



Eric S. Bland*
Ronald L. Richter, Jr.

*Also admitted in PA & FL

South Carolina Court of Appeals
Attn: Ella
Post Office Box 11629
Columbia, SC 29211

RE: McLeod v. PHSW v. McLeod
Appellate Case No.: 2015-000294
Charleston County Common Pleas Case No.: 2014-CP-10-5462

Dear Ella:

Pursuant to our telephone conversation, I am enclosing a clocked copy of the Third-Party Summons, Defendant's Answer, Counterclaims and Third-Party Claims from the Charleston County Court of Common Pleas curing the deficiency in the Notice of Appeal regarding the above-referenced matter.

Kindly also allow this to confirm that the Form 4 Judgment, included in our initial filing, was the only order issued that is challenged on appeal.

Please do not hesitate to contact our office with any questions or concerns.

Thanking you for your assistance in this regard, I am

Very truly yours,

A handwritten signature in black ink that reads 'Lisa M. Lescord'. The signature is written in a cursive, flowing style.

Lisa M. Lescord
Paralegal to Ronald L. Richter, Jr.

/lml
Enclosure

cc: (via Regular US Mail)
Richard A. Harpootlian, Esquire

(via email)
Clients
Ronald L. Richter, Jr., Esquire
Eric S. Bland, Esquire
Scott M. Mongillo, Esquire

RECEIVED
FEB 27 2015
SC Court of Appeals

February 23, 2015

Reply to:
Peoples Building
Mezzanine Level
18 Broad Street
Charleston, SC 29401
Phone: 843.573.9900
Fax: 843.573.0200
ronnie@blandrichter.com

Offices also at:
1500 Calhoun Street
Columbia, SC 29201
Mail: P.O. Box 72
Columbia, SC 29202
Phone: 803.256.9664
Fax: 803.256.3056
ericbland@blandrichter.com

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)
W. MULLINS McLEOD, JR.,)
Plaintiff,)
v.)
PIERCE HERNS SLOAN and WILSON,)
LLC f/k/a PIERCE HERNS SLOAN &)
McLEOD, LLC,)
Defendant/Third-Party Plaintiff,)
v.)
MCLEOD LAW GROUP, LLC,)
Third-Party Defendant.)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2014-CP-10-5462

FILED
2014 OCT 31 PM 12:28
JULIE J. ARNSTROM
CLERK OF COURT

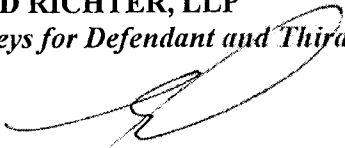
THIRD-PARTY SUMMONS

RECEIVED
FEB 27 2015
SC Court of Appeals

TO THE THIRD-PARTY DEFENDANT ABOVE-NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint herein, a copy of which is herewith served upon you, and to serve a copy of your answer to this Complaint upon the subscriber, at the address shown below, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the Complaint, judgment by default will be rendered against you for the relief demanded in the complaint.

BLAND RICHTER, LLP
Attorneys for Defendant and Third-Party Plaintiff



Ronald L. Richter, Jr.
Scott M. Mongillo
Peoples Building
18 Broad Street, Mezzanine
Charleston, South Carolina 29401
843.573.9900 (telephone)
843.573.0200 (facsimile)
ronnic@blandrichter.com (e-mail)
scott@blandrichter.com (e-mail)

Eric S. Bland
1500 Calhoun Street
Post Office Box 72
Columbia, South Carolina 29202
803.256.9664 (telephone)
803.256.3056 (facsimile)
ericbland@blandrichter.com (e-mail)

October 31, 2014
Charleston, South Carolina

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)
W. MULLINS McLEOD, JR.,)
Plaintiff,)
v.)
PIERCE HERNS SLOAN and WILSON,)
LLC f/k/a PIERCE HERNS SLOAN &)
McLEOD, LLC,)
Defendant/Third-Party Plaintiff,)
v.)
MCLEOD LAW GROUP, LLC,)
Third-Party Defendant.)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2014-CP-10-5462

FILED
2014 OCT 31 PM 12:28
JULIE J. ARMSTRONG
CLERK OF COURT

DEFENDANT'S ANSWER
COUNTERCLAIMS AND THIRD-
PARTY CLAIMS

RECEIVED

FEB 27 2015

SC Court of Appeals

Defendant Pierce HERNs Sloan and Wilson, LLC f/k/a Pierce HERNs Sloan & McLeod, LLC (“Defendant” and “PHSW”) hereby answers the Complaint of Plaintiff W. Mullins McLeod’s (“Plaintiff” and “McLeod”) and further counterclaims against Plaintiff and further alleges a third-party claim against Third-Party Defendant McLeod Law Group, LLC.

