

ORIGINAL

21923

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

RECEIVED

JUN 15 2015

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

SC Court of Appeals

R. Markley Dennis, Jr., Circuit Court Judge

Case No. 2013-CP-10-1647
Appellate Case No. 2015-000044

Virgil "Ray" Passailaigue

Appellant,

v.

Henry Kuznik, Alfred L. Saad,
III, Paul D. Hollen, III, and
Thornwell Partners, LLC

Respondents,

RECORD ON APPEAL
Volume 1 of 2

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Patrick T. Napolski
The Richter Firm, LLC
622 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
843-849-6000
Attorneys for Appellant

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Attorney for Respondent Paul D. Hollen, III

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803-256-1268
*Attorney for Respondents Alfred L. Saad, III and
Thornwell Partners, LLC*

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Certificate of Counsel

Certificate of Compliance

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

Virgil "Ray" Passailaigue)

Plaintiff,)

Henry Kuznik, Alfred L. Saad, III, Paul D. Hollen, III, and)
Thornwell Partners, LLC)

Defendant.)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO.: 2013 -CP- 10 - 1647

**MOTION AND ORDER INFORMATION
FORM AND COVERSHEET**

Plaintiff's Attorney: Patrick T. Napolski, Bar No. 100966 Address: The Richter Firm, LLC 622 Johnnie Dodds Blvd., Mt. Pleasant, SC 29464 Phone: (843) 849-6000 Fax (843) 881-1400 E-mail: Patrick@Richterfirm.com Other:		Defendant's Attorney: , Bar No. _____ Address: _____ Phone: _____ Fax _____ E-mail: _____ Other: _____	
☐ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III) ☐ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III) ☒ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)			
SECTION I: Hearing Information			
Nature of Motion: _____ Estimated Time Needed: _____ Court Reporter Needed: ☐ YES/ ☐ NO			
SECTION II: Motion/Order Type			
☐ Written motion attached ☒ Form Motion/Order I hereby move for relief or action by the court as set forth in the attached proposed order.			
Signature of Attorney for ☒ Plaintiff / ☐ Defendant		March 5, 20 14 Date submitted	
SECTION III: Motion Fee			
☒ PAID - AMOUNT: \$ 25.00 ☐ EXEMPT: (check reason) ☐ Rule to Show Cause in Child or Spousal Support ☐ Domestic Abuse or Abuse and Neglect ☐ Indigent Status ☐ State Agency v. Indigent Party ☐ Sexually Violent Predator Act ☐ Post-Conviction Relief ☐ Motion for Stay in Bankruptcy ☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP) ☐ Proposed order submitted at request of the court; or, reduced to writing from motion made in open court per judge's instructions Name of Court Reporter: _____ ☐ Other: _____			
JUDGE'S SECTION		JUDGE CODE 2163	
☐ Motion Fee to be paid upon filing of the attached order. ☐ Other: _____		Date: _____, 20 _____	
CLERK'S VERIFICATION			
Collected by: _____		Date Filed: _____, 20 _____	
☐ MOTION FEE COLLECTED: \$ _____ ☐ CONTESTED - AMOUNT DUE: \$ _____			

SCCA 233 (11/2003)

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue

Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III,
Paul D. Hollen, III, and Thornwell
Partners, LLC

Defendants.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2013-CP-10-1647

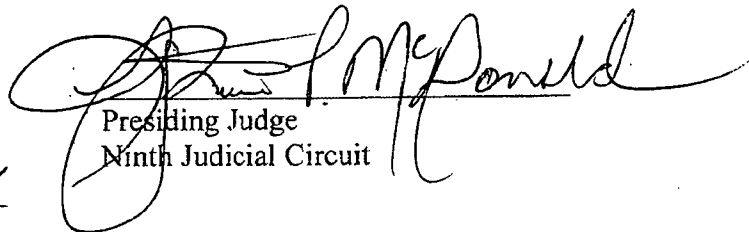
**CONSENT ORDER TO
AMEND COMPLAINT**

FILED
2014 MAR 17 PM 12:49
JULIE J. ARMSTRONG
CLERK OF COURT

Pursuant to Rule 15(a) of the South Carolina Rules of Civil Procedure, and with the written consent of all counsel involved evidenced by their signatures below, leave is hereby granted to the Plaintiff to amend the Complaint in the above captioned matter.

AND IT IS SO ORDERED!

This 11th day of March, 2014
Charleston, South Carolina


Presiding Judge
Ninth Judicial Circuit

WE HEREBY CONSENT TO THIS ORDER GRANTING PLAINTIFF LEAVE TO AMEND
THE PREVIOUSLY FILED COMPLAINT.

We so move:

THE RICHTER FIRM, LLC

By: 

Lawrence E. Richter, Jr.

Patrick T. Napski

622 Johnnie Dodds Blvd.

Mt. Pleasant, SC 29464

P: (843) 849-6000

F: (843) 881-1400

Dated: 3/5, 2014

Attorneys for Plaintiff

Mt. Pleasant, South Carolina

We consent:

LAW OFFICE OF JOHN M. BLEECKER, JR.

By: _____

John M. Bleecker, Jr.

PO Box 148

Charleston, SC 29402-0148

P: (843) 577-4325

Attorney for Defendant Henry Kuznik

Dated: _____, 2014

Charleston, South Carolina

ADAMS AND REESE, LLP

By: _____

Shaun C. Blake

PO Box 2285

Columbia, SC 29202

P: (803) 212-4400

*Attorney for Defendants Alfred L. Saad, III, and
Thornwell Partners, LLC*

Dated: 1/21, 2014

Columbia, South Carolina

THE LAW OFFICES OF LINDSEY W. COOPER, JR.

By: _____

Lindsey W. Cooper, Jr.

36 Broad St.

Charleston, SC 29401

P: (843) 723-5152

Attorney for Defendant Paul D. Hollen, III

Dated: _____, 2014

Charleston, South Carolina

Attorneys for Plaintiff

Mt. Pleasant, South Carolina

We consent:

LAW OFFICE OF JOHN M. BLEECKER, JR.

By: _____
John M. Bleecker, Jr.
PO Box 148
Charleston, SC 29402-0148
P: (843) 577-4325
Attorney for Defendant Henry Kuznik

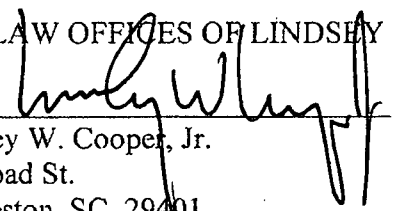
Dated: _____, 2014
Charleston, South Carolina

ADAMS AND REESE, LLP

By: _____
Shaun C. Blake
PO Box 2285
Columbia, SC 29202
P: (803) 212-4400
*Attorney for Defendants Alfred L. Saad, III, and
Thornwell Partners, LLC*

Dated: _____, 2014
Columbia, South Carolina

THE LAW OFFICES OF LINDSEY W. COOPER, JR.

By:  _____
Lindsey W. Cooper, Jr.
36 Broad St.
Charleston, SC 29401
P: (843) 723-5152
Attorney for Defendant Paul D. Hollen, III

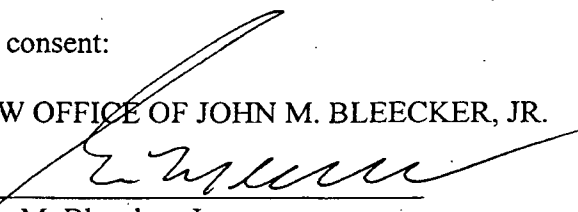
Dated: February 9, 2014
Charleston, South Carolina

Attorneys for Plaintiff

Mt. Pleasant, South Carolina

We consent:

LAW OFFICE OF JOHN M. BLEECKER, JR.

By: 

John M. Bleecker, Jr.

PO Box 148

Charleston, SC 29402-0148

P: (843) 577-4325

Attorney for Defendant Henry Kuznik

Dated: 11/27, 2014

Charleston, South Carolina

ADAMS AND REESE, LLP

By: _____

Shaun C. Blake

PO Box 2285

Columbia, SC 29202

P: (803) 212-4400

*Attorney for Defendants Alfred L. Saad, III, and
Thornwell Partners, LLC*

Dated: _____, 2014

Columbia, South Carolina

THE LAW OFFICES OF LINDSEY W. COOPER, JR.

By: _____

Lindsey W. Cooper, Jr.

36 Broad St.

Charleston, SC 29401

P: (843) 723-5152

Attorney for Defendant Paul D. Hollen, III

Dated: _____, 2014

Charleston, South Carolina

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

VIRGIL "RAY" PASSAILAIGUE)

Plaintiff,)

vs.)

HENRY KUZNIK, ET AL.)

Defendant.)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO.: 2013-CP-10-01647

**MOTION AND ORDER INFORMATION
FORM AND COVERSHEET**

Plaintiff's Attorney:
Patrick T. Napolski, Bar No. 100966
Address:
622 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
Phone: 843-849-6000 Fax _____
E-mail: _____ Other: _____

Defendant's Attorney:
Shaun C. Blake, Bar No. 76349
Address:
Rogers Lewis Jackson Mann & Quinn, LLC
1330 Lady Street, Suite 400
Columbia, SC 29201
Phone: 803-256-1268 Fax 803-252-3653
E-mail: sblake@rogerslewis.com Other: _____

- ☐ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III)
☒ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III)
☐ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)

SECTION I: Hearing Information

Nature of Motion: _____

Estimated Time Needed: _____ Court Reporter Needed: ☐ YES/☐ NO

SECTION II: Motion/Order Type

☐ Written motion attached

☒ Form Motion/Order

I hereby move for relief or action by the court as set forth in the attached proposed order.

 F. S. C. B.

Signature of Attorney for ☐ Plaintiff/☒ Defendant

4/10/2014

Date submitted

SECTION III: Motion Fee

☒ PAID - AMOUNT: \$ 25.00

☐ EXEMPT:

(check reason)

- ☐ Rule to Show Cause in Child or Spousal Support
☐ Domestic Abuse or Abuse and Neglect
☐ Indigent Status ☐ State Agency v. Indigent Party
☐ Sexually Violent Predator Act ☐ Post-Conviction Relief
☐ Motion for Stay in Bankruptcy
☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP)
☐ Proposed order submitted at request of the court; or,
reduced to writing from motion made in open court per judge's instructions
Name of Court Reporter: _____
☐ Other: _____

JUDGE'S SECTION

☐ Motion Fee to be paid upon filing of the attached order.

☐ Other: _____

JUDGE CODE 2163

Date: _____

CLERK'S VERIFICATION

Collected by: _____ Date Filed: _____

☐ MOTION FEE COLLECTED: \$ _____

☐ CONTESTED - AMOUNT DUE: \$ _____

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue,

Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III, Paul
D. Hollen, III and Thornwell Partners,
LLC,

Defendants.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO. 2013-CP-10-01647

CONSENT SCHEDULING ORDER

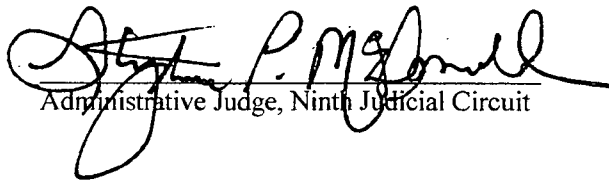
FILED
2014 APR 22 AM 10:28
JULIE J. ARMSTRONG
CLERK OF COURT
BY

THIS MATTER COMES BEFORE me upon the motion of all parties seeking a scheduling order in the above-referenced matter. With the consent of all parties, the Court issues the following scheduling order, to wit:

1. All dispositive motions will be completed on or before July 1, 2014.
2. This case will not appear for trial prior to September 15, 2014.

This scheduling order is subject to further modification by consent of all parties hereto or upon good cause shown by Order of the Court.

AND IT IS SO ORDERED.


Administrative Judge, Ninth Judicial Circuit

April 21, 2014

WE SO MOVE AND CONSENT:

BY: Shawn Walker for
Shaun C. Blake, Esq. (SC Bar # 76349) *of permission*
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P.O. Box 11803 (29211)
Columbia, SC 29201
Tel: (803) 256-1268
Fax: (803) 252-3653
Sblake@rogerslewis.com
*Attorney for Defendants Alfred L. Saad, III,
and Thornwell Partners, LLC*

WE SO MOVE AND CONSENT:

BY: Shawn Walker for
Lawrence E. Richter, Jr., Esquire *of permission*
Patrick T. Napolski, Esquire
622 Johnnie Dodds Blvd
Mt. Pleasant, SC 29464
Attorneys for the Plaintiff

WE SO MOVE AND CONSENT:

BY: Shawn Walker for
Lindsey Cooper, Jr., Esquire *of permission*
The Law Offices of L.W. Cooper, Jr., LLC
36 Broad Street
Charleston, SC 29401
Attorney for Defendant Paul Hollen, III

WE SO MOVE AND CONSENT:

BY: Shawn Walker for
John M. Bleecker Jr., Esquire *of consent*
Law Office of John M. Bleecker, Jr.
PO Box 148
Charleston, SC 29402-0148
Attorney for Defendant Henry Kuznik

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON
IN THE COURT OF COMMON PLEAS

FORM 4

JUDGMENT IN A CIVIL CASE

CASE NO. 2013 CP-10-1647

Virgil Passailaigue

2014 SEP 16 PM 2:31 Henry Kuznik

PLAINTIFF(S)

JULIE J. ARISTRONG
CLERK OF COURT

DEFENDANT(S)

Submitted by:

BY

1

Attorney for: ☐ Plaintiff ☐ Defendant

or

☐ Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☒ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered. ☐ See Page 2 for additional information.
- ☐ **ACTION DISMISSED (CHECK REASON):** ☐ Rule 12(b), SCRPC; ☐ Rule 41(a), SCRPC (Vol. Nonsuit); ☐ Rule 43(k), SCRPC (Settled); ☐ Other
- ☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j), SCRPC; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other
- ☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order (formal order to follow) ☒ Statement of Judgment by the Court: All 3 motions for Summary Judgment by Defendant, filed on 6/30/2014, 7/1/2014, and 7/2/2014, are GRANTED.

ORDER INFORMATION

This order ☒ ends ☐ does not end the case.

Additional Information for the Clerk :

INFORMATION FOR THE JUDGMENT INDEX

Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.

Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled (List amount(s) below)
N/A		\$
		\$
		\$

If applicable, describe the property, including tax map information and address, referenced in the order:

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. Note: Title abstractors and researchers should refer to the official court order for judgment details.

Circuit Court Judge

2060

Judge Code

9/11/2014

Date

For Clerk of Court Office Use Only

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue,

Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III,
Paul D. Hollen, III, and Thornwell
Partners, LLC

Defendants.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2013-CP-10-1647

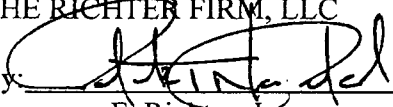
AMENDED SUMMONS

FILED
2014 MAR 17 PM 12:51
JULIE J. ARMSTRONG
CLERK OF COURT

TO: THE DEFENDANTS ABOVE-NAMED:

YOU ARE HEREBY SUMONED and required to answer the Amended Complaint herein, a copy of which is herewith served upon you, and to serve a copy of your answer to said Amended Complaint upon the subscriber, at his office at 622 Johnnie Dodds Blvd., Mt. Pleasant, SC 29464, within fifteen (15) days after the service hereof, exclusive of the day of such service, and if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in the Complaint.

THE RICHTER FIRM, LLC

By: 

Lawrence E. Richter, Jr.

Patrick T. Napski

622 Johnnie Dodds Blvd.

Mt. Pleasant, SC, 29464

P: (843) 849-6000

F: (843) 881-1400

ATTORNEYS FOR THE PLAINTIFF

Mt. Pleasant, South Carolina

Dated: March 5, 2014

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

Virgil "Ray" Passailaigue,)

Plaintiff,)

v.)

Henry Kuznik, Alfred L. Saad, III,
Paul D. Hollen, III, and Thornwell
Partners, LLC)

Defendants.)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2013-CP-10-1647

AMENDED COMPLAINT

(Jury Trial Demanded)

FILED
2014 MAR 17 PM 12:51
JULIE J. ARMSTRONG
CLERK OF COURT
BY _____

The Plaintiff, complaining of the Defendants set forth in the above caption, alleges as follows:

1. Plaintiff Virgil "Ray" Passailaigue (hereinafter referred to as "Plaintiff Passailaigue" or "Passailaigue") is a citizen and resident of Charleston County, South Carolina.
2. Defendant Henry Kuznik, upon information and belief, is a resident and citizen of the State of South Carolina, county of Charleston.
3. Defendant Alfred L. Saad, III upon information and belief, is a resident and citizen of the State of South Carolina, county of Richland.
4. Defendant Paul D. Hollen, III upon information and belief, is a resident and citizen of the State of South Carolina, county of Charleston.
5. Defendant Thornwell Partners, LLC, upon information and belief, is a limited liability company organized and existing pursuant to the laws of the State of South Carolina, has its principal place of business in Greenville County, South Carolina, and maintains a registered office at 1249 S. Pleasantburg Dr., Greenville, SC, 29605.

6. The most substantial acts and/or omissions that give rise to this action occurred in Charleston County, South Carolina.

7. Jurisdiction and venue are proper.

8. Plaintiff Passailaigue is the successor in interest to Passailaigue Homes, Inc. which was dissolved on or about September 12, 2011.

9. Plaintiff Passailaigue has a personal stake in the subject matter of this litigation and is the interested party in any and all promissory notes and unconditional guarantees executed by Defendants Kuzik, Defendant Saad, Defendant Hollen, and/or Defendant Thornwell Partners, LLC for the benefit of Plaintiff Passailaigue and/or Passailaigue Homes, Inc.

10. On or about November 7, 2008, Defendant Thornwell Partners, LLC made, executed and delivered to Plaintiff Passailaigue their certain Promissory Note in writing, whereby Defendant Thornwell Partners, LLC promised to pay to the order of Passailaigue Homes, Inc., the principal sum of One Hundred Thirty Thousand and 00/100 (\$130,000.00) Dollars, together with interest thereon as stated in the Promissory Note, payable pursuant to the terms and conditions stated in the Promissory Note. A copy of the Promissory Note is attached hereto as Exhibit A.

11. Defendant Kuznik, Defendant Saad, and Defendant Hollen each executed unconditional guarantees whereby each defendant unconditionally guaranteed the due and punctual payment of all principal interest and any other amounts due under the above mentioned Promissory Note among other documents. Copies of the unconditional guarantees have been attached hereto as Exhibit B.

12. Although the Promissory Note promised to pay Passailaigue Homes, Inc., the intentions of the parties were for Plaintiff Passailaigue to receive the benefit of the Promissory

Note. The name Passailaigue Homes, Inc. being used in the subject promissory note has no effect on each of the defendant's liability on the Promissory Note.

13. Pursuant to the terms and conditions of the Promissory Note, Defendant Thornwell Partners, LLC was required to repay the sum in its entirety from the proceeds of the future sale of the property known as the Dassinger tract and consisting of two parcels further identified as Lot A 17 acres, TMS No. 395-00-00-001 and Lot B 28.15 acres TMS No. 395-00-00-003, Charleston County, South Carolina.

14. The parties agreed that the loan period would be for twenty-four (24) months beginning November 7, 2008 with the right to one additional extension of twenty-four (24) months if the parcels remained unsold.

15. Further, Defendants Hollen, Saad, and Kuznik agreed that the Promissory Note would be secured by each of their partnership interests in Thornwell Partners, LLC.

16. Upon information and belief, the parcel identified as Lot B consisting of 28.15 acres with TMS No.: 395-00-00-003 was sold by Thornwell Partners, LLC on October 28, 2011 for Two Million and 00/100 (\$2,000,000.00) Dollars.

17. Upon further information and belief, the parcel identified as Lot A consisting of 17 acres with TMS No.: 395-00-00-001 remains unsold and in the possession of Thornwell Partners, LLC.

18. The Plaintiff has an interest in the lot identified above as Lot A consisting of 17 acres with TMS No.: 395-00-00-001.

19. On May 25, 2012, Plaintiff Passailaigue's attorney, sent Defendants a letter demanding payment of the full amount of the Promissory Note, a copy of which letter is attached hereto as Exhibit C.

20. Defendants have failed to make payments to Plaintiff Passailaigue and are in default under the terms and conditions of the Note.

21. All conditions precedent to the filing of this lawsuit, and to the right of recovery of Plaintiff from Defendants as requested in this Complaint have been performed or have occurred.

22. There is now due and owing to the Plaintiff on the Note the principal balance of One Hundred Thirty Thousand and 00/100 (\$130,000.00) Dollars with interest thereon at three (3%) percent per annum above the default interest rate as stated in the Promissory Note from October 28, 2011, the date Lot B consisting of 28.15 acres with TMS No.: 395-00-00-003 was sold by Thornwell Partners, LLC, as well as late fees and other charges that may become due pursuant to the terms and conditions of the Note.

23. The default interest rate to be applied should be that as outline in S.C. Code Ann. §34-31-20.

24. Pursuant to the terms of the Promissory Note, Plaintiff is entitled to all expenses of collection and to reasonable attorney's fees.

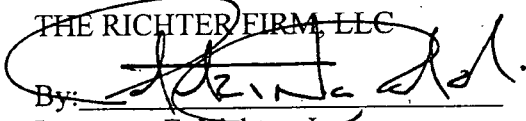
25. The Plaintiff is entitled to an order of this court granting immediate judgment against Defendants in the amount due and owing under the Promissory Note to be determined by the court.

WHEREFORE, Plaintiff demands a trial by jury and respectfully requests that the court award the following relief:

- (a) That the Court find for the Plaintiff as to all allegations made in the Amended Complaint;

- (b) That the amount due on the Promissory Note be ascertained and determined under the direction of this Court and judgment be entered immediately against the Defendants;
- (c) That the Court find the Plaintiff is the successor in interest to Passailaigue Homes, Inc., and is the real party in interest in this matter;
- (d) That the Court find the Plaintiff owns the interest in the real property at issue and order that the same be transferred to Plaintiff;
- (e) Payment by Defendants of all costs, expenses, fees, and attorneys fees incurred by Plaintiff;
- (f) All such other and further relief as may be just, prudent, and proper.

THE RICHTER FIRM, LLC

By: 

Lawrence E. Richter, Jr.

Patrick T. Napolski

622 Johnnie Dodds Blvd.

Mt. Pleasant, SC 29464

P: (843) 849-6000

F: (843) 881-1400

ATTORNEYS FOR THE PLAINTIFF

Mt. Pleasant, South Carolina

Dated: March 5, 2014

EXHIBIT A

PROMISSORY NOTE

\$130,000.00

Charleston, South Carolina
November 7, 2008

FOR VALUE RECEIVED, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), promises to pay to the order of Passailaigue Homes, a South Carolina Corporation (the "Lender") the principal sum of \$130,000.00. This sum is to be repaid in its entirety from the net proceeds from the future sales of the property known as the Dassinger tract and consisting of two parcels further identified as Lot A: 17 acres TMS No. 395-00-00-001 and Lot B 28.15 acres TMS No. 395-00-00-003, Charleston County, South Carolina.

The loan period is to be 24 months. The lender grants the irrevocable right to one extension of 24 months, *IF PROPERTY REMAINS UNSOLD. PDC RR*

All installments of principal are payable in lawful money of the United States of America, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment; and in the event of (a) failure to pay this Note in full on the Maturity Date, or (b) default in the payment of any other installment of interest or principal or any other sum payable pursuant to the terms of this Note or any lien document securing this Note, not cured within ten (10) days after written notice from Lender, or (c) an "Event of Default" as such term is defined in the Loan Agreement executed of even date between Borrower and Lender (the "Loan Agreement"), then or at any time thereafter, at the option of Lender, the whole of the principal sum then remaining unpaid hereunder together with all interest accrued thereon, shall immediately become due and payable without further notice, and the lien given to secure the payment of this Note may be foreclosed. From and after the maturity of this Note either according to its terms or as the result of a declaration of maturity, the entire principal remaining unpaid hereunder shall bear interest at a rate of three (3%) percent per annum above the rate otherwise in effect hereunder (the "Default Rate"), or the highest applicable lawful rate, whichever is the lesser; provided that there shall be no automatic reduction to the highest lawful rate as to Borrower or any endorser or guarantor barred by law from availing itself in any action or proceeding of the defense of usury, or Borrower or any endorser or guarantor barred or exempted from the operation of any law limiting the amount of interest that may be paid for the loan or use of money, or in the event this transaction, because of its amount or purpose or for any other reason is exempt from the operation of any statute limiting the amount of interest that may be paid for the loan or use of money. Failure to exercise such option or any other rights Lender may in the event of any such default be entitled to, shall not constitute a waiver of the right to exercise such option or any other rights in the event of any subsequent default, whether of the same or different nature.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceedings, Borrower promises to pay all expenses of collection and reasonable attorney's fees incurred by Lender.

This Note is secured by the partnership interests held by Paul D. Hollen III, Alfred L. Suad and Henry Kuznik as defined in the Second Amended and Restated Operating Agreement of Thornwell Partners LLC dated November 7, 2008.

Borrower and all endorsers, guarantors and all persons liable or to become liable on this Note waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and consent to any and all renewals and extensions of the time of payment hereof, and agree, further,

that at any time and from time to time without notice, the terms of payment herein may be modified without in anywise affecting the liability of any party to this instrument or any person liable with respect to any indebtedness evidenced hereby.

Lender is not required to rely on the collateral for the payment of the Note in the event of default by the maker, but may proceed directly against the maker, endorsers, or guarantors, if any, in such manner as it deems desirable. None of the rights and remedies of Lender hereunder is to be waived or affected by failure or delay to exercise them. All remedies conferred on Lender by this Note or any other instrument or agreement shall be cumulative, and none is exclusive. Such remedies may be exercised concurrently or consecutively at Lender's option.

Borrower shall have the option of prepaying the principal amount due under this Note in whole or in part without penalty.

This Note shall be governed as to validity, interpretation, construction, effect, and in all other respects by the laws and decisions of the State of South Carolina.

Wherever possible each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note or portion thereof shall be prohibited by or be invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

This Note may be assigned by Lender with or without recourse.

Borrower submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Borrower agrees that any action concerning this Note or any instrument securing this Note, whether initiated by Lender, Borrower or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Borrower waives all objections to venue.

WAIVER OF JURY TRIAL. BY THE EXECUTION HEREOF, BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY HEREBY AGREES THAT:

(A) NEITHER BORROWER NOR LENDER, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF BORROWER OR LENDER, SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS NOTE, THE LOAN AGREEMENT (IF ANY) OR ANY OF THE LOAN DOCUMENTS EVIDENCING, SECURING, OR RELATING TO THE LOAN EVIDENCED HEREBY, OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES HERETO;

(B) NEITHER BORROWER NOR LENDER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;

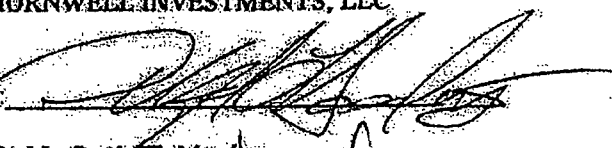
(C) THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS;

(D) NEITHER BORROWER NOR LENDER HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND

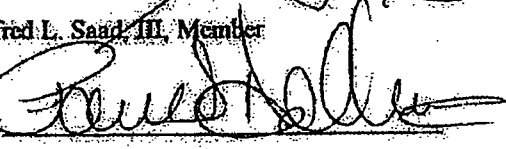
(E) THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN EVIDENCED BY THIS NOTE.

The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE AND RELINQUISH THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

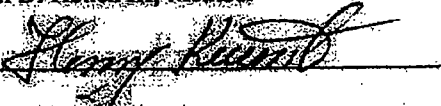
THORNWELL INVESTMENTS, LLC

By 

Alfred L. Saad, III, Member

By 

Paul D. Hollen, III, Member

By 

Henry Kuznik, Member

EXHIBIT B

UNCONDITIONAL GUARANTY

November 7, 2008

WHEREAS, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), has borrowed the sum of up to \$130,000.00 from Passailaigue Homes, a South Carolina corporation (the "Lender") pursuant to a promissory note from Borrower to Lender dated of even date herewith (the "Note"); and

WHEREAS, Lender is unwilling to make the loan to Borrower evidenced by the Note unless it receives an unconditional and continuing joint and several guaranty from Alfred L. Saad (hereinafter collectively termed "Guarantor"), covering all "Obligations of Borrower" as hereinafter defined:

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Guarantor (jointly and severally, if more than one) hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the due and punctual payment of all principal, interest and any other amounts due or to become due, whether by acceleration or otherwise, under the Note, or the Loan Agreement and the performance of any and all obligations of Borrower under the Loan Agreement, the Note, and all other documents executed by Borrower securing or relating to the Note (the Note, the Loan Agreement, and all such other documents are sometimes referred to collectively herein as the "Loan Documents"), and including all renewals, extensions and/or modifications thereof, plus all interest, costs and reasonable attorneys' fees of Lender (all of such liabilities and obligations of Borrower to Lender being hereinafter collectively termed "Obligations of Borrower").

This Guaranty is in addition to and is not intended to supersede any prior existing Guaranty of Guarantor.

In order to implement the foregoing and as additional inducements to Lender, Guarantor further covenants and agrees as follows:

1. This Guaranty is and shall remain an unconditional and continuing guaranty of payment and not of collection, shall remain in full force and effect irrespective of any interruption(s) in the business or other dealings and relations of Borrower and Lender and shall apply to and guarantee the due and punctual payment of all Obligations of Borrower due by Borrower to Lender.

2. TIME IS OF THE ESSENCE HEREOF. Any notice to Guarantor shall be sufficiently given if mailed to the address of Guarantor shown below.

3. This Guaranty Agreement constitutes the entire agreement between the parties, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of Lender actually involved in the transactions being guaranteed hereby.

4. Guarantor agrees that Guarantor's liability hereunder shall not be diminished by any failure on the part of Lender to perfect (by filing, recording or otherwise) any security interest it may have in any property securing this Unconditional Guaranty Agreement and/or the Obligations of Borrower secured hereby and hereunder.

5. If Borrower is an organization, this Guaranty covers all Obligations of Borrower purporting to be created or undertaken on behalf of such organization by any officer, partner, manager or agent of such organization, without regard to the actual authority of any such officer, partner, manager or agent, whether or not corporate resolutions, proper or otherwise, are given by any corporate Borrower to Lender, and/or whether or not such purported organizations are legally chartered or organized.

6. This Unconditional Guaranty Agreement shall be binding upon Guarantor, and the heirs, executors, administrators, successors and assigns of Guarantor, and it shall inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the Laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

7. No waiver by Lender of any default by Guarantor or Borrower shall operate as a waiver of any other default or of the same default on a future occasion. If more than one person has signed this Guaranty Agreement, such parties are jointly and severally obligated hereunder. The term "Guarantor," as used herein, shall (if signed by more than one person) mean the "Guarantors and each of them." If any Guarantor shall be a partnership, the obligations, liabilities and agreements on the part of such Guarantor shall remain in full force and effect and fully applicable notwithstanding any changes in the individuals composing the partnership. Further, the term "Guarantor" shall include in such event any altered or successor partnerships, it being also understood that the predecessor partnership and its partners shall not thereby be released from any obligations or liabilities hereunder. Lender, or any other holder hereof, may correct patent errors in this Agreement.

8. **EVENTS OF DEFAULT.** Guarantor shall be in default under this Guaranty Agreement upon the happening of any of the following events, circumstances or conditions, namely:

a) Failure of Guarantor to pay its obligations hereunder immediately upon demand after a default in the payment of the Obligations of Borrower or in the payment or performance of any other obligations or of any covenant, warranty or liability contained or referred to herein, or contained or referred to in the Loan Agreement, the Mortgage or any other Loan Document; or

b) Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor in connection with this Guaranty Agreement or to induce Lender to extend credit or otherwise deal with either Borrower or Guarantor proving to have been false in any material respect when made or furnished; or

c) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any State or Federal Bankruptcy or Insolvency Laws by or against any Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor); or

d) The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Guarantor or Borrower is displaced or their authority in the conduct of their business(es) is curtailed; or

c) Material adverse change in the financial position of Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor).

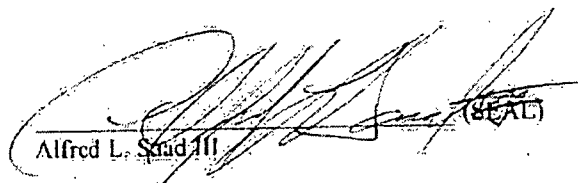
9. REMEDIES UPON DEFAULT. Upon the occurrence of any of the foregoing events, circumstances, or conditions of default, all of the obligations evidenced herein or guaranteed hereby shall immediately be due and payable without notice. Further, Lender shall then have all of the rights and remedies granted hereunder, and all of the rights and remedies of a secured party and/or holder-in-due-course under the South Carolina Uniform Commercial Code and/or under other Laws of South Carolina.

10. Any provision hereof to the contrary notwithstanding, to the extent Guarantor is determined to be an "insider" as such term is used in the United States Bankruptcy Code or cases thereunder, Guarantor waives any right (whether established by contract or statute or otherwise available at law or in equity) to reimbursement, indemnity, subrogation, contribution or other such claim against Lender, Borrower or any other guarantor or any other person primarily or secondarily liable for any Obligations of Borrower with respect to any disbursement or payment made by Guarantor under or in connection with this Guaranty or otherwise.

11. Guarantor submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Guarantor agrees that any action concerning this Agreement or the debts guaranteed hereby, whether initiated by Lender, Borrower, Guarantor or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Guarantor waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Guarantor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to Guarantor at Guarantor's address set forth below or any new address of which Lender has been notified by Guarantor in writing.

Witnesses:





Alfred L. Soud III (SEAL)

UNCONDITIONAL GUARANTY

November 27, 2008

WHEREAS, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"); has borrowed the sum of up to \$130,000.00 from Passailaiguc Homes, a South Carolina corporation (the "Lender") pursuant to a promissory note from Borrower to Lender dated of even date herewith (the "Note"); and

WHEREAS, Lender is unwilling to make the loan to Borrower evidenced by the Note unless it receives an unconditional and continuing joint and several guaranty from Henry Kuznik (hereinafter collectively termed "Guarantor"), covering all "Obligations of Borrower" as hereinafter defined;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Guarantor (jointly and severally, if more than one) hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the due and punctual payment of all principal, interest and any other amounts due or to become due, whether by acceleration or otherwise, under the Note, or the Loan Agreement and the performance of any and all obligations of Borrower under the Loan Agreement, the Note, and all other documents executed by Borrower securing or relating to the Note (the Note, the Loan Agreement, and all such other documents are sometimes referred to collectively herein as the "Loan Documents"), and including all renewals, extensions, and/or modifications thereof, plus all interest, costs and reasonable attorneys' fees of Lender (all of such liabilities and obligations of Borrower to Lender being hereinafter collectively termed "Obligations of Borrower").

This Guaranty is in addition to and is not intended to supersede any prior existing Guaranty of Guarantor.

In order to implement the foregoing and as additional inducements to Lender, Guarantor further covenants and agrees as follows:

1. This Guaranty is and shall remain an unconditional and continuing guaranty of payment and not of collection, shall remain in full force and effect irrespective of any interruption(s) in the business or other dealings and relations of Borrower and Lender and shall apply to and guarantee the due and punctual payment of all Obligations of Borrower due by Borrower to Lender.

2. TIME IS OF THE ESSENCE HEREOF. Any notice to Guarantor shall be sufficiently given if mailed to the address of Guarantor shown below.

3. This Guaranty Agreement constitutes the entire agreement between the parties, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of Lender actually involved in the transactions being guaranteed hereby.

4. Guarantor agrees that Guarantor's liability hereunder shall not be diminished by any failure on the part of Lender to perfect (by filing, recording or otherwise) any security interest it may have in any property securing this Unconditional Guaranty Agreement and/or the Obligations of Borrower secured hereby and hereunder.

5. If Borrower is an organization, this Guaranty covers all Obligations of Borrower purporting to be created or undertaken on behalf of such organization by any officer, partner, manager or agent of such organization, without regard to the actual authority of any such officer, partner, manager or agent, whether or not corporate resolutions, proper or otherwise, are given by any corporate Borrower to Lender, and/or whether or not such purported organizations are legally chartered or organized.

6. This Unconditional Guaranty Agreement shall be binding upon Guarantor, and the heirs, executors, administrators, successors and assigns of Guarantor; and it shall inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the Laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

7. No waiver by Lender of any default by Guarantor or Borrower shall operate as a waiver of any other default or of the same default on a future occasion. If more than one person has signed this Guaranty Agreement, such parties are jointly and severally obligated hereunder. The term "Guarantor," as used herein, shall (if signed by more than one person) mean the "Guarantors and each of them." If any Guarantor shall be a partnership, the obligations, liabilities and agreements on the part of such Guarantor shall remain in full force and effect and fully applicable notwithstanding any changes in the individuals composing the partnership. Further, the term "Guarantor" shall include in such event any altered or successor partnerships, it being also understood that the predecessor partnership and its partners shall not thereby be released from any obligations or liabilities hereunder. Lender, or any other holder hereof, may correct patent errors in this Agreement.

8. EVENTS OF DEFAULT. Guarantor shall be in default under this Guaranty Agreement upon the happening of any of the following events, circumstances or conditions, namely:

a) Failure of Guarantor to pay its obligations hereunder immediately upon demand after a default in the payment of the Obligations of Borrower or in the payment or performance of any other obligations or of any covenant, warranty or liability contained or referred to herein, or contained or referred to in the Loan Agreement, the Mortgage or any other Loan Document; or

b) Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor in connection with this Guaranty Agreement or to induce Lender to extend credit or otherwise deal with either Borrower or Guarantor proving to have been false in any material respect when made or furnished; or

c) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any State or Federal Bankruptcy or Insolvency Laws by or against any Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor); or

d) The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Guarantor or Borrower is displaced or their authority in the conduct of their business(es) is curtailed; or

c) Material adverse change in the financial position of Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor).

9. **REMEDIES UPON DEFAULT.** Upon the occurrence of any of the foregoing events, circumstances, or conditions of default, all of the obligations evidenced herein or guaranteed hereby shall immediately be due and payable without notice. Further, Lender shall then have all of the rights and remedies granted hereunder, and all of the rights and remedies of a secured party and/or holder-in-due-course under the South Carolina Uniform Commercial Code and/or under other Laws of South Carolina.

10. Any provision hereof to the contrary notwithstanding, to the extent Guarantor is determined to be an "insider" as such term is used in the United States Bankruptcy Code or cases thereunder, Guarantor waives any right (whether established by contract or statute or otherwise available at law or in equity) to reimbursement, indemnity, subrogation, contribution or other such claim against Lender, Borrower or any other guarantor or any other person primarily or secondarily liable for any Obligations of Borrower with respect to any disbursement or payment made by Guarantor under or in connection with this Guaranty or otherwise.

11. Guarantor submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Guarantor agrees that any action concerning this Agreement or the debts guaranteed hereby, whether initiated by Lender, Borrower, Guarantor or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Guarantor waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Guarantor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to Guarantor at Guarantor's address set forth below or any new address of which Lender has been notified by Guarantor in writing.

Witnesses:

Wendy Keenan
Laura Helt

Henry Kuznik (SEAL)
Henry Kuznik

UNCONDITIONAL GUARANTY

November 14, 2008.

WHEREAS, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), has borrowed the sum of up to \$130,000.00 from Passailaigue Homes, a South Carolina corporation (the "Lender") pursuant to a promissory note from Borrower to Lender dated of even date herewith (the "Note"); and

WHEREAS, Lender is unwilling to make the loan to Borrower evidenced by the Note unless it receives an unconditional and continuing joint and several guaranty from Paul D. Hollen III (hereinafter collectively termed "Guarantor"), covering all "Obligations of Borrower" as hereinafter defined;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Guarantor (jointly and severally, if more than one) hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the due and punctual payment of all principal, interest and any other amounts due or to become due, whether by acceleration or otherwise, under the Note, or the Loan Agreement and the performance of any and all obligations of Borrower under the Loan Agreement, the Note, and all other documents executed by Borrower securing or relating to the Note (the Note, the Loan Agreement, and all such other documents are sometimes referred to collectively herein as the "Loan Documents"), and including all renewals, extensions and/or modifications thereof, plus all interest, costs and reasonable attorneys' fees of Lender (all of such liabilities and obligations of Borrower to Lender being hereinafter collectively termed "Obligations of Borrower").

This Guaranty is in addition to and is not intended to supersede any prior existing Guaranty of Guarantor.

In order to implement the foregoing and as additional inducements to Lender, Guarantor further covenants and agrees as follows:

1. This Guaranty is and shall remain an unconditional and continuing guaranty of payment and not of collection, shall remain in full force and effect irrespective of any interruption(s) in the business or other dealings and relations of Borrower and Lender and shall apply to and guarantee the due and punctual payment of all Obligations of Borrower due by Borrower to Lender.

2. TIME IS OF THE ESSENCE HEREOF. Any notice to Guarantor shall be sufficiently given if mailed to the address of Guarantor shown below.

3. This Guaranty Agreement constitutes the entire agreement between the parties, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of Lender actually involved in the transactions being guaranteed hereby.

4. Guarantor agrees that Guarantor's liability hereunder shall not be diminished by any failure on the part of Lender to perfect (by filing, recording or otherwise) any security interest it may have in any property securing this Unconditional Guaranty Agreement and/or the Obligations of Borrower secured hereby and hereunder.

5. If Borrower is an organization, this Guaranty covers all Obligations of Borrower purporting to be created or undertaken on behalf of such organization by any officer, partner, manager or agent of such organization, without regard to the actual authority of any such officer, partner, manager or agent, whether or not corporate resolutions, proper or otherwise, are given by any corporate Borrower to Lender, and/or whether or not such purported organizations are legally chartered or organized.

6. This Unconditional Guaranty Agreement shall be binding upon Guarantor, and the heirs, executors, administrators, successors and assigns of Guarantor; and it shall inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the Laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

7. No waiver by Lender of any default by Guarantor or Borrower shall operate as a waiver of any other default or of the same default on a future occasion. If more than one person has signed this Guaranty Agreement, such parties are jointly and severally obligated hereunder. The term "Guarantor," as used herein, shall (if signed by more than one person) mean the "Guarantors and each of them." If any Guarantor shall be a partnership, the obligations, liabilities and agreements on the part of such Guarantor shall remain in full force and effect and fully applicable notwithstanding any changes in the individuals composing the partnership. Further, the term "Guarantor" shall include in such event any altered or successor partnerships, it being also understood that the predecessor partnership and its partners shall not thereby be released from any obligations or liabilities hereunder. Lender, or any other holder hereof, may correct patent errors in this Agreement.

8. EVENTS OF DEFAULT. Guarantor shall be in default under this Guaranty Agreement upon the happening of any of the following events, circumstances or conditions, namely:

a) Failure of Guarantor to pay its obligations hereunder immediately upon demand after a default in the payment of the Obligations of Borrower or in the payment or performance of any other obligations or of any covenant, warranty or liability contained or referred to herein, or contained or referred to in the Loan Agreement, the Mortgage or any other Loan Document; or

b) Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor in connection with this Guaranty Agreement or to induce Lender to extend credit or otherwise deal with either Borrower or Guarantor proving to have been false in any material respect when made or furnished; or

c) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any State or Federal Bankruptcy or Insolvency Laws by or against any Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor); or

d) The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Guarantor or Borrower is displaced or their authority in the conduct of their business(es) is curtailed; or

c) Material adverse change in the financial position of Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor).

9. REMEDIES UPON DEFAULT. Upon the occurrence of any of the foregoing events, circumstances, or conditions of default, all of the obligations evidenced herein or guaranteed hereby shall immediately be due and payable without notice. Further, Lender shall then have all of the rights and remedies granted hereunder, and all of the rights and remedies of a secured party and/or holder-in-due-course under the South Carolina Uniform Commercial Code and/or under other Laws of South Carolina.

10. Any provision hereof to the contrary notwithstanding, to the extent Guarantor is determined to be an "insider" as such term is used in the United States Bankruptcy Code or cases thereunder, Guarantor waives any right (whether established by contract or statute or otherwise available at law or in equity) to reimbursement, indemnity, subrogation, contribution or other such claim against Lender, Borrower or any other guarantor or any other person primarily or secondarily liable for any Obligations of Borrower with respect to any disbursement or payment made by Guarantor under or in connection with this Guaranty or otherwise.

11. Guarantor submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Guarantor agrees that any action concerning this Agreement or the debts guaranteed hereby, whether initiated by Lender, Borrower, Guarantor or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Guarantor waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Guarantor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to Guarantor at Guarantor's address set forth below or any new address of which Lender has been notified by Guarantor in writing.

Witnesses:

Wendy Keenan
Laura Helton

Paul D. Hollen III (SEAL)
Paul D. Hollen III

EXHIBIT C

THE RICHTER FIRM, LLC

Attorneys & Counselors at Law
622 Johnnie Dodds Boulevard
Mount Pleasant, South Carolina 29464

Telephone: (843) 849-6000
Telefax: (843) 881-1400

Lawrence E. Richter, Jr.
William Bee Ravenel Lewis
Alice Anne Richter Lehman
Aaron E. Edwards

May 25, 2012

Paul D. Hollen, III
203 Forest Trail
Isle of Palms, SC 29451

Henry Kuznik
Henry Kuznik Realty
2119 Savannah Highway
Charleston, SC 29414

Albert L. Saad, III
Great Southern Corporation
1201 Hampton Street, Suite 2B
Columbia, SC 29201

Dear Sirs:

Please be advised that I have been asked to represent the interests of Passailaigue Homes and my friend, Ray Passailaigue, in all matters relating to that certain promissory note made by Alfred L. Saad, III, Paul D. Hollen, III, and Henry Kuznik in favor of Passailaigue Homes in the principal amount of \$130,000.00, which note was made on the 7th day of November 2008.

As you are aware, payment is overdue a considerable period of time now and I would appreciate you contacting me at 843-849-6000 so that we may resolve this matter without the necessity of litigation. Please further be advised that I am instructed by my client to effectuate a resolution within fifteen days of the date of this letter or institute suit to enforce the obligation.

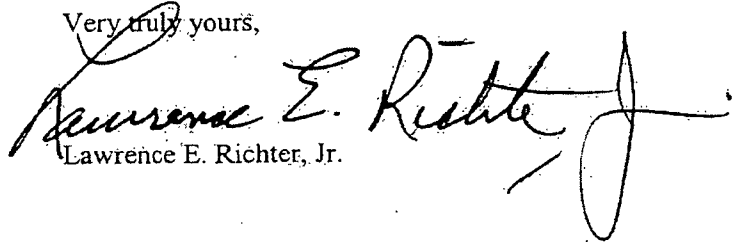
Lastly, please be reminded that, in addition to being a maker of the subject note, you have also executed a personal guarantee agreement. Computing interest at the rate in the most favorable construction to the makers, it appears to me that using a maturity date of November 7, 2010 and applying interest thereafter only and non compounded, going forward the note bears a minimum interest rate of 3%. Using that as a basis of

calculation, without compounding, it appears that the principal and interest total due pursuant to this note is \$135,255.25 as of June 1, 2012.

Please do not delay in contacting me about this matter. Among other things, the note provides that the makers are responsible for all costs incurred, and those will be substantially increased should there not be the kind of cooperation that is anticipated by this courteous and generous demand for payment.

Looking forward to hearing from you soon, I am

Very truly yours,


Lawrence E. Richter, Jr.

LER/lwh

cc: Ray Passailaigue

THE RICHTER FIRM, LLC

Attorneys & Counselors at Law
622 Johnnie Dodds Boulevard
Mount Pleasant, South Carolina 29464

Lawrence E. Richter, Jr.
Alice Anne Richter Lehrman
Aaron E. Edwards
Patrick T. Napolski*

Telephone: (843) 849-6000
Telefax: (843) 881-1400

*Also licensed in IL

March 4, 2014

VIA U.S. Mail

The Honorable Julie J. Armstrong
Charleston County Clerk of Court
Charleston Judicial Center
100 Broad St., Ste. 106
Charleston, SC 29401

Re: Virgil "Ray" Passailaigue v. Henry Kuznik, et al.
Case No.: 2013-CP-10-1647

Dear Madam Clerk,

Enclosed please find the following documents for processing:

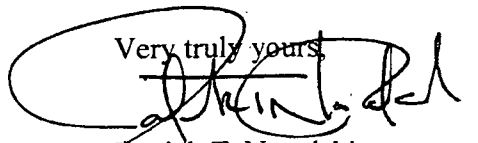
1. An original and two (2) copies of a Consent Order to Amend Complaint which has been signed by counsel for the parties, but still needs to be executed by the Presiding Circuit Court Judge, along with a Motion Coversheet and our firm's check for Twenty-Five (\$25.00) Dollars; and
2. An original and two copies of the Amended Summons and Amended Complaint for filing after the Consent Order to Amend Complaint has been executed by a Circuit Court Judge.

We would appreciate you having the originals filed and return the certified copies to this office using the enclosed self-addressed, stamped envelope provided for your convenience.

Thank you kindly in advance for your time and attention. If you should have any questions or require additional information, please do not hesitate to contact me.

With kindest regards, I am,

Very truly yours,



Patrick T. Napolski

Enclosures

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2013-CP-10-1647

Virgil "Ray" Passailaigue,
Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III,
Paul D. Hollen, III, and Thornwell
Partners, LLC,
Defendants.

DEFENDANT HENRY KUZNIK'S
ANSWER TO THE AMENDED
COMPLAINT

2014 APR -7 PM 12:10
JULIE J. ARMSTRONG
CLERK OF COURT

FILED

For his Answer to the complaint the defendant, Henry Kuznik, says:

FOR A FIRST DEFENSE
(General Denial)

1. Each allegation not herein otherwise answered is denied and strict proof thereof is hereby demanded.
2. Paragraphs 1, 2, 3, 4, 5, 6 and 7 are admitted.
3. Defendant Kuznik lacks sufficient information to form a belief as to the allegations of paragraphs 8 and 9 and therefore denies the same and demands strict proof thereof.
4. Defendant Kuznik has no recollection of executing the Note attached to the amended complaint as Exhibit "A" and further avers that no consideration was paid by the Plaintiff in support of the purported Note, therefore Paragraph 10 is denied and strict proof demanded thereof.
5. Defendant Kuznik has no recollection of signing the unconditional guarantee attached to the amended complaint as Exhibit "B" or any unconditional guarantee related to the purported Note attached to the complaint as Exhibit "A" and therefore Paragraph 11 is

denied and strict proof demanded thereof.

6. Defendant Kuznik denies the execution of any Note and therefore denies possessing any intent whatsoever, therefore the allegations contained in Paragraph 12 are denied and strict proof demanded thereof.
7. Defendant Kuznik denies the validity of the Note attached to the Amended Complaint as Exhibit "A". Defendant Kuznik further denies any allegations of Paragraph 13 which says the alleged debt is to be repaid "in its entirety from proceeds of future sales," however the actual terms of the attached Exhibit "A" read "the sum is to be repaid in its entirety from the net proceeds from future sales of the property known as the Dassinger tract...". Therefore Paragraph 13 is denied and strict proof demanded thereof.
8. Paragraph 14 is denied as to the allegation that the parties agreed to any of the terms of the Note which is the subject of this action and strict proof is demanded thereof.
9. Paragraph 15 is denied and strict proof demanded thereof.
10. Defendant Kuznik denies that the parcel identified as Lot B consisting of 28.15 acres was sold for Two Million (\$2,000,000.00) Dollars on October 28, 2011; rather the parcel was transferred as a reallocation of the liabilities and reorganization of existing debt of Thornwell Partners, LLC to satisfy the requirements of the holder of the development mortgage loan. Any allegation contrary expressed in Paragraph 16 is denied and strict proof demanded thereof.
11. Defendant Kuznik lacks sufficient information to form a belief as to the allegations of Paragraph 17 and therefore denies the same and demands strict proof thereof..
12. Defendant Kuznik lacks sufficient information to form a belief as to the allegations of Paragraph 18 and therefore denies the same and demands strict proof thereof.

13. Paragraph 19 is admitted insofar as a letter was received by Defendant Kuznik.
14. Defendant Kuznik denies the existence of any Note which would obligate payments to Plaintiff and therefore Paragraph 20 is denied and strict proof demanded thereof.
15. Defendant Kuznik denies the validity of the Note which is the cause of this action and further avers that even by the terms of the Note attached to the Amended Complaint as Exhibit "A", all conditions precedent have not been met and therefore Paragraph 21 is denied and strict proof demanded thereof.
16. Paragraph 22 is denied and strict proof demanded thereof.
17. Paragraph 23 requires no answer but insofar as necessary is denied and strict proof demanded thereof.
18. Paragraphs 24 and 25 are denied and strict proof demanded thereof.

FOR A SECOND DEFENSE
(Condition Precedent)

19. The allegations above that are consistent with this defense are hereby re-alleged.
20. The Defendants were engaged in the development for sale or lease of industrial tracts of land on a newly developed extension of Commerce Parkway in the City of North Charleston.
21. The Plaintiff was a former member of Thornwell Partners, LLC whose membership interests had been purchased in exchange for a promissory note in the amount of One Million Twenty Two Thousand Nine Hundred and No/100 (\$1,022,900.00) Dollars.
22. The One Million Twenty Two Thousand Nine Hundred and No/100 (\$1,022,900.00) Dollar promissory note was paid to the Plaintiff in four installments with the final installment being paid on November 7, 2008.
23. The Plaintiff as a former member of the Thornwell Partners, LLC knew of the partnership

plans to develop the Commerce Parkway as industrial tracts for sale to others, and that development cost would require the investment of substantial sums by the members of Thornwell Partners, LLC; and that the meaning of a promissory note allegedly given by Thornwell Partners, LLC and guaranteed by individual members, calling for payments to be made from the “net proceeds of future sales” meant proceeds remaining after repayment of land and development costs.

24. That Thornwell Partners, LLC and its members incurred large losses in their Commerce Parkway development.

25. That even if the \$130,000 promissory note allegedly given to Plaintiff on November 7, 2008 were a valid Note, which Defendant Kuznik denies, the Note by its terms is not due and payable since there were no “net proceeds” or net profits from the development of the Thornwell Partners, LLC sale of the Commerce Parkway industrial tracts from which net proceeds could be paid.

FOR A THIRD DEFENSE

(Rule 12 (b)(6))

26. The allegations above that are consistent with this defense are hereby re-alleged.

27. The Amended Complaint fails to state a cause of action upon which relief can be granted. Therefore, the Amended Complaint should be dismissed.

FOR A FOURTH DEFENSE

(Document reference is a forgery)

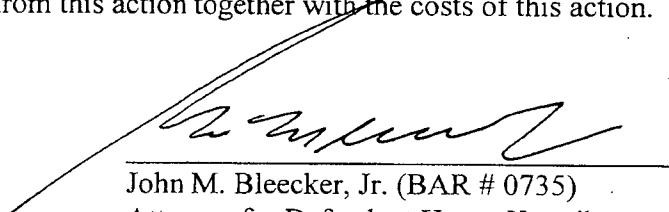
28. The allegations above that are consistent with this defense are hereby re-alleged.

29. The Defendant Kuznik never execute the alleged Note attached to Plaintiff's Amended Complaint as Exhibit “A”, and said document is a forgery and of no force and affect.

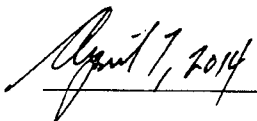
FOR A FIFTH DEFENSE
(Condition Precedent)

30. The allegations above that are consistent with this defense are hereby re-alleged.
31. No consideration was ever given by Plaintiff in support of the alleged Note such that there can be no debt due and owing under same, and Plaintiff's cause of action should be dismissed.

WHEREFORE, the Defendant Henry Kuznik having fully answered the Amended Complaint demands that he be dismissed from this action together with the costs of this action.



John M. Bleecker, Jr. (BAR # 0735)
Attorney for Defendant Henry Kuznik
89 Broad Street (29401)
PO Box 148
Charleston, SC 29402
Telephone: (843)577-4352
Facsimile: (843)722-1119
Email: john@jblawfirm.com

 April 1, 2014 Date

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue,
Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III,
Paul D. Hollen, III, and Thornwell
Partners, LLC,
Defendants.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2013-CP-10-1647

CERTIFICATE OF SERVICE

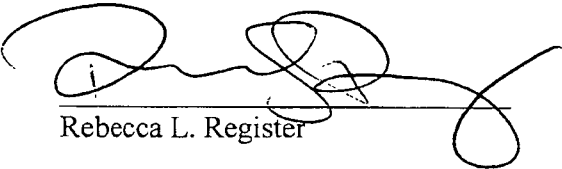
FILED
2014 APR -7 PM 12:10
JULIE J. ARISTARONG
CLERK OF COURT
BY

I, Rebecca L. Register, the undersigned employee of the Law Office of John M. Bleecker, Jr., LLC, hereby certify that on this 7th day of April, 2014, a true and correct copy of the Defendant Henry Kuznik's Answer to the Amended Complaint was served by depositing a copy of same, enclosed in a first class, postpaid envelope and properly addressed to the following parties, in a post office or official depository under the exclusive care and custody of the United States Postal Service.

Patrick T. Napolski, Esq.
The Richter Firm, LLC
622 Johnnie Dodds Blvd
Mt. Pleasant, SC 29464
Attorney for the Plaintiff

Shaun C. Blake, Esq.
Adams and Reese, LLP
1501 Main Street, 5th Floor
Columbia, SC 29201
*Attorney for the Defendants Alfred L. Saad, III and
Thornwell Partners, LLC*

Lindsey Cooper, Jr., Esq.
Mallory A. Lopata, Esq.
The Law Offices of L.W. Cooper, Jr., LLC
36 Broad Street
Charleston, SC 29401
Attorney for Defendant Paul D. Hollen, III



Rebecca L. Register

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue,

Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III, Paul
D. Hollen, III and Thornwell Partners,
LLC,

Defendants.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO. 2013-CP-10-1647

ANSWER AND COUNTERCLAIM
OF DEFENDANTS ALFRED L.
SAAD, III AND THORNWELL
PARTNERS, LLC TO AMENDED
COMPLAINT AND

FILED

2014 APR 14 PM 4:29
CLERK OF COURT

The Defendants Alfred L. Saad, III ("Saad") and Thornwell Partners, Inc. ("Thornwell") (hereinafter collectively "These Defendants") answering the Amended Complaint (the "Complaint") of the Plaintiff, provide as follows:

1. Each and every allegation contained in Plaintiff's Complaint not specifically admitted, qualified, or explained is hereby denied.

2. References to paragraphs contained in this Answer are references to the paragraphs in the Plaintiff's Complaint unless specifically stated otherwise.

FOR A FIRST DEFENSE
(No Standing)

3. Plaintiff lacks standing to sue upon the Promissory Note that is the subject of this action and is not a real party in interest in this matter. The holder of the Note is Passailaigue Homes, a South Carolina corporation. Therefore, the Complaint must be dismissed.

FOR A SECOND DEFENSE
(Qualified General Denial)

4. The allegations of Paragraphs 1 and 2 above are hereby re-alleged.

5. These Defendants are without sufficient information or knowledge upon which to form a belief as to the truth of the allegations contained in Paragraph 1 and therefore deny them.

6. These Defendants are without sufficient information or knowledge upon which to form a belief as to the truth of the allegations contained in Paragraph 2 and therefore deny them.

7. These Defendants admit the allegations contained in Paragraph 3.

8. These Defendants are without sufficient information or knowledge upon which to form a belief as to the truth of the allegations contained in Paragraph 4 and therefore deny them.

9. These Defendants admit the allegations contained in Paragraph 5.

10. These Defendants admit the allegations contained in Paragraph 6.

11. These Defendants admit the allegations contained in Paragraph 7.

12. These Defendants deny the allegations contained in Paragraphs 8-9.

13. These Defendants deny the allegations contained in Paragraph 10. Further responding, these Defendants allege that, if the Promissory Note referenced therein was executed and delivered, no consideration was ever given by Plaintiff in support of the Promissory Note.

14. These Defendants deny the allegations contained in Paragraph 11. Further responding, these Defendants state that, if the guarantees referenced therein were executed and delivered, no consideration was ever given by Plaintiff in support of the guarantees.

15. These Defendants deny the allegations contained in Paragraph 12-15.

16. These Defendants deny the allegations contained in Paragraph 16. Further responding, these Defendants state that the parcel Plaintiff's identify as "Lot B" was transferred as a reallocation of the liabilities and reorganization of existing debt of Defendant Thornwell Partners, LLC on October 28, 2011.

17. These Defendants deny the allegations contained in Paragraphs 17 and 18.

18. As to the allegations contained in Paragraph 19, these Defendants crave reference to the May 25, 2010 letter identified in said Paragraph and attached to the Complaint as Exhibit B. Any allegations inconsistent with that document are denied and strict proof demanded thereof.

19. These Defendants deny the allegations contained in Paragraphs 20- 25.

FOR A THIRD DEFENSE

(Failure to Satisfy Condition Precedent)

20. The allegations above that are consistent with this defense are hereby re-alleged.

21. The Defendants were engaged in the development for sale or lease of industrial tracts of land on a newly developed extension of Commerce Parkway in the City of Northern Charleston.

22. The plaintiff is a former member of Defendant Thornwell Partners, LLC whose membership interests were purchased in exchange for a promissory note in the amount of One Million Twenty Two Thousand Nine Hundred and No/100 (\$1,022,900.00) Dollars (the "\$1,022,900.00 Promissory Note"). The \$1,022,900.00 Promissory Note is separate and distinct from the alleged \$130,000.00 Note attached to Plaintiff's Complaint.

23. The \$1,022,900.00 Promissory Note was fully paid to the Plaintiff in four installments, the final installment being paid on November 7, 2008.

24. The Plaintiff as a former member of Defendant Thornwell Partners, LLC knew of the partnership plans to develop the Commerce Parkway as industrial tracts for sale to others, and that development cost would require the investment of substantial sums by the members of Thornwell Partners, LLC and guaranteed by individual members, calling for payments to be made from the "net proceeds of future sales," meaning proceeds remaining after repayment of land and development costs.

25. Defendant Thornwell Partners, LLC and its members incurred large financial losses in the Commerce Parkway development. There have been no "net proceeds" from the sales.

26. Moreover, Plaintiff should be equitably estopped from denying the fact that there is no net proceeds upon which he may recover based on the allegations he made or caused to be made on his behalf to the bankruptcy court and his creditors during his personal bankruptcy.

27. Therefore, in the alternative that the \$130,000 Promissory Note allegedly given to Plaintiff on November 7, 2008 was a valid note, which these Defendants deny, the Note by its terms is not due and payable since there were no "net proceeds" or net profits from the development of the Thornwell Partners, LLC sale of the Commerce Parkway industrial tracts from which net proceeds could be paid.

FOR A FOURTH DEFENSE
(Rule 12 (b)(6) SCRCP)

28. The allegations above that are consistent with this defense are hereby re-alleged.

29. The Complaint fails to state a cause of action upon which relief can be granted. Therefore, the Complaint should be dismissed.

