believe one of the primary reasons that we still are involved in litigation is Howard's feeling, that I can appreciate and in many respects feel may be justified, that as a result of interference of others, not you, he has not been treated fairly or even handedly. It is obvious to me that he still has much affection for Ms. Hammer. As you and I have discussed he is upset about the lack of communication and disappointed that others, again not you, have been allowed to interfere with their ability to communicate about everything, particularly their children.

In any event, Howard has moved forward. I sincerely believe, especially in view of Howard's unilateral act of transfer of the \$750,000, that the following recitation of his thoughts on how to reach resolution are appropriate and will go a long way to help Howard and Ms. Hammer get along in the future. We hope you feel likewise and will urge Ms. Hammer to agree. If you have areas of concern or disagreement, let's discuss them directly and immediately, guided only by our own considerations of what is best for our clients, together with our client's wishes.

We also think it will be most helpful if you could explain and emphasize to Ms. Hammer the view that Howard, by his transfer of the IRA amount, has relinquished a strong legal contention. We think it well for her to realize that there is settled law that one Judge cannot change the ruling of a previous Judge's order. Concurrently with that proposition we would appreciate it if you could direct Ms. Hammer to paragraph 4 of Judge Jones's Order of May 12, 2008, and present her with our theory that she would only have had the right under the Order to seek alimony if Howard had not, in fact, permitted the transfer without further litigation which would have been not only costly to Ms. Hammer, but also have left the strong possibility that after all was said and done Ms. Hammer could well have ended up having alimony set based on

Howard's income which will likely remain very low for many years to come, rather than the amount she has now had transferred to her IRA.

I believe that by your doing so Ms. Hammer might more surely appreciate his affection and from my perspective his true concern for her and the boys. I have seen this first hand. Please tell Ms. Hammer.

There was also the possible scenario of suit against TD Ameritrade which because they were not made a party to the Family Court law suit and from a business standpoint, could well have had a chilling effect on any release by them to completion of appeal.

I set forth below Howard's thoughts. We really all need to meet, you, I, Ms. Hammer, Howard and hopefully Michael no later than Monday of next week. There apparently has been no realization of the import of Howard's actions as he has not heard from the boys by phone the entire week. As you, I think, recognize this has been a burr under his saddle since the beginning of their separation. I am concerned that if we don't at least meet I am going to lose Howard on our trek to settle this, leaving us virtually where we were before the transfer.

Howard's views to try to settle the issues are as follows:

All pending litigation in the Family Court, Common Pleas Court and the Court of Appeals will be dismissed with prejudice by both parties, thereby ending all present outstanding claims each has filed against the other.

Ms. Hammer will transfer her 56.8% of the 1634 Main LP interest (or interest as shown on the 2006, 2007, and 2008 tax returns) in such a manner so there will be no tax consequences along with a Deed or any other interest in the 1634 Main Street property, again in such a manner so there will be no tax consequences.

The parties will agree to an Order appointing Betsy Baker Gibbs, MD, as parenting coordinator for a minimum of 18 months from the date the agreement is signed. If they mutually agree, they can terminate the parenting coordination prior to 18 months, or extend it beyond 18 months. The appointment of the parenting coordinator would essentially replace the back and forth that the guardian has been charging for and we would terminate his duties. Howard has lost confidence in Dick. I suspect we would agree that if both parties do not have confidence in the guardian, his/her effectiveness is significantly compromised. Howard is rather adamant about terminating Dick as the guardian. He is going to the parenting coordinator regardless of what Ms. Hammer does.

The concept of a parenting coordinator, and particularly for Dr. Gibbs was suggested by Michael O'Connell. This concept was recently called to Michael's attention, he says by Judge Cate in another case in which Michael was involved. Dr. Gibbs was appointed in that case and worked tirelessly with eventual success to close an incredibly wide chasm between the parties.

She extracted from the lawyers an agreement of no interference. We could enter into such agreement reduced to writing by order with a proviso, of course, that if Dr. Gibbs is not able in some reasonable time to mediate a particular problem the parties as a last resort, can go to Family Court for resolution. We urge that such arrangement would be an excellent alternative to a guardian, especially given Howard's mind set. Frankly, it is my belief that such an agreement is critical to the success of any hopes of ending the merry-go-round of litigation and putting a stop to the harm the contentiousness most certainly will ultimately have on the Hammer boys. I really think it would be an excellent alternative to a guardian.

Howard will pay \$2000.00 towards attorney's fees. (Howard had expected since you had indicated earlier availability for Friday and because of the convenience factor for Michael that we were going to meet Friday. In view of our not meeting and because of the additional cost to Howard, he is only willing to pay \$2,000.00 towards attorney fees.) Tim, in all due respect, it does strike me that from a technical standpoint there is serious question as to whether any attorney's fees would be appropriate under the last three (3) Orders, and if so, given some of the factors that would be appropriately considered, i.e., Howard's income of a little less than \$24,000.00, in 2009, along with his debts which are close to, if they not set off any of his marketable assets, along with Shirley's income and the monies she is receiving if we can consummate this agreement. Further, the Court specifically did not hold Howard in contempt under your Rule to Show Cause. The \$2000⁰⁰ would represent payment of the past attorneys' fees, which would otherwise be subject to the appeal. Moreover, we would agree not to seek attorneys' fees regarding the Rules to Show Cause, which resulted in favorable determination for Howard.

Howard would also pay the approximate \$1800⁰⁰ left on the original amount owed to Richard Whiting, Esq. Dick's timing on his letter to you and me received last Friday could not have been any worse. Dick has a reputation of being a practical, pragmatic, reasonable individual, even though Howard may not agree with that characterization. Dick might be amenable to some reasonable compromise on the whole of his bill, especially if he is not going to have the burden of further involvement.

Tim, in regard to the attorneys' fees and Dick's bill, please be mindful that Howard has voluntarily satisfied the most significant monetary aspect for Ms. Hammer. Moreover, he has not only incurred additional attorney's fees with me, but also, as set forth above, is willing to forego the potential of attorneys' fees on the Rules to Show Cause.

Additionally, as noted later, Howard is losing somewhere between \$30,000 and \$35,000 on the cars. He also understands that one of a set of his Chinese vases was broken well after it should have been delivered to him under the May 12, 2008 order. That loss is probably in the neighborhood of \$8000 to \$10,000. (The set value is significantly higher than individual value of each vase alone).

¹ Howard has asked for the full amount that Ms. Hammer has paid to Dick and the full amount she has paid to you. I doubt that any of us will ever know the purpose as Howard has not shared that with me. If I had to guess I would think that it would have something to do with his concern for Ms. Hammer and he had something in mind to inure to her benefit at some point in time.

I am attaching a list of the pre-marital property to the best of Howard's recollection. When Ms. Hammer moved into the 320 St. James residence, after leaving for a year and a half, all of the personal property in the house was in Howard's possession. Aside from the mostly low-value property² Ms. Hammer put in storage, she has kept all of Howard's property including inherited and pre-marital property that was in 320 St. James residence. On one hand, we do not want to get into a disagreement as to whether or not, under the circumstances of Ms. Hammer moving back into 320 St. James after a year and a half of voluntarily absence without court order, or and against Howard's permission, could possibly constitute legal possession of any of the property in the home at such time. On the other hand, aside from the property Howard brought into the marriage and his inherited property there are several items of furniture and other property purchased during the marriage and purchased by Howard during Ms. Hammer's year and a half absence from the 320 St. James home that Howard would like to discuss having. I am not sure exactly how the jewelry fits into this. I purposely have not delved into the matter deeply with Howard so as to try not to rock the boat. Suffice it to say that the jewelry is worth approximately \$180K to \$200K according to insurance appraisal and that Ms. Hammer did not include, as I understand it, same on her original financial declaration. I believe Howard did. Clearly his Grandfather's solid gold pocket watch and possibly the Rolex watch Ms. Hammer gave to him would be items he would probably want.

I sense that Howard's feeling toward Ms. Hammer would impel him to be very conciliatory to her wishes on the property issue assuming we move very quickly to get them together for discussion.

As I alluded to earlier, I want to emphasize that Howard is most distraught that we were not able to meet this week and that, with the continuation of Ms. Hammer's conduct in the face of the significant transfer, has not set well with Howard. He has commented to Ms. Hammer that he will not be calling her anymore except for matters dealing with the boys of which there are many (we can talk about them later). He requests therefore that the boys call him on a daily basis privately at a time in the afternoon when they are not engaged in other activities. He has asked that they call on the landline because he has difficulty hearing them on the cell phone. Additionally, it is important to him to be able to say their prayers with them each evening. I cannot imagine that Ms. Hammer would have objection to any of this but this needs to be implemented sooner rather than later.

I'd like to discuss the car situation separately

I have set forth the above and emphasized Howard's mindset for compromise so that if necessary you can preemptively quell any negative knee-jerk reaction from Ms. Hammer

² For informational purposes the property stored in the warehouse was mostly items purchased by Howard when he moved into an apartment in 2005. The only items of real value were two or three oriental rugs, a painted chest, a bedroom set - **ABSENT THE LOW PROFILE MATCHING SEALY BOX SPRINGS TO SEALY MATTRESS** - dining room buffet, table and chairs, parts of the Baker table set, a small portion of his art work, and a couch table with two sets of lamps.

on the property issue. Obviously none of us, including Howard and/or Ms. Hammer, want to look back on this opportunity with regrets that all issues were not resolved because of disputes over personal property, etc.

Ms. Hammer would turn over all accounts that were, as of August 31, 2005, in her name in NBSC, as we understand it, listed as trustee for David, and in her name in NBSC, as we understand it, listed as trustee for Michael, with appropriate accounting, including, but not limited to, initially the August 31, 2005, NBSC statement for both accounts showing the balances in both accounts; the last NBSC statement showing the balance in both accounts; the first statement thereafter in any institution or institutions showing the balance in each account upon transfer along with all statements for the years 2009 and 2010 for each account or accounts for each of the boys.

Any walk through will be held in abeyance pending attempt to reach agreement without necessity for same. It is essential that the property in Alan and Florence Medlin's possession be immediately returned, along with any and all other personal property they, or any other of Ms. Hammer's relatives, may have. As to the property in the possession of other relatives Howard expects to be informed which properties are in whose possession? If they are not the same virtually perfect condition as they were when Howard was last at 320 St. James, December 2007, it seems to be fair that appropriate compensation be made along with return of the property.

The May 2008 Order requires that Ms. Hammer turn over the Mercedes and Porsche to Howard. The Mercedes was actually purchased by the PA and, for tax reasons, should have been turned over to it. The Porsche has essentially rotted in Howard's front yard for two (2) years. Ms. Hammer has not given him the key so he could periodically start it, nor did she turn over the cover, which he finally obtained last year when Ms. Hammer moved out of 320 St. James and left it on the side of the road for the garbage collectors. Notwithstanding Howard's attempts to cover the convertible top, in the absence of the car cover, rain came through to the interior. There is rust and mold resulting from that. The Porsche has only 60,000-70,000 miles on it and would in good condition have had significant value. With all the repairs that will be required, new tires, all new hoses, rust repair for interior and for wheels, and new top, we are probably looking at \$4000 to \$6000 minimum required to put the car in the condition it was at the time of the May 2008 order to transfer. The Mercedes was picked up as an abandoned vehicle at a time when the Highway Department showed Ms. Hammer as the registered owner, meaning that Howard had no power to stop the abandonment sale. Howard is presently willing to accept the loss on both upon receipt of title to Porsche and any rights Ms. Hammer may still have to the Mercedes. We estimate that he is essentially eating somewhere between and \$30,000 to \$35,000 loss including repairs. I trust you will present this to Ms. Hammer in a fashion to convey Howard's good faith and at the same time allay some of the negative feelings Ms. Hammer has developed toward Howard by what she is apparently being told by persons other than yourself regarding his motivation.

Howard earned a little less than \$24,000 in 2009. The outlook for 2010 is equally bleak. The May 2008 Order specifically provided that amount of child support would be based

on an annual income of approximately \$260,000 per year. If the Order takes precedent over the support table, then arguably Howard would owe about \$200⁰⁰/mo. Under the support table, Howard should be paying somewhere around \$550⁰⁰/mo on a \$25,000/year income. He is amenable to paying \$750/mo back payments from January through October 2010, in the sum of \$7500⁰⁰, payable beginning January 2011. This would be in addition to approximately \$1100 already paid. We have broached the subject of some upfront payment from the IRA account to Ms. Hammer's IRA account, for which type of payment Howard is also amenable, thereby saving Ms. Hammer probably several thousand dollars in tax payments. Part of the total additional IRA transfer will be between January and March 2011. The balance will be also from IRA to IRA on June 30, 2011. We can discuss details and ultimate timing when we meet (total payment \$12,000.00).

If Howard's interim suspension is not withdrawn prior to February 2011, he is willing to discuss a reasonable payment based upon his income, the original requirements of the 2008 order and the support table, and probably some average on the above. Please note that if Howard's suspension is not withdrawn prior to February 2011, he has left us with the impression that regardless of the outcome of his interim suspension, he will no longer practice law. It appears that his debts are greater than his assets at present. He has recently incurred an additional \$155,000⁰⁰ debt, arising out of a suit by a former client. Although he would be entitled to indemnification on this debt from a former employee, she has no liability insurance, has been recently arrested on a drug charge, has no assets and probably will not be practicing law any further.

Obviously, Howard's inability to practice law is the root of the financial problem for Howard, for, Ms. Hammer and ultimately for the boys. Notwithstanding I want to emphasize that any agreement in no way contemplates a *quid pro quo* regarding Howard's law license or any other matters of wrongful behavior, if any, for either Howard or Ms. Hammer.

While Howard does not envision any further resort to courts, if that should become necessary any new matters would be handled in the regular course by non previous recused Richland County Family Court Judge in the event that Judge Rucker could not make himself available here in Columbia in a timely fashion. Howard's reasoning is that many of the matters have lingered far too long because of the necessity of trying to work hearings into Judge Rucker's limited schedule and further any travel adds an additional expense for attorney's and makes it difficult for witnesses in the unexpected event of future resort to court.

I have spent considerable time with Howard. While his feelings toward Ms. Hammer pull him in the direction of settling all matters and always have, as I related to you at the beginning of this letter, he is dealing with much conflict given all that has occurred to him by the separation, divorce and especially the fact that Ms. Hammer's actions, although she apparently has been told and convinced otherwise, are beyond any doubt the cause of Howard's interim suspension and accompanying loss of significant income for the family. It is important to Howard that she be made aware of this.

1 STATE OF SOUTH CAROLINA

2 COUNTY OF RICHLAND

COURT OF COMMON PLEAS

5 HOWARD HAMMER,

6 PLAINTIFF,

7 V.

8 SHIRLEY HAMMER, A/K/A SHIRLEY
9 GRACE HIGHTOWER,

10 DEFENDANT.

TRANSCRIPT

OF

RECORD

2009-CP-40-5911

13 1634 MAIN L.P.,

14 PLAINTIFF,

15 V.

16 SHIRLEY HAMMER, A/K/A SHIRLEY
17 GRACE HIGHTOWER,

18 DEFENDANT/THIRD-PARTY
19 PLAINTIFF

20 V.

21 HOWARD HAMMER,

22 DEFENDANT.

TRANSCRIPT

OF

RECORD

2010-CP-40-2889

23 Columbia, South Carolina
24 January 15th, 2013
25

1 B E F O R E:

2 THE HONORABLE GEORGE C. JAMES, JR., Judge.

3

4 A P P E A R A N C E S:

5

6 DESA BALLARD
7 ESQ.
8 Attorney for Shirley Hammer

8

9 ARTHUR AIKEN
10 ESQ.
11 Attorney for Howard Hammer in Howard Hammer versus
12 Shirley Hammer

10

11

12 SUSAN B. LIPSCOMB
13 ESQ.
14 Attorney for 1634 Main L.P.

13

14

15 HOWARD HAMMER
16 Pro Se
17 Representing himself in the 1634 Main L.P. Action

16

17

KAREN E. AMBROZIAK
CIRCUIT COURT REPORTER

18

19

20

21 Transcribed by Pamela E. Green, Circuit Court Reporter

21

22

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24

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I N D E X

WITNESSESPAGE

DESA BALLARD

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LARRY BERGMANN

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E X H I B I T S

<u>NOS.</u>	<u>DESCRIPTION</u>	<u>ID</u>	<u>EV</u>
	<u>Court's Exhibits</u>		
C-1	Documents	11	
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1	<u>NOS.</u>	<u>DESCRIPTION</u>	<u>ID</u>	<u>EV</u>
2		<u>Shirley Hammer's Exhibits</u>		
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4	1	Affidavit	40	
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1	<u>NOS.</u>	<u>DESCRIPTION</u>	<u>ID</u>	<u>EV</u>
2		<u>Howard Hammer's Exhibits</u>		
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P R O C E E D I N G S

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3 THE COURT: All right. We're back on the record in
4 the cases of Howard Hammer versus Shirley Hammer and also
5 1634 Main L.P. versus Shirley Hammer, defendant, versus
6 Howard Hammer.

7 I set this hearing today to cover some issues
8 pertaining to attorney's fees as well as any outstanding
9 issues pertaining to punitive damages.

10 Mr. Aiken, if you would clarify for me one more time,
11 and I apologize, you represent Mr. Hammer in the Hammer
12 versus Hammer matter?

13 MR. AIKEN: Yes, Your Honor, I do.

14 THE COURT: And, Ms. Lipscomb, of course, you
15 represent 1634 Main L.P., and, Mr. Hammer, you're
16 representing yourself in that action?

17 MR. HAMMER: Yes, sir.

18 THE COURT: And any counterclaim.

19 MR. HAMMER: And, Your Honor, I have some matters to
20 take up before we get started.

21 THE COURT: All right. Okay. Ms. Ballard, obviously
22 you represent Ms. Hammer in both cases?

23 MS. BALLARD: Yes, sir, I do.

24 THE COURT: Okay. Yes, sir, Mr. Hammer.

25 MR. HAMMER: Your Honor, if you'll bear with me for

1 one moment please.

2 (Pause.)

3 MR. HAMMER: Your Honor, we have two motions I think
4 that were before you. I---

5 THE COURT: One was to quash the hearing notice?

6 MR. HAMMER: Yes, sir.

7 THE COURT: Is that still necessary to hear?

8 MR. HAMMER: Well---

9 THE COURT: Because of the location of the hearing?

10 MR. HAMMER: It not only contained the location, but
11 it contained the matters in the location that you are now
12 indicating that you're going to go into and there would
13 be -- that would be a part, yes, sir.

14 THE COURT: Okay. I'll -- just -- I'll be glad to
15 hear from you.

16 Now, the motion I do have is the one that you mailed
17 to me or it was filed January 7 at 4:34PM. That's the
18 motion to quash the hearing notice for today on the
19 grounds that the notice is defective for, among other
20 reasons, it sets an improper place and time.

21 Is that because it was originally scheduled for
22 Camden?

23 MR. HAMMER: That's one of the reasons. That's one
24 of the motions.

25 THE COURT: All right. What are your full grounds?

1 MR. HAMMER: On that notice -- I will begin with
2 this.

3 First let me give you a Court's Exhibit so Your Honor
4 would have that so I can refer to that.

5 THE COURT: All right.

6 MR. HAMMER: Ms. Lipscomb has the notice and she's
7 helping me get it if you don't mind.

8 MS. LIPSCOMB: Your Honor, I just had it in my hand
9 not two minutes ago. If I can---

10 THE COURT: That's all right. Take your time.

11 (Pause.)

12 MR. AIKEN: I've got an extra copy if you want, but
13 obviously not the exhibit that you want to introduce.

14 MS. BALLARD: Susan, what do you need?

15 MS. LIPSCOMB: I'm looking for the two e-mails from
16 Judge James. I had four copies made for the Court and---

17 MS. BALLARD: Which one do you want?

18 MS. LIPSCOMB: There's one dated December 17th, 2012,
19 and then there's the longer one---

20 MR. HAMMER: Prior to that.

21 MS. LIPSCOMB: ---prior to that talking about the
22 order.

23 MS. BALLARD: Your Honor, for the record, I am
24 providing Ms. Lipscomb a copy of her e-mail dated December
25 17th, 2012, to counsel as well as Mr. Hammer, and I'm also

1 providing her a copy of her e-mail dated November 15th,
2 2012, to counsel and to Mr. Hammer.

3 THE COURT: Okay.

4 MS. LIPSCOMB: We've got them now. Thank you. I'm
5 so sorry.

6 MR. HAMMER: Thank you.

7 MS. BALLARD: That's all right.

8 THE COURT: You can hand those to the court reporter
9 and she can mark those.

10 MR. HAMMER: I ask that they be marked as a Court
11 Exhibit.

12 THE COURT: All right. That will be fine.

13 MR. HAMMER: And what I'm handing in, Your Honor, for
14 the record, is an e-mail addressed to all of us from you,
15 and, according to this date, it's 11/14/12.

16 THE COURT: 11/14/12?

17 MR. HAMMER: Yes, sir.

18 THE COURT: Okay.

19 MR. HAMMER: I don't have the full letter. All I
20 have is the, is the -- starting with the Hammer versus
21 Hammer abuse of process. I don't know whether there's
22 more to that e-mail or not.

23 Was there more?

24 MS. BALLARD: Your Honor, I think what he's referring
25 to is the attachment to Your Honor's e-mail dated November

1 15th, 2012, that was sent at 12:13PM.

2 MR. HAMMER: Do you have the actual letter itself
3 that I could hand up?

4 MS. BALLARD: I haven't---

5 THE COURT: I have the letter on my computer.

6 MS. BALLARD: Okay.

7 MR. HAMMER: May we, may we make that a Court's,
8 Court's Exhibit?

9 THE COURT: Well, if you've got a copy of it, yes,
10 sir. I don't have a copy of it. I, I have it on my, on
11 my laptop.

12 MS. BALLARD: I'll get a copy back that you can
13 make---

14 THE COURT: It was a memo. It wasn't really a
15 letter. I don't know if it's a letter, memo, or whatever
16 it was.

17 MS. BALLARD: It was an e-mail with an attachment,
18 Your Honor.

19 THE COURT: Okay.

20 MR. AIKEN: And could I have -- could I get a copy of
21 this stack at the end?

22 THE COURT: Mark that as a Court's Exhibit.

23 (WHEREUPON, the documents were marked as Court's
24 Exhibit No. 1 for identification purposes only at this
25 time.)

1 MR. HAMMER: I need one moment, Your Honor, if I
2 could?

3 THE COURT: And this is your motion alone or does
4 Ms. Lipscomb not join in this motion, and, Mr. Aiken, do
5 you join in the motion?

6 MR. AIKEN: Yes, sir, I do.

7 THE COURT: And your position is, Mr. Aiken, that we
8 should not have a hearing today?

9 MR. AIKEN: My---

10 THE COURT: Or not have a hearing at all because if
11 this is a matter pertaining to your defense to whatever
12 claims they want to make that, that I intended to hear
13 today, we can take care of that when it's your turn to
14 argue. But if this is a shot across the bow, so to speak,
15 as to whether or not I should have the hearing in the
16 first place, I would just like to know that because---

17 MR. HAMMER: Well, I'm gonna state the motion for the
18 record, Your Honor.

19 THE COURT: Okay. Well, that's what I've been
20 waiting on. You've been fiddling with papers and you need
21 to go ahead and make your motion.

22 MR. HAMMER: Thank you so, Your Honor.

23 THE COURT: All right.

24 MR. HAMMER: I just want to ask one question. I ask
25 permission to ask one question of counsel, of counsel.

1 THE COURT: All right.

2 (Pause.)

3 MR. HAMMER: Your Honor, referring first to the
4 Court's Exhibit, which is the letter of Your Honor to all
5 of us, which states that attached is my memo to all of you
6 detailing my findings in the above matter, I'm requesting
7 Ms. Ballard to prepare a proposed order, a proposed order
8 including these findings within the required framework of
9 findings of fact and conclusion of law.

10 If I understood Your Honor correctly, when we first
11 began, Your Honor introduced the hearing by saying it was
12 a continuation of the hearing that we had on, on I believe
13 the end of October, the first of November.

14 Am I correct, Your Honor?

15 THE COURT: I don't remember what I said, Mr. Hammer.
16 My intention today is to hear matters pertaining to
17 attorney's fees, whether they arise in the context of an
18 abuse of process claim or under the South Carolina
19 Frivolous Proceeding Sanctions Act, and any issues
20 pertaining to punitive damages.

21 MR. HAMMER: Well, as to---

22 THE COURT: I don't know whether I said continuation,
23 but if I did I did. If I didn't I didn't. But you're not
24 gonna cross-examine me.

25 MR. HAMMER: Yes, sir, I just didn't -- I wanted to

1 find out what this hearing was about, Your Honor, and I
2 think---

3 THE COURT: The hearing, the hearing notice spelled
4 it out.

5 MR. HAMMER: All right. Well, if it's a hearing
6 notice, A, as to the abuse of process for damages, that
7 case is finished. Your Honor has already made findings of
8 fact in that case. In this case -- then this hearing
9 could only be a continuation of that case, which came to
10 conclusion on, I don't know the date, whether it was
11 November 1st or October 31st, but it was within that
12 period of time.

13 THE COURT: You're wrong. You're wrong as to
14 punitive damages.

15 MR. HAMMER: I'm, I'm---

16 THE COURT: All right. Go ahead.

17 MR. HAMMER: Excuse me, Your Honor. Go ahead.

18 THE COURT: No, go ahead.

19 MR. HAMMER: I am taking this up one-by-one.

20 As to abuse of process, and that's where, that's what
21 I referred to, I said -- I began when I said, had to
22 say -- I'm sorry if I didn't make myself clear. I'm a
23 little horse today and I apologize.

24 I said, as to the abuse of process, this could only
25 be a continuation of that hearing, as to abuse of process,

1 because you've given us notice that this will have to do
2 with abuse of process and damages with abuse of process.
3 So, if it's as to abuse of process, then it's a
4 continuation of a hearing that you have already made
5 findings of fact in.

6 THE COURT: I have not signed an order.

7 MR. HAMMER: I understand that.

8 THE COURT: That's why it's called a proposal.

9 MR. HAMMER: I understand it, but it's like a jury.
10 You're acting as the jury here. The jury is not supposed
11 to make a finding until it's heard all of the evidence.
12 Likewise, I would respectfully submit that the Court is
13 not to make a finding until it's heard all of the
14 evidence.

15 Now, it is our position that, when this case ended at
16 the last time we were here, the cases that -- Your Honor
17 have heard all of the evidence, and that that was the end
18 of the case, and the abuse of process matter was over with
19 period.

20 So, as to abuse of process, our position is, number
21 one, that the case is over with as to any matters punitive
22 or otherwise dealing with abuse of process.

23 Our position number two is that if Your Honor said
24 Your Honor is conducting this hearing as a continuation or
25 for any matters having to do with abuse of process, then

1 we move for a mistrial for the reason that Your Honor has
2 already---

3 THE COURT: Start, start that part over again.

4 MR. HAMMER: If Your Honor is saying that this is a
5 continuation or for any matters dealing with abuse of
6 process, then we move for a mistrial on the grounds that
7 Your Honor has already indicated a decision in a case that
8 Your Honor is now continuing to hear evidence in. That
9 having made that decision, prior to the time of the end of
10 the case, we feel as though it is prejudicial, that it
11 would be against the general propositions of, of general,
12 of trial procedure that a decision is not to made, not to
13 be made until all the evidence is in. Your Honor has
14 indicated a decision prior to all the evidence being in
15 and has brought us back for further evidence.

16 Based on that, based on the fact that Your Honor had
17 indicated a decision, we would ask for a mistrial. So,
18 we've asked for two things.

19 THE COURT: All right. Mr. Aiken.

20 MR. HAMMER: That's as to the abuse of process.

21 THE COURT: And you said punitive damages too?

22 MR. HAMMER: Yes, sir.

23 THE COURT: Okay.

24 MR. HAMMER: Now, as to, as to the frivolous action,
25 it doesn't comply with the statutory requirements for a

1 frivolous action -- for a hearing on a frivolous action
2 matter.

3 THE COURT: How so?

4 MR. HAMMER: Well, the fact that the section has
5 certain requirements that it doesn't set forth, then
6 you're on notice.

7 THE COURT: On the hearing notice?

8 MR. HAMMER: Yes, sir.

9 Do you have the section?

10 I don't have it with me, but the section requires
11 30-days---

12 THE COURT: If you don't, you don't have the
13 section---

14 MR. HAMMER: Well, let me---

15 THE COURT: ---then it's up to you to give it to me.

16 MR. HAMMER: I'll give you the section. I think it's
17 16---

18 THE COURT: 15-36-10.

19 MR. HAMMER: Sixteen, sir?

20 THE COURT: Fifteen.

21 MR. HAMMER: 15-36-10.

22 Is that the new section, Your Honor?

23 THE COURT: Mr. Hammer, it's your motion.

24 MR. HAMMER: All right. Well, my motion is that the
25 section requires that there be 30-days notice, and that

1 you, and that you be specific on the matters that are,
2 that are, that give rise to the requirement of a frivolous
3 action.

4 My further objection is that Your Honor has
5 instigated and -- the -- instigated is the wrong word. I
6 apologize. I take that back.

7 But Your Honor has instituted the, the question of
8 frivolous action procedure without any motion or request
9 from the other side, and---

10 THE COURT: No, sir, you're wrong. That's in their
11 pleadings in at least the 1634 action.

12 MR. HAMMER: And, and that you are attempting to hear
13 this prior to making a decision on -- a final decision on
14 the final case.

15 THE COURT: All right. Okay. Mr. Aiken, your -- are
16 you finished, Mr. Hammer?

17 MR. HAMMER: I think I've covered the abuse of
18 process. I think I've covered the punitive damages along
19 with abuse of process. I've covered the motion for a
20 mistrial. I've covered the frivolous action, that I do
21 not believe it comports with the statute in that it
22 doesn't give the 30-days requirement and doesn't set forth
23 the requirements of the statute as to the information that
24 we're entitled to have prior to a frivolous proceedings
25 hearing, and we further object as -- I further join in

1 Mr. Aiken's objection to a continuation of the hearing at
2 all.

3 THE COURT: Okay. Go ahead, Mr. Aiken.

4 MR. AIKEN: Your Honor, I, I incorporate, by
5 reference, the arguments made by Mr. Hammer in support
6 of the motion in the---

7 THE COURT: And your motion is that we not have a
8 hearing?

9 MR. AIKEN: That's correct, Your Honor.

10 THE COURT: Okay. Is there any reason why you did
11 not tell me that in response to any of the numerous, not
12 numerous, but several e-mails that I sent?

13 On one occasion I asked you to please respond, and
14 you said you didn't respond because this day suited you
15 fine.

16 MR. AIKEN: I don't have any problem with going
17 forward today if you determine that the, that the hearing
18 is proper.

19 THE COURT: All right. So, do you have anything
20 different from what Mr. Hammer had to say?

21 MR. AIKEN: No, I do not, Your Honor.

22 THE COURT: All right. Ms. Ballard -- Ms. Lipscomb.

23 MS. LIPSCOMB: Your Honor, my -- I join in the motion
24 to the extent that I thought all the evidence was in
25 except as to punitive damages, and my understanding is

1 that the frivolous sanctions motion is premature until
2 after the order has been issued.

3 THE COURT: All right. Ms. Ballard.

4 MS. BALLARD: Thank you, Your Honor.

5 THE COURT: And let me ask one question.

6 Everybody in here knows, Mr. Hammer knows,
7 Ms. Lipscomb knows, and Mr. Aiken knows what the stated
8 purpose of the hearing was. It was, with the exception of
9 Ms. Lipscomb and Ms. Ballard, trying to pull teeth to get
10 Mr. Hammer and Mr. Aiken to respond at all about the
11 possible hearing dates or, for that matter, the subject
12 matter of the hearing. Ms. Lipscomb was very diligent in
13 that regard as was Ms. Ballard.

14 And then, January 7th, which was last Monday or
15 Monday a week ago, I get a vague motion from Mr. Hammer
16 that mostly, at least on its face, dwells on the fact that
17 they -- he didn't think Kershaw County was the appropriate
18 place to have it. That's why I moved it here.

19 At no time did Mr. Hammer or Mr. Aiken see fit, at
20 least as a matter of courtesy, to advise the Court of the
21 specifics of this motion, and it certainly would be
22 helpful to all concerned if that would be done.

23 Having said that, Ms. Ballard, what is your position
24 on the merits?

25 You can sit down.

1 MR. HAMMER: I have a matter.

2 THE COURT: You can sit down.

3 MR. HAMMER: I have a matter I'd like to take up with
4 the Court.

5 THE COURT: You can sit down.

6 MR. HAMMER: I'm asking for a mistrial, Your Honor.

7 THE COURT: All right. You can sit down.

8 MR. HAMMER: I'm asking for a ruling on that.

9 THE COURT: Denied.

10 MR. HAMMER: Thank you, Your Honor.

11 THE COURT: All right. Ms. Ballard.

12 MS. BALLARD: Thank you, Your Honor.

13 I would hand up and have marked -- I believe Court's
14 Exhibit 1 has already been marked, which is Your Honor's
15 e-mail of December 17th. I would like to mark as Exhibit,
16 Court's Exhibit No. 2, Mr. Aiken's e-mail to Your Honor
17 and the rest of us on January 3rd, 2000---

18 THE COURT: All right. Make that the next Court's
19 Exhibit.

20 (WHEREUPON, the e-mail was marked as Court's Exhibit
21 No. 2 for identification purposes only at this time.)

22 MS. BALLARD: May I hand this up, Your Honor?

23 THE COURT: Yes, ma'am.

24 MS. BALLARD: Thank you, Your Honor.

25 THE COURT: Court's Exhibit No. 2.

1 MS. BALLARD: Your Honor, based on Your Honor's
2 e-mail dated December 17th, which has been marked as
3 Court's Exhibit No. 1, as I calculate it, today is the
4 30th day. We would submit that Mr. Hammer, quite
5 cunningly, arranged his doctor's appointment to be on the
6 31st day after your e-mail to not be available for the
7 hearing that was anticipated by Your Honor's e-mail dated
8 December 17th.

9 We believe there has been more than sufficient notice
10 to satisfy the process, to satisfy the statutes, to
11 satisfy anything regarding proper notice for this hearing
12 and we believe that the hearing should proceed as
13 scheduled.

14 THE COURT: Okay. Any response, Mr. Hammer?

15 MR. HAMMER: Yes, sir, I'd like to mark your e-mail
16 dated December 20th as Court's Exhibit No. 2.

17 MS. BALLARD: Mine is No. 2.

18 THE COURT: Three.

19 MR. HAMMER: As to -- it's No. 3.

20 (WHEREUPON, the e-mail was marked as Court's Exhibit
21 No. 3 for identification purposes only at this time.)

22 MR. HAMMER: First, Your Honor---

23 THE COURT: I'd like to see it please.

24 MR. HAMMER: Yes, sir.

25 THE COURT: All right. Go ahead.

1 MR. HAMMER: First, if Your Honor please, I believe
2 that maybe there has been some -- I know Your Honor has a
3 full schedule and maybe Your Honor does not see all the
4 e-mails that came to you.

5 THE COURT: Nope. I saw every one.

6 MR. HAMMER: Well, then the first one that I sent
7 you, Your Honor, was fairly quickly in reply to your first
8 notice, and it said that I had a doctor's appointment.

9 THE COURT: The one that you termed confidential?

10 MR. HAMMER: No. Before that I sent you one.

11 THE COURT: Well---

12 MR. HAMMER: The very first---

13 THE COURT: Well, I want to see a copy of that. Make
14 it a Court's Exhibit.

15 MR. HAMMER: I don't have it with me, Your Honor.
16 I'm not---

17 THE COURT: All right. Tell me, tell me when it was.

18 MR. HAMMER: It would have been shortly after you
19 sent your first notice, Your Honor.

20 THE COURT: All right. That's---

21 MR. HAMMER: Shortly after you sent your first notice
22 saying the hearing was going to be on the week of --
23 whatever this is. I believe the week of the -- last week.
24 Originally it was scheduled for last week.

25 THE COURT: If somebody's got a copy of it, that's

1 fine, but I'm not gonna hear your argument on it unless I
2 have a copy of it.

3 MR. HAMMER: Well, you referred to it, Your Honor.
4 I'm responding -- and I'm responding to you. You stated
5 that I did not send anything to you, Your Honor, and I'm
6 stating that I did send something to you. I sent you an
7 e-mail telling you initially that -- I had, I had no idea
8 that Your Honor would say that because I said it. I sent
9 you an e-mail initially saying, when you were first giving
10 notice of the hearing, and I had a doctor's appointment.

11 I told you in that e-mail that I did not know until
12 after that -- I think it's in a follow-up e-mail telling
13 you -- I sent you two e-mails in which I said I had a
14 doctor's appointment. Not one. But two.

15 THE COURT: I have on my computer an e-mail from you
16 dated December 27th and I'll read it. I will read it.

17 MR. HAMMER: There was one before that, Your Honor.

18 THE COURT: Well, I---

19 MR. HAMMER: I sent one prior to that.

20 THE COURT: If you would, if you would -- if I'm
21 speaking, Mr. Hammer, if you would kindly stop speaking.

22 MR. HAMMER: Yes, sir.

23 THE COURT: I'm gonna read this e-mail. Confidential
24 and personal.

25 Dear Judge James, I will find out my availability

1 after or probably at my appointment. Since my situation
2 is influx, please act with regard to it. If I have
3 problem, I shall call to your attention as and when
4 necessary. If you need for me to discuss, confidentially
5 with you in further detail, please advise -- excuse me.
6 Please have your clerk advise so I can call you. Well
7 wishes for the new year, and then it has your name.

8 I responded and said I cannot talk to you
9 confidentially about the situation you have. In general,
10 that's what I told you. Please speak with Mr. Aiken as he
11 represents you on one of the cases. Perhaps you can also
12 speak with Ms. Lipscomb as she represents 1634 L.P.

13 Now, give me a copy, if you would please, of your
14 prior e-mail.

15 MR. HAMMER: I don't have a copy of the prior e-mail,
16 but I recall what I said to you.

17 THE COURT: Okay. I am scheduled away for the week
18 of the 14th and following.

19 MR. HAMMER: Yes.

20 THE COURT: I do not leave until tomorrow.

21 MR. HAMMER: Yes, for the week of the 14th, and I
22 checked -- it was scheduled away for the week of the 14th
23 and I thought the following:

24 I didn't know what you were gonna -- I sent you the
25 second one because I didn't know whether the following --

1 whether I could change the following until I have
2 consulted with my doctor. So, I wrote you that it was
3 influx, that I would, that I would -- I followed that
4 first e-mail, that I was scheduled away, and I thought I
5 said it was for a doctor's appointment, but I don't
6 recall, and I wrote you that immediately, that I've
7 scheduled away for that 14th.

8 When you scheduled it for this, I knew that I had the
9 appointment on the 14th. I didn't -- I took it that you
10 would not schedule this for the week that I had a doctor's
11 appointment seeing as how you had given courtesies to
12 others in connection with that. But I was perfectly
13 willing to make changes, as necessary, on my flight plans
14 and do whatever I needed to do, and I did it.

15 THE COURT: When you---

16 MR. HAMMER: May I finish, Your Honor?

17 May I finish?

18 THE COURT: (Nods in the affirmative.)

19 MR. HAMMER: Thank you, Your Honor.

20 And upon, upon -- upon that e-mail, I wanted to let
21 you know that if you planned to do it for the week after
22 the 14th to go ahead and schedule it for the week after
23 the 14th. That's what influx meant. It was influx after
24 the 14th. I didn't know what was gonna happen after the
25 14th. I don't know what's gonna happen, but that I would

1 let you know on the 15th or the 16th if I couldn't be here
2 the following week. That's as good as I can do, and those
3 are the two things that I mailed you.

4 So, I, I take exception to Your Honor's reprimand of
5 me for not having answered because I answered twice. And
6 then when Mr. Aiken got back in town, Mr. Aiken was gone
7 for the holidays, Mr. Aiken answered for me. So, there
8 were three answers, and all three times I have explained
9 that I have had -- the first time I believe I explained
10 something about an appointment in New York. I don't know
11 whether I said doctor's appointment or not.

12 THE COURT: You said appointment.

13 MR. HAMMER: Appointment in New York, and I took it
14 that maybe you might understand that that was a doctor's
15 appointment. But if not, I took it that maybe your clerk
16 would call and ask. But I took it that, that that would
17 not be a problem.

18 THE COURT: You would take it that my clerk would
19 call you and ask?

20 MR. HAMMER: Well, Your Honor, I said I had an
21 appointment in New York.

22 THE COURT: Did you copy Ms. Ballard on that?

23 MR. HAMMER: I considered that a scheduling matter,
24 Your Honor. So, I didn't copy anybody with it. I sent it
25 to you as a scheduling matter.

1 THE COURT: When did you schedule the appointment?

2 MR. HAMMER: I don't have any idea, but it's been
3 scheduled for a lot -- for some period of time. It's the
4 early part of December. I don't have an idea. It's with
5 a specialist and he worked me in.

6 THE COURT: All right.

7 MR. HAMMER: Now, as to, as to -- so, as to, as to
8 that portion, I take exception to Your Honor's, to Your
9 Honor's comments to me, and I renew my motion for a
10 mistrial based on those comments because I suggest, Your
11 Honor, whether Your Honor has, has, has conscience or
12 unconscious, unless -- conscience or unconscious decision
13 making -- have -- have -- whether Your Honor had
14 consciously or unconsciously made the decision, Your Honor
15 has told and Your Honor's reprimanded me would indicate to
16 me that Your Honor is upset with the fact, with the method
17 in which I have used to try to inform you of confidential
18 matters.

19 THE COURT: Okay.

20 MR. HAMMER: And I told---

21 THE COURT: Well, I disagree, I disagree that it is
22 confidential. You are not permitted to consult with me
23 about your medical issues, and you can consult with me
24 about a scheduling matter or whether or not it's gonna be
25 X, Y, Z, or whatever date, but you're not permitted to

1 discuss with me the reasons why.

2 MR. HAMMER: I didn't ask -- I said if you wanted to
3 know I would discuss with you. I said they were
4 confidential medical matters.

5 THE COURT: And you---

6 MR. HAMMER: And I, and I didn't know whether you
7 wanted to know or not. If you wanted to know, you
8 could -- I said please, please have someone contact me.
9 You didn't have anyone contact me.

10 I didn't tell you what it's about. I haven't told
11 you what it's about to this day, and I'm not gonna tell
12 you what it's about. It's a confidential medical matter.

13 So -- but I also would offer to tell the Court, if
14 the Court had to know, and the Court says it doesn't want
15 to know, and that's the end of that as far as I'm
16 concerned. But the fact of the matter is, in response to
17 what Your Honor has said, you have been notified by me.
18 In fact, in response to what she has said, there has not
19 been a 30-day notice from the, from -- that, that you --
20 Your Honor asked that a notice sent out, be sent out.

21 The usual procedure is the Clerk of Court sends out a
22 notice. In this case a notice was sent out by Ms. Ballard
23 and then -- by Ms. Ballard's office and then a second
24 notice by Ms. Ballard's office. Both of which are
25 scheduled within the 30-day period of time.

1 Your letter was not a notice of hearing, Your Honor.
2 Your letter was, was telling us what you were gonna do in
3 the first place since you made a decision, and then your
4 second letter -- may I see it one moment, Your Honor?

5 THE COURT: The court reporter has it.

6 (Pause.)

7 MR. HAMMER: The second notice was sent out on
8 December 17th, within a 30-day period of today, that
9 you've changed your mind about the correct procedural way
10 to have the conclusion of this case. While I do not plan
11 to change my overall decision, indicating, again, that
12 Your Honor had made a decision prior to all the evidence
13 was in, which we would again respectfully submit is
14 improper.

15 THE COURT: Mr. Aiken, do you join in the motion for
16 a mistrial on that basis?

17 MR. AIKEN: I do not, Your Honor.

18 THE COURT: All right. Go ahead, Mr. Hammer.

19 MR. HAMMER: I have now decided not to issue an order
20 until I have heard the evidence and arguments pertaining
21 to attorney's fees as actual damages, any remaining issues
22 regarding punitive damages, and any, any arguments for
23 recovery under the Frivolous Proceedings Sanctions Act.