1. Each and every allegations not specifically admitted herein is denied.
2. Upon information and belief, Defendant admits the allegations of Paragraph 1.
3. Defendant admits the allegations of Paragraph 2.
4. The allegations of Paragraph 3 state legal conclusions to which Defendant need not respond.
5. Defendant denies the allegations of Paragraph 4. Plaintiff seeks a valuation of his interests in the Defendant Law Firm. As set out in the Pierce HERNs Sloan & McLeod Operating Agreement (“Operating Agreement”), attached as Exhibit A to Plaintiff’s Complaint, the parties

have agreed to an alternative dispute resolution process to value a withdrawing member's interest in the firm. Thus, by agreement of the parties, this Court does not have subject matter jurisdiction over this dispute. Along with this Answer, Counterclaim, and Third-Party Claim, Defendant has moved to dismiss or stay this matter and compel Plaintiff's participation in the agreed upon valuation process, and Defendant hereby incorporates that motion herein.

6. With regards to the allegations of Paragraphs 5 and 6, Defendant admits only that the parties entered into the Operating Agreement but would deny any allegations that conflict with the terms of that Operating Agreement and further specifically deny that Plaintiff "properly withdrew on or about November 1, 2011."

7. Defendant admits the allegations of Paragraph 7.

8. Defendant denies the allegations of Paragraphs 8 through 15.

9. With regards to the allegations of Paragraph 16, Defendant would state that the correspondence sent to the referenced clients speaks for itself.

10. Defendant denies the allegations of Paragraphs 17 and 18.

**FOR A FIRST DEFENSE TO
PLAINTIFF'S FIRST CAUSE OF ACTION
(Right of Accounting)**

11. Defendant repeats and realleges its responses to all preceding paragraphs as if fully set forth herein.

12. In response to the allegations of Paragraphs 19 and 21, Plaintiff would state that the Operating Agreement and cited law speak for themselves and would deny any allegations that conflict with the terms of the Operating Agreement or the law.

13. Defendants deny the allegations of Paragraphs 22 through 25 and further denies any request for relief. Defendants would specifically deny that Plaintiff has any right to an "accounting"

or to any revenue earned by PHSW following Plaintiff's withdrawal and establishment of a competing business.

**FOR A FIRST DEFENSE TO
PLAINTIFF'S SECOND CAUSE OF ACTION
(Action Pursuant to S.C. Code §§ 33-44-701 and 702)**

14. Defendant repeats and realleges its responses to all preceding paragraphs as if fully set forth herein.

15. Defendant denies the allegations of Paragraphs 26 through 28 and further deny any request for relief. Plaintiff's claims and the valuation of Plaintiff's interests in the firm are governed by the terms of the Operating Agreement's alternative dispute resolution appraisal process.

**FOR A FIRST DEFENSE TO
PLAINTIFF'S THIRD CAUSE OF ACTION
(Breach of Contract)**

16. Defendant repeats and realleges its responses to all preceding paragraphs as if fully set forth herein.

17. Defendant denies the allegations of Paragraphs 30 and 32 and further denies any request for relief.

**FOR A FIRST DEFENSE TO
PLAINTIFF'S FOURTH CAUSE OF ACTION
(Negligent and Intentional Misrepresentation)**

18. Defendant repeats and realleges its responses to all preceding paragraphs as if fully set forth herein.

19. Defendant denies the allegations of Paragraphs 33 through 47 and further denies any request for relief.

FOR A SECOND DEFENSE

20. Plaintiff has failed to state a claim upon which relief can be granted, and Defendant is entitled to dismissal under Rule 12(b)(6) of the South Carolina Rules of Civil Procedure.

FOR A THIRD DEFENSE

21. This Court lacks subject matter jurisdiction over this dispute pursuant to the terms of the Operating Agreement, which sets out an alternative dispute resolution process for valuation of any withdrawing member's shares, as set out in Plaintiff's Motion to Dismiss.