FOR A FIFTH DEFENSE

(Document referenced is a forgery)

30. The allegations above that are consistent with this defense are hereby re-alleged.

31. These Defendants never executed the alleged Note attached to Plaintiff's Complaint as "Exhibit A," and said document is a forgery and of no force and affect.

FOR A SIXTH DEFENSE

(Failure of Consideration)

32. The allegations above that are consistent with this defense are hereby re-alleged.

33. No consideration was ever given by Plaintiff in support of the Alleged Note such that there can be no debt due and owing under same, and Plaintiff's cause of action should be dismissed.

FOR A SEVENTH DEFENSE

(Unclean Hands/Estoppel)

34. Upon information and belief, Plaintiff, in the course of his bankruptcy initiated on or about March 22, 2011, made material misrepresentations to third parties and his creditors regarding the value and benefit that he now seeks to realize in this action on the Promissory Note.

35. Upon information and belief, Plaintiff, in the course of his bankruptcy, represented to the bankruptcy court and his creditors that the Promissory Note was a corporate asset of Passailaigue Homes, Inc., and not a personal asset.

36. Upon information and belief, Plaintiff intentionally failed to wind up Passailague Homes, Inc. or distribute the Promissory Note to himself in order to avoid it being used, if it all, to satisfy the obligations of his creditors in his personal bankruptcy initiated on or about March 22, 2011.

37. Upon information and belief, Passailague Homes, Inc. has creditors that are currently owed millions of dollars from it.

38. As a result of Plaintiff's unclean hands and his misrepresentations to his and Passailague Homes, Inc.'s creditors, Plaintiff must be barred by equity from claiming any amount due under the Promissory Note for himself and estopped from taking a position in this litigation contrary to his prior public statements and litigation positions.

COUNTERCLAIMS

39. The allegations above that are consistent with this defense are hereby re-alleged.

40. On or about April 11, 2007 Defendant Thornwell Partners, LLC executed a Note to Plaintiff in the amount of One Million Twenty-Two Thousand and 00/100 (\$1,022,000.00) Dollars, the terms of which are more fully described therein ("2007 Note"). A copy of the 2007 Note is attached to this Answer and Counterclaim.

41. The 2007 Note represents the only true and valid agreement ever created between these Defendants and Plaintiff.

42. The balance of the 2007 Note was completely paid and satisfied in four (4) installments paid to Plaintiff as follows:

Date	Payment Amt.
2/29/2008	\$260,000.00

5/14/2008	\$250,000.00
5/21/2008	\$250,000.00
11/7/2008	\$262,900.00
Total:	\$1,022,900.00

Documents evidencing and outlining the payments above are attached to this Answer and Counterclaim.

43. Defendants did not execute, and no consideration was ever given, for the alleged Promissory Note that is attached to Plaintiff's Complaint as Exhibit A such that there can be no obligation to pay under same.

4 Therefore, there is nothing due and owing to Plaintiff from these Defendants, as the 2007 Note has been completely paid and satisfied in full, and there has never been any consideration for the alleged Note attached to Plaintiff's Complaint, the validity of which these Defendants deny.

FOR A FIRST COUNTERCLAIM
(Unjust Enrichment)

45. The allegations above that are consistent with this defense are hereby re-alleged.

46. If the Court rules that any money is still owed to Plaintiff, such ruling would represent a benefit conferred upon and realized by the Plaintiff.

47. Should the Court requires these Defendants to reimburse Plaintiff for any amounts above what has already been paid, the Plaintiff would benefit and be unjustly enriched in an amount equal to the sums these Defendants would be required to pay.

48. The retention of said benefit by Plaintiff under these conditions would be unjust as Plaintiff has been paid in full for all monies advanced to these Defendants

FOR A SECOND COUNTERCLAIM
(SC Frivolous Civil Proceedings Sanctions Act, S.C. Code § 15-36-10 et seq.)

49. The allegations above that are consistent with this defense are hereby re-alleged.

50. These Defendants are informed and believe that the present action brought by Plaintiffs has no legal basis and was brought by the Plaintiff to harass these Defendants or for other improper purposes.

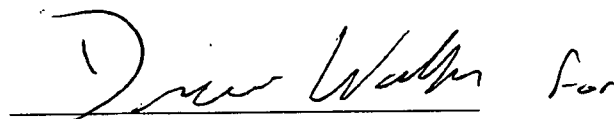
51. The Plaintiff has absolutely no evidence to support its claim against these Defendants. To the contrary, these Defendants have honored all obligations they owe to Plaintiff, who has been paid and satisfied in full, yet is still seeking an award for amounts which he did not advance and to which he is not entitled.

52. Upon termination of these proceedings in these Defendants' favor, these Defendants requests that their costs and attorney's fees incurred in defending this action be assessed against the Plaintiff pursuant to the South Carolina Frivolous Proceedings Sanctions Act.

WHEREFORE, having fully answered the Complaint, these Defendants pray that this Honorable Court

1. Inquire into the matters at issue and dismiss the Plaintiff's Complaint;
2. Grant judgment to these Defendants on their Counterclaims in an amount to be determined at trial, to include pre- and post-judgment interest, the costs of this action, and a reasonable attorney's fee; and
3. Grant such further and other relief as the Court declares just, equitable and proper.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shaun C. Blake", is written over a horizontal line.

Shaun C. Blake (S.C. Bar # 76349) *~ / permission*

ROGERS LEWIS JACKSON MANN & QUINN, LLC

1330 Lady Street, Suite 400

PO Box 11803 (29211)

Columbia, SC 29201

P: 803-256-1268

F: 803-252-36533

sblake@rogerslewis.com

ATTORNEY FOR ALFRED L. SAAD, III AND
THORNWELL PARTNERS, LLC

April 10, 2014
Columbia, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue,

Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III, Paul
D. Hollen, III and Thornwell Partners,
LLC,

Defendants.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO. 2013-CP-10-1647

CERTIFICATE OF SERVICE

BY

JULIE J. ARMSTRONG
CLERK OF COURT

2014 APR 14 PM 4:29

FILED

The undersigned, of the law office of Rogers Lewis Jackson Mann and Quinn, LLC, does certify that on **April 10, 2014**, she did cause to have served by U.S. Postal Service, regular mail with postage prepaid and return address clearly indicated, copies of the of the **Answer and Counterclaim of Defendants Alfred L. Saad, III and Thornwell Partners, LLC to Amended Complaint** and an **Amended Notice of Appearance** to the following:

Jacob S. Barker, Esq.
225 Seven Farms Drive Suite 107
Charleston SC 29492
Attorney for Defendant Alfred L. Saad, III and Thornwell Partners, LLC

John M. Bleeker, Jr., Esq.
89 Broad Street
P.O Box 148
Charleston SC 29402
Attorney for Defendant Henry Kuznik

Lindsey W. Cooper, Jr., Esq.
Law Offices Of LW Cooper Jr.
36 Broad St.
Charleston SC 29401
Attorney for Defendant Paul D. Hollen, III

Mallory A. Lopata, Esq.
571 Spring Street Apt 2
Newport RI 02840
Attorney for Defendant Paul D. Hollen, III

Patrick T. Napolski, Esq.
Lawrence E. Richter, Jr., Esq.
622 Johnnie Dodds Blvd.
Mt. Pleasant SC 29464
Attorneys for Plaintiff

April 10, 2014

A handwritten signature in cursive script, reading "Pamela Baker", written over a horizontal line.

Pamela Baker, Paralegal
Rogers Lewis Jackson Mann & Quinn, LLC

ROGERS ♦ LEWIS

— ROGERS LEWIS JACKSON MANN & QUINN, LLC —

Shaun C. Blake, Esq.
sblake@rogerslewis.com

April 10, 2014

The Honorable Julie J. Armstrong
Charleston County Clerk of Court
100 Broad St., Ste 106
Charleston, SC 29401-2210

Re: Virgil "Ray" Passailaigue v. Henry Kuznik, et al.
CA #: 2013-CP-10-01647

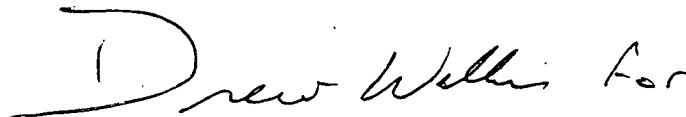
Dear Ms. Armstrong:

Enclosed please find the original and one (1) copy of the Answer and Counterclaim of Defendants Alfred L. Saad, III and Thornwell Partners, LLC to Amended Complaint, along with a Certificate of Service for the same, for filing in the above-referenced action. Also enclosed is the original and one copy of an Amended Notice of Appearance that reflects my change in law firm. Please file the originals and return filed copies of these documents to me using the envelope enclosed for your convenience.

By copy of this letter I am serving counsel for all parties. Please contact me if you have any questions or concerns.

With kind regards, I am

Sincerely,



Shaun C. Blake, Esq.

Enclosure

cc: Jacob S. Barker, Esq.
John M. Bleeker, Jr., Esq.
Lindsey W. Cooper, Jr., Esq.
Mallory A. Lopata, Esq.
Patrick T. Napski, Esq.
Lawrence E. Richter, Jr., Esq.

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue,

Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III,
Paul D. Hollen, III, and Thornwell
Partners, LLC,

Defendants.

) IN THE COURT OF COMMON
) PLEAS FOR THE NINTH
) JUDICIAL CIRCUIT

) CA No. 2013-CP-10-1647

FILED
2014 APR 11 AM 10:33
JULIE J. KIRSTROM
CLERK OF COURT

**ANSWER OF DEFENDANT PAUL D. HOLLEN, III
TO AMENDED COMPLAINT**

COMES NOW Defendant Paul D. Hollen, III ("Hollen"), by and
through undersigned counsel of record, and hereby answers to the
allegations in the Amended Complaint as follows:

AS A FIRST DEFENSE

1. Hollen admits the allegations in paragraphs 1 through 5.
2. Hollen denies the allegations in paragraph 6 and 7 to the extent it implies that Hollen was involved with or caused an act and/or omission that subjects him to the jurisdiction of this court.

3. Hollen lacks sufficient knowledge or information upon which to form a belief as to the allegations in paragraphs 8 and 9, which are therefore denied.

4. Hollen admits the allegations in paragraph 10 to the extent they are supported by and conform with the documents attached to the Complaint as exhibits, and denies the remainder.

5. Hollen denies the allegations in paragraphs 11 and 12.

6. Hollen denies the allegations in paragraph 13.

7. Hollen admits the allegations in paragraphs 14 and 15 to the extent they are supported by and conform with the document attached to the Complaint as exhibits, and denies the remainder.

8. Hollen lacks sufficient knowledge or information upon which to form a belief as to the allegations in paragraphs 16 and 17, which are therefore denied.

9. Hollen denies the allegations in paragraph 18.

10. Hollen admits the allegations in paragraph 19.

11. Hollen denies the allegations in paragraphs 20 through 25, and denies Plaintiff's prayer for relief.

AS A SECOND AND AFFIRMATIVE DEFENSE

12. Hollen reincorporates paragraphs 1 through 11 above as if fully set forth verbatim herein.

13. That the Promissory Note attached to Plaintiff's complaint as Exhibit A is null, void, and/or worthless as the condition for repayment required within its terms failed to occur.

AS A THIRD AND AFFIRMATIVE DEFENSE

14. Hollen reincorporates paragraphs 1 through 13 above as if fully set forth verbatim herein.

15. That some or all of the claims asserted by the Plaintiff are barred by consent, justification, acquiescence, estoppels, unclean hands, and/or general standards of equity and fairness.

AS A FOURTH AND AFFIRMATIVE DEFENSE

16. Hollen reincorporates paragraphs 1 through 15 above as if fully set forth verbatim herein.

17. That the relief requested by Plaintiff is barred by the negligence, malfeasance, and/or misfeasance of the Plaintiff, or their agents.

AS A FIFTH AND AFFIRMATIVE DEFENSE

18. Hollen reincorporates paragraphs 1 through 17 above as if fully set forth verbatim herein.

19. Pursuant to the doctrine of waiver, estoppels, laches, comparative negligence, contributory negligence, duress, misrepresentation, mistake, ratification or any other matter constituting an avoidance or affirmative defense which may arise and develop as discovery in this litigation progresses, the Plaintiff should be barred, in whole or in part as this Court deems appropriate from obtaining any monetary judgment against Hollen.

AS A SIXTH AND AFFIRMATIVE DEFENSE

20. Hollen reincorporates paragraphs 1 through 19 above is if fully set forth verbatim herein.

21. That some or all of the Plaintiff's claims for relief should be barred because of the relative hardship of the parties.

AS A SEVENTH AND AFFIRMATIVE DEFENSE

22. Hollen reincorporates paragraphs 1 through 21 above as if fully set forth verbatim herein.

23. That some or all of the Plaintiff's claims are barred by the Plaintiff's own failure to exercise due diligence.

AS AN EIGHTH AND AFFIRMATIVE DEFENSE

24. Hollen reincorporates paragraphs 1 through 23 above as if fully set forth verbatim herein.

25. That some or all of Plaintiff's claims are barred by the Plaintiff's own failure to properly communicate and provide notice.

AS AN NINTH AND AFFIRMATIVE DEFENSE

26. Hollen reincorporates paragraphs 1 through 25 above as if fully set forth verbatim herein.

27. Hollen expressly reserves any right he may have as a matter of law as to the appraisal of the subject property.

AS A TENTH AND AFFIRMATIVE DEFENSE

28. Hollen reincorporates paragraphs 1 through 27 above as if fully set forth verbatim herein.

29. The alleged promissory notes, alleged unconditional guarantees, and other alleged agreements lack consideration as well as other necessary elements to form valid contracts, and therefore Plaintiff fails to state a claim under S.C.R.C.P. 12(b)(6).

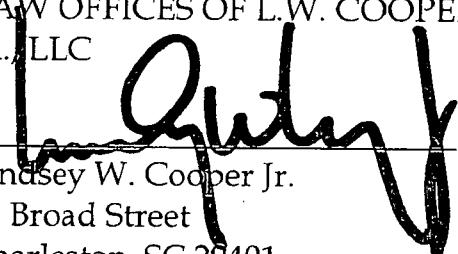
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WHEREFORE, having fully answered Plaintiff's Amended Complaint, Hollen prays the court consider the matters presented in the Amended Complaint and this Answer, dismiss Plaintiff's Complaint, and grant such other and further relief as may be deemed just and proper under the circumstances.

LAW OFFICES OF L.W. COOPER
JR., LLC



Lindsey W. Cooper Jr.
36 Broad Street
Charleston, SC 29401
Telephone: 843.375.6622
Facsimile: 375.375.6623

Counsel to Paul D. Hollen, III.

Dated: April 11, 2014
Charleston, South Carolina

CERTIFICATE OF SERVICE

It is hereby certified that on April 11, 2014, I caused the foregoing
ANSWER to be served on counsel via first-class mail at the following
address:

Lawrence E. Richter, Jr.
622 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
Counsel to Virgil "Ray" Passailaigue

Shaun C. Blake
Rogers Lewis Jackson Mann & Quinn, LLC
PO Box 11803 (29211)
1330 Lady Street Suite 400
Columbia, SC 29201
Counsel to Alfred L. Saad, III, and Thornwell Partners, LLC

John M. Bleecker Jr.
Law Office of John M. Bleecker, Jr.
PO Box 148
Charleston, SC 29402-0148
Counsel to Henry Kuznik

2014 APR 11 AM 10:33
JULIE J. ARMSTRONG
CLERK OF COURT
BY _____

FILED



STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
)
Virgil "Ray" Passailaigue,)
)
Plaintiff,)
)
vs.)
)
Henry Kuznik, Alfred L. Saad, III, Paul)
D. Hollen, III, and Thornwell Partners, LLC,)
)
Defendants.)
_____)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO.: 2013-CP-10-1647

**PLAINTIFF VIRGIL "RAY"
PASSAILAIGUE'S REPLY TO ANSWER
AND COUNTERCLAIM OF DEFENDANTS
ALFRED L. SAAD, III, AND THORNWELL
PARTNERS, LLC TO AMENDED
COMPLAINT**

FILED
2014 APR 25 PM 2:51
J. ARISTARQUE
CLERK OF COURT

AND NOW COMES the Plaintiff/Counterclaim Defendant, Virgil "Ray" Passailaigue (hereinafter referred to as "Plaintiff" or "Passailaigue"), by and through his undersigned counsel, and files Plaintiff Virgil "Ray" Passailaigue's Reply to Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint.

1. Each and every allegation of the Answer and Counterclaim of Defendants Alfred L. Saad, III and Thornwell Partners, LLC to Amended Complaint not specifically admitted herein is denied, and Passailaigue demands strict proof thereof.

2. Paragraphs 1 and 2 of the Answer and Counterclaim of Defendants Alfred L. Saad, III and Thornwell Partners, LLC to Amended Complaint are denied.

RESPONDING TO DEFENDANTS' FIRST DEFENSE

3. Paragraph 3 of the Answer and Counterclaim of Defendants Alfred L. Saad, III and Thornwell Partners, LLC to Amended Complaint is denied.

RESPONDING TO DEFENDANTS' SECOND DEFENSE

4. In response to Paragraphs 4 through 19 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint, the

Plaintiff reiterates and realleges each and every allegation contained within the Amended Complaint as if repeated herein verbatim.

RESPONDING TO DEFENDANTS' THIRD DEFENSE

5. Paragraph 20 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

6. Plaintiff lacks sufficient information to form a belief as to the truth of the allegations in Paragraph 21 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint and, therefore, Paragraph 21 is denied.

7. Plaintiff admits the allegations in Paragraph 22 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint only to the extent that he is a former member of Thornwell Partners, LLC. The remainder of Paragraph 22 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

8. Plaintiff lacks sufficient information to form a belief as to the truth of the allegations in Paragraph 23 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint, and therefore, Paragraph 23 is denied.

9. Plaintiff admits the allegations in Paragraph 24 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint only to the extent that he is a former member of Thornwell Partners, LLC. The remainder of Paragraph 24 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

10. Plaintiff lacks sufficient information to form a belief as to the truth of the allegations in Paragraph 25 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint and, therefore, Paragraph 25 is denied.

11. Paragraph 26 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

12. Plaintiff admits so much of the Paragraph 27 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint that the Note given to Plaintiff on November 7, 2008 was and is a valid note. Plaintiff denies the remainder of Paragraph 27 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint.

RESPONDING TO DEFENDANTS' FOURTH DEFENSE

13. Paragraph 28 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

14. Paragraph 29 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

RESPONDING TO DEFENDANTS' FIFTH DEFENSE

15. Paragraph 30 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

16. Paragraph 31 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

RESPONDING TO DEFENDANTS' SIXTH DEFENSE

17. Paragraph 32 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

18. Paragraph 33 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

RESPONDING TO DEFENDANTS' SEVENTH DEFENSE

19. Paragraph 34 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

20. Paragraph 35 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

21. Paragraph 36 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

22. Paragraph 37 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

23. Paragraph 38 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint states a legal conclusion and as such does not require any response from Plaintiff. To the extent a response is required, Plaintiff denies the allegations in Paragraph 38.

RESPONDING TO DEFENDANTS ALFRED L. SAAD, III AND THORNWELL PARTNERS, LLC'S COUNTERCLAIMS

24. Paragraph 39 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

25. Responding to Paragraph 40 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint, Plaintiff states that the document referenced therein speaks for itself and Plaintiff denies any allegations inconsistent with such terms in the document and allegations inaccurately or misleadingly describing the contents or effect of the document. Additionally, Plaintiff denies that a copy of the referenced

document was attached to the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint.

26. Paragraph 41 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

27. Paragraph 42 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied. Additionally, Plaintiff denies that any documents evidencing payments as outlined in Paragraph 42 were attached to the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint.

28. Paragraph 43 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

29. Paragraph 4 (sic) of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

**RESPONDING TO DEFENDANT ALFRED L. SAAD, III AND THORNWELL
PARTNERS, LLC'S FIRST COUNTERCLAIM**

30. Paragraph 45 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

31. Paragraph 46 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint states a legal conclusion and as such does not require any response from Plaintiff. To the extent a response is required, Plaintiff denies the allegations in Paragraph 46.

32. Paragraph 47 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint states a legal conclusion and as such does

not require any response from Plaintiff. To the extent a response is required, Plaintiff denies the allegations in Paragraph 47.

33. Paragraph 48 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint states a legal conclusion and as such does not require any response from Plaintiff. To the extent a response is required, Plaintiff denies the allegations in Paragraph 48.

RESPONDING TO DEFENDANT ALFRED L. SAAD, III AND THORNWELL PARTNERS, LLC'S SECOND COUNTERCLAIM

34. Paragraph 49 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

35. Paragraph 50 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

36. Paragraph 51 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

37. Paragraph 52 of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint is denied.

38. Plaintiff denies that Defendants Alfred L. Saad, III and/or Thornwell Partners, LLC are entitled to any relief sought in the Prayer for Relief of the Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint.

FOR A FIRST AFFIRMATIVE DEFENSE
(Statute of Limitations)

39. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred by the applicable statute of limitations.

FOR A SECOND AFFIRMATIVE DEFENSE
(Laches)

40. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred by the doctrine of laches.

FOR A THIRD AFFIRMATIVE DEFENSE
(Unclean Hands)

41. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred by the doctrine of unclean hands.

FOR A FOURTH AFFIRMATIVE DEFENSE
(Waiver/Estoppel)

42. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred by the doctrine of waiver and estoppel.

FOR A FIFTH AFFIRMATIVE DEFENSE
(Failure to State a Claim Upon Which Relief Can Be Granted)

43. Defendants Alfred L. Saad, III and Thornwell Partners, LLC have failed to state sufficient facts to state a cause of action for unjust enrichment and SC Frivolous Civil Proceedings Sanctions Act, S.C. Code § 15-36-10, et seq., and as a result, pursuant to Rule 12(b)(6), SCRCP, the Defendants' counterclaims should be dismissed as a matter of law.

FOR A SIXTH AFFIRMATIVE DEFENSE
(Mitigation of Damages)

44. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred, in whole or in part, because Defendants failed to mitigate any injuries and damages allegedly sustained and by the doctrine of avoidable consequences.

FOR A SEVENTH AFFIRMATIVE DEFENSE
(Good Faith)

45. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred because Plaintiff acted in good faith and at all times material herein, based on all relevant facts and circumstances known by Plaintiff at the time he so acted.

FOR AN EIGHTH AFFIRMATIVE DEFENSE
(Ratification)

46. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred by their ratification of the Note attached to the Amended Complaint and subsequent acts in furtherance thereof.

FOR A NINTH AFFIRMATIVE DEFENSE
(Recoupment)

47. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred, in whole or in part, because Defendants have failed to comply with the terms of the agreement between the parties, and/or have violated a duty imposed on them by the agreement between the parties.

FOR A TENTH AFFIRMATIVE DEFENSE
(Set-Off)

48. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred, in whole or in part by set-off.

FOR AN ELEVENTH AFFIRMATIVE DEFENSE
(Fraud)

49. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred in whole or in part by Defendants' fraud and pursuant to Rule 8(c), SCRCR.

FOR A TWELFTH AFFIRMATIVE DEFENSE
(Misrepresentation)

50. Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims are barred, in whole or in part by Defendants' misrepresentations related to the note attached to the Amended Complaint and pursuant to Rule 8(c), SCRPC.

FOR A THIRTEENTH AFFIRMATIVE DEFENSE
(Reservation of Additional Defenses)

51. Plaintiff reserves the right to assert any additional and further defenses that may be revealed by information obtained during the course of investigation and discovery as consistent with the South Carolina Rules of Civil Procedure.

PRAYER FOR RELIEF

WHEREFORE, having fully answered Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims in this matter, Plaintiff respectfully prays:

1. That Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims be dismissed;
2. That Plaintiff is awarded all costs, attorneys fees, and interest where allowed by law for responding to Defendants Alfred L. Saad, III and Thornwell Partners, LLC's counterclaims;
3. That the Court find for the Plaintiff as to all allegations and requests for relief pled in the Amended Complaint;
4. Payments by Defendants of all costs, expenses, fees, and attorneys fees incurred by Plaintiff;
5. For a trial by jury; and
6. For any such further relief to which this Court deems just, prudent, and proper.

THE RICHTER FIRM, LLC

By: 

Lawrence E. Richter, Jr.

Patrick T. Napolski

622 Johnnie Dodds Blvd.

Mt. Pleasant, SC 29464

P: (843) 849-6000

F: (843) 881-1400

April 24, 2014

Mt. Pleasant, South Carolina

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

Virgil "Ray" Passailaigue,)

Plaintiff,)

vs.)

Henry Kuznik, Alfred L. Saad, III, Paul)
D. Hollen, III, and Thornwell Partners, LLC,)

Defendants.)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO.: 2013-CP-10-1647

CERTIFICATE OF SERVICE

I hereby certify that a true and correct of the foregoing Plaintiff Virgil "Ray" Passailaigue's Reply to Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint was served on the attorneys listed below by delivering a copy of the same via U.S. mail, first class, postage prepaid to the following addresses:

John M. Bleecker, Jr., Esq.
Law Office of John M. Bleecker, Jr.
89 Broad St.
P.O. Box 148
Charleston, SC 29402
Attorney for Defendant Henry Kuznik

Lindsey W. Cooper, Jr., Esq.
Law Offices of LW Cooper, Jr.
36 Broad St.
Charleston, SC 29401
Attorney for Defendant Paul D. Hollen, III

Shaun C. Blake, Esq.
Rogers, Lewis, Jackson, Mann & Quinn, LLC
PO Box 11803
Columbia, SC 29201
*Attorney for Defendants Alfred L. Saad, III and
Thornwell Partners, LLC*



Michelle Stith

April 24, 2014
Mt. Pleasant, South Carolina

FILED
2014 APR 25 PM 2:51
JULIE J. ARNSTROM
CLERK OF COURT

THE RICHTER FIRM, LLC

Attorneys & Counselors at Law
622 Johnnie Dodds Boulevard
Mount Pleasant, South Carolina 29464

Lawrence E. Richter, Jr.
Alice Anne Richter Lehrman
Aaron E. Edwards
Patrick T. Napolski*

Telephone: (843) 849-6000
Telefax: (843) 881-1400

*Also licensed in IL

April 24, 2014

Via U.S. Mail

The Honorable Julie J. Armstrong
Charleston County Clerk of Court
Charleston Judicial Center
100 Broad St., Ste. 106
Charleston, SC 29401

Re: Virgil "Ray" Passailaigue v. Henry Kuznik, Alfred L. Saad, III, Paul D.
Hollen, III, and Thornwell Partners, LLC
Case No.: 2013-CP-10-1647

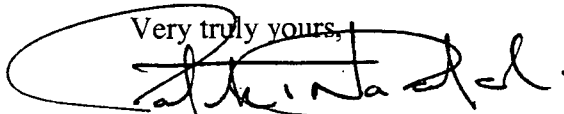
Dear Madam Clerk,

Enclosed please find the original and one (1) copy of Plaintiff Virgil "Ray" Passailaigue's Reply to Answer and Counterclaim of Defendants Alfred L. Saad, III, and Thornwell Partners, LLC to Amended Complaint, along with a Certificate of Service for the same, for filing in the above-referenced action. Please file the original and return the date-stamped copy to our office using the envelope enclosed for your convenience.

By cope of this letter I am serving counsel for all parties. Please do not hesitate to contact our office if you have any questions or require additional information.

With kindest regards, I remain,

Very truly yours,



Patrick T. Napolski

Enclosure

cc: John M. Bleecker, Jr., Esq.
Lindsey W. Cooper, Jr., Esq.
Shaun C. Blake, Esq.

IN THE COURT OF COMMON PLEAS
FOR THE STATE OF SOUTH CAROLINA
CHARLESTON COUNTY
DEPOSITION OF PAUL D. HOLLEN, III
VOLUME I SEPTEMBER 23, 2013

VIRGIL "RAY" PASSAILAIGUE,

Plaintiff,

vs.

CASE NO. 2013-CP-10-1647

HENRY KUZNIK; ALFRED L. SAAD, III; PAUL D.
HOLLEN, III; AND THORNWELL PARTNERS, LLC,
Defendants.

DEPONENT: PAUL D. HOLLEN, III

DATE: SEPTEMBER 23, 2013

TIME: 10:17 A.M.

LOCATION: THE RICHTER FIRM, LLC
MOUNT PLEASANT, SOUTH CAROLINA

REPORTED BY: RONDA K. BLANTON, RPR
NCRA REGISTERED PROFESSIONAL
REPORTER

CLARK & ASSOCIATES, INC.

P.O. BOX 73129

CHARLESTON, SC 29415

843-762-6294

office@clark-associates.com

WWW.CLARK-ASSOCIATES.COM

A P P E A R A N C E S

ON BEHALF OF THE PLAINTIFF:

THE RICHTER FIRM, LLC

BY: LAWRENCE E. RICHTER, JR.

PATRICK T. NAPOLSKI, ESQ.

622 Johnnie Dodds Boulevard

Mount Pleasant, SC 29465

ON BEHALF OF THE DEFENDANT HENRY KUZNIK:

LAW OFFICE OF JOHN M. BLEECKER, JR.

BY: JOHN M. BLEECKER, JR., ESQ.

89 Broad Street

Charleston, SC 29401

ON BEHALF OF THE DEFENDANT ALFRED L. SAAD, III:

ADAMS AND REESE, LLP

BY: JAKE S. BARKER, ESQ.

1501 Main Street, 5th Floor

Columbia, SC 29202

ON BEHALF OF THE DEFENDANT PAUL D. HOLLEN, III:

THE LAW OFFICE OF L. W. COOPER, JR.

BY: LINDSEY W. COOPER, JR., ESQ.

36 Broad Street

Charleston, SC 29401

ALSO

PRESENT: Virgil "Ray" Passailaigue

Henry Kuznik

- - -

I N D E X

EXAMINATION

By MR. RICHTER 4

By MR. COOPER 38

CERTIFICATE OF NCRA REGISTERED 41

PROFESSIONAL REPORTER

EXHIBITS

PAUL D. HOLLEN, III VOLUME I 09/23/2013

Plaintiff's Exhibit No. 1 15

Plaintiff's Exhibit No. 2 17

Plaintiff's Exhibit No. 3 19

Plaintiff's Exhibit No. 4 22

Plaintiff's Exhibit No. 5 23

Plaintiff's Exhibit No. 6 25

Plaintiff's Exhibit No. 7 25

Plaintiff's Exhibit No. 8 25

1 PAUL D. HOLLEN, III,
2 having been first duly sworn, was examined and
3 testified as follows:
4

5 EXAMINATION

6 BY MR. RICHTER:

7 Q. State your full name, please.

8 A. Paul Dudley Hollen, III.

9 Q. Okay. Mr. Hollen, I don't know if you've
10 ever been through this process before; but I have
11 to explain a few things to you as required by our
12 Rules. So this is not hard.

13 But the Rules require that I inquire as
14 to whether you are in any way inhibited or
15 impeded in giving your deposition, either through
16 medication, alcohol, anything like that.

17 A. Well, that question has not been asked
18 before; but I am taking medications for
19 depression, PTSD.

20 Q. Okay. You take that every day?

21 A. Every day.

22 Q. And you run your normal life every day?

23 A. Correct.

24 Q. How long have you been doing that?

25 A. Three years.

1 Q. Well, I'm not going to say how many years
2 we've known each other; but it's been more than
3 three years. And I've certainly seen you many,
4 many times and conversed with you about difficult
5 and simple matters.

6 A. Uh-huh.

7 Q. And I certainly have never known you to
8 be in any way impaired. And do you feel that
9 you're able to proceed today?

10 A. I think so.

11 Q. Okay. Thank you. Here's the situation.
12 I form questions, pose questions to you; and I'll
13 try to do that narrowly and directly and clearly.
14 So if you'll listen to the question, then if you
15 can answer the same way, narrowly and directly.
16 You can then explain your answer as fully as you
17 wish to. But helps the flow if we don't talk
18 over each other and if we --

19 A. Sure.

20 Q. -- try to go piece by piece and narrowly
21 examine into the matters.

22 There are a few things that you can't do.
23 You can't gesture, nod, or shake your head
24 because your deposition testimony's being taken
25 down two ways. One is it's recorded. The other

1 is stenotype. So your nods don't come through.
2 You need to say yes or no --

3 A. Okay.

4 Q. -- or whatever your oral answer is.

5 If you need anything, just say so. If
6 you don't understand anything, just say so. We
7 will make it clear to you. Whenever you want to
8 take a break or anything, I don't think this is
9 going to take very long for us to do this.

10 A. Okay.

11 Q. So what I'm going to do is quickly ask
12 you some background things, just your personal
13 background.

14 Secondly, I'm going to in kind of a
15 summary way ask you about your relationship with
16 Ray Passailaigue, your business dealings with Ray
17 Passailaigue. You can summarize that.

18 We'll then ask a few specifics about
19 those dealings with Ray Passailaigue, and really
20 that's all I think I'm going to need to cover.
21 So I'll try to get through that just as
22 expeditiously.

23 A. Okay.

24 Q. All right, sir. What is your address,
25 please?

1 A. It's 804 Natchez Circle, Mount Pleasant,
2 South Carolina 29464.

3 Q. Okay. Are you married?

4 A. Yes.

5 Q. What is your wife's name, please,
6 including her maiden name?

7 A. It's Judith Bloomberg Hollen.

8 Q. Okay. Other than your name Hollen and
9 your wife's maiden name, do you have any
10 relatives in Charleston County by any other
11 names?

12 A. No other relatives other than sister and
13 my parents.

14 Q. What's your sister's name?

15 A. Cynthia Hollen.

16 Q. Okay. Do you have any military
17 background?

18 A. 30 years Air Force Reserves.

19 Q. And when was that?

20 A. 1968 to 1998.

21 Q. Honorably discharged?

22 A. Retired.

23 Q. And what was your duty? What did you do
24 in the Air Force?

25 A. C141 Navigator.

1 Q. Okay. Do you have any criminal
2 background?

3 A. No.

4 Q. Any history of litigation? Have you been
5 involved in other lawsuits?

6 A. I was involved in a lawsuit after
7 Hurricane Hugo involving USAA insurance.

8 Q. Property damage issue?

9 A. (Nods head.)

10 Q. Yeah. I understand. A lot of folks
11 were.

12 MR. RICHTER: Let me just go off the
13 record.

14 (Off-the-record discussion.)

15 MR. RICHTER: Let's go back on the
16 record, please.

17 BY MR. RICHTER:

18 Q. Mr. Hollen, I wonder if you could tell
19 us, please, the nature of your business
20 relationships, first, with Ray Passailaigue.

21 A. I, along with a partner, purchased from
22 Ray a contract to acquire two parcels of land in
23 North Charleston.

24 Q. Okay. Do you recall what the
25 consideration was to Mr. Passailaigue?

1 A. The -- to the best of my recollection, we
2 purchased the contracts for 1 million dollars.

3 Q. And was your intent to develop that
4 property?

5 A. Yes.

6 Q. Okay. When I say "your," I guess the
7 collective y'all's intent.

8 A. Right.

9 Q. And did Mr. Passailaigue have the
10 property under contract at the time that you came
11 in to purchase it?

12 A. I believe that's correct.

13 Q. And was some group, then, formed up or to
14 be formed up to go forth with this real estate
15 development?

16 A. Yes.

17 Q. And could you tell us the makeup of that
18 group, please?

19 A. It was myself, Mr. Kuznik, and Al Saad.

20 Q. Okay. And was Ray Passailaigue a member
21 of that group with y'all?

22 A. Not initially. He made a decision that
23 he wanted to be part of the partnership and
24 basically financed his portion or our portion of
25 the purchase price.

1 Q. When you say "our portion," who do you
2 mean?

3 A. The three partners.

4 Q. Everybody -- yeah, the people who were
5 buying into the -- to the contract.

6 A. Correct.

7 Q. Fair enough. Okay. And that's you,
8 Mr. Kuznik, and Mr. Saad.

9 A. That's correct.

10 Q. And so then at that point, did he stay in
11 the deal with y'all?

12 A. Initially, yes. Over a period of some
13 months, his situation changed; and he needed to
14 exit the partnership.

15 Q. For financial considerations?

16 A. Correct.

17 Q. Okay. By Mr. Passailaigue, who had the
18 property under contract initially, staying into
19 the -- to the transaction, did that keep y'all
20 from having to finance, come up with money, cash
21 money at that point?

22 A. You know, I really don't remember.

23 Q. Okay. If you -- if you don't, people are
24 afraid to say "I don't know," and "I don't
25 remember."

1 A. If I -- if I don't really know, I'm going
2 to tell you I don't really know.

3 Q. Yeah. And I've known Paul Hollen for a
4 long time.

5 Now, did there -- you just mentioned
6 there came a time when Mr. Passailaigue needed to
7 get out of the transaction.

8 A. Correct.

9 Q. How did -- how did he come to get out?
10 What was the consideration for that?

11 A. The arrangement was that we would pay off
12 his note, which was a million dollars plus, some
13 small amount of money for incidental
14 out-of-pocket expenses, which I don't remember.

15 Q. Had there been about 21,000 dollars added
16 to the million dollars by that time?

17 A. Sounds about right.

18 Q. Okay.

19 A. And that was repaid to him in a series of
20 payments. I don't know. About three or four.

21 Q. Okay. And at that point, you say he
22 needed to pay his debt off. He had debt on the
23 property, didn't he?

24 A. I -- I don't know.

25 Q. Well, see if you remember this. Before

1 paying Mr. Passailaigue off the million and about
2 20,000 dollars --

3 A. Right.

4 Q. -- before that time did y'all have to put
5 any cash into the transaction? You and
6 Mr. Kuznik and Mr. Saad?

7 A. Larry, I don't think so.

8 Q. Okay. All right. And other than the
9 1,021,000 did there come to be -- which I think
10 you just testified was ultimately satisfied,
11 either by one payment or some series of payments;
12 but it was paid.

13 Other than that, do you recall that there
14 was an obligation of in round numbers 130,000
15 dollars?

16 MR. COOPER: Objection to form.

17 Q. You just -- he has to say that for the --
18 for the record, but you have to answer as best
19 you can.

20 A. I have, since this proceeding started,
21 become aware that there was a note floating
22 around for that amount of money.

23 Q. Okay. And were -- do you remember who
24 the makers of that note were?

25 A. The -- by "maker," do you mean who the

1 signatories of the note were?

2 Q. Yes, yes.

3 A. It was Mr. Kuznik, Mr. Saad, and myself.

4 Q. Okay. Thank you.

5 A. And that's --

6 Q. Go ahead.

7 A. -- based on the evidence that's been
8 presented through this proceeding.

9 Q. Okay. When you were served in this case
10 along with Mr. Kuznik and Mr. Saad, did you
11 receive a -- a complaint that had a note or a
12 photocopy of a note attached to it?

13 A. I believe that's correct.

14 Q. Okay. And were those three persons you
15 just mentioned, was there signatures that
16 appeared on the copy of the note that --

17 MR. BARKER: Object to the form.

18 Q. -- that was given to you? You -- you
19 have to answer, just -- they have to -- they have
20 to put in the record certain things.

21 MR. BLEECKER: I'll object too to the
22 form.

23 MR. RICHTER: I'll tell you what we can
24 do. One thing we can do is just let one person's
25 objection work, if that's all right with

1 everybody. It's easier, but they can't say any
2 more than that.

3 A. Okay.

4 Q. All it means is question hurt somebody,
5 whoever hollers. I'm just kidding.

6 A. They appear to be the signatures.

7 Q. Okay. Now, to your knowledge, has that
8 130 round thousand dollars been repaid to
9 Mr. Passailaigue?

10 A. I'm going to tell you that until I got
11 the summons, I was not aware. It was totally out
12 of mind. I don't know that I can tell you that I
13 actually even remember --

14 Q. Okay.

15 A. -- having signed that note.

16 Q. Okay.

17 A. But --

18 Q. To your knowledge, as to you --

19 A. To my knowledge, I did not.

20 Q. -- did you pay anything? Okay. Thank
21 you.

22 Now, do you recall signing any guaranty
23 agreements?

24 A. I have seen copies of a guaranty that I
25 signed.

1 Q. And did those show the same three
2 signatures, or did you only see your own?

3 A. My own.

4 Q. Okay. All right. Now, I want to see --

5 MR. RICHTER: Let me ask you, Madam
6 Reporter, to mark this as Exhibit 1.

7 (Plaintiff's Exhibit No. 1 was marked
8 for identification.)

9 Q. Mr. Hollen, do you see what's been marked
10 as Plaintiff's Exhibit No. 1 to this deposition?

11 A. I do.

12 Q. All right. Let me tell you, sir. I'm
13 going to ask you to take that -- that is a
14 photocopy that is before you.

15 A. Okay.

16 Q. I'm going to ask you to take this
17 original document that I'm going to hand to you,
18 which I represent to you the photocopy was made
19 from and ask you to verify, please, that the
20 photocopy is, in fact, a photocopy of the
21 original that you are now looking at.

22 A. (Complies with request.) It appears to
23 be.

24 Q. Okay. And I would appreciate you -- it
25 should be a three-page document, I believe.

1 A. Right.

2 Q. I appreciate you, on the back of each
3 page of the -- of the photo copy, the exhibit
4 there, if you would just place your initials and
5 the date, today's date, so that --

6 A. On the exhibit copy?

7 Q. Yeah. But you can just do it on the back
8 of those pages, if you don't mind, just to verify
9 that those pages you're initialing are, in fact,
10 exact copies of the original. That will keep us
11 from having an original floating around
12 somewhere.

13 A. (Complies with request.)

14 Q. Same thing on the back of the last two
15 pages of the photocopy, which is Exhibit 1, if
16 you would just place your initials and today's
17 date, please.

18 A. And today's date. I didn't do that.

19 Q. Today's date.

20 MR. COOPER: 23rd.

21 MR. RICHTER: Yeah. If I could have
22 the original. Does anybody want to look at the
23 original?

24 MR. BLEECKER: I would like to take a
25 fair opportunity.

1 Q. Just put it right there. There will be a
2 little stack of documents as we go along.

3 (Indicating.)

4 A. (Complies with request.)

5 Q. Now, is this exhibit, Plaintiff's Exhibit
6 No. 1, is this the note which is the subject of
7 this lawsuit?

8 A. MR. BARKER: Object to form.

9 Q. To the best of your knowledge.

10 A. To the best of my knowledge.

11 Q. Okay. And I'd like to know show you what
12 has been marked as Plaintiff's Exhibit No. 2.

13 (Plaintiff's Exhibit No. 2 was marked
14 for identification.)

15 Q. And I'm going to ask you to walk through
16 the same exercise with me, please. I want to ask
17 you if this note that -- this exhibit that you
18 hold in your hand that is marked as No. 2, I'm
19 going to hand you the original and ask you,
20 please, if the -- to verify that the copy is a --
21 a true copy of that original.

22 A. (Complies with request.) This doesn't
23 really appear to be an original document. It
24 appears to be a color copy.

25 Q. Let me see it for just a minute, please.

1 A. (Complies with request.) I think that's
2 true of the signature page on the other document
3 as well.

4 Q. Color copy did you say? I didn't hear
5 what you said.

6 A. (Nods head.)

7 Q. Okay. I just want to know if this is the
8 same, what I hold in my right hand is what you
9 have as -- as Plaintiff's Exhibit No. 2.
10 (Indicating.)

11 A. Okay. (Complies with request.)

12 MR. COOPER: Do you have an extra copy?

13 MR. RICHTER: Yeah.

14 Q. Can you tell me, please, if what is
15 marked with the exhibit sticker is the same as
16 the document --

17 A. As this document, whether or not it's --

18 Q. -- in your hand, just a photocopy of it?

19 A. (Complies with request.) They appear to
20 be the same.

21 Q. Thanks. Would you do the same exercise
22 that you did a moment ago, please, and put your
23 initials and date on the back of each of these --
24 I think it's three pages in the exhibit.

25 A. (Complies with request.)

1 Q. Thank you. Do you remember -- are the
2 signatures the same three persons' signatures who
3 you testified about as to Exhibit No. 1?

4 A. They appear to be the same, yes.

5 Q. And one of those is yours?

6 A. Correct.

7 Q. Okay. Do you recall whether two was a
8 first draft or first round of No. 1 and was
9 succeeded by No. 1 as being the operative note in
10 this transaction?

11 A. Do I know that for sure? No.

12 Q. Well, if you don't know --

13 A. It appears to be, yes.

14 Q. That's fine. I started to say earlier,
15 people -- it's okay to say "I don't know" or "I
16 don't remember." Witnesses sometimes struggle a
17 lot if they can't say that; and you certainly can
18 if that's, you know, if that's your answer.

19 Okay. Now I'm going to hand you what's
20 been marked as Plaintiff's No. 3 in order,
21 please.

22 (Plaintiff's Exhibit No. 3 was marked
23 for identification.)

24 Q. Okay. Let me ask you if you recognize
25 that document, please.

1 A. It's -- it's a guaranty that appears to
2 have my signature on it.

3 Q. Okay. And what's the date on it?

4 A. It's the 14th of November, 2008.

5 Q. And is this a guaranty, an unconditional
6 guaranty, of the 130,000 dollar loan, excuse me,
7 manifested by the Exhibit No. 1?

8 A. That appears to be the case.

9 Q. Okay. Thank you. Now, only your
10 signature appears on the document before you;
11 isn't that correct?

12 A. That's right.

13 Q. And do you remember whether each member
14 of the entity, that you and Mr. Kuznik and
15 Mr. Saad gave individually a guaranty to -- to
16 Mr. Passailaigue?

17 A. I've seen documents to that effect, but I
18 have no real recollection of ever actually having
19 done it; but I've seen the documents.

20 Q. Okay. I'm going to ask you about the
21 witnesses on this guaranty agreement.

22 A. Uh-huh.

23 Q. Can you tell me who they are, please?

24 A. Wendy Keenan and Laura Calhoun. They are
25 employees at Southcoast Community Bank.

1 Q. Both of them are?

2 A. They were.

3 Q. Okay. Well, the point --

4 A. I don't know if they still are or not.

5 Q. Yeah. Well, at the operative point in
6 time, they were both employees at the Southcoast
7 Bank, November 14, 2008?

8 A. Yes, that's correct.

9 Q. Thank you very much.

10 I'm going to hand you before I mark
11 these, let me ask you if you recognize this next
12 document as being the guaranty -- the same
13 guaranty agreement as I just -- you identified
14 for yourself, but this one bearing the signature
15 of Henry Kuznik.

16 A. Actually comparing the two documents, it
17 does appear to be the same; and it does appear to
18 be Mr. Kuznik's signature.

19 Q. Thank you.

20 A. And I am not a handwriting expert,
21 however.

22 Q. I understand that. Let me -- I'm just
23 trying to get things in the record for right now.

24 MR. RICHTER: Could you mark that as
25 No. 4, please, Madam Reporter.

1 (Plaintiff's Exhibit No. 4 was marked
2 for identification.)

3 Q. All right. Before you, you should have
4 No. 4, which is the document you said appeared to
5 be the guaranty agreement of Henry Kuznik; is
6 that correct?

7 A. Uh-huh.

8 Q. All right. And can you tell me, please,
9 who the witnesses on that document are?

10 A. Wendy Keenan and Laura Calhoun.

11 Q. The same persons you identified
12 previously.

13 A. (Nods head.)

14 Q. One thing you can't do --

15 A. Oh, I can't nod.

16 Q. There you go.

17 A. Appear to be the same.

18 Q. Okay. Thank you.

19 And can you tell me, please, whether the
20 date on Mr. Kuznik's guaranty is the same as the
21 date on your guaranty?

22 A. I think they're different. His is the
23 7th, and this document is the 14th.

24 (Indicating.)

25 Q. Yours is the 14th.

1 A. That's --

2 Q. All right. Thank you.

3 A. -- what the document says.

4 Q. Next I'm going to ask the same -- I want
5 to ask you the same series of questions about
6 what is marked as Plaintiff's Exhibit No. 5.

7 (Plaintiff's Exhibit No. 5 was marked
8 for identification.)

9 Q. Have you -- have you had a chance to
10 review it?

11 A. I've looked at the document.

12 Q. All right. And is that the same -- in
13 form is that the same guaranty that you've
14 previously identified, one bearing your signature
15 and one bearing Mr. Kuznik's signature?

16 A. It appears to be.

17 Q. All right. And can you tell me, please,
18 the date on that one?

19 A. November 7.

20 Q. And whose signature -- who does that show
21 as the maker of the guaranty?

22 A. The signer is Alfred L. Saad, III.

23 Q. Okay.

24 MR. BARKER: I'm sorry. Object to the
25 form of that question. I didn't want to

1 interrupt the witness' answer.

2 MR. RICHTER: Okay. Thanks.

3 Q. Can you tell me please the -- did I ask
4 you the date?

5 A. Yes. It's the 7th of November.

6 Q. Can you tell me, please, who the
7 witnesses are on this one?

8 A. Wendy Keenan and Laura Calhoun.

9 Q. Okay. Thank you, sir.

10 MR. BLEECKER: What was the answer to
11 that?

12 MR. RICHTER: Same witnesses.

13 MR. BLEECKER: Same witnesses?

14 MR. RICHTER: Wendy Keenan and Laura
15 Calhoun, yes.

16 Q. Do you know whether they are still
17 employed at Southcoast?

18 A. I do not.

19 Q. Okay.

20 A. I've been gone from there five years.

21 MR. BLEECKER: The answer is that he
22 doesn't know or --

23 MR. RICHTER: He doesn't know.

24 THE WITNESS: I don't know if they're
25 still there.

1 Q. Do you know what Thornwell Partners, LLC,
2 is?

3 A. I can never really keep this straight,
4 but I believe Thornwell Partners is the entity
5 that acquired contracts from Ray.

6 Q. And that was the -- in round number
7 1,022,000 dollar transaction you talked about
8 earlier; is that correct?

9 A. That's correct.

10 Q. Okay. I'm going to hand you a document
11 that is marked as the Plaintiff's No. 6.

12 (Plaintiff's Exhibit Nos. 6, 7 and 8
13 were marked for identification.)

14 Q. I believe you have in your hand what is
15 marked as Plaintiff's No. 6 to this deposition.

16 A. Uh-huh.

17 Q. Can you tell me the -- what that document
18 is?

19 A. It's a promissory note.

20 Q. And is it in the amount of 1,022,900
21 dollars?

22 A. That is correct.

23 Q. And does it bear the date of April 11,
24 2007?

25 A. That is correct.

1 Q. And is that what you, as you testified
2 earlier, purchased Mr. -- Mr. Passailaigue's
3 contract; right?

4 A. That's correct.

5 Q. Okay. Thank you very much.

6 Now, do you -- if you'll turn the page to
7 page 2 --

8 A. Uh-huh.

9 Q. -- I want to ask you if you see a
10 signature on that page.

11 A. On page 2 is my signature.

12 Q. Yes. And are there --

13 MR. RICHTER: Is that the only
14 signature on here?

15 MR. NAPOLSKI: Uh-huh.

16 Q. And yet the next three pages, are those
17 attachments to the note itself where it says
18 "Exhibit A"?

19 A. Yes.

20 Q. Okay. All right. Thank you.

21 Now, let me hand you what has been marked
22 as Plaintiff's Exhibit 7 and ask you if you can
23 identify, please, for the record, what that is.

24 Maybe I can help you some. What -- what
25 you're holding in your hand is exhibit --

1 Plaintiff's Exhibit No. 7 to these proceedings.
2 Does it bear the title "Amended and Restated
3 Operating Agreement of Thornwell Partners, LLC"?

4 A. It does.

5 Q. Okay. And to the best of your knowledge,
6 is this an accurate reproduction of the Amended
7 and Restated Operating Agreement of Thornwell
8 Partners, LLC?

9 A. To the best of my knowledge, that's
10 correct.

11 Q. Okay. Can you tell me the date of the
12 amendment to the Operating Agreement?

13 A. It's the 20th of April, 2007.

14 Q. Okay. And that was just in the same time
15 frame that you described earlier about you
16 purchasing Mr. Passailaigue's contract rights and
17 entering the note that we talked about for the
18 million plus dollars; is that right?

19 A. That's correct.

20 Q. All right. Thank you, sir.

21 Next, I'm going to hand you what has been
22 marked as Plaintiff's Exhibit No. 8 and ask you
23 if you can, please, to tell us what that is.
24 And, again, let me see if I can help you with it
25 by forming the question a little better.

1 Do you -- do you hold in your hand now a
2 document labeled Plaintiff's 8 which is titled
3 "Title to Real Estate"?

4 A. I do.

5 Q. Is that what you've got there?

6 A. That's what it says, yes.

7 Q. It's a multi-page exhibit.

8 A. Right.

9 Q. Okay. And are you able to look at this
10 and see the -- tell us the transaction that's
11 described?

12 A. It's titled to --

13 Q. Again, maybe I can form a question that
14 will help you.

15 A. Yeah.

16 Q. Is this the document by which Thornwell
17 Partners for 2 million dollars conveyed to Henry
18 Kuznik that certain land that's described on
19 page 1?

20 MR. COOPER: Objection to form.

21 A. I've never seen the document.

22 Q. Okay. If you can't -- it's a legal
23 document. If you can't explain it, I understand.
24 I'd like to -- okay. All right. Thank you.

25 Now, next I'd like to ask you,

1 Mr. Hollen, whether you have any evidence of any
2 payment being made to Ray Passailaigue in
3 satisfaction of the 130,000 dollar note that we
4 talked about and which was labeled Plaintiff's
5 Exhibit No. 1.

6 A. I don't.

7 MR. RICHTER: Okay. Thank you. All
8 right. If we can take about a five-minute break,
9 I think it will enable us to speed things up.

10 (Recess taken 10:58 a.m. to 10:59 a.m.)

11 BY MR. RICHTER:

12 Q. We're going to take a short break. You
13 are at this point, Mr. Hollen, a testifying
14 witness. As such, you are restricted in your
15 ability to communicate with other people. If
16 there is a legal issue that you need to
17 communicate with your counsel about --

18 A. Okay.

19 Q. -- I understand that and you're -- it's
20 permissible, but I'll tell you that we may be
21 able to examine you about that conversation in a
22 way that we couldn't otherwise examine you about
23 communications. This is just going to be a short
24 break.

25 (Recess taken 10:59 a.m. to 11:17 a.m.)

1 MR. RICHTER: We can go back on the
2 record.

3 A. There's one thing I do need to correct.
4 In your question about litigation, I was involved
5 with the -- the group that acquired the assets of
6 JK Harris.

7 Q. Yeah.

8 A. And I had forgotten that I was named
9 personally in that, and it was a suit by the
10 bankruptcy trustee.

11 Q. I understand. Okay. All right. Thanks.
12 Anything else you want --

13 A. No. That's it.

14 Q. Let's -- let's go back on then.

15 Mr. Hollen, let me ask you, please, if
16 you can say this in some -- summary form. What
17 is your defense to your liability as -- as we
18 have claimed for Mr. Passailaigue on this note?

19 A. I exited the partnership. I have no
20 interest -- had no interest in the property. I
21 had no share of the debt and -- and as much as
22 there is an enforcement of a guaranty, it should
23 be indemnified.

24 Q. By whom?

25 A. Thornwell Investments.

1 Q. Okay. Or the original --

2 A. As I know --

3 Q. Or the individuals who made up Thornwell
4 Investments?

5 A. Well, that's a legal question I can't
6 answer.

7 Q. Okay.

8 A. I don't -- I don't know the answer to
9 that.

10 Q. Okay. Now, when you signed -- I think
11 you said that you signed for Thornwell Partners,
12 LLC?

13 A. Correct.

14 Q. Were you authorized to do that?

15 A. At the time there were two members, and
16 you're referring specifically to the acquisition
17 of the two contracts for the real estate?

18 Q. That's exactly right.

19 MR. BLEECKER: Let me back up and enter
20 an objection. You said -- a query. You said at
21 the time he signed for Thornwell Partners or
22 Thornwell Investors?

23 MR. RICHTER: I think I -- well, I may
24 have said Thornwell Partners. I don't really
25 remember what I said.

1 Q. Let me -- let me let you say what
2 happened.

3 A. Thornwell Partners initially was Al Saad
4 and myself. I don't know. It may predate any
5 existing Operating Agreement. I really don't
6 remember. It was just two guys put together in
7 the LLC and to specifically acquire those
8 contracts.

9 Q. Now, "those two guys," Mr. Kuznik and
10 Mr. Saad?

11 A. No.

12 Q. Who were those first?

13 A. Myself and Al Saad.

14 Q. Okay. I'm sorry. Initially yourself and
15 Al Saad, and then how did Mr. Kuznik ever have
16 any involvement?

17 A. Well, unfortunately, as it turned out, I
18 was able to persuade Henry that this was a good
19 investment; and he became a partner.

20 Q. I mean, you did that because you believed
21 it. Isn't that --

22 A. At the time it was --

23 Q. Correct, yeah.

24 A. -- believed to be a -- a good investment.

25 Q. All right. Now, let me ask you where I

1 think we left it. Did you -- were you ever
2 authorized to sign for the Thornwell Partners,
3 LLC?

4 A. If you're talking about was there ever a
5 document drafted that gave me permission to sign
6 for the LLC, the answer is no.

7 Q. Okay. Did you from time to time execute
8 documents on behalf of Thornwell Partners, LLC?

9 A. Yes, I did.

10 Q. And did the other persons having an
11 ownership interest in that entity, did they
12 assent to that, to your signature?

13 A. To the best of my knowledge.

14 Q. Yeah. I mean, nobody ever objected, did
15 they?

16 A. No.

17 Q. And you never made any secret of your
18 actions, did you?

19 A. No.

20 Q. Okay. All right. Now, let me ask a
21 couple more things.

22 MR. COOPER: Just to clarify, when he
23 clarified the litigation, were you on the record
24 at that point in time?

25 THE REPORTER: Yes.

1 MR. RICHTER: You want something else
2 on?

3 MR. COOPER: No. I was just making
4 sure.

5 Q. Do you admit, Mr. Hollen, that the
6 promissory note, which is subject of this
7 litigation, is a valid and enforceable
8 obligation?

9 A. Well, I'm not an attorney.

10 Q. Okay. But the --

11 A. But it appears to me that the -- the
12 document is flawed.

13 Q. Flawed in what sense?

14 A. In terms of construction and the way it
15 was signed.

16 Q. Can you be -- you're welcome to refer to
17 any documents you might need. Can you be
18 specific as to what you claim might be a flaw to
19 the document?

20 A. The -- the first thing is that the
21 document specifically states that the sum of
22 money is to be repaid from the net proceeds of
23 any future sale. To the best of my knowledge,
24 there never were any.

25 Q. Okay.

1 A. The note is made by Thornwell Partners.
2 The signatory is Thornwell Investments, which is
3 a different entity. I -- and I -- like I said,
4 I'm not an attorney.

5 Q. Okay. Who got the 130,000 dollars of
6 value from Mr. Passailaigue represented by this
7 note?

8 A. I don't know that there really ever was
9 any.

10 Q. What do you -- what do you think? Y'all
11 just signed a note for the fun of signing one?

12 A. I'm going to be honest to tell you that
13 five years ago or six years ago, whenever that
14 was executed, that period of time was extremely
15 tumultuous for me personally; and I have no idea.

16 Q. Okay. So as --

17 A. I mean, you can see that there's existing
18 a note with signatures but --

19 Q. And as far as you know, there's no
20 documentary evidence of there being any repayment
21 of that note you indicated earlier. Did I hear
22 you correctly?

23 MR. COOPER: Objection to form.

24 A. I'm not aware that a payment of 130,000
25 dollars as represented by that note was ever

1 made.

2 Q. Okay. You are aware that the 1,022,000
3 dollars --

4 A. Was paid in full.

5 Q. -- was paid in full?

6 A. Correct.

7 Q. And that there were a series of
8 repayments of sums toward that ultimate total.

9 A. The -- those payments represented the
10 acquisition of Mr. Passailaigue's share over a
11 series of what I believe to have been four
12 payments of approximately 250,000 dollars each.

13 Q. Okay. Let me -- I want to ask this. I'm
14 not implying anything by the question,
15 Mr. Hollen, or not shooting at you in any way. I
16 just need to get all the -- these things in the
17 record.

18 Do you currently have the wherewithal to
19 repay this obligation? The 130,000 dollar
20 amount?

21 MR. COOPER: Objection to form.

22 A. I would be hard pressed.

23 MR. RICHTER: Thank you. Okay. And I
24 think those are all the questions that I have of
25 this witness at this time.

1 MR. COOPER: So, Mr. Richter, just so
2 you know, Patrick, we responded to discovery. He
3 lost his hard drive completely in 2012. So we
4 did search for documents and communications, but
5 they just can't be recovered; and we tried to
6 find them and others before, and it can't be done
7 so just wanted to put that on the record as well.

8 MR. RICHTER: I understand. Let me
9 just follow that up for a minute.

10 MR. COOPER: Sure.

11 BY MR. RICHTER:

12 Q. Do you know what happened to your hard
13 drive?

14 A. It's a -- it was in a laptop computer.
15 It was one of the little 2-and-a-half-inch
16 drives, and it failed. Some documents I had on
17 earlier backups; but as far as the Thornwell,
18 I -- I can't recover any of those documents. I
19 did not take that hard drive and send it off and
20 spend 20,000 dollars to get the data recovered
21 because I just didn't feel it had that value.

22 Q. I hear you. I understand. Do you -- and
23 I'm not saying that we want to incur that cost
24 either. Do you still have the physical
25 possession of it? If you do, I want to ask you

1 just to hang on --

2 A. No.

3 Q. -- in case somebody wants to send it
4 somewhere.

5 A. I don't believe I do.

6 Q. Okay. Well, if you do --

7 A. I mean, it would be --

8 Q. -- just hang onto it for a while, if you
9 don't mind.

10 MR. RICHTER: Okay. Those are my
11 questions. Do y'all -- you -- who wants to
12 examine?

13 MR. BLEECKER: I don't have any
14 questions.

15 MR. BARKER: I don't have any
16 questions.

17 MR. COOPER: I want to just clarify a
18 couple of things.

19

20 EXAMINATION

21 BY MR. COOPER:

22 Q. With regard to the note, do you have any
23 personal knowledge of Mr. Passailaigue paying the
24 130,000 dollars under the note?

25 A. No. Never was paid any sum of money that

1 I'm aware of; and, again, after I left that
2 partnership in 2010, whatever happened after
3 that, I have no knowledge of.

4 Q. And then he asked you about your legal
5 defenses in the case. Obviously, you will raise
6 other legal defenses if there's additional
7 evidence that supports them?

8 A. Yes.

9 Q. And who was the -- exhibit -- Plaintiff's
10 Exhibit No. 6, which is the 1,022,900 dollar note
11 from Thornwell Partners to Mr. Passailaigue.