24 THE COURT: All right.

25 MR. HAMMER: So, Your Honor, in all due respect, I

1 would, again, say to Your Honor and urge to Your Honor
2 that the notices are improper, that as far -- for the
3 reasons that I've set forth, and that they are certainly
4 improper for not -- and not having the 30-day time.

5 In response to their request that you would have
6 asked for a courtesy from me, I did respond, Your Honor.
7 I'm sorry I didn't respond in more detail to you, but I
8 thought that it was -- that what I had told you was
9 sufficient, and that we're here on the motion.

10 THE COURT: All right.

11 MR. HAMMER: Thank you, Your Honor.

12 THE COURT: Mr. Aiken, anything in response to
13 Ms. Ballard's comments or Mr. Hammer's?

14 MR. AIKEN: No, sir.

15 THE COURT: Ms. Lipscomb.

16 MS. LIPSCOMB: No, sir, Your Honor.

17 THE COURT: All right. All right. Let me, let me be
18 clear. The motion for a mistrial is denied. It's denied.

19 Mr. Hammer is correct that I have stated, in a
20 proposed order, or I have requested a proposed order
21 finding against Mr. Hammer on the abuse of process claims.

22 In that respect, having any hearing on any additional
23 evidence pertaining to actual damages is not a prejudgment
24 of, of the initial liability under the abuse of process
25 claim.

1 Mr. Hammer seems to argue that, because I am
2 undertaking to receive evidence on attorney's fees as an
3 element of actual damages, that is improper because he
4 says I've already prejudged the case. I have made the
5 determination that the plaintiff has proven the elements
6 of that cause of action by the requisite standard of
7 proof.

8 In getting to Mr. Hammer's motion that I, for a
9 mistrial, perhaps I misspoke earlier and I'm not inviting
10 any comment from Mr. Hammer or anyone. I'm stating my
11 finding on the record and then we'll move on.

12 A motion to quash a hearing notice on the grounds
13 that the notice is defective, the notice is defective,
14 among other reasons that it sets an improper place and
15 time, has nothing to do with receiving additional evidence
16 on damages. It does have to do with perhaps improper
17 venue. That's why I moved the hearing here.

18 As far as the Frivolous Proceedings Sanctions Act,
19 Mr. Hammer, if we need another 30-days to do that, believe
20 me, it will be done after another 30-days when the clock
21 starts ticking properly on that. However, as you know, or
22 as you should know, the question of the amount of
23 attorney's fees for the abuse of process claim and any
24 Frivolous Proceeding Sanctions Act claim would be the
25 same, and I thought, obviously mistakenly so, that it

1 would be the best use of everyone's time and the Court's
2 time to do it all at once because any recovery of damages
3 for abuse of process in the form of attorney's fees would,
4 again, be the same amount as any attorney's fees that may
5 or may not be awarded in the Frivolous Proceedings
6 Sanctions Act motion.

7 So, that's my ruling on that.

8 Now, I am denying the -- Mr. Hammer's motion for a
9 mistrial, and I am denying his motion to quash the hearing
10 notice, and I'm denying his motion that the hearing not be
11 held today.

12 However, with regard to the Frivolous Proceedings
13 Sanctions Act, as a formality, if the 30-day period has to
14 be followed for appropriate relief, if any to be entered
15 under that section, then I'll wait the required amount of
16 time and you will have time to argue that.

17 Okay.

18 MR. HAMMER: Your Honor, on the abuse of process,
19 I---

20 THE COURT: I'm not asking for argument, but if you
21 have something---

22 MR. HAMMER: I have something to add based on what
23 Your Honor said because apparently I did not make myself
24 clear.

25 On the abuse of process action, Your Honor said you

1 are here to determine damages. Your Honor, that is what a
2 trial is about.

3 THE COURT: You've already made that motion and I've
4 denied it. You preserved it.

5 MR. HAMMER: I've preserved the fact that she did not
6 present evidence concerning her attorney's fees at the
7 trial?

8 THE COURT: And if you will look carefully back to
9 one of my e-mails, Mr. Hammer, I said and I invited
10 Mr. Aiken, perhaps even you, probably did, to explain to
11 me if you think that any -- receiving any evidence on
12 those damages is appropriate at this stage. So don't tell
13 me that I have prejudged you because I am the one who
14 threw that out there in the beginning that I may be wrong
15 in having this hearing, but I'm gonna have the hearing so
16 a record can be built.

17 Is that clear?

18 MR. HAMMER: Yes, sir, and I think that you are wrong
19 and I think you are wrong because I think the case ended
20 without their proving damages.

21 THE COURT: And, and that is certainly an objection
22 to me awarding the damages after I received this evidence,
23 but it is not an opportunity for you to come in and rail
24 against the court for appearing to be impartial.

25 MR. HAMMER: Your Honor, I didn't---

1 THE COURT: You can have a seat.

2 MR. HAMMER: I didn't, I didn't rail -- may I -- may
3 I, in all due respect, reply to that, Your Honor?

4 THE COURT: Yes, sir.

5 MR. HAMMER: I did not mean to rail against the Court
6 for being impartial. I think Your Honor has tried to be
7 impartial. However, I think that what is, has occurred,
8 the sequence of events, would indicate that Your Honor has
9 made a decision. Whether Your Honor intentionally made
10 the decision, whether Your Honor didn't intentionally make
11 the decision, it was made.

12 THE COURT: I made the decision that you are liable
13 for abuse of process.

14 MR. HAMMER: I understand that.

15 THE COURT: I have made that decision.

16 MR. HAMMER: And what I'm saying, Your Honor, in all
17 due respect, and not railing against the Court because I
18 have the highest regard for the Court, for any Court, and
19 for -- and particularly this Court also, but what I'm
20 saying, Your Honor, is that once you've made that decision
21 to continue the case, because I am urging that this is
22 what it is, it's a continuation of the case, the case
23 proceeds where the person says what their, what their,
24 what their injury was and what their damages were. All in
25 one case.

1 The case ended. They didn't present the damages, and
2 because they failed to present the damages, they failed to
3 present an element of their case, and because they failed
4 to present an element of their case, it is respectfully
5 contended that, that they would be entitled to no relief
6 at all.

7 THE COURT: I've awarded damages for the frustration
8 that she's endured. I'm already -- that's, that's in the
9 proposed order, and you've seen that.

10 MR. HAMMER: And, and, and that would be the only
11 matter because now you are opening it up for additional
12 damages that weren't proved at the trial and, in fact, at
13 the trial, were proved not to been, not to have been done.

14 THE COURT: All right. You can have a seat, and I
15 appreciate those comments. Have a seat please.

16 MR. HAMMER: Thank you.

17 THE COURT: I'm not, I'm not inviting any comment.
18 I'm stating for the record that when I sent the e-mail out
19 about having another hearing, I asked you and Mr. Aiken --
20 I know I asked Mr. Aiken to present any argument that you
21 had, argument, not pre-argument, on the issue of whether
22 or not I should or, under the law, I could receive any
23 additional evidence for that very reason that you brought
24 up.

25 All right.

1 MR. HAMMER: Okay. I'm---

2 THE COURT: You can, you can stay seated.

3 Mr. Aiken, is there anything else?

4 MR. AIKEN: Yes, sir, and I need to state this
5 because the position of Mr. Hammer in the case that I'm
6 handling is somewhat different with respect to attorney's
7 fees.

8 THE COURT: And that's Hammer versus Hammer?

9 MR. AIKEN: Yes, sir. In that case there was no
10 evidence of any attorney's fees submitted in, in that
11 case.

12 THE COURT: Bingo.

13 Okay. But do you understand, I'm not asking you to
14 agree, but do you understand that I have to receive
15 evidence, whether or not I award it or not is one thing,
16 but what I'm trying to do is make a record complete so all
17 parties are protected. So everybody can have a seat.

18 Ms. Ballard, I will let you call a witness or present
19 the evidence of -- Mr. Hammer.

20 MR. HAMMER: May I ask a question, Your Honor?

21 THE COURT: Yes, sir. This, this will be it.
22 Before -- it's your turn. It's not -- you've been in here
23 45-minutes with you talking about why we shouldn't have a
24 hearing. So, I'll hear you one more time, and then I'm
25 gonna turn it over to Ms. Ballard.

1 MR. HAMMER: Your Honor, when this case began, Your
2 Honor consolidated the cases, but tried them separately as
3 I understood.

4 THE COURT: I received evidence on them separately.
5 So, I -- whatever -- however you want to characterize it.
6 I don't know what difference it makes.

7 MR. HAMMER: Then I was not allowed to cross-examine
8 in the other cases, and we were not allowed to
9 cross-examine in my cases. The cases were tried
10 separately.

11 THE COURT: That's correct.

12 MR. HAMMER: Thank you, Your Honor.

13 THE COURT: All right. Ms. Ballard.

14 MS. BALLARD: Thank you, Your Honor.

15 THE COURT: And I'm not asking for any argument---

16 MS. BALLARD: Yes, sir.

17 THE COURT: ---about why this is right. I'll do that
18 at the end. So, if you have evidence, I'll be glad to
19 hear it.

20 MS. BALLARD: Yes, sir, Your Honor.

21 In response to Your Honor's memorandum that was
22 attached to your e-mail dated December 17th, I broke down
23 the attorney's fees that Ms. Hammer had testified to.
24 Your Honor may recall that she testified that she had
25 incurred, in all, in both of these civil matters,

1 approximately \$175,000 in damages, but she did not break
2 it down as between the actions.

3 THE COURT: Correct.

4 MS. BALLARD: So, I have prepared an affidavit of
5 attorney's fees. It does, in fact, break it down. I'd
6 like to offer up my affidavit of attorney's fees.

7 THE COURT: Did you give it to the opposing counsel?

8 MS. BALLARD: Yes, sir, I'll be happy to.

9 MR. HAMMER: Objection. It is a, a -- it, it offends
10 the confrontation clause.

11 THE COURT: All right. You can have a seat.

12 MR. HAMMER: It doesn't give us an opportunity to
13 cross-examine her.

14 THE COURT: The attorney?

15 MR. HAMMER: To, to take this matter and to hand up
16 an affidavit without having an opportunity to
17 cross-examine the offense, the---

18 THE COURT: You can have a seat. Your objection is
19 noted.

20 MR. HAMMER: Yes, sir.

21 THE COURT: Same objection?

22 MR. AIKEN: Hearsay, yes, sir.

23 MS. LIPSCOMB: Objection, Your Honor.

24 THE COURT: How is it typically done in the Family
25 Court setting, Ms. Lipscomb, attorney's fees affidavit?

1 Is the lawyer subject to cross-examination?

2 MS. LIPSCOMB: He can be.

3 THE COURT: All right. Then y'all can call
4 Ms. Ballard as a witness for her to respond to all of
5 this, but let me, let me review it first.

6 (Pause.)

7 THE COURT: All right. Anything additional on the
8 issue of attorney's fees, Ms. Ballard?

9 MS. BALLARD: The only other exhibit I have, Your
10 Honor, is the petition of the Supreme Court that's
11 referenced in the affidavit. I wanted to hand that up and
12 have it marked as Exhibit 2.

13 THE COURT: All right. Does this need to be marked?

14 MS. BALLARD: Yes, sir.

15 THE COURT: Those are the Shirley Hammer---

16 MR. HAMMER: May we see a copy of that petition that
17 you're marking?

18 THE COURT: She will show it to you.

19 MR. HAMMER: Thank you.

20 THE COURT: All right. Show No. 2 to---

21 MS. BALLARD: She's still marking it, Your Honor.

22 THE COURT: All right.

23 (WHEREUPON, the affidavit was marked as Shirley
24 Hammer's Exhibit No. 1. The petition was marked as
25 Shirley Hammer's Exhibit No. 2. Both of the exhibits were

1 for identification purposes only at this time.)

2 MS. BALLARD: Your Honor, I would note, for the
3 record, that the petition was filed with the Supreme Court
4 and these counsel and the parties were parties to the
5 petition. So, they have seen it before.

6 THE COURT: Okay.

7 MS. BALLARD: Can I have it back?

8 THE COURT: Oh, yeah.

9 MR. HAMMER: Oh, can I look at it?

10 (Pause.)

11 MR. HAMMER: Your Honor, we have a further argument,
12 a further objection.

13 would you like to hear it now or would you---

14 THE COURT: Well, I'd like to see it so I can
15 understand what y'all are talking about.

16 MR. HAMMER: Okay.

17 MS. BALLARD: Your Honor, this was the petition that
18 was filed with the Supreme Court that resulted in the
19 order that was provided to Your Honor earlier.

20 THE COURT: All right. I have not seen this before,
21 but let me take about 15-minutes and read it.

22 MS. BALLARD: Thank you, Your Honor.

23 THE COURT: Then I'll be glad to hear your argument,
24 Mr. Hammer.

25 MS. LIPSCOMB: May it please the Court.

1 May I take a quick five minute break?

2 THE COURT: Sure. I'm gonna take ten minutes.

3 We're off, we're off-the-record.

4 (WHEREUPON, a short break was taken.)

5 THE COURT: All right. Regarding the Court's Exhibit
6 No. 2, excuse me, Shirley Hammer's Exhibit No. 2, it can
7 be made part of the record, but it is a self-serving
8 petition. I'm not gonna consider it as evidence of
9 anything, but I'll allow you to place it as part of the
10 record.

11 MS. BALLARD: Thank you, Your Honor.

12 THE COURT: What would it intend to prove?

13 MS. BALLARD: Your Honor?

14 THE COURT: Just additional -- would it be additional
15 evidence or is this evidence?

16 MS. BALLARD: It's evidence of the basis upon which
17 Ms. Hammer incurred the attorney's fees that she incurred
18 and how we managed to finally get the case back on track
19 and finally before Your Honor.

20 (WHEREUPON, Shirley Hammer's Exhibit No. 2 was
21 received into evidence at this time.)

22 THE COURT: All right. I sustain your objection, Mr.
23 Hammer.

24 MR. HAMMER: And, and---

25 THE COURT: I'd sustain your objection.

1 MR. HAMMER: I'd like to state the grounds, Your
2 Honor. Okay. Just explain the objection to both, to both
3 documents.

4 THE COURT: Not the affidavit.

5 MR. HAMMER: All right.

6 THE COURT: The petition.

7 MR. HAMMER: And the, and the---

8 THE COURT: The affidavit.

9 MR. HAMMER: And to the affidavit. It's based on
10 relevancy and on hearsay and on lack of opportunity for
11 cross-examination.

12 THE COURT: Would you like to examine Ms. Ballard?

13 MR. HAMMER: It's up to them to put the case on if
14 they see fit, Your Honor. She is the one who has the
15 burden of proof.

16 THE COURT: All right. Ms. Lipscomb, would you like
17 to examine Ms. Ballard?

18 MS. LIPSCOMB: Not at this point, no, sir.

19 THE COURT: Mr. Aiken.

20 MR. AIKEN: No, sir.

21 THE COURT: And do you take the position, Ms.

22 Lipscomb, if she does not walk to the witness stand and
23 sit that she, that she has not put up her case or would
24 you agree that, since I'm offering you the chance to
25 cross-examine her, you are -- you have been given that

1 opportunity?

2 MS. LIPSCOMB: Your Honor, I think, unlike in
3 domestic cases, the -- well, for example -- one thing, in
4 domestic cases, usually the affidavits that are submitted
5 by the attorneys are supported by independent individual
6 entries of what was done on such and such a date.

7 For example, and not to belabor the point, but in one
8 of the affidavits submitted by Mr. Madden in an underlying
9 case, he had charged some amount for an anticipated
10 hearing that had never happened. And when I brought that
11 to the Court's attention, that was the Court -- he struck
12 that, but this affidavit is, I think, inadequate or
13 incomplete to, to support or to be evidence.

14 THE COURT: Okay.

15 MS. LIPSCOMB: It's just a general---

16 THE COURT: Summary.

17 MS. LIPSCOMB: ---this is what I charge.

18 THE COURT: Okay. Mr. Aiken.

19 MR. AIKEN: Your Honor?

20 MS. LIPSCOMB: And I think she would have -- oh, I'm
21 sorry.

22 MR. AIKEN: Go ahead. No, no.

23 MS. LIPSCOMB: And I do believe that she would have
24 to testify, and I would be given an opportunity to
25 cross-examine her.

1 THE COURT: But if she so called testifies by
2 presenting the affidavit, you can't cross her by just
3 saying hey, can she have a seat on the stand and be sworn
4 in?

5 You're saying that's not the appropriate procedure?

6 MS. LIPSCOMB: No, I would say that I should be able
7 to ask her what she did for the -- yeah, after she
8 presents what she did, I need to be able to say well, did
9 you or Stephanie, her, her good associate by the way,
10 build up fees or whatever. I'm saying that this is not
11 evidence, at least, in, under Circuit Court rules.

12 THE COURT: All right. Mr. Aiken.

13 MR. AIKEN: Your Honor, I think the, the real
14 distinction between the procedure that needs to be
15 followed in this case and the procedure that's followed in
16 the Family, in the Family Court is that this is attorney's
17 fees as damages, as an element of the cause of action
18 that's being tried. Whereas, in Family Court, the
19 attorney's fees are awarded sort of as ancillary relief.
20 So, what we have is an element of her claim on which she
21 has the burden of proof and they have to put on that proof
22 in the proper way and an affidavit is, is hearsay---

23 THE COURT: All right.

24 MR. AIKEN: ---and shouldn't be admitted.

25 THE COURT: Okay. All right. Anything else on this

1 subject, Ms. Ballard?

2 MS. BALLARD: Yes, sir, Your Honor.

3 I would like to take the stand and offer to be
4 cross-examined.

5 THE COURT: All right.

6 MS. BALLARD: Thank you, Your Honor.

7 THE COURT: Swear her in, Mr. Pruett.

8 THE CLERK: Yes, Your Honor.

9 DESA BALLARD, after being duly sworn,
10 testified as follows:

11 THE CLERK: Please have a seat. State your full name
12 for the record.

13 THE WITNESS: Thank you.

14 THE COURT: All right.

15 THE WITNESS: My full name is Desa Allen Ballard.

16 THE COURT: Okay. Are you gonna testify?

17 THE WITNESS: No, sir, I'm here for
18 cross-examination.

19 THE COURT: Any cross-examination?

20 MR. HAMMER: No testimony being offered. No
21 cross-examination.

22 THE COURT: Ms. Lipscomb.

23 MS. LIPSCOMB: No testimony. No cross-examination.

24 MR. AIKEN: No testimony. No cross-examination.

25 THE COURT: All right. You may step down. Thank

1 you, ma'am.

2 THE WITNESS: Thank you, Your Honor.

3 THE COURT: All right. Any other evidence that
4 Ms. Hammer would like to present on this issue and, again,
5 this is the attorney's fees issue?

6 MS. BALLARD: Your Honor, nothing further on the
7 issue of actual damages on the causes of action. We, of
8 course, have arguments on punitive damages and on
9 Frivolous Civil Proceedings Sanctions Act, but that
10 concludes the presentation of evidence on the actual
11 damages matter.

12 THE COURT: Okay.

13 MR. HAMMER: We have some evidence, Your Honor.

14 THE COURT: On attorney's fees?

15 MR. HAMMER: Yes, sir.

16 THE COURT: All right.

17 MR. HAMMER: Ms. Lipscomb.

18 THE COURT: Oh, whose attorney -- your attorney's
19 fees or her?

20 MR. HAMMER: Hers.

21 THE COURT: Okay. Are you gonna call somebody,
22 Ms. Lipscomb?

23 MR. HAMMER: I'm gonna call Ms. Lipscomb.

24 THE COURT: All right.

25 THE WITNESS: Your Honor, I'm not usually on this

Susan Lipscomb - Direct examination
By Mr. Hammer

1 side of the bench.

2 SUSAN LIPSCOMB, after being duly
3 sworn, testified as follows:

4 THE COURT: Okay. Mr. Hammer.

5 DIRECT EXAMINATION

6 BY MR. HAMMER:

7 Q Ms. Lipscomb?

8 A Do you want me to state my name first?

9 Q Oh, excuse me.

10 A My name is Susan Ayers Baton Lipscomb.

11 THE COURT: Okay.

12 Q Ms. Lipscomb, would you give us a little bit of your
13 educational background starting with college and going
14 through law school, and then I have some questions after
15 that.

16 A All right. I graduated from the University of South
17 Carolina. Well, I graduated from high school. I was
18 valedictorian and I graduated from the University of South
19 Carolina in 1975 from the honors program with -- actually
20 in secondary education/English. Then I took the -- after
21 I practiced I realized that I could not do that for the
22 rest of my life, and I went, took the LSAT, and went to
23 law school and graduated from law school in 1978.

24 Q Did you have any particular honors during your tenure
25 in law school?

1 A Yes. I was -- the first year I made -- it's a little
2 unusual to make it the first year. The first year I made
3 Law Review, and I was survey editor the second year. Then
4 the -- I was a member of Wig & Robe and a member of the Pi
5 Alpha Delta Sorority. Not sorority, fraternity, which is
6 an educational type of fraternity.

7 I have -- I authored and gave -- one of my cases was
8 Nelson versus Concrete Company, which established
9 comparative negligence as opposed to contrib. So, that
10 gave me an opportunity to testify, not testify, but to
11 give seminars and talk about the evolution of that type of
12 law, and I authored, co-authored the attorney/client
13 section of the South Carolina Jurisprudence that I believe
14 was co-edited with, by Lita Pellit.

15 Q And in law school, were you in any other honorary
16 societies or honorary -- do you have any other honors
17 other than the Law, Law Review, Wig & Robe, or anything of
18 that sort?

19 A Well, I had Wig & Robe. I was Wig & Robe and I was
20 Law Review and, like I said, survey editor, and then
21 subsequently wrote the article in South Carolina
22 Jurisprudence. Authored many seminar type materials.

23 I primarily did legal malpractice defense for a long,
24 several years with Nexsen Pruet. I did that for 24-years.
25 I was their first female partner. As a reflection of the

1 times, Mr. Nexsen, the first thing he ever said to me was
2 I never thought I'd be practicing law with a woman, but in
3 any event---

4 Q Thank you.

5 A ---he -- but I've practiced -- I've tried a number of
6 cases in Federal Court and State Court, and I tried cases
7 in front of the Office of Disciplinary Counsel, arguing in
8 the Court of Appeals, and the Supreme Court.

9 Q Thank you.

10 And are you familiar with Rule 11?

11 A Yes.

12 Q And you were the plaintiff's attorney for 1634 Main
13 L.P.?

14 A Yes.

15 Q And as plaintiff's attorney for 1634 Main L.P., you
16 had contact with Ms. Ballard in that case and you worked
17 with her on the opposite side of that case?

18 A With Ms. Ballard -- Ms. Ballard and with
19 Ms. Weissenstein.

20 MS. BALLARD: Weissenstein.

21 THE WITNESS: Weissenstein.

22 Q And who hired you?
23 who, who engaged you?

24 By whom were you engaged to represent 1634 Main---

25 A 1634 Main---

1 Q ---L.P.?

2 A Okay. 1634 Main L.P. was my client, and the retainer
3 agreement is signed by Marion Turbeville, who is, I
4 believe, a partner with Danville Business Associates, and
5 he is the one that directed, directed me to bring the
6 lawsuit.

7 Q All right. So, Mr. Turbeville directed you to bring
8 the lawsuit, and before you brought that lawsuit, what, if
9 anything, did you do to determine that the lawsuit was
10 proper under Rule 11?

11 MS. BALLARD: Your Honor, I object. I thought this
12 was on abuse of process.

13 MR. HAMMER: It is.

14 THE COURT: All right. Your question, again, is what
15 did Ms. Lipscomb do, under Rule 11, to determine whether
16 or not that was proper?

17 MR. HAMMER: Yes.

18 THE COURT: All right. Wouldn't that be more towards
19 the Frivolous Proceedings Sanctions matter?

20 MR. HAMMER: No, sir, we're offering that now towards
21 attorney's fees.

22 THE COURT: Okay. Go ahead.

23 The objection is overruled.

24 MS. BALLARD: Thank you, Your Honor.

25 THE WITNESS: Well, I reviewed -- I reviewed the --

1 well, first, I talked to you because I was concerned about
2 there being a conflict because I knew you had some
3 interest in the limited partnership, and you assured me
4 that the repairs that had been determined to be needed by
5 Mr. Turbeville needed to be done and you would execute a
6 confession of judgment and that you would waive any
7 conflict.

8 Q All right. And did you do anything else to determine
9 the legitimacy of an action against Ms. Hammer by 1634
10 Main Street claiming that she had a 58-point---

11 A I think it's 56.8. I actually was concerned because
12 the limited partnership agreement did not look like it had
13 been updated, and I received copies of some documents
14 indicating that -- I believe your mother's name is
15 Eleanor?

16 Q Yes.

17 A That Ms. Eleanor Hammer and your father Henry---

18 Q Yes.

19 A ---Hammer had trans -- assigned certain interest in
20 the partnership to Ms. Hammer. There was -- because there
21 was no corporate record per se, I talked, I called, that I
22 could find, I called Bernie Ackerman, who I understood to
23 be the -- he's a C.P.A. in Rock Hill and I---

24 Q And what is Bernie -- is Mr. Ackerman the accountant
25 for the 1634 Main L.P.?

1 A It is my understanding that, at least while you and
2 Ms. Hammer were married, he was the accountant for both of
3 you as well as 1634 L.P., but I couldn't testify to that
4 as a fact.

5 Q But---

6 A But he, he did---

7 Q Could you testify, as a fact, that he was the
8 accountant for 1634 Main L.P.?

9 A He has testified to that fact and he has given me an
10 affidavit to that effect. And, so, I would, I would have
11 no reason to doubt that.

12 Q All right. So, in the process of determining that
13 your action was being filed with accordance to Rule 11 --
14 and what does Rule 11 require?

15 A Rule 11 requires you to evaluate whether or not the
16 case is being brought on a reasonable basis based on
17 reasonable facts, based on an investigation of the law,
18 and it does subject you to sanctions if you sign, if you
19 sign certain pleadings or documents without making a
20 reasonable investigation.

21 Q Did you make such a reasonable investigation and
22 determine that the action was brought in accord with Rule
23 11 and in good faith?

24 A Yes.

25 Q And---

1 A I also, I also located a document that indicated
2 and -- that indicated that Ms. Hammer did have a
3 56.8 percent interest in it, and that was introduced, I
4 believe, at trial.

5 Q 56.8 percent interest in the L.P.?

6 A Yes.

7 Q All right. And now after that---

8 A And apparently she had earned a little bit before,
9 but it was -- some more was being transferred and that
10 brought it up to the 56.8.

11 Q All right. Now, Mr. Ackerman's testimony is a part
12 of the record?

13 A Yes, it was, it was admitted in full and both
14 Ms. Hammer and 1634 were represented by counsel.

15 Q And you're aware---

16 A And---

17 Q ---from Ms. Hammer's deposition, on Page 94, that she
18 testified, concerning the, the 1634 main transaction, the
19 question was asked "as I understand the transaction" --
20 and this is from the deposition of Ms. Hammer?

21 MS. BALLARD: Your Honor, could I renew my objection?

22 I don't know what this has to do with actual damages.

23 THE COURT: All right. Mr. Hammer, what does it have
24 to do with actual damages?

25 MR. HAMMER: It, it goes to the -- it will go to the

1 fact, to that fact of whether there should be actual
2 damages in connection with Rule -- with the work that she
3 has done.

4 THE COURT: Okay. Go ahead.

5 Q And you recall that Ms. Hammer testified---

6 A May I see what you're reading from?

7 Q ---or Ms. Hammer did testify as follows on
8 September 28th. Question.

9 A May I see what you're reading from first?

10 Q Yes.

11 would you read from there to there?

12 A Hold on just a minute.

13 (Pause.)

14 A Okay. I just wanted to make sure I was there. I was
15 there. It's the deposition of Shirley Hammer dated
16 September 28th, 2012, in the 1634 Main case.

17 Q All right. I am going to read it with you if you
18 don't mind.

19 She was asked the question, "and as I understood the
20 transaction, you were to get the deed, okay, and then you
21 were to convey the property given to you in this deed back
22 to 1634, and you were to get a 1634 limited partnership
23 interest in exchange for that, am I right?"

24 And her answer was "I don't know."

25 And the question was "who handled that would -- for

1 you?"

2 "well, Howard handled all of this. I think Bob
3 Young -- I think that's how it went. I don't really
4 know."

5 Wasn't that her testimony?

6 A That is -- yes.

7 Q And her testimony---

8 A And you left out---

9 Q ---is that she---

10 A You left out one word.

11 Q Excuse me?

12 A You left out one word, but that's okay.

13 Q But that's -- her testimony was that she didn't know
14 how that transaction occurred, but it -- but Howard did?

15 A And she assumed -- I think -- I think it would be
16 safe to say she assumed Mr. Young did as well.

17 Q All right.

18 A And my understanding is Mr. Young is a tax attorney.
19 I don't know him.

20 Q Yes, I think he is.

21 Now, in connection with the, with the matters that
22 have been introduced by which she's claiming attorney's
23 fees, one of them is -- would -- had to do with a document
24 that Mr., Mr. Madden said he sent the, the, I think in
25 November or thereabouts, late October, November 2009, he

1 sent the deed -- he sent the deed over to Mr. McLaurin.

2 Are you familiar with that?

3 A Um---

4 Q Do you recall that from the last testimony, last
5 hearing?

6 THE COURT: Now we're not getting back into the
7 merits of the abuse of process. This is damages only.

8 MR. HAMMER: I understand. This goes to damages.
9 Do you recall that?

10 THE WITNESS: What I recall is that there were --
11 there was discussion -- there was some back and forth
12 between Mr. McLaurin and Mr. Madden as to who was gonna
13 prepare the document, and how they were to be prepared,
14 and that Mr. Madden -- I'm sorry.

15 What's the question?

16 Q Let me, let me withdraw that question.

17 You recall an order having to do with this matter?

18 Can you identify this order by Judge Rucker?

19 A Yes.

20 Q And what date is it dated?

21 A It's---

22 MS. BALLARD: Your Honor, I would object to this.
23 This is Family Court stuff.

24 THE COURT: Well, I considered Family Court stuff in
25 the other -- in the trial.

1 MS. BALLARD: All right, sir.

2 THE COURT: Now, that objection is overruled. But if
3 you're going -- if you're attacking her entitlement to
4 attorney's fees by virtue of the fact that the underlying
5 claim is valid, the objection is sustained. This
6 examination is to deal with the amounts and the layout of
7 the attorney's fees as submitted by Ms. Ballard. Not the
8 merits of any party's particular activities at any given
9 time.

10 MR. HAMMER: We will tie it all up, Your Honor.

11 THE COURT: All right.

12 MR. HAMMER: We offer the, the order, a copy of the
13 order of Judge Rucker dated August 19th, 2009, order in
14 the action.

15 Are you familiar with that?

16 THE COURT: I believe it's already in evidence, but
17 you certainly can introduce it again. Go ahead. I'll
18 allow it.

19 (WHEREUPON, the order was marked as Howard Hammer's
20 Exhibit No. 1 and received into evidence at this time.)

21 Q I call your attention to Page 10 of that order,
22 Paragraph 2-A. Now -- and I ask you, in connection with
23 the building transfer, and this order is dated -- this
24 order was August 19th, 2009, prior to Mr. Madden's letter.

25 Ma'am?

1 A Yes, and just---

2 Q Let me ask the question.

3 Prior to Mr. Madden's letter, yes or no please,
4 ma'am?

5 A Yes.

6 Q All right. Prior to Mr. Madden's letter, did---

7 A Well, prior to any letter I was aware of.

8 Q All right. And prior to the letter that's in the
9 record that's dated October of 2009 from Mr. Madden?

10 A Yes. Yes.

11 Q All right. So, this is, this is several months prior
12 and this order requires, does it not, that Ms. Hammer
13 convey her interest in the L.P. to Mr. Hammer by
14 July 24th, 2009, is that correct?

15 A It's in reference to the transfer. It says this
16 transfer is to take place no later than July 24, 2009, and
17 shall take place---

18 Q I just -- is it correct that the, that the order
19 required that Ms. Hammer transfer her interest by
20 July 24th, 2009?

21 A Yes.

22 Q And is it correct that Ms. Hammer transferred her
23 interest simultaneously with the IRA money, money that she
24 was receiving?

25 A No. You asked, you asked the wrong question.

1 Did she transfer it simultaneously?

2 Q No, ma'am.

3 A No.

4 Does it require that she do so?

5 Yes.

6 Q It would require that she transfer it simultaneously.

7 Did she transfer it simultaneously?

8 A No.

9 Q All right. So, when Mr. Madden wrote his letter
10 in 2009, Ms. Hammer had already breached the order and
11 there was no act of -- there was no need for any
12 attorney's fees at all if she had breached that order,
13 correct?

14 There was no abuse of process and thereafter no need
15 for any attorney's fees?

16 MS. BALLARD: Your Honor?

17 THE COURT: The objection's sustained. I've already
18 ruled there has been abuse of process.

19 MS. BALLARD: Thank you, Your Honor.

20 THE COURT: Okay. You can -- but you can ask
21 questions of damages.

22 MR. HAMMER: And if---

23 THE COURT: Within the confines of, of the submission
24 by Ms. Ballard. I think that's what you said you intended
25 to do.

1 Q And if -- and if the action, as you have certified to
2 and testified to under oath, were brought in good faith,
3 would that be---

4 MS. BALLARD: Your Honor, I object again, Your Honor.

5 THE COURT: Sustained.

6 MS. BALLARD: Thank you, Your Honor.

7 THE COURT: That's not an issue.

8 MR. HAMMER: Proffer the testimony.

9 THE COURT: All right. Go ahead.

10 Q If the action were brought in good faith, as you've
11 testified that it was brought by yourself, 1634 Main, the
12 complaint was brought in good faith, would there be any
13 requirement for attorney's fees for abuse of process if
14 the action were brought in good faith?

15 A I think I, as an attorney, am entitled to rely on the
16 facts that I am provided by 1634 Main, L.P.

17 Q But what, but---

18 A And if 1634 Main L P., as was indicated to me by the
19 documentation, was entitled to make this assessment and
20 bring this lawsuit, yes, it was, it was brought in good
21 faith and there was no abuse of process---

22 Q And no---

23 A ---in my opinion.

24 Q And no attorney's fees?

25 And if there's no abuse of process, there would be no

1 attorney's fees?

2 A I don't know---

3 MS. BALLARD: Is this still part of the proffer, Your
4 Honor?

5 THE COURT: It's proffer.

6 MS. BALLARD: Still part of the proffer.

7 Q But there would be no attorney's fees, correct?

8 A It---

9 Q If there, if there's no abuse of process, there would
10 be no attorney's fees for abuse of process, is that---

11 A Well, my understanding is that damages is an element
12 of abuse of process. So, to that extent, yes.

13 Q All right. You talked about the fact that Mr. Madden
14 sent the letter after he after---

15 THE COURT: All right. Is this still the proffer?

16 MR. HAMMER: No, this is testimony.

17 THE COURT: Okay.

18 MR. HAMMER: We've talked about the fact that Mr.
19 Madden sent the letter after, after -- that -- sent the
20 deed after the order required him to send, two months
21 after the order required him to send it, and it was sent
22 back by Mr. McLaurin if I understood correctly.

23 Is that correct?

24 A It's more than two months after.

25 Q But some several months after. It was sent back by

1 Mr. McLaurin, is that correct?

2 A My -- yes, Mr. Madden sent, submitted some
3 documentation, including a deed and some other stuff, and
4 Mr. McLaurin sent it back for, my understanding was, it
5 didn't comply with the, the limited partnership agreement.

6 Q The deed was made to me and the deed was suppose to
7 be made to the limited partner, isn't that---

8 A That is the way I read the limited partnership
9 agreement.

10 Q All right. And that was what the agreement was, that
11 she would receive her 58 percent, which she did receive,
12 as the evidence is shown---

13 THE COURT: 56.8.

14 Q 56.8 percent, as the evidence has shown. She
15 received, in 2005 and 2006, but she never consummated her
16 part of the, of the agreement by tendering the deed to the
17 limited partnership as she was suppose to in order to
18 receive from that 56 point---

19 A 56.8.

20 Q 56.8 percent, is that correct?

21 She never tendered the deed to the limited
22 partnership, is that correct?

23 A I know of no tender to the partnership.

24 Q All right. So, when you -- later on, was a tender of
25 the deed made to you?

1 A Yes.

2 Q And did you send it back for the same reason, that it
3 wasn't -- because it wasn't tendered properly to the
4 partnership as it should have been?

5 A Yes, and I was -- well, frankly, I was concerned it
6 was gonna mess up the title --

7 Q Okay.

8 A -- of the property.

9 MR. HAMMER: Thank you. I don't have any further
10 questions.

11 THE COURT: Mr. Aiken.

12 MR. AIKEN: Thank you, Your Honor.

13 THE COURT: Now, you're not representing anybody in
14 the 1634 litigation, right?

15 MR. AIKEN: I am not, but -- so, I can -- I wanted to
16 examine Ms. Lipscomb with respect to Howard Hammer versus
17 Shirley Hammer.

18 THE COURT: Is she involved in that case?

19 MR. AIKEN: She was the attorney for Mr. Hammer for a
20 time.

21 THE COURT: Well, let me, let me get something
22 straight. I'm not gonna award any attorney's fees and
23 Ms. Ballard is going to have to go a long way to convince
24 me that anything involving activity in domestic
25 litigation -- this is in the Common Pleas litigation.

1 okay. I, I -- and, so -- and somebody's gonna have
2 to answer, perhaps Ms. Lipscomb can because she's the
3 witness, Mr. Madden testified that Mr. Hammer filed
4 multiple motions to challenge Judge Rucker's almost 19
5 orders. The ones that she's testified now that Shirley
6 Hammer willfully disobeyed.

7 My recollection of the testimony, and my notes
8 reflect, that a hearing was held on October 27th of 2009
9 to hear those motions.

10 No, I'm, I'm talking, Mr. Hammer.

11 So, if you -- you can question her, if you would
12 like, but I'm a little bit puzzled because you're attorney
13 of record in Hammer versus Hammer, and all of this
14 testimony has been about 1634, but you go ahead and have
15 at it.

16 MR. AIKEN: Thank you.

17 MR. HAMMER: Your Honor, before he starts, in view of
18 Your Honor's comments, may I be permitted to ask one or
19 two more other questions to clarify?

20 THE COURT: All right.

21 CONTINUED DIRECT EXAMINATION

22 BY MR. HAMMER:

23 Q Ms. Lipscomb, there were four orders issued on
24 October 19th, 2009, weren't there?

25 THE COURT: August 19th.

1 MR. HAMMER: August 19th, 2009.

2 Isn't that correct?

3 A There may have even been five.

4 Q All right.

5 A One, one of them was sort of a minor thing, but there
6 were either four or five.

7 Q This order was not -- this order -- this particular
8 order that we're talking about, which required the
9 simultaneous transfer, that order was not -- that order,
10 in as far as the simultaneous transfer, that part was not,
11 was not appealed, was it?

12 Am I correct?

13 Ultimately the simultaneous transfer that Hammer made
14 and I made -- and my deed transferred the IRA portion,
15 didn't I?

16 A Yes.

17 Q So, that portion of the order was not contested, is
18 that correct?

19 A I don't remember the exact chronology. But I know
20 that you signed whatever documentation Mr. Madden
21 presented that required TD Ameritrade to transfer the
22 appropriate interest to Ms. Harmer.

23 Q So, having done that, there would be no reason for me
24 to have -- once that -- once it was done, there would be
25 no reason for me to have appealed that portion of this

1 August 19th order, is that correct?

2 A Or if you had already done it, you -- it would have
3 been moot.

4 Q Okay.

5 A And the reason -- the only reason I wanted to say
6 something a minute ago is because there were so many
7 orders issued -- I mean, I'm sorry, filed, on August 19th,
8 2009. I just wanted to make sure that we know we're all
9 referring to something called an order ending action that
10 was filed August 19th, 2009, at 4:51. That's the only---

11 Q And that's shown as Plaintiff -- as Howard Hammer's
12 Exhibit No. 1?

13 A Yes, sir.

14 Q As far as you know, the portion of the order that
15 we're talking about today was not appealed?

16 A Or if it was, it's moot.

17 Q Okay.

18 A I don't remember.

19 MR. HAMMER: Okay. Thank you.

20 THE COURT: Okay. Mr. Aiken.

21 MR. AIKEN: Thank you, Your Honor.

22 CROSS-EXAMINATION

23 BY MR. AIKEN:

24 Q Ms. Lipscomb, did you, at one time, represent
25 Mr. Hammer in Howard Hammer versus Shirley Hammer?

1 A I did.

2 Q Tell me how that came about please.

3 A Their agreement -- let me get this right. Their
4 agreement that they entered into in, originally in
5 May 8th, 2008, was -- took care of a lot of things
6 except -- took care of, mostly of the financial issues.
7 It did not take care of the visitation of the children as
8 I recall, and the agreement provided that -- and if you
9 want to give me a copy of it I can be more specific. But
10 the agreement provided that -- I brought a copy just in
11 case.

12 MR. AIKEN: May I approach the witness, Your Honor,
13 and hand her that?

14 THE COURT: Yes, sir, and if you would mark it
15 please---

16 MR. AIKEN: All right.

17 THE COURT: ---so that everybody knows what this
18 is -- is this a Howard Hammer Exhibit?

19 MR. AIKEN: Yes, it is.

20 THE COURT: Okay.

21 A This is---

22 THE COURT: Let her mark it before anybody talks
23 about it.

24 MR. HAMMER: And, I'm sorry, Your Honor, because the
25 other's marked Howard Hammer also. This would be the

1 Hammer Exhibit in the case that Mr. -- how can we
2 distinguish those two cases so they are separately
3 distinguished if you don't mind, Your Honor?

4 May we distinguish it Howard Hammer or Aiken
5 representation?

6 THE COURT: Well, what you can do is just tell the
7 court reporter how you would like for her to mark it.

8 MR. HAMMER: I would like so it's distinguished
9 for -- because the other is the L.P. case. This is the
10 declaratory judgment case.

11 THE COURT: All right. Madam Court Reporter, just
12 put Hammer Exhibit No. 3, but put in parenthesis D.J.
13 case.

14 THE COURT REPORTER: Okay.

15 THE COURT: Okay.

16 THE WITNESS: Your Honor, I believe this is only a
17 partial part of the May 8th order, and I---

18 THE COURT: Okay. If it's only partial, then we have
19 to do something better.

20 THE WITNESS: Okay. And I brought the, I brought the
21 actual May 8th agreement.

22 THE COURT: The May 8th order is already in evidence.

23 THE WITNESS: Yeah.

24 MR. HAMMER: Here's the agreement. This is the
25 agreement.

1 THE COURT: The May 8th order and the May 8th
2 agreement is in evidence.

3 (WHEREUPON, the agreement was marked as Howard
4 Hammer's Exhibit No. 2 and received into evidence at this
5 time.)

6 THE WITNESS: Okay. I understand. This is
7 apparently -- this is what was attached to Judge Jones'
8 order approving the settlement and that order was dated
9 May 12th. So, this is the exhibit to that. It's not
10 signed, but it looks to be the exhibit. This agreement
11 had -- we were very---

12 THE COURT: Are we, are we going over stuff
13 pertaining to the merits of whether or not the process was
14 abused or are we doing attorney's fee because I'm not
15 gonna re-litigate the merits of the abuse of process cause
16 of action?

17 MR. AIKEN: I understand that, Judge. I understand
18 that.

19 THE COURT: But if you would like to protect the
20 record, you can question the witness, and just for the
21 witness's benefit and everybody else's benefit, Shirley
22 Hammer's Exhibit No. 15 includes Judge Jones' May 12,
23 2008, order to which is attached the partial settlement of
24 outstanding issues. So, I'm, I'm with you on that.

25 MR. AIKEN: I understand. I understand.

1 THE WITNESS: I'm just trying to make that clear,
2 Your Honor. I'm sorry.

3 THE COURT: Okay. Go ahead.

4 MR. AIKEN: Go, go ahead, Ms. Lipscomb.

5 THE WITNESS: The -- we were -- everybody, at the
6 time that some concerns arouse about the May 8th agreement
7 which was approved by the Court...

8 well, first, let me say I did not have anything to do
9 with this. I did not represent anybody when this was
10 done.

11 We were all very aware of the Moseley case, Mosley
12 versus Mosier, and in reviewing this partial settlement of
13 outstanding issues, which dealt with the financial parts,
14 the document included a number of provisions that would
15 make me -- it was primarily -- I did a lot of contract
16 litigation. One of the things I forget to say is I was, I
17 was appointed as one of the best commercial litigators in
18 the Midlands this year. I don't know who votes, but
19 anyway, I do a lot of contract litigation.