FOR A FOURTH DEFENSE

22. Plaintiff's claims are barred by the statute of limitations provided for in the Uniform Limited Liability Company Act of 1996, South Carolina Code § 33-44-701(d), as set out in Plaintiff's Motion to Dismiss.

FOR A FIFTH DEFENSE

23. Plaintiff's claims are barred by the doctrine of laches.

FOR A SIXTH DEFENSE

24. Plaintiff's claims are barred by the doctrines of waiver and estoppel in that any right Plaintiff had to assert his claims in this Court were waived by Plaintiff's participation in the valuation process set out in the Operating Agreement.

FOR A SEVENTH DEFENSE

25. Plaintiff's equitable claims and demands for equitable relief should be dismissed because Plaintiff has an adequate remedy at law and an adequate remedy as provided by the Operating Agreement that Plaintiff entered.

FOR AN EIGHTH DEFENSE

26. Plaintiff's claims are barred by the equitable doctrine of unclean hands.

FOR A NINTH DEFENSE

27. Plaintiff's claims and demands for relief are barred in whole or in part by Plaintiff's own material breach of the Operating Agreement and breach of fiduciary duties owed to Defendant.

FOR A TENTH DEFENSE

28. Plaintiff's damages, if any, are set-off by damages caused by Plaintiff to Defendant and funds owed by Plaintiff to Defendant, including but not limited to attorney fees and costs that Defendant is entitled to on contingency fee cases that elected to have Plaintiff as counsel following his withdrawal from the firm.

FOR AN ELEVENTH DEFENSE

29. Defendant incorporates herein all defenses raised in its Motion to Dismiss.
30. Defendant demands a jury trial of all claims at law.

FOR A TWELFTH DEFENSE BY WAY OF COUNTERCLAIM AND THIRD-PARTY COMPLAINT

For its Counterclaims against Plaintiff and for its Third-Party Complaint against Third-Party Defendant McLeod Law Group, LLC, Defendant and Third-Party Plaintiff PHSW incorporates by reference every allegation, averment, and denial contained in its Answer and further allege and state as follows:

Parties and Jurisdiction

1. The Defendant, Counterclaimant, and Third-Party Plaintiff Pierce, Hems, Sloan & Wilson, LLC, f/k/a Pierce, Hems, Sloan & McLeod, LLC ("PHSW"), is a South Carolina limited liability company which was organized for the purpose of conducting business as a law firm. PHSW has its principal place of business in Charleston County, South Carolina.

2. Plaintiff and Counterclaim Defendant W. Mullins McLeod, Jr. (“McLeod”) is a citizen and resident of Charleston County, South Carolina, who was and remains an attorney licensed to practice law in the State of South Carolina.

3. Upon information and belief, Third-Party Defendant McLeod Law Group, LLC (hereinafter “McLeod Law”), is a South Carolina limited liability company which was organized for the purpose of conducting business as a law firm and which is owned or controlled by Plaintiff McLeod. McLeod Law has its principal place of business in Charleston County, South Carolina.

4. This court has jurisdiction over the parties to and the subject matter of this litigation.

Factual Background

5. PHSW was first organized on November 23, 1999. Plaintiff McLeod was one of the original members of PHSW.

6. On February 7, 2000, the members of PHSW, including specifically Plaintiff, entered into an Operating Agreement which governed the respective rights and obligations of the members of the firm. A copy of the Operating Agreement of PHSW is attached to Plaintiff’s Complaint as Exhibit “A.”

7. Included within the Operating Agreement are specific provisions with regard to the duties owed by members of the firm, the compensation criteria for members of the firm and the rights and responsibilities of a member upon dissociation from the firm.

8. Between 1999 and 2011, PHSW established a reputation for providing excellent legal services. The business of the firm grew both in terms of its client base and gross revenues.

9. Starting around 2009, when McLeod decided to run for Governor of South Carolina, McLeod began to promote himself over and above the firm and ceased devoting his time exclusively to the firm.

10. From 2009 forward, McLeod did not devote his full time, attention and effort to advancing the interests of PHSW.

11. During calendar years 2009, 2010, and 2011, McLeod's collections were markedly off from prior years.

12. During calendar years 2009, 2010, and 2011, McLeod was routinely absent from the office during regular business hours.

13. At some point in 2011, McLeod decided to stop working on behalf of PHSW and instead prepare to open his own firm. McLeod did not inform the other members of PHSW of this decision.