12 A. Okay.

13 Q. Mr. Passailaigue was repaid that amount
14 of money, wasn't he?

15 A. Yes. That amount of money was paid to
16 him.

17 Q. And in this whole venture, who was the
18 only person who ever got any money back?

19 A. My understanding is that all of the
20 partners lost money except for Ray, but he was
21 paid on this note.

22 Q. And the 22,000 represented his costs for
23 securing the property?

24 A. That's what I recall.

25 Q. Right. And it's your understanding that

1 the million dollars paid to him was actual
2 profit?

3 A. That's -- that's my understanding.
4 Whether that's factual, I -- I really don't know
5 what other costs he had.

6 Q. Okay. And there was some testimony in
7 the beginning. You remember he talked about the
8 maker of the note?

9 A. Yes.

10 Q. Do you understand that the maker is the
11 borrower? That's Plaintiff's Exhibit --

12 A. The question is: Do I know who drafted
13 this document? Is that what --

14 Q. No, no. Who's the actual borrower?

15 A. Thornwell Partners, LLC.

16 Q. In the first paragraph. My question is
17 this: You weren't personally borrowing the money
18 as Paul Hollen if the money was borrowed at all?

19 A. No. The money was borrowed by the
20 partnership.

21 MR. COOPER: That's all I have.

22 MR. RICHTER: Thank you. Anybody else?

23 Thank you, sir.

24 (Deposition concluded at 11:32 a.m.)

25 - - -

1 STATE OF SOUTH CAROLINA
2 COUNTY OF CHARLESTON
3

4 I, Ronda K. Blanton, a Registered
5 Professional Reporter and Notary Public for the
6 State of South Carolina at Large, do hereby
7 certify that the witness in the foregoing
8 deposition was by me duly sworn to testify to the
9 truth, the whole truth, and nothing but the truth
10 in the within-entitled cause; that said
11 deposition was taken at the time and location
12 therein stated; that the testimony of the witness
13 and all objections made at the time of the
14 examination were recorded stenographically by me
15 and were thereafter transcribed by computer-aided
16 transcription; that the foregoing is a full,
17 complete, and true record of the testimony of the
18 witness and of all objections made at the time of
19 the examination; and that the witness was given
20 an opportunity to read and correct said
21 deposition and to subscribe the same.
22

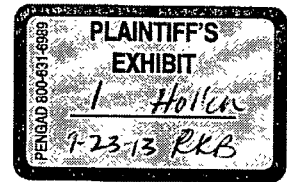
23 Should the signature of the witness not be
24 affixed to the deposition, the witness shall not
25 have availed himself of the opportunity to sign

1 or the signature has been waived.

2
3 I further certify that I am neither related
4 to nor counsel for any party to the cause pending
5 or interested in the events thereof.

6
7 Witness my hand, I have hereunto affixed my
8 official seal on October 7, 2013, at Charleston,
9 Charleston County, South Carolina.

10
11
12
13
14
15
16
17 Ronda K. Blanton, RPR
18 Notary Public, South Carolina
19 My Commission expires:
20 May 14, 2018.
21
22
23
24
25



PROMISSORY NOTE

\$130,000.00

Charleston, South Carolina

November 7, 2008

FOR VALUE RECEIVED, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), promises to pay to the order of Passailaigue Homes, a South Carolina Corporation (the "Lender") the principal sum of \$130,000.00. This sum is to be repaid in its entirety from the net proceeds from the future sales of the property known as the Dassinger tract and consisting of two parcels further identified as Lot A 17 acres TMS No. 395-00-00-001 and Lot B 28.15 acres TMS No. 395-00-00-003, Charleston County, South Carolina.

The loan period is to be 24 months. The lender grants the ~~irrevocable~~ right to one extension of 24 months, *IF PROPERTY REMAINS UNSOLD SINCE* *RD*

All installments of principal are payable in lawful money of the United States of America, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment; and in the event of (a) failure to pay this Note in full on the Maturity Date, or (b) default in the payment of any other installment of interest or principal or any other sum payable pursuant to the terms of this Note or any lien document securing this Note, not cured within ten (10) days after written notice from Lender, or (c) an "Event of Default" as such term is defined in the Loan Agreement executed of even date between Borrower and Lender (the "Loan Agreement"), then or at any time thereafter, at the option of Lender, the whole of the principal sum then remaining unpaid hereunder together with all interest accrued thereon, shall immediately become due and payable without further notice, and the lien given to secure the payment of this Note may be foreclosed. From and after the maturity of this Note either according to its terms or as the result of a declaration of maturity, the entire principal remaining unpaid hereunder shall bear interest at a rate of three (3%) percent per annum above the rate otherwise in effect hereunder (the "Default Rate"), or the highest applicable lawful rate, whichever is the lesser; provided that there shall be no automatic reduction to the highest lawful rate as to Borrower or any endorser or guarantor barred by law from availing itself in any action or proceeding of the defense of usury, or Borrower or any endorser or guarantor barred or exempted from the operation of any law limiting the amount of interest that may be paid for the loan or use of money, or in the event this transaction, because of its amount or purpose or for any other reason is exempt from the operation of any statute limiting the amount of interest that may be paid for the loan or use of money. Failure to exercise such option or any other rights Lender may in the event of any such default be entitled to, shall not constitute a waiver of the right to exercise such option or any other rights in the event of any subsequent default, whether of the same or different nature.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceedings, Borrower promises to pay all expenses of collection and reasonable attorney's fees incurred by Lender.

This Note is secured by the partnership interests held by Paul D. Hollen III, Alfred L. Saad and Henry Kuznik as defined in the Second Amended and Restated Operating Agreement of Thornwell Partners LLC dated November 7, 2008.

Borrower and all endorsers, guarantors and all persons liable or to become liable on this Note waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and consent to any and all renewals and extensions of the time of payment hereof, and agree, further,

that at any time and from time to time without notice, the terms of payment herein may be modified without in anywise affecting the liability of any party to this instrument or any person liable with respect to any indebtedness evidenced hereby.

Lender is not required to rely on the collateral for the payment of the Note in the event of default by the maker, but may proceed directly against the maker, endorsers, or guarantors, if any, in such manner as it deems desirable. None of the rights and remedies of Lender hereunder is to be waived or affected by failure or delay to exercise them. All remedies conferred on Lender by this Note or any other instrument or agreement shall be cumulative, and none is exclusive. Such remedies may be exercised concurrently or consecutively at Lender's option.

Borrower shall have the option of prepaying the principal amount due under this Note in whole or in part without penalty.

This Note shall be governed as to validity, interpretation, construction, effect, and in all other respects by the laws and decisions of the State of South Carolina.

Wherever possible each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note or portion thereof shall be prohibited by or be invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

This Note may be assigned by Lender with or without recourse.

Borrower submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Borrower agrees that any action concerning this Note or any instrument securing this Note, whether initiated by Lender, Borrower or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Borrower waives all objections to venue.

WAIVER OF JURY TRIAL. BY THE EXECUTION HEREOF, BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY HEREBY AGREES THAT:

(A) NEITHER BORROWER NOR LENDER, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF BORROWER OR LENDER, SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS NOTE, THE LOAN AGREEMENT (IF ANY) OR ANY OF THE LOAN DOCUMENTS EVIDENCING, SECURING, OR RELATING TO THE LOAN EVIDENCED HEREBY, OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES HERETO;

(B) NEITHER BORROWER NOR LENDER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;

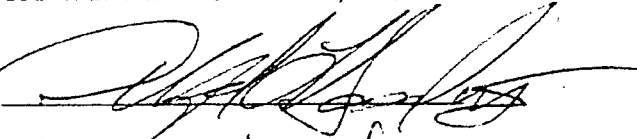
(C) THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS;

(D) NEITHER BORROWER NOR LENDER HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND

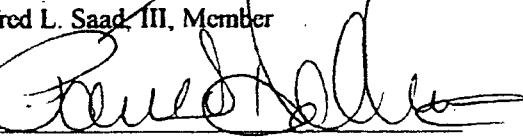
(E) THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN EVIDENCED BY THIS NOTE.

The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE AND RELINQUISH THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

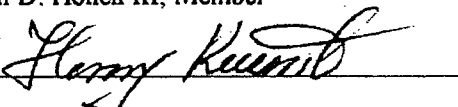
THORNWELL INVESTMENTS, LLC

By: 

Alfred L. Saad, III, Member

By: 

Paul D. Hollen III, Member

By: 

Henry Kuznik, Member



PROMISSORY NOTE

\$130,000.00

Charleston, South Carolina
November 7, 2008

FOR VALUE RECEIVED, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), promises to pay to the order of Passailaigue Homes, a South Carolina Corporation (the "Lender") the principal sum of \$130,000.00. This sum is to be repaid in its entirety from the proceeds from the future sales of the property known as the Dassinger tract and consisting of two parcels further identified as Lot A 17 acres TMS No. 395-00-00-001 and Lot B 28.15 acres TMS No. 395-00-00-003, Charleston County, South Carolina

All installments of principal are payable in lawful money of the United States of America, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment; and in the event of (a) failure to pay this Note in full on the Maturity Date, or (b) default in the payment of any other installment of interest or principal or any other sum payable pursuant to the terms of this Note or any lien document securing this Note, not cured within ten (10) days after written notice from Lender, or (c) an "Event of Default" as such term is defined in the Loan Agreement executed of even date between Borrower and Lender (the "Loan Agreement"), then or at any time thereafter, at the option of Lender, the whole of the principal sum then remaining unpaid hereunder together with all interest accrued thereon, shall immediately become due and payable without further notice, and the lien given to secure the payment of this Note may be foreclosed. From and after the maturity of this Note either according to its terms or as the result of a declaration of maturity, the entire principal remaining unpaid hereunder shall bear interest at a rate of three (3%) percent per annum above the rate otherwise in effect hereunder (the "Default Rate"), or the highest applicable lawful rate, whichever is the lesser; provided that there shall be no automatic reduction to the highest lawful rate as to Borrower or any endorser or guarantor barred by law from availing itself in any action or proceeding of the defense of usury, or Borrower or any endorser or guarantor barred or exempted from the operation of any law limiting the amount of interest that may be paid for the loan or use of money, or in the event this transaction, because of its amount or purpose or for any other reason is exempt from the operation of any statute limiting the amount of interest that may be paid for the loan or use of money. Failure to exercise such option or any other rights Lender may in the event of any such default be entitled to, shall not constitute a waiver of the right to exercise such option or any other rights in the event of any subsequent default, whether of the same or different nature.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceedings, Borrower promises to pay all expenses of collection and reasonable attorney's fees incurred by Lender.

This Note is secured by the partnership interests held by Paul D. Hollen III, Alfred L. Saad and Henry Kuznik as defined in the Second Amended and Restated Operating Agreement of Thornwell Partners LLC dated November 7, 2008.

Borrower and all endorsers, guarantors and all persons liable or to become liable on this Note waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and consent to any and all renewals and extensions of the time of payment hereof, and agree, further, that at any time and from time to time without notice, the terms of payment herein may be modified without in anywise affecting the liability of any party to this instrument or any person liable with respect to any indebtedness evidenced hereby.

Lender is not required to rely on the collateral for the payment of the Note in the event of default by the maker, but may proceed directly against the maker, endorsers, or guarantors, if any, in such manner as it deems desirable. None of the rights and remedies of Lender hereunder is to be waived or affected by failure or delay to exercise them. All remedies conferred on Lender by this Note or any other instrument or agreement shall be cumulative, and none is exclusive. Such remedies may be exercised concurrently or consecutively at Lender's option.

Borrower shall have the option of prepaying the principal amount due under this Note in whole or in part without penalty.

This Note shall be governed as to validity, interpretation, construction, effect, and in all other respects by the laws and decisions of the State of South Carolina.

Wherever possible each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note or portion thereof shall be prohibited by or be invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

This Note may be assigned by Lender with or without recourse.

Borrower submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Borrower agrees that any action concerning this Note or any instrument securing this Note, whether initiated by Lender, Borrower or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Borrower waives all objections to venue.

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(B) NEITHER BORROWER NOR LENDER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;

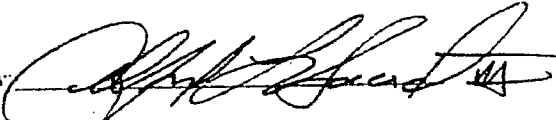
(C) THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS;

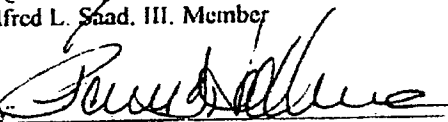
(D) NEITHER BORROWER NOR LENDER HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND

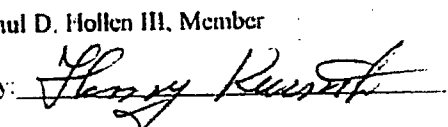
(E) THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN EVIDENCED BY THIS NOTE.

The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE AND RELINQUISH THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

THORNWELL INVESTMENTS, LLC

By: 
Alfred L. Saad, III, Member

By: 
Paul D. Hollen III, Member

By: 
Henry Kuznik, Member



UNCONDITIONAL GUARANTY

November 14, 2008

WHEREAS, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), has borrowed the sum of up to \$130,000.00 from Passailaigue Homes, a South Carolina corporation (the "Lender") pursuant to a promissory note from Borrower to Lender dated of even date herewith (the "Note"); and

WHEREAS, Lender is unwilling to make the loan to Borrower evidenced by the Note unless it receives an unconditional and continuing joint and several guaranty from Paul D. Hollen III (hereinafter collectively termed "Guarantor"), covering all "Obligations of Borrower" as hereinafter defined;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Guarantor (jointly and severally, if more than one) hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the due and punctual payment of all principal, interest and any other amounts due or to become due; whether by acceleration or otherwise, under the Note, or the Loan Agreement and the performance of any and all obligations of Borrower under the Loan Agreement, the Note, and all other documents executed by Borrower securing or relating to the Note (the Note, the Loan Agreement, and all such other documents are sometimes referred to collectively herein as the "Loan Documents"), and including all renewals, extensions and/or modifications thereof, plus all interest, costs and reasonable attorneys' fees of Lender (all of such liabilities and obligations of Borrower to Lender being hereinafter collectively termed "Obligations of Borrower").

This Guaranty is in addition to and is not intended to supersede any prior existing Guaranty of Guarantor.

In order to implement the foregoing and as additional inducements to Lender, Guarantor further covenants and agrees as follows:

1. This Guaranty is and shall remain an unconditional and continuing guaranty of payment and not of collection, shall remain in full force and effect irrespective of any interruption(s) in the business or other dealings and relations of Borrower and Lender and shall apply to and guarantee the due and punctual payment of all Obligations of Borrower due by Borrower to Lender.

2. TIME IS OF THE ESSENCE HEREOF. Any notice to Guarantor shall be sufficiently given if mailed to the address of Guarantor shown below.

3. This Guaranty Agreement constitutes the entire agreement between the parties, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of Lender actually involved in the transactions being guaranteed hereby.

4. Guarantor agrees that Guarantor's liability hereunder shall not be diminished by any failure on the part of Lender to perfect (by filing, recording, or otherwise) any security interest it may have in any property securing this Unconditional Guaranty Agreement and/or the Obligations of Borrower secured hereby and hereunder.

5. If Borrower is an organization, this Guaranty covers all Obligations of Borrower purporting to be created or undertaken on behalf of such organization by any officer, partner, manager or agent of such organization, without regard to the actual authority of any such officer, partner, manager or agent, whether or not corporate resolutions, proper or otherwise, are given by any corporate Borrower to Lender, and/or whether or not such purported organizations are legally chartered or organized.

6. This Unconditional Guaranty Agreement shall be binding upon Guarantor, and the heirs, executors, administrators, successors and assigns of Guarantor; and it shall inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the Laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

7. No waiver by Lender of any default by Guarantor or Borrower shall operate as a waiver of any other default or of the same default on a future occasion. If more than one person has signed this Guaranty Agreement, such parties are jointly and severally obligated hereunder. The term "Guarantor," as used herein, shall (if signed by more than one person) mean the "Guarantors and each of them." If any Guarantor shall be a partnership, the obligations, liabilities and agreements on the part of such Guarantor shall remain in full force and effect and fully applicable notwithstanding any changes in the individuals composing the partnership. Further, the term "Guarantor" shall include in such event any altered or successor partnerships, it being also understood that the predecessor partnership and its partners shall not thereby be released from any obligations or liabilities hereunder. Lender, or any other holder hereof, may correct patent errors in this Agreement.

8. EVENTS OF DEFAULT. Guarantor shall be in default under this Guaranty Agreement upon the happening of any of the following events, circumstances or conditions, namely:

a) Failure of Guarantor to pay its obligations hereunder immediately upon demand after a default in the payment of the Obligations of Borrower or in the payment or performance of any other obligations or of any covenant, warranty or liability contained or referred to herein, or contained or referred to in the Loan Agreement, the Mortgage or any other Loan Document; or

b) Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor in connection with this Guaranty Agreement or to induce Lender to extend credit or otherwise deal with either Borrower or Guarantor proving to have been false in any material respect when made or furnished; or

c) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any State or Federal Bankruptcy or Insolvency Laws by or against any Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor); or

d) The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Guarantor or Borrower is displaced or their authority in the conduct of their business(es) is curtailed; or

e) Material adverse change in the financial position of Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor).

9. REMEDIES UPON DEFAULT. Upon the occurrence of any of the foregoing events, circumstances, or conditions of default, all of the obligations evidenced herein or guaranteed hereby shall immediately be due and payable without notice. Further, Lender shall then have all of the rights and remedies granted hereunder, and all of the rights and remedies of a secured party and/or holder-in-due-course under the South Carolina Uniform Commercial Code and/or under other Laws of South Carolina.

10. Any provision hereof to the contrary notwithstanding, to the extent Guarantor is determined to be an "insider" as such term is used in the United States Bankruptcy Code or cases thereunder, Guarantor waives any right (whether established by contract or statute or otherwise available at law or in equity) to reimbursement, indemnity, subrogation, contribution or other such claim against Lender, Borrower or any other guarantor or any other person primarily or secondarily liable for any Obligations of Borrower with respect to any disbursement or payment made by Guarantor under or in connection with this Guaranty or otherwise.

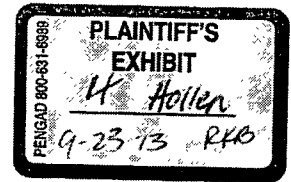
11. Guarantor submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Guarantor agrees that any action concerning this Agreement or the debts guaranteed hereby, whether initiated by Lender, Borrower, Guarantor or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Guarantor waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Guarantor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to Guarantor at Guarantor's address set forth below or any new address of which Lender has been notified by Guarantor in writing.

Witnesses:

Wendy Keenan
Laura J. Patton

Paul D. Hollen III

(SEAL)



UNCONDITIONAL GUARANTY

November 27, 2008

WHEREAS, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), has borrowed the sum of up to \$130,000.00 from Passailaigue Homes, a South Carolina corporation (the "Lender") pursuant to a promissory note from Borrower to Lender dated of even date herewith (the "Note"); and

WHEREAS, Lender is unwilling to make the loan to Borrower evidenced by the Note unless it receives an unconditional and continuing joint and several guaranty from Henry Kuznik (hereinafter collectively termed "Guarantor"), covering all "Obligations of Borrower" as hereinafter defined;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Guarantor (jointly and severally, if more than one) hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the due and punctual payment of all principal, interest and any other amounts due or to become due, whether by acceleration or otherwise, under the Note, or the Loan Agreement and the performance of any and all obligations of Borrower under the Loan Agreement, the Note, and all other documents executed by Borrower securing or relating to the Note (the Note, the Loan Agreement, and all such other documents are sometimes referred to collectively herein as the "Loan Documents"), and including all renewals, extensions and/or modifications thereof, plus all interest, costs and reasonable attorneys' fees of Lender (all of such liabilities and obligations of Borrower to Lender being hereinafter collectively termed "Obligations of Borrower").

This Guaranty is in addition to and is not intended to supersede any prior existing Guaranty of Guarantor.

In order to implement the foregoing and as additional inducements to Lender, Guarantor further covenants and agrees as follows:

1. This Guaranty is and shall remain an unconditional and continuing guaranty of payment and not of collection, shall remain in full force and effect irrespective of any interruption(s) in the business or other dealings and relations of Borrower and Lender and shall apply to and guarantee the due and punctual payment of all Obligations of Borrower due by Borrower to Lender.

2. TIME IS OF THE ESSENCE HEREOF. Any notice to Guarantor shall be sufficiently given if mailed to the address of Guarantor shown below.

3. This Guaranty Agreement constitutes the entire agreement between the parties, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of Lender actually involved in the transactions being guaranteed hereby.

4. Guarantor agrees that Guarantor's liability hereunder shall not be diminished by any failure on the part of Lender to perfect (by filing, recording or otherwise) any security interest it may have in any property securing this Unconditional Guaranty Agreement and/or the Obligations of Borrower secured hereby and hereunder.

5. If Borrower is an organization, this Guaranty covers all Obligations of Borrower purporting to be created or undertaken on behalf of such organization by any officer, partner, manager or agent of such organization, without regard to the actual authority of any such officer, partner, manager or agent, whether or not corporate resolutions, proper or otherwise, are given by any corporate Borrower to Lender, and/or whether or not such purported organizations are legally chartered or organized.

6. This Unconditional Guaranty Agreement shall be binding upon Guarantor, and the heirs, executors, administrators, successors and assigns of Guarantor; and it shall inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the Laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

7. No waiver by Lender of any default by Guarantor or Borrower shall operate as a waiver of any other default or of the same default on a future occasion. If more than one person has signed this Guaranty Agreement, such parties are jointly and severally obligated hereunder. The term "Guarantor," as used herein, shall (if signed by more than one person) mean the "Guarantors and each of them." If any Guarantor shall be a partnership, the obligations, liabilities and agreements on the part of such Guarantor shall remain in full force and effect and fully applicable notwithstanding any changes in the individuals composing the partnership. Further, the term "Guarantor" shall include in such event any altered or successor partnerships, it being also understood that the predecessor partnership and its partners shall not thereby be released from any obligations or liabilities hereunder. Lender, or any other holder hereof, may correct patent errors in this Agreement.

8. **EVENTS OF DEFAULT.** Guarantor shall be in default under this Guaranty Agreement upon the happening of any of the following events, circumstances or conditions, namely:

a) Failure of Guarantor to pay its obligations hereunder immediately upon demand after a default in the payment of the Obligations of Borrower or in the payment or performance of any other obligations or of any covenant, warranty or liability contained or referred to herein, or contained or referred to in the Loan Agreement, the Mortgage or any other Loan Document; or

b) Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor in connection with this Guaranty Agreement or to induce Lender to extend credit or otherwise deal with either Borrower or Guarantor proving to have been false in any material respect when made or furnished; or

c) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any State or Federal Bankruptcy or Insolvency Laws by or against any Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor); or

d) The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Guarantor or Borrower is displaced or their authority in the conduct of their business(es) is curtailed; or

c) Material adverse change in the financial position of Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor).

9. REMEDIES UPON DEFAULT. Upon the occurrence of any of the foregoing events, circumstances, or conditions of default, all of the obligations evidenced herein or guaranteed hereby shall immediately be due and payable without notice. Further, Lender shall then have all of the rights and remedies granted hereunder, and all of the rights and remedies of a secured party and/or holder-in-due-course under the South Carolina Uniform Commercial Code and/or under other Laws of South Carolina.

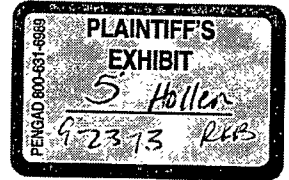
10. Any provision hereof to the contrary notwithstanding, to the extent Guarantor is determined to be an "insider" as such term is used in the United States Bankruptcy Code or cases thereunder, Guarantor waives any right (whether established by contract or statute or otherwise available at law or in equity) to reimbursement, indemnity, subrogation, contribution or other such claim against Lender, Borrower or any other guarantor or any other person primarily or secondarily liable for any Obligations of Borrower with respect to any disbursement or payment made by Guarantor under or in connection with this Guaranty or otherwise.

11. Guarantor submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Guarantor agrees that any action concerning this Agreement or the debts guaranteed hereby, whether initiated by Lender, Borrower, Guarantor or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Guarantor waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Guarantor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to Guarantor at Guarantor's address set forth below or any new address of which Lender has been notified by Guarantor in writing.

Witnesses:

Wendy Keenan
Jana Felt

Henry Kuznik (SEAL)
Henry Kuznik



UNCONDITIONAL GUARANTY

November 7, 2008

WHEREAS, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), has borrowed the sum of up to \$130,000.00 from Passailaigue Homes, a South Carolina corporation (the "Lender") pursuant to a promissory note from Borrower to Lender dated of even date herewith (the "Note"); and

WHEREAS, Lender is unwilling to make the loan to Borrower evidenced by the Note unless it receives an unconditional and continuing joint and several guaranty from Alfred L. Saad (hereinafter collectively termed "Guarantor"), covering all "Obligations of Borrower" as hereinafter defined;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Guarantor (jointly and severally, if more than one) hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the due and punctual payment of all principal, interest and any other amounts due or to become due, whether by acceleration or otherwise, under the Note, or the Loan Agreement and the performance of any and all obligations of Borrower under the Loan Agreement, the Note, and all other documents executed by Borrower securing or relating to the Note (the Note, the Loan Agreement, and all such other documents are sometimes referred to collectively herein as the "Loan Documents"), and including all renewals, extensions and/or modifications thereof, plus all interest, costs and reasonable attorneys' fees of Lender (all of such liabilities and obligations of Borrower to Lender being hereinafter collectively termed "Obligations of Borrower").

This Guaranty is in addition to and is not intended to supersede any prior existing Guaranty of Guarantor.

In order to implement the foregoing and as additional inducements to Lender, Guarantor further covenants and agrees as follows:

1. This Guaranty is and shall remain an unconditional and continuing guaranty of payment and not of collection, shall remain in full force and effect irrespective of any interruption(s) in the business or other dealings and relations of Borrower and Lender and shall apply to and guarantee the due and punctual payment of all Obligations of Borrower due by Borrower to Lender.

2. TIME IS OF THE ESSENCE HEREOF. Any notice to Guarantor shall be sufficiently given if mailed to the address of Guarantor shown below.

3. This Guaranty Agreement constitutes the entire agreement between the parties, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of Lender actually involved in the transactions being guaranteed hereby.

4. Guarantor agrees that Guarantor's liability hereunder shall not be diminished by any failure on the part of Lender to perfect (by filing, recording or otherwise) any security interest it may have in any property securing this Unconditional Guaranty Agreement and/or the Obligations of Borrower secured hereby and hereunder.

5. If Borrower is an organization, this Guaranty covers all Obligations of Borrower purporting to be created or undertaken on behalf of such organization by any officer, partner, manager or agent of such organization, without regard to the actual authority of any such officer, partner, manager or agent, whether or not corporate resolutions, proper or otherwise, are given by any corporate Borrower to Lender, and/or whether or not such purported organizations are legally chartered or organized.

6. This Unconditional Guaranty Agreement shall be binding upon Guarantor, and the heirs, executors, administrators, successors and assigns of Guarantor, and it shall inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the Laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

7. No waiver by Lender of any default by Guarantor or Borrower shall operate as a waiver of any other default or of the same default on a future occasion. If more than one person has signed this Guaranty Agreement, such parties are jointly and severally obligated hereunder. The term "Guarantor," as used herein, shall (if signed by more than one person) mean the "Guarantors and each of them." If any Guarantor shall be a partnership, the obligations, liabilities and agreements on the part of such Guarantor shall remain in full force and effect and fully applicable notwithstanding any changes in the individuals composing the partnership. Further, the term "Guarantor" shall include in such event any altered or successor partnerships, it being also understood that the predecessor partnership and its partners shall not thereby be released from any obligations or liabilities hereunder. Lender, or any other holder hereof, may correct patent errors in this Agreement.

8. **EVENTS OF DEFAULT.** Guarantor shall be in default under this Guaranty Agreement upon the happening of any of the following events, circumstances or conditions, namely:

a) Failure of Guarantor to pay its obligations hereunder immediately upon demand after a default in the payment of the Obligations of Borrower or in the payment or performance of any other obligations or of any covenant, warranty or liability contained or referred to herein, or contained or referred to in the Loan Agreement, the Mortgage or any other Loan Document; or

b) Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor in connection with this Guaranty Agreement or to induce Lender to extend credit or otherwise deal with either Borrower or Guarantor proving to have been false in any material respect when made or furnished; or

c) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any State or Federal Bankruptcy or Insolvency Laws by or against any Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor); or

d) The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Guarantor or Borrower is displaced or their authority in the conduct of their business(es) is curtailed; or

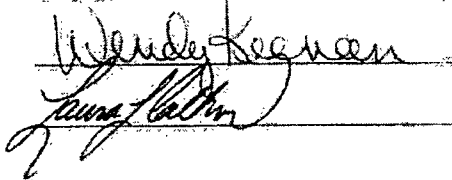
c) Material adverse change in the financial position of Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor).

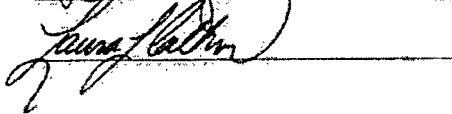
9. REMEDIES UPON DEFAULT. Upon the occurrence of any of the foregoing events, circumstances, or conditions of default, all of the obligations evidenced herein or guaranteed hereby shall immediately be due and payable without notice. Further, Lender shall then have all of the rights and remedies granted hereunder, and all of the rights and remedies of a secured party and/or holder-in-due-course under the South Carolina Uniform Commercial Code and/or under other Laws of South Carolina.

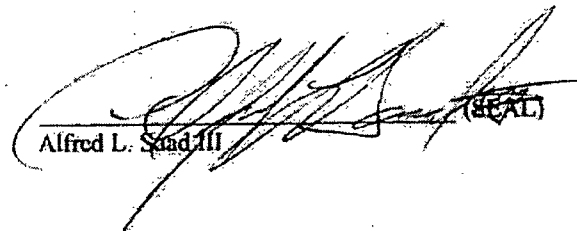
10. Any provision hereof to the contrary notwithstanding, to the extent Guarantor is determined to be an "insider" as such term is used in the United States Bankruptcy Code or cases thereunder, Guarantor waives any right (whether established by contract or statute or otherwise available at law or in equity) to reimbursement, indemnity, subrogation, contribution or other such claim against Lender, Borrower or any other guarantor or any other person primarily or secondarily liable for any Obligations of Borrower with respect to any disbursement or payment made by Guarantor under or in connection with this Guaranty or otherwise.

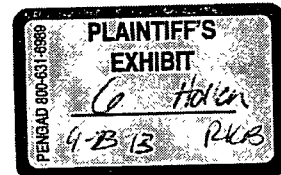
11. Guarantor submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Guarantor agrees that any action concerning this Agreement or the debts guaranteed hereby, whether initiated by Lender, Borrower, Guarantor or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Guarantor waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Guarantor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to Guarantor at Guarantor's address set forth below or any new address of which Lender has been notified by Guarantor in writing.

Witnesses:






Alfred L. Sand III (SEAL)



Note

SOUTH CAROLINA

\$1,022,900.00

April 11, 2007

FOR VALUE RECEIVED, the undersigned promise (s) to pay to the order of Ray Passailaigue, LLC at Charleston, South Carolina, in lawful money of the United States of America, the principal sum of One Million Twenty Two Thousand Nine Hundred Dollars (\$1,022,900.00) due and payable at the closing on the properties set forth in the Assignment of Contract attached hereto as Exhibit A and incorporated herein by reference or within 30 days of the zoning change set forth in Paragraph One B. of the attached Exhibit A, Assignment of Contract, which ever occurs first.

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

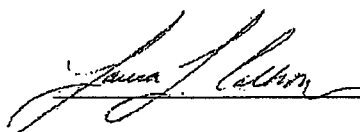
If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate or bankrupt courts, or under foreclosure proceedings under the mortgage securing this note, then all cost of collection, including a reasonable sum for attorney fee shall be added hereto as attorney's fees secured and collectible as the principal hereof.

The undersigned expressly agree jointly and severally to remain and continue bound for the payment of the principal and interest provided for by the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid under and by virtue of the obligation to pay provided for in this note, or any change or changes by way of release or surrender of any collateral held as security for this note and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of the undersigned.

Presentment, protest, and notice are hereby waived.

It is expressly agreed and declared that this note is given as consideration for and under the terms of that certain Assignment of Contract of even date attached hereto as Exhibit A..

Witness the hand and seal of the undersigned hereof.



Carrie Mann

Thornwell Partners, LLC



By: Paul Hollen
Its: Member

Exhibit A

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ASSIGNMENT OF CONTRACTS

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ~~Ray~~
Passailaigue Homes Inc
Passailaigue, LLC ("Assignor"), does hereby set over and assign all of its right, title and interest in
and to the following Contracts of Sale to Thornwell Partners, LLC ("Assignee"), or their assigns, to
wit:

- A. Contract of Sale dated February 16, 2006 between Assignor as Buyer and William Dasinger and Maxine B. Dasinger, relating to the sale of real property located in Charleston County known as TMS No. 395-00-00-001, consisting of approximately 17 acres of land located at 7720 Chippendale Road, North Charleston, South Carolina; and
- B. Contract of Sale dated February 16, 2006 between the Assignor as Buyer and Harold E. Dasinger and Loraine R. Dasinger as Sellers, relating to real property known as TMS No. 395-00-00-003, consisting of approximately 28.3 acres located at 7730 Chippendale Road, North Charleston, South Carolina.

ONE. CONSIDERATION. The Assignee agrees to pay to the Assignor as consideration for the assignment of the referenced contracts, the sum of \$1,000,000.00 plus reimbursement of engineering costs in the amount of \$23,900.00, which shall be paid as follows:

- A. \$1,000.00 at the execution of this Assignment; and
- B. \$1,022,900.00 to be paid at the closing of the transaction between the Sellers and the Assignee; or to be paid within 30 days that the zoning change referenced herein is approved by the City Council of North Charleston changing the designation from agricultural to light industrial.

TWO. ZONING. Assignor will continue its pursuit of the zoning change which is now pending before the City of North Charleston and will appear as required to support the application relating to a request it has filed to change the zoning from agricultural to light industrial.

THREE. DUE DILIGENCE. The Assignee has obtained and paid for a Phase I Environmental audit on each property, a survey of each property, a tree survey on each property, a topographical study on each property, and is in the process of obtaining a wetlands study. All of these reports/audits are hereby transferred by the Assignor to the Assignee. Assignor does hereby warrant that all of the studies have been paid for or will be paid for and that there are presently no outstanding invoices for these services that are due and owing.

FOUR. TITLE STATUS. Assignor has had the title to each property abstracted and provide a copy of the abstracts or title reports to the Assignee. Assignor has further been advised and believes that there are no liens that encumber the title to each property, saving and accepting the real estate taxes due for the calendar year 2007.

FIVE. CONTRACT EXTENSIONS. Assignor does hereby warrant to Assignee proper extensions have been agreed upon with the owners of the subject property to permit the Assignor and Assignee to obtain the zoning change referenced in Section One B.

SIX. MODIFICATION OF ASSIGNMENT. Any changes or modifications to this Assignment will only be valid if the signatures of the parties hereto have been affixed.

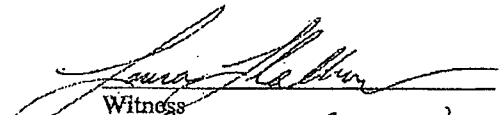
SEVEN. CONSENTS. The Assignor will obtain the consent of each Seller simultaneously with the execution of this document, acknowledging that the assignment of each contract has been effectuated and recognizing that the Assignee referenced herein is the substituted purchaser. The approval of the assignment shall be accomplished by a separate document prepared by the Assignee.

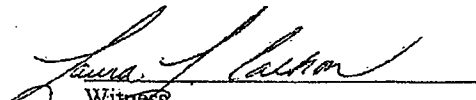
EIGHT. DISPUTE. In the event there is a dispute regarding the terms or conditions of this agreement result in litigation being filed, the prevailing party in any dispute shall be entitled to an award of reasonable attorney's fees and costs.

TEN. APPLICABLE LAW. The applicable law to be applied to any dispute between the parties is that of the State of South Carolina.

ELEVEN. BINDING. This Assignment shall be binding on the heirs, successors, and assigns of the parties hereto.

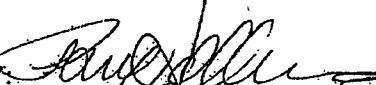
Executed this the 11th day of April, 2007.

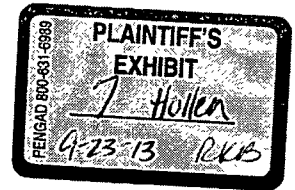

Witness
Cassie Mann
Witness


Witness
Cassie Mann
Witness

AS TO THE ASSIGNOR:
PASSAILAIGUE, LLC
 PASSAILAIGUE HOMES INC
BY: Jay Passailaigue
ITS: President

AS TO ASSIGNEE:
THORNWELL PARTNERS, LLC


BY: [Signature]
ITS: _____



THIS OPERATING AGREEMENT IS SUBJECT TO ARBITRATION
PURSUANT TO §15-48-10, *et seq.*, OF THE SOUTH CAROLINA CODE

AMENDED AND RESTATED OPERATING AGREEMENT
OF
THORNWELL PARTNERS, LLC

Recital

Pursuant to Section 33-44-101, *et seq.* of the South Carolina Limited Liability Company Act (the "Act"), the members hereby unanimously adopt this operating agreement regulating the business and affairs of this limited liability company, **THORNWELL PARTNERS, LLC** (the "LLC").

The members agree as follows:

THIS OPERATING AGREEMENT (the "Operating Agreement" or "Agreement") for Thornwell Partners, LLC is hereby amended and agreed to this 20th day of April, 2007, by all the members of the LLC. The members of this LLC are: Paul D. Hollen, III, Alfred L. Saad, III, Henry Kuznik, and Ray Passailaigue.

Section I Organization of the Limited Liability Company

§ 1.1 Formation. The LLC was organized as a South Carolina Limited Liability Company by filing the Articles of Organization with the South Carolina Secretary of State on August 3, 2006.

§ 1.2 Name. The name of the LLC is **Thornwell Partners, LLC**, and it shall conduct its business in this name.

§ 1.3 Registered office and agent. The LLC is required to have a registered office and agent, the purpose of which is to receive any official communications to the LLC. The LLC's initial office and agent are specified in the Articles of Organization as being **Paul D. Hollen III, 203 Forest Trail, Isle of Palms, SC 29451**. If the members elect to change either the office or agent (or if the agent resigns), the members agree that they will promptly file the name of the new agent or office with the Secretary of State on the Secretary of State's form for such purpose.

§ 1.4 Principal office. The principal office of the LLC is **203 Forest Trail, Isle of Palms, SC 29451**. The members may change the location of the office, but if they do so, the LLC shall notify all the members in writing of the address of the new office.

§ 1.5 Doing business in other states. If the LLC elects to do business in a state other than South Carolina, the LLC shall determine if it is required to "qualify to do business" in that state, and if so, the LLC shall make all the required filings in that state before conducting any business in the state.

§ 1.6 Term. The Articles of Organization provide that this LLC shall be of perpetual duration. This LLC may terminate before such date if either (a) the members so agree as provided in § 8.1 any member ceases to be a member (as specified in § 7) and the remaining members do not vote, as provided in § 8.1 to continue this LLC.

§ 1.7 Not a partnership. The members intend that this LLC shall not be a partnership (including both a limited partnership and joint venture) and that no member shall be deemed to be either a partner or joint venturer other than for federal and state tax purposes. All the provisions in this Operating Agreement shall be interpreted and construed in accordance with this provision.

§ 1.8 Purpose. The specific business purpose and activity contemplated by the founders of this LLC at the time of the initial signing of the agreement consists of the following:

(A) Real estate investments.

It is understood that the foregoing statement of purpose shall not serve as a limitation on the powers or abilities of this LLC, which shall be permitted to engage in any and all lawful business activities. If this LLC intends to engage in business activities outside the state of its formation that require the qualification of the LLC in other states, it shall obtain such qualifications before engaging in such out-of-state activities.

§ 1.9 Duration. The duration of this LLC shall be perpetual. Further, this LLC shall terminate when a proposal to dissolve the LLC is adopted by the membership of this LLC or when this LLC is otherwise terminated in accordance with the law.

Section II - Members

§ 2.1 The members and percentage interest of each member. The members of this LLC, and the percentage interest held by each member are as follows:

	<u>Contribution</u>	<u>Percentage of Interest</u>
(A) Alfred L. Saad, III 1030 Laurens Street Columbia, SC 29201	\$ 350,000.00	9.40%
(B) Paul D. Hollen, III 203 Forest Tr. Isle of Palms, SC 29451	\$1,100,000.00	29.55%

(C)	Henry Kuznik <u>2119 SAVANNAH Highway</u> <u>Charleston, S.C. 29414</u>	\$1,250,000.00	33.58%
(D)	Ray Passailaigue _____ _____	\$1,022,900.00	27.48%

§ 2.2 Rights of members.

(A) Every member of this LLC has all of the rights which are defined in the South Carolina Limited Liability Company Act. Each member has the right to:

- (1) share in profits and losses (in accordance with § 6.1);
- (2) share in distributions (in accordance with § 6.3);
- (3) to vote and manage the LLC (in accordance with § 3);
- (4) to inspect LLC records and receive information (in accordance with § 9.1 & 9.2);
- (5) receive a certificate specifying the extent of each of the rights specified in (a), (b), (c) & (d) (§ 9.2(b)).

(B) Membership Provisions:

- (1) Liability of Members: No member of this LLC shall be personally liable for the expenses, debts, obligations or liabilities of the LLC, or for claims made against it.
- (2) Reimbursement for Organizational Costs: Members shall be reimbursed by the LLC for any organizational expenses paid by the members. The LLC shall be authorized to elect to deduct organizational expenses and start-up expenditures ratably over a period of time as permitted by the Internal Revenue Code and as may be advised by LLC's tax advisor.

§ 2.25 Certificates. This LLC shall be authorized to obtain and issue certificates representing or certifying membership interests in this LLC. Each certificate shall show the name of the LLC, the name of the member, and state that the person named is a member of the LLC and is entitled to all the rights granted members of the LLC under the Articles of Organization, Certificate of Formation

or a similar organizational document, this operating agreement and provisions of law. Each membership certificate shall be consecutively numbered and signed by one or more officers of this LLC. The certificates shall include any additional information considered appropriate for inclusion by the members on membership certificates.

In addition to the above information, all membership certificates shall bear a prominent legend on their face or reverse side stating, summarizing or referring to any transfer restrictions that apply to memberships in this LLC under the Articles of Organizations, Certificate of Formation or a similar organizational document and/or this operating agreement, and the address where a member may obtain a copy of these restrictions upon request from this LLC.

The records book of this LLC shall contain a list of the names and addresses of all persons to whom certificates have been issued, show the date of issuance of each certificate, and record the date of all cancellations or transfers of membership certificates.

§ 2.3 Admission of new members by vote of the members. Additional members may be admitted into the LLC only upon a 100% vote of the members which admission vote shall also specify the share of profits and losses which shall be allocated to the new member, the capital being contributed by the member, and its value. The vote shall also specify the manner in which the profit and loss shares of the existing members shall be reduced.

§ 2.4 Member may not substitute another person in his place as a member without a unanimous vote. If a member desires to substitute another person for himself as the member, an affirmative vote is required. First, one hundred percent (100%) of members must, and in writing, approve the substitution. Second, all members (other than the member requesting the permission to substitute) must vote to continue the LLC. Upon both affirmative votes, the substituted member shall become a member when the person's admission is reflected upon the records of this LLC. If a member attempts to transfer all of his rights (or only his rights to vote and manage) in the LLC to another person without the affirmative vote of all members, such act is void ab initio. The member attempting the transfer remains the member and the purported substitute obtains no rights whatsoever.

Section III - Management & Control of the LLC

§ 3.1 Management by members. The members of this LLC shall have the full power and authority to manage the affairs of this business, to make all decisions, and to take all actions for the LLC. Each member agrees to be an active participant in the operation of the business of this LLC. Each member shall participate in the management of the LLC including but not limited to: regularly attending meetings of the members, determining whether to open or close an office, hiring of employees, admitting members, establishing any member committees, establishing draws and compensation, establishing business policies, and generally being responsible for the overall operation of the LLC.

§ 3.2 Votes of members. Each member of this LLC shall, as of the adoption of the Operating Agreement, allocate votes based upon their shares of both capital and profits and losses.

§ 3.3 Place of meeting. All meetings of the members shall be held at the current principal office of the LLC or at the Property above described. Members may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting as provided here shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

§ 3.4 Conduct of meetings. All meetings of members shall be presided over by a chairman who shall be selected annually by a majority vote of the members. The chairman shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion. Written minutes of the discussions and proposals presented at a members' meeting, and the votes taken and matters approved at such meeting, shall be taken by one of the members or a person designated at the meeting. A copy of the minutes of the meeting shall be placed in the LLC's records book after the meeting.

§ 3.5 Annual meeting. The LLC shall hold an annual meeting on the third Tuesday in January at 5:00 p.m. to be held at the current principal office of the LLC. If such date is a legal holiday, the meeting shall be held at the same hour at the next business day of the week. The purpose of the annual meeting shall be to elect a person to serve as chairman of future meetings, etc. The failure to hold such meeting shall not invalidate any action taken by the LLC nor constitute a dissolution of the LLC.

§ 3.6 Special meetings. Special membership meetings may be held at any time upon the call of one (1) member. The member calling the meeting shall state the purpose(s) and the matters proposed to be acted upon in writing.

§ 3.7 Notice of meetings. No notice shall be required for the annual meeting. Notice of any special meeting shall be given either orally or by written notice at least five (5) business days prior to the meeting. If all members cannot attend a meeting, it shall be postponed to a date and time when all members can attend, unless all members who do not attend have agreed in writing to the holding of the meeting without them. If a meeting is postponed, and the postponed meeting cannot be held either because all members do not attend the postponed meeting or the nonattending members have not signed a written consent to allow the postponed meeting to be held without them, a second postponed meeting may be held at a date and time announced at the first postponed meeting. The date and time of the second postponed meeting shall also be communicated to any members not attending the first postponed meeting.

§ 3.8 Quorum. A quorum for all meetings shall require the presence, in person, of all members of the LLC.

§ 3.9 Required vote and type of vote.

- (A) Ordinary Actions: For any ordinary action to be taken, members holding a majority in interest must vote "yes" (1) at a duly called and constituted meeting, or (2) by written consent. Majority of interest shall mean at least three (3) of the present members of the LLC vote in the affirmative. "Ordinary actions" are all actions of the LLC except those specified as "extraordinary actions, (subsections "B" below), or as otherwise might be provided in the South Carolina Code or provisions of this Operating Agreement.
- (B) Extraordinary Actions: For any extraordinary action to be taken, all members must vote "yes" (1) at a duly called and constituted meeting, or (2) by written consent. Extraordinary actions are:
 - (1) A vote to amend this Operating Agreement;
 - (2) A vote to admit an additional person as a member of this LLC; and
 - (3) A vote to disassociate a member:

Upon any event of disassociation, whether by voluntary or involuntary withdrawal of a member, the remaining members may within 90 days of such disassociation determine whether to continue the LLC. The LLC shall not be continued unless within 90 days after any disassociation a majority-in-interest of the remaining members agree in writing to continue the business of the limited liability company. A majority-in-interest shall require the majority vote of both those members owning a majority of the capital and also those holding a majority of the profits and losses.

§ 3.10 Action by Consent or Approval. Actions which may be taken at a meeting of the members, may be taken without a meeting by written consent signed by members holding the required number of votes to approve the action. Such written consents shall be retained in the permanent records of the LLC and shall have the same force and effect as action taken at a meeting.

§ 3.11 Checks, notes, etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the LLC shall be signed or endorsed by any member who has been duly authorized to do so by the members.

§ 3.12 Powers of members. Every member is an agent of the LLC for the purpose of its business or affairs, and the act of any member including, but not limited to, the execution in the name of the LLC of any instrument, for apparently carrying on in the usual way the LLC business or business of the kind carried on by the LLC binds the company, unless the member so acting has, in fact, no authority to act for the LLC in the particular matter and the person with whom the member is dealing has knowledge of the fact that the member has no such authority.

Section IV - Fiduciary Duties of Members

§ 4.1 Duty of care. A member in conducting or winding up the business of this LLC, shall refrain from engaging in grossly negligent conduct, intentional misconduct, and knowing violation of the law. Even with the unanimous written consent of all the members, this duty of care may not be reduced.

§ 4.2 Self-dealing by members. Before the LLC enters into any agreement to purchase property from, sell property to, or otherwise deal with any member, acting on his own behalf, or any corporation, partnership, or other entity of which the member (or spouse or child the member) is a director, shareholder, owner, partner, or employee, a majority of the disinterested members shall approve the transaction. The approval shall only be after full disclosure by such member to the disinterested members of his interest in the other contracting party and all of the proposed terms of the transaction. Provided further, that all such transactions shall be made on terms and conditions which are no less favorable to the LLC than if the sale, purchase, or other transaction had been entered into with an independent third party.

Section V - Capital Contributions

§ 5.1 Contributions. Each member has made capital contributions as set forth herein.

§ 5.2 Additional Contributions. Upon vote or consent of members holding a majority in interest that additional capital contributions are required to enable the LLC to be properly operated or to meet its obligations, each member agrees that he will contribute an amount of the additional contribution based on his percentage interest in the LLC.

§ 5.3 Failure to make additional capital contributions. If a member fails to make a required capital contribution within the time agreed for a member's contribution, the remaining members may, by a majority vote, agree to reschedule the time for payment of the capital contribution by the late-paying member, setting any additional repayment terms, such as a late payment penalty, rate of interest to be applied to the unpaid balance not to exceed six (6%) percent per annum, or the monetary amount to be paid by the delinquent member, as the remaining members decide. Alternatively, the remaining members may, by unanimous vote, agree to cancel the membership of the delinquent member, provided any prior partial payments of capital made by the delinquent member are refunded by the LLC to the member after the decision is made to terminate the membership of the delinquent member in fifteen (15) equal monthly installments.

§ 5.4 Capital accounts. The LLC shall establish and maintain capital accounts for each member in accordance with Treas. Reg. § 1.704-1(b)(2)(iv).

(A) Each member's capital account shall be increased by:

(1) the amount of any money actually contributed by the member to the LLC;

- (2) the fair market value of property contributed by the member to the LLC (net of liabilities secured by such contributed property that the LLC is considered to assume or take subject to under IRC § 752);
 - (3) the value of any service or benefit conferred upon the LLC by any member as agreed to by the members of the LLC;
 - (4) allocation to the member of the net profits and net losses of the LLC; and
 - (5) allocations to the member of income described in IRC § 705(a)(1)(B).
- (B) Each member's capital account will be decreased by:
- (1) the amount of money distributed to the member of the LLC;
 - (2) the fair market value of property distributed to the member by the company (net of liability secured by such distributed property that such member is considered to assume or take subject to under IRC § 752);
 - (3) allocations to the member of expenditures described in IRC § 705(a)(2)(B); and
 - (4) allocation to the account of the member of LLC loss and deduction as set forth in the relevant Treasury Regulations, taking into account adjustments to reflect book value.

The manner in which capital accounts are to be maintained pursuant to this § 5.4 is intended to comply with the requirement of IRC § 704(b) and the Treasury Regulations promulgated thereunder. In cases where § 704(C) IRC and § 1.704-3 of the Treas. Regs. apply to LLC property, the member's capital accounts shall be adjusted in accordance with § 1.7041(b)(2)(iv)(g) of those regulations for allocations to them of income, gain, loss, and deduction (including depreciation, depletion, amortization, or other cost recovery) as computed for book purpose, with respect to the property. If in the opinion of the LLC's accountants the manner in which capital accounts are to be maintained pursuant to the preceding provisions of this Section 5.4 should be modified to comply with IRC § 704(b) and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this section 5.4, the method in which capital accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining capital accounts shall not materially alter the economic agreement between or among the members. No member shall be given priority or preference with respect to other members in obtaining a return of capital contributions, distributions or allocations of the income, gains, losses, deductions, credits or other items of the LLC.

§ 5.5 Capital accounts.

Section VI - Sharing Profits, Distributions & Taxable Income

§ 6.1 Compensation to members. Members shall not be paid as members of the LLC for performing any duties associated with such membership, including management of the LLC, Members may be paid, however, for any services rendered in any other capacity for the LLC, whether as officers, employees, independent contractors or otherwise.

§ 6.2 Allocation of profits and losses and taxable income, gain, loss, deductions and credit.

- (A) Both profits/ losses of the LLC and, except as may be required by § 704(c) IRC, the items of taxable income, gain, loss, deduction and credit, including all specially allocated items, shall be apportioned among the members in accordance with his interest in the LLC.
- (B) Members' Percentage Interests: A member's percentage interest in this LLC shall be computed as a fraction, the numerator of which is the total of a member's capital account and the denominator of which is the total of all capital accounts of all members. This fraction shall be expressed in this agreement as a percentage, which shall be called each member's "percentage interest" in this LLC.

§ 6.3 Distributions to members.

- (A) Regular Distributions: Distributions shall be made on a pro rata basis.
- (B) Allocation of Noncash Distributions: If proceeds consist of property other than cash, adjustments will be made to satisfy the obligation of returning capital and a seven (75) percent per annum return before the remaining properties are divided equally between the members of the LLC.
- (C) Member Draws More Than His Share: If the total distributions paid to any member in any fiscal year exceed the amount of profits earned by such member in that year, the member shall promptly repay such excess draw back to the LLC as an addition to capital. If the member fails or refuses to repay such excess draw, he shall cease to receive any additional distributions until the amount of foregone distributions equal the prior year's excess draw. This provision shall be in addition to any limitations upon distributions as provided herein.
- (D) No Distributions in Kind: Except as may be provided in the Articles of Organization or an amendment to this Operating Agreement, no member, regardless of the nature

of the members' contribution to capital, may demand or receive a distribution from this LLC in any form other than cash.

(E) Redemption of Membership Shares: If a member withdraws and the remaining members agree to continue the LLC, the LLC shall redeem the former member's share according to the terms of this Operating Agreement (*see* § 7). Such redemption is subject to the limitations provided in subsections "c" and "e."

(F) Limitation on Distributions: No distribution may be made if, after giving effect to the distribution:

- (1) this LLC would not be able to pay its debts as they become due in the usual course of business; or
- (2) the assets of the LLC would be less than the sum of its liabilities plus, the amount that would be needed, if the LLC were to be dissolved at the time of the distribution, to satisfy the preferential rights of other members upon dissolution which are superior to the rights of the member receiving the distribution.

(G) The LLC may base a determination that a distribution is not prohibited either on:

- (1) financial statements prepared on the basis of accounting practices and principles that are reasonable under the circumstances; or
- (2) a fair valuation or other method that is reasonable under the circumstances.

(H) The effect of a distribution is measured:

- (1) in the case of a of distribution by purchase or other acquisition of the member's interest in the LLC, as of the date money or other property is transferred or debt incurred by the LLC;
- (2) in the case of any other distribution of indebtedness, as of the date the indebtedness is distributed;
- (3) in all other cases, as of (i) the date of the distribution is authorized if the payment occurs within one hundred twenty days after the date of authorization, or (ii) the date the payment is made if it occurs more than one hundred twenty days after the date of authorization.

§ 6.4 Tax and financial provisions.

- (A) **Tax Classification of LLC:** The members of this LLC intend that this LLC be initially classified as a partnership for federal and, if applicable, state income tax purposes. It is understood that all members may agree to change the tax treatment of this LLC by signing, or authorizing the signature of, IRS Form 8832, Entity Classification Election, and filing it with the IRS and, if applicable, the state tax department within the prescribed time limits.
- (B) **Tax Year and Accounting Method:** The tax year of this LLC shall use the cash method of accounting. Both the tax year and the accounting period of the LLC shall use the cash method of accounting. Both the tax year and the accounting period of the LLC may be changed by majority vote of the members if the LLC qualifies for such change, and may be effected by the filing of appropriate forms with the IRS and state tax authorities.
- (C) **Tax Matters Partner:** Paul D. Hollen, III, is hereby designated as the Tax Matters Partner.
- (D) **Annual Income Tax Returns and Reports:** Within sixty (60) days after the end of each tax year of the LLC, a copy of the LLC's state and federal income tax returns for the preceding tax year shall be mailed or otherwise provided to each member of the LLC, together with any additional information and forms necessary for each member to complete his individual state and federal income tax returns. If this LLC is classified as a partnership for income tax purposes, this additional information shall include a federal (and, if applicable, state) Form K-1 (Form 1065-Partner's Share of Income, Credits, Deductions) or equivalent income tax reporting form. This additional information shall also include a financial report, which shall include a balance sheet and profit and loss statement for the prior tax year of the LLC.
- (E) **Bank Accounts:** The LLC shall designate one or more banks or the institutions for the deposit of the funds of the LLC, and shall establish savings, checking, investment and other such accounts as are reasonable and necessary for its business and investments. One or more members of the LLC shall be designated with the consent of a majority of members to deposit and withdraw funds of the LLC, and to direct the investment of funds from, into and among such accounts. The funds of the LLC, however and wherever deposited or invested, shall not be commingled with the personal funds of any members of the LLC.
- (F) **Title to Assets:** All personal and real property of this LLC shall be held in the name of the LLC, not in the names of individual members.

Section VII - Disassociation of Any Member, But LLC Continues

§ 7.1 Withdrawal of members. Any member may withdraw from this LLC upon providing ninety (90) days written notice to all other members of the LLC. The LLC will obtain an MAI appraisal of the assets owned by the LLC within thirty (30) days after receiving notice or as soon as thereafter practical with copies of the appraisal being delivered to each member. The LLC will thereafter deduct from the withdrawing member's interest, the full cost of the appraisal and any monies due the LLC from that member.

§ 7.2 Events of proper disassociation.

- (A) Events of Proper Withdrawal/Disassociation: If a member disassociates in any of the following ways, such shall be deemed to be a proper disassociation. Any member of this LLC has the power under the laws of South Carolina to withdraw from this LLC at any time.
- (B) Substitution: The member has substituted another person for himself as a member in accordance with the provisions of this Agreement.
- (C) Death: The member dies.
- (D) Disability: There is an entry of an order by a court of competent jurisdiction adjudicating the member to be an incapacitated person so that he lacks sufficient understanding or capacity to make or communicate responsible decisions concerning his person or property.
- (E) Bankruptcy:
 - (1) If the member files for bankruptcy or takes other similar actions (or such are filed against him);
 - (2) Procedure to redeem if member properly withdraws/disassociates: If a majority-in-interest of the remaining members within 90 days of any event of proper disassociation (as defined in subsection (a) above) vote to continue the LLC, the LLC shall thereupon redeem the interest of the disassociated member as follows. (Provided of course, the LLC shall not redeem the interest of a member who has properly substituted another person for himself in accordance with § 2.4.) Within 90 days after such affirmative vote, the LLC shall notify the disassociated member (or the personal representative of his estate) in writing of the election to continue to the LLC and redeem the disassociated member's membership in the LLC. The LLC shall pay the disassociated member the total sum due in fifteen (15) equal monthly

installments or in accordance with such other terms agreed upon by the parties.

- (3) Redemption Value: The LLC shall pay to the disassociated member (or the personal representative of his estate) the value of his membership rights in the LLC which is market value.

§ 7.3 Wrongful withdrawal.

- (A) Events of Wrongful Withdrawal/Disassociation: If a member disassociates in any of the following ways, such shall be deemed to be a wrongful withdrawal/disassociation:
 - (1) Judicial Expulsion: The member is expelled by judicial decree;
 - (2) Involuntary Withdrawal: A member automatically withdraws if a court orders that all his rights be transferred to another person or entity.
- (B) Procedure: If after any event of wrongful withdrawal/disassociation (as defined above), a majority-in-interest of the remaining members shall within ninety (90) days of the event of disassociation vote to continue the LLC, then the LLC shall redeem the withdrawing/disassociating member's membership according to the following procedures. Within ninety (90) days after such affirmative vote to continue, a remaining member of the LLC shall notify the disassociated member in writing of the election to continue to the LLC and to redeem the disassociated member's rights in the LLC. The LLC shall pay the disassociated member in fifteen (15) equal monthly installments or in accordance with such other terms agreed upon by the parties.
- (C) Redemption Value - Wrongful Withdrawal/Disassociation: The LLC shall pay to the wrongfully disassociated member the value of his membership in the LLC which shall be appraised value as determined by an MAI appraisal minus the full costs of the appraisal, any monies due the LLC from the members and an administrative fee of three percent (3%).

§ 7.4 Adjustments. Subsequent to the redemption of a withdrawing/disassociating member pursuant to this § 7, the members shall determine the profit and loss shares of the remaining members, and make any adjustments which must be made to the capital accounts of the remaining members. Likewise the members shall consider whether any adjustment should be made to the voting rights of the remaining members.

Section VIII - Dissolution, Winding Up, and Termination

§ 8.1 Events of dissolution. The LLC shall dissolve, its affairs shall be wound up, and the LLC shall thereupon terminate upon the first to occur of the following:

- (A) The written consent of all the members;
- (B) Upon any member ceasing to be a member of this LLC as provided in § 7, but only if a majority in interest of the remaining members fail within ninety (90) days of such event of disassociation/withdrawal to vote to continue this LLC, as provided in § 7, or there is only one remaining member;
- (C) Entry of a decree of judicial dissolution of the LLC; or
- (D) Administrative dissolution.

§ 8.2 Winding up of the LLC. Upon the occurrence of any event specified in § 8.1 above, a majority of the remaining members of the LLC shall appoint one or more members to serve as liquidator. The liquidator shall proceed diligently to wind up the affairs of the LLC and make final distributions as provided herein and in the South Carolina Limited Liability Company Act. The cost of liquidation shall be borne as a LLC expense. Until final distribution of the remaining assets to the members, the liquidator shall continue to operate the LLC with all of the power and authority of the members.

§ 8.3 Distributions made in accordance with positive capital accounts.

- (A) **Cash Distributions:** After arranging for the payment of LLC debts and obligations the liquidating members shall distribute the remaining cash to the members in accordance with the positive capital account balances of the members.
- (B) **Property Distributions:** If the liquidating members elect to distribute remaining LLC property in kind, the liquidating members shall determine the fair market value of the property and the capital accounts of the members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the capital accounts previously would be allocated among the members if there were a taxable disposition of the property for the fair market value of that property on the date of distribution. The LLC property shall be distributed among the members in accordance with the positive capital account balances of the members, as determined after taking into account all capital account adjustments for the taxable year of the LLC during which the liquidation of the LLC occurs (other than those made by reason of this clause); and those

distributions shall be made, if possible by the end of the taxable year of the LLC during which the liquidation of the LLC occurs.

§ 8.4 Deficit capital accounts. Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any member results from or is attributable to deductions and losses of the LLC (including non-cash items such as depreciation) or distributions of money pursuant to this Operating Agreement to all members in proportion to their respective shares of profits, upon dissolution of the LLC as provided in this Section 8 such deficit shall not be an asset of the LLC and such members shall not be obligated to contribute such amount to the LLC to bring the balance of such member's capital account to zero.