20 There were a lot of provisions in this agreement that
21 made it seem, depending on what was being contested, that
22 you could have subject matter jurisdiction either in
23 Family Court or Circuit Court.

24 Now, originally, Mr. Hammer filed this lawsuit pro se
25 and---

1 THE COURT: Now, this is Hammer versus Hammer?

2 THE WITNESS: Yes, sir.

3 THE COURT: Okay.

4 THE WITNESS: And ultimately asked me to come in and
5 amend it and just help him on it. Anyway, the -- there
6 were a lot of reasons that he wanted to file the case,
7 this matter in Circuit Court, and thought -- and we
8 thought it was a viable suit in Circuit Court because the
9 main issue was subject matter jurisdiction.

10 For example -- and Ms. Ballard promptly brought up
11 subject matter jurisdiction, and that was the issue that
12 she won on and our case was dismissed, and it went up on
13 appeal and it was upheld by the Court of Appeals. But our
14 argument, and I thought it was a viable argument,
15 obviously the Court of Appeals did not agree with me, was
16 that the agreement provides, for example...

17 (Pause.)

18 THE WITNESS: For example -- let's see. Okay. In,
19 in Paragraph 15. This agreement is a binding contract,
20 and it is enforceable as such under law.

21 Number 14 said when the settlement is approved, it
22 shall be enforceable through the contempt powers of the
23 Family Court.

24 The -- there is a provision in here that the terms
25 and conditions of the, of the agreement shall be fully

1 binding and enforceable by the heirs, assigns, successors
2 of the parties, and their estates. It made me think that
3 it, depending on what issues were being raised under this
4 document, would depend, would dictate where, where the
5 case should be brought.

6 The -- there were some other provisions. Let's see.
7 (Pause.)

8 THE WITNESS: There were some things discussed in
9 here about the children which would necessarily -- just
10 reference, not dealt with, but would necessarily have to
11 have been brought in Family Court. But we thought it was
12 a, a viable argument to bring a D.J. action in Circuit
13 Court to determine some of the other issues, and as to
14 whether or not it could be brought in Circuit Court.

15 Q And did you ultimately file an amended complaint, on
16 behalf of Mr. Hammer, making that declaratory judgment
17 claim?

18 A Yes, Your Honor. Yes.

19 Q And that was to make a, make -- have the Court make a
20 determination as to whether that agreement was---

21 A Enforceable.

22 Q ---enforceable?

23 A Correct. There were some things in the agreement
24 that would give rise to arguments, in our opinion, that it
25 would be void ab initio. For example, there were

1 agreements that they would release each other from
2 certain -- hold on.

3 (Pause.)

4 A Okay. It says Howard and Shirley shall execute full
5 releases in favor of the other except in preserving their
6 respective rights and the issues remaining for
7 adjudication in the Family Court, and then it refers to a
8 release that is attached as Exhibit A to the agreement,
9 and in that particular document it provides the parties
10 agree not to file any lawsuits, complaints, or grievances
11 against the other or any agents, assigns of the other,
12 with respect to any claim one might have against the other
13 except for the obligations created by the settlement
14 agreement referenced herein.

15 So, the thought was or I thought that this was -- it
16 was arguably, clearly, at least arguably, void as against
17 public policy because you're releasing grievances which
18 are not technically suppose to be able to do. Lawrence v.
19 Hicks is an old South Carolina case that basically has
20 held similar type of agreements to, to release criminal
21 prosecutions cause it to be void ab initio. And, so,
22 that's why we brought it in Circuit Court.

23 Did I answer your question?

24 Q Yes, you did.

25 A Okay. I'm sorry.

1 Q Now, now, in your opinion, was there good grounds to
2 support both the claim and the choice of forum under the
3 circumstances?

4 A Yes. Well, I would not of -- in retrospect I
5 probably would of filed it in Family Court. But I did not
6 think that Moseley v. Mosier required that because my
7 reading of that case basically said, if you can discern a
8 intent, a specific intent from the parties, that they
9 choose a different forum than that, than that which we are
10 going to presume is the Family Court, then they're gonna
11 enforce that. And, you know, there have been a lot of
12 lawsuits, a lot of cases since Moseley v. Mosier, and the,
13 you know, my thinking of, of the way the law is, just like
14 I mentioned that Nelson Concrete case that changed the law
15 from compare, from contrib to comparative, you know, the
16 law is a living breathing thing. It changes. And, so, I
17 did not think that it was -- the case was improperly
18 brought in Circuit Court.

19 Q Now, as far as activity by Ms. Ballard and
20 Ms. Weissenstein in that particular case acting as the
21 attorney for Shirley Hammer, what, what did they do?

22 A They counterclaimed against Mr. Hammer.

23 Was that the question?

24 Q And they made a motion to dismiss?

25 A They made a motion to dismiss and a counterclaim for,

1 the counterclaims for which you represented him in the, in
2 the lawsuit back---

3 Q In the trial?

4 A Yes, sir.

5 Q I see.

6 And what, what else was done?

7 Was there anything else done by Ms. Ballard and
8 Ms. Weissenstein in that particular case?

9 THE COURT: When you say that particular case---

10 MR. AIKEN: Excuse me. In the Howard Hammer versus
11 Shirley Hammer case.

12 What, what did they do other than answer and
13 counterclaim and file a motion to dismiss on, on subject
14 matter jurisdiction grounds?

15 A Well, when they won, they appealed it. There were,
16 there were several charges against -- that had been
17 brought against Mr. Hammer for various things. I think
18 harassment, stalking, and that sort of thing, and I
19 believe the agreement provided -- I may be wrong on
20 whether it was this agreement or the other agreement
21 provided that those would be dismissed or nolle prossed or
22 something.

23 Q But as far as litigation activity in the Howard
24 Hammer versus Shirley Hammer case, what did they do other
25 than file an answer and counterclaims and make a motion to

1 dismiss on subject matter jurisdiction grounds?

2 A Very early on Ms. -- I can't remember if it was
3 Ms. Ballard or Ms. Weissenstein filed a motion for, to
4 protect evidence. That was like the first thing I
5 remembered. I was very impressed by it, having rarely
6 seen one, motion to preserve evidence. They filed an
7 amended answer and counterclaim, motion to dismiss, and
8 then, when it was dismissed, I filed the appeal and they
9 responded and then I replied and then we argued it or
10 Ms. Weissenstein argued it, but Ms. Ballard was there.

11 MR. AIKEN: Thank you, Ms. Lipscomb.

12 THE COURT: All right. Ms. Ballard.

13 MS. BALLARD: Just one question.

14 CROSS-EXAMINATION

15 BY MS. BALLARD:

16 Q Susan, I have not appeared in any Family Court
17 proceedings involving Mr. Hammer, have I?

18 A No, not that I'm aware of.

19 MS. BALLARD: That's all I have, Your Honor. Thank
20 you.

21 THE COURT: Mr. Hammer, anything else of this
22 witness?

23 MR. HAMMER: As I understand, Your Honor, I couldn't
24 cross-examine on anything, but---

25 THE COURT: Go ahead. I'll let you ask what you want

1 to ask her.

2 MR. HAMMER: In that case -- I thought you had
3 separated it before, and you didn't allow me to -- you
4 changed your, you changed your ruling now?

5 THE COURT: Mr. Hammer, I said just ask the questions
6 you want to ask. Okay. Now, in, in case you're trying
7 to -- we'll deal with that later.

8 MR. HAMMER: Okay.

9 THE COURT: But you go ahead and ask any questions
10 you want to ask.

11 MR. AIKEN: The Judge is talking to you. You pay
12 attention.

13 MR. HAMMER: I don't have any further questions.

14 THE COURT: All right. Thank you, ma'am. You may
15 step down.

16 THE WITNESS: Thank you.

17 THE COURT: Any other -- do you have any witnesses,
18 Mr. Aiken?

19 MR. AIKEN: No, sir.

20 THE COURT: Mr. Aiken -- excuse me.

21 Mr. Hammer, do you have any other witnesses?

22 MR. HAMMER: Yes, I do. He's on his way over now.

23 THE COURT: Who is that?

24 MR. HAMMER: Larry Bergmann.

25 THE COURT: Who is that?

1 MR. HAMMER: It's Larry Bergmann.

2 THE COURT: What is he going to testify about?

3 MR. HAMMER: He's gonna testify about matters that
4 would underlie the, the question of, of whether or not
5 attorney's fees should be awarded.

6 THE COURT: Okay. As -- you, you understand that
7 you, you made a motion to exclude her affidavit as not
8 being in proper form, and there's been a failure of proof
9 for attorney's fees because the evidence hasn't been
10 presented properly. This is not going to be an
11 undertaking to get into whether or not there has been an
12 abuse of process.

13 MR. HAMMER: I'm gonna proffer the evidence so if
14 Your Honor thinks the evidence does not relate to the
15 matter at hand, then I'm gonna proffer the evidence.

16 THE COURT: All right. When will he be here?

17 MR. HAMMER: I called him about a half an hour ago.

18 MR. AIKEN: He's here. He's outside.

19 THE COURT: Let's go get him.

20 MR. AIKEN: Just in case I told him to step out.

21 THE COURT: Thank you.

22 (WHEREUPON, Mr. Hammer leaves the courtroom at this
23 time.)

24 MS. BALLARD: Your Honor, for the record, I would
25 just point out--

1 THE COURT: Wait, wait for Mr. Hammer to come back
2 in.

3 MS. BALLARD: Oh, I'm sorry.

4 (Pause.)

5 THE COURT: Okay. Ms. Lipscomb, could you tell me
6 the date that the first complaint was filed in the 1634
7 action?

8 MS. LIPSCOMB: Yes.

9 THE COURT: And I'll -- to be---

10 MS. LIPSCOMB: I have it. I have it.

11 THE COURT: Just to make sure there's nothing
12 untoward, I'll wait for Mr. Hammer to come back in, and
13 I'll re-ask that question.

14 MS. LIPSCOMB: Okay. I have the pleadings right
15 here.

16 THE COURT: And you'll be ready to answer.

17 MS. LIPSCOMB: The first summons---

18 THE COURT: Wait, wait just a second.

19 MS. LIPSCOMB: Okay.

20 (WHEREUPON, Mr. Hammer returns to the courtroom at
21 this time.)

22 THE COURT: All right. I just had a question first,
23 Mr. Hammer, and then we can go on.

24 Ms. Lipscomb, what was the date of the first, that
25 the first complaint and the summons were filed in the 1634

1 action?

2 MS. LIPSCOMB: It was filed April 30th, 2010.

3 THE COURT: Okay.

4 MS. LIPSCOMB: Wait just a minute. Let me make sure.

5 THE COURT: I know there was an amended one. I've
6 got what the second -- excuse me. The amended summons was
7 filed June 9th of 2010, and I don't have the clerk's file
8 with me, but perhaps -- it's a matter of record in the
9 check's file. I can find it later on.

10 MR. HAMMER: Your Honor, if I may speak to that for
11 one moment?

12 THE COURT: I just want to know the date. That's all
13 I want to know.

14 MR. HAMMER: There's some confusion about the date
15 because I believe that's the case that, and I could be
16 wrong, but I believe that's the case they filed and served
17 the wrong person---

18 THE COURT: Okay.

19 MR. HAMMER: ---in their counterclaim. And, so, they
20 then had to refile. And, so, there's---

21 THE COURT: Okay. I'm talking about the 1634 action.

22 MR. HAMMER: I believe that it's the 16 -- I'm not
23 positive, but I thought it was the 1634 action, but they
24 filed the counterclaim and they filed it against the wrong
25 person.

1 THE COURT: All right.

2 MR. HAMMER: It could of been the other one, but I
3 believe it's the 1634 cause it was still pending, I
4 believe, and they filed it against the wrong person.

5 MS. LIPSCOMB: Oh, I know what he's -- I know what
6 you're saying.

7 THE COURT: Does anybody just know when 1634 Main
8 L.P. versus Shirley Hammer was filed the very first---

9 MS. LIPSCOMB: April 30th, 2010, 5:05.

10 THE COURT: That's all I need.

11 Okay.

12 MS. BALLARD: And my point, Your Honor, was that this
13 witness did not make discovery responses.

14 THE COURT: Okay.

15 MS. BALLARD: Thank you, Your Honor.

16 THE COURT: All right. Mr. Hammer, you can call your
17 witness.

18 Put your left hand on the Bible please, sir.

19 Your name.

20 THE WITNESS: Lawrence H. Bergmann.

21 LAWRENCE H. BERGMANN, after being duly
22 sworn, testified as follows:

23 THE COURT: All right. You can have a seat and
24 please state your name again for the court reporter and
25 spell your last name.

1 THE WITNESS: Lawrence H. Bergmann. B-E-R-G-M-A-N-N.

2 THE COURT: Two N's?

3 THE WITNESS: Yes.

4 THE COURT: Okay. Go ahead, Mr. Hammer.

5 MR. HAMMER: And, sir---

6 THE COURT: Ms. Lipscomb -- I mean, excuse me,
7 Ms. Ballard, your objection to him not being listed is
8 noted and overruled. If you have any additional
9 objections, you can raise those in the normal course of
10 business.

11 MS. BALLARD: Thank you, Your Honor.

12 DIRECT EXAMINATION:

13 BY MR. HAMMER:

14 Q Would you please introduce yourself a little bit,
15 sir?

16 A Sure. I'm Doctor Leo Bergmann. I'm a licensed
17 professional counselor. I've been in practice here in
18 Columbia for about 30 years.

19 Q And licensed for psychotherapy also?

20 A Correct.

21 Q All right. And tell us a little bit about your
22 educational background.

23 A I have a Bachelor's Degree from Emory University in
24 Sociology, Master's Degree in Clinical Psychology from
25 Eastern Illinois University, and a PhD in counseling from

1 the University of South Carolina.

2 MR. HAMMER: All right. Your Honor, we offer
3 Dr. Bergmann as an expert in the field of psychology and
4 social -- and psychotherapy and social -- what did you
5 say?

6 A Sociology.

7 MR. HAMMER: And sociology.

8 THE COURT: All right. Ms. Ballard.

9 MS. BALLARD: Your Honor, we'd object to this
10 witness -- I don't object to his qualifications, but we
11 object to him being called as a witness in this matter. I
12 understood we were taking issues, taking evidence on the
13 issues of attorney's fees and the reasonableness thereof.

14 THE COURT: All right. Mr. Hammer, what's the
15 purpose of the witness' testimony?

16 MR. HAMMER: To show the reasonableness of attorney's
17 fees.

18 THE COURT: Is he a lawyer?

19 MR. HAMMER: No, sir.

20 THE COURT: Okay. Ms. Lipscomb, what's your position
21 on this as an officer of the Court?

22 Is his testimony relevant to the issue of attorney's
23 fees as far as you know?

24 You may not have a clue.

25 MS. LIPSCOMB: Your Honor, I'll tell you the -- I

1 have struggled with what constitutes emotional distress
2 damages, and have really tried to analyze that. I also
3 did a bunch of---

4 THE COURT: Okay.

5 MS. LIPSCOMB: ---work on trying to figure out where
6 frustration falls into all of this and actually found---

7 THE COURT: Isn't that, isn't that for a motion for
8 reconsideration stage?

9 MS. LIPSCOMB: It is. But I'm just telling you, to
10 the extent he can shed any light on whether or not
11 frustration---

12 THE COURT: To a reasonable person?

13 MS. LIPSCOMB: Right. Is a, is a part of emotional
14 distress, I think he's relevant -- I think it's relevant.
15 But I will just have to tell you it was a very difficulty
16 research project for me.

17 THE COURT: All right. Now, Mr. Aiken, your position
18 on the relevance or the propriety of this witness'
19 testimony at this stage?

20 What's your position?

21 MR. AIKEN: I agree with Ms. Lipscomb. I've done the
22 same thing.

23 THE COURT: It's just difficult to determine.

24 MR. AIKEN: Correct.

25 THE COURT: Without -- again, and I'm gonna repeat

1 myself, and I'm not gonna do it much more, this hearing
2 and this witness, or excuse me, this hearing was called
3 for the purpose of determining, if at all, what attorney's
4 fees would be awarded based on an amount. Not based on
5 the underlying guts of the abuse of process action.

6 Am I clear, Mr. Hammer?

7 MR. HAMMER: I hear what you're saying. Now---

8 THE COURT: No, sir, that's not my question.

9 Am I clear?

10 MR. HAMMER: To my mind, it's clear, yes, sir.

11 THE COURT: You said you hear me.

12 Do you understand me?

13 MR. HAMMER: I think I understand you, yes, sir. I
14 do believe that I understand you.

15 THE COURT: So, the witness is gonna testify to what
16 a reasonable person would be frustrated about?

17 MR. HAMMER: Well, I'm gonna ask the witness
18 questions---

19 THE COURT: I'm asking you.

20 Is that what you're going to ask him about?

21 MR. HAMMER: No, that's not -- that's not all I was
22 gonna ask him about.

23 THE COURT: All right. I mean I'm wondering out
24 loud.

25 Go ahead. You can ask all the questions you want to

1 ask, Mr. Hammer.

2 MR. HAMMER: Thank you, Your Honor.

3 THE COURT: Ms. Ballard---

4 MS. BALLARD: Subject to my objection.

5 THE COURT: You, you -- as you know, the Court of
6 Appeals especially, is especially cognizant of issue
7 preservation. I'll leave that to your good judgment.

8 MS. BALLARD: Yes, sir.

9 THE COURT: And Ms. Lipscomb and Mr. Aiken too.

10 MR. AIKEN: Thank you, Your Honor.

11 MS. BALLARD: We object to the relevance of this
12 testimony. It's outside the scope of the issues that are
13 being addressed, which are, at this point, actual damages
14 in the form of attorney's fees incurred by Shirley Hammer
15 for the abuse of process claim.

16 THE COURT: All right. Your objection, at this time,
17 is overruled and I'll make my determination about the
18 propriety of it at the conclusion.

19 Go ahead.

20 MR. HAMMER: Thank you, Your Honor.

21 CONTINUED DIRECT EXAMINATION

22 BY MR. HAMMER:

23 Q With your background and being recognized as an
24 expert, could you tell us what frustration is?

25 MS. BALLARD: Your Honor, he's not been recognized as

1 an expert.

2 THE COURT: All right. He's an expert in
3 psychotherapy, psychology, and what else?

4 MR. HAMMER: Sociology.

5 THE WITNESS: Sociology.

6 MS. BALLARD: Sociology.

7 THE COURT: Okay.

8 Q And those have to do with feelings that people have?

9 A That's part of it, yes.

10 Q All right. What is, what is frustration?

11 A Frustration is an emotion or feeling.

12 Q It's an emotional concept?

13 A Yes.

14 MR. HAMMER: Thank you, Your Honor. Nothing further.

15 THE COURT: Mr. Aiken.

16 MR. AIKEN: No questions from me, Your Honor.

17 THE COURT: Ms. Lipscomb.

18 MS. LIPSCOMB: None, Your Honor.

19 THE COURT: Ms. Ballard.

20 MS. BALLARD: None, Your Honor.

21 THE COURT: Thank you, sir. You can step down.

22 THE WITNESS: Thank you.

23 THE COURT: You may be excused.

24 Next witness, Mr. Hammer.

25 MR. HAMMER: That's all I have, Your Honor. I have a

1 motion.

2 THE COURT: Okay. Your motion?

3 MR. HAMMER: Your Honor has indicated that Your Honor
4 has not made a final decision and has not made a final
5 ruling.

6 THE COURT: The record will speak to what I said, but
7 you -- what is your motion?

8 MR. HAMMER: You haven't issued a final order is what
9 Your Honor said to begin with, and that being the case --
10 although Your Honor has indicated and ruled on our motions
11 in connection with that, what your outlook was and
12 feelings were, I call to Your Honor's attention that, that
13 the plaintiff, in all of her cases, dropped, withdrew,
14 voluntarily took a nonsuit with prejudice on all damages
15 for any type of emotional injury, emotional distress, any
16 type of emotional injury. And, so, we now renew our
17 motion for a, a nonsuit because our only evidence has been
18 in connection with emotional injury.

19 We're now -- subject to, subject to our objection to
20 the hearing that we made before Your Honor has already
21 ruled on, we now review -- we now renew our motion for a
22 nonsuit because there is no evidence of -- cause she's
23 withdrawn emotional distress and emotional injury, and the
24 only testimony and the only reasonable evidence of record
25 is that there is -- that frustration is an emotional

1 injury. It's an expert testimony. They're no other
2 testimony to contradict it. It's the only testimony of
3 record, and, so, therefore, frustration would not be a
4 proper element of damages. Therefore, attorney's fees
5 would not be a proper element of damages and, therefore,
6 we are entitled to a nonsuit.

7 THE COURT: Okay. Ms. Lipscomb.

8 MS. LIPSCOMB: I join in that motion, Your Honor.

9 THE COURT: Mr. Aiken.

10 MR. AIKEN: I join in that motion as well.

11 THE COURT: Ms. Ballard.

12 MS. BALLARD: Your Honor, I'll rest on my prior
13 arguments.

14 THE COURT: Okay. I noted that the witness'
15 testimony was that he considered frustration to be an
16 emotion or emotional response if that will assist anybody
17 in anything.

18 Okay. Any, any motions other than what Mr. Hammer
19 just made from 1634?

20 MS. BALLARD: Your Honor, we still have our motion.

21 THE COURT: 1634?

22 MS. BALLARD: Oh, I'm sorry.

23 MS. LIPSCOMB: None, Your Honor.

24 THE COURT: Mr. Aiken?

25 MR. AIKEN: Nothing further from me, Your Honor.

1 THE COURT: Ms. Ballard.

2 MS. BALLARD: In our case, Your Honor, we are --
3 would like to hand up on our issue related to our request
4 for punitive damages.

5 THE COURT: Okay.

6 MS. BALLARD: We would like to hand up the case of
7 Mitchell versus Ford Insurance Company, which was decided
8 by the---

9 THE COURT: I've got that. That's what I cited in
10 my, in the draft of the proposed order.

11 MS. BALLARD: All right, sir.

12 THE COURT: If you have an extra copy of that?

13 MS. BALLARD: Yes, sir, I do.

14 THE COURT: Thank you.

15 MS. BALLARD: Actually I have two if you need them.

16 THE COURT: And I've already made my findings of all
17 the elements---

18 MS. BALLARD: Yes, sir.

19 THE COURT: ---beyond -- by clear and convincing
20 evidence.

21 MS. BALLARD: Yes, sir, the reason I wanted to
22 mention the case is because it talks about, in determining
23 the amount of punitive damages, it boils down to an
24 analysis of the U.S. Supreme Court's decision, decisions
25 and the Gamble decision from the South Carolina Supreme

1 Court, and talks about the elements to be considered in
2 determining the amount of punitive damages to be awarded.

3 It boils it down to a concept of reprehensibility of
4 the conduct. It -- the ratio of actual damages to
5 punitive damages, although it points out that there is no
6 actual ratio that's been identified by the Court, and in,
7 particularly in going through the issues of
8 reprehensibility and upholding the punitive damages award
9 in that case, the Supreme Court noted several factors in
10 the conduct of the party against---

11 THE COURT: That's upholding an award. I haven't
12 made an award yet.

13 MS. BALLARD: Yes, sir, I'm talking about the amount,
14 what issues are relevant to the amount.

15 THE COURT: Okay.

16 MS. BALLARD: And those issues that should be
17 considered in determining an amount are the indifference
18 and reckless disregard of the conduct by the actor, the
19 pretext or misinterpretations, the motivations, the fact
20 that the party who is being awarded punitive damages was
21 vulnerable in one way or another, whether the acts were
22 repeated, whether there was deliberate indifference, or
23 whether the wrongdoer was aware of his wrongdoing.

24 The ratio, the ratio analysis adopted by the Supreme
25 Court, Your Honor, refers to the TXO case, again, for the

1 amount of damages, for bringing a frivolous claim, and
2 asks the Court to consider not just the damages that were
3 incurred, but the damages that might have been incurred.
4 That's what's important in punitive damages, in assessing
5 the amount of punitive damages.

6 If you look at the language of the Mitchell case,
7 specifically on Page 591, it specifically says that in
8 determining the amount of punitive damages, you should
9 consider the damages that could have been caused. Not
10 just the ones that actually were caused, Your Honor.

11 And the comparative penalty analysis, again, for
12 purposes of determining the amount, I frankly can't find
13 any cases that are comparable to this one. So, I don't
14 have anything to offer you on that. But I do -- I did
15 want to offer that case for purposes of the, determining
16 the amount of the punitive damages, and that's the only
17 thing I have on that.

18 THE COURT: Okay. Any response, Mr. Hammer?

19 MR. HAMMER: Yes, sir.

20 As Your Honor has astutely pointed out, you haven't
21 made a final decision yet. So, this is premature in our
22 view.

23 THE COURT: Well, a lot -- some of it might be. Some
24 analysis. A Trial Court is required to conduct a
25 post-trial review of the award of actual, excuse me,

1 punitive damages. I think I can probably do that all in
2 one. So, that's why I said what I said.

3 MR. HAMMER: Well---

4 THE COURT: Anything else you'd like to offer?

5 MR. HAMMER: Yes, sir, we, we feel as though that it
6 would be, it would be appropriate that the Court is
7 suppose to conduct a post-trial review. What she's asking
8 for is a prejudgment review, and I think that the evidence
9 that's been offered here today, as it relates both to the
10 case and to punitive damages, and the fact that Your Honor
11 has not issued a final order yet, that it's premature.

12 THE COURT: All right. Okay. I understand. That's,
13 that's very well put.

14 Ms. Lipscomb, anything?

15 MS. LIPSCOMB: Your Honor, just that -- just to
16 restate that I think the evidence, as to the attorney's
17 fees, was included at the earlier hearing. So, any
18 further evidence as to the attorney's fees should not be
19 taken.

20 I also think that the evidence is clear as to the
21 1634 case that the, the case had merit and was -- it's not
22 like there was a lot of, of depositions taken and
23 harassing and that sort of thing. And as to the case
24 brought in the Circuit Court, I explained earlier the
25 reason I thought that that was meritorious, I thought it

1 could have gone either way.

2 THE COURT: Okay. All right. Mr. Aiken.

3 MR. AIKEN: Nothing from me on the issue of punitive
4 damages, Your Honor.

5 THE COURT: Okay. Anything else, Ms. Ballard?

6 MS. BALLARD: The only other thing, Your Honor, is
7 that there's been some testimony here today about what the
8 Family Court orders require and all of that. I would just
9 note that, in determining the amount of punitive damages,
10 that Your Honor has those documents and can look at the
11 documents and determine whether the inferences that were
12 set forth in the testimony are accurate.

13 THE COURT: Okay. Anything else before we conclude
14 today's hearing---

15 MS. BALLARD: Yes, sir, Your Honor.

16 THE COURT: ---on, on Shirley Hammer?

17 MS. BALLARD: Yes, sir, Your Honor. We move for
18 sanctions under the Frivolous Civil Proceedings Sanctions
19 Act, 15-36-10. I'll hand up a copy to Your Honor. I
20 actually have two.

21 MR. HAMMER: Do you have a copy for us?

22 MS. BALLARD: I do not.

23 15-36-10(c)(1) indicates that, at the conclusion of
24 the trial, the court should conclude or should perform an
25 analysis, upon motion of the prevailing party, to

1 determine whether or not sanctions should be awarded.

2 If you look at the basis for sanctions being awarded,
3 it is 15-36-10 Subpart A-4. An attorney or a pro se
4 litigant participating in a civil or administrative action
5 may be sanctioned for, and, under Subsection A, there are
6 four separate categories of conduct which warrant the
7 imposition of sanctions, Your Honor. Subsections
8 4(A)(2)(3) and (4) are applicable to this case.

9 In addition, Section 4(B) about frivolous arguments
10 having been made is applicable to this case and Subsection
11 4(C) is also applicable to the analysis that Your Honor
12 should employ, employ.

13 Now, our motion for sanctions is against Mr. Howard
14 Hammer.

15 THE COURT: In both cases?

16 MS. BALLARD: No, sir, in the 1634 case.

17 THE COURT: You're not gonna make one in the other
18 case?

19 MS. BALLARD: Well, I'm doing it separately.

20 THE COURT: Okay. You're doing -- okay. You're
21 doing them separately?

22 MS. BALLARD: Yes, sir.

23 THE COURT: Okay.

24 MS. BALLARD: The motion in the 1634 case is against
25 Howard Hammer individually, against 1634 Main L.P., and

1 against the Attorney Art Aiken, who was representing
2 Mr. Hammer in the counterclaims that were brought in that
3 action because of the lack of merit.

4 THE COURT: Third party claims?

5 MS. BALLARD: Yes, sir, the third party claims.

6 THE COURT: Not the counterclaim?

7 MS. BALLARD: Not the counter -- I'm sorry. The
8 third party claims, yes, sir.

9 The reason we have not requested sanctions against
10 Ms. Lipscomb in that case, she has tried several times to
11 be relieved as counsel, and/or has, not this Court, but
12 the Court has refused her request to be relieved as
13 counsel, but we've taken good faith her ability, her
14 efforts to be relieved as counsel to the acknowledgments
15 of the lack of merit of the case, and, therefore, we're
16 not moving for sanctions.

17 THE COURT: Mr. Aiken doesn't represent Mr. Hammer
18 anymore---

19 MS. BALLARD: Yes, sir.

20 THE COURT: ---under 1634, does he?

21 MS. BALLARD: He represents him in third party
22 claims, yes, sir.

23 THE COURT: All right. So which -- I'm confused.
24 Mr. Aiken use to represent him in the other case?

25 MS. BALLARD: Until the morning of trial he

1 represented him in the 1634 case. If you'll recall, the
2 morning of trial---

3 THE COURT: He switched?

4 MS. BALLARD: Yes, sir.

5 THE COURT: Okay.

6 MS. BALLARD: If you'll remember, the morning of
7 trial. So, the morning of trial, which was October 29th,
8 if I recall correctly, he became the lawyer -- he no
9 longer had any involvement in 1634, but up until that
10 point he did.

11 THE COURT: All right.

12 MS. BALLARD: And in the Hammer versus Hammer case,
13 Your Honor, we move for sanctions under the Frivolous
14 Civil Proceedings Actions for all the same subsections
15 that, Your Honor, I have pointed out as against Howard
16 Hammer for the frivolous lawsuit that was brought and has
17 being recognized by Judge Manning in his order of
18 April 2010, and has, as was confirmed by the Court of
19 Appeals in their order affirming it, and, in fact, as
20 indicated by Ms. Lipscomb in her testimony now that, you
21 know, in retrospect, she would have done it differently.
22 She would have brought it in Family Court.

23 I think the---

24 THE COURT: Well, that's, that's not necessarily good
25 for you. It's just reflection in hindsight.

1 MS. BALLARD: It's were -- it's her acknowledgment
2 that the action should have been brought in Family Court
3 now that she knows what she knows.

4 THE COURT: Well, it depends on how you take her
5 testimony.

6 MS. BALLARD: Correct. Yes, sir. And, and I wanted
7 to point out a number of different things. In determining
8 whether sanctions should be awarded, Your Honor looks at
9 the conduct of the parties, excuse me, the conduct of the
10 moving parties, and I wanted to hand up a case of Ex
11 Parte: Bon Secours St. Francis Hospital, which was a case
12 in which Judge Baxley, sue sponte, awarded sanctions not
13 withstanding motions of parties, notwithstanding -- it was
14 on his own motion.

15 So, to the extent that the opposing parties might
16 argue that my timing for this motion is not appropriate,
17 the Court also has the authority, sua sponte, to impose
18 sanctions and attorney's fees under the Frivolous Civil
19 Proceedings Sanctions Act under Rule 11, and under its
20 inherent authority as affirmed by the Supreme Court in the
21 Bon Secours case.

22 THE COURT: That was a Rule 11 matter though, wasn't
23 it?

24 MS. BALLARD: Your Honor, what it was was they picked
25 a jury before lunch.

1 THE COURT: But that wasn't statutory in its context
2 to Title 15?

3 It was a Rule 11 case, wasn't it?

4 MS. BALLARD: They did it as a Rule 11. Yes, sir,
5 they did.

6 THE COURT: All right.

7 MS. BALLARD: And the Court talked about the
8 sanctions that are traditionally available to Courts, and
9 they pointed out that the judge made the motion himself,
10 sue sponte, without any motions of the parties and they
11 affirmed the judge's sua sponte award of sanctions under
12 the, under Rule 11. They did vacate some of the sanctions
13 that the Court, that Judge Baxley had awarded, which was
14 reimbursement to the Judicial Department of the Judge's
15 salary, and the letters of apology that the lawyers had to
16 write to the jurors.

17 what occurred in that case, Your Honor, is they
18 removed the case during the lunch break. They picked a
19 jury in the morning, impaneled their jury, swore the jury,
20 and then removed the case to Federal Court for a second
21 time over the lunch break, and Judge Baxley, sua sponte,
22 imposed a number of sanctions including letters of apology
23 and payment, I believe, of \$50 each to the jurors,
24 payments of his salary to the, to the court system, and
25 then sanctions and attorney's fees.

1 So, my point, in the Bons Secours case, is that any
2 of these arguments about my motion not being timely are
3 correct, and Your Honor sua sponta---

4 THE COURT: Not timely. I think they were saying
5 it's premature.

6 MS. BALLARD: I, I -- they're saying, on one hand,
7 it's premature, and, on the other hand, I heard Mr. Hammer
8 say I -- that the evidence was closed in October. So, I'm
9 not sure what their arguments are. But my point is,
10 despite anything I do, Your Honor has the authority, sua
11 sponta, to impose sanctions under the Frivolous Civil
12 Proceedings Act, and I believe I---

13 THE COURT: And does the, does the Charleston case
14 say that---

15 MS. BALLARD: None of the Frivolous---

16 THE COURT: ---or does it say that in Rule 11?

17 MS. BALLARD: No, it says it as to Rule 11.

18 THE COURT: All right.

19 MS. BALLARD: Thank you, Your Honor.

20 THE COURT: Okay. Mr. -- Ms. Lipscomb, you look like
21 you want to go first.

22 MS. LIPSCOMB: Your Honor, the only thing I wanted to
23 say, point out is I had -- we had filed, some time ago, a
24 copy of a notice of appearance to Mr. Art Aiken, and I had
25 not been able to locate, physically locate a copy over in

1 the Court, and I now have found one, and I'd like to hand
2 that---

3 THE COURT: And that would be in which case please?

4 MS. LIPSCOMB: That's in the Howard versus Shirley.

5 MS. BALLARD: I've been asking for that paper.

6 MS. LIPSCOMB: She's been asking for it, and I've
7 been looking for it, and finally---

8 THE COURT: That's in the clerk's file there?

9 MS. LIPSCOMB: It should be in the clerk's file.

10 So---

11 THE COURT: And just for the record, this is the one
12 that ends in 5911.

13 MS. LIPSCOMB: Right. And that was -- that's just
14 sort of kind of to clear up something, and I don't know if
15 that is gonna be adequate or if still Ms. Ballard wants me
16 to get an order from Judge Barber.

17 MS. BALLARD: I still wanted something that reflected
18 Mr. Aiken's role in the 1634 case. I haven't seen any---

19 THE COURT: Well, he came in that day and made his
20 appearance.

21 MS. BALLARD: On the record.

22 THE COURT: I think it's appropriate. He did.

23 MS. BALLARD: Okay.

24 THE COURT: And I -- and they explained to me -- Mr.
25 Hammer's explanation was certainly logical that Mr. Aiken

1 couldn't get to a deposition, and to avoid any question
2 about the deposition being taken, Mr. Aiken withdrew, and
3 Mr. Hammer stepped in to represent himself so he could
4 conduct the deposition.

5 MS. BALLARD: Okay.

6 THE COURT: I certainly understand.

7 MS. LIPSCOMB: And, Your Honor, the only other---

8 MS. BALLARD: Thank you. I just wanted to note that
9 I had received this.

10 THE COURT: Okay.

11 MS. LIPSCOMB: You had asked, at the last hearing, if
12 I had any case law on whether or not you can take judicial
13 notice of parts of the record in another case that --

14 THE COURT: In the Family Court.

15 MS. LIPSCOMB: -- that had not been actually
16 introduced. I found the case law. I will get it to you
17 and everybody else.

18 THE COURT: Well, what did that have to do with
19 again?

20 MS. LIPSCOMB: It's just Ms. Ballard asked you to
21 take judicial notice of---

22 THE COURT: And I think I respectfully declined her
23 offer --

24 MS. LIPSCOMB: Okay.

25 THE COURT: -- because this case is about, as far as

1 abuse of process is concerned, is about what happened in
2 this courtroom.

3 MS. LIPSCOMB: I just wanted -- I had, had wanted---

4 THE COURT: It's at least -- let me back up. I
5 received evidence from Mr. Madden, as an, as an
6 underpinning of how it came to pass that 1634 took the
7 position that Shirley had the interest or claim she had
8 and why it chose to sue her.

9 MS. LIPSCOMB: Okay.

10 THE COURT: But I did take some testimony from a
11 family court lawyer, but what went on in the Family Court
12 as far as a transcript is concerned, I don't -- I remember
13 Ms. Ballard asking me to do that, but I think I declined
14 her offer.

15 MS. LIPSCOMB: Okay. I just wanted to tie up that
16 loose end. It's been bothering me.

17 THE COURT: Okay. Well, maybe you can hand me the
18 case so I can, so I can have it for another day.

19 You're talking about from one Court to the next or
20 from one jurisdiction to the next?

21 MS. LIPSCOMB: From one Court to the next. It
22 actually has to be introduced.

23 THE COURT: I see.

24 Okay. So, it's a proof issue, not an actual
25 admissibility issue?

1 MS. LIPSCOMB: Correct.

2 THE COURT: Okay. Go ahead, Mr. Aiken.

3 MR. AIKEN: Your Honor, since I've been thrown into
4 the mix as to sanctions in this case, I think it's
5 important for me to make a couple of points.

6 Number one, I initiated no lawsuit in this entire
7 process. Not a single one. All I did was do what every
8 good defense lawyer would do, as far as 1634 is concerned,
9 and that is defend my client on third-party claims that
10 were initiated by Ms. Ballard and her client against my
11 client. That's all I did.

12 THE COURT: Well, I -- and, frankly, on the surface
13 of it, I agree with you. You did not bring an action
14 against him, and my findings in the complaint were based
15 on Mr. Hammer's conduct as the sole member of SH5, which
16 is the general partner of 1634.

17 MR. AIKEN: Yes, sir.

18 THE COURT: Now, forgive me for being dense.

19 MR. AIKEN: Yes, sir.

20 THE COURT: Because you're gonna wonder why I'm
21 asking this question again.

22 You represented Mr. Hammer in the Hammer v.
23 Hammer 2009 matter only.

24 When did your representation start?

25 MR. AIKEN: Well, initially, Your Honor, I

1 represented Mr. Hammer as a third-party defendant in the
2 1634 case.

3 THE COURT: From the beginning?

4 MR. AIKEN: From -- not from the beginning, Your
5 Honor.

6 THE COURT: At some point?

7 MR. AIKEN: Yes, sir, and I can tell you when that
8 was.

9 THE COURT: But you defended claims?

10 MR. AIKEN: I defended claims. That's all I did.

11 THE COURT: All right. And the Howard Hammer versus
12 Shirley Hammer, you entered your notice of appearance on
13 October 19th?

14 MR. AIKEN: Correct.

15 THE COURT: Of 2012?

16 MR. AIKEN: Correct.

17 THE COURT: Did you have any involvement in it from
18 that point?

19 MR. AIKEN: In 16---

20 THE COURT: Excuse me. Before that point.

21 MR. AIKEN: In Howard Hammer versus Shirley Hammer?

22 THE COURT: Yes, sir.

23 MR. AIKEN: No, sir.

24 THE COURT: All right.

25 MR. AIKEN: I was not involved as a lawyer before

1 that point.

2 THE COURT: And I interrupted you to clarify it again
3 in my mind so you can continue.

4 MR. AIKEN: Yes, sir, that's, that's all I have to
5 say, Judge. I acted in the finest tradition of a defense
6 lawyer doing the best you can to beat down the other
7 side's claim --

8 THE COURT: Okay.

9 MR. AIKEN: -- within the rules, within the bounds of
10 the law, and that's what I did.

11 THE COURT: All right.

12 MR. AIKEN: Thank you, Judge.

13 THE COURT: Mr. Hammer, anything?

14 MR. HAMMER: Your Honor, may I see what she handed up
15 to you for the---

16 THE COURT: Yes, sir, what I'll do is she gave two
17 copies of the Bon Secours case and the---

18 MS. BALLARD: I gave him one.

19 THE COURT: Okay. Are you talking about the notice
20 of appearance?

21 MR. HAMMER: No, the, the actual statute she handed
22 up, Judge.

23 THE COURT: Yes, sir, you can have that. I've got a
24 copy of it. You can keep that.

25 MR. HAMMER: If Your Honor will give me just a

1 moment?

2 (Pause.)

3 MR. HAMMER: If Your Honor will give me one moment
4 please?

5 THE COURT: Certainly.

6 (Pause.)

7 THE COURT: Ms. Lipscomb, while they're looking at
8 that, can I ask you a procedural question?

9 The motion that Mr. Hammer made to quash the hearing
10 notice, et cetera, you did not file a notice -- written
11 motion along those lines, do you?

12 MR. HAMMER: No, I did not.

13 THE COURT: I'm asking -- you did because you
14 filed---

15 MR. HAMMER: No, I'm sorry. I filed---

16 THE COURT: You didn't file a written motion along
17 those lines, did you?

18 MS. LIPSCOMB: No, sir.

19 THE COURT: And, Mr. Aiken, there was some mention in
20 his, Mr. Hammer's cover letter that you were filing a
21 motion too.

22 Did you actually file one?

23 I just want to make sure whatever I'm reviewing --
24 all of this.

25 MR. AIKEN: I got an e-mail from Ms. Ballard saying

1 she didn't get one.

2 MS. BALLARD: It was filed.

3 THE COURT: Okay.

4 MR. AIKEN: I thought it was.

5 THE COURT: All right.

6 MS. BALLARD: I eventually got it.

7 THE COURT: All right. Mr. Hammer.

8 MR. HAMMER: Your Honor, I'm not sure what
9 Ms. Ballard is, is doing right now, but it's not in accord
10 with the Frivolous Act Statute.

11 THE COURT: Thirty days notice?

12 MR. HAMMER: With -- it has to be in writing. It has
13 to be all types of things put in. So, I don't know what
14 that argument was about.

15 So, we object to that argument and ask that it be
16 stricken from the record and ask that she comply with the
17 statute, with the terms of the, with the terms of the
18 section. If there needs to be a hearing, there needs to
19 be a frivolous -- if she wants to make a motion on a
20 frivolous action or if we want to make a motion on a
21 frivolous action, because if Your Honor will recall, they
22 are -- there were -- there's a malicious prosecution
23 action, which was brought twice, which was brought---

24 THE COURT: Wait. You haven't filed a motion. So --
25 or you haven't made a motion.

1 Right now I'm asking you if you have any response to
2 anything she said?

3 MR. HAMMER: Yes, I'm responding that hers is out of
4 order, that she hadn't filed a proper motion, and that,
5 and that she hasn't complied with the statute. She hasn't
6 given the 30-days notice. She hasn't done all of those
7 things.

8 When she does those things, then it would be
9 appropriate for Your Honor to consider the frivolous
10 sanctions and only after she does those things would it be
11 proper for you to consider it either for her or for any of
12 us that may file on account of the actions that she has
13 filed and been dismissed.

14 THE COURT: Okay. Thank you.

15 MS. BALLARD: May I respond to that, Your Honor, very
16 briefly?

17 THE COURT: I thought we were -- yeah, go ahead.

18 MS. BALLARD: Yes, Your Honor.

19 In response to that, I am filing with the Court my
20 motion for sanctions.

21 THE COURT: In both cases?

22 MS. BALLARD: Yes, sir.

23 THE COURT: Well, I'm not gonna take money. If you
24 want to file motions, you're gonna have to do that---

25 MS. BALLARD: All right. I'll take it, I'll take it

1 to the Clerk's Office. These are copies for you and your
2 law clerk.