14. On November 4, 2011, McLeod wrongfully dissociated himself from PHSW through a letter announcing that he was departing the firm.

15. During 2011, McLeod undertook several actions in preparation for departing PHSW that were breaches of his contractual and fiduciary duties to PHSW and directly and negatively impacted the revenue of PHSW.

16. Upon information and belief, McLeod delayed settlement and mediation of his contingency fee cases in 2011. McLeod cancelled several mediations without explanation or based on false pretenses. The only significant recovery made by McLeod in 2011 was a mediation that the other members of PHSW insisted go forward over McLeod's objection and only occurred with significant help and input from other members of PHSW.

17. In 2011, McLeod devoted the majority of his time to a single file that was not scheduled to go to trial until 2012 (the “Bennett Matter”). Just prior to his departure, McLeod expended significant sums on expenses, including experts, on the Bennett Matter knowing that he would be trying the matter after he left.

18. In May of 2011, McLeod agreed to represent the family of Bert Reeves, the victim of a shooting. McLeod opened a file at PHSW for the Reeves family, charged expenses to PHSW in the representation of the Reeves family, and worked extensively on the matter while still a member of PHSW, including retaining a private investigator, sending out Freedom of Information Act requests on PHSW letterhead, interviewing witnesses, attending town meetings, and appearing in various media reports wherein he represented that he was the attorney for the Reeves family.

19. McLeod engaged in a concerted effort to conceal his representation of the Reeves family from the other members of PHSW in a number of ways, including:

- a. McLeod did not bill any time to the file;
- b. McLeod reimbursed the firm for some, but not all, of the expenses;
- c. McLeod did not discuss the file with other members of PHSW;
- d. McLeod did not include the file in the “Plaintiff’s List” maintained by the firm;
- e. McLeod did not disclose the existence of the file when he dissociated from PHSW;
- f. McLeod did not send a letter to the Reeves family allowing them to choose who would be their attorney going forward, as was done with other clients; and
- g. In such other ways as discovery may reveal.

20. After his departure, McLeod filed a lawsuit on behalf of the Reeves family, recently tried the claims of the Reeves family, and received a verdict on their behalf of \$97,500,000.

21. To date, McLeod has not even offered to pay back the expenses paid for by PHSW to prosecute the Reeves family claims, much less the months of work McLeod did for the Reeves family as a member for PHSW.

22. On November 2, 2011, McLeod appeared on the local television news announcing that he would be representing certain victims in legal matters arising out of the Skip ReVille controversy. He did not mention PHSW.

23. On November 2, 2011, McLeod also sent "Do Not Destroy" letters to various parties on behalf of the ReVille victims on PHSW letterhead.

24. McLeod did not open files or otherwise inform PHSW of his new clients in the Reville controversy, and in fact was directly competing with PHSW to sign up these clients.

25. Upon information and belief, while still a member of PHSW, McLeod undertook to represent these clients, and possibly others, in his individual capacity, rather than have the clients retain him as a member of PHSW.

26. Upon his departure from PHSW, McLeod took with him clients and files representing nearly 20% of PHSW's entire book of work, causing significant financial hardship on the firm.

27. Included among the matters taken by McLeod upon his departure were a number of cases in which PHSW was engaged under a joint representation agreement with a third-party attorney, Walton Bondurant.

28. Upon information and belief, the PHSW/Bondurant engagements, and possibly other co-counsel engagements, provided expressly for the division of fees between PHSW and Bondurant and also provided expressly for a charging lien against the files in favor of PHSW in the event that the client(s) chose to engage other counsel.

29. Despite the express language of the PHSW/Bondurant engagements and despite the significant amount of work performed on the transferred files by PHSW and its employees, McLeod has refused to account for the fees earned under these engagements and has refused to reimburse PHSW even for the value of the services provided to the PHSW/Bondurant clients prior to his departure.

30. Since leaving PHSW, McLeod has settled many of the matters which were initiated as PHSW cases each time sending PHSW only its out of pocket expenses with no accounting for the fees generated and no allocation of the fees representing the work which had been accomplished for the clients while at PHSW.

31. With regards to some transferred files, McLeod refused to even pay the full expenses incurred by PHSW demanding that PHSW cut its expenses even though McLeod apparently was not cutting his fees or expenses.