§ 8.5 Sections of dissolution. After the dissolution of the LLC pursuant to this Section 8, (other than because of judicial or administrative dissolution), the liquidator shall file articles of dissolution.

Section IX - Miscellaneous Provisions

§ 9.1 Books and records. The LLC shall keep at its principal place of business:

- (A) a current and past list, setting forth the full name and last known mailing address of each member set forth in alphabetical order;
- (B) a copy of the articles of organization, all amendments thereto, and all other documents filed with the Secretary of State, together with executed copies of any powers of attorney pursuant to which the articles or amendment or any filed document has been executed;
- (C) copies of the limited liability company's federal, state, and local tax returns and financial statements, if any, for the three most recent years of, if those returns and statements were not prepared for any reason, copies of the information and statements provided to, or which should have been provided to, the members to enable them to prepare their federal, state, and local tax returns for the period;
- (D) copies of any effective written operating agreement, and all amendments thereto, and copies of any written operating agreements no longer in effect;
- (E) unless contained in the current operating agreement;
 - (1) a writing setting out the amount of cash, if any, and a statement of the agreed value of other property or services, if any contributed by each member and the times at which or events upon the happening of which any additional contributions are to be made by each member;

- (2) a writing stating events, if any, upon the happening of which the limited liability company is to be dissolved and its affairs wound up; and
- (3) other writings prepared pursuant to a requirement of this operating agreement.

§ 9.2 Members rights to inspect books and receive information.

- (A) Right to Inspect: Upon reasonable request, a member or personal representative of any deceased member or of any member under legal disability, at the member's own expense, may inspect and copy during ordinary business hours any limited liability company record, wherever the record is located. The right to inspect does not include the right to inspect financial statements and tax returns that may have been given to a financial institution by any member(s) for the purposes of obtaining financing for any LLC project.
- (B) Duty to Provide Information: At the request of any member, or the personal representative of any deceased member or of any member under legal disability, the limited liability company shall provide:
 - (1) to the extent the circumstances render it just and reasonable, true and full information of all things affecting the members, and
 - (2) in writing a description of the particular membership rights owned by that member as of the date the limited liability company makes the statement, which statement must describe the member's
 - (i) right to vote;
 - (ii) right to share in profits and losses;
 - (iii) right to share in distributions;
 - (iv) restrictions on the member's right to assign any or all of his financial interest in the limited liability company, pursuant to the South Carolina Code; and
 - (v) any assignment of the member's financial interest then in effect other than a security interest.

§ 9.3 Former member's right to inspect books and records. Upon reasonable request and for a proper purpose, a former member (including the estate of a deceased member) may at his own

expense, inspect and copy during ordinary business hours any limited liability company record pertaining to the period during which he was a member.

§ 9.4 Accounting method and tax year. The LLC shall maintain its books on the cash method of accounting. The LLC has adopted the calendar year.

§ 9.5 Headings. The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

§ 9.6 Construction. Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Sections refers to the Sections of this Operating Agreement, and all references to Exhibits, if any, are to Exhibits attached thereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as it is reasonable and possible: (A) the remainder of this Operating Agreement shall be considered valid and operative; and (B), effect shall be given to the intent manifested by the portion held invalid or inoperative.

§ 9.7 Entire agreement. This Operating Agreement (and the Articles of Organization which it amplifies) constitutes the entire agreement of the members, and supersede all prior contracts or agreements with respect to the LLC, whether oral or written.

§ 9.8 Effect of waiver or consent. A waiver or consent, express or implied, to or of any breach or default by any person in the performance by that person of his obligations with respect to the LLC is not a consent or waiver to or of any other breach or default in the performance by the person of the same or any other obligations of that person with respect to the LLC. Failure on the part of a person to complain of any act or any person or to declare any person in default with respect to the LLC, irrespective of how long that failure continues, does not constitute a waiver by the person of his rights with respect to that default until the applicable statute-of-limitations period has run.

§ 9.9 Binding effect. This Operating Agreement is binding on the members and their respective heirs, legal representatives, successors, and assigns.

§ 9.10 Governing law. This Operating Agreement is governed by and shall be construed in accordance with the law of the State of South Carolina.

§ 9.11 Notices. All demands and notices given hereunder shall be sent by certified mail, return receipt requested addressed to the parties at the addresses set forth above or to such other addresses as each may designate by so advertising the parties by the same method of notice.

§ 9.12 Severability. If any of the provisions of this Agreement shall contravene or be invalid under the laws of the State of South Carolina and of the United States, such contravention or invalidity shall not invalidate the entire Agreement, but it shall be construed as if not containing the particular

provision or provisions held to be invalid, and the rights and obligations of the parties shall be construed and enforced accordingly.

§ 9.13 Attorney fees. In the event it is necessary for anyone of the parties hereto to bring any action to enforce any of the terms and covenants of this Agreement, it is agreed that the prevailing party may be entitled to reasonable attorney fees and the costs of such action to be determined by the appropriate Court.

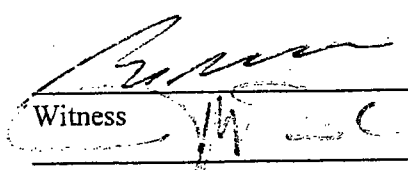
§ 9.14 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original. If it is necessary to provide proof of this agreement, it shall only be necessary to produce the counterpart signed by the party against whom the proof is being presented.

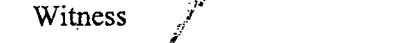
§ 9.15 Mediation and arbitration. Any controversy arising out of this Agreement shall, at first, attempt to be resolved by mediation. If the mediation is unsuccessful, then the parties agree to submit the controversy to binding arbitration pursuant to Section 15-48-10, et seq., of the South Carolina Code of Laws. This agreement to arbitration permits the parties to use the discovery provisions of the South Carolina Rules of Civil Procedure as set forth in Rules 26-36. The award of the arbitration may be entered as a judgment in the Court of Common Pleas. The parties agree that both the mediation and arbitration shall take place in Charleston County and the cost of each proceeding shall be borne equally by the parties. The parties can agree on the appointment of the mediator and arbitrator, but if they are unable to do so, they agree that the Chief Administrative Judge of the Ninth Judicial Circuit shall make the necessary appointment(s).

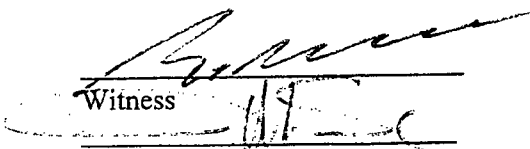
§ 9.16 Survival of provisions. To the extent necessary to enforce its terms and conditions, all the provisions of this Agreement shall survive its cancellation, termination or expiration.

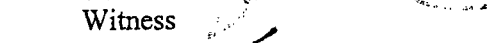


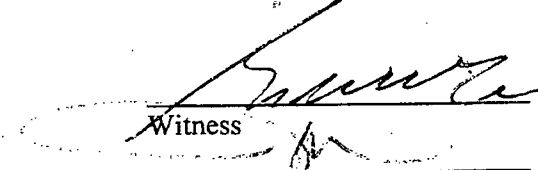
IN WITNESS WHEREOF, being all the members hereby certify that the foregoing Operating Agreement was unanimously adopted by the members effective the day and the year herein above written, the undersigned have each affixed our signatures.


Witness

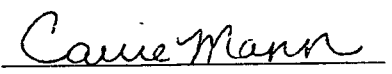

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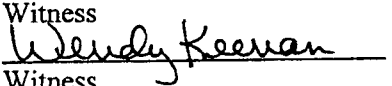

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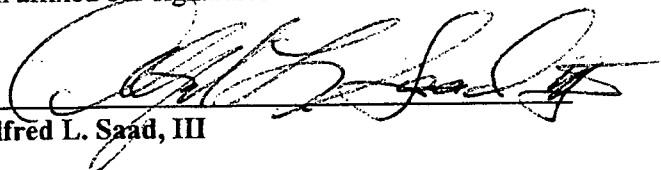

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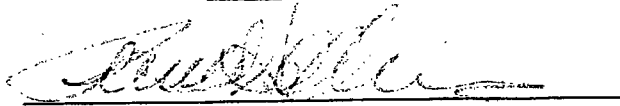

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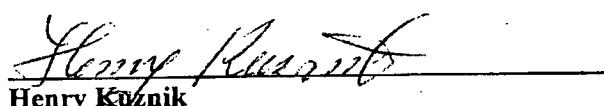

Witness


Alfred L. Saad, III

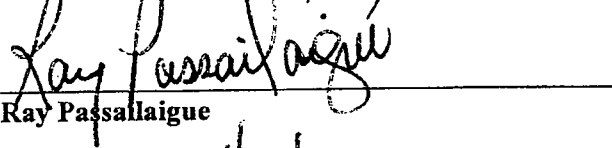
Effective Date: 4/20/07


Paul D. Hollen, III

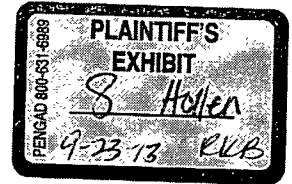
Effective Date: 4/20/2007


Henry Koznik

Effective Date: 4/20/07


Ray Passallaigue

Effective Date: 4/20/07



REC'D PAYMENT 11/8/11
NO. 01517
1000
CLARK COUNTY, SC

File Number: 11-049
Prepared by and return to:
John M. Bleecker, Jr.
89 Broad Street
Charleston, SC 29401

Grantee's Address: 2983 Ashley Town Center Drive
Charleston, SC 29414

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, that THORNWELL PARTNERS, LLC, for and in consideration of a partial assumption of its liability in the amount of TWO MILLION and NO/100 DOLLARS (\$2,000,000.00) and as a disbursement of a membership share, to it paid by HENRY KUZNIK, in the State aforesaid (the receipt of which is hereby acknowledged) has granted, bargained, sold and released, and by these presents does grant, bargain, sell, and release all its right, title and interest unto Henry Kuznik, his heirs and assigns, forever, the following described real property, to-wit:

21.671 Acres

ALL that lot, piece or tract of land in the City of North Charleston, Charleston County, State of South Carolina, being 21.671 acres and being shown and designated as **LOT AB-2** on that certain plat entitled "FINAL PLAT SHOWING THE ABANDONMENT OF THE PROPERTY LINE BETWEEN TMS NOS 395-00-00-001 & -003 AD THE SUBSEQUENT SUBDIVISION TO CREATE TRACT AB-1 (14.787 AC) AND TRACT AB-2 (21.671 ACRES)" dated October 17, 2011, prepared by HLAINC and recorded in Plat Book L11 at page 271. For a more complete description of said Lot, reference may be had to said plat, which is incorporated herein by reference and made part and parcel hereof.

BEING a portion of the property conveyed to Thornwell Partners, LLC by deed of William R. Dasinger dated April 20, 2007 and recorded in the Charleston County RMC Office in Book C623 at page 304; and by Harold E. Dasinger dated April 20, 2007 and recorded in the Charleston County RMC Office in Book C623 at page 308.

TMS# 395-00-00-001 & -003 (Portion)

TOGETHER, with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the premises before mentioned unto **Henry Kuznik, his heirs and assigns, forever.**

IN WITNESS WHEREOF, Thornwell Partners, LLC, has caused these presents to be executed this 28th day of October, 2011.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

William P. McElwee, Jr.
Matthew B. Babin

THORNWELL PARTNERS, LLC
By: Thornwell Investments, LLC, Member

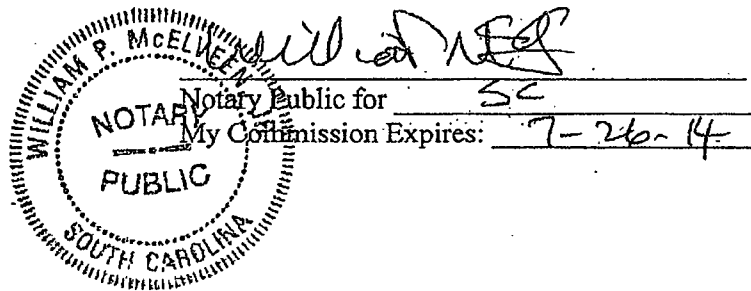
Alfred L. Saad, III
Its: Authorized Member

STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

ACKNOWLEDGMENT

I, William P. McElwee, Jr., a Notary Public in and for the County and State aforesaid, certify that Alfred L. Saad, III, as the sole member of Thornwell Investments, LLC, as a member of Thornwell Partners, LLC, personally appeared before me and acknowledged the execution of the foregoing instrument.



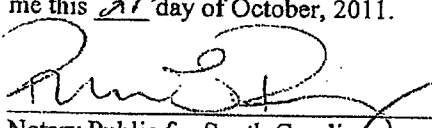
STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

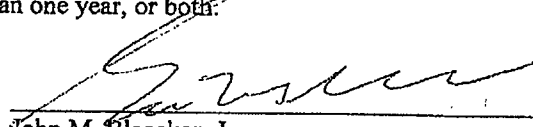
AFFIDAVIT OF TRUE CONSIDERATION

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property is 21.671 acres known as Lot AB-2, Charleston County, South Carolina, being a portion of the Charleston County Tax Map Numbers 395-00-00-001 & -003, was transferred by Thornwell Partners, LLC to Henry Kuznik on October __, 2011.
3. Check one of the following: The deed is:
 - (a) _____ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) X subject to the deed recording fee as a transfer between a corporation, a partnership or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) _____ EXEMPT from the deed recording fee because (exemptions 1-12) (If exempt, please skip items 4-7, and go to Item of this Affidavit).
4. Check one of the following if either Item 3(a) or 3(b) above has been checked.
 - (a) X The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of **\$2,000,000.00**.
 - (b) _____ The fee is computed on the fair market value of the realty which is \$_____.
 - (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$_____.
5. Check YES ___ or NO X to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$_____.
6. The Deed Recording Fee is computed as follows:
 - (a) 2,000,000 The amount listed in Item 4 above.
 - (b) -0- The amount listed in Item 5 above (no amount place zero).
 - (c) 2,000,000 Subtract Line 6(b) from Line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Attorney for Grantor.
8. I understand that a person required to furnish this Affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SUBSCRIBED AND SWORN TO before
me this 27th day of October, 2011.


Notary Public for South Carolina
My Commission Expires: 8/5/2013


John M. Bleecker, Jr.

STATE OF SOUTH CAROLINA)
)
)
COUNTY OF CHARLESTON) **MEMORANDUM OF AGREEMENT
AND AUTHORIZATION AS TO THE
DISBURSEMENT OF MEMBERSHIP
INTEREST OF THORNWELL PARTNERS, LLC**

This is a Memorandum of Agreement made between the following parties on, and deemed effective as of, October 28, 2011.

RECITALS

1. The "PARTIES" to this agreement are:
 - a. Thornwell Partners, LLC ("Thornwell Partners");
 - b. Kuznik Holdings, LLC ("Kuznik Holdings");
 - c. Henry Kuznik ("Kuznik");
 - d. Thornwell Investments, LLC ("Thornwell Investments")
 - e. Alfred L. Saad, III ("Saad");
2. The current assets of Thornwell Partners consists of three tracts of land (the "Property") described as follows:

3.084 AC

ALL that lot, piece or tract of land in the City of North Charleston, Charleston County, State of South Carolina, being 3.084 acres and being shown and designated as LOT A-1A on that certain plat entitled "FINAL PLAT SHOWING THE SUBDIVISION OF LOT A-1 TMS NO. 395-00-00-001 (13.930 AC) TO CREATE LOT A-1A (3.084 AC), AND RESIDUAL LOT A-1 (10.846 AC)" dated August 15, 2011, revised September 1, 2011, prepared by HLAINC, and recorded September 9, 2011 in the RMC Office for Charleston County in Plat Book L11 at page 250. For a more complete description of said Lot, reference may be had to said plat, which is incorporated herein by reference and made part and parcel hereof.

TMS# 395-00-00-001 (Portion)

AND

21.671 AC

ALL that lot, piece or tract of land in the City of North Charleston, Charleston County, State of South Carolina, being 21.671 acres and being shown and designated as LOT AB-2 on that certain plat entitled "FINAL PLAT SHOWING THE ABANDONMENT OF THE PROPERTY LINE BETWEEN TMS NOS 395-00-00-001 & -003 AD THE SUBSEQUENT SUBDIVISION TO CREATE TRACT AB-1 (14.787 AC) AND TRACT AB-2 (21.671 ACRES)" dated October 17, 2011, prepared by HLAINC and recorded in Plat Book L11 at page 271. For a more complete description of said Lot, reference may be had to said plat, which is incorporated herein by reference and made part and parcel hereof.

TMS# 395-00-00-001 & -003 (Portion)

AND

14.787 AC

ALL that lot, piece or tract of land in the City of North Charleston, Charleston County, State of South Carolina, being 14.787 acres and being shown and designated as LOT AB-1 on that certain plat entitled "FINAL PLAT SHOWING THE ABANDONMENT OF THE PROPERTY LINE BETWEEN TMS NOS 395-00-00-001 & -003 AD THE SUBSEQUENT SUBDIVISION TO CREATE TRACT AB-1 (14.787 AC) AND TRACT AB-2 (21.671 ACRES)" dated October 17, 2011, prepared by HLA INC and recorded in Plat Book L11 at page 271. For a more complete description of said Lot, reference may be had to said plat, which is incorporated herein by reference and made part and parcel hereof.

TMS# 395-00-00-001 & -003 (Portion)

3. The Property is currently encumbered by a mortgage in favor of TD Bank, N.A., securing a loan to Thornwell Partners with a current principal balance of approximately \$3,933,724.30 (the "TD Bank loan").
4. Henry Kuznik, as the sole member of Kuznik Holdings, has elected to receive the above described 21.671 acre parcel and personally assume all liability thereon as a distribution of his interest in Thornwell Partners.
5. The above described 3.084 acre parcel (the "Safelite" property) shall be conveyed by Thornwell Partners to a new limited liability company to be owned by Kuznik and Saad in equal shares.
6. The TD Bank loan is in default. TD Bank, Saad and Kuznik have agreed to the terms of a Second Forbearance Agreement which they shall execute concurrent with this Agreement. The Second Forbearance Agreement contemplates the following transactions: (a) a \$2,000,000 payment from Kuznik to TD Bank to release the 21.671 acre parcel from the TD Bank mortgage, and (b) a \$400,000 payment from Kuznik and Saad to TD Bank to release the Safelite property from the TD Bank mortgage.
7. The above described 14.787 acre tract shall remain in the name of Thornwell Partners. Upon completion of the transactions contemplated by this Agreement and the Second Forbearance Agreement, Kuznik Holdings shall withdraw as a member of Thornwell Partners. Upon such withdrawal, Thornwell Investments shall be the sole member of Thornwell Partners. Saad is the sole member of Thornwell Investments.
8. The Operating Agreement of Thornwell Partners shall be amended to reflect the change in membership interest as reflected in paragraphs 4, 5 and 7 above.
9. The parties hereto acknowledge and agree that, prior to giving effect to the transactions contemplated by this Agreement, the obligations, liabilities, and equity of Thornwell Partners are allocated as follows:

Thornwell Investments, LLC	42.75%
Kuznik Holdings, LLC	57.25%

If, upon a full accounting of the existing capital contributions of the company, it is determined that one or the other of the above members has contributed more than its proportionate share of capital to Thornwell Partners, then the other member agrees to fully reimburse the other to equal out the contributions to reflect the ownership percentages as stated above. Reimbursement may be made by check, promissory note, or other method agreed upon by the parties.

10. Kuznik and Saad shall remain as Guarantors on the existing loan from TD Bank until such time as alternate financing shall become available or the 14.787 acre parcel is otherwise transferred.
11. Should an event of default occur on the TD Bank Loan while these Guarantees are still in effect for which Kuznik may contribute to cure the default, Thornwell Investments shall reimburse Kuznik by check, promissory note or by issuing Kuznik a proportionate membership interest in Thornwell Partners.
12. Prior to the execution of this Agreement, Kuznik and Saad, on behalf of Thornwell Partners, have been in discussions with various third parties regarding potential development opportunities related to the property of Thornwell Partners, each of which are listed and described on Exhibit A, attached hereto (the "Potential Deals"). If at any time after the execution of this Agreement Kuznik, Saad, or any entity in which either Kuznik or Saad have an interest, finalizes one of the Potential Deals or otherwise enters into an agreement to develop all or any portion of the 21.671 acre parcel or the 14.787 acre parcel with any of the parties listed on Exhibit A, the Parties agree to distribute the Net Proceeds of such a transaction 42.75% to Saad and 57.25% to Kuznik. For purposes of this provision, the term "Net Proceeds" shall mean the total consideration received by the seller in the transaction reduced by all mortgage release fees and customary transaction costs.
13. Each of the parties shall execute and deliver such other further written instruments as may be necessary to effect the terms of this agreement and the transfers of the assets for the assumption of liabilities as may be necessary to fully implement the terms of this agreement.
14. In accordance with the above terms, the members of Thornwell Partners hereby authorize Alfred L. Saad, III, on behalf of Thornwell Investments, and Henry Kuznik, on behalf of Kuznik Holdings, to execute any and all deeds, forbearance agreements, HUD-1 settlement statements, guarantees, or any and all other documentation to accomplish the terms contained herein.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

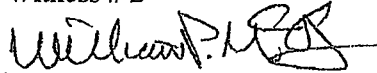
IN WITNESS WHEREOF, the undersigned parties have executed this Agreement on the date following their signatures.

THORNWELL PARTNERS, LLC

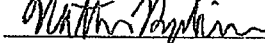
Witness # 1

By: Henry Kuznik, Member

Witness # 2



Witness # 1



Witness # 2



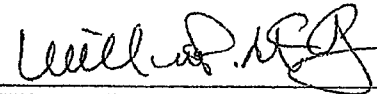
By: Alfred L. Saad, III, Member

KUZNIK HOLDINGS, LLC

Witness # 1

By: Henry Kuznik, Its Member

Witness # 2



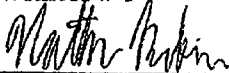
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Witness # 2



Witness # 1

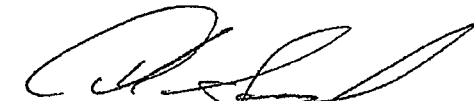


Witness # 2

THORNWELL INVESTMENTS, LLC



By: Alfred L. Saad, III, Member



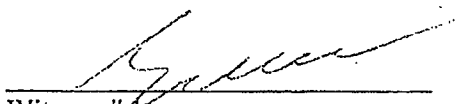
Alfred L. Saad, III, Individually

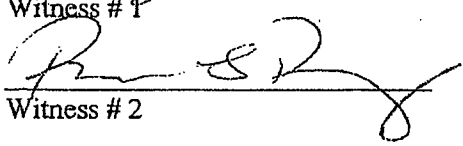
Witness # 1

Henry Kuznik, Individually

Witness # 2

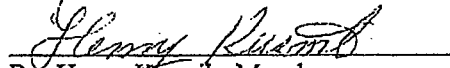
IN WITNESS WHEREOF, the undersigned parties have executed this Agreement on the date following their signatures.



Witness # 1


Witness # 2

THORNWELL PARTNERS, LLC



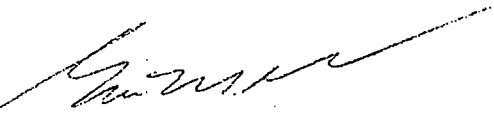
By: Henry Kuznik, Member

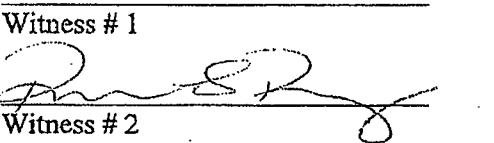
Witness # 1

Witness # 2

By: Alfred L. Saad, III, Member

KUZNICK HOLDINGS, LLC



Witness # 1


Witness # 2



By: Henry Kuznik, Its Member

THORNWELL INVESTMENTS, LLC

Witness # 1

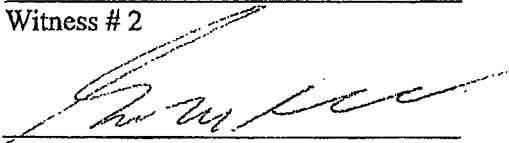
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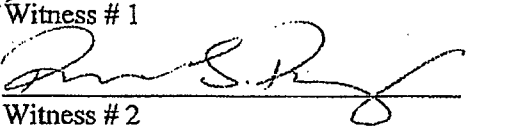
By: Alfred L. Saad, III, Member

Witness # 1

Witness # 2

Alfred L. Saad, III, Individually



Witness # 1


Witness # 2



Henry Kuznik, Individually

Exhibit A

List of Potential Deals

1. JAS Freight Forwarding	75,000sf-120,000sf
2. Frontier Logistics	200,000sf
3. Landmark-undisclosed Logistics client	100,000sf
4. Createspace (Amazon)	100,000sf
5. Ken Parker's Defense Contractor	30,000sf- 120,000sf
6. Averitt Express	14+/- acres

IN THE COURT OF COMMON PLEAS
FOR THE STATE OF SOUTH CAROLINA
CHARLESTON COUNTY
DEPOSITION OF HENRY KUZNIK
VOLUME I SEPTEMBER 23, 2013

VIRGIL "RAY" PASSAILAIGUE,

Plaintiff,

vs.

CASE NO. 2013-CP-10-1647

HENRY KUZNIK; ALFRED L. SAAD, III; PAUL D.
HOLLEN, III; AND THORNWELL PARTNERS, LLC,
Defendants.

DEPONENT: HENRY KUZNIK

DATE: SEPTEMBER 23, 2013

TIME: 11:51 A.M.

LOCATION: THE RICHTER FIRM, LLC
MOUNT PLEASANT, SOUTH CAROLINA
REPORTED BY: RONDA K. BLANTON, RPR
NCRA REGISTERED PROFESSIONAL
REPORTER

CLARK & ASSOCIATES, INC.

P.O. BOX 73129

CHARLESTON, SC 29415

843-762-6294

office@clark-associates.com

WWW.CLARK-ASSOCIATES.COM

Deposition of Henry Kuznik

A P P E A R A N C E S

ON BEHALF OF THE PLAINTIFF:

THE RICHTER FIRM

BY: LAWRENCE E. RICHTER, JR.

PATRICK T. NAPOLSKI, ESQ.

622 Johnnie Dodds Boulevard

Mount Pleasant, SC 29465

ON BEHALF OF THE DEFENDANT HENRY KUZNIK:

LAW OFFICE OF JOHN M. BLEECKER, JR.

BY: JOHN M. BLEECKER, JR., ESQ.

89 Broad Street

Charleston, SC 29401

ON BEHALF OF THE DEFENDANT ALFRED L. SAAD, III:

ADAMS AND REESE, LLP

BY: JAKE S. BARKER, ESQ.

1501 Main Street, 5th Floor

Columbia, SC 29202

ON BEHALF OF THE DEFENDANT PAUL D. HOLLEN, III:

THE LAW OFFICE OF L. W. COOPER, JR.

BY: LINDSEY W. COOPER, JR., ESQ.

36 Broad Street

Charleston, SC 29401

ALSO

PRESENT: Virgil "Ray" Passailaigue

Paul D. Hollen, III

- - -

Deposition of Henry Kuznik

I N D E X

EXAMINATION

By MR. RICHTER

4

CERTIFICATE OF NCRA REGISTERED
PROFESSIONAL REPORTER

24

EXHIBITS

HENRY KUZNIK VOLUME I 09/23/2013

(No exhibits were marked.)

1 HENRY KUZNIK,
2 having been first duly sworn, was examined and
3 testified as follows:
4

5 EXAMINATION

6 BY MR. RICHTER:

7 Q. Would you state your full name, please.

8 A. Henry Kuznik.

9 Q. And what's your address, Mr. Kuznik?

10 A. 5625 Crystal Harbor Lane, Hollywood.

11 Q. All right, sir. Have you ever been
12 involved in a deposition before?

13 A. Yes, I think so.

14 Q. Okay. So have you been examined as a
15 witness in a deposition previously?

16 A. Yes.

17 Q. Okay. Well, the ground rules you heard
18 me go through a little while ago with Mr. Hollen,
19 didn't you?

20 A. Yes.

21 Q. Those same ground rules apply as to you,
22 and so let me just inquire if you are able to
23 give your deposition today.

24 A. I think so.

25 Q. You're not impaired in any way?

1 A. No.

2 Q. Thank you. Okay. If you have any
3 questions or don't understand anything, just say
4 so. As I told Mr. Hollen, try not to gesture and
5 try not to talk over each other because she can
6 only get one of us down at a time, the Court
7 Reporter can.

8 All right, sir. Can you tell me, please,
9 what business you're in?

10 A. Uh-huh. I've been in the construction
11 business; and after Hugo, then I just been in
12 real estate business.

13 Q. Okay. And where -- where are you from?
14 Where were you born?

15 A. In Germany.

16 Q. In what year?

17 A. 1933.

18 Q. Okay. And when did you leave Germany?

19 A. I came to the states the 29th of November
20 1959.

21 Q. Okay. And have you been in Charleston
22 since that time?

23 A. Yes.

24 Q. All right. Where -- what town did you
25 live in in Germany?

1 A. Wiesbaden, next to Frankfurt.

2 Q. All right. I actually know where
3 Wiesbaden is. What is your educational
4 background, please?

5 A. Very little. I mean, I've been just
6 going four years to school in Germany on account
7 of the wall; and I didn't have any schooling over
8 here whatsoever.

9 Q. Okay. Has your profession been
10 construction or real estate all of your adult
11 life?

12 A. Mainly -- mainly construction.

13 Q. Okay. And that's what it's all been here
14 in the Charleston area?

15 A. Yes, sir.

16 Q. All right, sir. Other than the name
17 Kuznik, do you have relatives in Charleston
18 County with any other last name?

19 A. No.

20 Q. Have you been involved in litigation in
21 your past? Lawsuits?

22 A. No. I mean, repossession of property.
23 That's all.

24 Q. Can you tell me, please, the nature of
25 your business relationship with Ray Passailaigue?

1 A. The first time I think I met Ray
2 Passailaigue was at an engineering firm in Mount
3 Pleasant. That's where I met him the first time.
4 All my dealing was with Paul Hollen.

5 Q. All right. Did -- did you come to have
6 business with Mr. Passailaigue?

7 A. I don't understand.

8 Q. Was there a time that you entered into a
9 business transaction that Mr. Passailaigue was
10 involved in?

11 A. Yes. Mr. Hollen mentioned to me, you
12 know, about some 40 acres of property in the
13 north area and would be a good deal and blah,
14 blah. And he needed another person to invest
15 some money; and after a couple drinks, I decided
16 to join.

17 MR. BLEECKER: I'd like to strike
18 "drinks" from the answer.

19 MR. RICHTER: I don't care.

20 Q. Okay. Other than -- than that single
21 transaction, have you had any other business
22 dealings with Mr. Passailaigue?

23 A. No, sir.

24 Q. Okay. Did -- did -- in entering that
25 business arrangement, did you have obligations on

1 your side and Mr. Passailaigue have obligations
2 on his side of the transaction?

3 A. Yes.

4 Q. And did Mr. Passailaigue honor his -- his
5 obligations and perform the --

6 A. I mean, as far as I know, he did.

7 Q. All right. Can you -- can you describe
8 the transaction in which you and others were
9 involved with Mr. Passailaigue?

10 A. It came always through Mr. Hollen. I
11 know he had already made arrangements made for a
12 loan. I believe it was 4 million dollars and --

13 Q. Mr. Passailaigue had those arrangements
14 made?.

15 A. No. Mr. Hollen.

16 Q. Mr. Hollen had those arrangements made.

17 A. I assume. I really don't --

18 Q. Someone had those arrangements made.

19 A. Because I came in the -- in the
20 partnership much later. So I didn't know what
21 had been going on prior to it.

22 Q. All right. Did you sign a note to
23 Mr. Passailaigue's benefit for 1,022,900 dollars?

24 A. Yes, I did.

25 Q. And did you pay that note off?

1 A. Yes, sir. We -- in certain installments.
2 I believe Mr. Hollen took care of that.

3 Q. Okay. Did that require any cash out of
4 your pocket to do that? To pay that note off?

5 A. Yes, sir. A lot.

6 Q. More than -- did it require more cash
7 from you than your percentage of ownership of the
8 transaction?

9 A. Yes.

10 Q. Okay. Can you tell me, please, did you
11 sign a note in Mr. Hollen's (SIC) favor in the
12 amount of 130,000 dollars?

13 A. Not that I can recall. I mean, I thought
14 Mr. Passailaigue been paid a handsome amount of
15 money for that property, the 1 million.

16 MR. RICHTER: Did I pose that question
17 right? Did I say "Mr. Passailaigue's favor"?

18 THE REPORTER: "No.

19 MR. RICHTER: I said "Mr. Hollen's
20 favor"?

21 THE REPORTER: Yes.

22 MR. RICHTER: Let me just restate the
23 question so that the record can be clear.

24 Q. I meant to say did you sign a note on
25 Mr. Passailaigue's behalf for 130,000 dollars?

1 A. No, that I can recall.

2 Q. All right. Have you -- as you sat here
3 this morning, did you hear Mr. Hollen's
4 testimony?

5 A. Yes.

6 Q. Is there anything about his testimony
7 that you disagree with?

8 A. No. I didn't hear everything. It was a
9 little -- I have little hearing problem so I
10 didn't hear everything what he said but I -- I
11 would say 90 percent, and I agree with that.

12 Q. Okay. Did you hear him testify that
13 exhibit -- well, let me just ask you. I'm going
14 to show you exhibit number --

15 MR. BLEECKER: We got copies over here.

16 Q. Yeah. It's Exhibit No. 2 to Mr. Hollen's
17 deposition, which I'll represent to you -- to you
18 is here entitled "Promissory Note" in the amount
19 of 130,000 dollars. Do you see that?

20 A. Yes, I see that.

21 Q. And could you turn -- well, could you
22 tell us the date on that, please?

23 A. November the 7th, '08.

24 Q. And could you turn to the back page,
25 please.

1 A. Okay.

2 Q. And tell me if that is your signature on
3 the last page of that note where it --

4 A. Yes. That's my signature.

5 Q. Where it says "Henry Kuznik"?

6 A. Yes.

7 Q. All right, sir. If you don't mind, could
8 I get you to do the same thing that Mr. Hollen
9 did in terms of reviewing each page and putting
10 on the back of it your initials and the date,
11 please, on the back of each page.

12 A. (Complies with request.)

13 Q. Now, Mr. Kuznik, you may have heard me
14 ask Mr. Hollen this. Thank you for marking that.

15 You may have heard me ask Mr. Hollen this
16 morning wasn't Exhibit No. 2, which you just
17 initialed, the earliest form of Exhibit No. 1,
18 which, as you can see has some handwritten terms
19 in it. Let me pose that same question to you.

20 Do you understand I'm asking isn't one
21 the final version that two was a draft of or an
22 earlier version of?

23 A. Now, can you explain it a little more?

24 Q. Yeah. What I'm trying to ask you, you
25 can see right here on the front page, for

1 example, on Exhibit No. 2 to Mr. Hollen's
2 deposition that there -- somewhere, yeah. Right
3 here is a word stricken out. Can you see that?
4 (Indicating.)

5 A. Uh-huh.

6 Q. And on the one before you, No. 2 --

7 A. There is not.

8 Q. -- it's -- it's -- there's some language
9 actually written in by hand; right?

10 A. Yeah, yeah.

11 Q. So I asked Mr. Hollen, and I'll ask you
12 the same thing. Wasn't two the earlier version
13 of No. 1, which became the final version of -- of
14 that 130,000 dollar note?

15 MR. COOPER: Objection to form.

16 MR. BLEECKER: Objection too.

17 A. I -- I wouldn't know.

18 Q. Okay. That's fine. Let me ask you to
19 review, please, the terms of -- of Exhibit No. 1
20 and see if it's your signature on the third page
21 there. And if it is, say that in the record,
22 please; and I'm going to ask you to mark it
23 like you marked the one before.

24 A. (Complies with request.) It looks the
25 same.

1 Q. Would you mind marking the back page just
2 the same way as you did before, just with your
3 initials and the date, please.

4 A. (Complies with request.)

5 MR. RICHTER: While he's doing that, if
6 nobody objects, I'm going to just leave the
7 original exhibits as being exhibits to the Hollen
8 deposition rather than us --

9 MR. BLEECKER: No objection.

10 MR. RICHTER: We don't need to repeat
11 over and over, I don't think. Thank y'all.

12 Q. Thank you, sir.

13 Now, I'd like to hand you next, please,
14 documents marked Plaintiff's Exhibits No. 3, 4,
15 and 5 to Mr. Hollen's deposition and ask you if
16 you recognize these as being guaranty agreements.
17 And I'm going to ask you whose signature is on --
18 whose guaranty agreement each one is.

19 Okay. Here's three, four, and five; and
20 tell me if you can recognize those as being
21 guaranty agreements to the 130,000 dollars note,
22 please.

23 A. There is my signature on there.

24 Q. Yours is on number what? What is that
25 number, please, that bears your signature?

1 A. Three.

2 Q. Three. Okay. And could you do four and
3 five also, please.

4 A. (Complies with request.) Yes. That
5 looks like my signature.

6 MR. BLEECKER: What number?

7 THE WITNESS: No. 4.

8 Q. And No. 5, please?

9 A. There's no signature of mine.

10 MR. RICHTER: Can I see those, John?

11 MR. BLEECKER: (Complies with request.)

12 MR. RICHTER: Thanks.

13 Q. Can you tell me, please, on No. 3, is
14 that, to the best of your knowledge, Mr. Hollen's
15 signature?

16 MR. COOPER: Objection to form.

17 A. I am not so familiar with his signature.

18 Q. Okay. Does it say "Paul Hollen"?

19 A. I couldn't read that.

20 Q. Okay. Is it printed? Typed on that
21 page?

22 A. Yeah.

23 Q. And what name is typed under the
24 signature?

25 A. Paul D. Hollen, III.

1 Q. Thank you. And can you read the
2 witnesses' names?

3 A. Wendy Keenan and Laura something.
4 Calhoun. Calhoun.

5 Q. Okay. Let me hand you Exhibit 4, please,
6 to Mr. Hollen's deposition and ask you is the
7 only guarantor signature on this page, is it just
8 one; and is it yours, Mr. Kuznik?

9 A. It does look like mine, yes.

10 Q. Okay. Thank you. And as to Exhibit 5,
11 if you can tell me, please, does that appear to
12 be Mr. Saad's signature --

13 MR. BARKER: Object to the form.

14 Q. -- on the last page of that document?

15 A. I am not familiar with his signature
16 either.

17 Q. Okay. Thank you.

18 Now, I'd like to ask you, please, what --
19 do you admit that other than 1,022,900 dollars,
20 other than that, no money was paid to Mr. -- or
21 for -- on behalf of Mr. Passailaigue?

22 A. Yes. I think he got paid, you know,
23 million -- over million dollars. He was the only
24 gentleman who made some money. We all lost some
25 money.

1 Q. What happened to the land that was the
2 subject of this transaction?

3 A. I mean, the -- the bank being pressuring
4 us to pay that loan off, and they said they would
5 foreclose.

6 Q. So is your answer that the land was
7 foreclosed upon?

8 A. No. But they would foreclose if we don't
9 pay at least couple million dollars down, and I
10 haven't had the money; and Mr. Saad didn't have
11 the money. So I went and mortgaged two
12 dealerships, which I had to get flood insurance,
13 appraisals, and was lot of cost involved; and
14 paid then the 2 million dollars to the bank.

15 Q. And did you, then, end up owning the
16 property?

17 A. No, sir. I only -- I been on the
18 original mortgage on it, and what we did was
19 split up the property. The Highway Department
20 took approximately 5 -- 5 -- between 5 and 6
21 acres because the right-of-way of the road. We
22 didn't get anything paid for it. Zero.

23 Q. The Highway Department took the property
24 and did not pay you for it?

25 A. Right. They did not pay us for it, and

1 the they more or less said the benefits exceed
2 the damages. And so we, then, split up the
3 property. I took the 21 acres; and Mr. Saad took
4 the 16 acres, I mean. But prior to it we paid
5 400,000 dollars to the bank to release 3 acres,
6 which we built a building on it.

7 So then was just 16 acres left on the one
8 side and approximately 21 on the other, and so I
9 stayed on -- on -- on both parcels. My name was
10 on it, and so then we -- we had negotiating for a
11 long time. We finally sold both parcels; but we
12 had to invest the infrastructure, which was very
13 close to a million dollars plus all the interest
14 we paid. So we both lost money.

15 Q. When you say "we both," you're referring
16 to yourself and who else?

17 A. Haad.

18 Q. Paul Hollen?

19 A. No, no.

20 Q. Mr. Saad?

21 A. Saad.

22 Q. You call him Haad?

23 A. Yeah.

24 Q. All right. Thank you.

25 What bank are you referring to as you

1 described the bank's actions throughout your --

2 A. I mean the original bank which the loan
3 was in was TT Bank.

4 MR. BLEECKER: TD.

5 Q. TD Bank?

6 A. Yes.

7 Q. Okay.

8 A. And they just came hard, saying, I mean,
9 they constantly been asking for money and -- and
10 raising interest rate and stuff like that. So we
11 had to do something because, otherwise, we put
12 that money in for the infrastructure, we would
13 have lost that.

14 Q. Okay.

15 A. And would be liable for the difference.

16 Q. Okay. Now, do you admit that you are
17 responsible for the payment of this 130,000
18 dollar obligation that we've claimed in this
19 lawsuit? You as a maker of the note, do you
20 admit that you're so liable?

21 A. No, sir.

22 Q. Okay. Do you admit that you are
23 obligated to make that payment as an
24 unconditional guarantor of that transaction?

25 A. No.

1 Q. Okay. And why do you deny that you are
2 not responsible first as a maker? Then I'm going
3 to ask you as a guarantor as well.

4 A. I mean, Mr. Passailaigue been paid in
5 full. I don't know why there should be another
6 note for something else. I don't know for what.

7 Q. Okay.

8 A. I mean, if I buy a home and I paid for
9 it, I mean, somebody else can come later, except
10 if there was a second mortgage, and say you owe
11 me still some additional money?

12 Q. Okay. Now, you agree that if there was a
13 note and if it was in favor of Mr. Passailaigue
14 or his business entity for the 130,000 dollars
15 and that -- and if you receive some -- the makers
16 received some benefit, do you then agree that
17 Mr. Passailaigue would be entitled to be paid?

18 MR. COOPER: Objection to form.

19 A. Like I say, I do not. I mean, I don't
20 see any reason. I mean, for me to sign another
21 note after he got paid in full.

22 Q. And when you say he got paid in full, how
23 was that payment determined?

24 A. I mean, that -- that 1 million and 20
25 some thousand dollars.

1 Q. And what did you understand that was to
2 pay him for?

3 A. I mean, for his partnership.

4 Q. Okay. And can you tell me, please --
5 well, it's in the -- it's in the pleadings. The
6 payment schedule on the 1,022,000 dollars, that
7 was not one lump sum payment. That was, rather,
8 a series of payments.

9 A. No. Mr. Paul Hollen did that. I mean,
10 he come with any ups of money again and that --
11 and we did the best we could --

12 Q. I understand.

13 A. -- to pay it.

14 Q. Okay. Did Mr. -- is there anything
15 Mr. Passailaigue promised to do that he didn't do
16 in this transaction?

17 A. I have not been in touch with
18 Mr. Passailaigue whatsoever. I mean, I think I
19 seen him twice, I believe. That's it.

20 Q. Do you even remember signing --

21 A. No, sir. I truthfully don't.

22 Q. But -- but let me just complete it. The
23 130,000 dollar note. Your answer is no?

24 A. No, I do not remember that.

25 Q. Thank you. Do you remember signing the

1 guaranty agreement?

2 A. Nope.

3 Q. Okay. And I want to make sure I
4 understand your defense in this lawsuit. Could
5 you say what it is, please? What is your defense
6 to the claim that you're responsible to pay this
7 130,000 dollar obligation and whatever interest
8 is --

9 MR. BLEECKER: Object to the form of
10 the question. We have numerous defenses, and
11 that's laid out in the pleadings.

12 Q. Okay. Well, you can say them all. Go
13 ahead and say whatever your defenses are.

14 A. I mean, we just don't owe it.

15 Q. And you don't owe it for what reason?

16 A. I mean, he got paid in full.

17 Q. All right. Any other -- anything else by
18 way of defense?

19 A. No, sir.

20 Q. Okay. All right. Do you remember who
21 you dealt with at the Highway Department about
22 the taking of your land?

23 A. Oh, we deal with numerous people. I
24 mean, they just came and said, you know. We
25 asked for some compensation; but they said the

1 benefits exceed the damages, and that's just it.

2 Q. Okay. Did you sue the Highway Department
3 over that issue?

4 A. No, nor did I know.

5 Q. Okay.

6 A. I haven't done anything.

7 Q. All right. What is your relationship
8 with Mr. Saad, please?

9 A. That's the only -- I met Mr. Saad through
10 Paul Hollen, and that's it. Right now, I mean,
11 we don't see each other or talk to each other. I
12 mean, for months at a time.

13 Q. Okay. Do you still have business with
14 Mr. Saad?

15 A. Yes. A building which we constructed for
16 Safelite, yes.

17 Q. And is that on this property that we've
18 been talking about?

19 A. Yes. That is on the 3 acres which we
20 released for 400,000 dollars.

21 Q. I remember you saying -- saying that --
22 that 3-acre site -- okay. Let me just go off the
23 record a minute.

24 (Off-the-record discussion.)
25

1 BY MR. RICHTER:

2 Q. I did want to give you the opportunity,
3 Mr. Kuznik -- you said -- as I said earlier, I'm
4 sorry if I'm repeating myself. I don't mean to
5 be.

6 You were present for Mr. Hollen's
7 deposition earlier today, and I wanted to give
8 you an opportunity if you wanted to correct
9 anything that Mr. Hollen said in any way. Please
10 feel free to do that.

11 A. No.

12 MR. RICHTER: All right. I don't think
13 I have any other questions at this time for this
14 witness.

15 MR. BLEECKER: I don't have any
16 questions.

17 MR. COOPER: No, sir.

18 MR. BARKER: No, sir.

19 (Deposition concluded at 12:20 p.m.)

20 - - -

1 STATE OF SOUTH CAROLINA
2 COUNTY OF CHARLESTON

3 I, Ronda K. Blanton, a Registered
4 Professional Reporter and Notary Public for the
5 State of South Carolina at Large, do hereby
6 certify that the witness in the foregoing
7 deposition was by me duly sworn to testify to the
8 truth, the whole truth, and nothing but the truth
9 in the within-entitled cause; that said
10 deposition was taken at the time and location
11 therein stated; that the testimony of the witness
12 and all objections made at the time of the
13 examination were recorded stenographically by me
14 and were thereafter transcribed by computer-aided
15 transcription; that the foregoing is a full,
16 complete, and true record of the testimony of the
17 witness and of all objections made at the time of
18 the examination; and that the witness was given
19 an opportunity to read and correct said
20 deposition and to subscribe the same.

21 Should the signature of the witness not be
22 affixed to the deposition, the witness shall not
23 have availed himself of the opportunity to sign
24 or the signature has been waived.
25

I further certify that I am neither related
to nor counsel for any party to the cause pending
or interested in the events thereof.

Witness my hand, I have hereunto affixed my
official seal on October 7, 2013, at Charleston,
Charleston County, South Carolina.

Ronda K. Blanton, RPR
Notary Public, South Carolina
My Commission expires:
May 14, 2018.

1 IN THE COURT OF COMMON PLEAS
2 FOR THE STATE OF SOUTH CAROLINA
3 CHARLESTON COUNTY
4 DEPOSITION OF ALFRED L. SAAD, III
5 AND RULE 30(b)(6) THORNWELL PARTNERS, LLC
6 VOLUME I NOVEMBER 5, 2013
7 VIRGIL "RAY" PASSAILAIGUE,
8 Plaintiff,
9 vs. CASE NO. 2013-CP-10-1647
10 HENRY KUZNIK; ALFRED L. SAAD, III; PAUL D.
11 HOLLEN, III; AND THORNWELL PARTNERS, LLC,
12 Defendants.

13 DEPONENT: ALFRED L. SAAD, III
14 DATE: NOVEMBER 5, 2013
15 TIME: 11:11 A.M.
16 LOCATION: THE RICHTER FIRM
17 MOUNT PLEASANT, SOUTH CAROLINA

18 REPORTED BY: RONDA K. BLANTON, RPR
19 NCRA REGISTERED PROFESSIONAL
20 REPORTER
21 CLARK & ASSOCIATES, INC.
22 P.O. BOX 73129
23 CHARLESTON, SC 29415
24 843-762-6294
25 office@clark-associates.com
 WWW.CLARK-ASSOCIATES.COM

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ALSO

PRESENT: Virgil "Ray" Passailaigue

Henry Kuznik

Paul D. Hollen, III

- - -

I N D E X

EXAMINATION

By MR. RICHTER

4

By MS. JOHNSON

52

CERTIFICATE OF NCRA REGISTERED

54

PROFESSIONAL REPORTER

DEPONENT ERRATA SHEET

55

EXHIBITS

ALFRED L. SAAD, III VOLUME I 11/05/2013

Exhibit No. 1-A

33

1 ALFRED L. SAAD, III,
2 having been first duly sworn, was examined and
3 testified as follows:
4

5 EXAMINATION

6 BY MR. RICHTER:

7 Q. Would you state your full name, please.

8 A. Alfred Louis Saad.

9 Q. And how do you spell "Saad"?

10 A. S-A-A-D.

11 Q. And your address, please?

12 A. 1030 Lawrence Street, Columbia, South
13 Carolina.

14 Q. Okay. Mr. Saad, have you ever been
15 through this deposition process previously?

16 A. Once.

17 Q. Okay. You were examined once before; is
18 that right?

19 A. Yes.

20 Q. Well, I'm required by the rules to tell
21 you that this is a deposition process. I will
22 try to pose to you narrow, direct, understandable
23 questions; and I'd ask you to listen to those.
24 And if you can answer with narrow, direct
25 responses. You have the right to explain it or

1 expand your answer as much as you want or need
2 to, but it'll help us get in a sort of a rhythm
3 and get through this thing if we can understand
4 each other and be narrow to our approach to
5 things. So I'd ask you to do that, if you can.

6 I need to ask you if there's any
7 impediment to going forward today. Are you
8 influenced by any substance, or are you ill in
9 any way that would keep you from going forward?

10 A. No.

11 Q. Okay. If you have any questions, just
12 ask them. If you don't understand something,
13 just say so; otherwise, we're all going to accept
14 your answers as if you understood what we're
15 talking about.

16 And I must tell you that you are now a
17 testifying witness. I don't know whether we'll
18 take a break. Depends on how long we go; but if
19 we do and if you talk to anybody about your
20 testimony, I may have the right to examine you
21 about that conversation. So you are now -- now a
22 witness.

23 Again, make any needs known; and we'll
24 see that they're met.

25 All right. Would you state your date of

1 birth, please.

2 A. October 21, 1947.

3 Q. And place of birth?

4 A. Greenville, South Carolina.

5 Q. And what is your educational background?

6 A. I have a degree in banking finance
7 insurance and real estate from the University of
8 South Carolina.

9 Q. What year?

10 A. I graduated in '70.

11 Q. Any -- any postgraduate work?

12 A. No.

13 Q. Okay. Are you married?

14 A. Yes.

15 Q. What is your wife's name, please?

16 A. Cynthia.

17 Q. What's her maiden name?

18 A. Alpert, A-L-P-E-R-T.

19 Q. Where is she from?

20 A. Sumter.

21 Q. And do you have children?

22 A. One child.

23 Q. Adult or minor?

24 A. She's 40 years old. That's --

25 Q. I have three children. Some are almost

1 40, and sometimes they act like children. And
2 where does your daughter live? Did you say a
3 daughter?

4 A. Yes. She lives in Greenville.

5 Q. Okay. Do you have any family in
6 Charleston County?

7 A. My wife has a brother who's an
8 anesthesiologist in Charleston.

9 Q. He's a what?

10 A. Anesthesiologist.

11 Q. Anesthesiologist. What is his name?

12 A. Calvert Alpert.

13 Q. P-E-R-T.

14 A. Correct.

15 Q. Other than that, any family?

16 A. (Shakes head.)

17 Q. All right. Is this your first marriage?

18 A. No.

19 Q. And what number is this marriage?

20 A. Second.

21 Q. Okay.

22 A. And last.

23 Q. This child, is it your daughter is a
24 child of --

25 A. My former marriage.

1 Q. And what was the name of your former
2 wife?

3 A. Linda Ridgell.

4 Q. How do you spell that?

5 A. R-I-D-G-E-L-L.

6 Q. And where is she now, and also where is
7 she from?

8 A. She's from Greenville. She lives in
9 Columbia now.

10 Q. Okay. By that marriage you have one
11 child; correct?

12 A. Correct.

13 Q. And that's the child you've told us
14 about.

15 A. Yes.

16 Q. And by your second marriage, do you have
17 any children?

18 A. No.

19 Q. Do you have any other children, either
20 illegitimate, adopted, wards of court, anything
21 like that?

22 A. No.

23 Q. Okay. Do you have -- and I think you
24 indicated the only relative that you have in
25 Charleston would be the anesthesiologist whose

1 surname is Alpert.

2 A. Correct.

3 Q. Okay. Thank you. Do you have any
4 military background?

5 A. No.

6 Q. Any criminal background?

7 A. No.

8 Q. Any history of litigation?

9 A. No.

10 Q. What is --

11 A. Real estate. I mean, we had some tenants
12 in an office building. We've sued them for rent.

13 Q. What I mean really is have you either
14 been a -- have you been a frequent --

15 A. No.

16 Q. -- plaintiff seeking to recover, other
17 than those businesses?

18 A. I'm not litigious.

19 Q. That's what I'm trying to get you to say,
20 trying to find out.

21 Have you been a defendant in a lawsuit
22 any number of times?

23 A. No.

24 Q. Okay. Thank you.

25 What is the nature of your business?

1 A. Real estate development.

2 Q. And how long have you been in that
3 business?

4 A. Since 1972.

5 Q. And what name first?

6 A. Well, for three years I worked in the
7 real estate business as a broker under Joe Edens,
8 Jr., Realty. And in '74 I started developing a
9 mall in Columbia, and we sold the mall in '82;
10 and then I started A. L. Saad & Company, and I've
11 been developing real estate ever since.

12 Q. And when you say "we sold the mall," I
13 take it you --

14 A. I was a -- I was a partner in the
15 development.

16 Q. All right. What mall are you referring
17 to?

18 A. It was in Columbia. It's a small --

19 Q. Strip mall?

20 A. It's an enclosed mall.

21 Q. And what -- does it have a name?

22 A. Woodhill Mall.

23 MR. RICHTER: And -- and you can leave
24 this off the record.

25 (Off-the-record discussion.)

1 BY MR. RICHTER:

2 Q. All right. I'm sorry. I didn't mean to
3 cut you off.

4 A. That's all right.

5 Q. You got to the point of saying Woodhill
6 Mall; and what I was trying to ask you was,
7 who -- you said "we." You said you had a
8 partner?

9 A. I owned 10 percent. There were other
10 partners.

11 Q. Who were those folks?

12 A. Oh, gosh. They're all dead. Stan Smith,
13 Rush Rossburger (phonetic).

14 Q. Columbia guys?

15 A. Yeah.

16 Q. Is that where you did your real estate
17 development and real estate business primarily?

18 A. That was the first real estate
19 development I ever did.

20 Q. Okay. What did you do before that?

21 A. I sold commercial real estate.

22 Q. For who?

23 A. Joe Edens, Jr., Realty, which has since
24 become Edens & Avant.

25 Q. Okay. All right. Other than whatever

1 that group you were in with Woodhill Mall, have
2 you been a member of other real estate
3 development groups or speculation groups?

4 A. I've been developing real estate, as I
5 said, since 1974; and every project I've ever
6 done I've been partners. I haven't done anything
7 on my own.

8 Q. Okay.

9 A. So --

10 Q. Have -- have you done work in Charleston
11 real estate work or development in Charleston?

12 A. Only recently, this land deal being one
13 of them.

14 Q. How -- how broad-based is your business
15 in Charleston?

16 A. Other than the land that we had and the
17 apartments that -- that I purchased with other
18 partners and we sold, that's -- that's pretty
19 much it.

20 Q. Okay. Now, do you have -- for those
21 projects did you have some ongoing financing
22 source?

23 A. Yes. Banks.

24 Q. Banks generally, I understand.

25 A. Right.

1 Q. But what I mean is: Did you have any
2 particular relationship with -- with anybody who
3 financed you repeatedly?

4 A. Not particularly. I -- I've used TD
5 Bank, which was Carolina First. Several banks, I
6 mean, whoever's got the money loans it at the
7 best price I can borrow it from.

8 Q. I understand. Who -- who do you bank
9 with now? If you can --

10 A. TD Bank. TD Bank and Ameris Bank.

11 Q. Personally or by way of --

12 A. Both. Business and personal.

13 Q. Okay. Do you know who these other
14 gentlemen bank with? Mr. Kuznik?

15 A. No.

16 Q. All right. And how about Mr. Hollen?

17 A. No.

18 Q. Okay. All right. Can you tell me how
19 you came to know Ray Passailaigue?

20 A. Paul Hollen approached me about a piece
21 of land on -- on -- in North Charleston, said
22 that Ray Passailaigue had found this piece of
23 land that we ought to -- he wanted to team up and
24 buy it. So I -- that's how I met Ray for the
25 first time was he -- he had a contract on the

1 land; but he had some rezoning to do, and
2 that's -- that's how it started.

3 Q. Okay. How did you know Paul Hollen?

4 A. Actually we were roommates my first
5 semester at Carolina.

6 Q. Okay. Just that one semester?

7 A. Yeah.

8 Q. And have y'all stayed in contact over the
9 years?

10 A. No. Ran into him what? Eight years ago,
11 30 years after we got out of college so --

12 Q. Other than the transaction that we're
13 talking about in this litigation, have you had
14 other business dealings with Mr. Hollen?

15 A. Yeah. The apartments that we purchased
16 to convert to condos.

17 Q. What -- what are those called or named?

18 A. It was called Oak Point Condos.

19 Q. And who did you purchase those from?

20 A. I don't remember.

21 Q. And did you convert them?

22 A. Yes.

23 Q. You -- you chuckle as you say that. Is
24 there some story that goes with --

25 A. Didn't make any money.

1 Q. -- that conversion?

2 A. Didn't make any money.

3 Q. Well, if you're running short, I have a
4 bunch of condominiums.

5 A. No. I -- I've learned my lesson. I'm
6 done.

7 Q. All right. What is happening with the
8 property that was involved in the transaction
9 we're talking about?

10 A. Well, I've sold my piece, which was --
11 well, back up a second.

12 We -- we all owned the land together.
13 Ray got out at some point. Paul got out at some
14 point. Henry and I ended up with the land. We
15 struggled with it for four or five years. I
16 sold -- ultimately sold mine for about 300,000
17 dollars less than I had in it; and I think Henry
18 did the same, sold his about the same time or
19 shortly thereafter.

20 Q. Y'all subdivided the land and divided it
21 amongst the members, the investors?

22 A. No. We -- at the end of the deal, Henry
23 and I were the only ones left in the deal; and we
24 had a 4.2 million dollar bank loan, and the bank
25 was pressing us to pay it off.

1 So Henry took the 21 acres to the right
2 of the road and -- and got a loan on his own, and
3 I retained the 15 or 16 acres to the left; and
4 the bank loan, which was my relationship anyway
5 with TD Bank, which is Carolina First. And I
6 ended up with that piece.

7 Q. Okay. But with the reduced obligation
8 because, I take it, Mr. Kuznik's money
9 satisfied --

10 A. Yes, and I reduced the amount of land as
11 well.

12 Q. Yes. I understand. Okay. And then do
13 you -- did you say you don't remember who you
14 sold it to? No. You said you don't remember who
15 you bought the condos --

16 A. Yeah, the condos. I don't remember that.

17 Q. How about this land? What has happened
18 with it?

19 A. Well, as I said, we sold both tracts.

20 Q. Who did you sell yours to?

21 A. Trucking company. Averitt Trucking.

22 Q. Okay. Do you know who Mr. Kuznik sold
23 his part to?

24 A. No, I don't know.

25 Q. Okay. We got off on a little bit of a

1 tangent. I was asking you how you knew
2 Mr. Passailaigue, and you said that Paul Hollen
3 had really put y'all together back some years ago
4 now.

5 A. Right.

6 Q. And it was around this transaction that
7 we're litigating about.

8 A. Right, uh-huh.

9 Q. Okay. Have you had any other dealings
10 with Mr. Passailaigue -- business dealings with
11 Mr. Passailaigue over the years?

12 A. No.

13 Q. Do you -- have you maintained a
14 relationship with him over these years?

15 A. No.

16 Q. Okay. Do you see him or converse with
17 him now?

18 A. I spoke to him on the way in.

19 Q. Okay. Other than that --

20 A. Other than --

21 Q. -- no contact with him?

22 A. I think he sent me an e-mail one time
23 about his plumbing business or something, but
24 other than that, no.

25 Q. Okay. All right. Now, let me -- let me

1 just mark the document into the record. Have you
2 had a chance to read the depositions of the
3 people --

4 A. Yes.

5 Q. And did you have a chance to look at the
6 documents that were exhibits to those
7 depositions?

8 A. Yes.

9 Q. I'd like to try, if we can, I'd like to
10 try to expedite; but everything's really entitled
11 to have me go question by question. And you're
12 entitled to that as well. Let me try a summary
13 approach first; and if that doesn't work or
14 anybody objects to it, we'll walk through
15 everything.

16 When you read those depositions
17 previously, did you see attached thereto a
18 photocopy of a promissory note for 130,000
19 dollars?

20 A. Yes.

21 Q. And did that promissory note -- and I'm
22 going to slide the original over to you right
23 now. (Indicating.) What I'm coming to is we may
24 be able to use the same exhibits for this
25 deposition, just stipulate to that. I believe

1 it'll just be a little faster. Let me slide an
2 original over to you, please, ask you to identify
3 it and identify whether that's your signature on
4 the last page.

5 A. (Complies with request.) Can I look at
6 the rest of it?

7 MR. BLEECKER: You going to keep them
8 in the same order as we did the --

9 MR. RICHTER: I will. I'm handing them
10 to him in the same order; but if y'all can
11 stipulate we'll use the same documents, we'll be
12 in the same order.

13 MR. BLEECKER: Same number?

14 MR. RICHTER: Yeah.

15 A. What was your question?

16 Q. Do you recognize that as being a
17 promissory note for 130,000 dollars in
18 Mr. Passailaigue's -- Passailaigue Homes' benefit
19 or behalf made by, among others, you. Is that
20 your original signature on the back page? Then
21 I'm going to do the same with guarantee
22 agreements.