3 THE COURT: Okay. And these are in both cases
4 because this one is only in 2880 -- okay. This is a joint
5 motion.

6 MS. BALLARD: Yes, sir.

7 THE COURT: All right.

8 MS. BALLARD: And anticipating Mr. Hammer's
9 objection---

10 THE COURT: Okay. Here's what I'm gonna do.

11 MS. BALLARD: Yes, sir.

12 THE COURT: And I don't want anybody to stand up and
13 say they want to say something until I finish, and then I
14 might not even let you because, you know, I got the floor
15 right now.

16 Okay. I thought, obviously mistaken, that everyone
17 would be eager to resolve all, resolve all of this at
18 once, in one hearing, in one setting, with one go round.
19 Obviously I was wrong.

20 It would be -- it would have been logical to me to
21 have information, evidence, whatever you want to call it,
22 received on the issue of attorney's fees, which would be
23 identical in the abuse of process and identical in the
24 frivolous proceedings matter so we wouldn't have to do it
25 twice.

1 Obviously, if attorney's fees were to be awarded
2 against Mr. Hammer or 1634 L.P. in either of the causes of
3 action under the abuse of process or for abuse of process,
4 Ms. Hammer wouldn't be able to collect them again, the
5 damages in the frivolous proceedings matter if those
6 numbers were identical.

7 Going back, I thought it would be logical, obviously
8 I was totally incorrect about it being logical, to hear
9 all of this at once. So what I'm inclined to do, and
10 don't read anything into this as being a definitive
11 ruling, what I am inclined to do is make my ruling on
12 actual damages and punitive damages, and then we'll
13 reserve the frivolous proceedings matter to be taken up on
14 proper notice and give Mr. Hammer and 1634 L.P. the
15 requisite 30-day time period.

16 Okay. I'm inclined to agree on the surface with
17 Mr. Aiken that he is not sanctionable in this case.
18 That's -- again, Mr. Aiken, that's my gut feeling on the
19 surface. I've already made the ruling in the order that I
20 drafted, at least in my mind, that Ms. Lipscomb is not to
21 be frowned upon for anything that she did, and, quite
22 frankly, when I was reading the draft of my proposed order
23 last night, I penciled in Mr. Aiken along with that.

24 And to the -- that order's not final yet because I
25 haven't signed it. But in any event, thank you for your

1 attendance today. I will issue my written order, and it
2 will be filed, and it will be served.

3 I will, to avoid any confusion, not undertake to
4 communicate with anybody by e-mail about anything unless I
5 initiate it, and it will be for scheduling only. I will
6 not discuss who did what to whom. I will not discuss
7 anything about when we're gonna be somewhere and what
8 time.

9 In that regard, I will issue hearing notices for a
10 specific time and date. If anybody objects to it, they'll
11 have to file a request for a continuance because my
12 efforts to set a date that I thought would be logical
13 became an examination of my motives and my tone in e-mails
14 and in this courtroom. Certainly don't take that
15 personally, but I do reject any argument Mr. Hammer has
16 made in that regard.

17 So, all of my communications with all of you will be
18 by letter and that is it.

19 No, sir, you can sit down. I told everybody to sit
20 down. Nobody stands up while I'm talking.

21 MR. HAMMER: I'm sorry. I thought you---

22 THE COURT: Okay. Now, next, the motion for a
23 mistrial is denied. I have not prejudged this case
24 despite the arguments that have been made in that regard.
25 I have made my rulings about whether or not I think the

1 elements of abuse of process have been established by the
2 greater weight of the evidence.

3 As you will recall, in one of those ill-fated e-mails
4 I stated that I may change my mind, but that's what my
5 feeling was at the time.

6 Now, the fact that I made the decision that the
7 elements of abuse, of abuse of process had been met by
8 Shirley Hammer does not color my decision as to whether or
9 not attorney's fees should be awarded, whether or not
10 they've been proven, and whether or not the presentation
11 today is an appropriate extension of the presentation of
12 evidence.

13 All right. Now, next, any motion made by Mr. Hammer
14 about my tone to him today indicating that I should mistry
15 this case is rejected. That is denied.

16 I think I've covered everything. If I have not, when
17 my order is issued, you can make appropriate motions for
18 reconsideration, and then we'll do it the old way before
19 e-mail existed.

20 All right, sir. That, that concludes the record.

21 MS. BALLARD: Thank you.

22 MR. HAMMER: Your Honor, may I ask a question?

23 THE COURT: Yes, sir.

24 MR. HAMMER: On the -- on the matter that Ms. Ballard
25 is filing a motion on, is it my understanding that the

1 30-days begins to run from now or from the time---

2 THE COURT: No.

3 MR. HAMMER: ---the motion should be filed or after
4 Your Honor, after Your Honor issues his order?

5 THE COURT: I knew that that would be an issue, and
6 what I will do is I'm gonna set that hearing for a time
7 where nobody has any question about the 30-days.

8 Now, you can certainly use your good common sense, as
9 I'm sure, as I am sure Mr. Aiken and Ms. Lipscomb will
10 use, and get cracking on it. You got a copy of it.

11 Now, I do not agree that Ms. Ballard will have to
12 refile her motion to coincide with the post-issuance of my
13 order. If y'all want to take that up from here to kingdom
14 come on an appellate basis, that's fine. I don't know
15 what you consider to be notice. The only thing -- I'm not
16 gonna rule ahead of time.

17 Ms. Ballard, if you want to save your money and file
18 it after I issue my order, that will probably keep another
19 little hairy issue from popping up.

20 MS. BALLARD: Thank you, Your Honor.

21 THE COURT: But at least he's got a copy of it in his
22 hand.

23 Okay.

24 MR. HAMMER: And, Your Honor, may I say, having had
25 the opportunity to have heard all that Your Honor had --

1 the matter in which Your Honor conducted this whole trial,
2 which is a little different from my impression of what the
3 tone of what I was presented with at first, at first, I
4 would like to apologize for that comment. That comment
5 was based on a small portion of the picture and not the
6 entire portion. If Your Honor had given me the
7 opportunity I would have withdrawn it before Your Honor
8 had to---

9 THE COURT: All right.

10 MR. HAMMER: ---had to have made a motion on that,
11 and, for the record, I do withdraw those comments---

12 THE COURT: All right, sir.

13 MR. HAMMER: ---based upon the entire set of
14 circumstances, and I apologize to Your Honor for having
15 said that. They were based on, as I say, a small portion,
16 a small picture without having seen the entire picture. I
17 apologize for that to Your Honor.

18 THE COURT: All right. Do you withdraw your motion
19 for a mistrial?

20 MR. HAMMER: Yes, I do, Your Honor.

21 THE COURT: All right, sir. Thank you very much for
22 your participation, and I wish everybody a nice evening.

23 MS. LIPSCOMB: Thank you, Judge.

24 MR. AIKEN: Thank you, Your Honor.

25 MS. BALLARD: Thank you.

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* * *END OF REQUESTED TRANSCRIPT OF RECORD* * *

C E R T I F I C A T E

I, Pamela E. Green, Official Court Reporter for the Seventh Judicial Circuit of the State of South Carolina, do hereby certify that the foregoing is a true, accurate and complete Transcript of Record of the proceedings had and evidence introduced in the trial of the captioned case, relative to appeal, in the Circuit Court for Richland County, South Carolina, on the 15th day of January, 2013, as reported by Thelma Salters and transcribed by myself to the best of my ability.

I do further certify that I am neither of kin, counsel nor interest to any party hereto.

October 16th, 2013

PAMELA E. GREEN, Court Reporter



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TO: Susan Batten Lipscomb, ESQ.
1634 Main St., Suite 200
Columbia, SC 29202

IN RE: 1634 Main, LLP Vs. Shirley Hammer

Case Number: 2012-CP-40-2889

DATE: September 23, 2013

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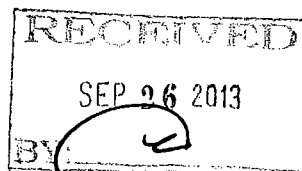
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Crystal Holmes

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF RICHLAND) 2009-CP-40-5911

Howard Hammer,)
Plaintiff,)
vs.) TRANSCRIPT OF RECORD
Shirley Hammer,)
Defendant.)

May 1, 2013
Columbia, South Carolina

B E F O R E:

HONORABLE GEORGE C. JAMES, JR., JUDGE.

A P P E A R A N C E S:

ARTHUR KERR AIKEN, ESQUIRE
Attorney for Plaintiff and Pro Se

SUSAN B. LIPSCOMB, ESQUIRE

HOWARD HAMMER, ESQUIRE
Pro Se

DESA BALLARD, ESQUIRE
Attorney for the Defendant

Crystal Holmes
Official Court Reporter

E X H I B I T S

<u>NO.</u>	<u>DESCRIPTION</u>	<u>I.D.</u>	<u>EVD.</u>
1			
2	Mr. Hammer's-1	Letter from Ms. Weissenstein	
3		dated February 15, 2013	33
4	Mr. Hammer's-2	Certified Copy Showing	
5		the Date of Entry of Judgment	35
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I N D E X

WITNESS DIRECT CROSS REDIRECT RECROSS

(REPORTER'S NOTE: NO WITNESSES TESTIFIED AT THE
HEARING.)

1 Wednesday, May 1, 2013:

2 THE COURT: All right, we're ready to go forward
3 on the motions of certain parties to dismiss the
4 Plaintiff's -- excuse me, Shirley Hammer's Motion for
5 Sanctions. Have you agreed among yourselves who is going
6 to go first, second, third?

7 MR. AIKEN: We talked about it on our side. It
8 seems to me it would make sense to go forward first on
9 the case, Howard Hammer versus Shirley Hammer.

10 THE COURT: All right.

11 MR. AIKEN: Because that would just involve me
12 as counsel.

13 THE COURT: Okay.

14 MR. AIKEN: And as -- I guess I'm pro se as well
15 in that since I'm also a Respondent on the sanctions
16 motion.

17 THE COURT: In certain respects, perhaps not
18 monetarily but yeah, I...

19 MR. AIKEN: So -- so I -- I need to make it
20 clear for the record, I'm -- I'm appearing on behalf of
21 Howard Hammer in the case of Howard Hammer versus Shirley
22 Hammer which is 2009-CP-40-05911. And I am also
23 appearing on behalf of myself as an additional Respondent
24 on the Motion for Sanctions.

25 THE COURT: And, Mr. Aiken, if you could please

HAMMER V. HAMMER

1 refresh my memory, and maybe you can't, but the record
2 will establish it, you didn't become counsel in that case
3 until the very very end?

4 MR. AIKEN: That's correct.

5 THE COURT: And that was actually the day of the
6 trial?

7 MR. AIKEN: That's correct. I filed the Notice
8 of Appearance the evening before the trial started in
9 that particular case.

10 THE COURT: And the Motion for Sanctions, in my
11 mind, is not directed at defending claims. You only
12 defended existing claims.

13 MR. AIKEN: That is correct.

14 THE COURT: You did not -- you did not advance
15 any claims for Mr. Hammer?

16 MR. AIKEN: I did not.

17 THE COURT: Okay. So in that respect, I'll be
18 glad to hear from you.

19 MR. AIKEN: Yes, sir.

20 THE COURT: And you're representing yourself ---

21 MR. AIKEN: Yes, sir.

22 THE COURT: --- do you think that's appropriate?

23 MR. AIKEN: Well, as -- as it relates to this
24 particular motion, the positions of myself appearing pro
25 se, and my positions as counsel for Mr. Hammer, are

1 identical.

2 THE COURT: Okay, all right.

3 MR. AIKEN: Your Honor, I don't think it's
4 necessary for us to go through the -- the procedural
5 history of this case. Basically, what we have here is we
6 have a Motion for Sanctions that's been filed by the
7 Defendant in this case, Shirley Hammer. And it's
8 important however, under the facts, to sort of get a
9 timeline constructed her.

10 The Motion for Sanctions was filed on January
11 15th, 2013. The Order of Final Judgment in this case was
12 filed January 29th of 2013. And in this case, I was
13 served as counsel for Mr. Hammer and as my -- as myself
14 pro se with the Motion for Sanctions on February 13th of
15 2013.

16 Now the Order -- or the Motion was discussed at
17 the hearing we had on January the 15th and Ms. Ballard
18 handed up an unfiled copy of the Motion for Sanctions at
19 that time and she also dropped one copy of the Motion on
20 the desk of Defense counsel.

21 THE COURT: On that day ---

22 MR. AIKEN: On that day.

23 THE COURT: --- in January?

24 MR. AIKEN: Yes, sir, on that day.

25 MS. BALLARD: Defense counsel?

1 MR. AIKEN: I mean, Plaintiff's counsel.

2 Our first argument, Your Honor, is that the
3 January 15th Motion for Sanctions is a nullity. Under
4 the -- under the Frivolous Claims Statute, the claim for
5 sanctions only arises after a favorable verdict is
6 entered for the party who makes the Motion for Sanctions.
7 In other words, that claim does not arise or become ripe
8 until the final judgment. And it's important in -- in
9 our view, to hold a pre-verdict or pre-judgment sanctions
10 motion a nullity because of the text of the statute and
11 also because of the -- of practical considerations.

12 First, from the text of the statute, it refers
13 to a motion filed by the prevailing party. Now, if you
14 think about that, prevailing party, until such time as
15 there's been an Order of Final Judgment in the case,
16 there is no prevailing party, all right. So as the text
17 of the statute suggests that a pre-verdict, pre-judgment
18 Motion for Sanctions is null and void.

19 Another concern is this, Judge, under the
20 statute, when the Motion for Sanctions is filed, it has
21 to be of course served on people who are subject to the
22 claim for sanctions, they're required to be given notice.
23 And from the date that they are served with the Motion
24 for Sanctions, they have 30 days to respond to that
25 Motion for Sanctions and say ---

1 THE COURT: I don't know if it's 30 -- well, 30
2 days before a hearing can be held.

3 MR. AIKEN: Okay.

4 THE COURT: I don't know if it's 30 days to
5 respond.

6 MR. AIKEN: Okay, okay. But in any event,
7 Judge, you can -- you could end up with the anomalous
8 situation where somebody makes a Motion for Sanctions
9 that comes up for a hearing and the final judgment hasn't
10 even been entered in the case. So, our position is
11 logically, and according to the text of the statute, this
12 Motion for Sanctions is null and void.

13 THE COURT: And you think it's a nullity because
14 it was not -- it didn't exist before January 29?

15 MR. AIKEN: Correct.

16 THE COURT: And even though it was there in
17 written form and you knew what they were asking for, you
18 just have to reserve it and maybe refile it?

19 MR. AIKEN: I think renew it, refile, reserve.
20 But see our position, Judge, is on the date of that
21 hearing on January 15th, we weren't served. We just got
22 a copy that was dropped on -- one copy for the lawyers,
23 dropped on our desk.

24 THE COURT: All right. So how about the
25 February 13 date?

1 MR. AIKEN: That's the date of service of the
2 Motion for Sanctions.

3 THE COURT: And service by mail?

4 MR. AIKEN: That's correct.

5 THE COURT: And -- and why isn't that timely or
6 fit within the requirements of the statute?

7 MR. AIKEN: Well, it doesn't because -- because
8 the Motion, as originally filed ---

9 THE COURT: Didn't exist?

10 MR. AIKEN: Didn't -- didn't exist, I mean,
11 because the claim didn't exist at that point. But, you
12 know, our next argument is that in -- in your Order that
13 you entered January 29, 2013, according to the text of
14 that Order, it appears that you denied that -- that
15 sanctions I had claimed without prejudice to Shirley
16 seeking relief according to the text of your Order, after
17 this matter was concluded. And that is on page 41.

18 THE COURT: Read it to me, please.

19 MR. AIKEN: Yes, sir. It says, if -- it
20 discusses the frivolous claim claim and then it ---

21 THE COURT: I've got the Order here.

22 MS. BALLARD: Oh, I'm sorry.

23 MR. AIKEN: And then it says, as a result, the
24 Court denies that claim without prejudice to Shirley's
25 right to seek relief under the SCFCPA after this matter

1 is concluded.

2 THE COURT: And what paragraph number are you

3 ---

4 MR. AIKEN: Number 133 on page 41.

5 THE COURT: My page -- is that a draft?

6 MS. BALLARD: Your Honor, could I hand you up a
7 copy of the final motion?

8 THE COURT: That would be helpful because that
9 doesn't correspond with my page numbers.

10 MS. BALLARD: This is a copy of the final motion
11 and he's referring to the top paragraph.

12 THE COURT: Okay. Thank you.

13 (Pause.)

14 THE COURT: Okay, I understand what you're
15 taking about. I've got it now.

16 MS. BALLARD: Okay.

17 MR. AIKEN: Okay, Judge. And the motion was
18 neither renewed or refiled after the filing of that Order
19 entering final judgment. And that is the only sanctions
20 motion that's ever been filed by the Defendant in this
21 case.

22 And our final argument, Your Honor, is that the
23 Motion for Sanctions is untimely. You know, under the
24 black letter law of this state, a trial judge loses
25 jurisdiction over a case when the time to file post-trial

1 motions has elapsed. And that was recognized by the
2 Court of Appeals in the case of Pittman versus Republic
3 Leasing...

4 THE COURT: When -- when was the motion filed?

5 MR. AIKEN: The Motion for Sanctions?

6 THE COURT: Yes, sir.

7 MR. AIKEN: January 15th.

8 THE COURT: In other words, pretty much right
9 after that hearing.

10 MR. AIKEN: I believe it was that afternoon,
11 Judge.

12 THE COURT: And you put this in the same
13 category as a Rule 59 and a Rule 52, whatever the other
14 numbers are?

15 MR. AIKEN: Yes, sir.

16 THE COURT: You put that in the same category?

17 MR. AIKEN: Yes, sir. And we -- we have two
18 cases, Pittman versus Republic Leasing and Ex Parte
19 Alexander T. Beard.

20 THE COURT: All right.

21 MR. AIKEN: Here are the two cases.

22 THE COURT: Thank you.

23 MR. AIKEN: And in both of those cases, the
24 Court of Appeals analogized the Motion for Sanctions with
25 Rule 59(e) of the South Carolina Rules of Civil

1 Procedure, the famous alter or amend motion. And Rule
2 59(e) says that a Motion to Alter or Amend a judgment
3 shall be served not later than 10 days after receipt of
4 written notice of the entry of the order. The Order was
5 filed January 29th of 2013. You -- you actually mailed
6 it to the parties the same day, on the 29th. I received
7 it on the 30th, Mr. Hammer did, Ms. Lipscomb did.

8 THE COURT: That was the filed motion?

9 MR. AIKEN: Yes, sir. It was the filed Order,
10 the filed Order in the case.

11 THE COURT: And let's just assume a couple of
12 days for delivery ---

13 MR. AIKEN: Yes, sir.

14 THE COURT: --- January 31.

15 MR. AIKEN: I would say at -- at the latest
16 would be the 31st because I think we all -- all the other
17 attorneys received it on the 30th. But in any event, 10
18 days will take from the 31st, would make the Motion due
19 Feb -- or Motion -- Motion would need to be served on
20 February 11th, 2013, which is two days before this Motion
21 was actually served.

22 THE COURT: Okay.

23 MR. AIKEN: And, Your Honor, I -- I have
24 prepared a brief Memorandum of Law. I've given a copy of
25 it to Ms. Ballard and I would like to hand that up to

1 you. It's only about three pages or so.

2 THE COURT: All right.

3 MR. AIKEN: Thank you, Judge.

4 THE COURT: So in a nutshell, your position is
5 that the motion, as filed on January 15, was a nullity
6 even if it survives that analysis, her putting it on your
7 desk on that day is a moot act because she was not yet
8 the prevailing party. And that the Frivolous Proceedings
9 Sanctions Act motion falls into the same category as a
10 Rule 59 motion.

11 MR. AIKEN: Yes, sir.

12 THE COURT: And since it was not -- I don't know
13 whether the statute -- I do know there's case law that
14 talks about -- well, does the 10 days apply to filing of
15 the motion or does it apply to service of the motion,
16 because the rule says, made?

17 MR. AIKEN: Yes, sir.

18 THE COURT: And there is a case that answers the
19 question of what the word, made, means and it's poorly
20 drafted, and with all due respect to whoever drafted it,
21 motions aren't made, motions are filed and then they're
22 served.

23 MR. AIKEN: Yes, sir.

24 THE COURT: So ---

25 MR. AIKEN: Well.

1 THE COURT: That's -- that's ---

2 MR. AIKEN: Yes, sir.

3 THE COURT: There is a case on it.

4 MR. AIKEN: Yes, sir. And the new trial motion .
5 section of Rule 59 says that, the motion for a new trial
6 shall be made promptly after the jury is discharge.

7 THE COURT: And there's a case that says what
8 that means.

9 MR. AIKEN: Yes, sir. But if you look further
10 down, it talks about new trials granted on initiative of
11 the court and it says, not later than 10 days after entry
12 of judgment, the court of its own initiative may order a
13 new trial for any reason for which it might have been
14 granted a new trial -- might have granted a new trial on
15 the motion of a party. After giving the parties notice
16 and an opportunity to be heard on the matter, the court
17 may grant a motion for a new trial, timely served, for a
18 reason not stated in the motion.

19 THE COURT: So you ---

20 MR. AIKEN: Okay.

21 THE COURT: So there is a case, I think, that
22 you ---

23 MR. AIKEN: Yes, sir.

24 THE COURT: We can figure that out.

25 MR. AIKEN: The thing is, the Motion to Alter or

1 Amend, 59(e) rule, says that a Motion to Alter or Amend
2 the judgment shall be served not later than 10 days.

3 THE COURT: All right.

4 MR. AIKEN: Thank you, Judge.

5 THE COURT: All right. Who wants to go next?

6 MR. HAMMER: Your Honor, we would like to --
7 since these cases are separate, we think that she should
8 answer for this case.

9 THE COURT: Are all of your positions the same?

10 MR. HAMMER: There might be a slight difference

11 ---

12 THE COURT: All right. I would like to hear all
13 of your comments and then I'll go to her. I'm not going
14 to hear argument about that. That's my ruling.

15 MR. HAMMER: All right. I would like to enter
16 an objection in the record that that is a denial of due
17 process for this reason. That these cases are separate.
18 That not to require her to respond to a separate case,
19 that denies me of my due process to have my case
20 separately heard. It makes the record all one record and
21 it denies me the right to later on take a portion of the
22 record and use it for my case, if I should appeal. Say
23 they don't appeal ---

24 THE COURT: All right. I've heard you. Ms.
25 Lipscomb, do you agree with that?

1 MS. LIPSCOMB: (No response.)

2 THE COURT: I mean, I've heard hundreds of
3 motion terms and I've never heard that argument before
4 but I'm not surprised that I hear it today.

5 All right, Ms. Ballard.

6 MS. BALLARD: Thank you, Your Honor. The -- as
7 Your Honor would recall, at the conclusion of the January
8 15th hearing, and I don't have the transcript of that
9 yet, we discussed the fact that one of my earlier
10 pleadings had already filed a motion for frivolous -- for
11 relief under the Frivolous Civil Proceedings Sanctions
12 Act. And I don't have that particular pleading in front
13 of me. But the Court indicated at that time that you
14 would defer ruling on that. That same day I did of
15 course serve a copy of the Motion for Sanctions on
16 opposing counsel and on Mr. Hammer and ---

17 THE COURT: In what manner, by mail?

18 MS. BALLARD: No, sir. I handed it to them and
19 I filed an Affidavit of Service which I copied to them
20 which is in the file, clocked in on January 17th. I can
21 hand up a copy, Your Honor.

22 THE COURT: Okay. Thank you.

23 MS. BALLARD: Thank you. I filed that
24 Certificate of Service and of course served it on each of
25 the individuals by mail.

1 Your Honor did indicate in your ruling on page
2 41, paragraph 133, that you instructed me to serve a
3 filed copy of the motion on all of the parties. Well, I
4 did that already before your Order came. I did that on
5 January 15th by mail -- excuse me, by hand delivery as
6 indicated by that Certificate of Service. But then I did
7 it again, Your Honor, after we received you Order which
8 we received -- and I'll hand everyone a copy of this. We
9 received your Order on January 30th, Your Honor. We have
10 an electronic system that scans the date received on
11 everything when it's scanned into the system.

12 THE COURT: That's in your office?

13 MS. BALLARD: Yes, sir. The received stamp in
14 the upper left, excuse me, right corner is an automated
15 system. When we scan something, it indicates when we
16 received it and how we received it.

17 THE COURT: All right.

18 MS. BALLARD: So, under the rule provisions of
19 the Circuit Court Rules, the first -- the next day would
20 be the 31st and we count that. The 10th day ends on the
21 10th. Pursuant to Rule 6(e), because everything was done
22 by mail, you add five additional days. And therefore,
23 the filing and service of the motion on the 13th was, of
24 course, timely.

25 THE COURT: Is there any case law that says the

1 five additional days applies to a Rule 59 motion or is it
2 just in the rule itself? Are you saying that's just a
3 commonsense reading of the five day rule?

4 MS. BALLARD: It's the five day rule and Your
5 Honor was very cautious. If you will remember, we had
6 been doing a lot of things by e-mail and Your Honor
7 particularly said, we were not going to do the service of
8 the Order by e-mail. And that's why we did it the way we
9 did it when we mailed it.

10 The 15-36-10 itself does not say when the motion
11 has to be filed. In the cases that Mr. Aiken has handed
12 up said that 60 days later is too late. It seems to
13 equate it to Rule 59(e) but it's not the same thing. And
14 under Mr. Aiken's theory that it has to be final before
15 my obligation to serve the motion on him, it's not final
16 yet because their Motions for Reconsideration are still
17 pending. So technically I haven't prevailed yet under
18 their argument because they have filed Motions for
19 Reconsideration. So ---

20 THE COURT: So let me break down ---

21 MS. BALLARD: Yes, sir.

22 THE COURT: --- kind of like I did with
23 Mr. Aiken.

24 MS. BALLARD: Yes, sir.

25 THE COURT: You said that the Act itself does

1 not say when the motion has to be filed?

2 MS. BALLARD: That's correct.

3 THE COURT: In just the cases he cited, say that
4 -- one of them says 60 days is too long ---

5 MS. BALLARD: Right.

6 THE COURT: -- but it doesn't say about any
7 other time?

8 MS. BALLARD: Correct.

9 THE COURT: What do you say about his position
10 that this falls in the same category as a Rule 59 motion?
11 Do any of these cases say that?

12 MS. BALLARD: Not -- he just handed them to me
13 this morning and I haven't had a chance to read them.
14 But I'm not aware of a case that says that it's exactly
15 the same. And so I rely on the statute itself which is
16 clearly as the legislative remedy as opposed to the court
17 rules which are judicial remedies that are provided by
18 the Supreme Court. I think this is an entirely separate
19 animal that's created by the General Assembly. If my
20 motion was pursuant to Rule 11, perhaps he would have a
21 point because the motion would be pursuant to the Circuit
22 Court Rules. But my motion is pursuant to the statute
23 which does not incorporate, does not reference, does not
24 include Rule 59 in any way. And it just says, when I'm
25 the prevailing party.

1 So my second point was, Your Honor, under his
2 theory that only a prevailing party can move, I'm not yet
3 a prevailing party because their Motions for
4 Reconsideration filed by all parties are all still
5 pending. Under their argument, even the Motion for
6 Sanctions that I served on February 13th is premature.

7 THE COURT: Now -- and this is a question that
8 all of you may be able to answer, y'all are all smarter
9 than I am. In a case where you have -- well, a case like
10 this. They filed motions -- let's say I rule -- for
11 example, I ruled in some manners in my Order that I
12 assume you didn't like. For example, I agreed with their
13 position that your claim for attorney's fees was too --
14 it wasn't split apart to tell me how I can say, okay,
15 this is an attorney's fee for one case, this is one for
16 the other. That was my ruling.

17 MS. BALLARD: Yes, sir.

18 THE COURT: They filed Motions for
19 Reconsideration on that and you didn't.

20 MS. BALLARD: Correct.

21 THE COURT: All right. If you had filed a
22 Notice of Appeal on the 5th day, on that issue.

23 MS. BALLARD: Yes, sir.

24 THE COURT: What does that do to their right to
25 file Motions for Reconsideration? I assume I would have

1 lost jurisdiction on it?

2 MS. BALLARD: Actually the Appellate Courts have
3 said that you don't lose jurisdiction on that point.

4 THE COURT: I don't?

5 MS. BALLARD: Yes, sir, because you maintain --
6 as Mr. Aiken says, you maintain the right to grant a new
7 trial on your own motion for a period of 10 days which
8 also gives parties 10 days to file their Motions for
9 Reconsideration.

10 THE COURT: 10 days to ask me to do it on my own
11 motion?

12 MS. BALLARD: No, sir, you have 10 days on your
13 own motion to do it.

14 THE COURT: Even if somebody has already
15 appealed, like if you had appealed my refusal to
16 entertain attorney's fees?

17 MS. BALLARD: The appeal would be premature,
18 Your Honor. Now, what I have done in the past when those
19 issues have arisen is I have petitioned the Appellate
20 Court to remand the matter for the hearing on the Motions
21 for Reconsideration just, you know, so the record is
22 clear.

23 THE COURT: All right, I've got you off track, I
24 apologize.

25 MS. BALLARD: That's all right.

1 THE COURT: You finished with -- you're not the
2 prevailing party yet because the filed their Motion --
3 Motions for Reconsideration ---

4 MS. BALLARD: Motion ---

5 THE COURT: --- Alter or Amend?

6 MS. BALLARD: Correct.

7 THE COURT: Okay.

8 MS. BALLARD: All parties have filed their
9 Motions to Alter or Amend. So under their theory that I
10 have to be a prevailing party before I can file the
11 motion, I'm not yet the prevailing party.

12 THE COURT: Okay.

13 MS. BALLARD: So my motion -- both my January
14 15th motion and my February 13th motion are premature.

15 The last argument that I made, Your Honor, was
16 that I received your Order by mail on the 30th. And Rule
17 6(e) provides five additional days for mailing. So
18 regardless of how we count the 10 days, my time for
19 filing a motion, if it was 10 days, it ended on the 15th
20 of February and I filed and served this on the 13th of
21 February. So it was not -- it wasn't late, it was
22 certainly early.

23 THE COURT: Okay.

24 MS. BALLARD: And of course my last argument is
25 that my Motion for Sanctions was filed originally in my

1 responsive pleadings in both cases. And I don't have
2 those paragraphs that I can refer you to but I do discuss
3 it on the record on the 15th.

4 THE COURT: I note that y'all may have the
5 statute and I've got it back here but does the statute
6 permit the -- an issue under the Act to be raised in
7 responsive pleading?

8 MS. BALLARD: No, sir.

9 THE COURT: Does it prohibit it?

10 MS. BALLARD? No, sir.

11 THE COURT: I've seen it done all over the
12 place.

13 MS. BALLARD: Right.

14 THE COURT: As a kind of a collateral claim ---

15 MS. BALLARD: Right.

16 THE COURT: --- or a declaratory statement in
17 the pleadings but I didn't know whether the statute
18 allowed that or not.

19 MS. BALLARD: The statute does not address that
20 one way or the other. It's 15-36-10 and under Subsection
21 (d) it simply says that a person is entitled to notice
22 and an opportunity to respond before the imposition of
23 sanctions. And the party proposing the sanction, which
24 would be me, this again is Subsection (d), shall notify
25 the court and all parties of the conduct violating

1 violation and then he has 30 days to response to the
2 filing of my motion. I'll hand this up, Your Honor.

3 THE COURT: Okay.

4 MS. BALLARD: It's Subsection (d). Thank you,
5 Your Honor.

6 MR. AIKEN: Your Honor?

7 THE COURT: Yes, sir.

8 MR. AIKEN: Would you like to hear from me in
9 response to that or would you like ---

10 THE COURT: I suppose under the rules that have
11 been established, you go next and then unfortunately you
12 would have no further opportunity to make an comment

13 MR. AIKEN: Yes, sir. I understand, Your Honor,
14 and I'm happy to abide by those rules, Judge.

15 Both the Pittman case and the Beard case do
16 establish a 10 day limit for ---

17 THE COURT: For this particular Act?

18 MR. AIKEN: For this Act. They are both
19 Sanctions Act -- Sanctions Act cases and they both say in
20 the -- in the text of the cases that that motion -- they
21 refer to filed at some places and refer to served at
22 other places. But it does establish a 10 day time limit
23 on -- based on the -- the general pre-rule -- or based on
24 the general law that the trial court loses jurisdiction
25 after that 10 day period when the time for make post-

1 trial motions has expired, has elapsed.

2 THE COURT: All right.

3 MR. AIKEN: That -- if -- if you remember,
4 Judge, I can barely remember this, but back in the old
5 days, when the Judge left at the end of the term, he lost
6 jurisdiction of the case.

7 THE COURT: Period.

8 MR. AIKEN: But with an enactment of the rules,
9 you got this 10 day period for the Judge to receive post-
10 trial motions. And if they're made, then the Judge --
11 within that 10 day period, then the Judge has
12 jurisdiction to hear it. If they're not, he doesn't.

13 And, Judge, as far as the Rule 6(e) argument,
14 Rule 6(e) refers to additional time after service by
15 mail. You mailed the final Order to us but that wasn't
16 service in the sense that litigants serve pleadings on
17 each other. That was a delivery of the final judgment by
18 the Judge to the parties. And Rule 59(e) does not refer
19 to service of your 59(e) motion after service of the
20 final judgment. It says after -- after receipt of
21 written notice of the final judgment. So if the 10 day
22 clock starts when you receive written notice, then that's
23 the day you got it, that's not five days hence.

24 So Rule 6(e), our position is, doesn't --
25 doesn't apply in this case.

1 THE COURT: How about the argument that she's
2 not the prevailing party yet because you all have filed
3 your motions?

4 MR. AIKEN: Well I think, Judge, what you need
5 to do is look at the Frivolous Claims Statute. And ---

6 THE COURT: Which part?

7 MR. AIKEN: It's in Subsection (c)(1).

8 THE COURT: At the conclusion of a trial, so
9 forth and so on?

10 MR. AIKEN: After a verdict for or a verdict
11 against damages has been rendered, upon motion of the
12 prevailing party. So that -- if you look at the text of
13 that rule, that rule says, if you win your trial ---

14 THE COURT: Well, let's read the whole thing.

15 MR. AIKEN: Yes, sir.

16 THE COURT: And I will paraphrase the part that
17 -- that I want you to answer.

18 MR. AIKEN: Yes, sir.

19 THE COURT: At the conclusion of a trial and
20 after a verdict for or a verdict against damages has been
21 rendered, and this is the part, or a case has been
22 dismissed by, I'm going to jump over, judgment
23 notwithstanding the verdict. A motion has to be made for
24 that, right?

25 MR. AIKEN: That's correct.

1 THE COURT: Okay. So what if I -- what if I end
2 up reversing myself in some way and y'all -- y'all all
3 have filed Motions for Reconsideration, would you then
4 become the prevailing party and be able to assert a claim
5 for sanctions?

6 MR. AIKEN: I think -- I think we probably
7 could.

8 THE COURT: All right. All right, if that is
9 the case, how is anybody right now the prevailing party?
10 And I guess if that is -- if that's the case and I -- and
11 we go forward and you speculate that I -- I've already
12 speculated that what if I reverse myself, what if I deny
13 all post-trial -- all of your post-trial motions, would
14 you then say that that's when she has to make her Motion
15 for Sanctions? Because if she -- in other words, where
16 does this end as far as your arguments are concerned?

17 MR. AIKEN: Well ---

18 THE COURT: On appeal later on, will any of
19 y'all argue -- and I'm going to ask Mr. Hammer and Ms.
20 Lipscomb the same question. Let's say that I deny your
21 Motion to Dismiss, I leave the Order as it is in place,
22 absent some minor variations, and then y'all appeal it.
23 Will y'all argue eventually, well, hey, it was June 6th
24 when her time to file her Frivolous Proceedings Sanctions
25 Motion started, because that was the day that we knew she

1 was the prevailing party. June 6th is the operative
2 date. Will you argue that later on as a -- like an
3 alternate argument?

4 MR. AIKEN: I don't intend to argue that. I
5 mean my position is, the time for filing the Motion for
6 Sanctions is now. Now, I -- Judge, we lost at trial, you
7 know, in a -- in the colloquial sense. Because we lost
8 at trial, we can't bring a Sanctions Motion. I mean,
9 there's case law that says there can't be a sanction ---

10 THE COURT: And that example is bad.

11 MR. AIKEN: Yes, sir. You see, and -- and for
12 that reason, we have no -- we have no claim for sanctions
13 but Ms. Hammer has a claim for sanctions. Now, if she
14 makes her claim for sanctions and you hear a Motion for
15 Judgment Notwithstanding the Verdict and you reverse
16 yourself and we win, then our time for filing a Motion
17 for Sanctions begins when we win at JNOV.

18 THE COURT: And not when her motion from my
19 reconsideration, that is all gone?

20 MR. AIKEN: I'm not sure I understand that
21 question, Judge.

22 THE COURT: Well, if I reverse myself.

23 MR. AIKEN: Yes, sir.

24 THE COURT: And you file a Motion for Sanctions.

25 MR. AIKEN: Yes, sir.

1 THE COURT: Then she files a motion for me to
2 reconsider my reconsideration, when do you become the
3 prevailing party, when I first reversed myself or ---

4 MR. AIKEN: Yes.

5 THE COURT: --- or after I hear and deny her
6 motion?

7 MR. AIKEN: I -- I become the prevailing party
8 when -- when -- if a JNOV by us were granted, we would
9 become the prevailing party when -- when that was
10 granted. And when the Order granting our JNOV was mailed
11 to us and we received it, our position is, we would have
12 10 days from that point to make -- to make our -- our
13 Motion for Sanctions.

14 THE COURT: Okay, all right.

15 MR. AIKEN: Thank you, Judge.

16 THE COURT: Okay, who's next? All right,
17 Mr. Hammer.

18 MR. HAMMER: Your Honor, may I see what she
19 handed up a moment -- a moment ago?

20 THE COURT: She handed up a statue and their
21 Certificate of Mailing.

22 MR. HAMMER: Yeah, the Certificate of ---

23 THE COURT: Yes, sir.

24 MS. BALLARD: Here's another ---

25 MR. HAMMER: I think it says, Certificate of

1 Service for ---

2 MS. BALLARD: Here's your copy.

3 MR. HAMMER: Let me deal with this other first.

4 THE COURT: All right.

5 MS. BALLARD: You need extra copies?

6 MR. HAMMER: Your Honor, the Beard case
7 specifically says ---

8 THE COURT: And for the court reporter's
9 benefit, we are now on the matter of 1634 -- Hammer
10 versus Hammer, is that right? That's the one where you
11 represent yourself. I call it the 1634 litigation.

12 MR. HAMMER: Yes, sir, thank you.

13 Your Honor, the -- the matter that you brought
14 up before -- and I think I can respond to that in the
15 same time, make a portion of my argument, if I may.

16 Your Honor read at the conclusion of trial and
17 after verdict, a verdict for or a verdict against damages
18 has been rendered, blah, blah, blah, blah, upon motion of
19 the prevailing party, the Court should proceed to
20 determine the claim and defense and then you read or --
21 or a case -- or a case had been dismissed by a directed
22 verdict, summary judgment or judgment notwithstanding the
23 verdict, which an or there.

24 So, when the ver -- let's take it from a jury
25 trial standpoint to begin with because you're sitting as

1 the jury. If the jury comes back with a verdict, we then
2 have 10 days to make a motion for NOV retrial or whatever
3 and at the same time they have, during that same period,
4 10 days, because they have a verdict, that verdict has
5 been entered, that is entry of judgment at that time.
6 They have a -- they have 10 days in which to make the --
7 their motion for the -- under the Frivolous Sanctions
8 Act. It said, or.

9 So the same thing if it's -- if it's jury or a
10 judge, it's still the verdict. They have 10 days from
11 the time of the verdict.

12 THE COURT: Yes, sir.

13 MR. HAMMER: The rule shouldn't be different for
14 a judge than it should be for the -- for -- shouldn't be
15 extended or increased because the case is tried before a
16 judge, the judge is sitting as a jury.

17 The -- the Beard case kicks in at this point.
18 It says at page -- I'm having a little trouble with the
19 page here, page 3 -- 838. Do you have a copy of that
20 case, Your Honor?

21 THE COURT: Yes, sir.

22 MR. HAMMER: Beard argues that his motion is
23 permissible under the Frivolous Claims Act since the
24 Frivolous Claims Act does not apply a statute of
25 limitations. However, Watkins contends the general 10-

1 day limitation for post-trial motions, post-trial, not
2 post -- not post-motion, not post-NOV motion, not other
3 types of post-motions, post-trial, after verdict is
4 entered, either by a judge -- verdict after trial by
5 judge or verdict after trial by jury, applies here and
6 bars the action. We agree with Watkins. The Courts
7 agree -- specifically agree that for the post-trial
8 motion, which is what this is, after verdict. If you --
9 if you coordinate this with the section that you read
10 talking about verdict, you have 10 days in which to make
11 that motion.

12 Now, they did not make the motion in 10 days and
13 I would like to offer...

14 (Pause.)

15 MR. HAMMER: I ask that this be marked -- let me
16 just make sure I've got the right letter.

17 THE COURT: Okay. This is a letter from Ms.
18 Ballard dated February 13th -- excuse me, February 15,
19 2013?

20 MR. HAMMER: Yes.

21 MS. BALLARD: It's from my office, Your Honor,
22 from my law partner, Ms. Weissenstein.

23 THE COURT: Okay. And this was obviously one
24 that was mailed to me too. All right, would you like to
25 make this part of the record?

1 MR. HAMMER: Yes, sir.

2 THE COURT: Okay, we can do that. It will be --
3 what we've done is just -- it would be Mr. Hammer's
4 Number 1.

5 MR. HAMMER: 1634 Main?

6 THE COURT: Well, it would be your -- it's your
7 exhibit, not 1634, but it's in the 1634 case.

8 MR. HAMMER: Case, okay.

9 (Whereupon, Mr. Hammer's Exhibit Number 1,
10 Letter from Ms. Weissenstein dated February 15,
11 2013, was admitted into evidence.)

12 MR. HAMMER: So the case law enters, Your Honor,
13 that it has to be 10 days after the verdict. The statute
14 says that they have -- speaks to verdict. The entry of
15 judgment in this case was on the 29th of -- of -- of
16 January.

17 Now, they're allowed to enter a verdict -- enter
18 in a judgment and they have filed -- already filed
19 supplementary proceedings on that judgment. If they'll
20 stipulate to that. You can stipulate to that, can you
21 not, Ms. Ballard, that you filed supplementary
22 proceedings on the judgment?

23 MS. BALLARD: Your Honor, would you like me to
24 address that question?

25 THE COURT: Yes, please.

1 MR. AIKEN: Yes, we have. We've served Mr.
2 Hammer over the weekend.

3 THE COURT: Okay.

4 MR. HAMMER: Now -- and these are the certified
5 copies showing the date of entry of judgment.

6 THE COURT: It was entered on the filing date,
7 not necessarily the date that I signed it. That's
8 January 29th.

9 MR. HAMMER: And the judgment -- there's a
10 statement here as to the entry actually was the 29th. It
11 says the judgment was entered on the 29th.

12 THE COURT: Well, that's -- it's the same date.

13 MR. HAMMER: Yeah, okay. And that's -- I have
14 one for both cases that I'm in.

15 THE COURT: Well, I'm not hearing you on the
16 other. I'm hearing you in the 1634 litigation, period.

17 MR. HAMMER: Okay.

18 THE COURT: That's all and I'm not going to hear
19 any arguments for you, in your favor, in the other case.
20 I'm not going to do it. Mr. Aiken's already done that.

21 MS. BALLARD: Your Honor, he's handing up an
22 exhibit. I'd like a copy of it.

23 THE COURT: All right. So, I will allow it in as
24 an exhibit in the 1634 litigation, the document that you
25 have shown me but not in the other. Because then her due

1 process rights would arguably be violated.

2 MS. BALLARD: So are these Number 2 for Mr.
3 Hammer -- yes, for Mr. Hammer?

4 THE COURT: For Mr. Hammer in the 1634
5 litigation only.

6 MS. BALLARD: Thank you, Your Honor.

7 (Whereupon, Mr. Hammer's Exhibit Number 2,
8 Certified Copy Showing the Date of Entry of
9 Judgment, was admitted into evidence.)