32. McLeod has made demand on PHSW for the purchase of his membership interest in PHSW, but has refused to comply with the terms and conditions of the Operating Agreement which govern the valuation and transfer of his interest. He has also refused to provide an accounting of the fees earned through his representation of former PHSW clients, thus making it impossible to determine the damage he has caused to the firm and the offset which is to be assessed against the value of his interest in PHSW without a full and complete accounting from McLeod.

FOR A FIRST CAUSE OF ACTION AS AGAINST MCLEOD
(Breach of Fiduciary Duty)

33. Paragraphs 1 through 32 above are incorporated herein as if realleged and restated in full verbatim.

34. At all times relevant hereto, McLeod owed fiduciary duties to PHSW, including but not limited to the duty of loyalty, which is defined in the Operating Agreement to include the duty to hold as trustee for PHSW any property, profit or benefit derived from property of PHSW and the duty not to wrongfully appropriate PHSW property.

35. McLeod breached his fiduciary duties to PHSW in a number of particulars, including but not limited to some or all of the following:

- a. In failing to devote his time and best efforts toward advancing the best interests of PHSW;
- b. In operating a separate undisclosed legal practice while a member of PHSW;
- c. In promoting himself and his legal services personally during the time that he remained a member of PHSW, rather than promoting the services of PHSW;
- d. In representing clients on an individual basis while still a member of PHSW and failing to disclose said clients to PHSW;
- e. In usurping a corporate opportunity through soliciting clients for representation and/or engaging clients in his individual capacity rather than in his capacity as a member of PHSW prior to his withdrawal from PHSW; and
- f. In such other particulars as the evidence in the case will demonstrate.

36. As a direct and proximate result of the conduct of McLeod, PHSW has been harmed and continues to be harmed, although the full extent of the harm is not capable of calculation without a full and complete accounting from McLeod.

37. PHSW is entitled to and prays for judgment against McLeod, both actual, in an amount necessary to compensate it fully for all losses herein, past, present and future, and punitive, in an amount determined by a jury to be sufficient to impress upon McLeod the seriousness of his conduct and to deter such similar conduct in the future.

FOR A SECOND CAUSE OF ACTION AS AGAINST MCLEOD
(Breach of Contract – Operating Agreement)

38. Paragraphs 1 through 37 above are incorporated herein as if realleged and restated in full verbatim.

39. In accordance with the Operating Agreement of the parties, McLeod's voluntary withdrawal from PHSW on November 4, 2011 constitutes a wrongful dissociation.

40. As a direct and proximate result of the wrongful dissociation of McLeod, PHSW has been harmed and continues to be harmed, although the full extent of the harm is not capable of calculation without a full and complete accounting from McLeod.

41. In accordance with the Operating Agreement, PHSW is entitled to "all costs, expenses (including reasonable attorneys' fees) and damages caused by the wrongful dissociation."

42. In addition, McLeod's wrongful dissociation created for PHSW the opportunity to buy back the membership interest of McLeod after discounting his interest for "all costs, expenses (including reasonable attorneys' fees) and damages incurred by the Company as a result of the Withdrawing Member's wrongful dissociation" and after applying other discounts provided for in the methodology for calculating the purchase price of his interest, such as discounts for "minority" and "lack of marketability."

43. PHSW has tried in good faith to ascertain the value of McLeod's interest, but McLeod has refused and continues to refuse to account for the fees generated through PHSW clients, thereby making the determination of the discount for damages impossible.

44. McLeod has breached his contract and breached his obligation of good faith and fair dealing with PHSW by refusing to provide the information necessary to engage in the appraisal process and thereby blocking the ability of PHSW to recapture his membership interest.

45. Upon information and belief, after discounting for the harm caused to PHSW and after applying the other discounts provided for expressly by the Operating Agreement of PHSW, McLeod's membership interest in PHSW is without value. Upon further information and belief, after discounting for the harm caused to PHSW and after applying the other discounts provided for expressly by the Operating Agreement of PHSW, McLeod has caused harm to PHSW in excess of the value of his membership interest.

46. PHSW is entitled to and prays for judgment against McLeod in an amount necessary to compensate it fully for all losses herein, past, present and future, as well as for the costs and expenses of this action, including attorney's fees.

FOR A THIRD CAUSE OF ACTION AS AGAINST MCLEOD
(Tortious Interference with Contract – PHSW/Bondurant Agreements)

47. Paragraphs 1 through 46 above are incorporated herein as if realleged and restated in full verbatim.

48. Included among the matters taken by McLeod upon his departure from PHSW were a number of cases in which PHSW was engaged under a joint representation agreement with a third-party attorney, Walton Bondurant.

