

THE STATE OF SOUTH CAROLINA
IN THE COURT OF APPEALS

APPEAL FROM THE CHARLESTON COUNTY COURT OF COMMON PLEAS
J.C. Nicholson, Circuit Court Judge
Case No. 2008-CP-10-6117

Appellate Case No. 2014-001030

Kathryn Dawson a/k/a Kathryn Huffstetler, Respondent

vs.

George Christodal, Jr, Appellant

INITIAL REPLY BRIEF OF APPELLANT, GEORGE CHRISTODAL, JR.

I adopt the Statement of Facts in the memorandum filed by my council on January 6, 2014 in Support of Defendant's Motion to Alter or Amend in The Court of Common Pleas of the Ninth Judicial Circuit with Case No.: 2008-CP-10-6117.

Attached is my argument and brief in which I ask the court to reverse the judgment rendered and filed on October 25, 2013 in the above cited case.

Respectfully Submitted,


George Christodal, Jr.

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1.

I thank you for the opportunity to appeal the judgment and order in regard to the above case filed by the plaintiff's attorney Mary Leigh Arnold.

The court recording of the appeal trial as evidence and argument.

There are a number of points that I would like to plead on my behalf:

1. The plaintiff's attorney drew up the agreement originally with my personal guarantee. I contested not to have my personal guarantee because her agreement was with her employer Swan Development, LLC. Her Attorney, Mary Arnold agreed and removed any of my personal responsibility from the agreement. Therefore knowing very well that I was not in any way to be personally responsible and that only if Swan was solvent and able to pay her a severance would she be paid, the suit was still brought against me personally.
2. Ms. Huffstetler resigned from Swan because she was getting married and agreed to stay on to train a successor. She did stay on and train the successor for 2 to 3 weeks for 2 to 3 hours each day for 2 to 4 days each week and was paid her full salary during this time. The severance agreement was something Swan relented to because the plaintiff was involved with a townhouse development project in Summerville and if it was successful she would be rewarded. As she put it, 'it is something she could bring into her new marriage'. The Summerville project was the only thing that Swan was involved with at the time, the market was real estate market was failing but if it was successful she would be rewarded. Everything was contingent on Swan's viability which was totally invested in this lone project. The plaintiff was well aware of this and so was her attorney. Thus the no personal guarantee.
3. The plaintiff was the bookkeeper at the time and knew more than anyone the financial condition of Swan and it's the viability of its success at that time being only the Summerville townhouse project. In fact this was her only possibility at the time of getting her severance bonus and not from me personally. The plaintiff also knew my personal financial condition not to be at all solid. The plaintiff knew very well that I had very little personal funds left. I spent a most of my personal monies over the 4 to 5 years that she worked for me. Most of the time of her employment we had an intimate/personal relationship in which she admitted that I spent in excess of \$150,000 dollars paying her way out of her personal bankruptcy, buying her a Mercedes, her daughter a car, many vacations for her and her family, plastic surgery for the plaintiff, her oldest daughter's full wedding expences, her 2nd daughter's prom gown and accessories, clothes for all of her family, many gifts, remodeling her home (new floors, kitchen, appliances, bathrooms, landscaping, roof, enclosing garage, painting in and out, furniture, etc. All of this done while paying her a salary of \$500.00 plus per week.



When the plaintiff was resigning to marry her now husband, she was paid all of her salary of \$500.00 per week while she trained her successor and was paid 2 month (\$4000.00) after she stopped working and had been remarried.

4. Soon Swan had shut down its office and its' operations and was about defunct. Swan had many other debts owed to its' suppliers, in addition to the modular housing supplier being owed over \$200,000. The partners in the development had a personal deficit to the bank in excess of \$1,200,000. after foreclosure.
5. For me to be held personally responsible for the debt Swan had to the plaintiff for severance pay would be to take away all of the corporate liability protection for the officers of any corporation the goes defunct. For example a precedent would be set to find the officers and shareholders personally responsible in the cases of companies like Polaroid's and United Air lines' and many other corporations that went defunct and bankrupt and owed pensions, salaries and other debts, etc.
6. In the case sighted in my motion for reconsideration, Allen v. Pinnacle Healthcare Systems, LLC, 394 S.C. 268, 715 S.E.2d 362 (Ct.App.,2011), and Dumas v. InfoSafe Corp., 320 S.C. 188, 195, 463 S.E.2d 641, 645 (Ct.App.1995), it is that the officers took preferential treatment by paying back themselves for money loaned the company before the wages of workers. This was clearly wrong.
7. In Swans case the only preferential treatment was Ms. Huffstetler over the Lumber supplier or the Modular supplier, the masonry company, the concrete supplier and others when she was given the very last of any funds that Swan had with the \$4,000 that was given to her. If the defendant took any of the monies for himself from swan over the plaintiff in any preferential way the plaintiff should sue in criminal court as they did the plaintiffs in the cases for example as Enron etc. No such accusation justifiable or has been made.
8. The situation with this case's appeal started initially with the finding judgment coming after 1 year from the trial. The judge admittedly was foggy about the details because of the time lapse but found for the plaintiff. We appealed and the judge upheld his initial finding and in doing so, I believe, set a precedent whereby all cases regarding personal liability for offices for the corporate debt has been changed. That is to say that any small or large corporation's officers can be sued personally for this same kind of situation or circumstance. For example, maybe General Motors as a large corporation or a small corporation like a medical practice or even a law practice, etc., a very clear and I believe bad precedent is now set by this case law.
9. In this particular case, the attorney for the plaintiff drew up the agreement and knowingly omitted/took out by her approval any personal liability by myself of any other officer of this corporation. I believe that Ms. Huffstetler knew very well that the severance bonus was very much tied to the success of the only project ongoing, one that the plaintiff had a great deal to do with. Now Ms. Huffstetler



who signed the agreement and her attorney who constructed this same agreement, knowing that this defendant was purposely and clearly omitted by herself from any personal responsibility to now bring him in personally, after she herself prepared and agreed to the agreement knowingly absolving the defendant of any personal liability. I think that it is clearly wrong for her to bring this action.

I have incurred well over \$15,000.00 in personal and legal expenses plus a good amount of time and grief over what seems to be a wrongful action.

10. There is no evidence of any funds and the plaintiff admits to there not being any funds in the company to pay her any more severance and there has been no evidence presented of the defendant absconding with any corporate funds.

I would ask the Court to consider the legal arguments of my counsel presented to the trial court as my legal argument as to why the lower court erred in holding me liable under the statute when there was no proof I diverted or concealed any money from the Plaintiff.

Respectfully submitted,


George Christodal, Jr.

10/30/14

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PROOF OF SERVICE

I certify that I have served the Appellant's Initial Brief and Designation of Matters to be included in the Record on Appeal on the Respondent by depositing a copy of it in the United States Mail, Postage prepaid, on 10/30/14, 2014, addressed to their attorney of record as follows:

Mary Leigh Arnold, Esquire
749 Johnnie Dodds Boulevard, Suite B
Mount Pleasant, SC 29464


George Christodal, Jr.

10/30/14, 2014
_____, South Carolina

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