10 THE COURT: Okay, but it's otherwise part of the
11 record.

12 MR. HAMMER: Yes, sir.

13 THE COURT: But I'm not going to let you argue
14 it.

15 MR. HAMMER: Yes, sir.

16 THE COURT: Okay.

17 MR. HAMMER: And, I'm sorry, I'm only dealing
18 with 1634.

19 THE COURT: Correct.

20 MR. HAMMER: And I apologize for bringing that
21 up there. I shouldn't have done that.

22 THE COURT: All right.

23 MR. HAMMER: So we now have a situation where
24 the statute says after verdict. We have a situation
25 where not only do we a statute that says, after verdict,

1 but we have a -- a judgment that is entered on the 29th
2 and put in the mailbox of the attorneys, and we have some
3 at least 13 days and maybe more prior to the time they
4 made a motion.

5 THE COURT: Well, just do be technical, the rule
6 says after she receives written notice of the entry of
7 judgment. So the 29th is not necessarily operative, the
8 30th is.

9 MR. HAMMER: The 30th is.

10 THE COURT: Her office scanned it in on that
11 day.

12 MR. HAMMER: Okay, the 30th is the -- is the
13 date and still, regardless, it would still be 13 days
14 rather than 10 days. And the case law is specific. The
15 case law says that it is 10 days, she has 10 days to make
16 her -- her -- to make her motion.

17 Now, let's go back for just a minute and deal
18 with this -- this other matter where she -- where she put
19 the certificate -- where you have the certificate of
20 service. That certificate says that Ms. Aiken -- or Ms.
21 Ballard certifies that on January 15th, she caused to be
22 served a copy of the motions against Howard Hammer and
23 Art Aiken, on all parties in the matter, by hand
24 delivering the document while at the Richland County
25 Center, blah, blah, blah, blah, to the individuals as

1 follows. Well, there were three of us there. There were
2 three different cases being tried and all she did was lay
3 down, as we all saw and as the record shows, one copy on
4 the table. That's not service. Who was it for? Was it
5 for Mr. Aiken, was it for me, was it for Ms. Lipscomb?

6 So, even if you -- even if Mr. Aiken's argument
7 was not valid, which it is, there was no service until
8 the 13th.

9 THE COURT: Okay.

10 MR. HAMMER: So in a nutshell, the verdict was
11 on the 29th, the law said that you have 10 days after the
12 verdict, and it not only says that in the case law that
13 you have from the Watkins case but it also says that in
14 the statute. She did not timely file her motion, period.

15 Thank you.

16 THE COURT: Okay. All right, Ms. Ballard.

17 MS. BALLARD: The only other thing I would
18 mention, Your Honor, I would incorporate my argument in
19 response to Mr. Aiken's and I would point out that the
20 motion -- the two cases that have been handed up were
21 issued in 2002 and 2004, and I'm fairly sure that the
22 Frivolous Civil Proceeding Sanctions Act was amended
23 after that.

24 THE COURT: Well, it was originally enacted
25 effective sometime in 1988.

1 MS. BALLARD: Correct.

2 THE COURT: Then it was ---

3 MS. BALLARD: Substantially rewritten.

4 THE COURT: It was amended, to some extent,
5 probably to a great extent, effective July 1, 2005.

6 MS. BALLARD: Correct. So these two cases do
7 not construe that statute.

8 THE COURT: And I would have to look at the old
9 Act to see.

10 MS. BALLARD: Yes, sir.

11 THE COURT: And that will just be a -- an issue
12 of research.

13 Okay, anything else, Ms. Ballard?

14 MS. BALLARD: Other than incorporating my prior
15 argument ---

16 THE COURT: How about his argument that handing
17 one copy to all three of them jointly is not -- is not
18 sufficient?

19 MS. BALLARD: Your Honor, I handed each of them
20 a copy.

21 THE COURT: You handed each one of them a copy?

22 MS. BALLARD: As my certificate indicates, yes,
23 sir.

24 THE COURT: Okay. All right, Ms. Lipscomb.

25 MS. LIPSCOMB: May it please the Court.

1 THE COURT: Due process.

2 MR. HAMMER: I know.

3 THE COURT: She's responding to you, okay. I
4 mean, that's the rule you set so that's what we're
5 following.

6 Okay, go ahead, Ms. Lipscomb.

7 MS. LIPSCOMB: May it please the Court.

8 Your Honor, the -- I join in Mr. Aiken's
9 argument that pre-order service of a motion under the Act
10 is not adequate. And in addition, your Order
11 specifically says it was untimely as premature and that
12 you ordered her specifically to serve a filed copy on us.

13 As to the argue -- or as to ---

14 THE COURT: Is that the same paragraph Mr. Aiken
15 spoke to?

16 MS. LIPSCOMB: Yes, Your Honor. It's paragraph
17 133 on page 41 of your Order.

18 THE COURT: Okay.

19 MS. LIPSCOMB: And then as to the Frivolous
20 Sanctions Act was substantially changed in 2005 and the
21 courts that -- but the only thing that was changed was
22 the change from a subjective to an objective standard.
23 It did not address the 10 days or the -- did not change
24 the post-trial motion in the statute.

25 59(e) refers to a 10 days on receipt of written

1 notice of the entry of the Order. And likewise, in Rule
2 6, that is when something is to be done by mail.
3 Specifically in a case, Witzig versus Witzig which is 479
4 SE2d 297. It is a type of Order that ---

5 THE COURT: I missed that last number.

6 MS. LIPSCOMB: I'm sorry.

7 THE COURT: 479 SE2d?

8 MS. LIPSCOMB: 297.

9 THE COURT: And that's -- how do you spell that?

10 MS. LIPSCOMB: W-i-t-z-i-g.

11 THE COURT: Okay.

12 MS. LIPSCOMB: And it specifically says, the
13 rule permitting additional days to respond, when notice
14 is served by mail, does not provide additional five days
15 to file Notice of Intent to Appeal. The rule was that
16 applied only when service was effected upon mailing and
17 the deadline does not change a Notice of -- when you have
18 to file an Intent to Appeal and is based on receipt not
19 on mailing. And, Your Honor, I would suggest that the
20 same is true for a post-trial motion. It goes from the
21 date of receipt, not when it was mailed.

22 THE COURT: Okay.

23 All right. And -- and you -- to go back a point
24 so I can make sure I've got your arguments, at least so
25 far, you say the '05 amendment did not change anything

1 except the standard that the Court's to apply in looking
2 at a sanction ---

3 MS. LIPSCOMB: That's correct. Yes, Your Honor.
4 I have -- I think I have both those -- I have the old
5 one, let me look.

6 (Pause.)

7 MS. LIPSCOMB: Here's the old statue, Your
8 Honor. May I approach?

9 THE COURT: Yes, ma'am. Thank you.

10 MS. LIPSCOMB: And the new one is in the
11 supplement and I believe it's been handed up to you as
12 well. And the only thing that was -- it was
13 substantially changed but neither rule addresses the time
14 within which the motion should be filed. And the --
15 there is a newer case law that addresses -- there is a
16 case entitled Pye versus Estate of Fox.

17 THE COURT: P-y-e?

18 MS. LIPSCOMB: Yes, sir. And that's 633 SE2d
19 505. It was it was decided on that case -- they had
20 filed a Motion for Summary Judgment and they had filed a
21 Motion for Frivolous Sanctions. And pursuant to Beard,
22 they agreed that they were out of time on the Frivolous
23 Sanctions Act.

24 THE COURT: Yes, ma'am.

25 MS. LIPSCOMB: And withdrew the motions and I'll

1 hand that up. It's -- I've actually highlighted, let me
2 show you where I've highlighted them.

3 THE COURT: You highlighted Pye?

4 MS. LIPSCOMB: Pye.

5 THE COURT: Thank you.

6 MS. LIPSCOMB: In that case, they basically
7 said, yes, we do agree it was untimely and so they
8 withdrew it.

9 The ---

10 THE COURT: That -- that was a litigant agreed
11 with that?

12 MS. LIPSCOMB: Yes, sir, it's not ---

13 THE COURT: It's just kind of an observation in
14 there that they agreed that it was -- certainly that
15 agreement was not binding on Ms. Hammer but I see what
16 you're saying.

17 MS. LIPSCOMB: Yes, Your Honor. I just wanted
18 that out, that the -- anyway. So the argument then, ours
19 is, number one, the filing or service on the 15th was
20 premature, therefore a nullity. It was premature under
21 the statute as well as under your Order which ordered
22 them to file it and serve it.

23 And, again, I -- we'd have to affirm that we
24 only got one copy on the 15th. And I'm not even sure
25 that I got a copy of it.

1 THE COURT: Well, did you have a copy in your
2 file when you left here that day?

3 MS. LIPSCOMB: No, sir, I got one later.

4 THE COURT: Pye you agree is not precedential,
5 right?

6 MS. LIPSCOMB: Pye is just an observation by the
7 Court that they withdrew it. I don't -- I don't say that
8 it's a -- it's a holding by the Court.

9 THE COURT: Okay.

10 MS. LIPSCOMB: But it is, I think, significant
11 and they do cite the Beard and the Pittman case.

12 THE COURT: All right. Anything else?

13 MR. HAMMER: Yes, sir.

14 THE COURT: I'm asking Ms. Lipscomb if there's
15 anything else. What do you have to add?

16 MR. HAMMER: Your Honor, as I understood the
17 rule when I put this on the record ---

18 THE COURT: No, it's what you asked for and I
19 gave it to you. Mr. Aiken argued ---

20 MR. HAMMER: She argues ---

21 THE COURT: Wait just a second.

22 MR. HAMMER: Mr. Aiken replies. I argue, she
23 argues, I have a reply argument.

24 THE COURT: All right, all right. Go ahead go
25 ahead, Mr. Hammer.

1 MR. HAMMER: In all due respect ---

2 THE COURT: Just go ahead, don't ---

3 MR. HAMMER: If I'm wrong about the reply
4 argument, I won't take it.

5 THE COURT: Mr. Hammer ---

6 MR. HAMMER: Thank you, Your Honor.

7 THE COURT: --- talk.

8 MR. HAMMER: Thank you, Your Honor. Thank you
9 for allowing me to reply argument.

10 THE COURT: Okay. Now, no more comments on what
11 I allow or don't allow, just give me your argument.

12 MR. HAMMER: Give me a moment, Your Honor.

13 (Pause.)

14 MR. HAMMER: For the record, Your Honor, there
15 is a case in which a lawyer felt -- and I don't remember
16 the name of the case but I can get it for you because I
17 was involved in it, in which the lawyer felt as though he
18 was being chastised by the Judge because of the Judge's
19 tone and because of what the Judge was doing. And the
20 lawyer related to the Court that he did feel unnerved by
21 that and didn't feel as though he could make a proper
22 presentation or thought his presentation might be
23 affected by that and asked for a mistrial. That was a
24 criminal case.

25 THE COURT: Were you that attorney?

1 MR. HAMMER: I was involved in the case, I was
2 on the appeal. And that case involved a lawyer from -- a
3 rather famous lawyer from Greenville and I forgot his
4 name. He had a lot of criminal cases, a heavyset lawyer,
5 and was rather famous.

6 So I -- I mention that for the moment and I'd
7 like to make my argument and then I will determine
8 whether or not I feel as though I made an argument that's
9 appropriate or whether I've been affected by the comments
10 that Your Honor has made to me.

11 My argument is this, Your Honor. The statute --
12 and I think Ms. Lipscomb said this but I think it needs
13 to come out of my mouth for the record also. The new
14 statute in no way addresses -- in no way changes to any
15 degree the old statute. The new statute in no way says
16 any type of time difference or time limitations that the
17 old statute did or did not set. The old statute
18 limitation and the law applies to the old statute would
19 apply to the new statute.

20 And so therefore, we would suggest that Ms.
21 Ballard's argument to you that because the statute
22 changed, the law changed, is not correct. It changed the
23 law -- it changed the statute, did not in any way affect
24 the law which required under Beard, as I read it to you,
25 that there would be a 10 day period which the Court has

1 affirmed as the time, as the appropriate time and proper
2 time to make such an argument.

3 I feel as though I have made the argument as
4 well as I could and I have recovered from any type of --
5 of feeling that I might have had that I was being
6 chastised. So I feel comfortable with that and won't
7 make that motion.

8 THE COURT: All right, Ms. Ballard.

9 MR. HAMMER: Thank you very much.

10 MS. BALLARD: Your Honor, I would simply
11 incorporate the prior arguments that I have made and I
12 would also point out that in the Pittman case, it cites
13 portions of the old statute. It doesn't use the words
14 prevailing party. It uses ---

15 THE COURT: Isn't the standard -- excuse me,
16 isn't the -- I believe that the old statute has -- of
17 course we have the old 15-36-10.

18 MS. BALLARD: Correct.

19 THE COURT: And then we have the old 15-36-20.

20 MS. BALLARD: Correct.

21 THE COURT: And then the 30 and then the 40.
22 Doesn't the new statute just smush all those things
23 together in one statute?

24 MS. BALLARD: It completely rewrote it, Your
25 Honor.

1 THE COURT: No, no, it took what used to be in
2 four separate cited statutes and shrunk it into -- it
3 didn't shrink it but all into one.

4 MS. BALLARD: But it also ---

5 THE COURT: Added things?

6 MS. BALLARD: It changed some of the wording and
7 it also enacted 15-36-20 which is the statute that
8 requires an expert affidavit in malpractice cases and it
9 completely revamped the Frivolous Civil Proceedings
10 Sanctions Act. So the language -- as I said, the
11 language, prevailing party, was not even in the original
12 version of the Frivolous Civil Proceedings Sanctions Act.

13 So clearly when the court -- the legislature
14 rewrote the statute, they rewrote it from scratch. They
15 -- they combined the procedural matters into 15-36-10 and
16 simply added 15-36-20 which was an additional matter that
17 did not previously exist. But all of the procedural
18 matters -- because it used to be I believe 15-36-20 that
19 talked about when the motion had to be made and now it's
20 all within Subsection 10.

21 So I just incorporate all my prior arguments,
22 Your Honor. I don't see any need to prolong the record.

23 THE COURT: Okay, Ms. Lipscomb.

24 MS. LIPSCOMB: May it please the Court, Your
25 Honor. I want to hand up a copy of what I printed off as

1 the as the new statute. I will hand it to Ms. Ballard as
2 well. And it shows what was repealed and what was
3 actually changed. And the only thing that was changed
4 was it went from a subjective standard to an objective
5 standard, a reasonable attorney standard. It did not
6 have any procedural changes or even discussions in either
7 of the statutes. There's not a time on it. And the
8 court -- the legislature apparently adopted the -- the
9 case law that had been established by Beard and Pittman
10 to equate it to the post-trial motion 59(e).

11 THE COURT: Could you -- could you -- well, one
12 thing, excuse me. I thought I heard you say that -- that
13 what you handed me shows that the only thing that was
14 changed was the standard being from subjective to
15 objective.

16 MS. LIPSCOMB: See -- well, what I'm showing you
17 is that 20 through 60 -- I'm sorry ---

18 THE COURT: 20 through 50 were repealed.

19 MS. LIPSCOMB: Repealed, yes, Your Honor.

20 THE COURT: Were they reenacted as part of the
21 new law?

22 MS. LIPSCOMB: The new law was completely
23 rewritten.

24 THE COURT: Okay.

25 MS. LIPSCOMB: But neither the old law or the

1 new law addressed the time or changed Beard or Pittman.

2 THE COURT: Okay. All right. Ms. Lipscomb,
3 since you're standing, let me ask you this. Let's just
4 assume that I deny -- your arguments, all of your
5 arguments are very well stated but let's just assume I
6 denied your three arguments that you, Mr. Hammer and Mr.
7 Aiken have made and allow her claim for sanctions to go
8 forward and I award sanctions against whatever parties.
9 Would you -- would you then take the position that she
10 did not become the prevailing party until I had ruled on
11 the alter or amend motions? Would you ever take that
12 position?

13 MS. LIPSCOMB: No, sir. Because I think ---

14 THE COURT: How about you, Mr. Hammer?

15 MR. HAMMER: The question is if you ---

16 THE COURT: If I were to deny your motion to
17 dismiss her Motion for Sanctions and I were to award
18 sanctions and then deny all three of the post-trial
19 motions that have been -- the alter or amend motions,
20 would you then later take the position that she didn't
21 become the prevailing party until all that was done?

22 MR. HAMMER: There seems to be -- my answer is
23 this. I would -- I am unable to give you an answer right
24 now because I would need to -- I think that's a very
25 complex question and I think that it would need a lot of

1 study in terms of what the case law is and what the time
2 period is.

3 Off the top of my head -- and please don't hold
4 me to this because I haven't studied it and I haven't
5 anticipated that question. But if you deny this motion,
6 we certainly have the right for 59(e) on the denial of
7 this motion, I believe ---

8 THE COURT: Sure.

9 MR. HAMMER: --- for reconsideration.

10 THE COURT: I would say, so, yes.

11 MR. HAMMER: So ---

12 THE COURT: But I'm not going to be bound by
13 that either.

14 MR. HAMMER: So I'm hopeful that Your Honor will
15 ---

16 THE COURT: I guess what I'm trying to get at,
17 is there going to be any -- is there going to be any
18 shifting barometer or shifting strategy on y'all and the
19 -- you, Mr. Aiken, and Ms. Lipscomb's arguments as to
20 when she becomes, or became, the prevailing party?

21 MR. HAMMER: I think as long as it's clear that
22 we have not waived -- and I don't know whether you can do
23 that by order or whether that's something that we would
24 have to do pursuant to the rules of court and case law.
25 But as long as it's clear that we have not waived our

1 right to appeal and that's -- then whatever -- whatever
2 the -- the circumstances are that protect our right to
3 appeal, then I would follow those circumstances. It
4 doesn't sound to me like -- like -- like that -- like we
5 would then -- you're saying we then have to refile our
6 motion. And ---

7 THE COURT: Well here's the reason I'm asking,
8 then we're done with it.

9 MR. HAMMER: Okay.

10 THE COURT: It's not complex but it's got some
11 gristle in it.

12 MR. HAMMER: Yeah.

13 THE COURT: I had a case in Sumter some years
14 back. I think it was probably three or four years ago. .
15 The Plaintiff lost at a jury trial and sitting where I
16 was sitting, it was totally meritless. The jury gave the
17 verdict for the Defendant. The Plaintiff asked for 10
18 days to file post-trial motions which I granted. The
19 Defense lawyer said, hey, I'm going to file a motion for
20 -- under the Frivolous Proceedings Sanctions Act, when
21 does that deadline start? And the Plaintiff's lawyer --
22 and none of y'all are bound by this, the Plaintiff's
23 lawyer said, not until you rule on my post-trial motions.

24 So we have shifting trains of thought about when
25 somebody becomes the prevailing party. I awarded in the

1 instance small attorney's fees and it was over with.

2 MR. HAMMER: There was no appeal, there's no ---

3 THE COURT: No, there's no -- there's no
4 precedential -- that's why asking these questions because
5 we all talk about statutes and cases and these are what
6 we are bound by but I'm thinking about practicalities,
7 about when is this going to end.

8 MR. HAMMER: Let me respond to that.

9 THE COURT: All right.

10 MR. HAMMER: I think that our position that you
11 have 10 days from the time of the verdict is the -- is
12 the primary position that we take. And I think the
13 verdict -- and our position is that she hasn't filed it.
14 If you should -- if you should ---

15 THE COURT: The verdict, not prevailing party,
16 that's the key, I think that's what y'all have said?

17 MR. HAMMER: I -- I don't know that there's a --
18 that there is a -- let me look at that. It says, after a
19 verdict for or against damages has been rendered or case
20 has been dismissed by a directed verdict, summary
21 judgment or judgment notwithstanding the verdict, upon
22 motion of the prevailing party, that would be prevailing
23 party -- as I read this, prevailing party means the party
24 who prevailed in the verdict.

25 THE COURT: You've got the verdict, okay. And

1 the rest of it, I think everybody agrees is something I
2 just have to resolve. I think all of your arguments have
3 been stated. It probably wasn't a fair question but it's
4 one that I thought I would ask because I was just
5 curious. All of y'all have been around a long time and a
6 lot smarter than I am and I just wanted to try to figure
7 out what -- where this might be headed.

8 MR. HAMMER: I think it was a very -- a very
9 poignant question, a very good question because I -- I
10 don't know the answer to it but off the top of my head it
11 seems to me that the -- that the simple answer is that
12 our position is correct. If our position is not correct,
13 then I don't know what types of Pandora's Box that opens.

14 THE COURT: Okay.

15 MR. HAMMER: And I would ask that -- that -- did
16 Your Honor have some idea, are you planning to rule from
17 the bench ---

18 THE COURT: No, sir, I'm not going to rule from
19 the bench but I will rule quickly because we have the
20 other hearing coming up on March -- excuse me, May 17th.

21 MS. LIPSCOMB: Correct.

22 MR. HAMMER: Now, if Your Honor should rule
23 against dismissal of the motion ---

24 THE COURT: I'm not going to get involved in
25 when you're 10 days applies so -- but certainly will --

1 I'm going to entertain any and all motions under -- that
2 are made pursuant to the rules.

3 MR. HAMMER: All right because I -- just for the
4 matter of logistics, let's say Your Honor denies our
5 motion.

6 THE COURT: Yes, sir.

7 MR. HAMMER: And we file our motion -- a timely
8 Motion for Reconsideration.

9 THE COURT: Yes, sir.

10 MR. HAMMER: It would seem to me that that
11 Motion for Reconsideration would, in all fairness, and in
12 -- and not in fairness, I'm talking about judicial
13 economy actually, need to be disposed of prior to any
14 further hearing on -- on the ---

15 THE COURT: Not necessarily because I don't have
16 to have a hearing on any Motions to Alter or Amend.

17 MR. HAMMER: No but on the motion to -- on the
18 Frivolous Act motion.

19 THE COURT: Let's put it this way. We are
20 having a hearing on May 17th. This is not going to delay
21 that, period. All of you agreed, and this goes back to
22 one of my concerns all along and this is why I wanted to
23 have that hearing on January 15th, to promote judicial
24 economy. So you asked only for your Motion to Dismiss to
25 be heard today. I accommodated that and you said you

1 weren't even going to be here. So ---

2 MR. HAMMER: (Raises hand.)

3 THE COURT: Wait, I'm going to finish. You said
4 that any time after May 15, you would be available for
5 the other motions. May 17 is after May 15. I am not, I
6 repeat, I am not going to delay the May 17 hearing, not
7 going to happen.

8 MR. HAMMER: Your Honor, I appreciate your
9 comments. I said, that with or without me, I didn't know
10 whether I was going to be here. So I -- I will glad to
11 have said that. I'm sure that you have that in your --
12 in your ---

13 THE COURT: Let's -- let's -- are you asking for
14 me to delay the May 17 hearing?

15 MR. HAMMER: No, Your Honor.

16 THE COURT: Okay.

17 MR. HAMMER: I'm asking for this. I'm asking
18 for what we're -- for what any litigant would be entitled
19 to and that is -- that is fair time to prepare. Now, I
20 don't know now whether or not you're going to dismiss
21 this motion. If you're going to dismiss this motion, I
22 certainly don't want to spend the -- the time, the energy
23 and the expense of going to -- preparing for a motion
24 that ultimately is dismissed.

25 THE COURT: But, Mr. Hammer, this is what you

1 asked for.

2 MR. HAMMER: I asked for -- I asked for a
3 hearing but I asked for this hearing to be held prior to
4 the hearing on the Frivolous Motion Act ---

5 THE COURT: Yes, sir.

6 MR. HAMMER: --- so Your Honor could make a
7 decision prior to the hearing on the Frivolous Motion Act
8 so we would know.

9 THE COURT: To answer your question, I am going
10 to rule on these three motions before May 17. If you
11 have to exert some effort, time and expense to prepare,
12 then you just to have to do that.

13 MR. HAMMER: Okay.

14 THE COURT: I'm going to do the best I can, Mr.
15 Hammer.

16 MR. HAMMER: I understand.

17 THE COURT: But in having this separate hearing
18 today, I have granted the request that all three of you
19 made. I am not going to just create my schedule to
20 accommodate every single one of your concerns. I just
21 don't see how that's possible, it's not possible.

22 MR. HAMMER: Okay. I well understand that.
23 There are remedies, of course, on that so I well
24 understand that.

25 THE COURT: Well, if you object to me having a

1 hearing on May 17th -- let's just say I rule, Mr. Hammer,
2 today when I'm driving to Greenville. I just think about
3 it and I say, this is what I'm going to rule. Say, I
4 rule Monday, Tuesday, Wednesday, are you prejudiced then?

5 MR. HAMMER: If that were your final ruling, no,
6 I wouldn't be prejudiced. If -- if -- I would be
7 prejudiced at the time of the -- if I did not have an
8 opportunity to prepare from your final ruling and the
9 time for reconsideration and I had a ---

10 THE COURT: You all have had time to prepare
11 since January when you knew she made the motion. But
12 this is -- I think this is a pointless exchange here
13 because I'm going to have a hearing on May 17, I can tell
14 you that I'm going to rule on this motion as quickly as I
15 can.

16 MR. HAMMER: I appreciate that, Your Honor, but
17 I'd like to enter into a -- I'd like to enter an
18 objection to your comment that we knew since January 17th
19 -- January 15th because that motion was not properly
20 made.

21 THE COURT: But you knew the motion was out
22 there, Mr. Hammer.

23 MR. HAMMER: Your Honor, I knew nothing until I
24 got the -- until I got your final Order.

25 THE COURT: January 29.

1 MR. HAMMER: Yes and 15 -- the 15th was before
2 the 29th, so I knew nothing at that point.

3 THE COURT: January 29th was in January but I'm
4 not going to -- I'm not going to engage in a debate in
5 something that's kind of pointless at this point.

6 MR. HAMMER: I agree with you.

7 THE COURT: All right, you can have a seat.

8 MR. HAMMER: You made a comment, I wanted the
9 record to -- I don't want to have to go back to the
10 record to reclarify that.

11 THE COURT: You can have a seat.

12 MR. HAMMER: All right.

13 THE COURT: All right. Thank you very much for
14 your time today.

15 MR. AIKEN: All right. Thank you, Judge.

16 MS. BALLARD: Thank you, Your Honor.

17 MS. LIPSCOMB: Thank you, Your Honor.

18 ----- END OF TRANSCRIPT OF RECORD -----
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1 CERTIFICATE OF REPORTER

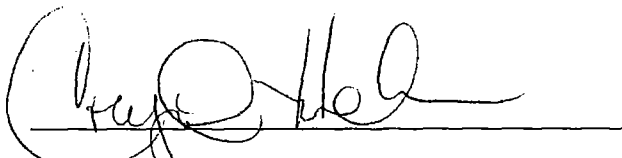
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3 STATE OF SOUTH CAROLINA)

4 COUNTY OF RICHLAND)

5
6 I, Crystal Holmes, Official Court Reporter for the
7 Fifth Judicial Circuit of the State of South Carolina,
8 do hereby certify that the foregoing is a true,
9 accurate and Complete Transcript of Record of the
10 proceedings had and evidence introduced in the hearing
11 of the captioned case, relative to appeal, in the
12 Court of Common Pleas for Richland County, South
13 Carolina, on the 1st day of May, 2013.

14 I do further certify that I am neither of kin,
15 counsel nor interest to any party hereto.

16
17 September 23, 2013

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19
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21 
Crystal Holmes, Court Reporter

STATE OF SOUTH CAROLINA)
) COURT OF COMMON PLEAS
COUNTY OF RICHLAND) 2009-CP-40-05911
 2010-CP-40-02889

HOWARD HAMMER)
) PLAINTIFF)
 vs.) TRANSCRIPT OF RECORD)
)
 SHIRLEY HAMMER)
) DEFENDANT)

1634 MAIN, LLP)
) PLAINTIFF)
 vs.)
)
 SHIRLEY HAMMER)
) DEFENDANT)

May 17, 2013
 Sumter, South Carolina

B E F O R E:

THE HONORABLE GEORGE C. JAMES, JUDGE.

A P P E A R A N C E S:

ARTHUR AIKEN, ESQUIRE
 Attorney for the Plaintiff, Howard Hammer
 Also appearing Pro Se

A P P E A R A N C E S:

DESA BALLARD, ESQUIRE
Attorney for the Defendant, Shirley Hammer

SUSAN LIPSCOMB, ESQUIRE
Attorney for the Plaintiff, 1634 Main, LLP

HOWARD HAMMER, APPEARING PRO SE

Hattie O. Gordon
Circuit Court Reporter

I N D E X

Colloquy	5
Certificate of Reporter	130

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EXHIBITS

NO EXHIBITS WERE MARKED OR ADMITTED INTO THE RECORD

COLLOQUY

1
2 THE COURT: All right. We're on the record now in
3 two cases, Howard Hammer, Plaintiff v. Shirley Hammer.
4 That's 2009-CP-40-5911. Also 1634 Main, LLP v. Shirley
5 Hammer. And then third party, Howard v. Howard Hammer and
6 that docket number is 2010-CP-40-2889. Ms. Ballard, do
7 you represent Shirley Hammer?

8 MS. BALLARD: I do, Your Honor.

9 THE COURT: All right. Mr. Aiken, do you represent
10 Mr. Hammer in the Hammer v. Hammer litigation?

11 MR. AIKEN: Yes, sir. And I also represent myself
12 with respect to sanctions in both Howard Hammer v. Shirley
13 Hammer and in 1634 Main v. Shirley Hammer.

14 THE COURT: All right. And, Mr. Hammer, you're
15 representing yourself in the 1634 matter and in sanctions?

16 MR. HAMMER: Yes, sir. If you like for me -- there
17 is something to clear up, and I'd like to do it now if I
18 may.

19 THE COURT: Well, let me get the appearances straight
20 first. Ms. Lipscomb, you represent 1634 Main, LLP?

21 MS. LIPSCOMB: Yes, Your Honor.

22 THE COURT: Okay. Yes, sir, Mr. Hammer.

23 MR. HAMMER: There is an error which this Court
24 record would document, and I'd like to clear it on the
25 record now. There was an error that indicated that I

1 represented myself all along in the 1634 Main case. That
2 is incorrect.

3 THE COURT: Where is that in the record? Is that
4 something I noted?

5 MR. HAMMER: It was noted in your order.

6 THE COURT: Well, I think Mr. Aiken represented you
7 for some period up until the date of trial; is that right.

8 MR. AIKEN: Or some lawyer.

9 MR. HAMMER: I was represented up until the date of
10 trial.

11 THE COURT: Actually, the week before when the
12 deposition was take.

13 MR. HAMMER: The Friday before. Your order, it says,
14 "At the date of trial Mr. Hammer was represented by
15 Mr. Aiken. Until trial Mr. Hammer represented himself in
16 that litigation." The fact of the matter is that I never
17 represented myself until the trial. This says, "Until the
18 trial" that I represented myself. It was only after the
19 trial that I represented myself. But as we explained to
20 the Court, maybe. I don't recall, but as we explained to
21 the Court I was represented initially in the Hammer v.
22 Hammer by Mr. Aiken.

23 Excuse me. I've got it backwards. I represented in
24 1634 by Mr. Aiken.

25 THE COURT: From, essentially, day one of your

1 appearance.

2 MR. HAMMER: Yes. From day one.

3 THE COURT: Until the Friday before the trial?

4 MR. HAMMER: Yes. I was represented by Mrs. Lipscomb
5 in the other case throughout -- I was represented in the
6 other case by Mrs. Lipscomb until the Friday before. In
7 the Hammer v. Hammer case I was represented by Mrs.
8 Lipscomb until the Friday before.

9 THE COURT: Then that's when Mr. Aiken took over
10 that?

11 MR. HAMMER: What happened is that Mr. Aiken had a
12 conflict. He had a worker's compensation hearing. We had
13 a deposition scheduled in the afternoon of Friday before
14 the trial on Monday. It was a witness that he had.
15 Thought his case would be over with. He was in the middle
16 of trial and was unable to go to the deposition.

17 Mrs. Lipscomb could not represent me in the 1634
18 case. Mr. Aiken could not go at the last minute.

19 THE COURT: That's why you could not go?

20 MR. HAMMER: I had no choice but to step in. I think
21 we explained that to Your Honor, and you said, Yes, I
22 understand" on the record, and yet, it appeared otherwise
23 in your order. I didn't know whether it was on the
24 record, and I wanted to clarify that.

25 THE COURT: All right. And then I apologize for

1 that.

2 MR. HAMMER: No problem, and I thank you very much
3 for allowing me to clarify it.

4 THE COURT: All right. We're here today for various
5 matters pertaining to Shirley Hammer's motion under the
6 South Carolina Frivolous Civil Proceedings Sanctions Act.
7 There is no need to go through all of the factual, legal
8 findings in my order from January. I heard the motions of
9 1634 Main, of Mr. Aiken representing himself and
10 representing Mr. Hammer.

11 And also from Mr. Hammer representing himself as a
12 defendant and representing himself as a party, if you
13 will, of the sanction's request. I heard that in Columbia
14 a of couple weeks ago. Two weeks ago Wednesday. And then
15 I sent all of you an e-mail indicating my thoughts on the
16 Frivolous Proceedings Sanctions Act, and I set forth the
17 times for presentation of evidence and so forth.

18 First of all let me make sure that everyone will
19 confirm what you all confirmed by communication that you
20 waive any irregularity from this proceeding occurring in
21 Sumter County. Miss Ballard.

22 MS. BALLARD: We have no objection to the matter
23 occurring in Sumter or time or schedule of the matter.

24 THE COURT: Mr. Aiken.

25 MR. AIKEN: Your Honor, I waive on my behalf and on

1 behalf of Mr. Hammer and Hammer v. Hammer.

2 THE COURT: All right. Mr. Hammer.

3 MR. HAMMER: Your Honor, I waive in accordance with
4 the letter that I wrote you in connection with the waiver.

5 THE COURT: All right, sir. Miss Lipscomb.

6 MS. LIPSCOMB: Your Honor, we waive it as well on
7 1634.

8 THE COURT: Okay. All right. Mrs. Ballard, what
9 about my -- am I overreading the statute when I was going
10 through 16-36-10, Sub B and Sub C, I don't -- I typically
11 don't like to parse things. That really doesn't make much
12 sense to me. Probably, you would not be the one to ask
13 first. So if you would sit down. Mr. Aiken, Mr. Hammer,
14 Ms. Lipscomb, do y'all have any thoughts on that or any
15 order you want to present it?

16 MR. AIKEN: I believe I can probably go first, Your
17 Honor.

18 THE COURT: All right.

19 MR. AIKEN: And as understand your concern you're
20 focusing on those two questions that you had considering
21 B?

22 THE COURT: Pretty much, yes.

23 MR. AIKEN: Okay. I think, first of all, Judge, it's
24 very important to note that in her motion for sanctions
25 Mrs. Hammer does not invoke B(2)

1 THE COURT: Okay.

2 MR. AIKEN: That section of the rule. And that's
3 important because we're, you know, we're required to be
4 given notice and an opportunity to respond. And the
5 statute also requires that order proposing sanctions
6 pursuant to this section shall notify the Court and all
7 parties: Number One, of the conduct being conduct
8 constituting a violation of the provisions of this section
9 and explained the basis for the potential sanction
10 imposed. That is in Subsection B, Your Honor.

11 THE COURT: D as in dog?

12 MR. AIKEN: D as in dog, yes, sir.

13 THE COURT: Okay.

14 MR. AIKEN: Yes, sir. And in light of that
15 requirement of notice and opportunity to be heard you know
16 and identification of the conduct that they say is
17 sanctionable and the basis for the sanctions: If you
18 leave out that as the basis for the sanctions my position
19 is it hasn't been properly raised under the circumstances.
20 So B, just based on the motion itself, is not even played.

21 THE COURT: Well, and of course, this -- at the last
22 hearing there were a lot of technical issues raised. It
23 doesn't say that you have an opportunity to be heard. It
24 says you have the opportunity to respond. I don't know
25 what that means either, but there is really no provision

1 in this Act for an opportunity to be heard on the record.
2 It says you have an opportunity to respond, and I haven't
3 gotten any response except y'all's motion to dismiss.

4 MR. AIKEN: Well, we filed affidavits as well, Your
5 Honor.

6 THE COURT: Did I get those?

7 MR. AIKEN: I'm not sure.

8 THE COURT: Okay. All right. Go ahead with any
9 other points on the difference between B and C. Will you
10 hand those to Mr. Bradley after you give her a copy.

11 MR. AIKEN: These are the affidavits, Judge.

12 THE COURT: Okay. Any other points on B and C, Mr.
13 Aiken?

14 MR. AIKEN: That is all I have.

15 THE COURT: All right. How about the Rule 11 part?

16 MR. AIKEN: Well ---

17 THE COURT: Russell says that Rule 11 doesn't have
18 the time constraint that Title 15 does.

19 MR. AIKEN: That's what it says, Your Honor.

20 THE COURT: Not yet, anyway.

21 MR. AIKEN: Yes, sir, but my response to that, Your
22 Honor, is if you look at Rule 11.

23 THE COURT: I've got it.

24 MR. AIKEN: Rule 11 makes it a violation to sign
25 pleadings and other documents to be filed with the Court.

1 The motion that's been made for sanctions does not
2 identify even one specific pleading that I signed and
3 filed, Mr. Hammer signed and filed, Mrs. Lipscomb signed
4 and filed in violation of Rule 11. That's what Rule 11
5 focuses on, is the signing of pleadings either frivolous
6 pleadings or pleadings made in bad faith.

7 And, you know, I haven't seen -- I have not seen an
8 identification of even one pleading that was signed in
9 violation of Rule 11.

10 Now, let's get to the timing issue under Rule 11,
11 Your Honor. Our position is we were not served with the
12 motion for sanctions under the Frivolous Claims Statute
13 and Rule 11 until the 13th.

14 THE COURT: All right. Assuming that's true where is
15 it written that she had to do that within ten days in
16 light of Footnote 11 in Russell v. Wachovia?

17 MR. AIKEN: All right. I see that that footnote is
18 being in conflict with the basic common law of South
19 Carolina which is you got ten days from the decision of
20 the Court on your case to serve some kind of motion and
21 have that judge have authority to hear it. The ten day
22 rule is a rule of limitation of general application.

23 If she had filed and served her Rule 11 sanctions
24 motion, assuming it was properly made with identification
25 of the pleadings, and she says we're in signed violation

1 of the rule, if she had done that before -- if she had
2 done that in the middle of the handling of this case, long
3 before the verdict and had served it properly before ten
4 days after the final judgment was entered, if she had done
5 that then we would have no quarrels with time limits.

6 THE COURT: All right.

7 MR. AIKEN: And we could say that her Rule 11 claim
8 is premature.

9 THE COURT: So you just say, if the Supreme Court or
10 the Court of Appeals were confronted with the question
11 that the court in Russell said was not the Court, they
12 would adopt the Ten Day Rule?

13 MR. AIKEN: That's been the rule of general
14 application concerning the power of a trial court to make
15 decisions about a case after final judgment.

16 THE COURT: All right. I believe that answers. I
17 think that's a complete response from you.

18 MR. AIKEN: Yes, sir.

19 THE COURT: Mr. Hammer or Mrs. Lipscomb, who would
20 like to go next? And if you -- of course, you can
21 indicate that you adopt his argument if you want. If not
22 just let me know.

23 MR. HAMMER: Your Honor, I do adopt his argument with
24 this condition: As I read the statute, and I would urge
25 upon Your Honor that C(1) the -- everything but C(1) talks

1 about conduct. If C(1) were applicable, and assuming that
2 it's applicable only for the purposes of this discussion
3 cause I agree with Mr. Aiken that they did not have it in
4 the note that he wasn't properly noticed. And their
5 failure to give the proper notice is the failure of due
6 process. C(1) has to do with timing.

7 Everything else has to do with conduct. So C(1)
8 applied to the entire section. C(1) is the only one that
9 talks about timing. So we C(1) in talking about timing
10 referred to the entire section. And it is -- if the
11 section is such that any portion of it has to be, as we
12 have heard and I believe shown and as Your Honor indicated
13 in one of the e-mails and I'd be inclined to agree, that
14 if any portion of it, as Your Honor indicated that you
15 were inclined to agree as to the first portion of B
16 whatever, B(1) or B(2)

17 THE COURT: Whatever it is.

18 MR. AIKEN: Yeah. It applied to that one. It
19 applies to this one. If it had been properly raised
20 because this is a section that sets the time for the --
21 this portion sets the time for the whole section. And the
22 whole section then you have to look at what the general
23 law is to find out what the actual time is because it
24 doesn't give an actual, specific time.

25 THE COURT: All right. Thank you, Mr. Hammer.

1 MR. HAMMER: Cause what I'm saying is there is really
2 no difference as far as the time is concerned between C(1)
3 and B(2) or whichever one you have already indicated your
4 decision is or your information was to find that the
5 timing was inappropriate or that they did not meet the
6 timing requirement.

7 THE COURT: Okay.

8 MR. HAMMER: They did meet the timing requirement the
9 first one. They didn't the second one because the second
10 one has the same timing requirement as the first because
11 the statute -- I'm repeating myself. I know that I've
12 said things that -- your order makes me feel as though I
13 have not expressed myself ---

14 THE COURT: Well, you don't need to editorialize.
15 Just tell me what you think.

16 MR. HAMMER: I think that C(1) ---

17 THE COURT: Covers, in spirit, B -- Sub B also?

18 MR. AIKEN: As in terms of the timing. They both
19 have to do with timing.

20 THE COURT: Okay.

21 MR. AIKEN: That's the only subject that has to do
22 with timing of this.

23 THE COURT: All right.

24 MR. HAMMER: So what would go for B would go for C.
25 B and C were applicable.

1 THE COURT: All right. I see. All right. Ms.
2 Lipscomb.

3 MS. LIPSCOMB: Your Honor, not to arguments of Mr.
4 Hammer and Mr. Aiken, and I would like to point out also
5 that in Russell the footnote says, "We do not decide the
6 time for the Rule 11." It doesn't say it doesn't apply.
7 It just says because it was, in this Russell case, went
8 into time within the ten days required under the sanctions
9 statute. It obviously fits within the Rule 11 standard as
10 well.

11 And in Greybeard, basically, ties post-trial motions
12 to the jurisdiction of the Court, and says, basically,
13 because the Court loses jurisdiction to hear new matters
14 as to motions not made within ten days that same argument
15 would apply as the Rule 11.

16 THE COURT: Why do you reckon the Court said pretty
17 definitively in the footnote, "There is no requirement
18 that a Rule 11 motion must be made within ten days." Why
19 would they say that? And I think that's what the footnote
20 says.

21 MS. LIPSCOMB: It does say that, Your Honor. But it
22 also says, "As a result we decline to address what time
23 limit is proper with regard to Rule 11 sanctions because
24 it is not before us."

25 THE COURT: All right. Okay. Yes, sir, Mr. Hammer,

1 and then I'll go to Ms. Ballard.

2 MR. HAMMER: Your Honor, I've got the portion that
3 Ms Lipscomb has presented to the Court which is slightly
4 different. And I added to that, for the purpose of this
5 record, that I raised the question as to the
6 constitutionality of the section itself.

7 THE COURT: Which one?

8 MR. HAMMER: The entire Act.

9 THE COURT: And why is that?

10 MR. HAMMER: The Act requires that the violation of
11 the section are to be reported to the Supreme Court and a
12 public record must be maintained and reported annually to
13 the Governor. If the violation is reported, if there was
14 a violation found in any particular case it's reported to
15 the Supreme Court. There is a finding of -- which the
16 Court has of -- that the action is inappropriate; that the
17 action itself is not maintainable.

18 That impacts upon the appeal. If someone -- if the
19 Court had that information without any briefing, without
20 anything but what the Judge set up, without any chance of
21 reply, without any notice of an opportunity to reply then
22 the person against whom that has been made or the lawyer
23 or whoever it is against whom that has been made has last
24 an opportunity to reply to the Supreme Court.

25 The Supreme Court is then -- would be -- they would

1 be in a position of possibly and probably beings bias
2 because they already have this information.

3 THE COURT: Well ---

4 MR. HAMMER: I'm sorry.

5 THE COURT: So you're saying it's unconstitutional
6 because it impacts the viability of your appeal
7 psychologically on the Court?

8 MR. HAMMER: Not psychologically. Impact directly as
9 a matter -- of a substantive matter. They have
10 substantive information and now I receiving prior to the
11 appeal they have substantive information.