49. Upon information and belief, the PHSW/Bondurant engagements, and possibly other co-counsel engagements, provided expressly for the division of fees between PHSW and

Bondurant and also provided expressly for a charging lien against the files in favor of PHSW in the event that the client(s) chose to engage other counsel.

50. Despite the express language of the PHSW/Bondurant engagements, McLeod has refused to account for the fees earned under these engagements and has refused to reimburse PHSW even for the value of the services provided to the PHSW/Bondurant clients prior to his departure.

51. McLeod knew of the existence of the PHSW/Bondurant contracts.

52. With knowledge of the PHSW/Bondurant contracts, McLeod acted tortiously to procure a breach of the contracts by representing the clients who were once engaged under the PHSW/Bondurant contracts and by thereafter refusing to pay PHSW any fees or reimbursement whatsoever.

53. As a direct and proximate result of the conduct of McLeod, the PHSW has been harmed and continues to be harmed, although the full extent of the harm is not capable of calculation without a full and complete accounting from McLeod.

54. PHSW is entitled to and prays for judgment against McLeod, both actual, in an amount necessary to compensate it fully for all losses herein, past, present and future, and punitive, in an amount determined by a jury to be sufficient to impress upon McLeod the seriousness of his conduct and to deter such similar conduct in the future.

FOR A FOURTH CAUSE OF ACTION AS AGAINST MCLEOD
(Declaratory Judgment)

55. Paragraphs 1 through 54 above are incorporated herein as if realleged and restated in full verbatim.

56. This cause of action is brought pursuant to the South Carolina Declaratory Judgment Act.

57. A justiciable controversy exists between the parties with regard to the obligation of McLeod to offer his membership interest in PHSW for sale pursuant to the appraisal and sale process outlined in the Operating Agreement.

58. PHSW is entitled to and prays for a judicial declaration that:

- a. McLeod wrongfully dissociated from PHSW on November 4, 2011, as defined under the Operating Agreement;
- b. As a result of his dissociation, McLeod is deemed to have offered his membership interest in PHSW for sale at a price and upon the terms outlined in the Operating Agreement;
- c. In order to value McLeod's interest in PHSW upon the date of his departure, the parties are required to engage in good faith in the appraisal process as outlined in the Operating Agreement;
- d. As outlined in the Operating Agreement, the appraisers engaged by the parties are required to discount the value of McLeod's interest in PHSW by "all costs, expenses (including reasonable attorney's fees) and damages incurred by the Company as a result of [his] dissociation;"
- e. As outlined in the Operating Agreement, the appraisers engaged by the parties are required to discount the value of McLeod's interest in PHSW by "all minority, lack of marketability and other discounts" which may be applicable;
- f. As outlined in the Operating Agreement, as a result of McLeod's wrongful dissociation, under no circumstance will PHSW be required to pay more than seventy-five percent (75%) of the appraised value, which appraised value shall first be established after taking into account the damages caused by McLeod upon

his departure, including the costs of this action and attorney's fees, as well as taking into account all applicable discounts as set forth herein;

- g. In order to engage in the appraisal process, McLeod shall be required to account fully for all fees generated from any and all files, clients or other former property of PHSW.

FOR A FIFTH CAUSE OF ACTION AS AGAINST MCLEOD
(Unfair Trade Practices)

59. Paragraphs 1 through 58 above are incorporated herein as if realleged and restated in full verbatim.

60. At all times relevant hereto, McLeod was engaged in trade or commerce as defined in the South Carolina Unfair Trade Practices Act.

61. In the conduct of commerce, McLeod engaged in unfair and/or deceptive acts in a number of particulars, including by way of example through soliciting clients in his individual capacity while still a member of PHSW.

62. McLeod's conduct was willful, in particular as he knew or should have known the conduct to be unfair, deceptive and violative of the South Carolina Unfair Trade Practices Act.

63. As a direct and proximate result of the conduct of McLeod, PHSW has been harmed and continues to be harmed, although the full extent of the harm is not capable of calculation without a full and complete accounting from McLeod.

64. PHSW is entitled to and prays for judgment against McLeod for actual damages, in an amount necessary to compensate it fully for all losses herein, past, present and future, which damages should be trebled in accordance with the South Carolina Unfair Trade Practices Act. PHSW is further entitled to and prays for an award of the costs of this action, including attorney's fees.