23 A. Well, I can tell you that that looks like
24 my signature. I don't -- but I don't remember
25 signing this paper.

1 Q. Okay. But do you dispute that it's
2 your -- that -- do you dispute that that's your
3 signature?

4 A. I said it looks like my signature.

5 Q. Okay.

6 A. You can do a lot of things with computers
7 today so --

8 Q. And so are you suggesting that someone
9 has forged your signature in this matter?

10 A. Well, not really. I'm just telling you I
11 don't remember signing the note. I don't
12 remember seeing the note before we started this.

13 Q. All right. And I'm going to hand over to
14 you -- here I'm going to hand you a copy of a
15 guarantee agreement and ask you if you can look
16 at this and identify what it is, the date of it,
17 and if that --

18 A. Is -- excuse me.

19 Q. -- is your signature on the back?

20 A. Is that an original document?

21 Q. This one is and bears a --

22 MR. NAPOLSKI: It's not original
23 signatures. It's printed.

24 Q. Maybe I handed you a printed copy. I
25 don't know. I mean, a photocopy.

1 MR. NAPOLSKI: It's a color photo.

2 Q. It's a color photocopy, yes.

3 A. I was just questioning it.

4 Q. I'm sorry. I didn't hear what you said.

5 MR. BLEECKER: Do you have the original
6 documents?

7 MR. RICHTER: Yeah. I assume we do.

8 MR. NAPOLSKI: This was the original
9 one we received from our client.

10 MR. RICHTER: Okay. There's -- I don't
11 know the answer to that, but I'll find out and
12 let you know.

13 MR. BLEECKER: Okay.

14 A. Well, if you had an original document,
15 wouldn't the paper be indented as opposed to a
16 Xerox?

17 Q. It should. Probably would be.
18 Handwriting experts tell you all those things.

19 A. What was your question on this?

20 Q. Just if you'll identify what this is,
21 please, and shows your signature on it, on the
22 last page.

23 A. It's an unconditional guarantee. It
24 appears to be my signature.

25 Q. Okay. And it bears the date November 7.

1 Is that what it says? 2008?

2 A. Right.

3 Q. All right. And is it a guarantee of the
4 agreement, the 130,000 dollar note, that you just
5 looked at a moment ago?

6 A. But I don't recall signing this either.

7 Q. Well, I understand.

8 A. Let me ask you. Can I ask a question?

9 MR. RICHTER: He wants to ask a
10 question, I think.

11 (Mr. Blake and Mr. Saad consult.)

12 MR. BLAKE: It's responsive to what
13 he's saying, absolutely.

14 Q. You -- you're free to explain your answer
15 any way you want to or comment.

16 A. Yeah. I've just got a question that I
17 know no one's going to answer, but it's strange
18 to me that the date on this note is about the
19 same date as the date we made the final payment
20 to Mr. Passailaigue. And I -- that's what's
21 really confusing me. So why would we owe him
22 more money if we paid him the last payment?

23 Q. I'm going to ask him.

24 MR. BLEECKER: Can I inject another
25 question here?

1 MR. RICHTER: Sure.

2 MR. BLEECKER: I think we -- at the
3 last deposition we had two notes.

4 MR. RICHTER: We may have. I don't
5 know.

6 MR. BLEECKER: There were two notes
7 there. There was -- one was --

8 THE WITNESS: Actually I read that.

9 MR. BLEECKER: One was -- one was an
10 earlier -- well, both notes were the same date
11 but the -- the terms of the note were changed.

12 MR. RICHTER: I don't remember.

13 MR. NAPOLSKI: That's, yeah, he's
14 right. This is the one that wasn't attached to
15 the plaintiff's complaint. It was an earlier
16 version of the final note.

17 MR. RICHTER: What?

18 MR. NAPOLSKI: It was not attached to
19 the complaint. It was an earlier version of the
20 final note.

21 MR. BLEECKER: Are you going to ask
22 about that?

23 MR. RICHTER: No, but you can. Yeah,
24 you can if you want to.

25 Q. Did you identify that the signature on

1 the back page of this unconditional guarantee
2 looked like yours?

3 A. It looks like mine.

4 Q. Okay. And I think I asked you -- just so
5 we can get back on track. I think I asked you,
6 is this a guarantee of the 130,000 dollar
7 obligation that we were talking about?

8 A. I said it is a guarantee, and I don't
9 recall signing it.

10 Q. I'm sorry if I'm repeating myself. I
11 didn't --

12 A. Okay.

13 Q. Sometimes I do now.

14 MR. BLAKE: Y'all are talking over each
15 other. You might want to state that last answer.

16 Q. Yeah. That's something else I didn't
17 tell you, although you've been pretty good about
18 it. We've got to be careful not to talk over
19 each other.

20 A. Okay.

21 Q. And you've got to be careful not to nod
22 in an answer but rather speak orally because
23 she's recording it and taking it down by
24 stenotype. Okay?

25 A. Okay.

1 Q. You've done well. I don't think you've
2 done that so far.

3 MR. BLAKE: All right. I think you
4 might want to clarify what you said because I
5 don't know if the Court Reporter had a chance to
6 get it.

7 A. It seems strange to me that the date of
8 the note that I'm supposed to have signed that I
9 do not recall is about the same time that we made
10 the last payment to Mr. Passailaigue or
11 Passailaigue Homes for the balance of what we
12 owed him, and I'm curious as to why we still owe
13 him any money. And what was the consideration
14 for the 130,000 dollars that -- I didn't get
15 anything out of it. I don't think anybody else
16 did.

17 MR. BLAKE: Could we go off the record
18 for a second?

19 (Off-the-record discussion.)

20 MR. RICHTER: Let's go back on the
21 record.

22 BY MR. RICHTER:

23 Q. Can you tell me, please, I'd like to go
24 back now to the beginning of this transaction.
25 We got as far as Mr. Hollen came to you, said Ray

1 Passailaigue's got a deal. We want to put a
2 little group together to do it.

3 A. Right.

4 Q. Will you participate; and apparently you
5 said, yes, you would.

6 A. Correct.

7 Q. Okay. So what, then, was the deal? Who
8 were the -- the parties to that transaction?

9 A. As I recall, it was Paul Hollen, Henry
10 Kuznik, Ray Passailaigue, and me, the four of us.

11 Q. All right. And never any more members,
12 just -- just the four of y'all.

13 A. No. Just the four of us.

14 Q. Okay. And the deal -- would you
15 summarize for us, please, what the deal was? It
16 was to purchase some land or some --

17 A. We were to buy the 45 acres of land, and
18 I don't remember exactly the amount we paid; but
19 it was like 83,000 an acre. Ray had found the
20 land and wanted to be paid out. He wanted
21 1 million dollars for his contract, and we agreed
22 to that.

23 And then after some rezoning and stuff,
24 we ended up closing on the transaction and as
25 I -- I'm a little fuzzy on this, but I think that

1 Paul said Ray didn't want all his money this --
2 that year because he wanted to spread it out. He
3 would take -- he would -- he would take payments
4 or something.

5 Q. And so is that what y'all ultimately did?

6 A. We -- we actually paid him 6,000 -- over
7 6,000 a month in interest for I don't know how
8 long. I'd have to check with the accountants.
9 For a long time. And then we made 250,000 dollar
10 payments periodically.

11 Q. So you paid interest first, and then
12 there came a time when the -- the principal
13 amount --

14 A. Correct.

15 Q. -- was going to be paid. There was
16 actually a note reflecting that transaction,
17 wasn't there?

18 A. 1,020,000.

19 Q. 20,000. All right. Do you know what the
20 22,000 dollars --

21 A. It was for some incidentals that he had
22 spent getting to the point of purchase.

23 Q. Yeah. Okay. Thank you.

24 Now, did you -- did there come a point
25 where you paid Mr. Passailaigue out that

1 1,022,000 --

2 A. Yes.

3 Q. -- dollar obligation completely?

4 A. Yes.

5 Q. Okay. Do you remember when that was
6 finally --

7 A. I think it was October 8 or October 7.

8 Q. Of?

9 A. Of 2008.

10 Q. 2008. Okay. Now, the four of you, all
11 of whom are seated at this table actually, were
12 members or the players in that transaction: You,
13 Mr. Kuznik, Mr. Hollen, and Mr. Passailaigue; is
14 that correct?

15 A. Correct.

16 Q. Correctly summarizing your testimony?
17 Okay. That's on Day No. 1; correct?

18 A. Yes.

19 Q. Was there ever a day when one of you
20 or -- or more than one of you got out of the
21 transaction, and who was the first to get out?

22 A. Ray.

23 Q. All right. And how did he get -- how was
24 he taken out?

25 A. We -- he wanted a million dollars for his

1 contract. Now, let me back up. You asked me if
2 the four of us were partners to start with; is
3 that correct?

4 Q. Yeah. And that's where we started
5 tracing the relationship of the four of you.

6 A. I don't recall; but I believe that from
7 day one, Ray was not in the deal. I mean, we --
8 we gave him a million dollars; and we, you know,
9 that was the million -- the purpose of the
10 million dollars was to get him out of it so --
11 and he wanted it over time so we paid him over
12 time. I think from -- from the day we closed on
13 the transaction or shortly thereafter, it was
14 just the three of us.

15 Q. Okay. Who did the accounting work for
16 this entity?

17 A. My brother's office in Greenville.

18 Q. What's your brother's name?

19 A. Jerry Saad.

20 Q. All right. And is he a CPA?

21 A. He is.

22 Q. What is the name of his firm, please?

23 A. Saad & Manos, M-A-N-O-S.

24 Q. All right. And do you know how many
25 years he did the accounting for whatever entity

1 you're referring to that had this deal?

2 A. I think he did it from the time we -- we
3 purchased the land. It may have been a few
4 months later.

5 Q. And --

6 A. I'm not sure exactly.

7 Q. -- would he have been the one that issued
8 the Kls in the matter?

9 A. Yes.

10 Q. Okay. Can you tell me, please, who did
11 the closing of -- of this entity taking Mr. --
12 you three people, Mr. Hollen, Mr. Kuznik, and
13 yourself. You said y'all took Mr. Passailaigue
14 out is what I think I heard you testify to. Is
15 that accurate?

16 A. Yes.

17 Q. Okay. Who did the legal work for y'all
18 to accomplish that?

19 A. I don't recall. I think it was a
20 Charleston attorney that Paul had. I think.

21 Q. Okay. But there was -- was there some
22 legal work involved in -- in doing that?

23 A. I believe so.

24 Q. Okay. And who wrote the checks to pay
25 Mr. Passailaigue out?

1 A. There were a number of times that Paul
2 wrote some. I don't know if my brother's office
3 wrote any or not. I never really saw the checks.

4 Q. Okay. And you funded yourselves by --
5 along with a bank; correct?

6 A. Initially I think we put cash in it, and
7 then we got a bank loan; and that's how we funded
8 the -- and we did all the, you know, the
9 engineering; and part of the money to pay Ray
10 came out of the loan.

11 Q. Okay. And did -- was that a TD Bank
12 loan?

13 A. Carolina First Bank loan.

14 Q. At that time it was --

15 A. Right.

16 Q. At that time it was Carolina First. It's
17 evolved to be TD now.

18 A. Right.

19 Q. Okay. I understand. Who do you deal
20 with there?

21 A. They're all retired.

22 Q. Maybe we should.

23 A. Yeah.

24 Q. Do you recall who you dealt with at the
25 time?

1 A. I think it might have been Gordon
2 Gregory.

3 Q. And what town is he in?

4 A. He -- he was in Columbia but I -- I think
5 he moved to Greenville with a different bank.

6 Q. Okay. Still -- still functioning as a
7 banker?

8 A. I think so.

9 MR. RICHTER: Okay. All right. All
10 right. I tell you, if we take just about a
11 five-minute break, I think it'll help us time
12 wise in this matter. Let's do that.

13 (Recess taken 11:43 a.m. to 12:04 p.m.)

14 BY MR. RICHTER:

15 Q. All right. I want to ask you again a
16 little about the 1,022,000 dollar note, and then
17 I want to ask you about Thornwell Partners just
18 so we can be clear that we're -- what entity
19 we're talking about.

20 A. Uh-huh.

21 Q. As to the note, can you tell me, please,
22 what the 1,022,000 dollar note was for?

23 A. The 22,000 was to repay Ray for his
24 upfront costs. The million was to buy him out of
25 the partnership.

1 Q. Okay.

2 A. He wanted -- he found the land. He
3 wanted 1 million dollars, and that's what we
4 agreed to pay him.

5 Q. To buy him out of the partnership.

6 A. Yes.

7 Q. And are there legal documents stating
8 that?

9 A. I assume there must be.

10 Q. Okay. Let me -- let me go ahead and put
11 that one document in. I'm not sure we made this
12 a part of the prior record.

13 I want to show you a copy of a document,
14 please, and ask you if you recognize it as being
15 the -- a copy of the 1,022,000 dollar note dated
16 April 11 of '07 and if you recognize an
17 assignment of contract agreement that is attached
18 as Exhibit A to that note.

19 A. Okay. (Complies with request.) What was
20 your question again?

21 Q. Do you recognize first that --

22 MR. RICHTER: Well, let me put -- let's
23 mark that as 1-A to this deposition.

24 (Plaintiff's Exhibit No. 1-A was marked
25 for identification.)

1 Q. Mr. Saad, before you is a document that's
2 marked as Plaintiff's 1-A to this deposition.
3 I'd like you to look at that document, please,
4 and see if you can identify that as being a copy,
5 first two pages, of a note in the amount of a
6 million twenty-two thousand nine hundred thousand
7 dollars (SIC).

8 A. Yes.

9 Q. All right. And look at the second page,
10 please, and see if you can identify it as being
11 made by Thornwell Partners, LLC, by its member
12 Paul Hollen.

13 A. (Complies with request.) Yes.

14 Q. Okay. Then if you -- well, if you'd look
15 at the -- above Mr. Hollen's signature, the first
16 paragraph on the page -- on the signature page,
17 would you read that, please, into the record?

18 A. "It is expressly agreed and declared that
19 this note is given as consideration for and under
20 the terms of that Certain Assignment Contract of
21 even date -- even date attached hereto as
22 Exhibit A."

23 Q. Even -- "even date attached hereto as
24 Exhibit A."

25 A. "Even date," yeah.

1 Q. And then if you'll turn the page, do you
2 see that Exhibit A is the attachment referred to
3 that you just -- in the paragraph that you just
4 read? Do you agree with that?

5 A. I'm sorry?

6 Q. Yeah. Exhibit A is the -- is the
7 document referred to in the paragraph that you
8 just read into the record, isn't it?

9 A. Yes.

10 Q. Okay. And let's go over to the signature
11 page there, please.

12 A. (Complies with request.)

13 Q. And do you agree that Mr. Passailaigue
14 signed for Passailaigue Homes, Inc.? Ray
15 Passailaigue signed for Passailaigue Homes.

16 A. Yes, yes.

17 Q. And that Paul Hollen signed --

18 A. Yes.

19 Q. -- as to Thornwell Partners. Okay.

20 Now, I'd like you to look at paragraph
21 No. 1 on the first page of the assignment
22 contract.

23 A. (Complies with request.)

24 Q. Do you have it before you?

25 A. Exhibit A? Is this it?

1 MR. BLAKE: Yeah.

2 A. Yeah. Okay.

3 Q. I'd like to ask you, please, to read the
4 first full paragraph under the word or behind the
5 word "consideration" into the record.

6 A. "The signee agrees to pay to the assignor
7 as consideration for the assignment of the
8 reference contract the sum of 1 million plus
9 reimbursement of engineering costs in the amount
10 of 23,900, which shall be paid as follows:"

11 Q. You can stop at that point. Do you agree
12 that this document provides that the payment of
13 1 million -- although here it says 23,900 --
14 23,900, you'll notice that throughout the
15 document otherwise, it says 1,022,900 dollars so
16 I think "23" is a typographical error.

17 A. I see. It says there's 1,000 dollars --

18 Q. Oh, I see. 23 is right. Okay. All
19 right. The -- do you agree that the 1,023,900
20 dollars was to be paid to Mr. Passailaigue or
21 Passailaigue Homes for the assignment of the
22 contract that he had on the property that we're
23 talking about or that it had on the property
24 we're talking about?

25 A. It appears to me that's what it's saying,

1 yes.

2 Q. Do you dispute that?

3 A. I don't remember seeing this. I didn't
4 sign it.

5 Q. Do you have any reason to dispute this?

6 A. I don't recall. No.

7 Q. Okay. Now, the maker of this note and
8 contract -- the maker of the note was Thornwell
9 Partners, LLC; correct?

10 A. Yes.

11 Q. All right. And --

12 A. That's the name of it.

13 Q. That's right. And one of the parties to
14 the contract, Passailaigue Homes, was one. The
15 other party to the contract was Thornwell
16 Partners, LLC; correct?

17 A. Correct.

18 Q. All right. Now, who -- and this was done
19 on the 11th day of April, it looks like, of 2007;
20 correct?

21 A. Yes.

22 Q. All right. Who were the members of
23 Thornwell Partners on April 11 of 2007?

24 A. I don't recall.

25 Q. What document would you need to refer to

1 to be able to answer that question?

2 A. The partnership document.

3 Q. What is that?

4 A. The partnership document, if there is a
5 partnership document. I can make an assumption,
6 but I'd rather not.

7 Q. Well, as long as you denominate it as an
8 assumption, it's fine for the purposes of a
9 deposition. But if you don't -- if you are not
10 certain, just indicate you're not certain.

11 A. I'm not certain.

12 Q. Do you have an idea of what your --

13 A. I assume it was Paul Hollen, me, and
14 Henry; but I don't know.

15 Q. Now, if you looked at the amended and
16 restated Operating Agreement of Thornwell
17 Partners, would that help you in your
18 recollection as to who the members were on the --
19 I think it said the 11th day of April, 2007.

20 A. Yes.

21 Q. Okay. I'm going to -- let me just hand
22 you that agreement, and I'll call your attention
23 to the bottom of the second page and then the top
24 of the third page and ask you if -- if it doesn't
25 show who the members there.

1 A. (Complies with request.) Shows me, Paul
2 Hollen, Henry Kuznik, and Ray Passailaigue.

3 Q. Okay. And that's with Thornwell
4 Partners.

5 MR. BLAKE: I think I'm going to object
6 to the form of the question and ask you to reask
7 it, please.

8 MR. RICHTER: Madam Reporter, would you
9 mind reading the last question back, please.

10 (Record was read by the Court
11 Reporter.)

12 Q. And did I hear your answer right that it
13 shows that the members are you, Mr. Saad,
14 Mr. Hollen, Mr. Kuznik, and Mr. Passailaigue?

15 A. Yes.

16 Q. Okay.

17 A. And percentages of ownership, I believe.

18 Q. No other members is -- that's what I'm
19 trying to establish.

20 A. No.

21 Q. Okay. Thank you.

22 Now, all right. Next, please, I'd like
23 to ask you if, other than the four of y'all, were
24 there ever any other members of Thornwell
25 Partners?

1 A. No, no.

2 Q. Okay. I'd also like to ask you -- I'd
3 like to ask you, please, if you can tell me what
4 is Thornwell Investments, LLC?

5 MS. JOHNSON: Excuse me? Sorry. Can
6 you repeat the question? I didn't hear it.

7 Q. Yeah. Can you tell me what is Thornwell
8 Investments, LLC?

9 A. As opposed to --

10 Q. Thornwell Partners, LLC. Not as opposed
11 to but --

12 A. I think originally Paul Hollen and I set
13 up an LLC that was called Thornwell Investments
14 to do something and it -- I don't believe we did
15 anything with it; and then when we formed this
16 partnership, we changed the name to -- we set up
17 a new LLC called Thornwell Partners.

18 Q. LLC?

19 A. LLC.

20 Q. Okay. Do you know who -- who did the
21 legal work and paperwork for the formation of
22 Thornwell Partners?

23 A. It was either -- I don't know if my
24 attorney in Columbia handled it, Bill McElvain,
25 or Paul's attorney in Charleston, whose name I

1 can't remember, handled it.

2 Q. Okay. But one -- one or the other likely
3 would have been the one who did it.

4 A. Likely.

5 Q. Okay. All right. Now, I might be
6 able -- what else do you need from him
7 personally? Do you have any ongoing business
8 relationships with Mr. Hollen?

9 A. No.

10 Q. Mr. Kuznik?

11 A. He and I are partners in a warehouse that
12 we developed.

13 Q. Here in Charleston or somewhere else?

14 A. Here in Charleston.

15 Q. What is the name of that entity that owns
16 that warehouse?

17 A. Commerce Three, I think.

18 Q. Commerce Three. What is the warehouse?
19 Where is it?

20 A. It's the Safelight building on Commerce
21 Parkway.

22 Q. Okay. Well, let me put it in the record.
23 Where is Commerce Parkway?

24 A. It's off Ashley Phosphate Road.

25 Q. Okay. I don't think I asked you earlier

1 and I agree not to publish this in the deposition
2 but rather only the last four numbers or
3 something. Would you give us your Social
4 Security number please?

5 A. 8043. 8043.

6 Q. Well, that can't be your Social Security
7 number.

8 A. You wanted the last four digits, didn't
9 you?

10 Q. She's only going to publish the last four
11 digits, but we need to know the whole thing.

12 A. Can I ask why?

13 Q. Yeah. Because we're going to look for
14 certain records.

15 A. Okay. xxx-xx-8043.

16 Q. I also failed to ask you, have you ever
17 gone by any other names?

18 A. No.

19 Q. Okay. Thank you. Your first divorce,
20 how did it end? Your first marriage, how did it
21 end?

22 A. We separated and two years later got
23 divorced.

24 Q. And where did that occur?

25 A. In Columbia.

1 Q. And what were the grounds for that
2 divorce?

3 A. Incompatibility.

4 Q. Did you obtain it or did your wife?

5 A. It was a mutual.

6 Q. Did you say what year that was?

7 A. I don't remember. It's '73, '74,
8 somewhere.

9 Q. Who was your lawyer in that transaction?
10 Do you remember that?

11 A. Don McClellan. We had the same lawyer.
12 Didn't have any money to --

13 Q. What is -- what's his first name,
14 Mr. McClellan's?

15 A. Don.

16 Q. Don McClellan?

17 A. Right. Donald.

18 Q. Is he still there?

19 A. I haven't seen him over the years.

20 Q. All right. Now, are you a guarantor of
21 any obligations other than what we're dealing
22 with in this litigation?

23 A. Oh, yeah.

24 Q. And what is the nature of the obligations
25 that you have guaranteed?

1 A. Bank loans on real estate.

2 Q. So you're a guarantor of a note?

3 A. Uh-huh. (Nods head.)

4 Q. And how many instances do you think?

5 A. Ten, fifteen. Depends on how many
6 properties I own.

7 Q. Well, whatever is pending at the time,
8 you're likely to be a --

9 A. If it's a bank loan. If it's an
10 insurance company, it's a nonrecourse; but any
11 bank loans, I'm personally liable on.

12 Q. Do you use insurance companies from time
13 to time to finance you?

14 A. Yes.

15 Q. Do you always get nonrecourse financing
16 from them?

17 A. From insurance companies, yeah. Not from
18 banks.

19 Q. When we're finished here today, I'd like
20 to, off the record, want to find out about that
21 nonrecourse.

22 (Off-the-record discussion.)

23 MR. RICHTER: Let's go on.

24 BY MR. RICHTER:

25 Q. What is the -- all right. Now, what I

1 would like to do is roll over into your
2 examination as the 30(b)(6) witness without going
3 through the formality of reswearing him and
4 reviewing that -- that notice with him and all of
5 that.

6 Do you understand what we're going to do
7 now? Ask you -- we're going to question you as
8 the representative of the entity. We call it a
9 30(b)(6) witness because that's the rule under
10 which we do --

11 A. Which entity are we talking about?

12 Q. Thornwell.

13 A. Okay.

14 MR. BLEECKER: Objection. There are
15 two Thornwells.

16 MR. RICHTER: Well, we noticed the
17 maker of the note, Thornwell Partners. Okay.
18 Now, does --

19 MR. BLEECKER: What I'm saying, to be
20 specific, it's Thornwell Investors and Thornwell
21 Partners.

22 MR. RICHTER: Yeah, but I think we
23 noticed it as Thornwell Partners, did we not?

24 MR. BLEECKER: So there are two legal
25 entities.

1 MR. RICHTER: Yeah. I hear what you're
2 saying.

3 Q. I'm going to -- I'm sure that we noticed
4 this as Thornwell Partners, LLC; and that's what
5 I want to ask you about.

6 A. Okay.

7 Q. And the capacity that you'll be
8 testifying now is -- is as the person who would
9 sort of know the most -- be the most likely to be
10 able to answer business questions that we may
11 have about that. So what I want to do -- and
12 this will only take us just a couple minutes, I
13 think.

14 MR. RICHTER: Does everybody agree that
15 we simply stipulate that Exhibit No. 1 to this
16 depo is whatever documents we put into the --

17 MR. BLEECKER: Mr. Kuznik does.

18 MR. BLAKE: Yes.

19 MS. JOHNSON: That's fine.

20 MR. RICHTER: Thanks. That saves us a
21 lot of time.

22 Q. So for this one, I just want to ask you,
23 please, to draw the distinction that Mr. Bleecker
24 reminds us of between Thornwell Partners, LLC,
25 and Thornwell Investments, LLC --

1 A. Well, Thornwell Partners, LLC, is that
2 the maker of the note? The partners? Can we
3 just go by "Partners" and "Investors"?

4 Q. That's fine, yeah. Start, if you don't
5 mind by simply telling me who the members -- I
6 think you've already done this in your individual
7 testimony; but I think I understood you to say
8 that as to Thornwell Investments, LLC, you and
9 Paul Hollen set that up some time ago and never
10 really did anything with it.

11 A. Correct.

12 Q. Were there any other members or just you
13 and Mr. Hollen?

14 A. No.

15 Q. No other members?

16 A. No.

17 Q. Okay. Thornwell Partners, LLC, we asked
18 you also about the members of and -- and you
19 indicated that yourself, Mr. Kuznik, Mr. Hollen,
20 and Mr. Passailaigue and then you went on to say
21 that Mr. Passailaigue, as you understood it,
22 was -- was bought out or --

23 A. That was my recollection, yeah, at some
24 point in time.

25 Q. So I'm just trying to distinguish between

1 those two. There's Thornwell Partners. I'm
2 sorry. Thornwell Investors, LLC, you and
3 Mr. Hollen have anything to do with this
4 transaction we're talking about; or is it only
5 Thornwell Partners, LLC?

6 A. Thornwell Investors has no -- it's a
7 defunct LLC.

8 Q. And never really did anything, it sounds
9 like.

10 A. No.

11 Q. So the -- the interested party in the
12 transaction we're talking about from your side of
13 the table is who?

14 A. Partners.

15 Q. Thornwell Partners, LLC?

16 A. Right.

17 Q. Okay. Thank you.

18 Now, the -- as to the Thornwell Partners,
19 LLC, who is the manager of that entity?

20 A. I don't -- I don't recall. I think
21 it's --

22 Q. Okay. As to this -- well, as to the
23 transactions that Thornwell Partners, LLC, may
24 have been involved in over time, other than the
25 transaction that we're concerned with in this

1 litigation, was it involved in other
2 transactions?

3 A. No. Just the acquisition of this land.

4 Q. Is it fair to say that that was the
5 single business purpose?

6 A. Single business purpose, yes.

7 Q. Okay. And as to the business of
8 Thornwell Partners, LLC, is that business and its
9 activities reflected in the testimony that you
10 gave earlier when I was examining you as an
11 individual?

12 A. Yes.

13 Q. Okay. Is there anything that you would
14 add to that, anything else that we should know
15 about Thornwell Partners, LLC; or do you feel
16 like you fully summed it up?

17 A. Thornwell Partners, LLC, is also a
18 retired entity. It doesn't exist anymore.

19 Q. As of today. I mean, by now.

20 A. As of when I sold the last tract.

21 Q. So it's not in existence anymore.

22 A. No. I mean, I didn't really actually
23 sign something, whatever you do to disengage it
24 but, you know, I -- it doesn't operate anymore.

25 Q. Well, as I recall what you testified to

1 about Thornwell Partners, LLC, you agreed that it
2 made a note for a million -- I want to say
3 1,022,900 dollars or 23,900 dollars.

4 A. Yes.

5 Q. And that you paid that note in full, and
6 I think you --

7 A. Correct.

8 Q. Okay. And then I think you said you
9 didn't recall making a hundred -- that entity or
10 members of that entity --

11 A. That's correct.

12 Q. -- making the 130,000 dollar note that
13 we've been discussing here today.

14 A. That's right.

15 Q. Okay. And that you didn't recall the
16 guarantee agreement for -- for the 130,000 dollar
17 note that we've been talking about.

18 A. That's correct.

19 Q. Beyond that, was there -- was there any
20 other business transaction engaged in by -- I
21 realize you're financed. You went to a bank.
22 You told us that. That was sort of the third
23 thing you told us by Thornwell Partners, LLC.

24 Other than that, was there any other
25 business that Thornwell Partners, LLC, did?

1 A. Nothing other than this -- this million
2 dollar transaction.

3 Q. And then -- and then at the end of the
4 day, Mr. Kuznik took a part, paid for it. You
5 took a part, paid for it. And now none of it --

6 A. Exists.

7 Q. It doesn't exist anymore.

8 A. Exactly.

9 Q. Have we come full circle as to that
10 entity? Is that the history of it?

11 A. Yes.

12 Q. Anything you want to add or explain to it
13 in any way?

14 A. No.

15 Q. The same thing for your earlier
16 testimony. I didn't mean not to give you an
17 opportunity to do that. If you want to add
18 anything to your individual testimony or clarify
19 anything, you're welcome to do so.

20 A. I'm good.

21 Q. Okay. Thanks. I also forgot to tell you
22 that you have the right to read this deposition
23 and sign it, if you wish to. You also have the
24 right to waive that reading and signing. The --
25 the rule -- there will be errors -- there will be

1 spelling errors, proper names. Well, there might
2 be in other depositions with other Court
3 Reporters --

4 THE WITNESS: Saad is S-A-A-D.

5 THE REPORTER: I got it.

6 Q. You can't -- that's not an invitation to
7 substantively change your testimony but --

8 MR. BLAKE: We'll read and sign.

9 MR. RICHTER: Okay. That's fine. All
10 right. I don't have -- thank you. I don't have
11 any other questions at this time.

12 THE WITNESS: Okay.

13 MR. RICHTER: Who wants to go?

14 MR. BLEECKER: Mr. Kuznik has no
15 questions.

16 MR. KUZNIK: No.

17 MS. JOHNSON: I just have one.

18
19 EXAMINATION

20 BY MS. JOHNSON:

21 Q. Can you tell me, were there any net
22 proceeds of the sale of the land in question?

23 A. You mean between the two of us or three
24 of us or what?

25 MR. RICHTER: She means did you really

1 lose that 300 dollars that you --

2 A. Oh, absolutely. I got a check for 300
3 dollars less than I had in it; and I assume that
4 Henry did as well.

5 MS. JOHNSON: Thank you.

6 MR. BLAKE: No questions.

7 MR. RICHTER: Okay. Well, Paul --
8 well, Paul just did.

9 MS. JOHNSON: That was Paul.

10 MR. RICHTER: I think we're finished.
11 Thank you for coming down.

12 (Deposition concluded at 12:36 p.m.)

13 - - -
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1 STATE OF SOUTH CAROLINA
2 COUNTY OF CHARLESTON

3 I, Ronda K. Blanton, a Registered
4 Professional Reporter and Notary Public for the
5 State of South Carolina at Large, do hereby
6 certify that the witness in the foregoing
7 deposition was by me duly sworn to testify to the
8 truth, the whole truth, and nothing but the truth
9 in the within-entitled cause; that said
10 deposition was taken at the time and location
11 therein stated; that the testimony of the witness
12 and all objections made at the time of the
13 examination were recorded stenographically by me
14 and were thereafter transcribed by computer-aided
15 transcription; that the foregoing is a full,
16 complete, and true record of the testimony of the
17 witness and of all objections made at the time of
18 the examination; and that the witness was given
19 an opportunity to read and correct said
20 deposition and to subscribe the same.

21 Should the signature of the witness not be
22 affixed to the deposition, the witness shall not
23 have availed himself of the opportunity to sign
24 or the signature has been waived.

25 I further certify that I am neither related
to nor counsel for any party to the cause pending
or interested in the events thereof.

Witness my hand, I have hereunto affixed my
official seal on November 15, 2013, at
Charleston, Charleston County, South Carolina.

Ronda K. Blanton, RPR
Notary Public, South Carolina
My Commission expires:
May 14, 2018.

DEPONENT CORRECTION SHEET

I, the undersigned, ALFRED L. SAAD, III, do hereby certify that I have read the foregoing deposition and wish to make the following clarifications and/or corrections, if any.

PAGE	LINE	CHANGE	REASON

ALFRED L. SAAD, III

Date

Note

SOUTH CAROLINA

\$1,022,900.00

April 11, 2007

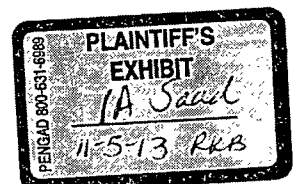
FOR VALUE RECEIVED, the undersigned promise (s) to pay to the order of Ray Passailaigue, LLC at Charleston, South Carolina, in lawful money of the United States of America, the principal sum of One Million Twenty Two Thousand Nine Hundred Dollars (\$1,022,900.00) due and payable at the closing on the properties set forth in the Assignment of Contract attached hereto as Exhibit A and incorporated herein by reference or within 30 days of the zoning change set forth in Paragraph One B. of the attached Exhibit A, Assignment of Contract, which ever occurs first.

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate or bankrupt courts, or under foreclosure proceedings under the mortgage securing this note, then all cost of collection, including a reasonable sum for attorney fee shall be added hereto as attorney's fees secured and collectible as the principal hereof.

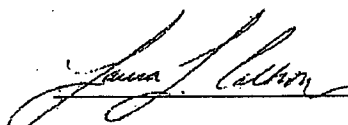
The undersigned expressly agree jointly and severally to remain and continue bound for the payment of the principal and interest provided for by the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid under and by virtue of the obligation to pay provided for in this note, or any change or changes by way of release or surrender of any collateral held as security for this note and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of the undersigned.

Presentment, protest, and notice are hereby waived.



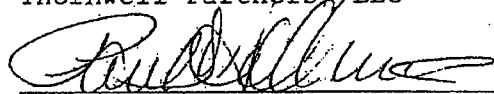
It is expressly agreed and declared that this note is given as consideration for and under the terms of that certain Assignment of Contract of even date attached hereto as Exhibit A..

Witness the hand and seal of the undersigned hereof.



Carrie Mann

Thornwell Partners, LLC



By: Paul Hollen
Its: Member

Exhibit A

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ASSIGNMENT OF CONTRACTS

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ~~Ray~~
Passalunigues Homes Inc
Passalunigues, LLC ("Assignor"), does hereby set over and assign all of its right, title and interest in
and to the following Contracts of Sale to Thornwell Partners, LLC ("Assignee), or their assigns, to
wit:

- A. Contract of Sale dated February 16, 2006 between Assignor as Buyer and William Dasinger and Maxine B. Dasinger, relating to the sale of real property located in Charleston County known as TMS No. 395-00-00-001, consisting of approximately 17 acres of land located at 7720 Chippendale Road, North Charleston, South Carolina; and
- B. Contract of Sale dated February 16, 2006 between the Assignor as Buyer and Harold E. Dasinger and Loraine R. Dasinger as Sellers, relating to real property known as TMS No. 395-00-00-003, consisting of approximately 28.3 acres located at 7730 Chippendale Road, North Charleston, South Carolina.

ONE. CONSIDERATION. The Assignee agrees to pay to the Assignor as consideration for the assignment of the referenced contracts, the sum of \$1,000,000.00 plus reimbursement of engineering costs in the amount of \$23,900.00, which shall be paid as follows:

- A. \$1,000.00 at the execution of this Assignment; and
- B. \$1,022,900.00 to be paid at the closing of the transaction between the Sellers and the Assignee; or to be paid within 30 days that the zoning change referenced herein is approved by the City Council of North Charleston changing the designation from agricultural to light industrial.

TWO. ZONING. Assignor will continue its pursuit of the zoning change which is now pending before the City of North Charleston and will appear as required to support the application relating to a request it has filed to change the zoning from agricultural to light industrial.

THREE. DUE DILIGENCE. The Assignee has obtained and paid for a Phase I Environmental audit on each property, a survey of each property, a tree survey on each property, a topographical study on each property, and is in the process of obtaining a wetlands study. All of these reports/audits are hereby transferred by the Assignor to the Assignee. Assignor does hereby warrant that all of the studies have been paid for or will be paid for and that there are presently no outstanding invoices for these services that are due and owing.

FOUR. TITLE STATUS. Assignor has had the title to each property abstracted and provide a copy of the abstracts or title reports to the Assignee. Assignor has further been advised and believes that there are no liens that encumber the title to each property, saving and accepting the real estate taxes due for the calendar year 2007.

FIVE. CONTRACT EXTENSIONS. Assignor does hereby warrant to Assignee proper extensions have been agreed upon with the owners of the subject property to permit the Assignor and Assignee to obtain the zoning change referenced in Section One B.

SIX. MODIFICATION OF ASSIGNMENT. Any changes or modifications to this Assignment will only be valid if the signatures of the parties hereto have been affixed.

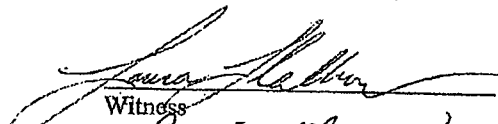
SEVEN. CONSENTS. The Assignor will obtain the consent of each Seller simultaneously with the execution of this document, acknowledging that the assignment of each contract has been effectuated and recognizing that the Assignee referenced herein is the substituted purchaser. The approval of the assignment shall be accomplished by a separate document prepared by the Assignee.

EIGHT. DISPUTE. In the event there is a dispute regarding the terms or conditions of this agreement result in litigation being filed, the prevailing party in any dispute shall be entitled to an award of reasonable attorney's fees and costs.

TEN. APPLICABLE LAW. The applicable law to be applied to any dispute between the parties is that of the State of South Carolina.

ELEVEN. BINDING. This Assignment shall be binding on the heirs, successors, and assigns of the parties hereto.

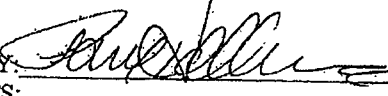
Executed this the 11th day of April, 2007.


Witness
Carrin Mann
Witness


Witness
Carrin Mann
Witness

AS TO THE ASSIGNOR:
PASSAIGUE, LLC
 PASSAIGUE HOMES INC
BY: Ray Passaigue
ITS: President

AS TO ASSIGNEE:
THORNWELL PARTNERS, LLC


BY: [Signature]
ITS: _____

LEGEND

- BOUNDARY LINE & CORNER FOUND (AS DESCRIBED)
- BOUNDARY LINE & CORNER SET (3/8" REBAR)
- ADJACENT BOUNDARY LINE
- RIGHT OF WAY LINE
- SETBACK LINE (AS DESCRIBED)
- CENTURINE
- STATE PLATE COORDINATES

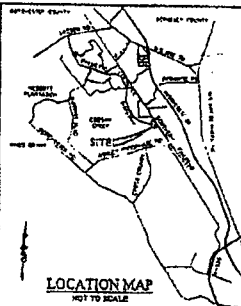
NOTES

- THIS NO. 395-00-00-001 & 003.
- AREAS DETERMINED BY COORDINATE METHOD.
- PROPERTY IS LOCATED IN FLOOD ZONE X, AS PER FEMA MAP NUMBER 450001Z COMMUNITY PANEL 450001Z DATED & EFFECTIVE NOVEMBER 17, 2004. FLOOD ZONE X HAS BEEN DETERMINED TO BE OUTSIDE THE 500-YEAR FLOODPLAIN.
- NO UNDERGROUND EXPLORATION PERFORMED FOR THIS SURVEY.
- PROPERTY IS ZONED M-1.
- ALL FOUND PINS ARE 3/8" REB. UNLESS OTHERWISE NOTED.

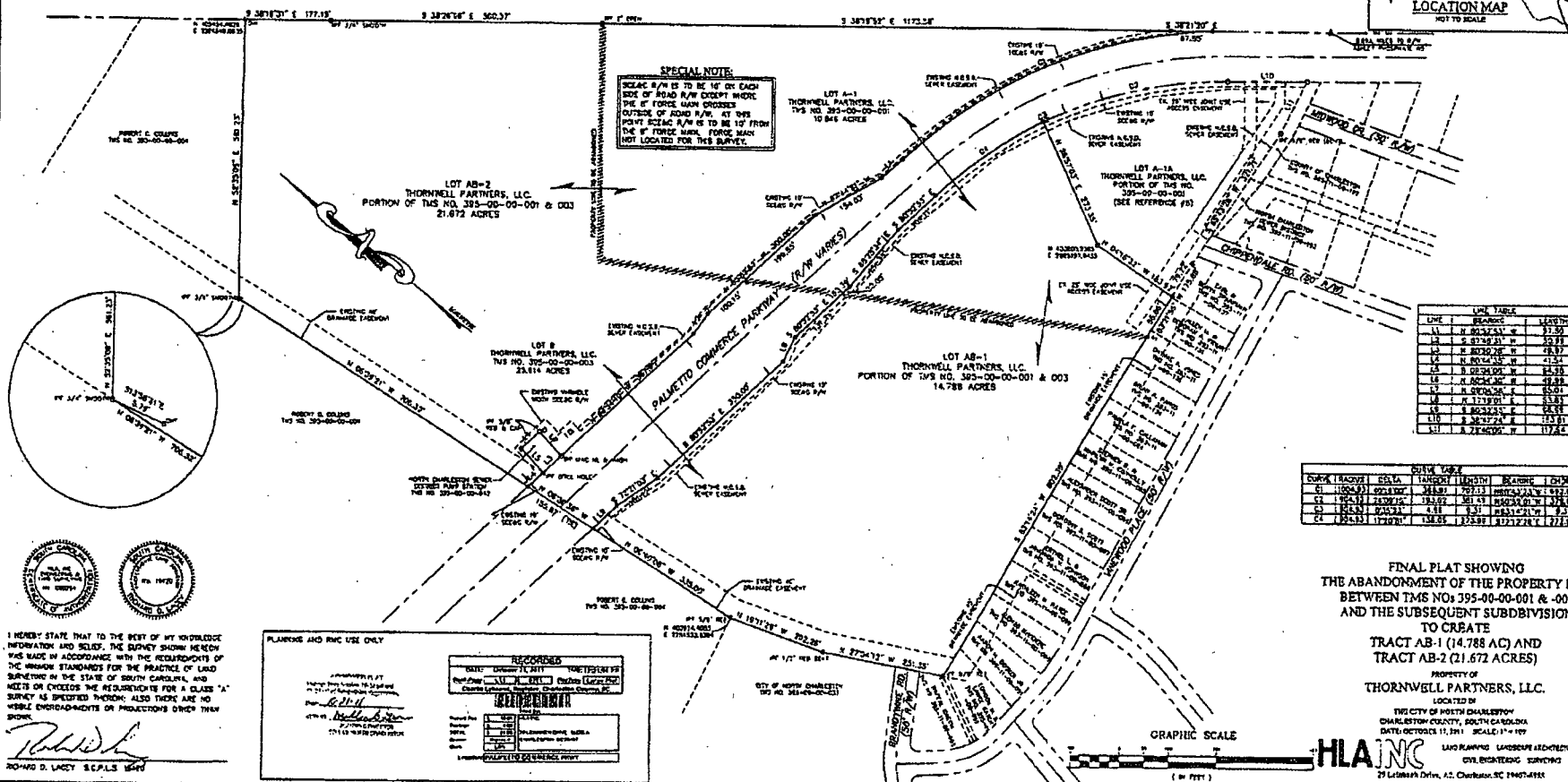
REFERENCES

- PLAT BY C. ROGER JOHNSON, DATED DECEMBER 1970 AND RECORDED IN PLAT BOOK AA, PAGE 23, CHARLESTON COUNTY REC.
- PLAT BY C. ROGER JOHNSON, DATED FEBRUARY 1971 AND RECORDED IN PLAT BOOK AA, PAGE 34, CHARLESTON COUNTY REC.
- PLAT BY C. ROGER JOHNSON, DATED SEPTEMBER 1971 AND RECORDED IN PLAT BOOK AA, PAGE 78, CHARLESTON COUNTY REC.
- PLAT BY JAMES F. BOWEN, DATED NOVEMBER 8, 1981 AND RECORDED IN PLAT BOOK AA, PAGE 32, CHARLESTON COUNTY REC.
- PLAT BY A. NORT HENRIKSEN, DATED JUNE 21, 1981 AND RECORDED IN PLAT BOOK AA, PAGE 147, CHARLESTON COUNTY REC.
- PLAT BY C.D.S. LAND SURVEYING, DATED JANUARY 31, 1996 AND RECORDED IN PLAT BOOK BB, PAGE 37, CHARLESTON COUNTY REC.

- PLAT BY GEORGE A.E. JOHNSON JR. INC. DATED MAY 22, 2003 AND RECORDED IN PLAT BOOK BB, PAGE 702, CHARLESTON COUNTY REC.
- PLAT BY GEORGE A.E. JOHNSON JR. INC. DATED JULY 25, 2004 AND RECORDED IN PLAT BOOK BB, PAGE 754, CHARLESTON COUNTY REC.
- PLAT BY THOMAS & HUTTON, DATED FEBRUARY 8, 2011 AND RECORDED IN PLAT BOOK L11, PAGE 0206, CHARLESTON COUNTY REC.
- PLAT BY HLA, INC. DATED SEPTEMBER 1, 2011 AND RECORDED IN PLAT BOOK L11, PAGE 0206, CHARLESTON COUNTY REC.
- RIGHT OF WAY EASEMENT GRANTED TO SOUTH CAROLINA ELECTRIC AND GAS COMPANY DATED JANUARY 19, 2011, AND RECORDED IN THE OFFICE OF THE REC. FOR CHARLESTON COUNTY IN BOOK D175 AT PAGE 014. DEEDS DRAWING 2-D-78425.



EX. SOUTHERN RAILROAD AND COLLINS RD. (200' R/W)



FINAL PLAT SHOWING
THE ABANDONMENT OF THE PROPERTY LINE
BETWEEN TMS NO. 395-00-00-001 & 003
AND THE SUBSEQUENT SUBDIVISION
TO CREATE
TRACT AB-1 (14.788 AC) AND
TRACT AB-2 (21.672 ACRES)
PROPERTY OF
THORNWELL PARTNERS, LLC.
LOCATED IN
THE CITY OF NORTH CHARLESTON
CHARLESTON COUNTY, SOUTH CAROLINA
DATE: OCTOBER 11, 2011 SCALE: 1"=100'
LAND PLANNING, LANDSCAPE ARCHITECTURE
CIVIL ENGINEERING, SURVEYING
HLA INC.
29 Litchfield Drive, A2, Charleston, SC 29407-4000
tel 843.762.1186 fax 843.762.1999
www.hla-inc.com

STATE OF SOUTH CAROLINA
IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON

VIRGIL "RAY" PASSAILAIGUE,

Plaintiff,

vs.

CASE NO. 2013-CP-10-1647

HENRY KUZNIK, ALFRED L. SAAD, III, PAUL D. HOLLEN,
III and THORNWELL PARTNERS, LLC,

Defendants.

DEPOSITION OF: VIRGIL R. PASSAILAIGUE

DATE: January 10, 2014

TIME: 10:09 AM

LOCATION: Law Offices of
The Richter Firm, LLC
622 Johnnie Dodds Boulevard
Mount Pleasant, SC

TAKEN BY: Counsel for the Defendant
Henry Kuznik

REPORTED BY: TERRI L. BRUSSEAU, RPR,
CERTIFIED REALTIME REPORTER

A. WILLIAM ROBERTS, JR., & ASSOCIATES

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(803) 731-5224	(864) 234-7030	(704) 573-3919

1 APPEARANCES OF COUNSEL:

2 ATTORNEYS FOR THE PLAINTIFF
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9 patrick@richterfirm.com

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25 shaun.blake@arlaw.com

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BY: LINDSAY FUNDERBURK JOHNSON
36 Broad Street
Charleston, SC 29401
(843) 410-2545
ljohnson@derricklawoffice.com

ALSO PRESENT: Henry Kuznik
Alfred L. Saad, III
Paul D. Hollen, III

(INDEX AT REAR OF TRANSCRIPT)

1 STIPULATION

2 It is stipulated by and among Counsel
3 that this deposition is being taken in accordance
4 with the South Carolina Rules of Civil Procedure,
5 Rule 30; that all objections as to Notice of this
6 deposition are hereby waived; that all objections
7 except as to form are reserved until the time of
8 trial; and that the deponent does not waive reading
9 and signing of this deposition.

10 * * * * *

11 VIRGIL R. PASSAILAIGUE

12 being first duly sworn, testified as follows:

13 EXAMINATION

14 BY MR. BLEEKER:

15 Q. Would you please state your full name.

16 A. Virgil Ray Passailaigue.

17 Q. Mr. Passailaigue, you have been present
18 at two or three depositions here in this office, is
19 that correct?

20 A. That's correct.

21 Q. And how are you feeling today?

22 A. Wonderful.

23 Q. Are you under any drugs or alcohol, any
24 kind of substance that would influence your ability
25 to tell the truth today?

1 A. No, sir.

2 Q. And tell us -- tell me something about
3 your background. How old are you?

4 A. I'm 64 years old this year.

5 Q. And you're married?

6 A. I am married. I have two children.

7 Q. And what is your wife's name?

8 A. Stacy Lynn.

9 Q. And what are the names of your
10 children?

11 A. Sean Robert, who is 21, and Legare --
12 Lauren Legare, which is 19.

13 Q. And where do they live?

14 A. Sean lives at home going to The
15 Citadel, senior, Legare is a freshman at Clemson
16 and that's where she is.

17 MR. BLEEKER: Off the record.

18 (Off-the-record conference.)

19 BY MR. BLEEKER:

20 Q. And where do you hail from?

21 A. Right here. I'm from North Charleston
22 originally.

23 Q. And you have relatives here?

24 A. I do.

25 Q. And one of your relatives is Ernie --

1 A. That is correct.

2 Q. -- Passailaigue? And what about
3 other -- go through other people that live here and
4 what their names are that are related to you by
5 blood or marriage.

6 A. I have three sisters, Jean Taylor, my
7 second sister is Mary Cartrette and my third sister
8 is Kay Passailaigue and they all live here in
9 Charleston.

10 Q. Where do they live?

11 A. My oldest sister Jean lives in Archdale
12 in North Charleston, my next to the oldest sister
13 Mary Cartrette lives in Summerville, I guess, I
14 don't know exactly where it is but -- and then my
15 youngest sister lives in North Charleston.

16 Q. And are they older than you are
17 or they're -- you're 65 did you say?

18 A. Three.

19 Q. 63. And you've got older sisters?

20 A. Right. Jean Taylor is my oldest sister
21 and she is 67, my next sister, Mary Cartrette, is
22 65 or 6 and my youngest sister is 58.

23 Q. And how many brothers do you have?

24 A. No brothers.

25 Q. No brothers. Ernie Passailaigue is a

1 cousin?

2 A. Second cousin.

3 Q. Second cousin. Okay. What is your
4 wife's name?

5 A. Stacy Lynn.

6 Q. And what was her maiden name?

7 A. Donoho, D-O-N-O-H-O.

8 Q. Is she from Charleston?

9 A. No, originally she's from -- born in
10 New Jersey, lived in Baltimore and then moved to
11 Summerville when she was -- in 1971.

12 Q. Other relatives other than your
13 children and you? Do you have other relatives by
14 blood or marriage here in this area?

15 A. Yes. My brother-in-law, Rob Donoho,
16 lives in Mount Pleasant with his wife and four
17 children and my mother and father-in-law, Larry and
18 Maggie Donoho, live at Kiawah.

19 Q. All right. You understand the order, I
20 ask questions and you answer them and the Court
21 Reporter records our discussions?

22 A. Yes, sir.

23 Q. And if you -- when I ask questions, if
24 you answer them, you can't -- you've got to answer
25 them orally, don't shrug, don't shake your head but

1 just speak verbally so she can -- the Court
2 Reporter can put them down. Do you understand that
3 procedure?

4 A. Yes, sir.

5 Q. All right. If you have any questions,
6 if you don't understand the questions I'm
7 propounding to you, then stop and ask me to repeat
8 the question so you'll understand it, all right?

9 A. Yes, sir.

10 Q. All right. Let me start off with what
11 the Court Reporter has marked as Exhibit 1.
12 Actually, it is -- there are two promissory notes.
13 Well, let me stop there.

14 (DFT. EXH. 1, Promissory Note dated
15 11/7/08, was marked for identification.)

16 BY MR. BLEEKER:

17 Q. Exhibit 1, I'll ask you if you can
18 identify this document.

19 A. I'm assuming that this is the one, the
20 promissory note that we're talking about. I mean,
21 there's only one promissory note.

22 (DFT. EXH. 2, Promissory Note dated
23 11/7/08, was marked for identification.)

24 BY MR. BLEEKER:

25 Q. I'll show you Exhibit 2 and ask you if

1 you can identify that.

2 A. I don't remember. They all look like
3 the same promissory note to me. There's some
4 wording that are different.

5 Q. Well, look at Exhibit Number 1.

6 A. Okay.

7 Q. And you see under the fourth line an
8 insert there. What is that insert?

9 A. Net proceeds.

10 Q. And --

11 A. Then on -- in Number 2 it's typed in.

12 Q. Typed in?

13 A. Um-hum.

14 Q. And is there an additional item typed
15 in on Exhibit Number 2?

16 A. You mean -- you're talking about right
17 here?

18 Q. Exhibit -- you'll see the exhibit
19 number, the blue thing.

20 A. Um-hum. Talking about where this is
21 written in?

22 Q. There's an additional line with
23 initials on it. What does that line say?

24 A. The loan period is to be 24 months.
25 The lender grants the -- and irrevocable is

1 scratched out -- right to one extension of 24
2 months if property remains unsold, and there's
3 initials here.

4 Q. All right. Now, what initials are
5 above the scratched out word irrevocable?

6 A. I can't make it out. I don't know what
7 it says.

8 Q. The first letter, do you know what that
9 says? Can you identify it?

10 A. I can't.

11 Q. Okay. Does that look like an R to you?

12 MR. NAPOLSKI: Object to form.

13 THE WITNESS: More of an R than
14 anything else.

15 BY MR. BLEEKER:

16 Q. All right. And the language in there,
17 if property remains unsold, you recognize that
18 as initials -- there are initials after that?

19 A. It's hard to make out but it looks like
20 a P.

21 Q. Is that -- it's printed in -- written
22 in print. Is that your writing?

23 A. Doesn't look like my writing.

24 Q. Okay. All right, do you have any
25 recollection of that -- why that -- on Exhibit 2,

1 why that second paragraph was inserted?

2 A. I do not remember.

3 Q. Okay. Now, I'll ask you to turn to the
4 last page of Exhibit 1 and the -- what entity is
5 making this note to you? Let's start off, is this
6 a note payable to you, Exhibit 1, Exhibit 2? Look
7 at either one.

8 A. It's to Passailaigue Homes.

9 Q. To Passailaigue Homes. All right. And
10 both of them are to Passailaigue Homes, is that
11 correct?

12 A. That is correct.

13 Q. Now, the entity that's signing this
14 note on either Exhibit 1 or Exhibit 2, what is the
15 name of it?

16 A. You're talking about Thornwell
17 Investments, is that what you're referring to, this
18 right here?

19 Q. Thornwell Investments, LLC?

20 A. Yes.

21 Q. All right. So is that the entity that
22 you claim owes money to you?

23 MR. NAPOLSKI: Object to form.

24 THE WITNESS: The people that owe me
25 the money are the three people that signed this

1 document.

2 BY MR. BLEEKER:

3 Q. All right. You'll notice under the
4 names of each of these parties their names are
5 typed out?

6 A. Yes.

7 Q. And what's after -- what's after their
8 names?

9 A. Member.

10 Q. Member. Each one of them as a member?

11 A. That's what it says.

12 Q. All right. And that's the same on both
13 of these notes that I've proffered to you?

14 A. That is correct.

15 Q. Exhibit 1 and Exhibit 2. All right.
16 Now, you'll see the term net proceeds written, is
17 that correct? This note is payable --

18 A. On 1 or 2?

19 Q. On both of them. Either one.

20 A. Net proceeds. Yes, I see that. Yes.

21 Q. Net proceeds from what?

22 A. From the future sales of the property
23 known as the Dassinger tract.

24 Q. All right. So what does net proceeds
25 mean to you?

1 MR. NAPOLSKI: Object to form.

2 THE WITNESS: When they sell it.

3 BY MR. BLEEKER:

4 Q. When they sell it. All right.

5 A. Then they're due to be -- they're due
6 to pay the note.

7 Q. All right. Net proceeds. What does
8 the word net mean to you?

9 MR. NAPOLSKI: Object to form.

10 THE WITNESS: Whether it be a negative
11 net or a plus net, it's from the proceeds, the net
12 proceeds. That's what it means to me.

13 BY MR. BLEEKER:

14 Q. Okay. When did you -- never mind.

15 (DFT. EXH. 3, Unconditional Guarantees,
16 was marked for identification.)

17 BY MR. BLEEKER:

18 Q. I'm going to hand you what's been
19 marked as Exhibit 3 and ask you to identify that.

20 A. This looks like the unconditional
21 guarantee that was signed by each individual
22 member.

23 Q. You've seen that before?

24 A. I have. I think I have if it's the
25 same one so I assume it is.

1 Q. And what was the purpose of that --
2 what did you understand the purpose of the
3 unconditional guarantees would be?

4 A. That if they did not pay the promissory
5 note that they would owe the money as a personal
6 debt.

7 Q. So you take that that the three parties
8 here -- are there three of these? Look through it
9 and tell me -- identify all three of them.

10 A. There's one signed by Mr. Kuznik,
11 there's one signed by Mr. Hollen and there's one
12 signed by Mr. Saad.

13 Q. And those are the three people you
14 expect to pay you the money?

15 A. Yes, sir.

16 Q. From the net proceeds?

17 A. Yes, sir.

18 Q. Now, let me ask you to look at the
19 first of those three exhibits and identify who
20 signed that one, if you would.

21 A. Mr. Kuznik signed the first one.

22 Q. All right. And does that exhibit have
23 a date on it?

24 A. November the 7th, 2008.

25 Q. Okay. And is that date the same date

1 that's on either -- both of these notes? That's
2 Exhibit 1 and Exhibit 2. The date. Just look at
3 the date.

4 A. Oh, I see it. November 7th on both of
5 them.

6 Q. Both of them are dated the same day?

7 A. That's correct.

8 Q. And they're both payable to
9 Passailaigue Homes?

10 A. That's correct.

11 Q. Now, let me go through the second
12 unconditional guarantee. Who signed that?

13 A. That would be Mr. Hollen.

14 Q. All right. What's the date of that
15 document?

16 A. November the 14th, 2008.

17 Q. And go to the third unconditional
18 guarantee.

19 A. That is signed by Mr. Saad.

20 Q. And what is the date of that?

21 A. November the 7th, 2008.

22 Q. And all of these are in Exhibit 3?

23 A. Yes, sir.

24 Q. Okay. Thank you.

25 (DFT. EXH. 4, Note dated 4/11/07, was

1 marked for identification.)

2 BY MR. BLEEKER:

3 Q. Now I'm going to hand you what has been
4 marked Exhibit 4 and ask you to identify that.

5 A. This appears to be where they paid me
6 the 1,022,900 dollars.

7 Q. Appears to be --

8 A. For the assignment of the contract.

9 Q. Okay. That's -- it's a note, is that
10 correct?

11 A. That's what it says.

12 Q. A promise to pay?

13 A. Yes. I say it does. A promise to pay.

14 Q. It's a note.

15 A. It's a note. Yes, it says, it is
16 expressly agreed and declared that this note is
17 given as consideration for and under the terms of
18 that certain assignment or contract of even date
19 attached hereto as Exhibit A.

20 Q. And is the contract attached?

21 A. It doesn't have to this.

22 Q. This one is not attached but when you
23 received that, did it have a contract?

24 A. I don't remember whether it was or not,
25 I do not know.

1 Q. Tell us about the contract that we're
2 talking about. You being given that note, tell us
3 about those contracts.

4 A. The contract that I wrote to the
5 Dassinger Brothers was for -- I don't remember the
6 exact number but then when I got a contract to
7 bring the other gentlemen in, they were paying me a
8 million dollars over what I had contracted for.

9 Q. And there was a little bit more than a
10 million dollars?

11 A. Correct. It was 22,900 dollars because
12 we had the zoning changed on the property and
13 that's what it cost.

14 Q. All right. And --

15 A. There could have been some other
16 incidental expenses in there, I don't know if it
17 was a survey or what, but any expenses.

18 Q. Approximately how much were the
19 Dassinger contracts?

20 A. 2.5, I believe, total.

21 Q. 2.5 million?

22 A. I think so.

23 Q. And there are two brothers?

24 A. Yes, sir, William and Harold Dassinger.

25 Q. They contracted to sell the property to

1 you?

2 A. Me and my assigns.

3 Q. You and your assigns?

4 A. And/or assigns, however that works.

5 Q. And then you had the property rezoned?

6 A. Correct.

7 Q. And how long did it take you to rezone
8 the property?

9 A. I do not remember.

10 Q. Was it rezoned -- ultimately you
11 assigned that contract, is that correct?

12 A. That's correct.

13 (DFT. EXH. 5, Assignment Of Contracts,
14 was marked for identification.)

15 BY MR. BLEEKER:

16 Q. I'm going to hand you what's been
17 marked Defendant's Exhibit 5.

18 A. This looks like the assignment of the
19 contract that we talked about.

20 Q. All right. Now, at the time of the
21 execution of this assignment you were given a
22 thousand dollars? Look down at --

23 A. Yeah. I assume so.

24 Q. Well, it states that.

25 A. It states that, yes.

1 Q. And then the 1,022,900 dollars is
2 reflected in that note which is Exhibit 4?

3 A. 4.

4 Q. Okay. So you got -- the assignment is
5 dated 11 April 2007, is that correct? Last page.

6 A. That's correct.

7 Q. Okay. Now, tell us about the process
8 of the assignment. You contracted with the
9 Dassingers, did some rezoning -- made some rezoning
10 efforts I assume after the contract with the
11 Dassingers?

12 A. Yes.

13 Q. Is that correct?

14 A. That is correct.

15 Q. What was the first effort on your part
16 or was there an effort on your part to obtain
17 assigns, someone to assign this contract to? Did
18 you plan to develop the property yourself or were
19 you looking for partners? I just want to know what
20 you did.