12 THE COURT: On a finding by a trial judge that
13 certain conduct occurred. Of course, you can appeal that,
14 too, if a judge were to make that award.

15 MR. HAMMER: But can you appeal it before the
16 judge -- before you can appeal that, but the report is
17 already gone to the Supreme Court. So you have no --
18 really, it diminishes the right of the appeal if it
19 doesn't complete obliterate that because the Supreme Court
20 now has an order. Possibly could be argued to be the law
21 of the case cause you don't have a right to appeal it.

22 And then later on you try to appeal the underlying
23 case on the same issues. You are denied an opportunity
24 for a fair hearing because the Court is already been give
25 this other information and accepted this other information

1 and require to send it -- not only accept it, but require
2 to send to the Governor's office.

3 THE COURT: All right. What provision in the
4 Constitution does it violate?

5 MR. HAMMER: It would be a due process argument that
6 you not be denied the due process of a right to a fair
7 appeal.

8 THE COURT: Okay. All right. Thank you. Ms.
9 Ballard, any response to those comments?

10 MS. BALLARD: Yes, Your Honor. but in the Russell
11 matter which I was involved in as counsel of record on
12 appeal I think the reason that the Court mentioned that in
13 footnote because there was great confusion as to when the
14 judge's order was finally served. He had sent an unsigned
15 copy of the order by fax, I believe, and then it went to
16 the Clerk's office and it was recorded and then it was
17 served by the Clerk's office.

18 So there was great confusion about when it was
19 actually served. And I suspect that may be why the Court
20 dropped that footnote on there because the Frivolous Civil
21 Procedures Sanction Act was the one that was being focused
22 on as opposed to the Rule 11. And the issue of when the
23 order -- when the parties received written notice of the
24 entry of the order was the issue that was being litigated
25 there. And that's, of course, not the issue that's here,

1 but it was not an antruious comment because the sanctions
2 in that Act were pursuant to the Frivolous Civil
3 Proceedings Act.

4 With reference to Mr. Hammer's due process argument,
5 well, let me just ---

6 THE COURT: How about their argument that you did not
7 move under B?

8 MS. BALLARD: Correct. I did not move under B. And
9 I e-mailed to Your Honor last night a courtesy copy and
10 handed up this morning and served on opposing parties and
11 counsel my memorandum addressing the issues that Your
12 Honor asked us to address about the timeliness issue. But
13 as to -- an in incorporate all those arguments in my
14 argument, but as is usually the case, having slept on it,
15 it's more clear in my mind today.

16 And I did want to outline for you what I believe the
17 Legislature's theory in breaking it down the way they did.
18 If you look at A and B, A and B clearly apply at any stage
19 of the proceeding. It mirrors Rule 11 in that a filing
20 can be made at any time during the pendency of the action.

21 C is related to a filing that is done at conclusion
22 of the action. And that's why they're different. C
23 actually prefaces by saying, "At the conclusion of the
24 trial." And if you read C(1) it says that the grounds for
25 C(1) which are the ones that we have asserted are, under

1 C(1)(A), is that the entire claim lacked merit. Look over
2 at the third line down on the second page. "Failed to
3 comply with one of the following conditions: A reasonable
4 attorney under the same circumstances would believe that
5 under the facts the claim or defense was clearly
6 non-meritorious."

7 Whereas A and B are filings that can be made at any
8 stage during the litigation and would not necessarily be
9 dependent on the case being concluded. The same is true
10 of Rule. Rule 11 allows filings throughout the pendency
11 of the case. But it also allows filings at the conclusion
12 of the case and cases that construe Rule 11 talk about as
13 opposed to individual pleadings which is what Mr. Aiken
14 was pointing out. The action as a whole, if it is
15 non-meritorious then Rule 11 also applies.

16 THE COURT: All right.

17 MS. BALLARD: So I think the reason the Legislature
18 broke out C the way they did is C comes later because C
19 comes at the conclusion of the case.

20 Now, what does apply to all A, B and C is Subsection
21 D which says that a person against whom sanctions is
22 sought under this Act, meaning under A, B or C, has 30 day
23 s to respond. And the point I'm going to make to Your
24 Honor is we have had no response from 1634 or Mr. Hammer
25 or Mr. Aiken.

1 We had a motion to dismiss, but there is no known
2 procedure that I'm aware of under South Carolina law for a
3 motion to dismiss a motion. A motion can be filed in
4 response to certain pleadings, but a motion is not
5 appropriate in response to another motion.

6 THE COURT: So you're saying that they have not
7 responded on the merits?

8 MS. BALLARD: On the merits. They have not responded
9 at all on the merits, and their time to do so has expired.
10 We did receive yesterday by fax, and I believe also by
11 hand delivery, a copy of the affidavits of Mr. Hammer,
12 Mrs. Lipscomb, Mr. Aiken, and Mr. Jim Richardson.

13 With reference to the affidavits I can object to them
14 for reason number of reasons, but I'm not going to. I'd
15 like the Court to accept all the affidavits. I think it's
16 important for the Court to see everyone's views on these
17 issues.

18 Mr. Richardson's affidavit could be objected to on
19 the grounds that it offers a legal opinion, but again, I'm
20 not objecting to any of those affidavits. I would like
21 the Court to consider them. I would like the Court to
22 consider all of the affidavits that are in the record.

23 But Subsection D is essentially the default
24 provision.

25 THE COURT: Essentially the what?

1 MS. BALLARD: A default provision.

2 THE COURT: Okay.

3 MS. BALLARD: 30 days to respond, and we don't have a
4 response of any kind. We have a motion to dismiss, which
5 if that's the only response they've got then that's the
6 only response they've got. But that's all they've got.
7 Certainly, within 30 days. These affidavits are well past
8 30 days. They're actually past 90 days, I believe. But
9 as I was reading through Rule 11 and the Frivolous Civil
10 Proceedings Sanctions Act, in 15-36-10, they clearly break
11 down provisions that are applicable throughout the
12 proceedings so I in time could have filed a motion saying,
13 "This particular motion violated Rule 11, and I'm seeking
14 sanctions under this -- for the filing of this particular
15 pleading." I didn't do that.

16 I waited until the end of the case, and I sought
17 sanctions pursuant to Rule 11 for the whole case and
18 pursuant to the Frivolous Civil Proceedings Sanctions Act
19 for the whole case.

20 THE COURT: But your remedy would be the same under
21 both, correct?

22 MS. BALLARD: The remedy -- well, it's interesting.
23 The Bon Secours case, which I'm -- Your Honor, I have a
24 bunch of case law that I wanted to provide, and rather
25 than kill many trees I put it on thumb drives for

1 everybody. There is one for you and your law clerk.

2 The Bon Secours case, Your Honor, is the one that
3 construes the type of sanctions that Your Honor can impose
4 sua sponte. The Bon Secours case was a sua sponte in
5 position of sanctions. It wasn't construed either Rule 11
6 or the Frivolous Civil Proceedings Act.

7 THE COURT: That was Judge Baxley's case?

8 MS. BALLARD: That was Judge Baxley's case, yes, sir.
9 But what the Court said is there are number of things that
10 the Court can do by way of sanctions. So the Court's
11 discussion as to what is a sanction is relevant here. And
12 that, of course, talks about attorney's fee, a fine and
13 penalty, non-monitory sanctions.

14 THE COURT: Paying jurors?

15 MS. BALLARD: I'm sorry.

16 THE COURT: Paying jurors who took the time to show
17 up? That was ruled improper.

18 MS. BALLARD: That was ruled improper. The payment
19 to the Court was ruled improper. But what the Court said
20 if the kind of sanctions that would generally don't apply
21 in the past which are not limited to attorney's fees,
22 fines, penalties and non-monitory relief that the Court
23 might think is appropriate.

24 For instance, the Court may issue an order as part of
25 its order on the sanctions motion saying Mr. Hammer cannot

1 file any additional actions against Mrs. Hammer arising
2 out of the same facts and circumstances of these two
3 cases. That would be a non-monitory sanction that the
4 Court has the authority to impose under Rule 11 or under
5 the Frivolous Civil Proceedings Sanctions Act because it
6 falls within the definition of the sanction as referenced
7 by the Supreme Court.

8 THE COURT: Okay. So tell me about the timing under
9 Rule 11.

10 MS. BALLARD: Yes, sir. The timing under Rule 11 as
11 I said there is no timing under Rule 11 because the motion
12 can be filed at any time as long as the Court maintains
13 jurisdiction. It could have been filed as soon as the
14 summons and complaint was filed. I could have filed a
15 Rule 11 motion. I could have filed it 30 days after, and
16 Mr. Hammer would have had 30 days to respond under the
17 Act. And there is no time within which he has to respond
18 under the Rule 11 motion. He can respond whenever if at
19 all.

20 But as I said when you file at the conclusion of the
21 action as long as Your Honor still has jurisdiction, and
22 you clearly did, for all the reasons that I've spelled out
23 in my memorandum, your order of January 29th anticipates
24 further proceedings. So it's not a final order. Could
25 not be appealed at that point. So you retain

1 jurisdiction.

2 The cases that I've cited are Culbertson v. Clemmons
3 case in my memorandum that we handed up this morning. If
4 the judge -- any judgment or decree waiting for some
5 further act to be done by the Court before the rights of
6 the parties are finally determined is interlocutory no
7 found. Your Honor has never surrendered jurisdiction of
8 this matter.

9 So as long as the motion was filed while Your Honor
10 had jurisdiction of this matter it was timely. Now, if I
11 had waited until after Your Honor had issued your final
12 order and the term had adjourned sine die the only relief
13 that would have been available to me then would be
14 pursuant to Rule 60, and that does not provide for
15 sanctions. That provides for equitable relief only.

16 But Rule 11, the Court can address a Rule 11 motion
17 at any time while the Court maintains jurisdiction over
18 the case. And I've set forth the cases in my memorandum
19 which address that issue. Your Honor's order clearly
20 indicated that further proceedings were going to be
21 forthcoming and ---

22 THE COURT: I disagree with you. That may be
23 semantics. I may have -- it was a final order on the
24 merits.

25 MS. BALLARD: On the merits, yes.

1 THE COURT: Obviously, folks have the right to
2 promptly make or timely make motions to offer or amend. I
3 might have anticipated them knowing the lay of the land,
4 but my order was final in the sense that it was a final
5 order on the merits. So it was a final order.

6 MS. BALLARD: And your jurisdiction continued once
7 the motion to alter or amend were filed?

8 THE COURT: I agree with you there.

9 MS. BALLARD: Yes.

10 THE COURT: But I don't want -- I certainly don't say
11 that I accept your premise that my order at the time that
12 it was issued was not a final order.

13 MS. BALLARD: I understand, Your Honor.

14 THE COURT: Subject to being altered or amended.

15 MS. BALLARD: Well, it anticipated further
16 proceedings, and by that I mean the Court did not
17 relinquish jurisdiction of the matter at that point.
18 If -- and I had orders by -- issued by Circuit judges
19 where they say, you know, "With the issuance of this I
20 relinquish jurisdiction of the case." Clearly Your Honor
21 did not do that.

22 So as long as the Rule 11 motion was filed while Your
23 Honor had jurisdiction, and I don't think there is any
24 dispute about the fact that you continue to have
25 jurisdiction when the motion for sanctions was filed on

1 January 15th, when it was served on January 15th, when it
2 was re-served on February 13th. I don't think there is
3 any dispute that Your Honor continued to have
4 jurisdiction. Your Honor continues today to have
5 jurisdiction by virtue of the post-trial motions that have
6 been filed, but have not yet been ruled on. Jurisdiction
7 is here.

8 In terms of the timing issues that Your Honor
9 requested that we address in the e-mail I think I've done
10 that with my memorandum and with reference to the
11 arguments that I made. But I did want address Mr.
12 Hammer's due process argument just so I've responded to
13 it.

14 THE COURT: All right.

15 MS. BALLARD: Mr. Hammer's motion or his argument
16 about due process simply doesn't make sense because Rule
17 203 of the Appellate Court rules requires that any appeal
18 that is filed have attached to it as an exhibit the order
19 on appeal. So every appeal when the door is opened in the
20 appellate system every court has the order that's on
21 appeal with whatever finding might be there.

22 To the extent that his due process argument is based
23 on report to the Commission on Lawyer Conduct or to the
24 Office of Disciplinary Council, that is completely
25 inapplicable because in a civil court, as Your Honor

1 knows, all matters have to be determined by the
2 preponderance of the evidence. disciplinary proceedings
3 against a lawyer have to be established pursuant to clear
4 and convincing evidence. So any finding by a Circuit
5 Court regarding whether someone has engaged in misconduct
6 or whether someone has violated the rule is not issue for
7 collusion when it comes to disciplinary proceedings
8 because the burden of proof is much higher in those
9 proceedings.

10 THE COURT: Okay.

11 MS. BALLARD: And I think that answers the due
12 process argument. And I just wanted to reinforce that D
13 of 15-36-10 applies to all of the prior paragraphs, A, B
14 and C. And we believe that the failure to respond by the
15 non-moving parties adjudicates the issue in terms of
16 liability leaving, of course, the issue for what sanctions
17 are appropriate to the determined.

18 THE COURT: All right. Mr. Hammer, I forgot that the
19 order that I signed is 42 pages, 130 some odd paragraphs.
20 What was the paragraph number that you were talking about
21 that I misstated the fact of what -- when you were
22 representing yourself?

23 MR. HAMMER: Right, Your Honor. It's your preference
24 to the introduction. It's on the very first page.

25 THE COURT: Okay. All right. I will -- you agree

1 with that statement, Ms. Ballard, that at least I need to
2 change that. It says, "At the trial Mr. Hammer was
3 represented by Mr. Arthur H. Aiken -- excuse me. Arthur
4 K. Aiken, Esquire in Hammer v. Hammer. Until trial
5 Mr. Hammer represented himself in that litigation."

6 MS. BALLARD: I believe the sentence is, "Until trial
7 Mr. Hammer represented himself in that litigation" is
8 inaccurate.

9 THE COURT: Okay. What would be the correct
10 statement again, Mr. Hammer?

11 MR. HAMMER: That Mr. Hammer was represented by
12 counsel from the initiation of the proceedings in the both
13 cases until the Friday before trial at which time
14 Mr. Aiken, who was representing him in the 1634 case, had
15 a conflict in terms of being able to appear and because of
16 that conflict and because Ms. Lipscomb would have had a
17 conflict in representing me in the 1634 case ---

18 THE COURT: Mr. Aiken had a scheduling conflict. She
19 had an ethical conflict.

20 MR. HAMMER: Right. I had no choice. At the last
21 minute we learned that she had a scheduling conflict. We
22 thought that the case would be over by 12:00 or 1:00. And
23 so we had a deposition scheduled for 2:00 or 3:00.

24 THE COURT: I understand that, but until trial who
25 represented you in Hammer v. Hammer?

1 MR. HAMMER: Mrs. Lipscomb.

2 THE COURT: Mrs. Lipscomb, you represented Mr. Hammer
3 until that Friday before trial in Hammer v. Hammer?

4 MS. LIPSCOMB: I had represented him on the
5 complaint, and then when -- and on the appeal for -- from
6 Judge Manning's order. When I believe it was -- my
7 recollection is there was nothing going on in that case
8 when I brought the case of 1634. I -- a decision had been
9 rendered, but there was nothing going on. And when
10 they -- I brought 1634 and when they brought in Mr. Hammer
11 as a third party I had a conflict at that point.

12 THE COURT: All right. Okay. I'll take care of that
13 misstatement in the order. I'll take care of that.

14 MS. BALLARD: Your Honor, I did prepare as you
15 requested a list of the pleadings.

16 THE COURT: Okay. We'll get to that in just a
17 minute. But I want to keep focused because if we start
18 with that we're getting into the actual merits of your
19 sanctions motions.

20 MS. BALLARD: Well, the only reason I want to bring
21 it up at this point is because what that said is accurate
22 except that the Hammer v. Hammer case was filed initially
23 pro se by Mr. Hammer.

24 THE COURT: Okay.

25 MS. BALLARD: And then Mrs. Lipscomb picked up in

1 November of '09.

2 THE COURT: Okay. You can hand my copy to Mr.
3 Bradley. All right. And in the order you folks want to
4 respond to Ms. Ballard? I'll be glad to hear from you if
5 anybody has a response. I assume your positions are the
6 same, and y'all just fundamentally disagree?

7 MS. BALLARD: On which issue, Your Honor?

8 THE COURT: On your response to what they said about
9 B and C and due process and so forth. Anything else.

10 MR. AIKEN: That's true, Your Honor. I've got a
11 position. B is not even in play here. It wasn't invoked
12 in the motion.

13 THE COURT: And I think she agrees with that.

14 MR. AIKEN: And the end day, the basic ten day rule,
15 is the generally applicable common law rule. And the fact
16 that we may have filed post-trial motions does not give
17 you power to hear a motion that is not served within that
18 ten day period by another party.

19 THE COURT: After collusion, trial, verdict, and so
20 forth?

21 MR. AIKEN: Yes, sir.

22 THE COURT: Okay.

23 MR. AIKEN: Yes, sir.

24 THE COURT: All right. Anything else, Mr. Hammer?

25 MR. HAMMER: Yes, sir. If I understood Ms Ballard

1 correctly she was somehow saying that the A section and
2 the B section allowed her to file a motion at any time.
3 Maybe I misunderstood her, but that's what I understood
4 her to say.

5 THE COURT: She said under A or B it would be any
6 time during the course of proceedings.

7 MR. HAMMER: I don't see anything in those sections
8 that talk about giving her the right to do that.

9 THE COURT: Well, she has -- it's -- I think that's a
10 moot point cause she's not moving under B. So I think
11 she's just ---

12 MR. HAMMER: She's saying under A she has any -- she
13 can file it at any time.

14 THE COURT: But she's not filing under A, is she?
15 She's not filing under C; is that right?

16 MS. BALLARD: That is right, Your Honor.

17 MR. HAMMER: Okay. And C(1) says -- it specifically
18 says, "Trial and after verdict."

19 THE COURT: Yes, sir. Now, and then we're back to
20 the comments all of you made on your motions to dismiss a
21 couple weeks ago.

22 MR. HAMMER: Yes, sir. And the affidavits which you
23 now have and show that they took the position that they
24 were able to file it before verdict and did file it -- did
25 serve before verdict, and we have affidavits that that did

1 not occur.

2 THE COURT: Okay. All right. Ms. Lipscomb, anything
3 in response to Mrs. Ballard's arguments, and then we'll

4 ---

5 MR. HAMMER: May I add one thing, Your Honor, before
6 I sit down?

7 THE COURT: Yes.

8 MR. HAMMER: Mrs. Ballard referred to the South
9 Carolina Commission of Lawyer Conduct, but she didn't
10 refer to the all violations of provisions of this section
11 must be reported by the Supreme Court and a public record
12 must be maintained and reported annually to the Governor
13 State and House of Representatives." That's different
14 than the report to the O C.D. Office -- O.D.C.

15 THE COURT: But she -- the Governor is not going to
16 hear you. It's on a list somewhere in the Governor's
17 office, right?

18 MR. HAMMER: But it's a public matter which you don't
19 have any opportunity to refute.

20 THE COURT: Okay. I understand exactly what you're
21 saying, but if the Supreme Court on appeal undid the
22 sanctions ordered by a judge I'm sure all those
23 publications and filings we the Governor, and so forth,
24 would be expunged somehow.

25 MR. HAMMER: Maybe, but there is not provision for A

1 and B. The fact that if the Supreme Court undid it the
2 Supreme Court, before their undoing it, is getting not a
3 record as she's talked about which the Supreme Court gets
4 as part of the appeal prior to their getting that record.
5 Many months prior to their getting that record their
6 getting a report that this case had no merit, and that's
7 quite without any chance -- and that whatever period of
8 time that the Clerk, whoever is involved, would be able to
9 list the practical aspects of this so whoever is involved
10 the potential for bias and prejudice because of that and
11 maybe not bias or prejudice but also for, more
12 importantly, the absence of the right to respond.

13 And that would be a due process right. You would
14 always have a right to respond. This doesn't give you a
15 right to respond.

16 THE COURT: Okay. All right, Ms. Lipscomb, anything
17 else.

18 MS. LIPSCOMB: Nothing, Your Honor.

19 THE COURT: Okay. All right. Mrs. Lipscomb --
20 excuse me. Ms. Ballard, I'll, beginning with the time
21 constraints that I outlined in my e-mail you will have --
22 I guess it was in my e-mail. I don't know which one it
23 was in. What I give you, an hour?

24 MS. BALLARD: You gave me 45 minutes, Your Honor, but
25 I won't require that long.

1 THE COURT: All right. I'll give you 45 minutes on
2 your presentation for sanctions under the statute and Rule
3 11. Of course, I'm going to have to decide whether or not
4 I think either or both are timely.

5 MS. BALLARD: Correct. Your Honor, as Mr. Aiken
6 pointed out we have moved ---

7 THE COURT: Yes.

8 MR. HAMMER: May I approach counsel for just one
9 moment? I may have a motion. Your Honor, for the record
10 this puts us -- puts me at least in a difficult position.
11 Here I am at a situation where we have a motion to
12 dismiss. If that motion is granted then we don't have an
13 argument. If that motion is not granted then our position
14 would be that we have 15 days for which to reply. We made
15 a response. Our response was by motion. Motion denied,
16 and we would have 15 days.

17 So what I'm asking is that we -- that, and I had
18 asked this earlier, not that the reason -- maybe i didn't
19 communicate as I had wished to the reason for having this
20 hearing earlier so Your Honor would have the opportunity
21 to make a ruling and any type of proceedings that would
22 have to come after that ---

23 THE COURT: We're having those hearings today. All
24 right. Mr. Aiken, do you join in that?

25 MR. AIKEN: No, sir.

1 THE COURT: Ms. Lipscomb?

2 MS. LIPSCOMB: No, sir.

3 THE COURT: Conceivably, if I were to do something
4 like that this would go on forever and ever and ever and
5 ever cause then Ms. Ballard would want a chance to reply.
6 I didn't ask you to stand up. So that request is denied.

7 MR. HAMMER: Thank you, Your Honor.

8 THE COURT: All right. Ms. Ballard.

9 MS. BALLARD: Thank you, Your Honor. Our motion is
10 indicated in the file written -- the motion filed on
11 January 15th -- we won't discuss when it was heard, is
12 under 15-36-10 (C)(1) which says, "That the Court shall
13 proceed to determine if the claim or defense was
14 frivolous." And then it gives you three grounds upon
15 which you can determine whether the case was frivolous.

16 A, provides that a reasonable attorney believes that
17 the claim was not valid.

18 B, was the claim intended merely to harass or injury
19 the other party.

20 Or, C, was merely brought for a purpose other than
21 securing the proper discovery, joinder of proposed
22 parties or adjudication of claim.

23 Your Honor, we have established clearly in Your
24 Honor's order that Mr. Hammer in 1634 violated C(1)A,
25 C(1)B and C(1)C. And the evidence for that, Your Honor,

1 I'm going to hand up three copies for you. I will hand up
2 a highlighted copy of Your Honor's order dated
3 January 29th which includes all findings we need. The
4 Court doesn't need to make any additional findings because
5 Your Honor has already determined each of the
6 requirements. This copy is highlighted, Your Honor.

7 So I begin on Page Four, Subparagraph One, you've
8 already found that Mr. Hammer is intent on using the civil
9 process to unnecessarily and unfairly prolong any and all
10 litigation concerning Shirley. That takes us to
11 Subsections A and B of C(1).

12 Your Honor, went on to find that there was clear and
13 convincing evidence -- this is Paragraph Two on Page Five,
14 clear and convincing evidence of Howard's intent to use
15 unmeritorious litigation. That's C(1) of any kind, which
16 is both cases, to harass and cause financial hardship to
17 Shirley. Those findings have already been made.

18 On Page 7, Paragraph 13, Your Honor talks about the
19 filing lis pendens in the 2009 case. Mr. Hammer filed it,
20 quote, "with knowledge that Shirley was attempting to sell
21 and he lacked any interest whatsoever in 320 St. James."

22 Page 8, Paragraph 20. Your Honor found that the day
23 after Mr. Hammer initiated the Hammer v. Hammer case pro
24 se that he tried to steer the purchasers of Shirley's
25 house away from the purchase clearly intending to injury

1 her. Clearly reflecting the improper purposes that are
2 set forth in C(1) as the basis for sanctions.

3 Paragraph 22, Mr. Daghinart asked Howard to remove
4 the lis pendens. Howard refused. The lis pendens is
5 still on record, and we tried this case in 2012 the lis
6 pendens that had been filed in 2009 continued to exist,
7 and continued to exist until Your Honor ordered it
8 terminated.

9 THE COURT: Has it been terminated now?

10 MS. BALLARD: Not yet. The motions for
11 reconsideration are still pending.

12 THE COURT: Okay.

13 MS. BALLARD: Page 20, Paragraph 30.

14 THE COURT: Page 20?

15 MS. BALLARD: Excuse me. Page 10, Paragraph 30. Top
16 of the page, "The Court finds this particular testimony
17 not credible." This is talking about how Mr. Hammer
18 supposedly, accidentally arrived at Mr. Daghinart's
19 office. He calculated his arrival to disrupt the closing.

20 Number -- Page 11, Paragraph 347, Your Honor's
21 finding that Mr. Hammer is continuing to argue the
22 jurisdictional public policy grounds that have already
23 been overruled and finalized by the Court of Appeals yet
24 he continues to argue them, even now in the post-trial
25 motions.

1 Footnote 6 is particularly interesting in that it
2 makes note of the fact that Mr. Hammer's lack of candor
3 when he brought the 2009 Hammer v. Hammer case. He tried
4 to hide from the Court what the case was really about.
5 Your Honor found he resisted disclosing the information to
6 the Circuit Court as to what that case was really about.

7 THE COURT: Well, he claimed that it was because he
8 was under an order not to talk about it because the
9 agreement was under seal or something.

10 MS. BALLARD: I understand the argument, Your Honor.

11 THE COURT: Does that have any merit?

12 MS. BALLARD: No, sir. The Court of Appeals
13 specifically denied his request to seal the Family Court
14 record on appeal from Judge Manning's order.

15 Paragraph 39 on Page 12, "Howard's contract actions
16 which is the 2009 action was brought against Shirley had
17 no merit wherein the statute, and was brought to harass
18 Shirley when no legal basis existed for the claim. The
19 filing of lis pendens was frivolous and had no legal
20 merit.

21 Paragraph 40, "The action was reprehensible. It was
22 totally improper and it was totally unfounded."

23 Paragraph 41, Your Honor found that his conduct was
24 reprehensible because he well knew he had no claim to the
25 property.

1 Page 13, Paragraph 42, "Howard's filing of lis
2 pendens was calculated to be done just as Shirley's sale
3 of the house was slated to close, and in that sense she
4 was in a financially vulnerable position. He used this
5 litigation to damage her," which is clearly what is
6 contemplated by 15-36-10, Sub C.

7 Paragraph 43, "I find by clear and convincing
8 evidence that Howard was aware of the triviality of his
9 conduct. And while he did not try to conceal it in the
10 traditional sense he did cloak his conduct over the guise
11 of trying to attack the Family Court order in Circuit
12 Court.

13 I find by clear and convincing evidence that Howard's
14 conduct has been relatively long lasting and specifically
15 that his conduct continued from the time he filed the lis
16 pendens on July 31st 2009 and filed this action on
17 August 18th 2009 and through the time Judge Manning
18 dismissed the action in April 2010." And then you point
19 out the lis pendens was still in affect and is today still
20 in effect.

21 Page 14, Paragraph 46, Your Honor talked about Mr.
22 Hammer's motivations for why he brought these actions
23 which clearly does not reflect a proper purpose in the
24 breaking of this action.

25 Page 17, Your Honor, with reference to 16-34. Your

1 Honor found in Paragraph 53, "There is no doubt that
2 Howard was 1634 Main LP. So the actions that Your Honor
3 has already found as being frivolous on the part of Mr.
4 Hammer also applied to the bringing of the 1634 case, Your
5 Honor.

6 Page 18, Paragraph 58, Your Honor recites the fact
7 that Mr. Hammer acted on behalf of 1634 clearly gave Mr.
8 Ackerman false information to assist him in trying to
9 establish that Mrs. Hammer had a 52.75 percent interest in
10 the partnership" when that clearly was not the case.
11 That, of course, was the entire premise on which the 1634
12 Main Street case was brought. And the affidavits that
13 were filed yesterday continue to argue that Mr. Hammer
14 relied on Mr. Ackerman's finding that Mrs. Hammer owned
15 the majority of the LP.

16 Well, Your Honor, what we found here is the only
17 reason by Ackerman said that is cause Mr. Hammer lied to
18 him.

19 Page 19, Paragraph 60, Your Honor found that Howard
20 has provided suspect testimony. That was in reference to
21 whether or not the transfer of the 1634 interest was
22 supposed to go back to him.

23 Page 22, Paragraph 76. Your Honor noted, which I had
24 not picked up on, the filing of the 1634 action was 16
25 days after Judge Manning dismissed the first action that

1 Howard had bought against Shirley. So 16 days she had
2 peace before he brought the second action, 1634 Main v.
3 Shirley Hammer. And Your Honor has already found, and
4 again I quote, "It's clearly based on Howard's false
5 representations to both Turbeville and Ackerman that
6 Shirley was responsible for the limited partnership's
7 repairs and the percentages are there. Page 23, Paragraph
8 77, Your Honor ---

9 THE COURT: Just for the record Marion Turbeville is
10 the?

11 MS. BALLARD: He was the property manager.

12 THE COURT: Property manager. Mr. Ackerman was the
13 1634 CPA?

14 MS. BALLARD: Correct.

15 THE COURT: All right.

16 MS. BALLARD: Page 23, Paragraph 77, Your Honor has
17 already found, "It was Howard's intent that the 1634 case
18 be brought to further harass Shirley and to attempt to
19 obtain an unfair financial advantage since Howard's claim
20 against her in the contract action had been dismissed 16
21 days earlier as Your Honor noted.

22 Paragraph 80, same page, "Howard arranged for 1634 to
23 commence this action against Shirley on baseless grounds
24 while not insuring an action was brought on behalf of
25 himself."

1 THE COURT: Against himself.

2 MS. BALLARD: Against himself by involving the
3 attorneys who, obviously, got conflict as Your Honor has
4 heard this morning. But there has already been testimony
5 about that.

6 Page 24, Paragraph 80, "Howard then arranged for
7 Shirley to be sued for her supposed share of repair costs
8 while making sure that he was not sued for his share.
9 This clearly and convincingly establishes that Howard and
10 1634's purpose in initiating this action; that being the
11 2010 action, was to harass Shirley over a partnership
12 interest she had tried to convey to Howard in accordance
13 with the Family Court order."

14 Paragraph 83, "The 1634 action was timed by Howard to
15 extract money from Shirley or to harass her."

16 Page 25, Paragraph 88, "The 1634 action was brought
17 at Howard's behest to continue his harassment of Shirley
18 and to try to collect maintenance money for real and/or
19 personal property that Shirley had in obedience to the
20 Family Court order tried to convey to Howard."

21 Same page, Paragraph 89, "The timing of the memo
22 written to Mr. Hammer by Mr. Turbeville on November 10,
23 2009 was orchestrated by Howard and addressed only to
24 Howard was not coincidental." Onto the next page. "Was
25 not coincidental. It was just after Shirley attempted to

1 tender of November 5th." So here he is using the premise
2 to bring the 1634 action to try to stop what she was
3 ordered to do in the Family Court.

4 Paragraph 93, "Howard provided Turbeville with false
5 information regarding Shirley's interest in the limited
6 partnership.

7 THE COURT: You've got 90 highlighted also.

8 MS. BALLARD: Yes, sir. I'm sorry, Your Honor.
9 "Howard knew that Shirley had tendered her partnership
10 interest. He also knew that Shirley owned only 8 percent
11 of the limited partnership. Clearly at the time he
12 brought the 1634 case he knew there was absolutely no
13 merit to it whatever."

14 Page 27, last portion of Paragraph 94.

15 "Demonstrating further that he; that the action against
16 Shirley instigated solely by Howard was a sham attempt to
17 collect a debt that Shirley did not owe and was an attempt
18 by Howard to harass Shirley."

19 Paragraph 97, "I find by clear and convincing
20 evidence that the actions of Howard and the limited
21 partnership where reprehensible in the sense the actions
22 were calculated to begin when Judge Manning dismissed
23 Howard's claim in the contract action, Hammer v. Hammer,
24 and were a continued effort to harass Shirley and to
25 attack one or more Family Court orders in an obviously

1 improper forum."

2 98, "I find by clear and convincing evidence that
3 these actions have been long lasting from at least
4 November 10th 2009 to now, now being January 29, 2013.
5 And both Howard and the limited partnership were aware of
6 the wrongfulness of their conduct."

7 Page 29, top of the page. "Shirley is having to
8 combat continuous, baseless legal claims, has been deemed
9 and ongoing since the 1634 action was commenced against
10 her."

11 Paragraph 15, "Howard's ulterior purpose."

12 106, "Howard's bringing of the contract action and
13 the lis pendens to subvert the transaction with the
14 purchasers, to prevent the sale, to avoid the Family Court
15 agreement or to gain some leverage against Shirley in the
16 Family Court constitutes an ulterior purpose that supports
17 a claim of abuse of process."

18 Page 30, Paragraph 109, "Howard not only initiated a
19 continued the contract action and the lis pendens without
20 any good faith belief his claims were valid, but he also
21 tried to use the lis pendens to entice the buyers to back
22 away from buying 320 St. James."

23 Page 32, Paragraph 117, "It is absolutely clear that
24 Howard filed the lis pendens with malicious intent."

25 Page 36, top of the page. There is no paragraph

1 number. "Howard's conduct was repeated, intentional,
2 consistent and grounded in malice towards Shirley. The
3 reprehensibility of Howard's conduct and Howard's
4 awareness of the conduct are beyond doubt."

5 Page 38, Paragraph 128, "Howard's push for continued
6 litigation against Shirley in this action has been
7 undertaken for an ulterior purpose. Primarily to try to
8 attempt to escape his obligations under the Family Court
9 order and to generally harass her and obtain an unfair
10 financial advantage.

11 The Court is satisfied that there is clear and
12 convincing evidence that Howard sponsored and propelled
13 this litigation so there could be one more fraught on
14 which he could attack Shirley without legal or factual
15 justification and attempt to accomplish his goal of
16 harassing and bankrupting her."

17 Page 131 at the bottom of page 39. Your Honor
18 concluded that his actions are very similar in both
19 actions. In addition the Court was disturbed that
20 Howard's use of Mr. Turbeville and Danville business
21 advisors in his quest to harass Shirley and carry out his
22 mission of financially ruining Shirley." He didn't just
23 do it himself. He clothed himself behind Mr. Turbeville.

24 Same paragraph, middle of the page. "Howard's
25 motivation for his machinations in the contract action and

1 as the puppet master in this action are for the most part
2 saying, i.e. to engage Shirley in baseless litigation in
3 an effort to harass her and bankrupt her.

4 Page 41, Paragraph 136. "The Court has concluded
5 that the lis pendens was filed maliciously and has no
6 legal merit and, consequently, the lis pendens must be
7 dissolved."

8 Your Honor, you had made all the findings that are
9 necessary to support an award of sanctions under 15-36-10
10 C(1) A, B and C.

11 A refers to the fact that the claim was clearly not
12 warranted which Your Honor has already established.

13 B, the action was, "intended merely to harass or
14 injure the other party," which Your Honor has already
15 found.

16 C, was merely brought for a purpose other than
17 securing proper discovery, joinder of proposed parties or
18 adjudication of the claim or defense on which the
19 proceedings are based.

20 THE COURT: And that's statutory or Rule 11?

21 MS. BALLARD: That's statutory. Rule 11, Your Honor,
22 and there are some cases that I've handed up that are also
23 ---

24 THE COURT: On the thumb drive?

25 MS. BALLARD: Yes, sir. Sorry. I thought I had the

1 page marked. Runyon v. Wright is one of the cases that
2 I've included on the thumb drive. "A trial court may
3 impose sanctions on a party, party's attorney or both for
4 filing pleading, motion or other paper that cause delay or
5 when no good grounds exist to support the filing."

6 Harris Jenkins v. Nissan Car Mart, Rule 11 allows an
7 award of attorney's fees, and I'm quoting, "When the Court
8 finds that the opposing party has filed pleadings that
9 were made in bad faith and/or frivolous."

10 THE COURT: And that was Jenkinson v. Car Mart.

11 MS. BALLARD: Yes, sir, Your Honor.

12 THE COURT: The rules were annotated under Rule 11?

13 MS. BALLARD: Yes, sir.

14 THE COURT: In the rule book? Okay, I'll have those.
15 I mean I've got that up here in my rule book.

16 MS. BALLARD: One of the over cases that I've
17 included for Your Honor is Father v. D.S.S, South Carolina
18 D.S.S. which talks about the type of sanctions that are
19 appropriate beyond the attorney's fees that have been
20 incurred. The Bon Secours case which is also on the thumb
21 drive talks about attorney's fees and other financial
22 sanctions that can be appropriate.

23 Your Honor, I have filed the affidavit of attorney's
24 fees prior to the hearing on January -- I forget what date
25 in January it was.

1 THE COURT: January 15th is when we had the hearing
2 that -- the last hearing before I issued my order.

3 MS. BALLARD: Yes, sir. And we filed an amended
4 affidavit of attorney fees after that hearing which
5 brought it up to date and indicated that Mrs. Hammer has
6 expended more than \$200,000 in attorney's fees in
7 defending these baseless claims.

8 The affidavit spells out in detail which fees were
9 brought defending the Hammer v. Hammer case. What fees
10 were expended on appeal. And we respectfully urge that
11 even though it was an appeal, while it may not have been
12 relevant to damages under abuse of process, clearly the
13 expenses she incurred on appeal when Mr. Hammer was trying
14 to overturn Judge Manning's order are damages that can be
15 considered by Your Honor in determining the appropriate
16 amount of sanctions.

17 THE COURT: All right. Do you have the packets that
18 are referred to? You refer to Packet One, Packet Two and
19 Packet Three.

20 MS. BALLARD: No, sir, but I can certainly provide
21 those to you. Those are the breakdowns that show the
22 individual time entries.

23 THE COURT: Well, how am I supposed to look at that
24 if I have to determine the reasonableness of the fee?
25 Let's say for some reason you put down ten hours for a

1 letter. I think I need to look at those time entries.

2 MS. BALLARD: I'll be happy to provide them to Your
3 Honor.

4 THE COURT: And you've got to give them to them.

5 MS. BALLARD: I'm sorry?

6 THE COURT: Don't you have to give them to them?

7 MS. BALLARD: I'll be happy to, Your Honor. I was
8 trying to avoid -- I mean it's a huge stack of papers, but
9 I'll be happy to provide it to Your Honor. But I would
10 point out that when we first heard -- when I first filed
11 this and even through today we have not heard one
12 objection to the reasonableness of my fees. We have not
13 heard one objection to the reasonableness of the effort
14 that I extend on Shirley ---

15 THE COURT: But I have to sure. I have to make the
16 decision whether or not they're reasonable.

17 MS. BALLARD: You do if you're awarding attorney's
18 fees. If you're awarding sanctions I think the standard
19 is a little different.

20 THE COURT: Well, sanctions in the form of attorney's
21 fees?

22 MS. BALLARD: Sanctions in the amount of attorney's
23 fees.

24 THE COURT: Well.

25 MS. BALLARD: This is what she actually spent.

1 THE COURT: Okay. Well, I beg to differ.

2 MS. BALLARD: I'll be happy to provide you ---

3 THE COURT: At least as far as whether or not that
4 would stand up to any appellate scrutiny. But if that's
5 the way you want to do it that's your chance.

6 MS. BALLARD: Well, I'll be happy to send up the
7 individual billing entries that reference the time. We've
8 broken them all out case by case. And I'll submit those
9 as an addendum to that affidavit, Your Honor.

10 THE COURT: Are you entitled to attorney's fee in
11 time expended in seeking sanctions?

12 MS. BALLARD: No, sir.

13 THE COURT: Oh, so what was the amended -- what's
14 been changed since January?

15 MS. BALLARD: I'm entitled to have the Court consider
16 the amount of money that Mrs. Hammer has had to expend
17 when determining the appropriate amount of sanctions. Not
18 attorney's fees. Sanctions.

19 THE COURT: Okay, but are you entitled to attorney's
20 fees expended in seeking sanctions?

21 MS. BALLARD: Yes, sir.

22 THE COURT: Is there case law that says that?

23 MS. BALLARD: No, sir. The only case that I've been
24 able to find says that you're not entitled to seek an
25 award of attorney's fees for seeking sanctions.

1 THE COURT: What's the additional amount from January
2 until now?

3 MS. BALLARD: That relates to all of the times ---

4 THE COURT: No. Dollar wise. What's the dollar
5 amount?

6 MS. BALLARD: Oh, the dollar amount? I have not --
7 that is through the date of filing in March.

8 THE COURT: Okay.

9 MS. BALLARD: The additional billings from March to
10 May I have not submitted to Your Honor. They are
11 approximately \$11,000. I have not submitted those to Your
12 Honor.

13 THE COURT: How about January through March?

14 MS. BALLARD: January through March are broken down
15 there I believe.

16 THE COURT: Okay.

17 MS. BALLARD: But, again, I'll submit the detailed
18 billing to you and to opposing parties so that you can
19 have that information. But, again, Your Honor, the point
20 that I wish to make is that if this were a fee shifting
21 analysis whereby Your Honor has statutory authority to
22 order the other side to pay fees the 1.5 analysis and the
23 individual elements of attorney's fees are relevant.

24 When Your Honor was awarded sanctions it's not
25 necessary that you have the same inquiry. You have to

1 look at the motivation behind the party against whom the
2 sanctions are being filed, and look at the actual expenses
3 that have been incurred. Nobody disputes that these are
4 actual expenses that have been incurred.

5 THE COURT: And you say that that argument hold true
6 to both your statutory claim and your Rule 11 claim?

7 MS. BALLARD: Correct because they're not being
8 awarded as attorney's fees. They're being awarded as
9 sanctions. That's a completely different matter. I point
10 out the ex parte Gregory case which is on the thumb drive.
11 That is a case I handled on behalf of Senator Gerald
12 Malloy when we recovered sanctions against an attorney who
13 brought a frivolous lawsuit against him.

14 Sanctions were awarded. Not attorney's fees. There
15 is a distinct difference. Your Honor, I think that's all
16 I have, and I hope I used less than my 45 minutes.

17 THE COURT: All right. You haven't addressed Mr.
18 Aiken.

19 MS. BALLARD: You know, you're right. I didn't.

20 THE COURT: I've got some serious reservations about
21 that because he defended a counterclaim for two days.

22 MS. BALLARD: Your Honor, I thought about that, too,
23 Your Honor. And if you look at the breakdown of pleadings
24 that I handed up that you requested Mr. Aiken filed his
25 first pleading on October 19th 2012 when he attempted to

1 take the deposition of Florence Hightower.

2 THE COURT: Ten days before the trial?

3 MS. BALLARD: Correct. And that was in the Hammer v.
4 Hammer case. Then his notice of appearance which was
5 served on 10/19 but filed on the date of trial, and then
6 the four pleadings that he has filed since then; motion to
7 quash and notice of the hearing.

8 Your Honor will remember that there was something
9 about a supposed doctor's appointment in New York City
10 that Mr. Hammer was not going to be available but suddenly
11 he was. That was filed by Mr. Aiken. Motion to amend the
12 findings of fact reargued all of the issues that Your
13 Honor has already found to lack merit. That was filed by
14 Mr. Aiken.

15 Mr. Hammer's motion to dismiss claim for sanctions
16 was filed by Mr. Aiken, and the motion to dismiss the
17 claim for sanctions was filed by Mr. Aiken on behalf of
18 himself.

19 If you look at the breakdown of the pleadings in the
20 1634 Main case the first filing by Mr. Aiken was
21 10/28/2011. Motion to alter or amend; that would be the
22 ruling, I believe, of Judge Manning. Motion for
23 continuance on 1/20/2012 by Mr. Aiken on behalf of
24 Mr. Hammer. Motion for continuance on February the 21st
25 2012 by Mr. Aiken on behalf of Mr. Hammer.

1 3/29/2012, request for extension of time to respond
2 to second amended answer. Mr. Aiken again on behalf of
3 Mr. Hammer. Again, all of these were brought for purposes
4 of delay.