**FOR A SIXTH CAUSE OF ACTION AS AGAINST
MCLEOD AND MCLEOD LAW**
(Accounting)

65. Paragraphs 1 through 64 above are incorporated herein as if realleged and restated in full verbatim.

66. Upon his wrongful dissociation from PHSW and thereafter, McLeod has taken the property or benefit of the property once held by PHSW.

67. Upon information and belief, the property or the benefit of the property has been retained by McLeod and/or transferred to or realized by McLeod Law.

68. PHSW is entitled to and prays for a complete accounting from McLeod and McLeod Law of all property, profit or benefit realized by McLeod and/or McLeod Law, as well as an order directing McLeod and McLeod Law to restore to PHSW all such benefit.

**FOR A SEVENTH CAUSE OF ACTION AS AGAINST
MCLEOD AND MCLEOD LAW**
(Constructive Trust)

69. Paragraphs 1 through 68 above are incorporated herein as if realleged and restated in full verbatim.

70. Like all law firms, PHSW invests a great deal of time, effort and money promoting its services and developing its client base.

71. Through years of hard work, good results and client satisfaction, PHSW earned a reputation for providing quality legal services through which it was successful in attracting and maintaining clients.

72. McLeod, as a member of PHSW, had a duty to use his best efforts to promote PHSW and to assist in the development and retention of clients.

73. McLeod also had a duty to open files and disclose to PHSW all client's he had agreed to represent while a member of PHSW and to share the proceeds of any recovery from all clients that engaged him while a member of PHSW.

74. The clients, clients lists and fee agreements developed prior to McLeod's wrongful dissociation from PHSW were the property of PHSW.

75. Upon his departure from PHSW, McLeod took with him many of the former clients and files of PHSW, including undisclosed clients, such as victims of Skip ReVille and the Reeves family. Many of the matters taken by McLeod represented contingency fee litigation cases in which PHSW had invested many hours of time and which were in different stages of completion, but which had not received any fees.

76. Upon information and belief, since the time of his wrongful dissociation from PHSW, McLeod, individually and/or by and through McLeod Law, has settled or otherwise resolved many of the matters taken from PHSW, including undisclosed clients.

77. Despite the resolution of these matters and despite the substantial time, money and effort that went into PHSW's retention and development of the disclosed and undisclosed clients taken by McLeod, McLeod has refused to compensate PHSW for anything beyond some of its out-of-pocket expenses and has refused to account for the benefits which McLeod has derived and continues to derive from those clients.

78. In accordance with the Operating Agreement of PHSW, McLeod was and is duty bound to "hold as trustee" for PHSW "any property, profit or benefit" which he derived from PHSW files, including both disclosed and undisclosed clients. PHSW is informed and believes that McLeod is similarly duty bound by law independent of the Operating Agreement.

79. PHSW is entitled to and prays for a constructive trust against McLeod and McLeod Law to account for and to hold in trust all profit or benefit derived from former PHSW clients and files, including undisclosed clients such as victims of Skip ReVille and the Reeves family, pending a full and final determination on the merits of this action.

**FOR AN EIGHTH CAUSE OF ACTION AS AGAINST
MCLEOD AND MCLEOD LAW
(Disgorgement)**

80. Paragraphs 1 through 80 above are incorporated herein as if realleged and restated in full verbatim.

81. An agent may not profit in derogation of the duties to his principal.

82. At all times relevant hereto, McLeod was an agent of PHSW.

83. McLeod breached his duties as an agent of PHSW and engaged in acts of self-dealing.

84. McLeod, individually and/or through McLeod Law, have profited through their breach of duties by taking clients and files which were the property of PHSW.

85. To the extent that McLeod and/or McLeod Law have profited through their breach of duty to PHSW, PHSW is entitled and prays for an order directing that McLeod and McLeod Law be disgorged in favor of PHSW of all such ill-gotten gain.

**FOR A NINTH CAUSE OF ACTION AS AGAINST
MCLEOD AND MCLEOD LAW
(Quantum Meruit)**

86. Paragraphs 1 through 85 above are incorporated herein as if realleged and restated in full verbatim.

87. Prior to the departure of McLeod, PHSW contributed significant time expense and effort toward the procurement of clients and files, and more importantly toward the advancement of the legal claims of their clients.