21 A. I don't remember what I did.

22 Q. Well, you came -- you ultimately met
23 Mr. Saad, Al Saad, who is a Defendant in this case,
24 Mr. Hollen --

25 A. No, that -- I think I talked to -- if

1 memory serves me correct, I was talking to a friend
2 of mine named Joe Leyh. Joe Leyh talked to Paul
3 Hollen. Paul Hollen contacted me and we started
4 talking about the property. And then Paul,
5 Mr. Hollen, he contacted whoever he contacted and
6 he brought the other two gentlemen to the table
7 with him.

8 Q. Okay. Had you known Paul Hollen before
9 this?

10 A. I have. I've known Paul for awhile. I
11 don't know when.

12 Q. When you say awhile, do you have any
13 business with -- dealings with him?

14 A. Yes. Paul -- Mr. Hollen worked at the
15 bank, Southcoast Bank, and before that he worked at
16 whatever the name of the bank was, Lowcountry
17 Savings I think is the name of it, and that's how I
18 knew -- how I got to know Paul, Mr. Hollen.

19 Q. You did business with him at the
20 Lowcountry Bank, Lowcountry Savings Bank?

21 A. He was one of the top dogs so, yeah. I
22 didn't -- I didn't really do anything with him
23 personally but knew him as a -- as a business
24 person at a bank.

25 Q. When you say didn't do anything

1 personally, did you do anything with your company,
2 Passailaigue Homes?

3 A. We did some business with Southcoast
4 Community Bank. What I mean by personal is we
5 didn't go to dinner, we may have gone to lunch once
6 or twice but that's about it.

7 Q. Do you know his wife?

8 A. I do not.

9 Q. Does he know your wife?

10 A. I think he does.

11 Q. Did you know a person named Sandi
12 McGovern?

13 A. I do.

14 Q. And how do you know her?

15 A. She went to work for me back in 1996, I
16 think, and worked for me up until the time that we
17 closed it, we closed down.

18 Q. And where is she now working?

19 A. She works here at the Richter Law Firm.

20 Q. And does she -- is she in the home
21 building business?

22 A. Not to my knowledge.

23 Q. Are you familiar with a company by the
24 name of Aspire Homes?

25 A. I am.

1 Q. Does she have any association with that
2 firm?

3 A. I think she does.

4 Q. What relationship do you know of?

5 A. I think she owns Aspire Homes. Has she
6 done any work with Aspire Homes, I don't think so.

7 Q. Are you working now in the home
8 building industry?

9 A. I'm doing a little bit of remodeling
10 work, that's about it. Nothing -- I don't have any
11 homes going, no contracts.

12 Q. Okay. Let's continue on with the
13 assignment. Now, you ultimately met Mr. Saad
14 through Paul Hollen, is that correct?

15 A. Yes, sir, that is correct.

16 Q. Did you know him before?

17 A. No, sir.

18 Q. Mr. Kuznik, did you -- how did you meet
19 him?

20 A. Basically through Mr. Hollen. I have
21 known Mr. Kuznik because of the home builders
22 association but never really talked to him.

23 Q. All right. Now, ultimately there was a
24 closing between the -- on the Dassinger contract
25 and the title was taken by the Thornwell group, is

1 that correct?

2 A. That's correct.

3 Q. Were you present at that closing?

4 A. I don't believe I was.

5 Q. Okay. Who was the attorney that

6 handled that closing, do you know?

7 A. I do not remember.

8 Q. Did you receive any money on your -- at

9 the time of the closing?

10 A. I don't believe I did.

11 Q. You received a note for 1,022,900

12 dollars?

13 A. Yes, sir.

14 Q. Was that note paid?

15 A. Yes, sir, it was.

16 Q. And was -- how was it paid?

17 A. It was paid out over the next year or

18 so. It was -- there were several payments made.

19 Q. But they were timely payments made to

20 you?

21 A. Basically, yes.

22 Q. And you've been fully paid?

23 A. Yes.

24 Q. 1 million --

25 A. 22,000 -- I've been paid on that, yes.

1 Q. And that payment was for the assignment
2 of the contract?

3 A. That's correct.

4 Q. With the Dassingers?

5 A. Yes.

6 Q. Now, the parties that acquired the
7 property I believe were Thornwell Partners, LLC.
8 Do you know -- are you familiar with that?

9 A. Yes.

10 Q. Okay.

11 (DFT. EXH. 6, Amended And Restated
12 Operating Agreement Of Thornwell Partners, LLC, was
13 marked for identification.)

14 BY MR. BLEEKER:

15 Q. I'm going to show you what has been
16 marked Defendant's Exhibit Number 6 and ask you if
17 you are familiar with this instrument.

18 A. This appears to be the Amended and
19 Restated Operating Agreement of Thornwell Partners,
20 LLC.

21 Q. All right. Have you seen this
22 instrument before?

23 A. I think I have.

24 Q. Okay. I'll ask you to turn to Page --
25 well, you can turn to the last page. Have you

1 signed it?

2 A. Yes, sir, I did.

3 Q. Now, I'll ask you to turn to the second
4 page and look at Section 2, members.

5 A. Yes, sir.

6 Q. And do you see a percentage of
7 ownership of each of these members?

8 A. I do.

9 Q. And what is the percentage of -- your
10 percentage?

11 A. 27.48.

12 Q. And what does that represent? Your
13 investment in the partnership was how much?

14 A. 1,022,900 dollars.

15 Q. The same amount as the promissory note
16 that you received?

17 A. That is correct.

18 Q. And that's the same amount you've been
19 paid in full?

20 A. That's correct.

21 (DFT: EXH. 7, Tax documents, Saad
22 000072 to 000082, was marked for identification.)

23 BY MR. BLEEKER:

24 Q. Now I'm going to hand you what has been
25 marked Defendant's Exhibit Number 7 and ask if you

1 can identify that document.

2 A. This appears to be the K-1, 2008.

3 Q. And where did you get this document?

4 Or did you get this document?

5 A. I assume I did. I think I did.

6 Q. It's a K-1 for your tax returns?

7 A. Yes. Yes.

8 Q. All right. And that came -- Page 1,
9 the top page, it came to an address, your name is
10 on there, 54 Woodford Street, Daniel Island. Was
11 that your address at that time?

12 A. That was my address at the time, yes,
13 sir.

14 Q. And it comes from where? On Page 1.

15 A. Comes from Thornwell Partners out of
16 Columbia.

17 Q. Out of Columbia. And I will -- are you
18 familiar with what's stated here is your percentage
19 of ownership on Page 3? Page 4, I'm sorry.

20 A. Page 4? Yes.

21 Q. Okay. I'll ask you to turn to the -- I
22 think it's -- I think they start off with Page 72,
23 and you see that down at the bottom, Page 72?

24 A. This here?

25 Q. Yeah, that little -- right on the

1 bottom right-hand side, do you see numbers there?

2 A. Yeah, Saad 000072.

3 Q. Okay. I'll ask you to turn to 79, Page

4 79. You got that?

5 A. Yes.

6 Q. And this is -- the top of that document

7 says what?

8 A. Supplemental information.

9 Q. And your name is under that?

10 A. Yes, sir.

11 Q. Okay. And if you'll read the second

12 paragraph there.

13 A. In 2008, that's what you're talking

14 about?

15 Q. Yes.

16 A. You transferred all of your 27.48

17 membership interest in Thornwell Partners, LLC to

18 the remaining members. In consideration of

19 transferring your membership interest, the

20 remaining members made cash payments to you as

21 follows.

22 Q. And those cash payments are detailed

23 there?

24 A. Yes, sir.

25 Q. And are they -- they appear correct to

1 you?

2 A. Yes, sir.

3 Q. And so you received that --

4 A. Yes, sir.

5 Q. -- 1,022,000 --

6 A. 900 dollars, yes, sir.

7 Q. -- for your interest. That was your

8 27.84 percent interest in the partnership?

9 A. Yes, according to this, that's what it
10 says.

11 Q. Okay. Did you object to it saying
12 anything else? Did you raise that question at all?

13 A. Honestly, I didn't read it.

14 Q. Okay. But you never called the
15 accountant and said, that's not correct?

16 A. Did not.

17 Q. Now, your note -- your suit is for
18 130,000 dollars based on that note which was
19 Exhibit 1 or Exhibit 2, either one --

20 A. Yes, sir.

21 Q. -- right? And tell us about how that
22 figure -- how you got that figure, the 130,000
23 dollars. Why do you claim that figure?

24 A. I was approached by Mr. Hollen because
25 we were -- as a partnership we were running out of

1 money and we needed to get another loan set up from
2 a bank out of Columbia I was told.

3 Q. When you say we, you mean Thornwell
4 Partners?

5 A. Yes. And what I was told was that
6 because of my financial instability that I was a
7 detriment and they could not move forward getting a
8 loan to have more money to pay expenses. And so I
9 said, just --

10 Q. When was -- do you have a date, a time
11 frame for when you were approached by Mr. Hollen?

12 A. I do not. It was -- it was sometime
13 prior to the personal guarantee and the promissory
14 note for 130,000 dollars.

15 Q. Let's look back. The promissory note
16 is dated 2008, is that correct? November 7, 2008?
17 It was before that date?

18 A. Yes, sir, it was.

19 Q. Okay. And so you were told you were a
20 financial liability to Thornwell?

21 A. That we could not borrow money if I was
22 involved.

23 Q. Were you expecting to receive any money
24 from Thornwell Partners?

25 A. Our hope was that we would develop

1 property and all make a good amount of money.

2 Q. But you were paid 122,900 dollars?

3 A. A million 22.

4 Q. A million. A little different.

5 A. Yes, sir.

6 Q. And that payment represented your
7 entire percentage as stated in the amended
8 operating agreement of your interest in the
9 partnership?

10 A. The 1,022,900 was to -- was the
11 assignment of the contract, that I brought the deal
12 to the table and it was no secret it was a million
13 20 -- a million dollars is what I was wanting, the
14 22 nine or 23 nine based on the thousand dollars
15 was expenses for survey work and changing the
16 zoning and the taxes got changed. That's what that
17 was for.

18 Q. But you saw the operating agreement,
19 you signed the operating agreement?

20 A. Um-hum. I did.

21 Q. Saying you were -- that operating
22 agreement had -- your investment in the entity was
23 1,022,900 dollars which represented 27 some
24 percent, is that correct?

25 A. That's correct.

1 Q. And you were paid exactly that sum?

2 A. That is correct.

3 Q. So at that point you --

4 A. For the assignment of the contract.

5 Q. Did you have any other investment in
6 Thornwell?

7 A. Did not.

8 Q. And you received all your money and now
9 you're claiming 130,000 dollars from the entity.
10 Explain that.

11 A. The 130,000 dollars was to get me out
12 of the partnership so they could move forward with
13 the loan and I -- that's what it was for.

14 Q. Weren't you already out of it though?

15 A. I'm sorry?

16 Q. Weren't you already out of it when you
17 received your final payment on that note?

18 A. No, sir, I was not.

19 Q. But you claim to be a member of the --
20 we call it the partnership but it really is a
21 limited liability company?

22 A. LLC.

23 Q. You were a -- you claimed the
24 membership interest but had no investment in it, is
25 that correct?

1 A. You might have to restate the question,
2 I'm sorry. I got confused.

3 Q. Your interest in the Thornwell
4 Partners, LLC was an investment of 1,022,900
5 dollars, is that correct?

6 A. Yes.

7 Q. And you were paid that full amount, is
8 that correct? You were paid that before this note
9 is dated or exactly the last payment was made to
10 you on the date of this November 7 note, November
11 7, 2008?

12 A. In order to get me out of the
13 partnership.

14 Q. You were paid -- you were paid the full
15 amount of the --

16 A. 1,022,900.

17 Q. 1,022,000. And that payment if I'm
18 correct, I think that payment was on November 7 --

19 A. Correct.

20 Q. -- 2008?

21 A. That is correct.

22 Q. Okay. But on that date why would you
23 have any further membership if you were paid the
24 full amount?

25 A. It was for the assignment of the

1 contract. And in order to get me out of the
2 partnership 100 percent to not have any claims or
3 anything, I accepted. We talked at the Harbour
4 Club, went to the Harbour Club, the four of us, and
5 sat down and talked and they laid it out for me.
6 And then subsequently Mr. Hollen by e-mail sent me
7 over the personal guarantee and the promissory note
8 for the 130,000 dollars. And if memory serves me
9 correct, this 262,900 dollars was the final
10 installment on 1,022,900.

11 Q. That's correct. Okay.

12 A. And we talked about it at the
13 Harbour -- we talked about it at the Harbour Club
14 that in order for me to get out of the partnership
15 100 percent, I would -- they didn't have 130,000
16 dollars between them and we talked about it and
17 they agreed that they would pay me 130,000 dollars.
18 And that e-mail came from Mr. Hollen to me saying
19 here is your personal guarantee which I required
20 and here's your note signed by everyone. That's
21 where it came from.

22 Q. Now, when you went to the Harbour Club,
23 I'm assuming that you're talking about Mr. Saad was
24 present?

25 A. Yes, sir, he was.

1 Q. And Mr. Hollen was present?

2 A. He was there and Mr. Kuznik.

3 Q. Did you feel you were owed anything?

4 Did you believe you were owed anything at all after
5 you had been -- when you were fully paid on that?

6 A. I wasn't fully paid at the time we had
7 the conversation.

8 Q. Okay. But there was one payment due to
9 you, is that correct? I'm not trying to lead you
10 or mislead you in any way but you were not fully
11 paid but you received all your payment before
12 November 7th or on November 7th, 2008?

13 A. That's when the check was issued. I
14 assume it was issued. Was it given to me at that
15 time? I do not remember.

16 Q. Well, we agree that you were fully
17 paid?

18 A. On the 1,022,900, absolutely.

19 Q. And why would you -- please answer me
20 if you will why did you think you were owed any
21 money at all other than that 1,022,900 dollars?

22 A. Because at the time I was still in the
23 partnership or the LLC.

24 Q. The LLC?

25 A. Um-hum.

1 Q. The amount of the LLC -- the amount of
2 your investment was 1,022,900 dollars?

3 A. But we had also gone out and borrowed
4 money to pay the note and I left my 1,022,900 in
5 the deal, that's how the percentage came about.
6 And so we had a note, the four of us, from whatever
7 bank, you have to ask Mr. Hollen because he knows,
8 and that we had a loan on the property and we had
9 borrowed enough money to pay off the 3.5 million,
10 and I'm speaking in round numbers, and we had
11 enough money for carrying costs.

12 Well, the property wasn't developing
13 the way we thought because Palmetto Commerce
14 Parkway was not being finished as quickly as we
15 thought so it kind of put a wrench in the system.
16 And so that's when we were running out of money and
17 that's when they -- Mr. Hollen called me. We had a
18 meeting at the Harbour Club. I was still owed
19 money, I was still part of the deal. And they
20 said, we need to get you out so we can move forward
21 and that's where the 130,000 dollars. And how that
22 number came up is beyond me. I have no idea how we
23 came up with that number.

24 Q. Were the terms of the repayment agreed
25 to at that meeting at the Harbour Club?

1 A. You're talking about the four payments?

2 Q. I'm talking about the 130,000 dollar
3 note.

4 A. Yes, we talked about that. We did talk
5 about it and then -- and Mr. Hollen got the note
6 put together and Mr. Hollen got the personal
7 guarantee put together and sent it over to me by
8 e-mail from Southcoast Community Bank if I'm not
9 mistaken.

10 Q. Okay. And you were -- we'll go into
11 that in a little more detail now. You were -- your
12 understanding that you would be paid when they sold
13 the property?

14 A. That's correct.

15 Q. When Thornwell sold the property. And
16 you were to be paid from net proceeds?

17 A. Yes, sir.

18 Q. Was that your -- in the insertion in
19 the first note I showed you, I think, Exhibit
20 Number 1, if you look at that just a minute, the
21 word net was put in there?

22 A. Yes, sir.

23 Q. Who put that in there?

24 A. I have no idea. I do not know.

25 Q. But it was later typed in in Number 2?

1 A. Yes, sir.

2 Q. Net proceeds. From future sales of the
3 property?

4 A. Yes, sir, from -- when it sold, yes.

5 Q. You mentioned earlier in your
6 deposition about negative proceeds, negative net
7 proceeds, and so your position is that regardless
8 of whether it's positive net proceeds or negative
9 net proceeds that on the sale of the property you
10 would be entitled to repayment of the note, of the
11 130,000 dollar note?

12 A. That's what I would expect.

13 Q. Okay. Net proceeds doesn't mean
14 negative proceeds but could interpret it to mean
15 only positive proceeds?

16 A. Could be.

17 Q. Okay. If there are positive proceeds,
18 that means -- I would interpret that to mean
19 profit, you may object to that interpretation, but
20 if there were not any profits in the sale of the
21 property, would you still be entitled to your
22 payment of the 130,000?

23 MR. NAPOLSKI: Object to the form.

24 THE WITNESS: Yes, sir, I would.

25 BY MR. BLEEKER:

1 Q. Okay. Just want your position. All
2 right. Are you aware of the outcome of the
3 partnership?

4 A. No, sir, I am not, only through the
5 depositions of listening but I don't know any
6 facts.

7 Q. Doesn't make any difference to you
8 whether they lost money or made money?

9 A. No, sir.

10 Q. Let's go into a little more detail
11 about the note. All of these notes -- well, let me
12 ask you this. Did you have an attorney when the
13 notes were -- I'm talking about the 130,000 dollar
14 note, Exhibit 1 or Exhibit 2. Did you have an
15 attorney representing you at that time?

16 A. I did not.

17 Q. Did you ever -- was Sandi McGovern
18 around when you signed these notes?

19 A. She sure was, yes.

20 Q. When you received these notes. Did she
21 confer with an attorney?

22 A. When we were at the Harbour Club I
23 stepped out and I was talking to my bankruptcy
24 attorney, Ivan Nossokoff. I was also talking to
25 Sandi McGovern at the same time talking about the

1 details of our agreement.

2 Q. Okay. Did Ivan -- you talked to Ivan
3 Nossokoff about this note?

4 A. He knows about the note. He knew about
5 the meeting. He -- I don't know if I was speaking
6 to him directly or Sandi was talking to him. I'm
7 not a hundred percent sure that I remember.

8 Q. Were these notes shown to him?

9 A. I'm sorry?

10 Q. Did he receive copies of the notes?

11 A. He has seen them, yes.

12 Q. At the time that they were signed or
13 before they were signed?

14 A. I don't remember.

15 Q. Would Sandi McGovern remember?

16 A. I'm not sure.

17 Q. What I'm seeing in Exhibit 1, there are
18 some modifications which we've already talked
19 about, Exhibit 1 to Exhibit 2?

20 A. Yes, sir.

21 Q. Exhibit 2 is what you've attached to
22 your complaint.

23 A. Yes, sir.

24 Q. Okay. And these modifications were --
25 maybe I'm going over the same ground. These

1 modifications were added at your request?

2 A. I do not remember.

3 Q. Did Sandi McGovern review these as they
4 were being prepared?

5 MR. NAPOLSKI: Object to form.

6 THE WITNESS: I don't remember. I
7 don't know.

8 (DFT. EXH. 8; Plaintiff's Supplemental
9 Responses To Alfred L. Saad's First Set Of
10 Interrogatories To The Plaintiff, was marked for
11 identification.)

12 BY MR. BLEEKER:

13 Q. Now I'm going to hand you Defendant's
14 Exhibit Number 8 and ask you to turn to Page 4.
15 This document is entitled on the front Plaintiff's
16 Supplemental Responses to Alfred Saad's
17 Interrogatories. In other words, Mr. Saad's
18 attorney posed this to your attorney and these are
19 the responses for which you are -- you and your
20 attorneys are responsible for. I assume you read
21 this document?

22 A. I did.

23 Q. Okay.

24 A. Did it mean anything to me?

25 Q. Well, the statement there that Sandi

1 McGovern talked about what your business
2 relationship between you and Thornwell and also
3 about the promissory note and unconditional
4 guarantees, okay? You talked to her about that?

5 A. Absolutely.

6 Q. And she was involved in this?

7 A. Yes, sir.

8 Q. Okay. I received just a few days ago a
9 series of e-mails that were from Paul Hollen and
10 you and Sandi.

11 A. Yes, sir.

12 Q. Have you seen those?

13 A. I have.

14 Q. And what surprised me is that -- I'll
15 ask you if it surprised you. All of these
16 documents are dated November 7 or at least the note
17 and Mr. Kusnik's guarantee and I think Mr. Saad's
18 guarantee are dated November 7. Do you agree to --

19 A. Yes, sir.

20 Q. And I believe in the -- I have the --
21 and this is not an exhibit yet but I think I will
22 make it an exhibit.

23 (DFT. EXH. 9, E-mail chain dated
24 11/17/08 to Ray Passailaigue from Paul Hollen, was
25 marked for identification.)

1 BY MR. BLEEKER:

2 Q. Okay. And we don't have copies of this
3 but I'm going to ask you to identify this which
4 appears to be an e-mail from you to Paul Hollen.
5 Can you identify that as being an e-mail addressed
6 by you --

7 A. Yes, sir.

8 Q. -- to Paul Hollen? And what is the
9 date of that e-mail?

10 A. November 17, 2008.

11 Q. Would you read that for the record what
12 it says?

13 A. Yeah. Thanks, Paul. We are going to
14 make one small change to the promissory note as we
15 agreed by phone this morning by adding personal
16 guarantees and deleting irrevocable and I will get
17 them to you tomorrow morning. Then we are finished
18 with the paperwork.

19 Q. So you're making a change to a note
20 that's dated November 7, 2008, is that what you're
21 doing?

22 A. Sounds like it.

23 Q. And you're making them at your office?

24 A. That's what it sounds like, yes.

25 Q. And what were you changing?

1 A. Well, keep this in mind too, Sandi
2 McGovern was in there too and she would use my
3 e-mail to send the note but I'll take
4 responsibility for this. Yeah, it -- we changed
5 it, yeah. We were trying to get it straight and
6 get it done for them so they could move on with
7 their loan.

8 Q. Did you copy -- and I've got all the
9 other e-mails here and you're familiar with these?
10 I'm not going to make an exhibit of that.

11 MR. NAPOLSKI: Fine.

12 BY MR. NAPOLSKI:

13 Q. Would you agree that these -- this
14 e-mail was not copied to Al Saad, Mr. Saad?

15 A. It could have been a blind copy but was
16 that stated on there?

17 Q. Well, I don't know.

18 A. I don't know.

19 Q. And was it copied to Mr. Kuznik?

20 A. I don't know. I assume it was not.
21 Everything went through Mr. Hollen.

22 Q. And so but you're changing the note
23 that Mr. Kuznik has guaranteed, is that correct?
24 You're changing this on November 17?

25 A. That's what it sounds like, yes.

1 Q. And the note is actually dated November
2 7 and his guarantee is dated November 7?

3 A. Yes.

4 Q. But on November 17 you are changing it
5 without telling him. And the guarantees, the
6 interpretation I got from that, let me ask if you
7 agree to this, is that you were adding the
8 guarantees, the personal guarantees?

9 A. I don't remember but what we did at
10 the -- at the Harbour Club, we talked about a
11 personal guarantee. We talked about the note and
12 it was not a big deal. I always hoped that they
13 would make a bunch of money on it and move on with
14 our business and that's what their thoughts were
15 too, I assume. Why would they go into it if they
16 thought we were going to lose money?

17 Q. And at the same time you're talking to
18 your bankruptcy attorney about what you're doing
19 with the guarantees with the note, is that correct?

20 A. I remember doing that, yeah. We were
21 talking about it. Let me back up. I don't know if
22 I talked to Mr. Nossokoff or not about the personal
23 guarantee. I assume I did but I'm not a hundred
24 percent sure.

25 Q. Now, you declared bankruptcy, you and

1 your wife --

2 A. Yes, sir.

3 Q. -- correct? And your company, it was a
4 personal bankruptcy?

5 A. That is correct.

6 Q. Now, the firm, Passailaigue Homes,
7 Incorporated?

8 A. Yes, sir.

9 Q. That was your firm?

10 A. It was.

11 Q. Who owned that firm?

12 A. I did.

13 Q. Solely?

14 A. Yes, sir.

15 Q. Your wife wasn't a part of it?

16 A. No, sir.

17 Q. Okay. And in that bankruptcy you
18 mentioned that you had -- you had a note for
19 130,000 dollars?

20 A. I assume I did. We disclosed
21 everything about my whole personal life in the
22 bankruptcy.

23 Q. So the trustee abandoned his interest
24 in that note back to you?

25 A. He abandoned Passailaigue Homes.

1 Q. Okay. The promissory note that
2 Passailaigue Homes had?

3 MR. NAPOLSKI: Object to form.

4 THE WITNESS: I assume he did.

5 MR. BLEEKER: All right. Well, thank
6 you very much. I'll rest right now, may come back
7 but I think other counsel wants to talk with you.
8 Thank you very much, Mr. Passailaigue.

9 THE WITNESS: Yes, sir.

10 EXAMINATION

11 BY MR. BLAKE:

12 Q. Good morning, Mr. Passailaigue.

13 A. Morning.

14 Q. We met previously during Mr. Saad's
15 deposition. I want to reintroduce myself. I'm
16 Shaun Blake. I represent Mr. Saad and Thornwell
17 Partners, the entity in this action. I have some
18 follow-up matters to discuss with you. I'll show
19 you some documents. Passailaigue Homes, Inc. is a
20 South Carolina corporation, is that correct?

21 A. Was.

22 Q. Was. And it's been dissolved?

23 A. Yes, sir.

24 Q. Do you know which year it was dissolved
25 in?

1 A. No, sir.

2 Q. When was the last time you recall
3 operating through Passailaigue Homes, Inc.?

4 A. I don't recall.

5 Q. Do you recall it was prior or after
6 your bankruptcy?

7 A. We dissolved it after bankruptcy if I
8 remember correctly.

9 Q. You say we. Who was involved in the
10 dissolution?

11 A. My sister filled out the dissolution
12 papers, I signed them and sent them in.

13 Q. And which sister was that?

14 A. Mary Cartrette, works for Elmo
15 Ilderton.

16 Q. And he's your CPA?

17 A. Yes.

18 Q. Mary did that as an assistant, she
19 wasn't a shareholder, correct?

20 A. That's correct.

21 Q. You were the sole shareholder?

22 A. Yes, sir.

23 Q. And Passailaigue Homes, Inc. is the
24 beneficiary -- or the lender on the 130,000 dollar
25 note, is that correct?

1 A. That's correct.

2 Q. Did Passailaigue Homes, Inc. ever make
3 an assignment to you of that interest?

4 A. I don't recall.

5 Q. You don't recall ever during the
6 winding-up period of Passailaigue Homes, Inc. ever
7 making a distribution of the interest of that note
8 to you individually?

9 A. I don't recall.

10 Q. Do you have any paperwork in your
11 possession that would reflect that that assignment
12 took place?

13 A. I don't know. I don't know if there's
14 something somewhere. I have no idea.

15 Q. Our corporation statute I'll represent
16 to you has a process for corporate dissolution and
17 it requires a notice to creditors. Are you aware
18 of that?

19 A. I think I am, yeah.

20 Q. What notice did you provide the public
21 and your creditors of the dissolution of
22 Passailaigue Homes, Inc.?

23 A. I'm not so certain. I don't know.

24 Q. Are you aware of any notice that you
25 provided any gentlemen sitting in here today of

1 notice of the dissolution of that entity?

2 A. No, I'm not.

3 Q. Okay. How is it then that you have an
4 interest in the note that you're asserting in this
5 lawsuit?

6 A. Well, who would own -- who would have
7 owned Passailaigue Homes?

8 Q. Does anybody own Passailaigue Homes at
9 this point?

10 A. Well, it's dissolved.

11 Q. And there was no distribution to you of
12 the assets of Passailaigue Homes, correct?

13 MR. NAPOLSKI: Object to the form.

14 BY MR. BLAKE:

15 Q. Was there a distribution of any assets
16 of Passailaigue Homes, Inc. to you upon its
17 dissolution?

18 A. I guess I don't understand the
19 question. I don't really know what you're saying.
20 I'm sorry.

21 Q. Okay. Did you recognize on your
22 personal taxes the year that you dissolved
23 Passailaigue Homes, Inc. any distribution from
24 Passailaigue Homes, Inc. to you of the assets of
25 that entity?

1 A. I don't know.

2 Q. Who would be able to answer that
3 question?

4 A. Elmo Ilderton would be able to do that,
5 I assume.

6 Q. Okay. Are you aware of any
7 documentation that you've provided to him that
8 would demonstrate the dissolution activities you
9 took with -- in connection with that entity?

10 A. Say the question again, please.

11 Q. Are you aware of any documentation that
12 you provided your CPA regarding the activities you
13 took surrounding the dissolution of that entity,
14 Passailaigue Homes?

15 A. I'm not. I don't remember.

16 Q. Okay. Passailaigue -- there's an LLC
17 that I think is the actual party of the 1.2 million
18 dollar note, is that correct? Ray Passailaigue,
19 LLC is the lender on the 1,022,900 dollar note, is
20 that correct?

21 A. Yes.

22 Q. And your testimony is that note was
23 paid off for 1,022,900 dollars, correct?

24 A. That's correct.

25 Q. And that was for the assignment of your

1 interest in the contract for sale, correct?

2 A. The assignment, yes.

3 Q. Was that LLC the party to the contract
4 for sale?

5 A. It was switched over to Passailaigue
6 Homes.

7 Q. The contracts for sale were transferred
8 to the Passailaigue Homes?

9 A. Well, let me say this. We changed from
10 Ray Passailaigue, LLC to Passailaigue Homes.

11 Q. How was that change -- how did that
12 change occur?

13 A. I talked to Mr. Hollen, he talked to
14 Mr. Saad and they took care of it.

15 Q. Okay. Let me back up. I'm referring
16 to your contract for sale with the Dassinger
17 brothers.

18 A. Mine was -- I'd have to look at it. I
19 don't remember. I don't remember whether it was
20 Ray Passailaigue and/or assigns, I don't remember
21 the name, the terminology on it.

22 Q. I'll grab it real quick. I'm not going
23 to mark this, I'm showing it to you to refresh your
24 recollection, show it to counsel as well.

25 A. Ray Passailaigue, LLC and/or assigns.

1 Q. Did Ray Passailaigue, LLC ever assign
2 its interests to you individually in that -- in
3 either one of these contracts?

4 A. I don't recall.

5 Q. Do you recall if it ever assigned it in
6 Passailaigue Homes, Inc.?

7 A. I don't recall.

8 Q. Who had membership interest of Ray
9 Passailaigue, LLC?

10 A. I did.

11 Q. You were the sole member?

12 A. Yes, sir.

13 Q. Do you have any --

14 A. I assume I am. I assume I was.

15 Q. Well, do you have any of the articles
16 of incorporations for Ray Passailaigue, LLC?

17 A. I don't think I do.

18 Q. Do you have any documentation at all
19 surrounding that entity?

20 A. I don't think I do.

21 Q. Is that entity still active or is it
22 dissolved?

23 A. I think it's dissolved. I don't know
24 when.

25 Q. Would you know who would have dissolved

1 it?

2 A. I would have sent it in. I would
3 assume my sister would have filled it out and I'd
4 have sent it in. Seems like I do have paperwork on
5 that that it was dissolved and when, I think.

6 Q. Is that something you could produce?

7 A. Yes. Yeah, I can get that to you.

8 Q. Now, when you initially took your
9 membership interest in Thornwell Partners, you took
10 it in your individual name, Ray Passailaigue,
11 correct?

12 A. Yes, sir.

13 Q. And you were initially given a K-1 in
14 your individual name, is that correct?

15 A. I think so.

16 Q. Did that change at some point?

17 A. The K-1?

18 Q. Um-hum.

19 A. I don't remember.

20 Q. Do you remember having conversations
21 with Jerry Saad in 2008 and 2009 surrounding the
22 2007 and 2008 K-1 partnership returns?

23 A. Vaguely.

24 Q. Tell me what you vaguely recall about
25 those conversations.

1 A. Just vaguely. I can't remember what we
2 were doing at the time.

3 Q. While I'm looking, what was the name of
4 the bankruptcy attorney that you hired in 2008?

5 A. Ivan Nossokoff.

6 Q. Did you hire him to handle your
7 bankruptcy matters?

8 A. Yes.

9 Q. That was the purpose of the engagement
10 in 2008?

11 A. Yes.

12 Q. Did he --

13 A. Well, it wasn't 2008, was it? I'm not
14 sure. It seems like I've been going through it for
15 decades.

16 Q. I understand.

17 A. I just don't remember the exact date.

18 Q. Do you remember in 2008 he was
19 counseling you on the matters of your financial
20 stability?

21 A. I don't know how to answer. I don't
22 know.

23 Q. I'm following back up on your
24 conversation with Mr. Bleeker earlier where you
25 testified that you spoke to your bankruptcy

1 attorney and Miss McGovern surrounding the same
2 period of time you were at the Harbour Club?

3 A. That's right.

4 Q. And the reason you were meeting is
5 because you were having financial instability at
6 the time that concerned the other members of
7 Thornwell Partners, is that correct?

8 A. Yes. That's correct, yeah.

9 Q. So is it fair -- let's not ask it that
10 way.

11 Do you recall in that context whether
12 or not you had engaged bankruptcy counsel to assist
13 you with your financial matters at that time?

14 A. He stated right off that he wasn't an
15 attorney that does that kind of work. I was just
16 using him just to -- just to have some wording,
17 that's all, nothing major.

18 Q. You say that type of work. What type
19 of work are you referring to?

20 A. Bankruptcy. He does bankruptcy, that's
21 all he does, no litigation or any of that.

22 Q. Okay. I'm looking at a letter from
23 your counsel that's been exchanged last month in
24 this litigation and it says that on November 7th,
25 2008 at 1:21 PM you forwarded to Mr. Paul Hollen

1 recommendations from your counsel at the time on
2 how to address some of the matters between the
3 parties, is that accurate?

4 A. Yeah. I guess. Why would it not be?

5 Q. So you forwarded to Mr. Hollen the
6 solution recommended by your counsel, is that
7 correct?

8 A. Recommended by a counsel.

9 Q. And that counsel was your counsel?

10 A. It could have been Sandi that made that
11 recommendation.

12 Q. Could have been Sandi?

13 A. Could have been. She could have said,
14 hey, I think we need to put this in that -- put it
15 in there so...

16 Q. Is she an attorney?

17 A. No.

18 Q. I guess I'm asking if you disagree with
19 your attorney in the letter that he sent on
20 December 20th. He said it's actually your
21 attorney's recommendation. I'll show it to you. I
22 don't want to put you at a disadvantage. Look at
23 the letter.

24 A. I read the letter. I'm not seeing
25 that. Am I missing it?

1 Q. Four paragraphs down on the first page.

2 A. Oh, from plaintiff's attorney. Yeah.

3 We had to have some conversations with

4 Mr. Nossokoff about just different odds and ends.

5 Everything I did I had to go through him.

6 Q. Now, you initially took your membership
7 interest in Thornwell Partners individually,
8 correct?

9 A. Correct.

10 Q. And that changed later?

11 A. Yes.

12 Q. Did that change on the advice of your
13 bankruptcy counsel?

14 A. No, it did not.

15 Q. Well, why did that change?

16 A. I don't recall why we did it.

17 Q. If I show you some of the e-mails that
18 were being exchanged between you and the other
19 parties during that time period, would that help
20 refresh your recollection?

21 A. Yeah, probably so. Where did the
22 e-mails come from?

23 MR. NAPOLSKI: Are we getting into
24 the --

25 MR. BLAKE: One of the e-mails you

1 produced in discovery --

2 MR. NAPOLSKI: Okay.

3 MR. BLAKE: -- right? There's an
4 e-mail that you produced in the stack of discovery?
5 We can go off the record.

6 (Off-the-record conference.)

7 (DFT. EXH. 10, E-mail chain dated
8 6/22/09 to Ray Passailaigue from Jerry Saad, Saad
9 000093 to 000096, was marked for identification.)

10 BY MR. BLAKE:

11 Q. I'm going to hand you what we've marked
12 as -- what I'm going to mark Defendant's 10, Saad
13 000093 to 96. Will you take a moment, please, to
14 look over that. If you need to discuss with
15 counsel --

16 MR. NAPOLSKI: Yeah. These I did not
17 produce so if you don't mind, we're going to
18 take -- let's take these out.

19 MR. BLAKE: That's fine.

20 (A recess transpired.)

21 BY MR. BLAKE:

22 Q. Mr. Passailaigue, did you have an
23 opportunity to go through what we've marked as
24 Defendant's Exhibit Number 10?

25 A. I did.

1 Q. Did that refresh your recollection
2 about your conversations with Mr. Hollen and
3 Mr. Saad regarding changing the membership interest
4 to reflect Passailaigue Homes as the member?

5 A. Only from a standpoint I vaguely
6 remember the conversation but that's about it. I
7 don't remember the e-mails.

8 Q. Okay. Do you remember why you wanted
9 it to be Passailaigue Homes?

10 A. I do not.

11 Q. But you'll agree it was your idea to
12 change it --

13 A. Yes, sir.

14 Q. -- from Ray Passailaigue to
15 Passailaigue Homes?

16 A. Yes, sir.

17 Q. What benefit did you receive from
18 making that change?

19 A. I do not remember.

20 Q. Was it a tax benefit?

21 A. I don't remember.

22 Q. Do you know if Passailaigue Homes, Inc.
23 took any tax benefits as a result of its membership
24 interest in Thornwell Partners?

25 A. I do not remember.

1 Q. Okay. Who would we need to speak to to
2 determine whether or not either you individually or
3 Passailaigue Homes received a financial benefit
4 from the restructuring of this deal to show you as
5 never being a member and Passailaigue Homes as
6 being the sole member?

7 A. I would assume my accountant.

8 Q. Okay. And that's Elmo --

9 A. Ilderton.

10 Q. Would you just spell that for the Court
11 Reporter, please?

12 A. I think it's I-L-D-E-R-T-O-N.

13 Q. In here on Saad 94 in Exhibit 10, you
14 sent an e-mail on June 11, 2009 to Jerry Saad
15 saying your sister, Mary Cartrette, who works for
16 your accountant, sent you a note about your K-1.
17 Does she have specific information related to the
18 decision to change this? Do you know if your
19 sister has any specific information surrounding the
20 change of the membership interest from you
21 individually to your company?

22 A. I do not.

23 Q. Have you discussed that decision with
24 her at any time surrounding this litigation?

25 A. No.

1 Q. Did that ever come up during your
2 bankruptcy?

3 A. No.

4 Q. Okay.

5 A. Not that I recall.

6 Q. During the course of your bankruptcy
7 did you provide the trustee information to show
8 that initially you were a member of Thornwell
9 Partners and that the operating agreement was
10 subsequently changed to reflect the entity
11 Passailaigue Homes as the member?

12 A. I do not remember.

13 Q. Okay. You would agree that in the
14 course of your bankruptcy, however, the 130,000
15 dollar note was not listed as a personal asset of
16 yours, correct?

17 MR. NAPOLSKI: Object to form.

18 THE WITNESS: I don't remember. I'm
19 sorry.

20 (DFT. EXH. 11, Trustee's Final Report
21 (TFR), Saad 000114 to 000170, was marked for
22 identification.)

23 MR. NAPOLSKI: I don't think that's
24 been produced.

25 MR. BLAKE: It is your client's

1 bankruptcy.

2 MR. NAPOLSKI: It hasn't been produced
3 by us and I haven't received it from you.

4 MR. BLAKE: Do you need to discuss this
5 with him?

6 MR. NAPOLSKI: I would like to because
7 I haven't seen that before.

8 MR. BLAKE: Okay.

9 MR. NAPOLSKI: Thank you.

10 (A recess transpired.)

11 BY MR. BLAKE:

12 Q. Mr. Passailaigue, did you have an
13 opportunity to look over Defendant's Exhibit Number
14 11 with your counsel?

15 A. Briefly.

16 Q. I'm only going to draw your attention
17 to what's been Bates labeled Saad 121 in this
18 exhibit and I'm pointing to you Entry Number 32 on
19 that page. I'd ask you to read that and see if it
20 refreshes your recollection on the assets that you
21 identified through your bankruptcy.

22 A. It says, Passailaigue Homes, 100
23 percent ownership. Real estate assets under
24 foreclosure. Corporation -- that should be has --
25 corporation HS substantial debt. Corporation has a

1 note receivable from Thornwell Partners, LLC to
2 130,000 dated 11/7/2008, contingent on sale of
3 Thornwell Partners real estate holdings, with
4 personal guarantees for the note receivable, there
5 was insufficient value to benefit the estate. The
6 trustee abandons now.

7 Q. So at the time you went into
8 bankruptcy, did Passailaigue Homes, Inc. have
9 liabilities that exceeded the 130,000 dollars?

10 A. Yes.

11 Q. Do you have a recollection of what the
12 liabilities of Passailaigue Homes, Inc. was during
13 that time?

14 A. I think it was somewhere around 12
15 million dollars.

16 Q. So would you agree with the
17 determination of the trustee here that Passailaigue
18 Homes, Inc. was insolvent even if the 130,000
19 dollar note was collectible?

20 A. Yes.

21 Q. Did you ever put Passailaigue Homes,
22 Inc. into bankruptcy?

23 A. No, sir.

24 Q. There was no formal lining up that
25 you're aware of that took place?

1 A. There was no bankruptcy on Passailaigue
2 Homes.

3 Q. You just simply dissolved it is your
4 testimony, correct?

5 A. It's in the paperwork, yes, sir.

6 Q. Yeah. What happened with the creditors
7 of Passailaigue Homes, Inc., were they made whole?

8 A. No, sir, not that I know of.

9 Q. Do you have a feel for the rough losses
10 that the creditors of Passailaigue Homes, Inc.
11 experienced in connection with this dissolution?

12 A. Not at all.

13 Q. Did you ever reduce that liability from
14 12 million dollars down to a lesser number prior to
15 this dissolution?

16 A. No, sir.

17 Q. So is it fair to say that the creditors
18 roughly experienced a 12 million dollar loss?

19 A. No, sir.

20 Q. How would you characterize the loss the
21 creditors of Passailaigue Homes, Inc. experienced
22 during that time period?

23 A. Whatever real estate they sold they
24 recovered some of that money. I don't know what
25 they sold the properties for.

1 Q. So the assets that were held in
2 Passailaigue Homes were primarily real estate?

3 A. Yes, sir.

4 Q. And those assets were foreclosed upon?

5 A. Yes, sir.

6 Q. And the creditors were primarily
7 lending institutions?

8 A. Yes, sir.

9 Q. And so you're saying that those assets
10 were short of the obligations that were owed but
11 you're not sure how short?

12 A. Not even close. Don't even have an
13 idea.

14 Q. Did they pursue deficiency judgments
15 against you?

16 A. They did.

17 Q. Were those resolved through your
18 bankruptcy?

19 A. Yes, they were in Berkeley County, not
20 in Charleston County.

21 Q. What happened in Charleston County?

22 A. Waiting on it to come up on the docket.

23 Q. They're just submitting?

24 A. Yes, sir.

25 Q. Are those creditors in Charleston

1 County aware that you're pursuing this action on
2 this note that was once an asset of Passailaigue
3 Homes, Inc.?

4 A. Do not know.

5 Q. And the actions that did take place in
6 Berkeley County were foreclosure actions still?

7 A. Yes, sir.

8 Q. And the Charleston actions are
9 foreclosure actions where they're pursuing a
10 deficiency against you?

11 A. Yes, sir.

12 Q. Do you know the name of the specific
13 lenders that are pursuing those actions?

14 A. I know a few but I don't know them all.

15 Q. If you can just name the ones you can.

16 A. Sun Trust is one, Southcoast Community
17 Bank is another. There are several others but I
18 just don't remember. Sun Trust is the largest one.

19 Q. Okay. When the K-1's were amended to
20 reflect Passailaigue Homes as the real member
21 throughout the life of Thornwell Partners, LLC, you
22 received a new K-1, correct?

23 A. I assume I did.

24 Q. Did you include the amended K-1 in your
25 tax returns?

1 A. I think I did.

2 Q. So you represented to the U.S.
3 Government, for example, that Passailaigue Homes
4 was the real party in interest in Thornwell
5 Partners, correct?

6 A. I did whatever I was told to do.

7 Q. Right.

8 (DFT. EXH. 12, Second Amended And
9 Restated Operating Agreement Of Thornwell Partners,
10 LLC, was marked for identification.)

11 BY MR. BLAKE:

12 Q. All right, I've handed you a copy of
13 this amended -- second amended and restated
14 operating agreement. Do you recognize this
15 agreement?

16 A. Yes and no. Yes, I guess.

17 Q. Okay. Do you recognize the date on
18 Page 2 or do you see the date on Page 2 there?

19 A. 7th of November 2008.

20 Q. Do you recognize whose handwriting that
21 is?

22 A. No, sir.

23 Q. Do you recall scratching out the word
24 May and writing November on this document?

25 A. Doesn't look like my writing.

1 Q. Okay.

2 (DFT. EXH. 13, Second Amended And
3 Restated Operating Agreement Of Thornwell Partners,
4 LLC, was marked for identification.)

5 BY MR. BLAKE:

6 Q. We've now marked Defendant's 13. This
7 is also captioned second amended and restated
8 operating agreement of Thornwell Partners, LLC, is
9 that correct?

10 A. Yes, sir.

11 Q. Do you recall seeing this document
12 before?

13 A. No, sir. Sorry.

14 Q. That's all right. If you'd flip to
15 Page 2 with me. Do you see the date on that?

16 A. I do. It says 29 May 2008.

17 Q. Okay. Do you have any explanation as
18 to why there's two different second amended and
19 restated operating agreements?

20 A. No, sir.

21 Q. All right. On Exhibit 13, I'm going to
22 ask you to look at Paragraph 2. If you would read
23 that out loud, I'd appreciate it.

24 A. Sure. The initial membership interest
25 erroneously issued in the name of Ray Passailaigue

1 should have been issued in the name of Passailaigue
2 Homes, Incorporated. The initial operating
3 agreement is hereby amended to reflect Passailaigue
4 Homes, Incorporated was the holder of a 27 percent
5 membership interest in Thornwell Properties, LLC.
6 Passailaigue Homes, Incorporated's membership
7 interest has been purchased by Thornwell
8 Investments, LLC and Kuznik Holdings, LLC and
9 Passailaigue Homes has withdrawn from the LLC.

10 Q. Okay. So do you agree then that on May
11 29, 2008 you had withdrawn from -- Passailaigue
12 Homes, Inc. have withdrawn from the LLC?

13 A. I don't know what -- I don't know.

14 Q. I mean, did you sign on behalf of
15 Passailaigue Homes on Page 2 of Exhibit 13?

16 A. It looks like I did, yes.

17 Q. So do you have any reason to disagree
18 with the statement that Passailaigue Homes, Inc. in
19 fact withdrew from Thornwell Partners, LLC on May
20 29th, 2008?

21 A. Bear with me one second. I'm sorry,
22 what was the question?

23 MR. BLAKE: Madam Court Reporter, would
24 you read back the question?

25 (The Court Reporter read the question

1 commencing on Page 69 Line 17.)

2 THE WITNESS: I don't recall. I
3 can't -- I don't know how to answer it because I'm
4 not a hundred percent sure what I'm thinking.

5 BY MR. BLAKE:

6 Q. Okay. But as you sit here today, you
7 don't disagree, is that correct?

8 A. I don't agree either.

9 MR. NAPOLSKI: Object to the form.

10 THE WITNESS: I'm not sure I know why I
11 disagree or agree. I just don't know how to
12 answer..

13 BY MR. BLAKE:

14 Q. Okay. Do you believe there's something
15 incorrect about this document?

16 A. I don't think there's anything -- I
17 don't know how to answer the question. I really
18 don't. I'd have to think about this because of the
19 fact that -- I don't know how to answer it.

20 Q. Do you need more time to reflect on
21 this? I mean, if this is something where we need
22 to take a break and we can sit and you can think
23 about it, that's fine. I mean, it's an important
24 question because --

25 A. Yes.

1 Q. -- I have a timeline I'm trying to
2 establish. And what I'm looking at is a document
3 that says -- you agree you signed, correct?

4 A. Appears to be my signature, absolutely.

5 Q. And it is dated May 29, 2008, correct?

6 A. Yes, sir.

7 Q. And it does say on its face that
8 Passailaigue Homes is no longer a member of
9 Thornwell Partners, LLC, correct?

10 A. That is correct.

11 Q. And so I guess what I'm trying to
12 understand, either the document is true or false.
13 If there's a reason why it's false, I need to have
14 it from you under oath today so that I can --

15 A. Sure.

16 Q. -- explore it further before we go to
17 trial.

18 A. Where was the other one? There was
19 another one, a different date.

20 Q. November 12.

21 A. Oh. Okay. My question is, why is that
22 date different than that date? That's -- why is
23 that?

24 Q. I have the same question.

25 A. Yeah.

1 Q. I think your testimony was you didn't
2 know.

3 A. Because this would be more like falling
4 in line with the promissory note and all that.
5 That's why you're asking me on the May 28th or the
6 May 29th date if that is correct or I have any
7 objection and then I look over here for the
8 November the 7th, which is basically the same
9 thing.

10 Q. Well, November 7th is not typed in on
11 Exhibit 12, is it?

12 A. No, but the 29th of May is written in
13 here too.

14 Q. That's right.

15 A. And quite honestly, this right here
16 says the 29th of May and it's not scratched
17 through. This one is scratched through, put in
18 November.

19 Q. That's right. So you would agree that
20 both Exhibit 12 and Exhibit 13, actually the word
21 May is typed into there, correct?

22 A. Yes.

23 Q. And there's only one exhibit where the
24 form has been modified by somebody's unidentified
25 handwriting to say November, true?

1 A. Correct.

2 Q. And that handwriting says November,
3 true?

4 A. It does.

5 Q. But you'd agree there's no handwriting
6 changing the date on Exhibit 13?

7 A. I -- yes, I would agree with that but
8 this document here on the 7th day of November 2008
9 falls more in line with what happened with the
10 promissory note and the personal guarantee versus
11 this May 29th date.

12 Q. Um-hum. And you can't explain that
13 discrepancy to me?

14 A. I cannot, no.

15 Q. And you don't dispute that you signed
16 both documents?

17 A. Unless somebody added this in here,
18 which I don't know whether they did or not. I
19 mean, this sounds more like it than this one.

20 Q. Well, you've been present for the
21 testimony where the other members of Thornwell
22 Partners, LLC have testified they have no
23 recollection of signing that note at all, true?

24 A. Absolutely.

25 Q. And you'd agree that your office

1 prepared the note that was signed in November by
2 some parties, correct?

3 A. No, I don't think -- I don't
4 disagree -- I don't agree with that. I don't
5 remember.

6 Q. You don't agree that your bankruptcy
7 counsel forwarded -- those e-mails that we went
8 through earlier with the letter attached to
9 Mr. Richter's letter, you don't agree that your
10 counsel prepared that and forwarded that along?

11 A. No, I thought Paul Hollen sent it to
12 me.

13 Q. Paul Hollen sent you that note?

14 A. That's what I thought.

15 Q. Okay.

16 A. Did it not come in the e-mail?

17 MR. NAPOLSKI: Were there other pages
18 included in the exhibit, Mr. Bleeker, or just the
19 first?

20 MR. BLEEKER: I don't think so. That's
21 part of it but it comes out of that package of
22 material which you --

23 THE WITNESS: Yeah, what are these
24 things? This is stuff that came from Paul. Paul
25 says, here you go.

1 MR. BLAKE: When you produced this, did
2 you produce the exhibits?

3 MR. NAPOLSKI: Yes. It was attached I
4 think to the rest of the pages. He just put the
5 top page but the rest of the pages including the
6 exhibits were produced all together.

7 MR. BLAKE: Okay.

8 BY MR. BLAKE:

9 Q. So, Mr. Passailaigue, you don't have
10 any idea of why there's two operating agreements,
11 true?

12 A. I do not.

13 Q. And you don't know when you signed
14 either of them, do you?

15 A. Not a hundred percent sure, no.

16 Q. Do you have recollection of when
17 that -- do you actually have recollection of
18 actually signing the note in November?

19 A. The promissory note?

20 Q. Yes, the 130,000 dollar promissory
21 note.

22 A. Did I sign it?

23 Q. Do you have any recollection of
24 signing?

25 A. I know we got it from Mr. Hollen.

1 Q. Were you present at the signing?

2 A. I was not.

3 Q. Did you see Mr. Saad sign that note,
4 for example?

5 A. I did not. I just assumed that we were
6 dealing with -- never mind. Anyway, it came from
7 Paul, Mr. Hollen.

8 Q. Okay.

9 A. The promissory note and the personal
10 guarantees came from him signed by his buddies.

11 Q. Let's go through the witnesses on
12 Exhibit 12 and 13 together if you would, please.
13 Let's start with Exhibit 12.

14 A. How do you keep these things in order?
15 All right. 12 and 13.

16 Q. All right. Starting with 12.

17 A. Um-hum.

18 Q. On Page 2. Do you recognize the
19 individual that appears to have signed as a witness
20 of each signature?

21 A. I do not.

22 Q. It looks like Shannon E. Huldy,
23 perhaps, Huldy, does that ring a bell?

24 A. No, not at all.

25 Q. Or Sharon?

1 A. Doesn't look -- I don't know who that
2 person is.

3 Q. Okay. Do you recall signing that
4 document in front of anyone named Sharon or
5 Shannon?

6 A. No, I don't.

7 Q. Okay. Look at 13 with me if you would,
8 please.

9 A. All right.

10 Q. So do you recognize either witness?

11 A. I do not.

12 Q. Is Vance Grady a name that rings a
13 bell? Vance Grady?

14 A. No, sir, it does not.

15 Q. You would agree that you personally are
16 not the maker of either one of those notes, is that
17 correct?

18 A. The promissory note?

19 Q. Either note. Either promissory note,
20 the one -- the 1,022,000 or the 130,000 dollars,
21 correct?

22 A. I don't know who made it up. I don't
23 remember. I don't know if -- I don't know.

24 Q. My question is because the 130,000
25 dollar promissory note recites that there was

1 actually 130,000 dollars lent. You personally
2 never actually gave 130,000 dollars in exchange for
3 that note, is that correct?

4 A. That is correct, I did not.

5 Q. And neither did Passailaigue Homes,
6 correct?

7 A. That is correct.

8 Q. Passailaigue Homes -- correct me if I
9 mischaracterize your testimony. Passailaigue Homes
10 gave up its membership interest in Thornwell
11 Partners in exchange for the 130,000 dollar note,
12 that's your testimony, correct?

13 A. That is correct.

14 Q. Okay.

15 A. To get me out of the membership.

16 Q. Now, that's -- would you have signed an
17 agreement -- well, how about this. Would you have
18 signed a note -- would you have signed an operating
19 agreement giving up your interest six months
20 earlier without that note in hand if it was the
21 consideration for the note?

22 A. I don't know. I have no idea. Don't
23 remember. Don't know what I would have done back
24 then.

25 Q. So as a business practice would it be

1 common for you to sign an agreement giving up a
2 right in exchange for something that you might
3 receive six months later?

4 A. With Paul Hollen, yes, sir, I would
5 have done that I would think but I don't recall and
6 I don't know what I would have done then.

7 Q. Do you recall any communications around
8 May of 2008 surrounding the execution of any
9 operating agreements?

10 A. No, sir.

11 Q. Do you recall any communications in May
12 2008 surrounding the release of your membership
13 interest?

14 A. No, sir.

15 Q. If you didn't sort out with Mr. Saad
16 and your partners the correct name issue in 2008,
17 how could those operating agreements have been
18 signed in 2008?

19 A. Don't ask me. Don't ask me, I don't
20 know.

21 Q. I mean, would you agree that was in
22 2009 after you received your 2008 K-1's that you
23 realized it was in the name of you individually and
24 it needed to be changed to Passailaigue Homes?

25 A. I'm not sure I know the answer to the

1 question.

2 Q. Well, we went through these --

3 A. Please ask it again.

4 Q. Well, if you look at Exhibit 10 with
5 me.

6 A. Okay.

7 Q. And you'll notice the date there on
8 that first page Saad 000093. What's the date on
9 that?

10 A. Talking about sent?

11 Q. Yep.

12 A. On June 22nd, 2009?

13 Q. Okay. Let's look all the way back to
14 Saad 96 and the date on your e-mail -- the date on
15 your sister's e-mail, Mary Cartrett's e-mail on the
16 very bottom of Saad 96, what's the date on that?

17 A. You're talking right down here I'm
18 assuming at the end?

19 Q. Yep.

20 A. It says from Mary Cartrette.

21 Q. Yep. What's the date on that?

22 A. Date, Monday, 18 May 2009.

23 Q. Is that the first time that you
24 realized that your K-1's were under your individual
25 name?

1 A. I don't recall. I don't remember.

2 Q. You would agree that the e-mail
3 communication reflects that you were operating as
4 Ray Passailaigue --

5 A. Yes.

6 Q. -- up until 2009?

7 A. Up until when it got changed.

8 Q. Okay. And you'd agree it got changed
9 in 2009?

10 A. It got changed whenever it got changed.
11 If you -- I don't know. I don't know when it got
12 changed. I assume you're right.

13 Q. Well, how about on your tax returns, do
14 you recall whether or not you took credit for it in
15 2008 or 2009?

16 A. I do not recall, no.

17 Q. You would not disagree with whatever
18 the accounting records show then?

19 A. It is what it is, yes.

20 Q. It changed when it changed?

21 A. It did.

22 Q. And if it changed in 2009, how could
23 you have signed those operating agreements in 2008?

24 A. Don't know. Are you talking about the
25 one that -- we're disputing on the date?

1 Q. Um-hum.

2 A. I have no idea. I don't know.

3 Q. Are you in the habit of retroactively
4 dating documents?

5 A. No, I'm not.

6 Q. Do you recall retroactively dating any
7 documents in this transaction?

8 A. Not that I recall but there again I
9 don't remember doing any of that.

10 Q. Okay.

11 (DFT. EXH. 14, E-mail chain dated
12 9/21/09 to Jerry Saad from Ray Passailaigue, was
13 marked for identification.)

14 BY MR. BLAKE:

15 Q. This is Defendant's 14, what's been
16 marked as Defendant's 14. This is dated -- can you
17 tell me the date on your e-mail at the top of
18 Exhibit 14?

19 A. Monday, September 21st, 2009. It was
20 to Jerry Saad.

21 Q. And who is Stacy?

22 A. That's my wife.

23 Q. So on September 21st, 2009 did you
24 instruct your wife to issue a check for 600 dollars
25 for the K-1 revisions?

1 A. Personal, yes.

2 Q. Okay.

3 A. I think it was a personal -- I think it
4 was personal check. I don't know.

5 Q. Does that refresh your recollection
6 when you had the K-1's reflected to show
7 Passailaigue Homes instead of Ray Passailaigue?

8 A. No, it does not.

9 Q. You don't disagree that you sent this
10 e-mail on September 21st?

11 A. I do not disagree.

12 Q. Would you agree that the amended K-1's
13 were otherwise identical to your personal K-1 which
14 Mr. Bleeker marked earlier except that it had the
15 correct party and the correct amounts on there?

16 A. Say that again.

17 Q. Would you agree that the amended K-1
18 issued to Passailaigue Homes, Inc. was the same as
19 your personal K-1 which we marked earlier in the
20 deposition?

21 A. I didn't look.

22 Q. Okay.

23 A. We could look and see. They're in
24 Exhibit 7, is that what you're saying?

25 Q. Those are your individual K-1's,

1 correct?

2 A. Uh-huh.

3 Q. What I'm asking is do you agree that
4 the amended K-1 from Passailaigue Homes, the only
5 difference between the two is that it said
6 Passailaigue Homes instead of Ray Passailaigue?

7 A. I have no idea. I don't know. I don't
8 recall.

9 Q. Okay.

10 A. Do we have a Passailaigue Homes one?

11 Q. I've looked for one. I don't know that
12 I have a copy of the amended one.

13 A. I don't know.

14 Q. Is that something that you could obtain
15 and provide to your counsel?

16 A. I would hope so.

17 Q. Okay. I'm going to ask that you do
18 that.

19 A. Okay.

20 Q. Do you recall if your amended K-1
21 included this same supplemental information sheet
22 that you discussed with Mr. Bleeker?

23 A. I don't know.

24 Q. Okay. Did you ever object to this
25 language in either form of the K-1?

1 A. To whom?

2 Q. To any party.

3 A. Not that I recall.

4 Q. Okay. And I'm referring for the record
5 to Page Saad 000079.

6 You would agree that the promissory
7 note for 130,000 dollars, both versions that you
8 discussed with Mr. Bleeker says that the sum to be
9 repaid is, quote, entirely from the net proceeds
10 from the future sales of the property known as the
11 Dassinger tract, correct?

12 A. Yes.

13 Q. Even if something is negative?

14 A. Even if something is negative, that's
15 the net proceeds.

16 Q. How can you be paid out of negative
17 proceeds?

18 A. The money out of your pocket.

19 Q. It doesn't say anything about them
20 taking any money out of their pocket in this note?

21 A. No, sir.

22 MR. NAPOLSKI: Object to the form.

23 BY MR. BLAKE:

24 Q. In fact, it says you would be repaid
25 entirely from the net proceeds, correct?

1 A. Yep.

2 Q. Can you do a net proceeds calculation
3 on this transaction for me here today?

4 A. No, sir.

5 Q. Well, do you have any knowledge in fact
6 there are net proceeds?

7 A. No, sir, I don't.

8 Q. So you brought this action without
9 knowing in fact whether or not there were any net
10 proceeds?

11 MR. NAPOLSKI: Object to form.

12 THE WITNESS: Don't know.

13 BY MR. BLAKE:

14 Q. What have you done to determine whether
15 or not there are net proceeds?

16 A. I let my attorneys handle it.

17 Q. Okay. And have you identified any net
18 proceeds to date?

19 A. I have not.

20 Q. Okay. And if there are no net
21 proceeds, you'd agree there's no amount due?

22 MR. NAPOLSKI: Object to form.

23 THE WITNESS: That would be between the
24 attorneys. The attorneys would have to answer
25 that.

1 BY MR. BLAKE:

2 Q. Okay. Which attorneys would have to
3 answer that?

4 A. You guys. Hold on one second.

5 (Off-the-record conference.)

6 THE WITNESS: All right, what's the
7 question? I'm sorry.

8 BY MR. BLAKE:

9 Q. Well, I'm trying to determine how I
10 can before we go to trial because when we go to
11 trial I'm just going to tell you I'm going to put
12 you on the stand with a whiteboard and ask you to
13 do a net proceeds calculation and I need to see
14 that before we get in there so I know what your
15 answer is going to be. So what do I need to do to
16 get an answer from you regarding the net proceeds
17 calculation?

18 A. Put your numbers on the board and if
19 you're short, you got to make it up out of your
20 pocket.

21 Q. And you say that the note supports that
22 conclusion? Let me word that -- you agree that the
23 only basis for that opinion is this note, correct?