5 THE COURT: Well, the delay was granted, wasn't it.
6 I mean he got the relief?

7 MS. BALLARD: Yes.

8 THE COURT: So a judge gave him a continuance.

9 MS. BALLARD: In a case which Your Honor has found
10 should never have been brought.

11 THE COURT: But he gave him a continuance so his
12 request for relief was not frivolous because he got it.

13 MS. BALLARD: Not when Your Honor is looking at the
14 overall bringing of the action.

15 THE COURT: On these I think you're kind of straining
16 at gnats, with all due respect.

17 MS. BALLARD: All right. My point was that those
18 pleadings, the ones signed by Mr. Aiken, were brought to
19 further delay this action and did because they were
20 granting, further delay this action.

21 THE COURT: Well. So it's -- okay. I'll have a hard
22 time connecting those dots.

23 MS. BALLARD: I understand, Your Honor. But I did
24 want to spell this out for you. Mr. Aiken's position sat
25 he has merely defended. He has delayed this case.

1 Perhaps not as much as Mr. Hammer has, but he has
2 contributed to the delay of this case.

3 THE COURT: Did you move for a continuance at any
4 time for anything? Did you move -- did you ask for a
5 deposition to be rescheduled?

6 MS. BALLARD: I rescheduled the deposition. Yes,
7 sir.

8 THE COURT: Did you get an extension of time to
9 answer the complaint when it was originally filed?

10 MS. BALLARD: No, sir.

11 THE COURT: I find it hard to fault an attorney for
12 having to -- I did this for 21 years. I find it hard to
13 fault an attorney for trying to herd cats and juggle time
14 bombs. I mean it's -- who knows his motivation for asking
15 for a continuance. But in any event, what has he done to
16 sponsor the frivolous litigation? Not to prolong
17 frivolous litigation by some stretch asking for a
18 continuance or asking for an extension of time to reply to
19 a pleading. What has he done to sponsor it? He
20 represented ---

21 MS. BALLARD: He did nothing to initiate the actions,
22 Your Honor.

23 THE COURT: Did nothing to initiate it, and he
24 represented a client for two days in your count.

25 MS. BALLARD: Yes, sir.

1 THE COURT: And through today he's representing a
2 client in an countered.

3 MS. BALLARD: During the trial, Your Honor, I think
4 you will real. I don't know if the record will reflect
5 this, but Mr. Aiken was continuously providing assistance
6 to Mr. Hammer in pursuit of his individual claims. When
7 Mr. Hammer was testifying pro se Mr. Aiken was constantly
8 giving him cases and giving him documents and giving him
9 other things.

10 THE COURT: Well, some would see that as simply being
11 courteous.

12 MS. BALLARD: I understand, Your Honor. You asked me
13 for the grounds and the basis upon which we moved against
14 Mr. Aiken, but I do want to point he is affirmatively
15 taking steps to prolong this matter. And as I indicated
16 earlier when we addressed this matter in January we have
17 not sought sanctions against Ms. Lipscomb. She's tried
18 repeatedly to get relieved as counsel on this action.

19 THE COURT: Beginning when?

20 MS. BALLARD: I'm sorry?

21 THE COURT: Beginning when?

22 MS. BALLARD: Her first effort to get relieved as
23 counsel is when I filed the petition in the Supreme Court
24 which was July 2012.

25 THE COURT: But she participated in it up until then?

1 MS. BALLARD: I'm not making any request for
2 sanctions against her.

3 THE COURT: I know that, but she participated in it.
4 I don't think you're entitled to sanctions against her
5 either. I will go ahead and tell Mr. Aiken that if you
6 want spend time and arguing why you shouldn't be penalized
7 for sanctions you can do it. But I'm not incline to award
8 them against Mr. Aiken at all for the summary you've given
9 me.

10 MS. BALLARD: We respect that ruling, Your Honor.

11 THE COURT: So Mr. Aiken, I'm not going to award any
12 sanctions against you, but if you want to respond and talk
13 me out of it in a minute I'll let you do that. But you
14 can certainly talk about Mr. Hammer.

15 MR. AIKEN: Yes, sir.

16 THE COURT: Okay. Anything else, Ms. Ballard?

17 MS. BALLARD: Your Honor, we would request an award
18 of sanctions in favor of Mrs. Hammer against 1634 Main and
19 Howard Hammer in the amount of \$218,000 which represents
20 attorney's fees plus a fine to be paid to Mrs. Hammer in
21 such amount as Your Honor may deem to be appropriate to
22 properly respond to the misconduct that Your Honor has
23 already found that both 1634 and Howard Hammer engage in.

24 THE COURT: And help me out here. Where is it that
25 fines are paid to a party? I thought that they are

1 typically paid to quote unquote, the Court?

2 MS. BALLARD: Fines to be paid to the Court, I think
3 the Bon Secours case, I believe, allowed against a party.
4 But I have to be sure, but certainly a fine is
5 appropriate. If the Court finds that that fine should be
6 paid to the Court then so be it. He should be fined.

7 THE COURT: All right. So 1634 and Howard jointly
8 and severally in the amount of \$218,000?

9 MS. BALLARD: Yes, sir.

10 THE COURT: But 1634, some of your time interest may
11 be applicable only to 1634 and some may be applicable only
12 to Howard but some may be both.

13 MS. BALLARD: Yes, sir.

14 THE COURT: Cause I've already -- I ruled, subject to
15 their motion to alter or amend, that Howard was for all
16 practical purposes 1634.

17 MS. BALLARD: And, Your Honor ---

18 THE COURT: And the reason I didn't award punitive
19 damages against 1634 is because I was trying to -- I
20 thought it would be too much peeling an onion to make an
21 entity responsible for litigation started by Mr.
22 Turbeville when he didn't know the real deal because of
23 what Mr. Hammer did or did not tell him. That was --
24 that's, in a nutshell, my finding. So how am I to
25 differentiate what should be on 1634's ticket and what

1 should be on Howard's ticket and what should be on both
2 tickets?

3 MS. BALLARD: The breakdown at the conclusion of my
4 affidavit, Your Honor, shows ---

5 THE COURT: So your affidavit addresses that?

6 MS. BALLARD: Yes, sir, it does. It does. The gross
7 number is \$218,000, Your Honor. But, again, I would urge
8 the Court to issue a fine payable to the Court or to Mrs.
9 Hammer or to whatever the Court deems is appropriate
10 because of the reprehensible conduct, the clear and
11 convincing violations of Rule 11 and the perhaps
12 unprecedented violation of the Frivolous Civil Proceedings
13 Sanctions Act.

14 THE COURT: All right. What we'll do, Mr. Aiken, Mr.
15 Hammer and Ms. Lipscomb, we're going to take about ten
16 minutes. Perhaps that will allow you to gather your
17 thoughts, and I know we've been in here for a while. So
18 everybody might need a break. Okay. And Mr. Bradley can
19 tell you where the restrooms are.

20 (WHEREUPON, a short break was taken.)

21 THE COURT: All right. The arguments raised by Ms.
22 Ballard, Mr. Aiken, have y'all agreed who will go first?

23 MR. AIKEN: I'm going to go first, Your Honor.

24 THE COURT: Okay.

25 MR. AIKEN: I apologize, Your Honor.

1 THE COURT: It's okay.

2 MR. AIKEN: As I understand the way Ms. Ballard is
3 proceeding she is taking the position that the entire case
4 of Howard Hammer v. Shirley Hammer was frivolous or
5 brought in with some form of bad faith. That's my
6 understanding of the way she's proceeding with that case.
7 I think one of the most important things to note, Your
8 Honor, is there is case law from the Supreme Court which
9 basically says that if you have a case in which a summary
10 judgment motion is filed, for example against the
11 plaintiff, and the plaintiff's claim survives summary
12 judgment there can be no sanctions.

13 And the case -- one of the cases that stands for that
14 proposition is call Hanahan v. Simpson. And in this case
15 ---

16 THE COURT: There can be no sanctions under the Act.

17 MS. BALLARD: There can be no sanctions under the
18 Act, and as I understand the law no sanctions under Rule
19 11 either if you're proceeding on this whole case theory
20 as opposed to a single filing theory. As I understand it
21 were on a whole case theory here. We're not on a I pick
22 out these individual files and this one was frivolous and
23 this one was frivolous. With specific filings she's
24 taking this whole case principally.

25 And the whole case, principally, Your Honor, the case

1 law is that if a motion for summary judgment is filed and
2 the plaintiff survives it there can be no whole case
3 frivolous sanctions, frivolous claims or Rule 11 sanctions
4 against the Plaintiff in that scenario. Now, the only
5 difference between this case and those cases is that there
6 was not a motion filed for summary judgment by Mrs. Hammer
7 on her counterclaims.

8 But my position is this; whether summary judgment
9 motion was filed or wasn't filed unless the case is
10 decided as a matter of law on summary judgment there
11 cannot be any whole case frivolous claim sanctions under
12 either the Frivolous Claim Act or Rule 11.

13 THE COURT: So you're saying that just because she
14 did not even bring a motion for summary judgment you
15 survive sanctions, period?

16 MR. AIKEN: That's correct. If we're proceeding
17 under this whole case the whole case is infected by the
18 provolity and/or by bad faith. If we're proceeding under
19 that theory, and apparent we are from what I understand,
20 if there is no summary judgment granted in the case in
21 favor of the party making the motion for sanctions there
22 can be no sanctions.

23 THE COURT: So you base it on whether -- if summary
24 judgment is not granted there can be no sanctions? And it
25 wasn't granted here because she didn't ask for it?

1 MR. AIKEN: That's correct. That's correct. And my
2 point is it doesn't matter whether you ask for it or not.
3 Unless you get it -- unless you get a summary judgment, a
4 judgment as a matter of law finding that there are no
5 genuine issues of material fact, unless you get that you
6 cannot proceed or you cannot successfully recover
7 sanctions on a whole case frivolous, bad faith type
8 theory.

9 THE COURT: How about an issue where a motion for
10 involuntary non-suit is made at the close of the
11 plaintiff's case, and that is denied because the judge is
12 confused about everything and wants to sort it all out on
13 the merits. How about that?

14 MR. AIKEN: Well, I think under that -- in that
15 situation under that scenario you would still have a
16 situation where there could be no sanctions because a
17 dispositive motion was made and the non-moving party
18 withstood that dispositive motion.

19 THE COURT: You say that's equivalent to the denial
20 of a summary judgment motion for the purposes of that case
21 law?

22 MR. AIKEN: I can say it is. Yes, Your Honor. And I
23 think the reason for that the standard, although not
24 identical, is very, very similar. No general issue of
25 material fact in the summary judgment case and no issues

1 of fact in the directed verdict situation. And it's also
2 important to note, Your Honor, that Subsection C of the
3 Act, which is 15-36-10 Subsection Capital C.

4 THE COURT: Yes, sir.

5 MR. AIKEN: It refers to different types of conduct
6 in subsection 1(A), (B) and (C) which included the whole
7 claim or defense as frivolous. The whole claim or defense
8 made to injure or harass or claim the defense is made for
9 a purpose other than a legitimate purpose. But it's
10 important to note, Your Honor, that if you look down to
11 Subsection Capital C(2) it says, "Unless the Court finds
12 by preponderance of the evidence that an attorney, party
13 or pro se litigant engage in advancing a frivolous claim
14 or defense the attorney, party or pro se litigant shall
15 not be sanctioned."

16 And I think the message I get from that, Your Honor,
17 is this: Even if your action is filed in bad faith under
18 C, even if it's filed to injure or harass if it has
19 merit -- in other words if it's not frivolous you can't be
20 sanctioned.

21 THE COURT: So in other words you say there is a
22 difference between bad faith and frivolous?

23 MR. AIKEN: Yes, sir.

24 THE COURT: Difference between intending to harass
25 and being frivolous?

1 MR. AIKEN: That's correct. There is a difference,
2 and that Subsection Two basically says that if it's not
3 frivolous there can't be any sanctions. So logically you
4 conclude that now that even if it is in bad faith designed
5 for purposes of delay, injury or harassment or what other
6 kind of bad faith there may be if it's non-frivolous you
7 can't sanction somebody.

8 THE COURT: Well, so what's the difference between
9 frivolous and bad faith?

10 MR. AIKEN: Well, a frivolous action is one in which
11 the claims that are being -- the claim that is being
12 advanced is not well grounded in the facts or the law. In
13 other words, there is no factual support for the claim,
14 and/or there is no legal support for the claim.

15 THE COURT: I need to stop you there because C(1)
16 says, "Before you get to A, B, or C. an attorney, party or
17 pro se litigant shall be sanctioned for a frivolous claim
18 if the Court finds A, B or C. All of which include
19 harassment, bad faith, purposes of delay," so forth and so
20 on. So doesn't the Legislature -- does not the
21 Legislature seem to equate frivolous claim to A, B, or C?

22 MR. AIKEN: That is probably a supportable
23 interpretation of that, but if you look at the case law it
24 seems pretty clear to me that there is a distinction made
25 between frivolous claims, claims that are not supported

1 either in fact or in law. And claims made in bad faith,
2 you know, for one of these improper purposes.

3 THE COURT: Okay.

4 MR. AIKEN: And in my affidavit, Your Honor, which we
5 supplied to you today, I've indicated that when I became
6 involved in the Hammer v. Hammer case I analyzed the
7 claims that had been made but subsequently been dismissed
8 by Judge Manning.

9 THE COURT: Yes.

10 MR. AIKEN: Because those had some bearing on my
11 defense of the counterclaims. And I felt like I needed to
12 have a better understanding of the case. And the first
13 thing I did was look at Moseley v. Moser because there is
14 that finding of no subject matter jurisdiction. And must
15 say this, Your Honor. I am no expert in the area of
16 family law. I've done on family law except for
17 representing juveniles in criminal cases. So I'm somewhat
18 limited in that area.

19 But having reviewed Moseley v. Moser and its
20 indication that several agreements reached as part of the
21 divorce may under some circumstances give rise to legal
22 claims on a breach of contract theory. I felt as if under
23 Moseley v. Moser that the jurisdictional issue was
24 debatable.

25 And then I looked at the lis pendens, and you know,

1 lis pendens has been recognized by our Appellate Courts is
2 for purposes of notifying third parties of a potential
3 claim against a piece of real property.

4 THE COURT: Also it also stops the sale cold in its
5 tracks.

6 MR. AIKEN: I can. It can.

7 THE COURT: It does. That's the purpose of it.

8 MR. AIKEN: Right. And here you have the filing of
9 the lis pendens. You have a certain amount of time. I
10 forgot how many days it is to file your action after you
11 file the lis pendens, but this one was filed in a timely
12 manner.

13 THE COURT: But did it include a cause of action to
14 foreclose on the lis pendens?

15 MR. AIKEN: No.

16 THE COURT: Filed the lis pendens but no action to
17 foreclose it was ever filed?

18 MR. AIKEN: Oh, well, I wouldn't say you have to have
19 an action to foreclose. What you have to have is an
20 action ---

21 THE COURT: Dealing with ---

22 MR. AIKEN: Dealing with the result of which may
23 effect type.

24 THE COURT: Okay.

25 MR. AIKEN: That's what you need in order to make a

1 valid lis pendens filing. And I looked at the pleadings
2 that have been filed by Ms. Lipscomb concerning seeking a
3 judicial declaration that's the agreement in Family Court
4 was void as a matter of law. And then I thought and said,
5 'well, what would happen if that were granted if in fact
6 declaratory judgment were granted and that agreement was
7 found void and the issue void from the set out'. Well, if
8 that occurred whatever action has been staged under and
9 performance under that subagreement would have to be
10 reversed.

11 Because the parties, if it's void on an issue, the
12 parties go back to the status quo for the agreement.
13 Status quo for the agreement was made. And that would
14 lead to the property I have at 340 St. James, but I
15 believe it's correct it's 320 St. James; that property
16 would have had to have been transferred back to Mr. Mr.
17 Hammer if that action was successful. So that's where the
18 potential interest in that property comes from is through
19 that analysis and through that case law.

20 THE COURT: So Mr. Hammer continues to contend that
21 the a forbearance of making any ethical complaints against
22 one of the professionals involved makes the whole
23 agreement void abi initio?

24 MR. AIKEN: No, sir. I'm not making that claim. But
25 what I'm saying, Your Honor, is that the action that was

1 originally filed as it was originally filed could have
2 resulted in an interest in property on behalf of
3 Mr. Hammer. I'm not commenting on the merits other than
4 indicating that in my view the claim was not frivolous.
5 Now, whether it should have succeeded or shouldn't have
6 succeeded I don't think -- I don't take a position and I
7 don't think I have to take a position on that because what
8 I'm looking at is what a reasonable attorney like me,
9 having practiced for 24 years, have looked at this
10 situation with these documents.

11 And would they have concluded that an action could be
12 filed and could they have concluded that that action might
13 reasonably or possibly affect title to a piece of property
14 such that it was appropriate under the ethical constraints
15 under the Frivolous Claims Statute and under Rule 11 to,
16 One, filed the claims and, Two, file that lis pendens.

17 And I understand, Your Honor. I mean this is one
18 lawyer's view of this situation. All right. But the
19 standard is an objective standard. Would a reasonable
20 attorney have believed that the filing of the lis pendens
21 and the filing of the lawsuit was ---

22 THE COURT: In the Circuit Court. Filing of the
23 lawsuit in the Circuit Court.

24 MR. AIKEN: Yes, sir, in the Circuit Court. Would a
25 reasonable confident lawyer think that that was

1 non-frivolous. And like I said one lawyer's opinion. I'm
2 sure you will get.-- you get different opinions about
3 lawsuits. Basically one per person you talk to about
4 them. So, you know, it's not -- it may not be rocket
5 science, but it's pretty hard perhaps in law. And could I
6 have just one moment, please, Your Honor?

7 THE COURT: Yes, sir.

8 MR. AIKEN: Your Honor, I'm going to yield.

9 THE COURT: May I ask you one question?

10 MR. AIKEN: Yes, sir.

11 THE COURT: You say that a reasonable lawyer could
12 conclude that the filing of the lis pendens and the
13 commencement of the contract action in its entirety would
14 be -- would have merit because of what?

15 MR. AIKEN: Because ---

16 THE COURT: Because of what? What issue?

17 MR. AIKEN: Well, basically, the filing is made in
18 the Circuit Court. And I've read Moseley v. Moser with
19 the caveat that I am not a Family Court lawyer. But I
20 concluded from reading that that the jurisdictional issue
21 was fairly debateable. Then I looked at the declaratory
22 judgment action which sought to -- sought a judicial
23 declaration that the settlement agreement was void abi
24 initio. And ---

25 THE COURT: Because of what?

1 MR. AIKEN: Because of -- it was against the public
2 policy of the State of South Carolina to have an agreement
3 waived with grievances.

4 THE COURT: Okay.

5 MR. AIKEN: And I concluded that if in fact that
6 lawsuit succeeded then the parties would have to be
7 returned to the status quo before the agreement was
8 signed. And in that status quo Mrs. Hammer didn't own 320
9 St. James. Mr. Hammer did.

10 THE COURT: Okay.

11 MR. AIKEN: All right. And so the transfer of that
12 320 St. James was in compliance with that agreement. If
13 it's void that transfer has to be reversed and the
14 property goes back into the hands of Mr. Hammer. Okay.
15 That's where I get his potential claim they would affect
16 title to the real property therefore justifying the filing
17 of the lis pendens. That's my analysis, Judge.

18 THE COURT: Okay.

19 (WHEREUPON, external noise causes hearing to stop
20 temporarily).

21 THE COURT: What are they doing out there?

22 MR. AIKEN: Cutting the grass.

23 MS. BALLARD: I clerked for Judge Anderson, and we
24 had a case in Horry County, and they were digging up the
25 asphalt while the jury was trying to hear testimony. He

1 ordered them to stop but I don't think he really had
2 authority to do that.

3 THE COURT: Go down there and ask them -- well, I
4 could ask everybody to talk loud. The court reporter is
5 the one I'm concerned about getting everything down
6 accurately, and.

7 MS. BALLARD: We can change tables.

8 THE COURT: Might want to get a little closer. A lot
9 of lawyers when they come here they like to stand at the
10 rail.

11 Anything else, Mr. Aiken?

12 MR. AIKEN: We regards to the specifics -- to other
13 specifics of the Hammer v. Hammer case I'm doing to defer
14 somewhat to Ms. Lipscomb because she handled it longer
15 than I did.

16 THE COURT: Okay.

17 MR. AIKEN: Thank you, Your Honor.

18 THE COURT: All right.

19 MS. LIPSCOMB: May it please the Court.

20 THE COURT: Yes, ma'am.

21 MS. LIPSCOMB: With regards to the Hammer v. Hammer
22 matter originally Mr. Hammer filed a lis pendens and then
23 he filed summons and complaint for breach of contract.
24 When he consulted me I realized that what he really meant
25 to do or was trying to accomplish was to get a declaratory

1 judgment that the contract was void abi initio. When I
2 filed -- before I filed the pleadings ---

3 THE COURT: And you said the Family Court Property
4 Settlement Agreement?

5 MS. LIPSCOMB: Yes, sir. And I'm -- it was -- I
6 reviewed the agreement that had been -- that was --
7 Mr. Hammer thought was void abi initio, and it -- and I
8 reviewed Moseley v Moser, and Moseley v Moser as a -- it
9 substantially changed the law. But it still had some
10 issues. Specifically said that it could an agreement that
11 was approved by Family Court could retain its contractual
12 nature if the intent was to do so and the intent was made
13 clear.

14 And in the particular agreement that he was seeking
15 to or we were seeking to determine if it was void it had a
16 number of provisions that could only be enforced in the
17 Circuit Court. And it specifically said at Paragraph
18 Number 15, "This agreement is a binding contract and is
19 enforceable as such under law." It also said that, "The
20 terms and conditions of this agreement shall be fully
21 binding on and enforceable by the heirs, assigns and
22 successor of the parties and their stays."

23 And the issue became could the heir and assigns bring
24 a case in Family Court. So it indicated that it was
25 contemplated or at least I thought it was reasonable to

1 think it contemplated enforcement in the Circuit Court.

2 THE COURT: Why didn't y'all just go to Family Court?
3 Was the time up?

4 MS. LIPSCOMB: Sir?

5 THE COURT: Why the time up or why didn't y'all raise
6 that on appeal or something in Family Court about the
7 voidness of it?

8 MS. LIPSCOMB: I wasn't handling the matter in Family
9 Court at the time. Jim McLaurin was, and my recollection
10 is, and I think this is accurate, that I even consulted
11 with him about -- I know I consulted with him about a lot
12 of things. But at the time I didn't represent Mr. Hammer
13 in Circuit Court either. It was already filed in Circuit
14 Court when I got involved.

15 But there were other provisions in here, too, that
16 indicated that the parties felt it could be enforceable in
17 Family Court or in Circuit Court.

18 THE COURT: And you're saying a reason attorney or
19 reasonable pro se litigant would have the right to
20 conclude that?

21 MS. LIPSCOMB: Yes, sir. And I think a reasonable
22 attorney could.

23 THE COURT: That's pretty much what you testified to
24 at ---

25 MS. LIPSCOMB: Yes, sir.

1 THE COURT: --- one of the last hearings?

2 MS. LIPSCOME: Yes, sir. That testimony, and one of
3 the reasons that it was thought to be void *abi initio* is
4 the provision that they waive filing all suits. It says,
5 "The parties agree not to file any lawsuits, complaints or
6 grievances against the other or any agents assigned to the
7 other with respect to any claims one might have against
8 the other except for the obligations created by the
9 settlement agreement referenced herein."

10 So that also, although I think that's part of what
11 made it allegedly void, but it also indicated that you can
12 bring a lawsuit with regards to the settlement agreement.
13 In any event the -- Judge Manning spent quite a bit of
14 time evaluating it and issued a very thoughtful order.
15 And then in the appeal the Supreme Court didn't just issue
16 an unpublished decision saying, you know, this is
17 ridiculous and throw it out. They issued a very
18 considered opinion addressing and furthering what they
19 wanted Moser -- Moseley v. Moser to say.

20 And that's why we submitted the affidavit of Jim
21 Richardson saying they would not have even published
22 anything if they had thought it was frivolous. And I
23 asked a bunch of -- I was asked a bunch of questions at
24 the oral argument.

25 THE COURT: In the Hammer litigation or.

1 MS. LIPSCOMB: Yes.

2 THE COURT: Not the Moseley litigation, but the
3 Hammer litigation?

4 MS. LIPSCOMB: Hammer, yes, sir. And so I thought it
5 was reasonable to get -- to bring suit in Circuit Court
6 because Moseley v. Moser was still -- is still developing
7 law. Now, I think its become clear now that you've got to
8 have a specific signed, just like an arbitration
9 agreement. Something that specifically spells it out in
10 big letters.

11 You know, Family Court doesn't have this -- it's
12 contractual in nature and certain provisions can be
13 enforced by the Family Court, but others can be brought in
14 Circuit Court as a matter of law. And I think you've got
15 to be that specific now that I don't think it was that
16 clear when we filed this in two-fold when this was filed
17 in 2009. So that is all I wanted to say, Your Honor,
18 about that.

19 THE COURT: On Hammer. How about 1634?

20 MS. LIPSCOMB: Okay, 1634. In 1634 I contacted Mr.
21 Bernie Ackerman to find out what the status of the limited
22 partnership interest were, and I was approached by -- and
23 I looked at the limited partnership agreement and studied
24 it. And then I was contacted by Marion Turbeville to
25 bring the assessment suit. And Mr. Howard, I asked him

1 cause I didn't want him to -- I wasn't going to bring it,
2 but it had to be brought against him as well. And he said
3 he would give, you know, confession of judgment. And he
4 still today would give a confession of judgment if that
5 was the appropriate thing to do.

6 The other party they would have been involved was
7 only owned 4 percent, and that was a minor. Now, and so
8 that's why that suit was brought, Your Honor. The
9 agreement has -- I think this was in evidence at trial,
10 but it had specific provisions about how things were to be
11 transferred and none of those or how the interest were to
12 be transferred.

13 It also, because a minor was involved, had to be
14 handled very, very procurely.

15 THE COURT: Because who was involved?

16 MS. LIPSCOMB: A minor.

17 THE COURT: Okay.

18 MS. LIPSCOMB: But what should have been done is a
19 guardian got appointed and everybody said this is, you
20 know, agree to it. But in any event that wasn't done. So
21 that's as to 1634.

22 And I wanted to further point the Court's attention.
23 I don't think Mr. Aiken gave you the cite, but it's
24 Hanahan v. Simpson. And the case is 326 SC 140, 485 SE 2d
25 903. And it does -- this case doesn't stand for the

1 proposition that if you get past summary judgment then you
2 don't get sanctions. It also says, "A number of cases
3 hold that the denial of a directed verdict or summary
4 judgment does not preclude a later determination that the
5 plaintiff's claims were frivolous." And then the Court
6 said, "However, we hold that a party who survives
7 pre-trial motions to dismiss and for summary judgment are
8 not subject to sanctions after trial on any surviving
9 claims."

10 So, Your Honor, we submit that once we got past any
11 kind of directed verdict or motion for non-suit and tried
12 to conclusion that, obviously, or not obviously, but that
13 we were -- we had already established a method threshold
14 at least if it had not been brought in bad faith.

15 THE COURT: Does Simpson -- Hanahan against Simpson
16 include directed verdict in that?

17 MS. LIPSCOMB: It says ---

18 THE COURT: It says, "A number of jurisdictions say
19 that denial of directed verdict and summary judgment still
20 might allow you to sanctions, but we hold that if a party
21 sur ---

22 MS. LIPSCOMB: It says, "A number of cases hold that
23 the denial of the directed verdict on summary judgment
24 does not preclude a later determination that plaintiff's
25 claims were frivolous and groundless." Said, "Other

1 courts, however, hold that a party who survives pre-trial
2 motions to dismiss and summary judgment are not subject to
3 sanctions after a trial on surviving claims." And it
4 says, "The theory behind these cases that if a case is
5 submitted to the jury it cannot be deemed frivolous," and
6 we concur with the review.

7 THE COURT: And you say that me being the jury if I
8 considered it on the facts that that is the equivalent of
9 surviving summary judgment?

10 MS. LIPSCOMB: Yes, Your Honor.

11 THE COURT: But to surview summary judgment don't you
12 have to be -- doesn't there have to be a motion for
13 summary judgment? Because I did look in the last few
14 weeks of cases talking about an involuntary non-suit and
15 non-jury case whether or not that is the same as summary
16 judgment being denied. I didn't find any.

17 MS. LIPSCOME: Well, this case -- this particular
18 case cites some of the cases in other jurisdictions.

19 THE COURT: There is a case called Swanson against
20 Stratos, S-T-R-A-T-O-S. 564 SE 2d 117.

21 MS. LIPSCOMB: Your Honor, I actual may have that
22 case.

23 THE COURT: The reason all this -- you know,
24 everybody can talk about this from an academic standpoint,
25 but in a non-jury case that's relatively complicated

1 procedurally sometimes the safest thing to do is to hear
2 everything on the merits and try to reach a conclusion
3 that way. I don't see the practical logic in this in a
4 non-jury setting. I say that at the risk of offending the
5 Supreme Court.

6 MS. LIPSCOMB: But, Your Honor, I would just submit
7 that this particular case does say what the threshold is
8 and not granting a motion for directed verdict or summary
9 judgment. There is a finding, in fact, that it's
10 reasonable.

11 And I join, too, in the fact that the Rule 11,
12 basically, deals with wither or not something that has
13 been signed is frivolous. And, therefore, if it is not
14 frivolous from the standpoint of a reasonable lawyer,
15 notwithstanding any bad intent or ulterior motive, then it
16 would not be subject to sanctions.

17 THE COURT: One of the questions I'm going to ask Ms.
18 Ballard is in my order I indicated that I thought this is
19 all brass tax, way I'm going to put it, is that Mr. Hammer
20 led Mr. Turbeville down the primrose path on what Mrs.
21 Hammer owned. And I noted that he disagrees with me
22 fundamentally on that.

23 So does 1634, but one of the questions that I'm going
24 to ask Ms. Ballard is how do I award sanctions against
25 1634 if its point man, Mr. Turbeville, who wasn't a member

1 or principal in that L.L.C. was the one who pretty much
2 your contact on the litigation and you were getting the
3 information from him about how things sat.

4 MS. LIPSCOMB: And the C.P.A.

5 THE COURT: And the C.P.A.

6 MS. LIPSCOMB: In fact afterwards Mr. Ackerman gave
7 me an affidavit affirming what he had told me about the
8 56.8.

9 THE COURT: I don't doubt that Mr. Ackerman thought
10 that was the case.

11 MS. LIPSCOMB: And, Your Honor, we're not arguing the
12 merits the motion to consider right now, but even under
13 the abuse of process cases they say if it is a valid claim
14 that is brought that the ulterior motive, even if there is
15 a bad motive or ulterior motive, doesn't make any
16 difference. And that's Southern Glass and Plastics.

17 And I would submit that that's the same analogous to
18 the sanctions. It says, "There is no liability where the
19 defendant has done nothing nor to carry out the process to
20 its authorized conclusion even though with bad
21 intentions." And that's Southern Glass v. Duke, 626 SC 2d
22 19. And at the second case it holds that Guider; that's
23 G-U-I-D-E-R v. Churpeys, C-H-U-R-P-E-Y-S. And that's at
24 635 SC 2d 562; that there is no liability when process has
25 been carried to its authorized conclusion even though with

1 bad intentions." So I just say that I submit that just an
2 analogous ---

3 THE COURT: So when is there liability for abuse of
4 process?

5 MS. LIPSCOMB: If I you use a threat of litigation
6 for advantage in negotiations, and it's after the process
7 is issued. Once you issue the process it is the use of
8 that or the threat of that or there is or coerce somebody
9 to do something.

10 THE COURT: So you can have an ulterior purpose and
11 beginning the litigation cause you want to harass your
12 ex-wife or she claims he ex. I think Mr. Hammer says
13 their not divorced. And you can just do that and not ever
14 get found liable for abuse of process until you do
15 something after you begin the case?

16 MS. LIPSCOMB: Well, that is correct.

17 THE COURT: That's kind of scarey.

18 MS. LIPSCOMB: Well, that's the ---

19 THE COURT: Because in other words it's never ending,
20 and that's, you know, it's difficult for me to say this
21 sitting right here because Mr. Hammer is here. I don't
22 mean anything personal by it, but this just, apparently,
23 it's just never going to end.

24 MS. LIPSCOMB: Your Honor, I think that there --
25 the -- my understanding, I wasn't involved at the time,

1 but my understanding is that one of the -- another one of
2 the reasons he brought the breach of contract lawsuit was
3 that, although he had transferred the house and done
4 things that he was supposed to under the agreement, she
5 had not such as transferring the property and things like
6 that.

7 THE COURT: Well, you go to Family Court.

8 MS. LIPSCOMB: Well, I understand that, Your Honor.
9 But I'm just telling you that his position was that the
10 thing, the contract, was void and he had already filed
11 this lawsuit thinking it could be brought in the Circuit
12 Court.

13 THE COURT: Okay.

14 MS. LIPSCOMB: And, actually, one of the ways that I
15 -- the first call I got from this case was from Jim
16 McLaurin asking me to bring a suit in Circuit Court, and I
17 said, "No" because I brought suit in Circuit Court for
18 breach of contract. We're affirming the contract and what
19 you really want is to avoid the contract and they agreed.
20 So then the rest of it is history.

21 THE COURT: Okay. All right. Mr. Hammer.

22 MR. HAMMER: Your Honor, initially, it occurred to me
23 that I have a bit of a problem that I'd like to try to
24 unravel with the procedures that be follow here.

25 THE COURT: Okay.

1 MR. HAMMER: The -- Ms. Ballard has rattled through a
2 number of findings that Your Honor has made.

3 THE COURT: Yes.

4 MR. HAMMER: As through those were findings in
5 support of her claim. There is a motion for new trial,
6 and there is a motion for 59(E).

7 THE COURT: Alter or amend.

8 MR. HAMMER: Yes, sir. It would seem to me may be
9 after the motion for new trial Your Honor would decide
10 some of these findings are not supported by the record.

11 THE COURT: Certainly I could.

12 MR. HAMMER: So that would be -- then that would mean
13 that her motion should be made after your final findings
14 not before.

15 THE COURT: All right. I'll stop you right there.
16 That's exactly what I said in Columbia two weeks ago.
17 It's exactly what I said, and let me finish. I said,
18 "Well, are you saying -- I think I was talking to
19 Mr. Aiken. Are you saying that she has to wait until
20 after I rule on your motions for reconsideration to timely
21 make her motion for sanctions." And all of y'all said,
22 "Oh, no, cause your order is a final order. The 59 and
23 53, whatever those rules are called, all that is just to
24 alter or amend.

25 So are you saying that once I do rule finally on your

1 motion to alter or amend, etc. etc. etc. that that's the
2 only time she can make her motion for sanctions.

3 MR. HAMMER: I'm addressing my comments to the new
4 trial motion, which I think would come before any alters
5 or amend.

6 THE COURT: And your motion for a new trial is based
7 on what? I don't want to hear the argument. What's the
8 difference between your motion to alter or amend and your
9 motion for a new trial? Did I just miss the boat so
10 badly?

11 MR. HAMMER: No, sir. It's something that is
12 confusing to a lot -- to most lawyers, and most lawyers
13 become judges and still to myself, but as I understand it
14 the motion for a new trial had to do with evidence.

15 THE COURT: Right.

16 MR. HAMMER: That has to do with the impact of the
17 evidence and whether there was enough evidence and so on.
18 And so the motion for new trial usually resolved --
19 revolved around a discussion of the evidence. And
20 pointing various things the Judge may have put down.

21 For instance, while it doesn't impact the case itself
22 just as a for instance Your Honor put down the -- a
23 misstatement as to how this thing was -- who represented
24 who. Well, there are other items in here which I would
25 respectfully be calling to your attention that there

1 weren't any -- that there contradictory -- there wasn't
2 any evidence for; that the evidence is contrary, too. So
3 you might agree with me. You might not, but until that
4 has happened I would say it's improper for her to say that
5 this finding.

6 THE COURT: This sanction.

7 MR. HAMMER: That she can use this filing, which is
8 what she did, as the basis for sanctions.

9 THE COURT: So are you saying that her motion for
10 sanctions is premature?

11 MR. HAMMER: No, I'm saying this. The motion should
12 be made after the verdict. She didn't do that. I'm
13 saying -- I'm further saying that the order should have
14 been that the motion should be made; that the ruling
15 should be made on whether or not it should be dismissed.
16 If that ruling is denied then there should be a hearing on
17 the new trial matter after the -- after an order is issued
18 from the new trial matter. Then if the motion for dismiss
19 is denied then hear a motion based on whatever is found on
20 the sanctions motion.

21 And there is another issue.

22 THE COURT: Wait. Let me just say that you are --
23 you just said then in so many words that her motion for
24 sanctions is premature?

25 MR. HAMMER: No, sir. I don't think it's premature.

1 I'm saying that the argument on it is premature. I'm
2 saying that she should have made it after the verdict.
3 She didn't. I'm saying we we're contending that it should
4 have been dismissed. If Your Honor disagrees with then
5 what I'm saying is the motion for the new trial needs to
6 be heard. She had protected her rights by filing a motion
7 for sanctions and then she must argue after the motion for
8 new trial if she wanted to use any of those matters in
9 this.

10 And there is another matter that comes to mind that I
11 don't know how to handle this, and I think it's up to Your
12 Honor to make a decision. This Act does not contemplate
13 anywhere in it that the trial judge should hear this
14 matter. And I'll say why. Because it says that a -- it
15 gives a reasonable attorney -- it gives the person against
16 whom the motion is made the opportunity to come in and
17 present evidence.

18 THE COURT: No. It gives you the opportunity to
19 respond.

20 MR. HAMMER: And respond to conclude what a
21 reasonable attorney presenting evidence.

22 THE COURT: And that's what we're doing right now.

23 MR. HAMMER: All right. But here is the point. What
24 I -- my point is that it doesn't say, as I said a moment
25 ago, that the trial judge has to hear that. For instance,

1 you could come in from another case and you could hear the
2 reasons for it being frivolous and you could then hear the
3 reasonable -- never having heard anything else what a
4 reasonable attorney would do. And you could make a
5 decision based upon those law -- that fact and the law.

6 In contrast in this -- in contrast and this is
7 something Your Honor will have to decide because I think
8 it becomes Your Honor's burden to determine this. In
9 contrast if you've already made findings that the matter
10 is frivolous and you made a hundred and some odd findings
11 that it's frivolous ---

12 THE COURT: Well, not all of them said that. I mean
13 I probably said it about 20 times.

14 MR. HAMMER: A lot of times.

15 THE COURT: Yes, sir.

16 MR. HAMMER: And she pointed out more than 20, but
17 whatever it is.

18 THE COURT: Whatever it is.

19 MR. HAMMER: I'll say 20 is fine. One would be
20 enough, but 20, it's -- I think we would agree that it's a
21 substantial amount at the body of the order.

22 THE COURT: Yes, sir.

23 MR. HAMMER: Having said that and having concluded
24 that and taking into account that the Act does not require
25 the trial judge to hear it would it not be a better

1 practice, having made a decision on frivolity, to
2 recuse -- the trial judge to recuse himself. I'm not
3 asking. I'm presenting that to you because I think ---

4 THE COURT: Are you presenting to me circumspect
5 decision I have to make on an ethical issue?

6 MR. HAMMER: No, sir. I'm presenting to you all
7 judges have to determine whether under the facts and under
8 the situation presented to them whether they have to
9 recuse themselves.

10 THE COURT: All right. So what you're saying, Mr.
11 Hammer, and I don't take offense at it. In a veiled way
12 you're saying I'm treading on ethical -- wait a minute.
13 If you please let me finish.

14 MR. HAMMER: Yes, sir.

15 THE COURT: Questionable ethical ground in hearing
16 this motion?

17 MR. HAMMER: No, sir. I'm not saying that.

18 THE COURT: All right.

19 MR. HAMMER: I'm saying that you have the authority,
20 and you have to make a determination in you own mind based
21 upon your pleadings, based upon your conscious as to
22 whether or not after having made this substantial body of
23 finding it is fair for you to hear this. Or it would be
24 more fair for some other judge to hear it because the
25 statute doesn't require it.

1 THE COURT: Within the 30 days that you had to
2 respond to her motion why did you not respond and include
3 that in your response?

4 MR. HAMMER: Your Honor, it is our position that we
5 did make a response. And our response was to dismiss.
6 And until that is determined, when that is determined, we
7 would have 15 days after that in order to respond.

8 THE COURT: I disagree with that.

9 MR. HAMMER: All right. Well, I, you know, don't
10 know whether I can find ---

11 THE COURT: Well, that's a motion to dismiss under
12 Rule 12. If a motion to dismiss a pleading is denied the
13 party who -- that the Judge doesn't rule for has 15 days
14 to respond to the pleading that the Judge wouldn't
15 dismiss.

16 MR. HAMMER: I understand, but at the same time Your
17 Honor would have the authority to -- and the discretionary
18 authority to grant a -- just like the old -- you had
19 discretionary authority to grant an addition of time. And
20 usually it was granted out of fairness because you didn't
21 know what was going to happen until the decision was made.

22 So what I also would say to you, Your Honor, that
23 this is not clear that it's -- I've always debated in my
24 own mind when the old Frivolous Procedures Act. Did you
25 have to include that as an allegation in your pleadings?

1 THE COURT: Yeah, I don't know the answer to that.

2 MR. HAMMER: And if you didn't have to include it in
3 the allegations of the pleadings is this a new and
4 separate type of hybrid lawsuit. In other words, they
5 have required that you bring a -- "Before a person is
6 entitled to notice and opportunity to respond the Court or
7 party proposing the sanction pursuant to this section
8 shall notify the Court and all parties with conduct
9 constituting a violation of the provision of this section
10 and explain the basis for the potential sanction."

11 Now, that hadn't been done, but assuming that it had
12 been. Does that mean that you have to bring -- that you
13 can bring -- it doesn't say whether or not it's your
14 lawsuit. It doesn't preclude it. It doesn't really speak
15 to it. So I say that a reasonable interpretation would
16 be -- I'm saying a possible reasonable interpretation for
17 Your Honor to consider is this: Well, look, and I talked
18 to you as though I were you. Well, you know, it's not
19 clear as to whether or not they have to bring another
20 lawsuit. Hey, I don't know the answer to that.

21 B: I have already made a decision with substantial
22 findings about -- for Ballard.

23 C: The Act does not require that I hear this.

24 D: A judge can hear a matter where they are
25 required to notify the Court. They didn't say the judge

1 trying the case. Notify the Court and all parties of the
2 conduct constituting the action.

3 Well, any judge can get another -- he can look at the
4 notification at all of the conduct. You can come in to
5 any case and look at a list of all the conduct they've
6 listed, and say, "Okay. They listed A, B, C, D and E.
7 Tell me how it -- what you have to support that." And
8 they give the elements. It says, "Explain the basis for
9 of the potential sanction," which to me is to explain the
10 elements or to explain why it was not brought properly.

11 Any judge could come in and say, "Well, you know, I
12 think a reasonable attorney looking over, for instance,
13 Moseley v. Moser. You have two reasonable attorneys here,
14 and you have, Judge, your order saying it was summarily
15 dismissed and I would take issue with that, and
16 respectfully so. He heard it on March the 2nd. The
17 general rule is, and it's not generally followed as I
18 understand. But the general rules is that you have 30
19 days. There is something in the -- and I don't recall
20 where it is. It might be under judicial conduct.

21 30 days to issue an opinion. There is something in
22 there. Maybe just something from Family Court. I'm not
23 sure. But, regardless, he took a month and a half to
24 issue an order. That's not summarily making a decision.
25 He asked for briefings on both sides. That's not

1 summarily making a decision. So it was a complex
2 question, and the complex question not only involved the
3 issue of Moseley v. Moser, but it involved several other
4 issues. May I?

5 THE COURT: Yes, sir.

6 MR. HAMMER: Would it help to hear those issue?

7 THE COURT: Well, it's your argument. I don't know
8 whether it will help me to hear them until I hear them.

9 MR. HAMMER: Bet let me propose this. Pleadings were
10 filed by me. They were superseded. Supersede means to
11 take the place of. Mine were gone away so they never
12 happened by Ms. Lipscomb, who nobody said has done
13 anything wrong. Ms. Lipscomb has testified, and if she
14 needs to be called to the stand to testify again that she
15 looked at everything that happened; that she looked at
16 what should be done.