88. When McLeod departed the firm, he took with him a number of clients and files representing legal matters which were in various stages of completion, including undisclosed clients such as victims of Skip ReVille and the Reeves family.

89. Despite the expenditure of valuable time, effort and money toward the advancement of these cases and claims by PHSW, McLeod has unilaterally determined that PHSW should be entitled to zero compensation for its services.

90. It is inequitable that McLeod and/or McLeod Law should retain 100% of the compensation for the clients and matters which were taken upon the departure of McLeod from PHSW, including undisclosed clients such as victims of Skip ReVille and the Reeves family, and provide no reimbursement whatsoever to PHSW for the value of the services which it rendered and which made the future collection of fees possible.

91. PHSW is entitled to and prays for an award of damages against McLeod and McLeod Law for quantum meruit, representing the value of the services rendered by PHSW on behalf of its former clients during the time of its representation.

92. PHSW demands a jury trial on all claims at law.

WHEREFORE, PHSW prays for an order of this court imposing an constructive trust against McLeod and McLeod law for all profit or benefit derived through their representation of former PHSW clients, including undisclosed clients such as victims of Skip ReVille and the Reeves family, an order declaring the rights of the parties under the Operating Agreement as set forth herein, an order directing McLeod and McLeod Law to provide a full and complete

accounting of all profits or benefits derived from their representation of former PHSW clients, including undisclosed clients such as victims of Skip ReVile and the Reeves family, an award of quantum meruit and an order disgorging McLeod and McLeod Law of all profits which they realized in derogation of their duties to PHSW, together with an award of damages, both actual, in a sum sufficient to compensate for all losses, past, present and future, which actual damages should be trebled in accordance with the South Carolina Unfair Trade Practices Act, and punitive damages, in an amount sufficient to impress upon McLeod and McLeod Law the seriousness of their conduct and to deter such similar conduct in the future, as well as an award of attorney's fees and costs along with such other and further relief as this court deems just and proper.

BLAND RICHTER, LLP
Attorneys for Defendant and Third-Party Plaintiff



Ronald L. Richter, Jr.
Scott M. Mongillo
Peoples Building
18 Broad Street, Mezzanine
Charleston, South Carolina 29401
843.573.9900 (telephone)
843.573.0200 (facsimile)
ronnie@blandrichter.com (e-mail)
scott@blandrichter.com (e-mail)

Eric S. Bland
1500 Calhoun Street
Post Office Box 72
Columbia, South Carolina 29202
803.256.9664 (telephone)
803.256.3056 (facsimile)
ericbland@blandrichter.com (e-mail)

October 31, 2014
Charleston, South Carolina

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)
)
 W. MULLINS McLEOD, JR.,)
)
 Plaintiff,)
)
 v.)
)
 PIERCE HERNS SLOAN and WILSON,)
 LLC f/k/a PIERCE HERNS SLOAN &)
 McLEOD, LLC,)
)
 Defendant/Third-Party Plaintiff,)
)
 v.)
)
 MCLEOD LAW GROUP, LLC,)
)
 Third-Party Defendant.)

IN THE COURT OF COMMON PLEAS
 NINTH JUDICIAL CIRCUIT
 CASE NO.: 2014-CP-10-5462

FILED
 2014 OCT 31 PM 2:28
 JULIE J. ARMSTRONG
 CLERK OF COURT

CERTIFICATE OF SERVICE

RECEIVED
 FEB 27 2015
SC Court of Appeals

I, Lisa M. Lescord, the undersigned paralegal at Bland Richter, LLP, attorney for the Plaintiffs, do hereby certify that I have served upon the Defendants in the above referenced matter, by forwarding a copy of the same, via email and/or first class mail postage prepaid, unless otherwise stated below, to the following counsel listed below:

Documents:

DEFENDANT’S ANSWER, COUNTERCLAIMS AND THIRD-PARTY CLAIMS

Counsel:

Richard A. Harpootlian, Esquire
 RICHARD A. HARPOOTLIAN P.A.
 P.O. Box 1090
 Columbia, SC 29201

Lisa M. Lescord

 Lisa M. Lescord
 Paralegal

Charleston, South Carolina
 October 31, 2014



18 Broad Street
Mezzanine Level
Charleston, SC 29401



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FEB 27 2013

SC Court of Appeals

South Carolina Court of Appeals
Attn: Ella
Post Office Box 11629
Columbia, SC 29211

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