24 A. Say that one more time.

25 Q. The only basis for that opinion, your

1 right, in other words, are determined under this
2 note, true?

3 A. It is my opinion that when the property
4 is sold, transferred, whatever --

5 Q. Right.

6 A. -- then whoever has to -- the three of
7 them need to make up the difference and pay the
8 note off.

9 Q. And that obligation arises under this
10 note, correct? It doesn't arise from any other
11 source?

12 A. No.

13 Q. So it's your contention that the
14 language of this agreement then supports your
15 opinion?

16 A. It's my opinion that if you don't have
17 enough net proceeds to pay your obligations, you
18 either have to come out of pocket with it or in my
19 case with Passailaigue Homes had to declare
20 bankruptcy -- I mean not Passailaigue Homes but
21 personally.

22 Q. Right. And again, that opinion is not
23 from any outside agreement that you have with any
24 other parties, it's from this note?

25 A. It is my opinion and when we made the

1 promissory note and we had the personal guarantee
2 that if whatever, they would be responsible for the
3 130,000 dollars, business-wise or personal. Once
4 the property is sold, they needed to pay the
5 130,000 dollars.

6 Q. And you reduced that agreement to
7 writing, correct?

8 A. Yes.

9 Q. And that agreement is the promissory
10 note, one of these two promissory notes, you're not
11 sure which one, correct?

12 A. No.

13 Q. One of those two promissory notes
14 reflects that agreement and then the personal
15 guarantees, correct?

16 A. The personal guarantee overrides
17 probably the promissory note, I guess, I don't
18 know.

19 Q. And you would agree in both of those
20 documents the word net was specifically added in,
21 correct?

22 A. By someone.

23 Q. Right. It was actually handwritten on
24 this one, correct?

25 A. And then typed in.

1 Q. And then typed in on another one?

2 A. Yes.

3 Q. So initially it just says proceeds,
4 right?

5 A. Yes.

6 Q. Didn't have any net effect at all?

7 A. That's correct.

8 Q. Profit or loss, correct?

9 A. That's correct.

10 Q. And then later the word net was added
11 in, true?

12 A. I agree with that, um-hum.

13 Q. And the word net carries some meaning,
14 you agree with that, right?

15 A. I assume it does, yes.

16 Q. I mean, you wouldn't have agreed to it
17 to be added in if it was a superfluous word, would
18 you?

19 A. No, it depends on your terminology the
20 way you understand it.

21 Q. I understand. But you were having
22 conversations during this time, right, you just
23 testified to that?

24 A. Yes.

25 Q. And your conversations were reduced to

1 writing and those writings were then amended to
2 reflect those conversations, correct?

3 A. That's correct.

4 Q. And they were to include the word net?

5 A. I assume so, yes.

6 Q. Proceeds wasn't enough, correct?

7 A. That's right. Maybe they put it in
8 there, maybe they wanted it.

9 Q. And you agreed to it?

10 A. I was okay with that.

11 Q. And you agreed to it?

12 A. Yes. Could have gone either way.

13 Q. And as we sit here today you're aware
14 of no net proceeds, correct?

15 A. I don't know whether there were or not.

16 Q. And you would defer to the
17 accountant -- the accounting testimony, whatever it
18 ends up being, if there's no net proceeds you don't
19 dispute that either, correct?

20 A. No, not necessarily.

21 Q. Well, if you don't have any -- I need
22 to know the basis on which you're going to dispute
23 that.

24 A. Suppose they transfer the property and
25 did it for whatever reason, just say that I owned

1 the property and I transferred it to Joe Blow for
2 no money. Well, there are no net proceeds. So
3 something could happen. Maybe they took out a loan
4 and took the property and then they're getting a
5 monthly income, I don't know.

6 Q. But those would be the net proceeds
7 then, correct?

8 A. No, not necessarily because there
9 wouldn't be any net proceeds according to what
10 you're saying but there's a way to hide it. And
11 are they hiding it? I don't know. I have no idea
12 whether they're hiding it or not.

13 Q. So one way you might disagree with
14 whatever the accounting testimony is is if you can
15 discover some type of fraud they're committing to
16 hide the net proceeds, correct?

17 A. I don't know how to answer that because
18 I don't know.

19 Q. Okay. Besides them hiding net
20 proceeds, what other basis would you use to dispute
21 any accounting testimony as to what the actual net
22 proceeds are?

23 A. I have -- I guess you'd have to do a
24 forensic accounting of it, of everything that
25 happened with Thornwell and all the checking

1 accounts and do a forensic analysis to see exactly
2 what happened.

3 Q. And you'd agree that Jerry Saad was the
4 bookkeeper for that period?

5 A. I have no idea.

6 Q. You had many communications with Jerry
7 Saad surely.

8 A. But I'm not sure.

9 Q. Did he issue your K-1's?

10 A. He did.

11 Q. Did you pay him for issuing your K-1s?

12 A. I did.

13 Q. And you would agree that he was
14 handling other financial matters during that time
15 period for this company?

16 A. I assume he was.

17 Q. Okay.

18 A. I'm not a hundred percent sure but I
19 assume he was.

20 Q. You wouldn't have been e-mailing with
21 him if he wasn't, would you have?

22 A. I wouldn't think so but I'm not a
23 hundred percent certain either. I would assume he
24 is.

25 Q. Are you aware of any other accountants

1 that were being used by --

2 A. No, sir, I am not.

3 Q. What point did you stop being involved
4 in the Thornwell Partners activity?

5 A. Once we signed the promissory note and
6 once we signed the personal guarantee I was out of
7 it.

8 Q. You were no longer affiliated with any
9 of their business?

10 A. Um-um.

11 Q. During 2008 are you aware of anyone
12 besides Jerry Saad that did the bookkeeping for
13 Thornwell Partners?

14 A. I don't know of anybody other than
15 Jerry Saad that did the books but that doesn't mean
16 that I know.

17 Q. Do you know anyone else in a better
18 position than Jerry Saad to discuss the financial
19 transactions that took place?

20 A. I've never met Jerry Saad, I don't
21 know.

22 Q. He's been identified by every party he
23 is a witness in this case.

24 A. Okay.

25 Q. In your discovery responses. What do

1 you anticipate Jerry Saad would testify about in
2 this case?

3 A. I have no clue. Sorry.

4 Q. But as we sit here today there's nobody
5 else that you would tell me on the stand at trial
6 disregard Jerry Saad's testimony because this is
7 the guy that has the information, correct?

8 A. I'm telling you I don't know.

9 Q. Okay.

10 A. Maybe there is somebody that I don't
11 know.

12 Q. Okay.

13 A. Maybe there's a second batch of books.
14 I don't know. I have no idea.

15 MR. BLAKE: That's all the questions I
16 deposit.

17 EXAMINATION

18 BY MS. JOHNSON:

19 Q. Sorry if anything's a little bit
20 duplicative. Sometimes hearing a question asked a
21 different way helps. Will you take a look at
22 Exhibit 11 again for me. This is the TFR from your
23 bankruptcy. Should be a big thick --

24 A. Okay.

25 Q. And I have different page numbers on my

1 stuff so it might take me a minute to locate what
2 I'm looking at. Okay. Number 32 on Page 121 -- or
3 Bates Stamp 121.

4 A. 121?

5 Q. Yes.

6 A. Saad 121?

7 Q. Yes.

8 A. Okay. Number 32?

9 Q. Right. Will you read the paragraph
10 description under Passailaigue Homes, Incorporated,
11 100 percent ownership.

12 A. Yeah. Estate assets under foreclosure.
13 Corporation has substantial debt. Corporation has
14 a note receivable from Thornwell Partners, LLC to
15 130,000 dated 11/7/2008, contingent on sale of
16 Thornwell Partners, LL real estate holdings, with
17 personal guarantees for the note receivable, there
18 was insufficient value to benefit the estate. The
19 trustee abandons now.

20 Q. So would you agree that contingent on
21 sale of Thornwell Partners is indicating a source
22 of the funds that are supposed to pay for that
23 130,000 dollars?

24 MR. NAPOLSKI: Object to form.

25 THE WITNESS: I would think, my

1 opinion, if that note doesn't get paid, then the
2 personal guarantees were supposed to be taken care
3 of by the individuals.

4 BY MS. JOHNSON:

5 Q. Okay. Do you think there would be any
6 reason for that to be misrepresented to the court
7 by the trustee?

8 A. I don't know. You'd have to ask them.

9 Q. But contingent on the sale to you does
10 not indicate a source of funds?

11 A. Contingent on the sale of Thornwell
12 Partners. I don't know. There it is. I don't
13 know exactly what you're asking, I'm sorry.

14 Q. I'm asking if contingent on the sale
15 means to you that -- or you think that it means to
16 the court but let's stick with means to you that
17 that 130,000 dollars comes from the sale of the
18 homes?

19 MR. NAPOLSKI: Object to form.

20 THE WITNESS: Or from the personal
21 guarantee. One of the two. Thornwell Properties
22 has changed hands and the money's due and it should
23 be paid because of the personal guarantee.

24 BY MS. JOHNSON:

25 Q. Okay. And then getting more specific,

1 Exhibits 1 and 2, you've indicated that net
2 proceeds means positive net proceeds or it can mean
3 negative net proceeds?

4 A. Correct.

5 Q. And in the event that there are
6 negative net proceeds, how would you calculate the
7 amount that you are owed?

8 A. Because there's a personal guarantee.

9 Q. Okay. And do you think that your
10 definition of net proceeds is in contravention of
11 the generally accepted definition of net proceeds?

12 MR. NAPOLSKI: Object to form.

13 THE WITNESS: I do not know.

14 MS. JOHNSON: That's all I have.

15 MR. BLEEKER: I have nothing further to
16 add.

17 (WHEREUPON, the proceedings concluded
18 at 12:18 PM.)
19
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25

SIGNATURE OF DEPONENT

DEPONENT: VIRGIL R. PASSAILAIGUE
DEPOSITION DATE: January 10, 2014
REPORTER: TERRI L. BRUSSEAU, RPR, CRR
CASE CAPTION: VIRGIL "RAY" PASSAILAIGUE vs. HENRY
KUZNIK, et al.

(Please return both Signature of Deponent pages)

I, the undersigned, VIRGIL R. PASSAILAIGUE,
do hereby certify that I have read the foregoing
deposition and find it to be a true and accurate
transcription of my testimony, with the following
corrections, if any:

PAGE	LINE	CHANGE	REASON

SIGNATURE OF DEPONENT (CONTINUED)

DEPOSITION DATE: January 10, 2014
REPORTER: TERRI L. BRUSSEAU, RPR, CRR
CASE CAPTION: VIRGIL "RAY" PASSAILAIGUE vs. HENRY
KUZNIK, et al.

PAGE	LINE	CHANGE	REASON

		VIRGIL R. PASSAILAIGUE	Date

I, Terri L. Brusseau, Notary Public for the
State of South Carolina at Large, do hereby certify
that the deponent was advised of his or her right
to read and sign said deposition both verbally and
in writing. If the deponent fails to execute and
return foregoing Signature of Deponent pages within
the thirty (30) days allowed pursuant to the Rules
of Civil Procedure, the original transcript may be
filed with the court.

		Terri L. Brusseau,	
		Registered Professional Reporter,	
		Certified Realtime Reporter	
		My Commission expires	
		March 24, 2016	

CERTIFICATE OF REPORTER

I, Terri L. Brusseau, Registered Professional Reporter and Notary Public for the State of South Carolina at Large, do hereby certify that the foregoing transcript is a true, accurate, and complete record.

I further certify that I am neither related to nor counsel for any party to the cause pending or interested in the events thereof.

Witness my hand, I have hereunto affixed my official seal this 17th day of January, 2014 at Charleston, Charleston County, South Carolina.

Terri L. Brusseau, RPR, CRR
My Commission expires
March 24, 2016

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2	Of Thornwell Partners, LLC		
3	DFT. EXH. 7, Tax documents,	24	21
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1 Agreement Of Thornwell

2 Partners, LLC

3 DFT. EXH. 14, E-mail chain 81 11

4 dated 9/21/09 to Jerry Saad

5 from Ray Passailaigue

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PROMISSORY NOTE

\$130,000.00

Charleston, South Carolina
November 7, 2008

FOR VALUE RECEIVED, THORNWELL PARTNERS, L.L.C., a South Carolina limited liability company (the "Borrower"), promises to pay to the order of Passalunigae Homes, a South Carolina Corporation (the "Lender") the principal sum of \$130,000.00. This sum is to be repaid in its entirety from the proceeds from the future sales of the property known as the Dassinger tract and consisting of two parcels further identified as Lot A 17 acres TMS No. 395-00-00-001 and Lot B 28 15 acres TMS No. 395-00-00-003, Charleston County, South Carolina.

All installments of principal are payable in lawful money of the United States of America, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment; and in the event of (a) failure to pay this Note in full on the Maturity Date, or (b) default in the payment of any other installment of interest or principal or any other sum payable pursuant to the terms of this Note or any lien document securing this Note, not cured within ten (10) days after written notice from Lender, or (c) an "Event of Default" as such term is defined in the Loan Agreement executed of even date between Borrower and Lender (the "Loan Agreement"), then or at any time thereafter, at the option of Lender, the whole of the principal sum then remaining unpaid hereunder together with all interest accrued thereon, shall immediately become due and payable without further notice, and the lien given to secure the payment of this Note may be foreclosed. From and after the maturity of this Note either according to its terms or as the result of a declaration of maturity, the entire principal remaining unpaid hereunder shall bear interest at a rate of three (3%) percent per annum above the rate otherwise in effect hereunder (the "Default Rate"), or the highest applicable lawful rate, whichever is the lesser; provided that there shall be no automatic reduction to the highest lawful rate as to Borrower or any endorser or guarantor barred by law from availing itself in any action or proceeding of the defense of usury, or Borrower or any endorser or guarantor barred or exempted from the operation of any law limiting the amount of interest that may be paid for the loan or use of money, or in the event this transaction, because of its amount or purpose or for any other reason is exempt from the operation of any statute limiting the amount of interest that may be paid for the loan or use of money. Failure to exercise such option or any other rights Lender may in the event of any such default be entitled to, shall not constitute a waiver of the right to exercise such option or any other rights in the event of any subsequent default, whether of the same or different nature.

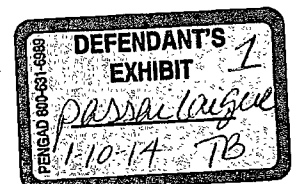
If this Note is placed in the hands of an attorney for collection or is collected through any legal proceedings, Borrower promises to pay all expenses of collection and reasonable attorney's fees incurred by Lender.

This Note is secured by the partnership interests held by Paul D. Hollen III, Alfred L. Sand and Henry Kuznik as defined in the Second Amended and Restated Operating Agreement of Thornwell Partners L.L.C. dated November 7, 2008.

Borrower and all endorsers, guarantors and all persons liable or to become liable on this Note waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and consent to any and all renewals and extensions of the time of payment hereof, and agree, further, that at any time and from time to time without notice, the terms of payment herein may be modified without in anywise affecting the liability of any party to this instrument or any person liable with respect to any indebtedness evidenced hereby.

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ROA000354



Lender is not required to rely on the collateral for the payment of the Note in the event of default by the maker, but may proceed directly against the maker, endorsers, or guarantors, if any, in such manner as it deems desirable. None of the rights and remedies of Lender hereunder is to be waived or affected by failure or delay to exercise them. All remedies conferred on Lender by this Note or any other instrument or agreement shall be cumulative, and none is exclusive. Such remedies may be exercised concurrently or consecutively at Lender's option.

Borrower shall have the option of prepaying the principal amount due under this Note in whole or in part without penalty.

This Note shall be governed as to validity, interpretation, construction, effect, and in all other respects by the laws and decisions of the State of South Carolina.

Wherever possible each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note or portion thereof shall be prohibited by or be invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

This Note may be assigned by Lender with or without recourse.

Borrower submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Borrower agrees that any action concerning this Note or any instrument securing this Note, whether initiated by Lender, Borrower or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Borrower waives all objections to venue.

WAIVER OF JURY TRIAL. BY THE EXECUTION HEREOF, BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY HEREBY AGREES THAT:

(A) NEITHER BORROWER NOR LENDER, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF BORROWER OR LENDER, SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THIS NOTE, THE LOAN AGREEMENT (IF ANY) OR ANY OF THE LOAN DOCUMENTS EVIDENCING, SECURING, OR RELATING TO THE LOAN EVIDENCED HEREBY, OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE PARTIES HERETO;

(B) NEITHER BORROWER NOR LENDER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;

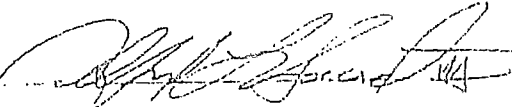
(C) THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS;

(D) NEITHER BORROWER NOR LENDER HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND

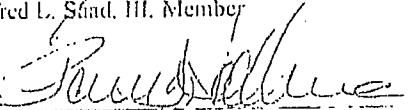
(E) THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN EVIDENCED BY THIS NOTE.

The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE AND RELINQUISH THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

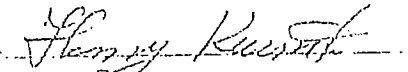
THORNWELL INVESTMENTS, LLC

By: 

Alfred L. Staud, III, Member

By: 

Paul D. Hollen III, Member

By: 

Henry Kuznik, Member

PROMISSORY NOTE

\$130,000.00

Charleston, South Carolina
November 7, 2008

FOR VALUE RECEIVED, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), promises to pay to the order of Passailaigue Homes, a South Carolina Corporation (the "Lender") the principal sum of \$130,000.00. This sum is to be repaid in its entirety from the net proceeds from the future sales of the property known as the Dassinger tract and consisting of two parcels further identified as Lot A 17 acres TMS No. 395-00-00-001 and Lot B 28.15 acres TMS No. 395-00-00-003, Charleston County, South Carolina.

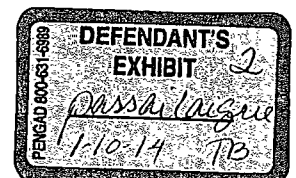
The loan period is to be 24 months. The lender grants the irrevocable right to one extension of 24 months, *IF PROPERTY REMAINS UNSOLD. PENDING*

All installments of principal are payable in lawful money of the United States of America, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment; and in the event of (a) failure to pay this Note in full on the Maturity Date, or (b) default in the payment of any other installment of interest or principal or any other sum payable pursuant to the terms of this Note or any lien document securing this Note, not cured within ten (10) days after written notice from Lender, or (c) an "Event of Default" as such term is defined in the Loan Agreement executed of even date between Borrower and Lender (the "Loan Agreement"), then or at any time thereafter, at the option of Lender, the whole of the principal sum then remaining unpaid hereunder together with all interest accrued thereon, shall immediately become due and payable without further notice, and the lien given to secure the payment of this Note may be foreclosed. From and after the maturity of this Note either according to its terms or as the result of a declaration of maturity, the entire principal remaining unpaid hereunder shall bear interest at a rate of three (3%) percent per annum above the rate otherwise in effect hereunder (the "Default Rate"), or the highest applicable lawful rate, whichever is the lesser; provided that there shall be no automatic reduction to the highest lawful rate as to Borrower or any endorser or guarantor barred by law from availing itself in any action or proceeding of the defense of usury, or Borrower or any endorser or guarantor barred or exempted from the operation of any law limiting the amount of interest that may be paid for the loan or use of money, or in the event this transaction, because of its amount or purpose or for any other reason is exempt from the operation of any statute limiting the amount of interest that may be paid for the loan or use of money. Failure to exercise such option or any other rights Lender may in the event of any such default be entitled to, shall not constitute a waiver of the right to exercise such option or any other rights in the event of any subsequent default, whether of the same or different nature.

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Borrower and all endorsers, guarantors and all persons liable or to become liable on this Note waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and consent to any and all renewals and extensions of the time of payment hereof, and agree, further,



that at any time and from time to time without notice, the terms of payment herein may be modified without in anywise affecting the liability of any party to this instrument or any person liable with respect to any indebtedness evidenced hereby.

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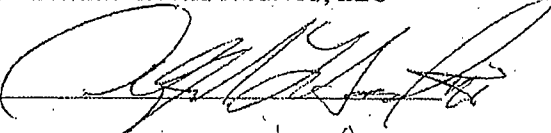
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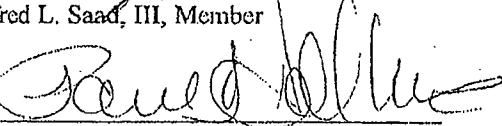
(E) THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN EVIDENCED BY THIS NOTE.

The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVE AND RELINQUISH THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

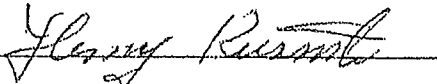
THORNWELL INVESTMENTS, LLC

By: 

Alfred L. Saad, III, Member

By: 

Paul D. Hollen III, Member

By: 

Henry Kuznik, Member

UNCONDITIONAL GUARANTY

November 2, 2008

WHEREAS, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), has borrowed the sum of up to \$130,000.00 from Passailaigue Homes, a South Carolina corporation (the "Lender") pursuant to a promissory note from Borrower to Lender dated of even date herewith (the "Note"); and

WHEREAS, Lender is unwilling to make the loan to Borrower evidenced by the Note unless it receives an unconditional and continuing joint and several guaranty from Henry Kuznik (hereinafter collectively termed "Guarantor"), covering all "Obligations of Borrower" as hereinafter defined;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Guarantor (jointly and severally, if more than one) hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the due and punctual payment of all principal, interest and any other amounts due or to become due, whether by acceleration or otherwise, under the Note, or the Loan Agreement and the performance of any and all obligations of Borrower under the Loan Agreement, the Note, and all other documents executed by Borrower securing or relating to the Note (the Note, the Loan Agreement, and all such other documents are sometimes referred to collectively herein as the "Loan Documents"), and including all renewals, extensions and/or modifications thereof, plus all interest, costs and reasonable attorneys' fees of Lender (all of such liabilities and obligations of Borrower to Lender being hereinafter collectively termed "Obligations of Borrower").

This Guaranty is in addition to and is not intended to supersede any prior existing Guaranty of Guarantor.

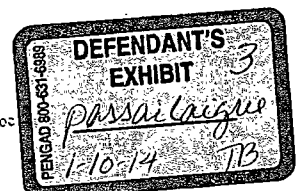
In order to implement the foregoing and as additional inducements to Lender, Guarantor further covenants and agrees as follows:

1. This Guaranty is and shall remain an unconditional and continuing guaranty of payment and not of collection, shall remain in full force and effect irrespective of any interruption(s) in the business or other dealings and relations of Borrower and Lender and shall apply to and guarantee the due and punctual payment of all Obligations of Borrower due by Borrower to Lender.

2. TIME IS OF THE ESSENCE HEREOF. Any notice to Guarantor shall be sufficiently given if mailed to the address of Guarantor shown below.

3. This Guaranty Agreement constitutes the entire agreement between the parties, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of Lender actually involved in the transactions being guaranteed hereby.

4. Guarantor agrees that Guarantor's liability hereunder shall not be diminished by any failure on the part of Lender to perfect (by filing, recording or otherwise) any security interest it may have in any property securing this Unconditional Guaranty Agreement and/or the Obligations of Borrower secured hereby and hereunder.



5. If Borrower is an organization, this Guaranty covers all Obligations of Borrower purporting to be created or undertaken on behalf of such organization by any officer, partner, manager or agent of such organization, without regard to the actual authority of any such officer, partner, manager or agent, whether or not corporate resolutions, proper or otherwise, are given by any corporate Borrower to Lender, and/or whether or not such purported organizations are legally chartered or organized.

6. This Unconditional Guaranty Agreement shall be binding upon Guarantor, and the heirs, executors, administrators, successors and assigns of Guarantor; and it shall inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the Laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

7. No waiver by Lender of any default by Guarantor or Borrower shall operate as a waiver of any other default or of the same default on a future occasion. If more than one person has signed this Guaranty Agreement, such parties are jointly and severally obligated hereunder. The term "Guarantor," as used herein, shall (if signed by more than one person) mean the "Guarantors and each of them." If any Guarantor shall be a partnership, the obligations, liabilities and agreements on the part of such Guarantor shall remain in full force and effect and fully applicable notwithstanding any changes in the individuals composing the partnership. Further, the term "Guarantor" shall include in such event any altered or successor partnerships, it being also understood that the predecessor partnership and its partners shall not thereby be released from any obligations or liabilities hereunder. Lender, or any other holder hereof, may correct patent errors in this Agreement.

8. **EVENTS OF DEFAULT.** Guarantor shall be in default under this Guaranty Agreement upon the happening of any of the following events, circumstances or conditions, namely:

a) Failure of Guarantor to pay its obligations hereunder immediately upon demand after a default in the payment of the Obligations of Borrower or in the payment or performance of any other obligations or of any covenant, warranty or liability contained or referred to herein, or contained or referred to in the Loan Agreement, the Mortgage or any other Loan Document; or

b) Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor in connection with this Guaranty Agreement or to induce Lender to extend credit or otherwise deal with either Borrower or Guarantor proving to have been false in any material respect when made or furnished; or

c) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any State or Federal Bankruptcy or Insolvency Laws by or against any Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor); or

d) The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Guarantor or Borrower is displaced or their authority in the conduct of their business(es) is curtailed; or

e) Material adverse change in the financial position of Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor).

9. REMEDIES UPON DEFAULT. Upon the occurrence of any of the foregoing events, circumstances, or conditions of default, all of the obligations evidenced herein or guaranteed hereby shall immediately be due and payable without notice. Further, Lender shall then have all of the rights and remedies granted hereunder, and all of the rights and remedies of a secured party and/or holder-in-due-course under the South Carolina Uniform Commercial Code and/or under other Laws of South Carolina.

10. Any provision hereof to the contrary notwithstanding, to the extent Guarantor is determined to be an "insider" as such term is used in the United States Bankruptcy Code or cases thereunder, Guarantor waives any right (whether established by contract or statute or otherwise available at law or in equity) to reimbursement, indemnity, subrogation, contribution or other such claim against Lender, Borrower or any other guarantor or any other person primarily or secondarily liable for any Obligations of Borrower with respect to any disbursement or payment made by Guarantor under or in connection with this Guaranty or otherwise.

11. Guarantor submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Guarantor agrees that any action concerning this Agreement or the debts guaranteed hereby, whether initiated by Lender, Borrower, Guarantor or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Guarantor waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Guarantor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to Guarantor at Guarantor's address set forth below or any new address of which Lender has been notified by Guarantor in writing.

Witnesses:

Wendy Keener
Laura Feltz

Henry Kuzbik (SEAL)
Henry Kuzbik

UNCONDITIONAL GUARANTY

November 14, 2008

WHEREAS, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), has borrowed the sum of up to \$130,000.00 from Passailaigue Homes, a South Carolina corporation (the "Lender") pursuant to a promissory note from Borrower to Lender dated of even date herewith (the "Note"); and

WHEREAS, Lender is unwilling to make the loan to Borrower evidenced by the Note unless it receives an unconditional and continuing joint and several guaranty from Paul D. Hollen III (hereinafter collectively termed "Guarantor"), covering all "Obligations of Borrower" as hereinafter defined;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Guarantor (jointly and severally, if more than one) hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the due and punctual payment of all principal, interest and any other amounts due or to become due, whether by acceleration or otherwise, under the Note, or the Loan Agreement and the performance of any and all obligations of Borrower under the Loan Agreement, the Note, and all other documents executed by Borrower securing or relating to the Note (the Note, the Loan Agreement, and all such other documents are sometimes referred to collectively herein as the "Loan Documents"), and including all renewals, extensions and/or modifications thereof, plus all interest, costs and reasonable attorneys' fees of Lender (all of such liabilities and obligations of Borrower to Lender being hereinafter collectively termed "Obligations of Borrower").

This Guaranty is in addition to and is not intended to supersede any prior existing Guaranty of Guarantor.

In order to implement the foregoing and as additional inducements to Lender, Guarantor further covenants and agrees as follows:

1. This Guaranty is and shall remain an unconditional and continuing guaranty of payment and not of collection, shall remain in full force and effect irrespective of any interruption(s) in the business or other dealings and relations of Borrower and Lender and shall apply to and guarantee the due and punctual payment of all Obligations of Borrower due by Borrower to Lender.

2. TIME IS OF THE ESSENCE HEREOF. Any notice to Guarantor shall be sufficiently given if mailed to the address of Guarantor shown below.

3. This Guaranty Agreement constitutes the entire agreement between the parties, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of Lender actually involved in the transactions being guaranteed hereby.

4. Guarantor agrees that Guarantor's liability hereunder shall not be diminished by any failure on the part of Lender to perfect (by filing, recording or otherwise) any security interest it may have in any property securing this Unconditional Guaranty Agreement and/or the Obligations of Borrower secured hereby and hereunder.

5. If Borrower is an organization, this Guaranty covers all Obligations of Borrower purporting to be created or undertaken on behalf of such organization by any officer, partner, manager or agent of such organization, without regard to the actual authority of any such officer, partner, manager or agent, whether or not corporate resolutions, proper or otherwise, are given by any corporate Borrower to Lender, and/or whether or not such purported organizations are legally chartered or organized.

6. This Unconditional Guaranty Agreement shall be binding upon Guarantor, and the heirs, executors, administrators, successors and assigns of Guarantor; and it shall inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the Laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

7. No waiver by Lender of any default by Guarantor or Borrower shall operate as a waiver of any other default or of the same default on a future occasion. If more than one person has signed this Guaranty Agreement, such parties are jointly and severally obligated hereunder. The term "Guarantor," as used herein, shall (if signed by more than one person) mean the "Guarantors and each of them." If any Guarantor shall be a partnership, the obligations, liabilities and agreements on the part of such Guarantor shall remain in full force and effect and fully applicable notwithstanding any changes in the individuals composing the partnership. Further, the term "Guarantor" shall include in such event any altered or successor partnerships, it being also understood that the predecessor partnership and its partners shall not thereby be released from any obligations or liabilities hereunder. Lender, or any other holder hereof, may correct patent errors in this Agreement.

8. **EVENTS OF DEFAULT.** Guarantor shall be in default under this Guaranty Agreement upon the happening of any of the following events, circumstances or conditions, namely:

a) Failure of Guarantor to pay its obligations hereunder immediately upon demand after a default in the payment of the Obligations of Borrower or in the payment or performance of any other obligations or of any covenant, warranty or liability contained or referred to herein, or contained or referred to in the Loan Agreement, the Mortgage or any other Loan Document; or

b) Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor in connection with this Guaranty Agreement or to induce Lender to extend credit or otherwise deal with either Borrower or Guarantor proving to have been false in any material respect when made or furnished; or

c) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any State or Federal Bankruptcy or Insolvency Laws by or against any Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor); or

d) The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Guarantor or Borrower is displaced or their authority in the conduct of their business(es) is curtailed; or

c) Material adverse change in the financial position of Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor).

9. REMEDIES UPON DEFAULT. Upon the occurrence of any of the foregoing events, circumstances, or conditions of default, all of the obligations evidenced herein or guaranteed hereby shall immediately be due and payable without notice. Further, Lender shall then have all of the rights and remedies granted hereunder, and all of the rights and remedies of a secured party and/or holder-in-due-course under the South Carolina Uniform Commercial Code and/or under other Laws of South Carolina.

10. Any provision hereof to the contrary notwithstanding, to the extent Guarantor is determined to be an "insider" as such term is used in the United States Bankruptcy Code or cases thereunder, Guarantor waives any right (whether established by contract or statute or otherwise available at law or in equity) to reimbursement, indemnity, subrogation, contribution or other such claim against Lender, Borrower or any other guarantor or any other person primarily or secondarily liable for any Obligations of Borrower with respect to any disbursement or payment made by Guarantor under or in connection with this Guaranty or otherwise.

11. Guarantor submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Guarantor agrees that any action concerning this Agreement or the debts guaranteed hereby, whether initiated by Lender, Borrower, Guarantor or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Guarantor waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Guarantor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to Guarantor at Guarantor's address set forth below or any new address of which Lender has been notified by Guarantor in writing.

Witnesses:

Wendy Keenan
Laura J. Halton

Paul D. Hollen III (SEAL)
Paul D. Hollen III

UNCONDITIONAL GUARANTY

November 7, 2008

WHEREAS, THORNWELL PARTNERS, LLC, a South Carolina limited liability company (the "Borrower"), has borrowed the sum of up to \$130,000.00 from Passailaigue Homes, a South Carolina corporation (the "Lender") pursuant to a promissory note from Borrower to Lender dated of even date herewith (the "Note"); and

WHEREAS, Lender is unwilling to make the loan to Borrower evidenced by the Note unless it receives an unconditional and continuing joint and several guaranty from Alfred L. Saad (hereinafter collectively termed "Guarantor"), covering all "Obligations of Borrower" as hereinafter defined;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, Guarantor (jointly and severally, if more than one) hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the due and punctual payment of all principal, interest and any other amounts due or to become due, whether by acceleration or otherwise, under the Note, or the Loan Agreement and the performance of any and all obligations of Borrower under the Loan Agreement, the Note, and all other documents executed by Borrower securing or relating to the Note (the Note, the Loan Agreement, and all such other documents are sometimes referred to collectively herein as the "Loan Documents"), and including all renewals, extensions and/or modifications thereof, plus all interest, costs and reasonable attorneys' fees of Lender (all of such liabilities and obligations of Borrower to Lender being hereinafter collectively termed "Obligations of Borrower").

This Guaranty is in addition to and is not intended to supersede any prior existing Guaranty of Guarantor.

In order to implement the foregoing and as additional inducements to Lender, Guarantor further covenants and agrees as follows:

1. This Guaranty is and shall remain an unconditional and continuing guaranty of payment and not of collection, shall remain in full force and effect irrespective of any interruption(s) in the business or other dealings and relations of Borrower and Lender and shall apply to and guarantee the due and punctual payment of all Obligations of Borrower due by Borrower to Lender.

2. TIME IS OF THE ESSENCE HEREOF. Any notice to Guarantor shall be sufficiently given if mailed to the address of Guarantor shown below.

3. This Guaranty Agreement constitutes the entire agreement between the parties, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of Lender actually involved in the transactions being guaranteed hereby.

4. Guarantor agrees that Guarantor's liability hereunder shall not be diminished by any failure on the part of Lender to perfect (by filing, recording or otherwise) any security interest it may have in any property securing this Unconditional Guaranty Agreement and/or the Obligations of Borrower secured hereby and hereunder.

5. If Borrower is an organization, this Guaranty covers all Obligations of Borrower purporting to be created or undertaken on behalf of such organization by any officer, partner, manager or agent of such organization, without regard to the actual authority of any such officer, partner, manager or agent, whether or not corporate resolutions, proper or otherwise, are given by any corporate Borrower to Lender, and/or whether or not such purported organizations are legally chartered or organized.

6. This Unconditional Guaranty Agreement shall be binding upon Guarantor, and the heirs, executors, administrators, successors and assigns of Guarantor; and it shall inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the Laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

7. No waiver by Lender of any default by Guarantor or Borrower shall operate as a waiver of any other default or of the same default on a future occasion. If more than one person has signed this Guaranty Agreement, such parties are jointly and severally obligated hereunder. The term "Guarantor," as used herein, shall (if signed by more than one person) mean the "Guarantors and each of them." If any Guarantor shall be a partnership, the obligations, liabilities and agreements on the part of such Guarantor shall remain in full force and effect and fully applicable notwithstanding any changes in the individuals composing the partnership. Further, the term "Guarantor" shall include in such event any altered or successor partnerships, it being also understood that the predecessor partnership and its partners shall not thereby be released from any obligations or liabilities hereunder. Lender, or any other holder hereof, may correct patent errors in this Agreement.

8. **EVENTS OF DEFAULT.** Guarantor shall be in default under this Guaranty Agreement upon the happening of any of the following events, circumstances or conditions, namely:

a) Failure of Guarantor to pay its obligations hereunder immediately upon demand after a default in the payment of the Obligations of Borrower or in the payment or performance of any other obligations or of any covenant, warranty or liability contained or referred to herein, or contained or referred to in the Loan Agreement, the Mortgage or any other Loan Document; or

b) Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor in connection with this Guaranty Agreement or to induce Lender to extend credit or otherwise deal with either Borrower or Guarantor proving to have been false in any material respect when made or furnished; or

c) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any State or Federal Bankruptcy or Insolvency Laws by or against any Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor); or

d) The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of Guarantor or Borrower is displaced or their authority in the conduct of their business(es) is curtailed; or

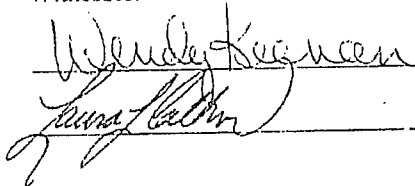
e) Material adverse change in the financial position of Guarantor (unless Lender, in its reasonable discretion, accepts a substitute guarantor).

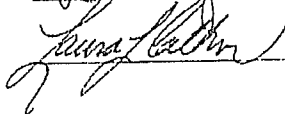
9. REMEDIES UPON DEFAULT. Upon the occurrence of any of the foregoing events, circumstances, or conditions of default, all of the obligations evidenced herein or guaranteed hereby shall immediately be due and payable without notice. Further, Lender shall then have all of the rights and remedies granted hereunder, and all of the rights and remedies of a secured party and/or holder-in-due-course under the South Carolina Uniform Commercial Code and/or under other Laws of South Carolina.

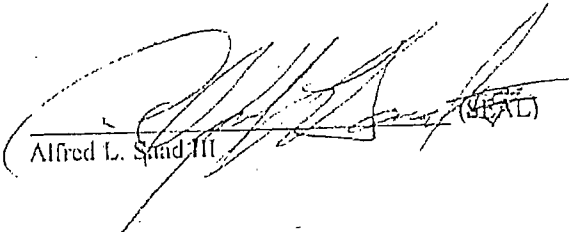
10. Any provision hereof to the contrary notwithstanding, to the extent Guarantor is determined to be an "insider" as such term is used in the United States Bankruptcy Code or cases thereunder, Guarantor waives any right (whether established by contract or statute or otherwise available at law or in equity) to reimbursement, indemnity, subrogation, contribution or other such claim against Lender, Borrower or any other guarantor or any other person primarily or secondarily liable for any Obligations of Borrower with respect to any disbursement or payment made by Guarantor under or in connection with this Guaranty or otherwise.

11. Guarantor submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Guarantor agrees that any action concerning this Agreement or the debts guaranteed hereby, whether initiated by Lender, Borrower, Guarantor or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Guarantor waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Guarantor further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to any other lawful means, certified mail, return receipt requested, to Guarantor at Guarantor's address set forth below or any new address of which Lender has been notified by Guarantor in writing.

Witnesses:







Alfred L. Sand III

(SEAL)

Note

SOUTH CAROLINA

\$1,022,900.00

April 11, 2007

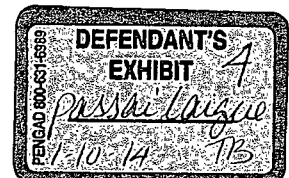
FOR VALUE RECEIVED, the undersigned promise (s) to pay to the order of Ray Passalunig, LLC at Charleston, South Carolina, in lawful money of the United States of America, the principal sum of One Million Twenty Two Thousand Nine Hundred Dollars (\$1,022,900.00) due and payable at the closing on the properties set forth in the Assignment of Contract attached hereto as Exhibit A and incorporated herein by reference or within 30 days of the zoning change set forth in Paragraph One B. of the attached Exhibit A, Assignment of Contract, which ever occurs first.

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate or bankrupt courts, or under foreclosure proceedings under the mortgage securing this note, then all cost of collection, including a reasonable sum for attorney fee shall be added hereto as attorney's fees secured and collectible as the principal hereof.

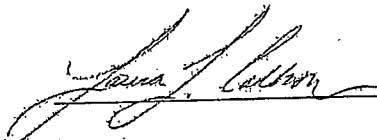
The undersigned expressly agree jointly and severally to remain and continue bound for the payment of the principal and interest provided for by the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid under and by virtue of the obligation to pay provided for in this note, or any change or changes by way of release or surrender of any collateral held as security for this note and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of the undersigned.

Presentment, protest, and notice are hereby waived.



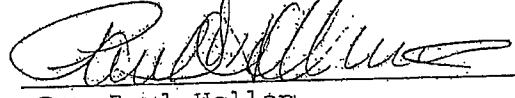
It is expressly agreed and declared that this note is given as consideration for and under the terms of that certain Assignment of Contract of even date attached hereto as Exhibit A..

Witness the hand and seal of the undersigned hereof.



Carrie Mann

Thornwell Partners LLC



By: Paul Hollen
Its: Member

Exhibit A

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

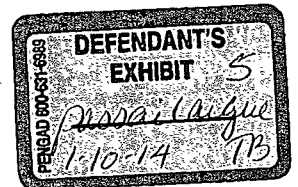
ASSIGNMENT OF CONTRACTS

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, *Ray*
Passalunighe Homes Inc
Passalunighe, LLC ("Assignor"), does hereby set over and assign all of its right, title and interest in
and to the following Contracts of Sale to Thornwell Partners, LLC ("Assignee"), or their assigns, to
wit:

- A. Contract of Sale dated February 16, 2006 between Assignor as Buyer and William Dasinger and Maxine B. Dasinger, relating to the sale of real property located in Charleston County known as TMS No. 395-00-00-001, consisting of approximately 17 acres of land located at 7720 Chippendale Road, North Charleston, South Carolina; and
- B. Contract of Sale dated February 16, 2006 between the Assignor as Buyer and Harold E. Dasinger and Loraine R. Dasinger as Sellers, relating to real property known as TMS No. 395-00-00-003, consisting of approximately 28.3 acres located at 7730 Chippendale Road, North Charleston, South Carolina.

ONE. CONSIDERATION. The Assignee agrees to pay to the Assignor as consideration for the assignment of the referenced contracts, the sum of \$1,000,000.00 plus reimbursement of engineering costs in the amount of \$23,900.00, which shall be paid as follows:

- A. \$1,000.00 at the execution of this Assignment; and
- B. \$1,022,900.00 to be paid at the closing of the transaction between the Sellers and the Assignee; or to be paid within 30 days that the zoning change referenced herein is approved by the City Council of North Charleston changing the designation from agricultural to light industrial.



TWO. ZONING. Assignor will continue its pursuit of the zoning change which is now pending before the City of North Charleston and will appear as required to support the application relating to a request it has filed to change the zoning from agricultural to light industrial.

THREE. DUE DILIGENCE. The Assignee has obtained and paid for a Phase I Environmental audit on each property, a survey of each property, a tree survey on each property, a topographical study on each property, and is in the process of obtaining a wetlands study. All of these reports/audits are hereby transferred by the Assignor to the Assignee. Assignor does hereby warrant that all of the studies have been paid for or will be paid for and that there are presently no outstanding invoices for these services that are due and owing.

FOUR. TITLE STATUS. Assignor has had the title to each property abstracted and provide a copy of the abstracts or title reports to the Assignee. Assignor has further been advised and believes that there are no liens that encumber the title to each property, saving and accepting the real estate taxes due for the calendar year 2007.

FIVE. CONTRACT EXTENSIONS. Assignor does hereby warrant to Assignee proper extensions have been agreed upon with the owners of the subject property to permit the Assignor and Assignee to obtain the zoning change referenced in Section One B.

SIX. MODIFICATION OF ASSIGNMENT. Any changes or modifications to this Assignment will only be valid if the signatures of the parties hereto have been affixed.

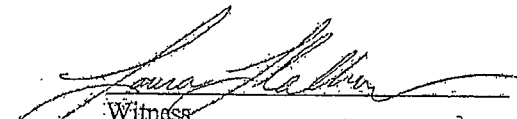
SEVEN. CONSENTS. The Assignor will obtain the consent of each Seller simultaneously with the execution of this document, acknowledging that the assignment of each contract has been effectuated and recognizing that the Assignee referenced herein is the substituted purchaser. The approval of the assignment shall be accomplished by a separate document prepared by the Assignee.

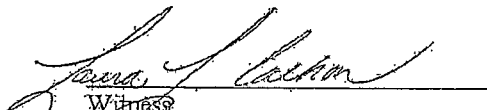
EIGHT. DISPUTE. In the event there is a dispute regarding the terms or conditions of this agreement result in litigation being filed, the prevailing party in any dispute shall be entitled to an award of reasonable attorney's fees and costs.

TEN. APPLICABLE LAW. The applicable law to be applied to any dispute between the parties is that of the State of South Carolina.

ELEVEN. BINDING. This Assignment shall be binding on the heirs, successors, and assigns of the parties hereto.

Executed this the 11th day of April, 2007.


Witness
Carrie Mann
Witness


Witness
Carrie Mann
Witness

AS TO THE ASSIGNOR:
PASSALAIGUE, LLC
 PASSALAIGUE HOMES INC
BY: Ray Passalaigue
ITS: President

AS TO ASSIGNEE:
THORNWELL PARTNERS, LLC


BY: Thornwell
ITS: _____

THIS OPERATING AGREEMENT IS SUBJECT TO ARBITRATION
PURSUANT TO §15-48-10, *et seq.*, OF THE SOUTH CAROLINA CODE

AMENDED AND RESTATED OPERATING AGREEMENT
OF
THORNWELL PARTNERS, LLC

Recital

Pursuant to Section 33-44-101, *et seq.* of the South Carolina Limited Liability Company Act (the "Act"), the members hereby unanimously adopt this operating agreement regulating the business and affairs of this limited liability company, THORNWELL PARTNERS, LLC (the "LLC").

The members agree as follows:

THIS OPERATING AGREEMENT (the "Operating Agreement" or "Agreement") for Thornwell Partners, LLC is hereby amended and agreed to this 20 day of April, 2007, by all the members of the LLC. The members of this LLC are: Paul D. Hollen, III, Alfred L. Saad, III, Henry Kuznik, and Ray Passailaigue.

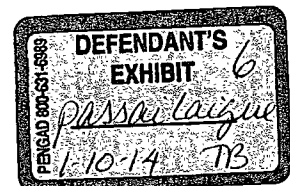
Section I Organization of the Limited Liability Company

§ 1.1 **Formation.** The LLC was organized as a South Carolina Limited Liability Company by filing the Articles of Organization with the South Carolina Secretary of State on August 3, 2006.

§ 1.2 **Name.** The name of the LLC is Thornwell Partners, LLC, and it shall conduct its business in this name.

§ 1.3 **Registered office and agent.** The LLC is required to have a registered office and agent, the purpose of which is to receive any official communications to the LLC. The LLC's initial office and agent are specified in the Articles of Organization as being Paul D. Hollen III, 203 Forest Trail, Isle of Palms, SC 29451. If the members elect to change either the office or agent (or if the agent resigns), the members agree that they will promptly file the name of the new agent or office with the Secretary of State on the Secretary of State's form for such purpose.

§ 1.4 **Principal office.** The principal office of the LLC is 203 Forest Trail, Isle of Palms, SC 29451. The members may change the location of the office, but if they do so, the LLC shall notify all the members in writing of the address of the new office.



§ 1.5 **Doing business in other states.** If the LLC elects to do business in a state other than South Carolina, the LLC shall determine if it is required to "qualify to do business" in that state, and if so, the LLC shall make all the required filings in that state before conducting any business in the state.

§ 1.6 **Term.** The Articles of Organization provide that this LLC shall be of perpetual duration. This LLC may terminate before such date if either (a) the members so agree as provided in § 8.1 any member ceases to be a member (as specified in § 7) and the remaining members do not vote, as provided in § 8.1 to continue this LLC.

§ 1.7 **Not a partnership.** The members intend that this LLC shall not be a partnership (including both a limited partnership and joint venture) and that no member shall be deemed to be either a partner or joint venturer other than for federal and state tax purposes. All the provisions in this Operating Agreement shall be interpreted and construed in accordance with this provision.

§ 1.8 **Purpose.** The specific business purpose and activity contemplated by the founders of this LLC at the time of the initial signing of the agreement consists of the following:

(A) Real estate investments.

It is understood that the foregoing statement of purpose shall not serve as a limitation on the powers or abilities of this LLC, which shall be permitted to engage in any and all lawful business activities. If this LLC intends to engage in business activities outside the state of its formation that require the qualification of the LLC in other states, it shall obtain such qualifications before engaging in such out-of-state activities.

§ 1.9 **Duration.** The duration of this LLC shall be perpetual. Further, this LLC shall terminate when a proposal to dissolve the LLC is adopted by the membership of this LLC or when this LLC is otherwise terminated in accordance with the law.

Section II - Members

§ 2.1 **The members and percentage interest of each member.** The members of this LLC, and the percentage interest held by each member are as follows:

	<u>Contribution</u>	<u>Percentage of Interest</u>
(A) Alfred L. Saad, III 1030 Laurens Street Columbia, SC 29201	\$ 350,000.00	9.40%
(B) Paul D. Hollen, III 203 Forest Tr. Isle of Palms, SC 29451	\$1,100,000.00	29.55%

(C)	Henry Kuznik <u>2119 Savannah Highway</u> <u>Charleston, S.C. 29414</u>	\$1,250,000.00	33.58%
(D)	Ray Passailaigue _____ _____	\$1,022,900.00	27.48%

§ 2.2 Rights of members.

(A) Every member of this LLC has all of the rights which are defined in the South Carolina Limited Liability Company Act. Each member has the right to:

- (1) share in profits and losses (in accordance with § 6.1);
- (2) share in distributions (in accordance with § 6.3);
- (3) to vote and manage the LLC (in accordance with § 3);
- (4) to inspect LLC records and receive information (in accordance with § 9.1 & 9.2);
- (5) receive a certificate specifying the extent of each of the rights specified in (a), (b), (c) & (d) (§ 9.2(b)).

(B) Membership Provisions:

- (1) Liability of Members: No member of this LLC shall be personally liable for the expenses, debts, obligations or liabilities of the LLC, or for claims made against it.
- (2) Reimbursement for Organizational Costs: Members shall be reimbursed by the LLC for any organizational expenses paid by the members. The LLC shall be authorized to elect to deduct organizational expenses and start-up expenditures ratably over a period of time as permitted by the Internal Revenue Code and as may be advised by LLC's tax advisor.

§ 2.25 Certificates. This LLC shall be authorized to obtain and issue certificates representing or certifying membership interests in this LLC. Each certificate shall show the name of the LLC, the name of the member, and state that the person named is a member of the LLC and is entitled to all the rights granted members of the LLC under the Articles of Organization, Certificate of Formation

or a similar organizational document, this operating agreement and provisions of law. Each membership certificate shall be consecutively numbered and signed by one or more officers of this LLC. The certificates shall include any additional information considered appropriate for inclusion by the members on membership certificates.

In addition to the above information, all membership certificates shall bear a prominent legend on their face or reverse side stating, summarizing or referring to any transfer restrictions that apply to memberships in this LLC under the Articles of Organizations, Certificate of Formation or a similar organizational document and/or this operating agreement, and the address where a member may obtain a copy of these restrictions upon request from this LLC.

The records book of this LLC shall contain a list of the names and addresses of all persons to whom certificates have been issued, show the date of issuance of each certificate, and record the date of all cancellations or transfers of membership certificates.

§ 2.3 Admission of new members by vote of the members. Additional members may be admitted into the LLC only upon a 100% vote of the members which admission vote shall also specify the share of profits and losses which shall be allocated to the new member, the capital being contributed by the member, and its value. The vote shall also specify the manner in which the profit and loss shares of the existing members shall be reduced.

§ 2.4 Member may not substitute another person in his place as a member without a unanimous vote. If a member desires to substitute another person for himself as the member, an affirmative vote is required. First, one hundred percent (100%) of members must, and in writing, approve the substitution. Second, all members (other than the member requesting the permission to substitute) must vote to continue the LLC. Upon both affirmative votes, the substituted member shall become a member when the person's admission is reflected upon the records of this LLC. If a member attempts to transfer all of his rights (or only his rights to vote and manage) in the LLC to another person without the affirmative vote of all members, such act is void ab initio. The member attempting the transfer remains the member and the purported substitute obtains no rights whatsoever.

Section III - Management & Control of the LLC

§ 3.1 Management by members. The members of this LLC shall have the full power and authority to manage the affairs of this business, to make all decisions, and to take all actions for the LLC. Each member agrees to be an active participant in the operation of the business of this LLC. Each member shall participate in the management of the LLC including but not limited to: regularly attending meetings of the members, determining whether to open or close an office, hiring of employees, admitting members, establishing any member committees, establishing draws and compensation, establishing business policies, and generally being responsible for the overall operation of the LLC.

§ 3.2 Votes of members. Each member of this LLC shall, as of the adoption of the Operating Agreement, allocate votes based upon their shares of both capital and profits and losses.

§ 3.3 Place of meeting. All meetings of the members shall be held at the current principal office of the LLC or at the Property above described. Members may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting as provided here shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

§ 3.4 Conduct of meetings. All meetings of members shall be presided over by a chairman who shall be selected annually by a majority vote of the members. The chairman shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion. Written minutes of the discussions and proposals presented at a members' meeting, and the votes taken and matters approved at such meeting, shall be taken by one of the members or a person designated at the meeting. A copy of the minutes of the meeting shall be placed in the LLC's records book after the meeting.

§ 3.5 Annual meeting. The LLC shall hold an annual meeting on the third Tuesday in January at 5:00 p.m. to be held at the current principal office of the LLC. If such date is a legal holiday, the meeting shall be held at the same hour at the next business day of the week. The purpose of the annual meeting shall be to elect a person to serve as chairman of future meetings, etc. The failure to hold such meeting shall not invalidate any action taken by the LLC nor constitute a dissolution of the LLC.

§ 3.6 Special meetings. Special membership meetings may be held at any time upon the call of one (1) member. The member calling the meeting shall state the purpose(s) and the matters proposed to be acted upon in writing.

§ 3.7 Notice of meetings. No notice shall be required for the annual meeting. Notice of any special meeting shall be given either orally or by written notice at least five (5) business days prior to the meeting. If all members cannot attend a meeting, it shall be postponed to a date and time when all members can attend, unless all members who do not attend have agreed in writing to the holding of the meeting without them. If a meeting is postponed, and the postponed meeting cannot be held either because all members do not attend the postponed meeting or the nonattending members have not signed a written consent to allow the postponed meeting to be held without them, a second postponed meeting may be held at a date and time announced at the first postponed meeting. The date and time of the second postponed meeting shall also be communicated to any members not attending the first postponed meeting.

§ 3.8 Quorum. A quorum for all meetings shall require the presence, in person, of all members of the LLC.

§ 3.9 Required vote and type of vote.

- (A) Ordinary Actions: For any ordinary action to be taken, members holding a majority in interest must vote "yes" (1) at a duly called and constituted meeting, or (2) by written consent. Majority of interest shall mean at least three (3) of the present members of the LLC vote in the affirmative. "Ordinary actions" are all actions of the LLC except those specified as "extraordinary actions, (subsections "B" below), or as otherwise might be provided in the South Carolina Code or provisions of this Operating Agreement.
- (B) Extraordinary Actions: For any extraordinary action to be taken, all members must vote "yes" (1) at a duly called and constituted meeting, or (2) by written consent. Extraordinary actions are:
- (1) A vote to amend this Operating Agreement;
 - (2) A vote to admit an additional person as a member of this LLC; and
 - (3) A vote to disassociate a member:

Upon any event of disassociation, whether by voluntary or involuntary withdrawal of a member, the remaining members may within 90 days of such disassociation determine whether to continue the LLC. The LLC shall not be continued unless within 90 days after any disassociation a majority-in-interest of the remaining members agree in writing to continue the business of the limited liability company. A majority-in-interest shall require the majority vote of both those members owning a majority of the capital and also those holding a majority of the profits and losses.

§ 3.10 Action by Consent or Approval. Actions which may be taken at a meeting of the members, may be taken without a meeting by written consent signed by members holding the required number of votes to approve the action. Such written consents shall be retained in the permanent records of the LLC and shall have the same force and effect as action taken at a meeting.

§ 3.11 Checks, notes, etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the LLC shall be signed or endorsed by any member who has been duly authorized to do so by the members.

§ 3.12 Powers of members. Every member is an agent of the LLC for the purpose of its business or affairs, and the act of any member including, but not limited to, the execution in the name of the LLC of any instrument, for apparently carrying on in the usual way the LLC business or business of the kind carried on by the LLC binds the company, unless the member so acting has, in fact, no authority to act for the LLC in the particular matter and the person with whom the member is dealing has knowledge of the fact that the member has no such authority.

Section IV - Fiduciary Duties of Members

§ 4.1 Duty of care. A member in conducting or winding up the business of this LLC, shall refrain from engaging in grossly negligent conduct, intentional misconduct, and knowing violation of the law. Even with the unanimous written consent of all the members, this duty of care may not be reduced.

§ 4.2 Self-dealing by members. Before the LLC enters into any agreement to purchase property from, sell property to, or otherwise deal with any member, acting on his own behalf, or any corporation, partnership, or other entity of which the member (or spouse or child the member) is a director, shareholder, owner, partner, or employee, a majority of the disinterested members shall approve the transaction. The approval shall only be after full disclosure by such member to the disinterested members of his interest in the other contracting party and all of the proposed terms of the transaction. Provided further, that all such transactions shall be made on terms and conditions which are no less favorable to the LLC than if the sale, purchase, or other transaction had been entered into with an independent third party.

Section V - Capital Contributions

§ 5.1 Contributions. Each member has made capital contributions as set forth herein.

§ 5.2 Additional Contributions. Upon vote or consent of members holding a majority in interest that additional capital contributions are required to enable the LLC to be properly operated or to meet its obligations, each member agrees that he will contribute an amount of the additional contribution based on his percentage interest in the LLC.

§ 5.3 Failure to make additional capital contributions. If a member fails to make a required capital contribution within the time agreed for a member's contribution, the remaining members may, by a majority vote, agree to reschedule the time for payment of the capital contribution by the late-paying member, setting any additional repayment terms, such as a late payment penalty, rate of interest to be applied to the unpaid balance not to exceed six (6%) percent per annum, or the monetary amount to be paid by the delinquent member, as the remaining members decide. Alternatively, the remaining members may, by unanimous vote, agree to cancel the membership of the delinquent member, provided any prior partial payments of capital made by the delinquent member are refunded by the LLC to the member after the decision is made to terminate the membership of the delinquent member in fifteen (15) equal monthly installments.

§ 5.4 Capital accounts. The LLC shall establish and maintain capital accounts for each member in accordance with Treas. Reg. § 1.704-1(b)(2)(iv).

(A) Each member's capital account shall be increased by:

(1) the amount of any money actually contributed by the member to the LLC;

- (2) the fair market value of property contributed by the member to the LLC (net of liabilities secured by such contributed property that the LLC is considered to assume or take subject to under IRC § 752);
 - (3) the value of any service or benefit conferred upon the LLC by any member as agreed to by the members of the LLC;
 - (4) allocation to the member of the net profits and net losses of the LLC; and
 - (5) allocations to the member of income described in IRC § 705(a)(1)(B).
- (B) Each member's capital account will be decreased by:
- (1) the amount of money distributed to the member of the LLC;
 - (2) the fair market value of property distributed to the member by the company (net of liability secured by such distributed property that such member is considered to assume or take subject to under IRC § 752);
 - (3) allocations to the member of expenditures described in IRC § 705(a)(2)(B); and
 - (4) allocation to the account of the member of LLC loss and deduction as set forth in the relevant Treasury Regulations, taking into account adjustments to reflect book value.

The manner in which capital accounts are to be maintained pursuant to this § 5.4 is intended to comply with the requirement of IRC § 704(b) and the Treasury Regulations promulgated thereunder. In cases where § 704(C) IRC and § 1.704-3 of the Treas. Regs. apply to LLC property, the member's capital accounts shall be adjusted in accordance with § 1.7041(b)(2)(iv)(g) of those regulations for allocations to them of income, gain, loss, and deduction (including depreciation, depletion, amortization, or other cost recovery) as computed for book purpose, with respect to the property. If in the opinion of the LLC's accountants the manner in which capital accounts are to be maintained pursuant to the preceding provisions of this Section 5.4 should be modified to comply with IRC § 704(b) and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this section 5.4, the method in which capital accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining capital accounts shall not materially alter the economic agreement between or among the members. No member shall be given priority or preference with respect to other members in obtaining a return of capital contributions, distributions or allocations of the income, gains, losses, deductions, credits or other items of the LLC.

§ 5.5 Capital accounts.

Section VI - Sharing Profits, Distributions & Taxable Income

§ 6.1 Compensation to members. Members shall not be paid as members of the LLC for performing any duties associated with such membership, including management of the LLC. Members may be paid, however, for any services rendered in any other capacity for the LLC, whether as officers, employees, independent contractors or otherwise.

§ 6.2 Allocation of profits and losses and taxable income, gain, loss, deductions and credit.

- (A) Both profits/ losses of the LLC and, except as may be required by § 704(c) IRC, the items of taxable income, gain, loss, deduction and credit, including all specially allocated items, shall be apportioned among the members in accordance with his interest in the LLC.
- (B) Members' Percentage Interests: A member's percentage interest in this LLC shall be computed as a fraction, the numerator of which is the total of a member's capital account and the denominator of which is the total of all capital accounts of all members. This fraction shall be expressed in this agreement as a percentage, which shall be called each member's "percentage interest" in this LLC.

§ 6.3 Distributions to members.

- (A) Regular Distributions: Distributions shall be made on a pro rata basis.
- (B) Allocation of Noncash Distributions: If proceeds consist of property other than cash, adjustments will be made to satisfy the obligation of returning capital and a seven (75) percent per annum return before the remaining properties are divided equally between the members of the LLC.
- (C) Member Draws More Than His Share: If the total distributions paid to any member in any fiscal year exceed the amount of profits earned by such member in that year, the member shall promptly repay such excess draw back to the LLC as an addition to capital. If the member fails or refuses to repay such excess draw, he shall cease to receive any additional distributions until the amount of foregone distributions equal the prior year's excess draw. This provision shall be in addition to any limitations upon distributions as provided herein.
- (D) No Distributions in Kind: Except as may be provided in the Articles of Organization or an amendment to this Operating Agreement, no member, regardless of the nature

of the members' contribution to capital, may demand or receive a distribution from this LLC in any form other than cash.

(E) Redemption of Membership Shares: If a member withdraws and the remaining members agree to continue the LLC, the LLC shall redeem the former member's share according to the terms of this Operating Agreement (*see* § 7). Such redemption is subject to the limitations provided in subsections "c" and "e."

(F) Limitation on Distributions: No distribution may be made if, after giving effect to the distribution:

- (1) this LLC would not be able to pay its debts as they become due in the usual course of business; or
- (2) the assets of the LLC would be less than the sum of its liabilities plus, the amount that would be needed, if the LLC were to be dissolved at the time of the distribution, to satisfy the preferential rights of other members upon dissolution which are superior to the rights of the member receiving the distribution.

(G) The LLC may base a determination that a distribution is not prohibited either on:

- (1) financial statements prepared on the basis of accounting practices and principles that are reasonable under the circumstances; or
- (2) a fair valuation or other method that is reasonable under the circumstances.