17 And then she felt that -- and she included in her
18 declaratory judgment action the fact that the 320 St.
19 James property was at issue. And she included that in her
20 action. I think she will testify to cause I've spoken to
21 her about it. If you need testimony I'll ask her whether
22 she can confirm that as an officer of the Court.

23 That she concluded that the 320 St. James was
24 properly to be mentioned in the contract in the
25 declaratory judgment action. And again, Your Honor, as

1 you view that as the contract action, and I'm not sure if
2 the same rules apply to contract action and declaratory
3 judgment action. In some cases a declaratory judgment
4 action is asking the Court, "Court, do you have
5 jurisdiction?" Is that malicious to go and ask them that?

6 Hey, Court, there is a question, an outstanding
7 question of law that hasn't really been settled. And some
8 lawyers think that it's debateable. And some lawyers
9 think that Moseley v. Moser under this contract, and there
10 were three lawyers who thought that. The three we've
11 heard from: Ms. Lipscomb, Mr. Aiken, and I have a law
12 degree. I thought so, too, and Mr. McLaurin.

13 And let me ask if this is on the record now.
14 Ms. Lipscomb. What you have just told the Judge without
15 going into the ---

16 THE COURT: I'm not going -- you're going to ask her
17 a question?

18 MR. HAMMER: I would like for her to affirm what she
19 told you she's told you in terms of anything that may have
20 happening as an officer of the Court.

21 THE COURT: Well, isn't that in her affidavit?

22 MR. HAMMER: I don't know that she didn't expand on
23 it in her affidavit. I'll call her to testify and that
24 will make it easier.

25 THE COURT: Right now?

1 MR. HAMMER: Well, let me finish what I have to say,
2 and you may rule that it's unnecessary.

3 THE COURT: No. I'm not going to rule anything ---

4 MR. HAMMER: Okay.

5 THE COURT: --- without you presenting something.

6 MR. HAMMER: All right. I'll call her. Let me
7 finish the thought that I was on.

8 THE COURT: Yes, sir.

9 MR. HAMMER: She reviewed Moseley v. Moser case, and
10 she determined that the lis pendens was proper. When she
11 filed the 320. The Act -- the declaratory judgment
12 action. There are a lot of ways to look at declaratory
13 judgment actions. One you could say it's a request to the
14 Court to determine -- to make a determination of whether
15 this is proper or whether it should be brought in Family
16 Court or another Court.

17 That would not be malicious. That would not be abuse
18 of process. That would be not improper. And if a client
19 has an attorney who does something in good faith, as you
20 found that's she's done. But even if you hadn't found
21 that her testimony would be that she did it in good faith
22 as a reasonable attorney. If the client's done it, and at
23 the attorney has reaffirmed what the client thought or did
24 it's the attorney who makes the final decision.

25 So as Your Honor has said many times Ms. Lipscomb has

1 done nothing improper.

2 THE COURT: No. I said that with regard to the 1634
3 litigation she's done nothing improper.

4 MR. HAMMER: All right.

5 THE COURT: What I said.

6 MR. HAMMER: Okay. I'll speak to that in a moment.

7 THE COURT: Okay, can we stop here. You ready.

8 MR. HAMMER: Your Honor, in all due respect I might
9 take a little bit of issue with what you said. Maybe
10 we're saying the same thing, but let me read from your
11 order if you don't mind.

12 THE COURT: Okay. Paragraph number and page number.

13 MR. HAMMER: Yes, sir. Page 27, Paragraph 96, now
14 Your Honor said that was on 1634, however, the
15 interpretation that I have is a little different. I not
16 that Mr. Turbeville's conduct and for that matter let's
17 forget about Mr. Turbeville. Ms. Lipscomb, Ms. Fagan's
18 conduct was in no way objectionable in my view of the
19 evidence. And any award of punitive damages in either
20 action should not reflect adversely on their involvement.

21 So that seems to me to be saying that if her actions
22 were not objectionable and you awarded punitive damages in
23 the declaratory judgment action you are saying that she
24 did something objectionable. And I have misread that.

25 THE COURT: You're misreading that.

1 MR. HAMMER: Okay. I'm sorry. I apologize.

2 THE COURT: That's okay.

3 MR. HAMMER: I hope that you could understand how I

4 ---

5 THE COURT: I don't understand -- and I'm being
6 respectful. I don't understand how you could feel that
7 way because Ms. Lipscomb represents you -- excuse me. Or
8 represents 1634. That's what I'm talking about.

9 MR. HAMMER: Okay. Then I won't pursue that right
10 now. As to the other action I said there were lot of
11 complex questions involved. The action was filed -- the
12 action was superseded. When it was superseded the
13 attorney who -- I don't think anyone said, at least Ms.
14 Ballard has not accused her of doing anything wrong. She
15 essentially has said that if I understood her testimony
16 and argument and what she's saying.

17 The attorneys involved, Ms. Lipscomb reviewed
18 everything that she done -- that had been done, and she
19 continued with the lis pendens. She didn't ask to be
20 withdrawn, and she says that it needed to be there. All
21 right.

22 THE COURT: Well, maybe I should order sanctions
23 against her.

24 MR. HAMMER: No, sir. I'm not saying that you should
25 order sanctions against her. I'm saying that she didn't

1 do anything wrong, and what she did is what a reasonable
2 attorney would do.

3 THE COURT: So she says..

4 MR. HAMMER: And so does Mr. Aiken.

5 THE COURT: Certainly.

6 MR. HAMMER: And ---

7 THE COURT: I wouldn't expect for him to say
8 anything else.

9 MR. HAMMER: All right. And the next point and the
10 more important point is this. I said there were a lot of
11 complexed issues. The issue was -- the first issue was
12 whether or not the case should be dismissed. That issue
13 was decided without any presentation of any evidence. The
14 only thing that was presented was Ms. Ballard presented a
15 memorandum.

16 THE COURT: I don't know whether I have a copy of
17 that or not. I'm sure I've got it somewhere, but I don't
18 know if I've got it up here.

19 MR. HAMMER: That order specifically said that it
20 could not be used in this by the parties or by anyone else
21 in this litigation. They claimed this litigation was the
22 same litigation, but it also said -- but it also said that
23 any use of it must be authorized by me, by Judge -- the
24 judge who had issued the order. You must come before me
25 before you use it.

1 THE COURT: Use what?

2 MR. HAMMER: Anything from the sealed record which
3 includes the sealed record in the Family Court included
4 what the party's settlement agreement in Mrs. Ballard
5 attached to her memorandum that she gave to Judge Manning.
6 Now, of course, Judge Manning then had was a -- something
7 from a sealed record that hadn't been followed at least to
8 what the judge said.

9 THE COURT: Was it sealed, Ms. Ballard?

10 MS. BALLARD: The Family Court file was sealed, Your
11 Honor.

12 THE COURT: Okay. All right. Go ahead.

13 MR. HAMMER: Was attached and was sealed. There had
14 been no motion at that time. So that's what's before
15 Judge Manning. Now, what Judge Manning does and he has a
16 certain contract, and the reason as Ms. Lipscomb pointed
17 out that the beginning of the action you can't just --
18 we're under a sealed order, a sealing order.

19 So you would have to go through discovery, and that
20 was one of the points we made that was apparently I don't
21 think addressed. I didn't see it fully addressed in any
22 of the proceedings. But regardless, it's already been
23 decided, but I'm talking about as viewing it from the --
24 at the time that the action was brought; that here you
25 have a situation where a judge is presented with one side

1 saying, "Okay. We have a -- here it is. Here is the
2 contract which I think from a sealed order and based just
3 upon this which is attached to my memorandum without
4 anybody testifying to it and no testimony at all and no
5 discovery this is the order."

6 There wasn't any -- an opportunity for discovery for
7 Mrs. Hammer to come on the stand or me to come on the
8 stand on me to take a deposition or have my deposition
9 taken for which I said, clearly, we intended this to be
10 the -- for these reasons. Mrs. Hammer can say what her
11 intentions were. That didn't happen. So there is another
12 basis for the -- for this cause they're making a big issue
13 of it, and apparently someone has -- this para -- this
14 Number Six in your order has appeared in almost exactly
15 the same language in a brief that Ms. Ballard shined, but
16 which Howard stated under testimony and said that Mr. Alan
17 was prepared.

18 THE COURT: What Number Six are you talking about?

19 MR. HAMMER: The -- she's referred to Footnote Number
20 Six.

21 MS. BALLARD: In what document? I'm sorry.

22 MR. HAMMER: In the Judge's order.

23 THE COURT: No, that was my Footnote Six.

24 MR. HAMMER: Yeah, your Footnote Six.

25 MS. BALLARD: Page 11, Your Honor.

1 MR. HAMMER: Having to do with contract ---

2 THE COURT: Wait. What page?

3 MS. BALLARD: Page 11.

4 MR. HAMMER: Page 11.

5 THE COURT: Okay. The Family Court settlement
6 agreement was put in evidence at the hearing in October.

7 MR. HAMMER: I understand that, but you said your
8 client alleges that Shirley breached a certain contract.
9 Well, that's true. You said, "But he did not disclose
10 what the contract was." Well, that's true also, but what
11 was failed to be said here and the implication is that
12 something nefarious is going on but I'm not disclosing it.

13 It was disclosed because there was a sealing order
14 and we followed the sealing order and didn't disclose it.
15 Our intention was to go through discovery and disclose it
16 at the appropriate time when you have to make a motion
17 before the Judge, before the Family Court judge. But this
18 makes it sound like it's something me nefarious. And
19 so -- and this is simple language that was used in a
20 brief. So I don't know whether Your Honor thinks the
21 same. I have no idea. I don't care. It doesn't matter.

22 I'm just pointing out some things to Your Honor that
23 this was a complex matter that came before Judge Manning
24 and had a lot of sub issues. And so it not only goes to
25 the question of the frivolous motion, but it would also go

1 with the appropriate time to the argument on the new
2 trial.

3 Now, there is another aspect of this. Throughout
4 Your Honor's order Your Honor has said that Mr. Hammer hid
5 things from Mr. -- from everyone. Well, Judge, the
6 affidavit -- deposition of -- and implied that Mr. Hammer
7 lied. In fact somebody just said Mr. Hammer lied to Mr.
8 Ackerman. Mr. Ackerman's deposition is that the reason he
9 made the transfer was because of his interaction with the
10 tax attorney who had set this up.

11 And we submit for the purpose of this hearing, again,
12 Mr. Ackerman's cross-examination in which he clearly said
13 that the tax attorney -- he got information from the tax
14 attorney. He had information from the tax attorney that
15 Mrs. Hammer is going to give this -- is going to make this
16 transfer. All right.

17 He had information that the deed from us has been
18 sent. Okay. He has a sworn statement from Mrs. Hammer
19 saying that she's made the transfer. I own 58 percent
20 twice. So it's not Mr. Hammer that has said that. It's
21 Mr. Ackerman who has said that. That's what the evidence
22 shows.

23 Now, in connection with the transfer ---

24 THE COURT: Are you arguing the motion to alter or
25 amend or motion for a new trial or are you arguing the

1 motion for sanctions?

2 MR. HAMMER: I'm arguing the motion for sanctions.

3 THE COURT: Okay.

4 MR. HAMMER: There may be some overlap, but my
5 initial argument was that we were putting the cart before
6 the horse.

7 THE COURT: Okay. I've heard that. I disagree with
8 you.

9 MR. HAMMER: But I'm assuming that you wanted me to
10 go on with the sanctions. I'm arguing for the sanction
11 portion right now. There may be some overlap. But as far
12 as sanctions is concerned one of the findings -- the
13 underlying finding that Your Honor made was that it was a
14 proper transfer.

15 THE COURT: Tender you mean?

16 MR. HAMMER: Tender. Well, in order or there to be a
17 tender it would be -- and what Your Honor said directly or
18 implicitly -- I think it was directly. Was that the
19 Family Court ordered -- by reason of the Family Court's
20 order and Mrs. Hammer was to transfer all of her interest
21 in 1634 Main and the property and in the LP and in the LP.

22 Now, 1634 Main LP was not a party to that agree
23 agreement. It was not signed by S.H. 5. It was not
24 signed by capacity as a member of H.H. 5 [sic]. That
25 agreement was an individual agreement between Howard

1 Hammer and Shirley Hammer concerning property. I would
2 submit to Your Honor ---

3 MS. BALLARD: Your Honor, I object. We're arguing
4 the motion for reconsideration.

5 THE COURT: All right. There is some overlap, but
6 it's -- I'll let you go forward.

7 MR. HAMMER: Thank you, Your Honor. To make a proper
8 tender a transfer can't be accepted unless it's a proper
9 tender. The requirements of the partnership agreement
10 under 12.4 which Your Honor I think has with you. If not
11 I'll hand it up to Your Honor.

12 "Notwithstanding anything contained in this
13 agreement, and that's the bylaws, to the contrary as a
14 condition precedent to consummation of any agreement to
15 transfer or any transfer or any interest in the
16 partnership under Article 12.2 any limited partner, the
17 selling partner, who desires to sell, transfer or
18 otherwise dispose of his interest in the partnership or
19 any portion thereof shall establish the terms and
20 condition of offer and shall offer his interest in the
21 partnership, in the partnership, or such portion thereof
22 on the same terms and conditions.

23 First, to the partnership.

24 Second, to the remaining partners in which event each
25 partner shall have the right to purchase the portions of

1 the selling partner's interest offered for sale equal to
2 such partner's respective percentage interest, the
3 percentage interest in the partnership.

4 THE COURT: All right. I'm familiar with all that,
5 and I think y'all argued that a some point. But you're
6 the sole member of S.H. 5 LLC, correct?

7 MR. HAMMER: S.H. 5 LLC, correct.

8 THE COURT: You're the sole member and is that the
9 general partner?

10 MR. HAMMER: Yes, sir.

11 THE COURT: All right. And you're also a limited
12 partner in 1634 Main L.P.

13 MR. HAMMER: Yes, sir.

14 THE COURT: Okay. And to whom did the divorce -- the
15 settlement agreement require Mrs. Hammer to deliver the --
16 her interest in the partnership to?

17 MR. HAMMER: To me.

18 THE COURT: Okay. And you're saying that that was
19 wrong because S.H. 5 didn't get a chance to say, "Hey I
20 want it?"

21 MR. HAMMER: That was wrong because in order of
22 the -- how can an order of a Family Court override the
23 bylaws and requirements ---

24 THE COURT: Why did you agree to it?

25 MR. HAMMER: Because I thought she was going to

1 tender it properly, and waited a year and a half and she
2 never made a proper tender. She sent the tender in and se
3 sent it back saying it's improper. And we have a letter
4 saying what was improper about it. It didn't comply.

5 THE COURT: But then you said, "I'm gonna done her
6 for her interest she's been trying to get me?"

7 MR. HAMMER: No, I didn't say that she. She hasn't
8 tried to give it to me. She had not tried to give it to
9 me. If she tried to give it to me she would have done it
10 in a proper manner.

11 THE COURT: Okay. All right. You are arguing -- I
12 understand your point on that clearly. And now what does
13 that have to do with sanctions? It's because since that's
14 my underlying premise on the 1634 matter I am wrong so
15 sanctions should not be awarded?

16 MR. HAMMER: That would be one of the arguments.

17 THE COURT: And for the same reason my ruling on 1634
18 is -- my ruling on 1634 is wrong from the first? I
19 understand that.

20 MR. HAMMER: Both of them would -- they would overlap
21 and both of them would be the same. But moreover in the
22 sanctions matter you have the reasonable attorneys coming
23 in and saying this is a reasonable thing to do, and I
24 don't know whether we've had any testimony about the
25 tender, but I would like to call Mrs. Lipscomb.

1 THE COURT: That's offering testimony on the merits,
2 but you know what? I laid down the time limit that
3 everybody was going to have and you've gone way past
4 the -- y'all have gone was past the time I allocated, but
5 if you want to call Ms. Lipscomb I'll let you ask her
6 about that. Anybody need to take a break?

7 MR. HAMMER: Mr. Hammer's proposition that the Act
8 does not require the actual trial judge to hear the motion
9 for sanctions? If we operate under the spirit of the Ten
10 Day Rule who else can do it? Let's be real.

11 MR. AIKEN: Yeah, in order to be consistent with the
12 Ten Day Rule and the notion that the judge who issues the
13 final order only has the power to hear matters that are
14 filed within that ten day period then I think you would
15 have to conclude that the sanctions motion under the
16 statute would need to be heard by the trial judge.

17 THE COURT: Okay. All right.

18 MR. AIKEN: I mean that's my opinion, Judge.

19 THE COURT: Okay. And the reason I ask is because
20 you represent the person who is saying the opposite.

21 MR. AIKEN: Yes, sir, I understand that.

22 THE COURT: In separate litigation.

23 MR. AIKEN: I understand that.

24 THE COURT: And that's my ---

25 MR. AIKEN: And --

1 THE COURT: --- going to spin completely around.

2 MR. AIKEN: Yes, sir. I'm acting in such a manner as
3 I think is in his best interest. And I believe you are
4 correct about that, Judge.

5 THE COURT: Would you like to call a witness, sir?

6 MR. HAMMER: May I confer with my lawyer?

7 THE COURT: Yes, sir.

8 MR. HAMMER: Your Honor, I'm looking at
9 Ms. Lipscomb's affidavit, and I believe that it sets forth
10 what she would testify to. The last paragraph she
11 reviewed the agreement. She wasn't concerned about any
12 ---

13 THE COURT: The court reporter can't hear you.

14 MR. HAMMER: I'm sorry.

15 THE COURT: I've got the affidavit.

16 MR. HAMMER: You have the affidavit?

17 THE COURT: Yes, sir.

18 MR. HAMMER: Not necessary for me to read it in the
19 record.

20 THE COURT: It's the batch that y'all handed up to
21 me?

22 MR. HAMMER: Yes, sir.

23 THE COURT: If you want to refer to it as part of an
24 argument that is fine, but if you do the court reporter is
25 going to have to be able to call you.

1 MR. HAMMER: I simply refer to Paragraph Six of her
2 affidavit.

3 THE COURT: Okay.

4 MR. HAMMER: I included the whole portion. But
5 specifically call attention to Paragraph Six and the
6 tender issue as it relates right now to the Frivolous
7 Sanctions Act. And as it relates to an answer to the
8 question that Your Honor has made.

9 Your Honor, while I understand what Your Honor has
10 before him and I now understand it more clearly having
11 heard Mr. Aiken -- what Mr. Aiken said I think that my
12 answer would be slightly different than the question that
13 you asked earlier. And I don't know what the simple -- I
14 still am unclear that the pure -- that purely the trial
15 judge has to decide.

16 But let's assume that what Mr. Aiken says is correct.
17 If the trial judge does have to decide it it doesn't mean
18 that it would require the ten days. If the trial judge
19 does have to decide it it doesn't mean that the trial
20 judge is prohibited in his conscience or my views from
21 recusing himself.

22 THE COURT: I agree. I agree with you on that part.

23 MR. HAMMER: All right.

24 THE COURT: But, but ---

25 MR. HAMMER: The trial judge did not -- I'm sorry.

1 Excuse me. I apologize, Your Honor.

2 THE COURT: But in the scheme of things it would
3 necessitate a second trial on the same issues that one
4 judge has already ruled. The reason this is so unique is
5 because the very basis of an abusive process action in
6 many ways overlaps with the kind of conduct that's frowned
7 upon in the Act. That's the reason it make a difference.
8 And that's why my findings in the underlying counterclaim
9 are so problematic for you.

10 MR. HAMMER: And that's the reason for the
11 consideration.

12 THE COURT: I think -- I understand.

13 MR. HAMMER: But, but ---

14 THE COURT: You don't need to repeat all that.

15 MR. HAMMER: I won't repeat that, but to respond to
16 what Your Honor just said. I think it's important to note
17 that, and I said this, that the Act requires notification.
18 It requires the conduct and explanation of the basis for
19 the potential sanction. So if you don't have to retry the
20 whole case all you have to do is say what it is that's
21 required. Put it out in writing; A, A, B, C, D, E and F.
22 And the whole case doesn't have to be retried. Just those
23 portions that require the sanctions would have to be
24 retried and explain why.

25 THE COURT: Okay. Well, that's not going to happen.

1 MR. HAMMER: Okay.

2 THE COURT: All right.

3 MR. HAMMER: Thank you.

4 THE COURT: Okay. Anything else, Mr. Hammer?

5 MR. HAMMER: Everything else would relate to the
6 matters which she has said that she would argue findings
7 on, and again, we would say that there would be at least
8 some question of prejudice which she's relying on matters
9 which you've already made findings on for new findings for
10 sanctions in the face of the opportunity that the Act
11 provides for reasonable attorney's interpretation which
12 has been presented to you by both attorneys.

13 And in the face of Mr. Richardson, who is one of five
14 members or whatever he is. Appellate lawyers who has
15 testified -- whose sworn testimony is that they do not
16 issue an Act -- a order that -- in a case that is
17 frivolous. There is nothing that -- there is no evidence,
18 there is no contrary information from the other side, no
19 evidence before you for which you could find otherwise. I
20 don't know that -- it seems to me that this is -- that all
21 proceedings are in the nature that they're all the same.

22 You only have one set of evidence. You can't find,
23 well, I think it's something else unless someone else
24 presents other evidence. They haven't presented against
25 it -- they haven't presented anything against

1 Mr. Richardson's affidavit.

2 THE COURT: Well, when did you give it to her?

3 MR. HAMMER: Sir?

4 THE COURT: When did y'all give it to her? Today?

5 MR. HAMMER: No, sir. Wednesday. Two days before
6 the hearing as required.

7 THE COURT: Two day ago. Okay. Well -- all right.
8 Anything else?

9 MR. HAMMER: On the frivolous act motion, yes, sir.
10 I incorporate all pf the things that she has -- without
11 going through each one cause that would need to go through
12 each one of those with the new trial motion.

13 THE COURT: All right.

14 MR. HAMMER: But in incorporate my general statement
15 that:

16 A, they are not -- that the -- that there are against
17 the preponderance of the evidence.

18 And, B, that they shouldn't be used for the new trial
19 motion.

20 THE COURT: Okay.

21 MR. HAMMER: I mean the sanctions motion.

22 THE COURT: I see. All right. Ms. Ballard, any
23 response to anything that Mr. Aiken, Ms. Lipscomb or Mr.
24 Hammer have said?

25 MS. BALLARD: Yes, sir, Your Honor.

1 THE COURT: All right. Go ahead.

2 MS. BALLARD: Yes, sir. Mr. Aiken made reference to
3 the Hanahan v. Simpson case. That case stands for the
4 proposition that you can't award sanctions if the party
5 against whom the sanctions are sought has survived summary
6 judgment. That simply proves my point.

7 In the Hammer v. Hammer case Mr. Hammer did not
8 survive summary judgment. In fact he didn't even get to
9 summary judgment. The case was dismissed on the motion to
10 dismiss on the basis of jurisdiction. So clearly under
11 Hanahan v. Simpson if that's applicable to the
12 situation -- to this case it supports the imposition of
13 sanctions against Mr. Hammer in the 2009 case.

14 Secondly, ---

15 THE COURT: So in other words Judge Manning's order
16 was the dismissal order?

17 MS. BALLARD: It was.

18 THE COURT: And that was a pre-trial order?

19 MS. BALLARD: It was April 2011, yes, sir.

20 THE COURT: But it was prior to trial, obviously?

21 MS. BALLARD: Oh, very. Yes. Very. That, of
22 course, you ask if they could appeal that, and we did
23 appeal that. And that resulted in the Court of Appeals
24 opinion, and I will point out that they did not seek cert
25 from the Court of Appeals opinion. So the decision of the

1 Court of Appeals in the Hammer v. Hammer case that the
2 Circuit Court lacked jurisdiction is the law of the case.
3 So ---

4 THE COURT: That's not on any further appeal to the
5 Supreme Court?

6 MS. BALLARD: Correct. Correct. We never even
7 sought an appeal from the Supreme Court. To answer Mr.
8 Richardson's affidavit the Supreme Court ruled 220B(1)
9 defines when an appellate decision has to be published and
10 when it need not. So we don't need an affidavit from
11 anybody. The Rule speak to that.

12 And the basis upon which a case has to be published
13 versus not published is spelled out in that rule.

14 THE COURT: How about in the 1634 matter? I did not
15 grant an involuntary non-suit.

16 MS. BALLARD: No, sir. Mr. Hammer nor 1634 ever
17 moved for summary judgment in those cases. I did move for
18 summary judgment on my claims, but I did it very late in
19 the process, and Judge Barber declined to hear the summary
20 judgment motion because we had already set the trial date
21 with Your Honor.

22 THE COURT: But when Ms -- as I recall the trial of
23 1634, 1634 was still the plaintiff, correct?

24 MS. BALLARD: Yes.

25 THE COURT: And they brought -- they presented

1 evidence on October 29th?

2 MS. BALLARD: Yes.

3 THE COURT: And at the end of their presentation you
4 moved for an involuntary non-suit, and I denied that?

5 MS. BALLARD: Yes, sir.

6 THE COURT: Okay. Is that the equivalent of a denial
7 of summary judgment?

8 MS. BALLARD: No, sir.

9 THE COURT: Under Swanson v. Stratos?

10 MS. BALLARD: I haven't looked at Swanson v. Stratos
11 and I will, but it's not the equivalent because summary
12 judgement, of course, is when there are no factual issues
13 in dispute. A non-suit is a different standard. A
14 non-suit still permits -- would prevent the other side
15 from putting up their defense. And we, of course, had to
16 put up our defense to their action and then pursue our
17 counterclaims as well.

18 THE COURT: Okay.

19 MS. BALLARD: And I do think that the Hanahan v.
20 Simpson case is inapplicable to the sanctions that I am
21 seeking here because it, if I recall correctly, the
22 Hanahan case was issued in 2006. So we, of course, were
23 construing the prior version of 15-36-10.

24 I would submit that part of the reason and the
25 amendments to 15-36-10 occurred was to spell out that even

1 beyond summary judgment sanctions could still be sought.
2 So Hanahan doesn't apply because -- for two reasons:
3 Number One, he didn't survive summary judgment cause he
4 never even got to it.

5 But, Number Two, that's construing the original
6 version of Title 15.

7 Mr. Aiken made reference to C(2), the provision about
8 determining whether a litigate has engaged in advancing
9 frivolous claim, we submit that C(2) is merely burden of
10 proof. That simply says by a preponderance of the
11 evidence.

12 Frivolous is defined in C(1). It says, "Sanctions
13 can be imposed if the Court determines the matter is
14 frivolous," and then it says, "A matter is frivolous if A.
15 B. or C.

16 THE COURT: Yes. In other words ---

17 MS. BALLARD: One of those.

18 THE COURT: I think and he said somebody could
19 reasonably interpret it to mean that.

20 MS. BALLARD: Yes, sir. And C(2) is simply the
21 burden of proof. It's not anything -- it's not standard.
22 It's simply the burden of proof.

23 THE COURT: Well, they also say that you did not file
24 a summary judgment motion and he says summary judgment has
25 to be granted before you can get sanctions.

1 MS. BALLARD: Well, that's just not true. 15-36-10
2 doesn't say that. 15-36-10 C(1) spells out the grounds for
3 which I can seek sanctions. Summary judgment has nothing
4 to do with it. Non-suit has nothing to do it.

5 THE COURT: All right. How about Mr. Aiken's
6 argument that a reasonable lawyer could conclude that the
7 filing of the lis pendens and the commencement of the
8 original action by Mr. Hammer had merit because Moseley v.
9 Moser leads one to conclude that the jurisdictional issue
10 was fairly debatable and because the property settlement
11 agreement was void *abi initio*?

12 MS. BALLARD: I believe that is answered by Judge
13 Manning's order which says, "There is no jurisdiction in
14 Circuit Court over this on any grounds." And that is, of
15 course, the law of this case. There was no jurisdiction
16 to bring this action in Circuit Court at all.

17 And Your Honor did ask during Mr. Aiken's
18 presentation whether they had sought that relief in the
19 Family Court, and they did. Mr. Hammer filed several
20 motions, and the Family Court just set aside the 2008
21 property settlement agreement. He files something
22 withdrawing his consent to the 2008 property settlement
23 agreement. He made the same public policy argument to the
24 Family Court that he made to Your Honor when we were in
25 trial in October. And that he was appealing that issue

1 until just a few months ago when they finally settled all
2 the Family Court issue.

3 THE COURT: So all that is settled?

4 MS. BALLARD: The Family Court portion of it has
5 settled, Your Honor. I did want to point out how we got
6 here cause I think it's important to remember how we got
7 here. We got here because I petitioned the Supreme Court
8 and said, "This litigation in the Circuit Court and the
9 Family Court is out of control. Mr. Hammer is abusing the
10 judicial process because he's got so many cases going in
11 so many different directions that Mrs. Hammer doesn't
12 stand a chance of herding the cats in one direction.

13 And the Supreme Court agreed. And the Supreme Court
14 issued its order on September 7th 2011 in which it
15 specifically found that Mr. Hammer was abusing the
16 judicial process, and he assigned all the Circuit Court
17 cases to Judge Barber to oversee. And he assigned all the
18 Family Court cases to Judge Morris to oversee. So this is
19 not your garden variety request for sanctions. This is a
20 case in which the Supreme Court has already found that Mr.
21 Hammer has already abused the judicial process.

22 The Supreme Court also established in the
23 discipline -- in the first disciplinary action involving
24 Mr. Hammer that, and I quote. This is set forth in my
25 motion for sanction; that Howard's ---

1 MR. HAMMER: Your Honor, objection.

2 THE COURT: No, sir. No, sir. No, sir.

3 MR. HAMMER: Objection.

4 THE COURT: Noted. Okay.

5 MS. BALLARD: The Supreme Court has ruled that Howard
6 is, "obsessed with Shirley." That's the 2011 disciplinary
7 opinion, and I mention that because that combined with the
8 Supreme Court's subsequent order that Mr. Hammer is
9 abusing the judicial system led to the Supreme Court's
10 order in September 2012.

11 They assigned these cases to Judge Barber so they
12 could finally get brought to a conclusion. And here we
13 are six months later still trying to do that. And Your
14 Honor asked a question in response to Mr. Hammer's
15 argument, "Well, I've got to have my motion for
16 reconsideration heard before we can hear her sanctions."
17 When will it ever end. That the whole point. Mr. Hammer
18 doesn't want it to end. He wants to manipulate the system
19 by motions for this and motions for that so that it will
20 never end.

21 And the Court simply cannot allow him to do that. We
22 took it to the Supreme Court and said, "This has to be
23 brought to a conclusion." The Supreme Court agreed. They
24 issued an order extraordinary in my 30 year career saying,
25 "We've got to control this litigation," and that's why

1 we're here. So I think looking at that sanctions ordered
2 you've got to understand how we got here. We got here
3 because the Supreme Court said, "This is ridiculous and it
4 has to stop."

5 The -- in terms of the reasonableness of attorney's
6 fees, Your Honor, I did want to point out that I -- in
7 January when we had our hearing in Columbia I got on the
8 stand, offered to be cross-examined on the issue of
9 attorney's fee. Specifically, the offer was declined by
10 Mr. Aiken, Mr. Hammer and Ms. Lipscomb. Nobody
11 cross-examined me on the issue of attorney's fees.

12 And the last point that I wanted to make, and this is
13 just a housekeeping point, Your Honor. On the flash drive
14 that I handed up to Your Honor I included on there the
15 disciplinary orders involved in Mr. Hammer's matter. And
16 the reason I did that, and their copy has it as well. The
17 reason I did that is because Your Honor's order of January
18 29th indicated that Mr. Hammer had already been
19 disciplined in some respects for matters related to
20 Shirley, and that's simply not true. So I wanted you to
21 have a copy of the Supreme Court's opinion. It's all
22 public record? So I provided those ---

23 THE COURT: So what is not true in my order?

24 MS. BALLARD: What's not true is that the Supreme
25 Court has sanctioned Mr. Hammer as it relates to Hammer v.

1 Hammer or 1634. Mr. Hammer's discipline in 2011 related
2 to his criminal charges and to his discovery of abuse in a
3 civil action that he brought against the City of Columbia.

4 THE COURT: I see. Okay.

5 MS. BALLARD: So he has not been sanctioned by the
6 Supreme Court for anything involving the two cases that
7 are before you.

8 THE COURT: But there are orders making certain
9 findings, as you call them, that he has abused the
10 judicial system ---

11 MS. BALLARD: The Supreme Court ---

12 THE COURT: --- in this litigation?

13 MS. BALLARD: In this litigation the Supreme Court
14 issued an order assigned these cases to Judge Barber and
15 they said that they had jurisdiction to stop Mr. Hammer's
16 abuse of the judicial process. The disciplinary order is
17 the one that said that he is obsessed with Shirley.

18 And Your Honor, of course, has already determined
19 that he doesn't want this litigation to stop, and his
20 arguments here today have indicated exactly that. I don't
21 have anything further, Your Honor.

22 THE COURT: Okay. All right. Thank you very much.

23 MR. HAMMER: She brought up some new matters, Your
24 Honor, that I think were entitled to respond to.

25 THE COURT: All right. Go ahead, Mr. Hammer. You

1 want to respond, too, Mr. Aiken?

2 MR. AIKEN: I do not.

3 THE COURT: I just want to make sure y'all all have
4 agreed to who is going to go first.

5 MR. AIKEN: Respond to Mr. Hammer.

6 THE COURT: Go ahead, Mr. Hammer.

7 MR. HAMMER: The findings of the Supreme Court -- the
8 petition to the Supreme Court, there was a petition by Mr.
9 Brockman mainly in the Family Court matter. And the
10 Family Court matters, the petition referred to the Family
11 Court matter. And the Court -- the Court denied that
12 petition that they take jurisdiction for the reasons that
13 he had set out, but without any hearing, without any
14 evidence being presented, without reviewing any of the
15 records the Supreme Court issued the order that said there
16 was an abuse of the system by Mr. Hammer.

17 Keeping in mind that all of the -- all of the appeals
18 were filed by attorneys representing Mr. Hammer who -- so
19 how could Mr. Hammer have abused the system?

20 THE COURT: That's you. You're Mr. Hammer, right?

21 MR. HAMMER: How could I have abused the system if
22 my -- if I had an attorney representing me and the
23 attorney is not found to have abused anything? What I'm
24 saying, Your Honor, is that there was no appeal from that
25 order, but we don't think that that order applies to this

1 case, A.

2 THE COURT: Well, I tend to agree with you that I am
3 not bound by what the Supreme Court says about your abuse
4 of the judicial system because if that were the case then
5 she would be entitled to summary judgment. But I tend to
6 agree with you that I'm not going to give much weight if
7 you will to what the Supreme Court says when I make my
8 decision on the merits.

9 MR. HAMMER: And, B, I'm not trying to prolong this
10 litigation. I was trying to do what I thought would be an
11 orderly manner. That was motion to dismiss, a ruling on
12 the motion to dismiss, motion for new trial, ruling on
13 motion for new trial and then whether or not at that point
14 whether a hearing on the sanctions motion and then a 59
15 (E). That what I -- that's all I was asking for.

16 And I would ask for that in ten days. I didn't want
17 it to be this long. I wanted it to finish. I wanted to
18 have what I thought was an orderly process under the rules
19 and that's all I was asking for.

20 THE COURT: Okay.

21 MR. HAMMER: And as to the sanctions matter, that
22 would have nothing to do with anything in this case.
23 The -- it might have to do with this: Mrs. Hammer --
24 there is a finding in the sanctions matter that
25 Mrs. Hammer brought eight arrest warrants against me.

1 There is a finding in the sanctions matter that the
2 Solicitor found that there was no criminal conduct on my
3 behalf and dismissed the charges by Mrs. Hammer with
4 prejudice.

5 Indicated that Mrs. Hammer had brought improper
6 actions. Now, I could have brought an action against --
7 if I wanted to harass Mrs. Hammer or bring actions there
8 are eight cases that I could have brought against her for
9 bringing malicious -- for eight malicious prosecution
10 actions. Haven't done that.

11 THE COURT: Okay.

12 MR. HAMMER: And, furthermore, furthermore, there is
13 one other real important point that goes to all this. Its
14 in your order. Your Honor says that Mrs. Hammer said that
15 at the time of the separation, which is what she said, at
16 the time of the separation I told her -- she said I told
17 her that at the time of the separation I was going to
18 bankrupt her. The separation was in 2005.

19 MS. BALLARD: Your Honor. This goes beyond my
20 argument.

21 THE COURT: What does that have to do with what
22 Ms. Ballard brought up? Because, literally, we could go
23 on all day long.

24 MR. HAMMER: Well, I'll save that for our argument on
25 the new trial.

1 THE COURT: No. There isn't going to be any argument
2 on the new trial. I'm going to rule on y'all's motions
3 without a hearing. I think I made that clear.

4 MR. HAMMER: Your Honor, I'm ---

5 THE COURT: I'm not going to have a hearing. No more
6 hearings.

7 MR. HAMMER: I understand that, but 59 (E).

8 THE COURT: No more hearings. If you want to appeal
9 that, Mr. Hammer, you can, but we will have no more
10 hearings.

11 MR. HAMMER: Will Your Honor give us just one moment?

12 THE COURT: For what?

13 MR. HAMMER: If there is something in the rules that
14 we might call to Your Honor's attention. I believe I
15 could if Your Honor would give just a moment.

16 THE COURT: All right. Look it up. Misstate the
17 part about the Supreme Court.

18 MS. BALLARD: About the Supreme Court?

19 THE COURT: About his misconduct in this litigation.

20 MS. BALLARD: Oh, I have to find that. I don't think
21 I highlighted that.

22 THE COURT: You do that, please.

23 MS. BALLARD: I will find it, Yes, sir.

24 THE COURT: I don't think you're going to find
25 anything in the rules that a hearing is necessary on a new

1 trial motion.

2 MS. BALLARD: The case law says hearing is not
3 required.

4 THE COURT: I know. It's very clear.

5 MS. BALLARD: Your Honor, it's Page 37. Very top of
6 the page.

7 THE COURT: Thank you.

8 MS. BALLARD: You're welcomed.

9 MR. HAMMER: We weren't able -- we were unable to
10 find any specifically require it, however, given the
11 amount of information and the length and the breath of
12 your order and what all is involved as far as new trial
13 order is concerned and given that even today just in --
14 without even really going into it in depth there are two
15 matters that I'd like to call to Your Honor's attention.

16 We would ask permission to be able to argue against a
17 41 page order which has a 136 findings. And we think that
18 as a matter we ask that Your Honor consider allowing us to
19 do that as a matter of fairness. The 136 findings that
20 Your Honor has made, and we think that as a matter of
21 fairness that we should be -- that we are asking as a
22 matter of fairness that Your Honor give us a chance to
23 argue these point in a new trial motion.

24 We think that it will -- that ultimate it will
25 enhance judicial economy. Although it may take longer to

1 argue, but it will ultimately enhance judicial economy as
2 far as the deal is concerned, as far as what has to go
3 before the Appellate Court, and as far as Your Honor is
4 able to make a considered determination as to whether your
5 first findings are correct.

6 There are things that we think -- that we point out
7 that are not correct. For instance, one that I was just
8 about to point out to Your Honor that's pretty clear.
9 Another one is pretty clear in here.

10 THE COURT: With all due respect, Mr. Hammer, I am
11 not going to have any more hearings. Okay.

12 MR. HAMMER: May I point out the one that I was going
13 to point out so Your Honor can give that some further
14 thought?

15 THE COURT: How could I say no?

16 MR. HAMMER: Thank you.

17 THE COURT: Go ahead. I'll give 30 seconds, then we
18 will be concluded.

19 MR. HAMMER: She said that -- she said I was going to
20 bankrupt her at the time of separation. The time of
21 separation was in 2005. Three years later I gave her \$3
22 million. Does that sound like I was trying to bankrupt
23 her?

24 THE COURT: All right. Anything else. We're
25 concluded. Thank you.

1 MS. LIPSCOMB: Your Honor, I just wanted to ask
2 procedurally how to handle the amended -- the attorney's
3 fees. And what I would -- she's going to hand you some
4 specific entries, and she s going to serve us with those.

5 THE COURT: I'm not going receive anything else.

6 MS. BALLARD: Thank you, Your Honor.

7 THE COURT: I'm finished with receiving evidence
8 because if I receive something from her y'all are going to
9 present affidavits and counter affidavits, and this and
10 that and the other. And I'm just not going to do it. The
11 purpose of today's hearing was to get everything that
12 there was. If there is not anything, that's it.

13 MR. HAMMER: So there is determination on attorney's
14 fee today?

15 THE COURT: Mr. Hammer, I'm not going to receive
16 anything else. That's it.

17 MS. LIPSCOMB: Thank you, Your Honor.

18 MS. BALLARD: Thank you, Your Honor.

19 THE COURT: Okay.

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1 CERTIFICATE OF REPORTER

2

3

4 STATE OF SOUTH CAROLINA)

5 COUNTY OF RICHLAND)

6

7

8 I, HATTIE O. GORDON, Official Court Reporter for the

9 4th Judicial Circuit of the State of South Carolina, do

10 hereby certify that the foregoing is a true, accurate and

11 complete Transcript of Record of the proceedings had and

12 evidence introduced in the trial of the captioned case,

13 relative to appeal, in the Court of Common Pleas for

14 Richland County, South Carolina, on the 17th day of May,

15 2013.

16 I do further certify that I am neither of kin,

17 counsel nor interest to any party hereto.

18

19

20 October 19, 2013

21 

22

23 HATTIE O. GORDON, Court Reporter

24

25

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND) IN THE COURT OF COMMON PLEAS

1634 MAIN, L.P.,

PLAINTIFF,

-VS-

2010-CP-40-2889

SHIRLEY HAMMER, A/K/A SHIRLEY
GRACE HIGHTOWER,

DEFENDANT AND THIRD-
PARTY PLAINTIFF,

-VS-

HOWARD HAMMER,

THIRD-PARTY DEFENDANT.

DEPOSITION OF BERNARD N. ACKERMAN, CPA

ROCK HILL, SOUTH CAROLINA

OCTOBER 26, 2012

REPORTED BY: CATHY L. YOUNG, CVR

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1 EXAMINATION BY MS. WEISSENSTEIN:

2 Q. Mr. Ackerman, I introduced myself before we began.
3 I'm Stephanie Weissenstein; and I am one of the
4 attorneys for the Defendant in this case, Shirley
5 Hammer. As a matter of housekeeping, I just want to
6 let you know, and to remind Susan and Howard, I'm
7 hearing impaired, so if I ask you to repeat
8 yourself, you know, it's probably because I didn't
9 hear you or understand you. In that same respect,
10 if you could all make sure that you speak up. Make
11 sure that you answer verbally, and try not to
12 interrupt, or speak over anyone. I'll do my best to
13 make sure you finish your answer before I ask you
14 the next question. Have you ever given a deposition
15 before?

16 A. I have.

17 Q. I saw from your website that you've served as an
18 expert witness, so I assumed that I wouldn't need to
19 go through the whole spiel on how to give a
20 deposition. But we are here today in this case,
21 1634 Main LP versus Shirley Hammer versus Howard
22 Hammer as an additional Defendant. Susan Lipscomb
23 is the lawyer for the Plaintiff. As I stated, I'm
24 the lawyer for the Defendant, Shirley Hammer, and
25 Howard is representing himself pro se. You're not

Deposition of Bernard N. Ackerman, CPA

22

1 business?

2 A. I don't know.

3 Q. Have you spoken with any of the limited partners of
4 1634 Main about the partnership and management
5 decisions?

6 A. I can recall pre-marriage -- pre-divorce that there
7 was probably some discussions on how the partnership
8 was doing, and how the real estate was -- was -- was
9 performing. And post-marriage, the similar type of
10 conversation with Mr. Hammer to just know how the
11 property was performing --

12 Q. Okay.

13 A. -- renters, no renters, that kind of thing.

14 Q. I'm going to ask you to look back at what we marked
15 as Exhibit Number 1, --

16 A. Uh-huh.

17 Q. -- which is the agreement and limited partnership
18 for 1634 Main. If you can look at page 12.

19 A. Page 12.

20 Q. It's on the bottom. The number's on the bottom.

21 A. Uh-huh.

22 Q. Do you see subparagraph 16.2?

23 A. (Reviews document.) Uh-huh. I do.

24 Q. Will you please read that paragraph, and then based
25 on your professional knowledge, explain it to me?