(H) The effect of a distribution is measured:

- (1) in the case of a distribution by purchase or other acquisition of the member's interest in the LLC, as of the date money or other property is transferred or debt incurred by the LLC;
- (2) in the case of any other distribution of indebtedness, as of the date the indebtedness is distributed;
- (3) in all other cases, as of (i) the date of the distribution is authorized if the payment occurs within one hundred twenty days after the date of authorization, or (ii) the date the payment is made if it occurs more than one hundred twenty days after the date of authorization.

§ 6.4 Tax and financial provisions.

- (A) Tax Classification of LLC: The members of this LLC intend that this LLC be initially classified as a partnership for federal and, if applicable, state income tax purposes. It is understood that all members may agree to change the tax treatment of this LLC by signing, or authorizing the signature of, IRS Form 8832, Entity Classification Election, and filing it with the IRS and, if applicable, the state tax department within the prescribed time limits.
- (B) Tax Year and Accounting Method: The tax year of this LLC shall use the cash method of accounting. Both the tax year and the accounting period of the LLC shall use the cash method of accounting. Both the tax year and the accounting period of the LLC may be changed by majority vote of the members if the LLC qualifies for such change, and may be effected by the filing of appropriate forms with the IRS and state tax authorities.
- (C) Tax Matters Partner: Paul D. Hollen, III, is hereby designated as the Tax Matters Partner.
- (D) Annual Income Tax Returns and Reports: Within sixty (60) days after the end of each tax year of the LLC, a copy of the LLC's state and federal income tax returns for the preceding tax year shall be mailed or otherwise provided to each member of the LLC, together with any additional information and forms necessary for each member to complete his individual state and federal income tax returns. If this LLC is classified as a partnership for income tax purposes, this additional information shall include a federal (and, if applicable, state) Form K-1 (Form 1065-Partner's Share of Income, Credits, Deductions) or equivalent income tax reporting form. This additional information shall also include a financial report, which shall include a balance sheet and profit and loss statement for the prior tax year of the LLC.
- (E) Bank Accounts: The LLC shall designate one or more banks or the institutions for the deposit of the funds of the LLC, and shall establish savings, checking, investment and other such accounts as are reasonable and necessary for its business and investments. One or more members of the LLC shall be designated with the consent of a majority of members to deposit and withdraw funds of the LLC, and to direct the investment of funds from, into and among such accounts. The funds of the LLC, however and wherever deposited or invested, shall not be commingled with the personal funds of any members of the LLC.
- (F) Title to Assets: All personal and real property of this LLC shall be held in the name of the LLC, not in the names of individual members.

Section VII - Disassociation of Any Member, But LLC Continues

§ 7.1 Withdrawal of members. Any member may withdraw from this LLC upon providing ninety (90) days written notice to all other members of the LLC. The LLC will obtain an MAI appraisal of the assets owned by the LLC within thirty (30) days after receiving notice or as soon as thereafter practical with copies of the appraisal being delivered to each member. The LLC will thereafter deduct from the withdrawing member's interest, the full cost of the appraisal and any monies due the LLC from that member.

§ 7.2 Events of proper disassociation.

- (A) Events of Proper Withdrawal/Disassociation: If a member disassociates in any of the following ways, such shall be deemed to be a proper disassociation. Any member of this LLC has the power under the laws of South Carolina to withdraw from this LLC at any time.
- (B) Substitution: The member has substituted another person for himself as a member in accordance with the provisions of this Agreement.
- (C) Death: The member dies.
- (D) Disability: There is an entry of an order by a court of competent jurisdiction adjudicating the member to be an incapacitated person so that he lacks sufficient understanding or capacity to make or communicate responsible decisions concerning his person or property.
- (E) Bankruptcy:
 - (1) If the member files for bankruptcy or takes other similar actions (or such are filed against him);
 - (2) Procedure to redeem if member properly withdraws/disassociates: If a majority-in-interest of the remaining members within 90 days of any event of proper disassociation (as defined in subsection (a) above) vote to continue the LLC, the LLC shall thereupon redeem the interest of the disassociated member as follows. (Provided of course, the LLC shall not redeem the interest of a member who has properly substituted another person for himself in accordance with § 2.4.) Within 90 days after such affirmative vote, the LLC shall notify the disassociated member (or the personal representative of his estate) in writing of the election to continue to the LLC and redeem the disassociated member's membership in the LLC. The LLC shall pay the disassociated member the total sum due in fifteen (15) equal monthly

installments or in accordance with such other terms agreed upon by the parties.

- (3) Redemption Value: The LLC shall pay to the disassociated member (or the personal representative of his estate) the value of his membership rights in the LLC which is market value.

§ 7.3 Wrongful withdrawal.

- (A) Events of Wrongful Withdrawal/Disassociation: If a member disassociates in any of the following ways, such shall be deemed to be a wrongful withdrawal/disassociation:
 - (1) Judicial Expulsion: The member is expelled by judicial decree;
 - (2) Involuntary Withdrawal: A member automatically withdraws if a court orders that all his rights be transferred to another person or entity.
- (B) Procedure: If after any event of wrongful withdrawal/disassociation (as defined above), a majority-in-interest of the remaining members shall within ninety (90) days of the event of disassociation vote to continue the LLC, then the LLC shall redeem the withdrawing/disassociating member's membership according to the following procedures. Within ninety (90) days after such affirmative vote to continue, a remaining member of the LLC shall notify the disassociated member in writing of the election to continue to the LLC and to redeem the disassociated member's rights in the LLC. The LLC shall pay the disassociated member in fifteen (15) equal monthly installments or in accordance with such other terms agreed upon by the parties.
- (C) Redemption Value - Wrongful Withdrawal/Disassociation: The LLC shall pay to the wrongfully disassociated member the value of his membership in the LLC which shall be appraised value as determined by an MAI appraisal minus the full costs of the appraisal, any monies due the LLC from the members and an administrative fee of three percent (3%).

§ 7.4 Adjustments. Subsequent to the redemption of a withdrawing/disassociating member pursuant to this § 7, the members shall determine the profit and loss shares of the remaining members, and make any adjustments which must be made to the capital accounts of the remaining members. Likewise the members shall consider whether any adjustment should be made to the voting rights of the remaining members.

Section VIII - Dissolution, Winding Up, and Termination

§ 8.1 Events of dissolution. The LLC shall dissolve, its affairs shall be wound up, and the LLC shall thereupon terminate upon the first to occur of the following:

- (A) The written consent of all the members;
- (B) Upon any member ceasing to be a member of this LLC as provided in § 7, but only if a majority in interest of the remaining members fail within ninety (90) days of such event of disassociation/withdrawal to vote to continue this LLC, as provided in § 7, or there is only one remaining member;
- (C) Entry of a decree of judicial dissolution of the LLC; or
- (D) Administrative dissolution.

§ 8.2 Winding up of the LLC. Upon the occurrence of any event specified in § 8.1 above, a majority of the remaining members of the LLC shall appoint one or more members to serve as liquidator. The liquidator shall proceed diligently to wind up the affairs of the LLC and make final distributions as provided herein and in the South Carolina Limited Liability Company Act. The cost of liquidation shall be borne as a LLC expense. Until final distribution of the remaining assets to the members, the liquidator shall continue to operate the LLC with all of the power and authority a the members.

§ 8.3 Distributions made in accordance with positive capital accounts.

- (A) Cash Distributions: After arranging for the payment of LLC debts and obligations the liquidating members shall distribute the remaining cash to the members in accordance with the positive capital account balances of the members.
- (B) Property Distributions: If the liquidating members elect to distribute remaining LLC property in kind, the liquidating members shall determine the fair market value of the property and the capital accounts of the members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the capital accounts previously would be allocated among the members if there were a taxable disposition of the property for the fair market value of that property on the date of distribution. The LLC property shall be distributed among the members in accordance with the positive capital account balances of the members, as determined after taking into account all capital account adjustments for the taxable year of the LLC during which the liquidation of the LLC occurs (other than those made by reason of this clause); and those

distributions shall be made, if possible by the end of the taxable year of the LLC during which the liquidation of the LLC occurs.

§ 8.4 Deficit capital accounts. Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any member results from or is attributable to deductions and losses of the LLC (including non-cash items such as depreciation) or distributions of money pursuant to this Operating Agreement to all members in proportion to their respective shares of profits, upon dissolution of the LLC as provided in this Section 8 such deficit shall not be an asset of the LLC and such members shall not be obligated to contribute such amount to the LLC to bring the balance of such member's capital account to zero.

§ 8.5 Sections of dissolution. After the dissolution of the LLC pursuant to this Section 8, (other than because of judicial or administrative dissolution), the liquidator shall file articles of dissolution.

Section IX - Miscellaneous Provisions

§ 9.1 Books and records. The LLC shall keep at its principal place of business:

- (A) a current and past list, setting forth the full name and last known mailing address of each member set forth in alphabetical order;
- (B) a copy of the articles of organization, all amendments thereto, and all other documents filed with the Secretary of State, together with executed copies of any powers of attorney pursuant to which the articles or amendment or any filed document has been executed;
- (C) copies of the limited liability company's federal, state, and local tax returns and financial statements, if any, for the three most recent years of, if those returns and statements were not prepared for any reason, copies of the information and statements provided to, or which should have been provided to, the members to enable them to prepare their federal, state, and local tax returns for the period;
- (D) copies of any effective written operating agreement, and all amendments thereto, and copies of any written operating agreements no longer in effect;
- (E) unless contained in the current operating agreement;
 - (1) a writing setting out the amount of cash, if any, and a statement of the agreed value of other property or services, if any contributed by each member and the times at which or events upon the happening of which any additional contributions are to be made by each member;

- (2) a writing stating events, if any, upon the happening of which the limited liability company is to be dissolved and its affairs wound up; and
- (3) other writings prepared pursuant to a requirement of this operating agreement.

§ 9.2 Members rights to inspect books and receive information.

- (A) **Right to Inspect:** Upon reasonable request, a member or personal representative of any deceased member or of any member under legal disability, at the member's own expense, may inspect and copy during ordinary business hours any limited liability company record, wherever the record is located. The right to inspect does not include the right to inspect financial statements and tax returns that may have been given to a financial institution by any member(s) for the purposes of obtaining financing for any LLC project.
- (B) **Duty to Provide Information:** At the request of any member, or the personal representative of any deceased member or of any member under legal disability, the limited liability company shall provide:
 - (1) to the extent the circumstances render it just and reasonable, true and full information of all things affecting the members, and
 - (2) in writing a description of the particular membership rights owned by that member as of the date the limited liability company makes the statement, which statement must describe the member's
 - (i) right to vote;
 - (ii) right to share in profits and losses;
 - (iii) right to share in distributions;
 - (iv) restrictions on the member's right to assign any or all of his financial interest in the limited liability company, pursuant to the South Carolina Code; and
 - (v) any assignment of the member's financial interest then in effect other than a security interest.

§ 9.3 Former member's right to inspect books and records. Upon reasonable request and for a proper purpose, a former member (including the estate of a deceased member) may at his own

expense, inspect and copy during ordinary business hours any limited liability company record pertaining to the period during which he was a member.

§ 9.4 Accounting method and tax year. The LLC shall maintain its books on the cash method of accounting. The LLC has adopted the calendar year.

§ 9.5 Headings. The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

§ 9.6 Construction. Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Sections refers to the Sections of this Operating Agreement, and all references to Exhibits, if any, are to Exhibits attached thereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as it is reasonable and possible: (A) the remainder of this Operating Agreement shall be considered valid and operative; and (B), effect shall be given to the intent manifested by the portion held invalid or inoperative.

§ 9.7 Entire agreement. This Operating Agreement (and the Articles of Organization which it amplifies) constitutes the entire agreement of the members, and supersede all prior contracts or agreements with respect to the LLC, whether oral or written.

§ 9.8 Effect of waiver or consent. A waiver or consent, express or implied, to or of any breach or default by any person in the performance by that person of his obligations with respect to the LLC is not a consent or waiver to or of any other breach or default in the performance by the person of the same or any other obligations of that person with respect to the LLC. Failure on the part of a person to complain of any act or any person or to declare any person in default with respect to the LLC, irrespective of how long that failure continues, does not constitute a waiver by the person of his rights with respect to that default until the applicable statute-of-limitations period has run.

§ 9.9 Binding effect. This Operating Agreement is binding on the members and their respective heirs, legal representatives, successors, and assigns.

§ 9.10 Governing law. This Operating Agreement is governed by and shall be construed in accordance with the law of the State of South Carolina.

§ 9.11 Notices. All demands and notices given hereunder shall be sent by certified mail, return receipt requested addressed to the parties at the addresses set forth above or to such other addresses as each may designate by so advertising the parties by the same method of notice.

§ 9.12 Severability. If any of the provisions of this Agreement shall contravene or be invalid under the laws of the State of South Carolina and of the United States, such contravention or invalidity shall not invalidate the entire Agreement, but it shall be construed as if not containing the particular

provision or provisions held to be invalid, and the rights and obligations of the parties shall be construed and enforced accordingly.

§ 9.13 Attorney fees. In the event it is necessary for anyone of the parties hereto to bring any action to enforce any of the terms and covenants of this Agreement, it is agreed that the prevailing party may be entitled to reasonable attorney fees and the costs of such action to be determined by the appropriate Court.

§ 9.14 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original. If it is necessary to provide proof of this agreement, it shall only be necessary to produce the counterpart signed by the party against whom the proof is being presented.

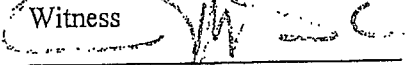
§ 9.15 Mediation and arbitration. Any controversy arising out of this Agreement shall, at first, attempt to be resolved by mediation. If the mediation is unsuccessful, then the parties agree to submit the controversy to binding arbitration pursuant to Section 15-48-10, et seq., of the South Carolina Code of Laws. This agreement to arbitration permits the parties to use the discovery provisions of the South Carolina Rules of Civil Procedure as set forth in Rules 26-36. The award of the arbitration may be entered as a judgment in the Court of Common Pleas. The parties agree that both the mediation and arbitration shall take place in Charleston County and the cost of each proceeding shall be borne equally by the parties. The parties can agree on the appointment of the mediator and arbitrator, but if they are unable to do so, they agree that the Chief Administrative Judge of the Ninth Judicial Circuit shall make the necessary appointment(s).

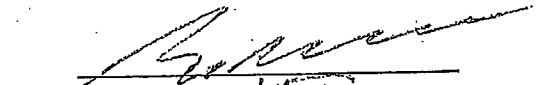
§ 9.16 Survival of provisions. To the extent necessary to enforce its terms and conditions, all the provisions of this Agreement shall survive its cancellation, termination or expiration.

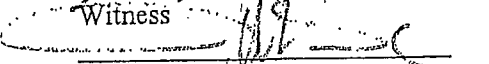


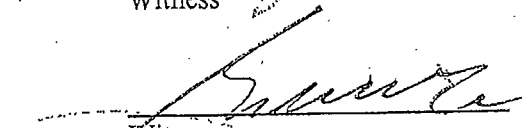
IN WITNESS WHEREOF, being all the members hereby certify that the foregoing Operating Agreement was unanimously adopted by the members effective the day and the year herein above written, the undersigned have each affixed our signatures.

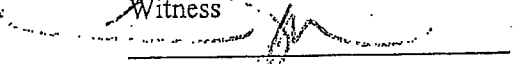

Witness


Witness


Witness

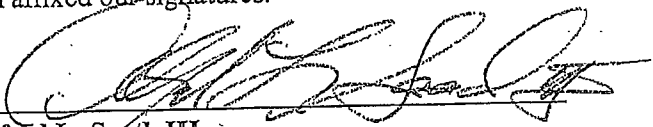

Witness


Witness

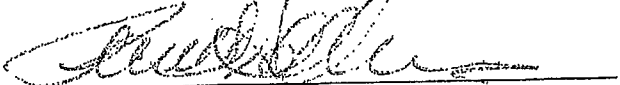

Witness

Carie Mann
Witness

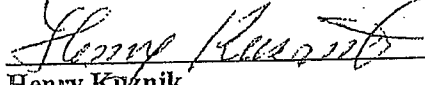
Wendy Keenan
Witness


Alfred L. Saad, III

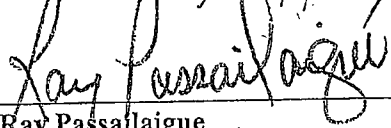
Effective Date: 4/20/07


Paul D. Hollen, III

Effective Date: 4/20/2007


Henry Kuznik

Effective Date: 4/20/07


Ray Passallaigue

Effective Date: 4/20/07

Alfred L., III Saad
PO Box 5764
Columbia, SC 29250

April 10, 2009

CONFIDENTIAL

Ray Passallaigue
54 Woodford Street
Daniel Island, SC 29492

Dear Partner:

On behalf of the Thornwell Partners LLC limited liability company, I have enclosed your copy of Schedule K-1, which was prepared for us by the accounting firm of SAAD AND MANIOS, LLC. It contains your share of the limited liability company's items of income/loss, deductions, and credits, and other information for the limited liability company's tax year ended December 31, 2008. These items are to be reported on your federal and state income tax returns; therefore, this schedule should be retained with your tax records and documentation.

This is your final year of ownership in Thornwell Partners LLC. Therefore, this will be the last Schedule K-1 that you will receive.

If you have any questions, or if I can be of assistance in any way, please call.

Sincerely,

Alfred L., III Saad

Alfred L., III Saad
PO Box 5764
Columbia, SC 29250

April 10, 2009

CONFIDENTIAL

Ray Passailaigue
54 Woodford Street
Daniel Island, SC 29492

Dear Partner:

On behalf of the Thornwell Partners LLC limited liability company, I have enclosed your copy of Schedule K-1, which was prepared for us by the accounting firm of SAAD AND MANIOS, LLC. It contains your share of the limited liability company's items of income/loss, deductions, and credits, and other information for the limited liability company's tax year ended December 31, 2008. These items are to be reported on your federal and state income tax returns; therefore, this schedule should be retained with your tax records and documentation.

This is your final year of ownership in Thornwell Partners LLC. Therefore, this will be the last Schedule K-1 that you will receive.

If you have any questions, or if I can be of assistance in any way, please call.

Sincerely,

Alfred L., III Saad

Saad 000074

ROA000395

Partner# 4
Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2008

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

Partner's Share of Income, Deductions,
Credits, etc. ▶ See back of form and separate instructions.

☒ Final K-1

☐ Amended K-1

651108
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
2	Net rental real estate income (loss)		
*	-26,662		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
		19	Distributions
12	Section 179 deduction	A	30,900
13	Other deductions	B*	STMT
		20	Other information
14	Self-employment earnings (loss)		

Part I Information About the Partnership

A Partnership's employer identification number

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

Thornwell Partners LLC

PO Box 5764

Columbia

SC 29250

C IRS Center where partnership filed return

Cincinnati, OH 45999-0011

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

Ray Passailaigue

Daniel Island

SC 29492

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? **Individual**

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	27.480000 %	0.000000 %
Loss	27.480000 %	0.000000 %
Capital	27.480000 %	0.000000 %

K Partner's share of liabilities at year end:

Nonrecourse \$
Qualified nonrecourse financing \$
Recourse \$

L Partner's capital account analysis:

Beginning capital account \$ **-26,741**
Capital contributed during the year \$
Current year increase (decrease) \$ **-26,662**
Withdrawals & distributions \$ **(-53,403)**
Ending capital account \$ **0**

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

For IRS Use Only



*See attached statement for additional information.

Partner# 4
Schedule K-1
(Form 1065)

Department of the Treasury
 Internal Revenue Service

2008

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

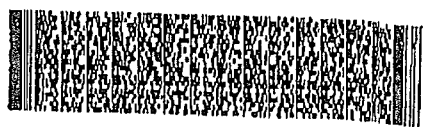
**Partner's Share of Income, Deductions,
 Credits, etc.** ▶ See back of form and separate instructions.

☒ Final K-1

☐ Amended K-1

651108
 OMB No. 1545-0099

Part I Information About the Partnership	
A Partnership's employer identification number [REDACTED]	
B Partnership's name, address, city, state, and ZIP code Thornwell Partners LLC PO Box 5764 Columbia SC 29250	
C IRS Center where partnership filed return Cincinnati, OH 45999-0011	
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 Ray Passailaigue Daniel Island SC 29492	
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? Individual	
J Partner's share of profit, loss, and capital (see instructions):	
	Beginning Ending
Profit	27.480000 % 0.000000 %
Loss	27.480000 % 0.000000 %
Capital	27.480000 % 0.000000 %
K Partner's share of liabilities at year end:	
Nonrecourse	\$ _____
Qualified nonrecourse financing	\$ _____
Recourse	\$ _____
L Partner's capital account analysis:	
Beginning capital account	\$ -26,741
Capital contributed during the year	\$ _____
Current year increase (decrease)	\$ -26,662
Withdrawals & distributions	\$ -53,403
Ending capital account	\$ 0
☒ Tax basis ☐ GAAP ☐ Section 704(b) book ☐ Other (explain) _____	

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
*	-26,662		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction	19	Distributions
		A	30,900
13	Other deductions	B*	STMT
		20	Other information
14	Self-employment earnings (loss)		
*See attached statement for additional information.			
For IRS Use Only 			

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

Schedule K-1 (Form 1065) 2008

DAA

ROA000397

Saad 000076

6908 Thornwell Partners LLC

FYE: 12/31/2008

Federal Statements
Ray Passailaigue

Schedule K-1, Line 2 - Net Rental Real Estate Income (Loss)

<u>Description</u>	<u>Amount</u>
Commercial Property Charleston SC	\$ -26,662

Schedule K-1, Line 19B - Distributions of Property Other Than Money

<u>Description of Property</u>	<u>Adjusted Basis</u>	<u>Fair Market Value</u>
Transfer of Capital	\$ -84,303	\$

Saad 000077

ROA000398

6908

Partner# 4

Form **SC1065**
Schedule K-1**SC Partner's Share of Income, Deductions, and Credits Worksheet**

For calendar year 2008, or fiscal year beginning

and ending

2008

Partnership Name

Thornwell Partners LLC

Federal Identification Number

Partner's name, address, and ZIP code

Rav Passailaigue

Composite filer

Elect 1-335

1-309 on file or prepared

1-338 on file

SSN/EIN

Final

Profit percentage

Apportionment factor

Daniel Island SC 29492**0.000000****100.0000**

Partner Amounts of Income, Deductions, and Adjustments

	(A) Amount From Federal Schedule K-1	(B) Plus or Minus South Carolina Adjustments	(C) Federal Schedule K-1 Amounts After SC Adjustments	(D) Amounts Allocated to SC	(E) Amounts Apportioned And Allocated to SC
1	Ordinary Business Income (loss)				
2	Net Real Estate Rents -26,662				
3	Net - Other Rents				
4	Guaranteed Payments				
5	Interest Income				
6	Dividend Income				
7	Royalty Income				
8	Net Short Term Cap. Gain (loss)				
9	Net Long Term Cap. Gain (loss)				
10	Sec. 1231 Gain (loss)				
11	Other Income				
12	Sec. 179 Exp. Deduction				
13a	Charitable Contributions				
13b	Investment Interest Exp.				
13c	Sec. 59(a)(2) Expense				
13d	Other Deductions				

Income Tax Withheld/Composite Tax Paid

Non-Refundable Tax Credits:

a	Drift/Tickle Inlg Sys	h	Bas Clsr/Fed Fcty Emp Red	o	Cert Hist Structure
b	Minority Business	i	Econmic Impact Zone Prop Invest	p	Cert Hist Res Struc
c	Water Resources	j	Cr for Hmg Fmly Ind Pymt Rcpts	q	Textiles Reliab
d	SC New Jobs Credit	k	Additional Family Ind Pymt	r	Commercials
e	Scenic Rivers	l	Motion Picture Proj/Production	s	Venture Cap Inv
f	Palmto Seed Capital	m	Community Development	t	Health Insurance
g	Child Care Program	n	Qual Conservation Contrib	u	SC Quality Forum

Supplemental Information:

Saad 000078

ROA000399

6908 Thornwell Partners, LLC

FYE: 12/31/2008

Supplemental Information

Ray Passallague

This statement was not included in the federal or South Carolina income tax returns filed. It is provided to you as Supplemental Information only.

In 2008, you transferred all of your 27.48% membership interest in Thornwell Partners, LLC to the remaining members. In consideration of transferring your membership interest, the remaining members made cash payments to you as follows:

2-29-08	\$ 260,000
5-03-08	\$ 250,000
5-21-08	\$ 250,000
11-07-08	<u>\$ 262,900</u>
Total	<u>\$1,022,900</u>

While these amounts are not reported in the partnership income tax return or in your Schedule K-1, they are taxable to you and should be reported on your individual income tax return for 2008 as proceeds from the sale of your membership interest. Your tax basis in your membership interest should also be reported, thereby reducing your taxable gain. The partnership is not required to and does not calculate your tax basis of your partnership interest. Accurate determination of Tax Basis requires tax expertise. If you are not well versed in this subject matter, you should seek advice from a competent tax advisor.

Saad 000079

ROA000400

6908 Thornwell Partners LLC

FYE: 12/31/2008

Federal Statements

Rav Passailaigue

Schedule K-1, Line 2 - Net Rental Real Estate Income (Loss)

<u>Description</u>	<u>Amount</u>
Commercial Property Charleston SC	\$ -26,662

Schedule K-1, Line 19B - Distributions of Property Other Than Money

<u>Description of Property</u>	<u>Adjusted Basis</u>	<u>Fair Market Value</u>
Transfer of Capital	\$ -84,303	\$

Partner# 4

Form SC1065 Schedule K-1	SC Partner's Share of Income, Deductions, and Credits Worksheet	2008
For calendar year 2008, or fiscal year beginning _____ and ending _____		

Partnership Name

Thornwell Partners LLC

Federal Identification Number

Partner's name, address, and ZIP code

Ray Passailaime

Composite filer

Elect I-335

I-338 on file

I-309 on file or prepared

Final

X

SSN/EIN

Profit percentage

Apportionment factor

0.000000

100.0000

Daniel Island SC 29492

Partner Amounts of Income, Deductions, and Adjustments

	(A)	(B)	(C)	(D)	(E)
	Amounts From Federal Schedule K-1	Plus or Minus South Carolina Adjustments	Federal Schedule K-1 Amounts After SC Adjustments	Amounts Allocated to SC	Amounts Apportioned And Allocated to SC
1	Ordinary Business Income (loss)				
2	Net Real Estate Rents -26,662				
3	Net - Other Rents				
4	Guaranteed Payments				
5	Interest Income				
6	Dividend Income				
7	Royalty Income				
8	Net Short Term Cap. Gain (loss)				
9	Net Long Term Cap. Gain (loss)				
10	Sec. 1231 Gain (loss)				
11	Other Income				
12	Sec. 179 Exp. Deduction				
13a	Charitable Contributions				
13b	Investment Interest Exp.				
13c	Sec. 59(e)(2) Expense				
13d	Other Deductions				

Income Tax Withheld/Composite Tax Paid

Non-Refundable Tax Credits:

a Drip/Trickle Irrig Sys	_____	h Bse Clst/Fed Fcity Emp Red	_____	o Cert Hist Structure	_____
b Minority Business	_____	i Econmo Impact Zone Prop Invest	_____	p Cert Hist Res Struc	_____
c Water Resources	_____	j Cr for Hmg Fmly Ind Pymt Rcpts	_____	q Textiles Rehab	_____
d SC New Jobs Credit	_____	k Additional Family Ind Pymt	_____	r Commercial	_____
e Scentic Rivers	_____	l Motion Picture Prod/Production	_____	s Venture Cap Inv	_____
f Palmetto Seed Capital	_____	m Community Development	_____	t Health Insurance	_____
g Child Care Program	_____	n Qual Conservation Contrib	_____	u SC Quality Forum	_____

Supplemental Information:

Saad 000081

ROA000402

6908 Thornwell Partners, LLC

FYE: 12/31/2008

Supplemental Information

Ray Passallague

This statement was not included in the federal or South Carolina income tax returns filed. It is provided to you as Supplemental Information only.

In 2008, you transferred all of your 27.48% membership interest in Thornwell Partners, LLC to the remaining members. In consideration of transferring your membership interest, the remaining members made cash payments to you as follows:

2-29-08	\$ 260,000
5-03-08	\$ 250,000
5-21-08	\$ 250,000
11-07-08	\$ <u>262,900</u>
Total	\$ <u>1,022,900</u>

While these amounts are not reported in the partnership income tax return or in your Schedule K-1, they are taxable to you and should be reported on your individual income tax return for 2008 as proceeds from the sale of your membership interest. Your tax basis in your membership interest should also be reported, thereby reducing your taxable gain. The partnership is not required to and does not calculate your tax basis of your partnership interest. Accurate determination of Tax Basis requires tax expertise. If you are not well versed in this subject matter, you should seek advice from a competent tax advisor.

Saad 000082

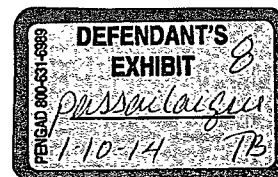
ROA000403

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASE NO: 2013-CP-10-1647
	)	
Virgil "Ray" Passailaigue,	)	
	)	
Plaintiff,	)	
	)	PLAINTIFF'S SUPPLEMENTAL
	)	RESPONSES TO ALFRED L.
v.	)	SAAD'S FIRST SET OF INTERROGATORIES
	)	TO THE PLAINTIFF
Henry Kuznik, Alfred L. Saad, III, Paul	)	
D. Hollen, III, and Thornwell Partners,	)	
LLC,	)	
Defendants.	)	

TO: JAKE S. BARKER, ATTORNEY FOR DEFENDANT ALFRED L. SAAD, III AND THORNWELL PARTNERS, LLC

GENERAL OBJECTIONS

1. Plaintiff objects to the Interrogatories, including the definitions and instructions set forth therein, to the extent that they seek to require the Plaintiff to reveal information and/or to supplement his responses beyond the requirements of the South Carolina Rules of Civil Procedure. Plaintiff will comply with his obligations under these Rules.
2. The following responses are based upon information and documents presently available and known by Plaintiff after diligent search and reasonable inquiry. In accordance with Plaintiff's continuing obligation under SCRCP 26(e) and 33(b) to supplement his answers, Plaintiff will as appropriate supplement and/or update his responses and present additional information as may be disclosed through continuing discovery and investigation. Plaintiff expressly reserves the right to conduct further discovery and investigation for information which, if presently within his knowledge, would have been included in this response.



3. Plaintiff generally objects to the Interrogatories to the extent they seek information protected from discovery by the attorney-client privilege and/or the attorney work product doctrine. Nothing contained in these responses is intended as, or shall in any way be deemed, a waiver of any such privilege or protection, or any other applicable privilege or doctrine. Inadvertent disclosure of such information or documents shall not constitute a waiver of any privilege, or any basis for objecting to discovery, or the right of Plaintiff to object to the use of any document or information inadvertently disclosed, and Defendant shall return all such documents to Plaintiff.

4. Plaintiff generally objects to the Interrogatories to the extent that they seek information that is not within Plaintiff's possession, custody or control, or the information is obtainable from other sources that are more convenient and less burdensome, or are equally available to Defendant.

5. Plaintiff generally objects to the Interrogatories to the extent that they seek information that is neither relevant to the subject matter of this action nor reasonably calculated to lead to the discovery of admissible evidence.

6. Plaintiff generally objects to the Interrogatories to the extent that they are overly broad and unduly burdensome, vague and ambiguous, inordinately oppressive and expensive to answer, and/or would require the Plaintiff to speculate as to the nature and/or scope of the information sought.

7. Plaintiff generally object to the Interrogatories to the extent that they are propounded for the improper purpose of harassing Plaintiff, and to the extent that the discovery sought is unreasonably cumulative, duplicative, disproportionate or unduly burdensome.

8. Plaintiff generally objects to the interrogatories to the extent they seek information prematurely, including, but not limited, to information which is subject to expert discovery.

9. Plaintiff generally objects to the Interrogatories to the extent that they seek information that is privileged, private and/or otherwise protected from disclosure.

10. The following responses are made solely for purposes of this action. Each response is subject to any and all objections as to the competency, relevancy, materiality, and admissibility of such evidence that may be applicable at any pre-trial or trial proceedings. In addition, each response is subject to any and all objections and grounds that would require the exclusion of any statement or material provided herein if the special Interrogatories were being asked of, or any statement or material were being provided by, a witness present and testifying in court. All such objections and grounds are reserved and may be interposed at the time of trial or any appropriate pre-trial proceedings.

11. These general objections are hereby incorporated by reference into the responses made with respect to each and every Interrogatory. For particular emphasis, Plaintiff may have from time to time, included one or more of the general objections in the responses below. Plaintiff's response to each individual Interrogatory is submitted without prejudice to, and without in any respect waiving, any general objections not expressly set forth in that response. Accordingly, the inclusion in any response below of any specific objection to an Interrogatory is neither intended as, nor shall in any way be deemed, as a waiver of any general objections or of any other specific objections made herein or that may be asserted at a later date. In addition, the failure to include at this time any general objection or specific objection to a particular request does not prevent Plaintiff from asserting that or any other objection at a later date.

12. Plaintiff will make reasonable efforts to respond to each Interrogatory as Plaintiff understands and interprets the Interrogatory. If Plaintiff should subsequently assert an interpretation of any Interrogatory which differs from that of the Defendant, Plaintiff reserves the right to supplement and/or modify their objections and responses to the Interrogatory.

Plaintiff reserves the right to supplement any response herein. Subject to the General Objections set forth above, and without waiving the same, Plaintiff, by and through his undersigned attorney, herein now responds to the specifically enumerated Interrogatories as follows:

SUPPLEMENTAL RESPONSES

2. For each person known to you or your counsel to be a witness concerning the facts of the case, including expert witnesses, set forth either a summary sufficient to inform the Plaintiff [sic] of the important facts known to or observed by such witness, or provide a copy of any written or recorded statements, reports, or other documents taken from such witness.

RESPONSE: Sandi McGovern
1054 Anna Knapp Blvd.
Apt. 12 D
Mt. Pleasant, SC 29464

Sandy McGovern is likely to testify regarding her understanding of the facts involving the history of the business relationship(s) between Plaintiff and Defendants, the promissory note and unconditional guarantees signed by the Defendants which are the subject of this litigation, the amount of money owed to Plaintiff by Defendants, as well as her understanding of the allegations outlined in the pleadings of this matter. No written or recorded statement has been taken from Ms. McGovern.

Plaintiff reserves the right to amend and/or supplement this response pursuant to Rule 26 and Rule 33 of the South Carolina Rules of Civil Procedure.

6. Describe any and all consideration you believe was given in exchange for the alleged Promissory Note that is attached to your Complaint as Exhibit A.

RESPONSE: In exchange for Plaintiff's membership interest in Thornwell Partners, LLC, on or about November 7, 2008, Plaintiff was given the Promissory Note executed by Defendants Henry Kuznik, Alfred L. Saad, III, and Paul D. Hollen, III which is attached to Plaintiff's Complaint as Exhibit A. Said Promissory Note executed by the defendants promises to pay Plaintiff the principal sum of \$130,000.00.

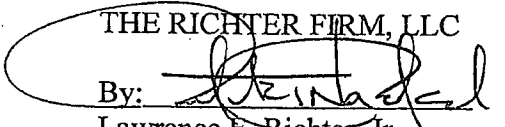
Plaintiff reserves the right to amend and/or supplement this response pursuant to Rule 26 and Rule 33 of the South Carolina Rules of Civil Procedure.

15. [sic] Identify and set forth the reasons behind Chapter 7 Trustee's determination on page 17, item 32 of the Chapter 7 Trustee's Final Report [ECF No. 49] in Bankruptcy Case No. 11-01866-DRD that the alleged Note that is the basis of this lawsuit had no value.

RESPONSE: Objection. Plaintiff objects to Interrogatory No. 15 as it calls for conjecture and speculation on the part of the Plaintiff. Plaintiff is without knowledge as to reason(s) for the above mentioned Chapter 7 Trustee's determination. Additionally, Plaintiff is unable to articulate a response to this request as no item identified as "Chapter 7 Trustee's Final Report [ECF No. 49] in Bankruptcy Case No." 11-01866-DRD" has been produced by Defendants Alfred L. Saad, III and/or Thornwell Partners, LLC.

Plaintiff reserve the right to amend and/or supplement this response pursuant to Rule 26 and Rule 33 of the South Carolina Rules of Civil Procedure.

THE RICHTER FIRM, LLC

By: 

Lawrence E. Richter, Jr.
Patrick T. Napolski
622 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
P: (843) 849-6000
F: (843) 881-1400

ATTORNEYS FOR THE PLAINTIFF

Dated: December 16, 2013
Mt. Pleasant, South Carolina



Ray Passailaigue <ray@passailaiguehomes.com>

Documents

5 messages

Paul Hollen <phollen@southcoastbank.com>
To: Ray Passailaigue <ray@passailaiguehomes.com>

Mon, Nov 17, 2008 at 4:20 PM

Here you go.

4 attachments

scan00594.pdf
1515K

scan00591.pdf
1477K

scan00592.pdf
1519K

scan00593.pdf
1524K

Ray Passailaigue <ray@passailaiguehomes.com>
To: Paul Hollen <phollen@southcoastbank.com>

Mon, Nov 17, 2008 at 4:40 PM

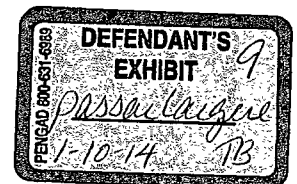
Thanks Paul. We are going to make one small change to the Promissory Note as we agreed by phone this morning by adding personal guarantees and deleting "irrevocable" and I will get them to you tomorrow morning.

Then we are finished with all this paperwork!

On Mon, Nov 17, 2008 at 4:20 PM, Paul Hollen <phollen@southcoastbank.com> wrote:

| Here you go.

Ray Passailaigue
President
Passailaigue Homes, Inc.
843-224-1396 cell
843-881-8498 office
843-856-0078 home
email: Ray@PassailaigueHomes.com



Ray Passailaigue <ray@passailaiguehomes.com>
To: Sandi McGovern <Sandi@passailaiguehomes.com>

Mon, Nov 17, 2008 at 4:40 PM

From: Jerry Saad [<mailto:jerryasad@charter.net>]

Sent: Monday, June 22, 2009 11:43 AM

To: 'Ray Passailaigue'

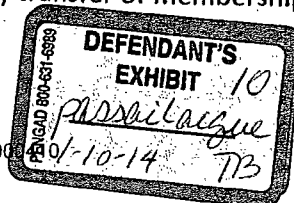
Cc: 'Cartrette, Mary'; 'PASSAILAIGUE, STACY'; 'Al Saad'; 'Paul Hollen'

Subject: Request To Amend Thornwell K-1 to Reflect Passailaigue Homes as the Member

I am happy to prepare an amended tax return for 2008 (and 2007 if appropriate), which will include an amended K-1 to reflect Passailaigue Homes as the member.

To do so, I need the following information and documents:

1. The correct name of Passailaigue Homes (i.e., is it "Inc." or "LLC" or whatever);
2. The legal form of the entity (corporation, limited liability company, etc...);
3. The entity's mailing address;
4. The entity's tax ID #;
5. The date the membership interest changed from Ray Passailaigue to Passailaigue Homes (the original Operating Agreement sign by Mr. Passailaigue and related records reflect Ray Passailaigue as the original member of record);
6. The details of the transfer, including consideration paid, liabilities assumed and so forth;
7. Copies of the documents which affected the transfer;
8. Copy of the Company membership certificate which reflects the transfer;
9. Copy of the unanimous approval of all members to allowing the transfer (the Operating Agreement requires written approval of any transfer of membership interest).



As soon as I receive the information and documents noted above, we can prepare the amended return. We will charge the partnership \$350 for the preparation of each amended return.

Jerry Saad
Saad & Manios
1249 S Pleasantburg Dr
Greenville SC 29605

Cell: (864) 907-1300
Office: (864) 277-9600
Fax: (864) 422-9949

From: Ray Passailaigue [mailto:ray@passailaiguehomes.com]

Sent: Thursday, June 11, 2009 3:56 PM

To: Jerry Saad

Cc: Cartrette, Mary; PASSAILAIGUE, STACY

Subject: Re: Request To Amend Thornwell K-1 to Reflect Passailaigue Homes as the Member

Jerry

Mary Cartrette, who works for my accountant, sent this note to me about the K1.....since I am stupid and do not know what ya'll, as accountants know, please ask her for whatever info you need so we can get this corrected.

Thanks

Ray

On Wed, Jun 10, 2009 at 11:14 AM, Mary Cartrette <mary@elmoildertonllc.com> wrote:

You contact whoever and tell them to amended the K-1 and when you get it we can do the rest.

843-224-1396 cell

843-881-8498 office

843-856-0078 home

email: Ray@PassailaigueHomes.com

On Mon, Jun 1, 2009 at 6:03 PM, Jerry Saad <jerrysaad@charter.net> wrote:

Ray:

In response to our telephone conversation this afternoon and the email I received from you earlier this afternoon, I have inserted (with gray background - below your email) my previous email to Paul Hollen which addresses your question of what information I need to change the membership to Passailaigue Homes. I think my previous email is self-explanatory - let me know if you have any questions.

Jerry Saad
Saad & Manios
1249 S Pleasantburg Dr
Greenville SC 29605

Cell: (864) 907-1300
Office: (864) 277-9600
Fax: (864) 422-9949

From: Ray Passailaigue [mailto:ray@passailaiguehomes.com]

Sent: Monday, June 01, 2009 3:02 PM

To: jerrysaad@charter.net
Cc: Cartrette, Mary
Subject: Thornwell K-1

Jerry

Please send me the information you need from us in order to file an amended return.

Thanks in advance,

Ray

843-224-1396 cell
843-881-8498 office
843-856-0078 home
email: Ray@PassailaigueHomes.com

From: Paul Hollen [<mailto:paulhollen@comcast.net>]
Sent: Tuesday, May 19, 2009 11:47 AM
To: Jerry Saad
Subject: Re: Fwd: Dassinger Property

Thanks. I will pass this to Ray

Sent via BlackBerry by AT&T

From: "Jerry Saad"
Date: Tue, 19 May 2009 11:34:49 -0400
To: paulhollen@comcast.net
Subject: RE: Fwd: Dassinger Property

Paul:

In response to your email included at the end of this email, I have attached the original Operating Agreement that reflects Ray as the member--which is how we reported the K-1's in 2007 and 2008. I looked through my emails and did not see any instructions to change the member information for Ray.

I am happy to prepare an amended tax return for 2008 (and 2007 if appropriate), which will include an amended K-1 to reflect Passailaigue Homes as the member. If so, I need the correct name of Passailaigue Homes (i.e., is it "Inc." or "LLC" or whatever), the legal form of the entity (corporation, limited liability company, etc...), the mailing address, and the tax ID #.

I also need to know the date the change occurred. If it was supposed to be from the initial formation in April 2007, then the 2007 return should be amended to be consistent.

If the transfer occurred in 2008, I need the date of transfer. Additionally, since we filed a Section 754 election in 2008 (in order to take advantage of the step up in basis for the remaining partners),

I will need the details of the transfer (including consideration paid, liabilities assumed and so forth) as the transfer will need to be reported in the 2008 return.

Assuming that a transfer did occur, the Company records need to be updated to reflect the transfer. The Company should be provided copies of the documents which effected the transfer. Section 2.4 of the Operating Agreement requires unanimous approval of all members to allow any transfer, the approval must be in writing, and any transfer without the required written consent is void.

We will charge the partnership \$300 for the preparation of each amended return.

Let me know what you would like me to do.

Jerry Saad
Sand & Manios
1249 S Pleasantburg Dr
Greenville SC 29605
Cell: (864) 907-1300
Office: (864) 277-9600
Fax: (864) 422-9949

From: Paul Hollen [mailto:paulhollen@comcast.net]
Sent: Tuesday, May 19, 2009 9:17 AM
To: Jerry Saad
Cc: Ray Passalunig
Subject: Fw: Fwd: Dassinger Property

Jerry
Can you get Ray a corrected K1? I am tied up this week with training but now I am going to fantasize about fried chicken all week.

Sent via BlackBerry by AT&T

From: Ray Passalunig
Date: Tue, 19 May 2009 08:57:24 -0400
To: Hollen, Paul <paulhollen@comcast.net>
Subject: Fwd: Dassinger Property

Paul

Please see the note below.

Thanks

Ray.....thought for the day....FRIED CHICKEN

----- Forwarded message -----

From: "Mary Cartrette" <marycart@sc.rr.com>
To: <rpassl@aol.com>
Date: Mon, 18 May 2009 15:53:25 -0500
Subject: Dassinger Property

Ray, the K-1 that you got from these people was under your social security number instead of the federal ID number of Passalunig Homes. Could you get them to give you an amended K-1 to reflect the federal id number?
843-224-1396 cell
843-881-8498 office
843-856-0078 home
email: Ray@PassalunigHomes.com

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In re: §
§
PASSAILAIGUE, VIRGIL RAY § Case No. 11-01866 DRD
PASSAILAIGUE, STACY L §
§
Debtor(s) §

TRUSTEE'S FINAL REPORT (TFR)

The undersigned trustee hereby makes this Final Report and states as follows:

1. A petition under chapter 7 of the United States Bankruptcy Code was filed on 03/22/2011 . The undersigned trustee was appointed on 03/22/2011 .
2. The trustee faithfully and properly fulfilled the duties enumerated in 11 U.S.C. §704.
3. All scheduled and known assets of the estate have been reduced to cash, released to the debtor as exempt property pursuant to 11 U.S.C. § 522, or have been or will be abandoned pursuant to 11 U.S.C. § 554. An individual estate property record and report showing the disposition of all property of the estate is attached as **Exhibit A**.

4. The trustee realized gross receipts of \$ 1,253,889.39

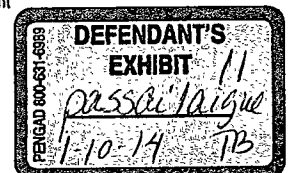
Funds were disbursed in the following amounts:

Payments made under an interim disbursement	0.00
Administrative expenses	73,133.86
Bank service fees	50.61
Other payments to creditors	1,109,484.09
Non-estate funds paid to 3 rd Parties	0.00
Exemptions paid to the debtor	0.00
Other payments to the debtor	0.00

Leaving a balance on hand of¹ \$ 71,220.83

The remaining funds are available for distribution.

¹ The balance of funds on hand in the estate may continue to earn interest until disbursed. The interest earned prior to disbursement will be distributed pro rata to creditors within each priority category. The trustee may receive additional compensation not to exceed the maximum compensation set forth under 11 U.S.C. §326(a) on account of the disbursement of the additional interest.



5. Attached as **Exhibit B** is a cash receipts and disbursements record for each estate bank account.

6. The deadline for filing non-governmental claims in this case was 07/04/2011 and the deadline for filing governmental claims was 09/23/2011. All claims of each class which will receive a distribution have been examined and any objections to the allowance of claims have been resolved. If applicable, a claims analysis, explaining why payment on any claim is not being made, is attached as **Exhibit C**.

7. The Trustee's proposed distribution is attached as **Exhibit D**.

8. Pursuant to 11 U.S.C. § 326(a), the maximum compensation allowable to the trustee is \$ 60,866.68. To the extent that additional interest is earned before case closing, the maximum compensation may increase.

The trustee has received \$ 0.00 as interim compensation and now requests a sum of \$ 33,812.45, for a total compensation of \$ 33,812.45². In addition, the trustee received reimbursement for reasonable and necessary expenses in the amount of \$ 0.00, and now requests reimbursement for expenses of \$ 264.40, for total expenses of \$ 264.40².

Pursuant to Fed R Bank P 5009, I hereby certify, under penalty of perjury, that the foregoing report is true and correct.

Date: 11/18/2011 By: /s/KEVIN CAMPBELL
Trustee

STATEMENT: This Uniform Form is associated with an open bankruptcy case, therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

² If the estate is administratively insolvent, the dollar amounts reflected in this paragraph may be higher than the amounts listed in the Trustee's Proposed Distribution (Exhibit D).

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
 Case Name: PASSAILAIGUE, VIRGIL RAY
 PASSAILAIGUE, STACY L
 For Period Ending: 11/18/11

Trustee Name: KEVIN CAMPBELL
 Date Filed (f) or Converted (c): 03/22/11 (f)
 341(a) Meeting Date: 04/27/11
 Claims Bar Date: 07/04/11

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(n) DA=554(c)	Sale/Funds Received by the Estate	Asset Fully Adm (FA)/ Gross Value of Remain Assets	Lien Amount	Exempt Amount
1. 4706 MIMOSA STREET, CHARLESTON SC 29405, LOT 20-B, WANDO WOODS, TMS #410500194. REMAINDER INTEREST AFTER LIFE ESTATES OF BF PASSAILAIGUE, JR. AND NAOMI C PASSAILAIGUE. (NOTE: DEBTOR'S INTEREST IS SUBJECT TO JUDGMENT LIENS TO SUNTRUST BANK, ET AL, WHICH ARE LISTED ON SCHEDULE F AND INCORPORATED HERE BY REFERENCE.) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	149,500.00	27,500.00	DA	0.00	FA	122,000.00	0.00
2. 54 WOODFORD STREET, DANIEL ISLAND (CHARLESTON), SC 29492, TMS 2711502018, LOT 25, BLOCK C, DANIEL ISLAND PARK. (NOTE: DEBTOR'S INTEREST IS SUBJECT TO JUDGMENT LIENS TO SUNTRUST BANK, ET AL, WHICH ARE LISTED ON SCHEDULE F AND INCORPORATED HERE BY REFERENCE.) [SOLD]	750,000.00	880,117.95		880,117.95	FA	1,431,175.00	0.00
3. 2704 PALM BLVD, ISLE OF PALMS, SC 29451, LOT 15, SECTIONS C-2, TMS 5710900186 (1/8TH INTEREST OWNED BY HUSBAND, ADDITIONAL 1/8TH INTEREST OWNED BY WIFE = 25 PERCENT OF THE TOTAL FEE) (NOTE: DEBTORS' INTEREST IS SUBJECT TO JUDGMENT LIENS TO SUNTRUST BANK, ET AL, WHICH ARE LISTED ON SCHEDULE F AND INCORPORATED HERE BY REFERENCE.)	437,000.00	352,500.00		352,500.00	FA	2,794,263.00	0.00
4. CASH THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	160.00	0.00	DA	0.00	FA	0.00	160.00
5. CHECKING ACCOUNT, FIRST CITIZENS BANK, #*6609 I JOINT ACCOUNT; INTERESTS SHOW ON SCHEDULES SEPARATELY. THERE WAS	22.50	0.00	DA	0.00	FA	0.00	22.50

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
Case Name: PASSAILAIGUE, VIRGIL RAY
PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL
Date Filed (f) or Converted (c): 03/22/11 (f)
341(a) Meeting Date: 04/27/11
Claims Bar Date: 07/04/11

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Loss Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) DA=554(c)	Sale/Funds Received by the Estate	Asset Fully Adm (FA)/ Gross Value of Reimburse Assets	Lien Amount	Exempt Amount
INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption							
6. CHECKING ACCOUNT, FIRST CITIZENS BANK, #0509 (JOINT ACCOUNT; INTEREST SHOWN ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	335.00	0.00	DA	0.00	FA	0.00	335.00
7. UBS RESOURCE MANAGEMENT ACCOUNT #*036 (INCLUDES CASH, C. \$332.00, PLUS EQUITIES). ESTATE RECEIVED NON-EXEMPT VALUE OF ACCOUNT. Debtor Claimed Exemption	21,658.00	11,315.50		11,315.50	FA	0.00	10,342.50
8. CHECKING ACCOUNT, FIRST CITIZENS BANK, #*6609 (JOINT ACCOUNT; INTERESTS SHOW ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	22.50	0.00	DA	0.00	FA	0.00	22.50
9. CHECKING ACCOUNT, FIRST CITIZENS BANK, #0509 (JOINT ACCOUNT; INTERESTS SHOW ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	335.00	0.00	DA	0.00	FA	0.00	335.00
10. FURNITURE (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	2,400.00	0.00	DA	0.00	FA	0.00	2,400.00
11. FURNITURE (JOINTLY OWNED; INTERESTS SHOWN ON	2,400.00	0.00	DA	0.00	FA	0.00	2,400.00

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
 Case Name: PASSAILAIGUE, VIRGIL RAY
 PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL
 Date Filed (f) or Converted (c): 03/22/11 (f)
 341(a) Meeting Date: 04/27/11
 Claims Bar Date: 07/04/11

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) DA=554(e)	Sale/Funds Received by the Estate	Asset Fully Adm (FA)/ Gross Value of Remain Assets	Lien Amount	Exempt Amount
SCHEDULES SEPARATELY). (JOINT ACCOUNT; INTERESTS SHOWN ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption							
12. CLOTHING THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	200.00	0.00	DA	0.00	FA	0.00	200.00
13. CLOTHING THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	450.00	0.00	DA	0.00	FA	0.00	450.00
14. MISC JEWELRY THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	750.00	0.00	DA	0.00	FA	0.00	750.00
15. MISC JEWELRY THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	200.00	0.00	DA	0.00	FA	0.00	200.00
16. SPORTS EQUIPMENT: -GOLF CLUBS AND TENNIS RACKETS (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY.) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	37.50	0.00	DA	0.00	FA	0.00	37.50
17. SPORTS EQUIPMENT: -GOLF CLUBS AND TENNIS RACKETS (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY.) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE	37.50	0.00	DA	0.00	FA	0.00	37.50

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
Case Name: PASSAILAIGUE, VIRGIL RAY
PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL
Date Filed (f) or Converted (c): 03/22/11 (f)
341(a) Meeting Date: 04/27/11
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1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (ii) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Loss Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) DA=554(c)	Safe/Funds Received by the Estate	Asset Fully Adm (FA)/ Gross Value of Remain Assets	Lien Amount	Exempt Amount
ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption							
18. HEALTH SAVINGS ACCOUNT, FIRST FEDERAL, #9193 -USED FOR HUSBAND AND WIFE. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	2.00	0.00	DA	0.00	FA	0.00	4.00
19. GUARDIAN LIFE INSURANCE, #1780, DB \$200,000 WHOLE LIFE, INSURANCE HUSBAND, BENEFICIARY: WIFE - LOAN BALANCE \$62,472; CASH/LOAN VALUE \$5,823. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	0.00	0.00	DA	0.00	FA	62,472.00	0.00
20. STATE FARM INSURANCE, #2911, DB \$250,000. UNIVERSAL LIFE, INSURANCE HUSBAND, BENEFICIARY: WIFE. CASH/SURRENDER VALUE \$63,445. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	0.00	0.00	DA	0.00	FA	0.00	4,275.00
21. STATE FARM INSURANCE, #4557, \$100,000 TERM LIFE, INSURED WIFE; BENEFICIARY: HUSBAND. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
22. NEW ENGLAND FINANCIAL/METLIFE LIFE INSURANCE, #83518, DB, \$4,000,000, TERM POLICY, INSURANCE HUSBAND, BENEFICIARY: THE V. RAY PASSAILAIGUE FAMILY TRUST DATED 7/19/2002. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
 Case Name: PASSAILAIGUE, VIRGIL RAY
 PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL
 Date Filed (f) or Converted (c): 03/22/11 (f)
 341(a) Meeting Date: 04/27/11
 Claims Bar Date: 07/04/11

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) DA=554(c)	Sole/Funds Received by the Estate	Asset Fully Adm (FA)/ Gross Value of Remain Assets	Lien Amount	Exempt Amount
23. CASH/LOAN VALUE \$5,823, GUARDIAN LIFE INSURANCE, #780, THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	5,823.00	0.00	DA	0.00	FA	0.00	5,823.00
24. CASH/SURRENDER VALUE \$63,445, STATE FARM INSURANCE #2911, DB 250,000.00. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	63,445.00	0.00	DA	0.00	FA	0.00	67,720.00
25. CASH SURRENDER VALUE \$2,518, STATE FARM INSURANCE #4557, THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	2,518.00	0.00	DA	0.00	FA	0.00	2,518.00
26. STATE FARM INSURANCE #7435, DB \$ TBD, TERM LIFE INSURANCE ON SON. CASH SURRENDER VALUE \$5,718.00. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
27. STATE FARM INSURANCE #6203, DB \$ TBD, TERM LIFE INSURANCE ON DAUGHTER. CASH SURRENDER VALUE \$4,465.00. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
28. CASH SURRENDER VALUE \$5,718, STATE FARM INSURANCE #7435, DB & TBD TERM LIFE INSURANCE ON SON. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	5,718.00	0.00	DA	0.00	FA	0.00	5,718.00
29. CASH SURRENDER VALUE \$4,465,	4,465.00	0.00	DA	0.00	FA	0.00	4,465.00

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Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) DA=554(c)	Sale/Funds Received by the Estate	Asset Fully Adm (FA)/ Gross Value of Remain Assets	Lien Amount	Exempt Amount
STATE FARM INSURANCE #6203, DB \$TBD, TERM LIFE INSURANCE ON DAUGHTER. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption							
30. SEP FUND (UBS)-HUSBAND'S-#*041 THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	14,848.00	0.00	DA	0.00	FA	0.00	14,848.00
31. SEP FUND (UBS)-WIFE'S-#*037 THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	6,547.00	0.00	DA	0.00	FA	0.00	6,547.00
32. PASSAILAIGUE HOMES, INC. -100% OWNERSHIP -REAL ESTATE ASSETS UNDER FORECLOSURE. CORPORATION HAS SUBSTANTIAL DEBT. CORPORATION HAS A NOTE RECEIVABLE FROM THORNWELL PARTNERS, LLC TO \$130,000 DATED 11/7/2008, CONTINGENT ON SALE OF THORNWELL PARTNERS, LL REAL ESTATE HOLDINGS, WITH PERSONAL GUARANTEES FOR THE NOTE RECEIVABLE. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
33. BOOK 'EM BROTHERS LLC -50% OWNERSHIP -ASSETS CONSIST OF: REAL ESTATE HOLDINGS, 'MV UNKNOWN, LIENS AND DEBTS UNKNOWN. REAL ESTATE 92 1054 JOHNNIE DODDS BOULEVARD, MT. PLEASANT, SC, A/K/A TRACT P10, QUEENSBOROUGH, TMS 535-00-00-138. TAX VALUE 2010 WAS \$1,049.00. ALSO OWNS 33.3 % IN MEDWAY PARK PARTNERS, LLC, WHICH ITSELF OWNS REAL ESTATE, BERK CITY, MEDWA OFFICE	0.00	3,000.00		3,000.00	FA	0.00	0.00

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(TMS2340707005, 2340707012, 2340707013) NOT OPERATED BY DEBTOR. (SOLD)							
34. RAY PASSAILAIGUE LLC -100% OWNERSHIP -NO ASSETS, BUT HAS SUBSTANTIAL DEBTS. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
35. COASTAL CAROLINA CLEANERS LLC -10% OWNERSHIP - ASSETS CONSISTED OF DRY CLEANING BUSINESS. BUSINESS ASSETS WERE RECENTLY (2011) SOLD (ON INFORMATION AND BELIEF), WITH NO DISTRIBUTIONS EXPENSES FOR DEBTOR THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
36. DANIEL ISLAND CONSTRUCTION AND RENOVATION, LLC 100% OWNERSHIP - NO ASSETS, NO DEBTS, FORM 2004 BUT NO ACTIVITY. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
37. HARRIS & PRITCHARD CONTRACTING SERVICES, LLC -33% OWNERSHIP - INFORMATION ABOUT LLC BASED ON K-1 FOR 2010, PROVIDED ON UPON REQUEST. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
38. PASSAILAIGUE COMMERCIAL, LLC -100% OWNERSHIP -NO A ASSETS, NO DEBTS. FORM 2006 BUT NO ACTIVITY. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
39. SITE 3, LLC -25%OWNERSHIP - FORMER OWNERSHIP - DEBTOR'S SHARES FORFEITED FOR	0.00	0.00	DA	0.00	FA	0.00	0.00

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NON-PAYMENT OF CAPITAL CALLS, PER LLC MANAGEMENT. LISTED FOR INFORMATION PURPOSES. INFORMATION ABOUT LLC UNAVAILABLE AT TIME OF FILING. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.							
40. PALM BLVD PARTNERSHIP LLC 100% OWNERSHIP INFORMATION REQUESTED FROM 3RD PARTIES, NOT AVAILABLE TO DEBTOR. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
41. H&P INSTALLATION, LLC -33% OWNERSHIP -INFO ABOUT LLC AEO ON K-1 FOR 2010, PROVIDED UPON REQUEST. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
42. MONEY OWED TO RAY FROM PASSAILAIGUE HOMES, INC. (\$75,289 ESTIMATED) UNCOLLECTIBLE COMPANY DEFUNCT. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
43. CLAIM AGAINST DANIEL ISLAND CLUB (GOLFING CLUB) FOR REFUND OF INITIATION FEE (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	10,000.00	0.00	DA	0.00	FA	0.00	10,000.00
44. CLAIM AGAINST DANIEL ISLAND CLUB (GOLFING CLUB) FOR REFUND OF INITIAL FEE. (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE	10,000.00	0.00	DA	0.00	FA	0.00	0.00

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TRUSTEE ABANDONS NOW.							
45. HUSBAND IS THE SETTLOR OF A TRUST AGREEMENT DATED 7/2/2002, CREATED AS PART OF ESTATE PLANNING, WITH ASSETS OF \$5. LISTED FOR INFORMATION PURPOSES, THIS IS A SPENDTHRIFT TRUST. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
46. THE V. RAY PASSAILAIGUE FAMILY TRUST DATED 7.19.02 WHICH IS AN IRREVOCABLE TRUST USING RELIANCE TRUST COMPANY AS THE TRUSTEE, WITH NO RIGHTS OF DISTRIBUTION BEFORE THE DEATH OF HUSBAND WHO IS THE NAMED GRANTOR. ONLY ASSET IS THE NEW ENGLAND LIFE/MET LIFE LIFE LIFE INSURANCE POLICY #*3518, DESCRIBED HEREON. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
47. CLAIM AGAINST HARRIS & PRITCHARD CONTRACTING SERVICES, ET AL., PENDING IN CHARLESTON COUNTY COURT OF COMMON PLEAS (FOR LOANS, BREACH OF FIDUCIARY DUTY, E AL). AMOUNT SHOWN IS BASED ON CLAIM IN COMPLAINT AND IS ESTIMATED ONLY. MATTER IS DISPUTED. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	220,000.00	220,000.00	DA	0.00	FA	0.00	0.00
48. 2003 LEXUS LS430 -VIN #***09313 -MILEAGE 130,000 - CONDITION GOOD. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	9,760.00	0.00	DA	0.00	FA	0.00	9,760.00
49. UBS RESOURCE MANAGEMENT ACCOUNT #*038, FOR BENEFIT	0.00	0.00	DA	0.00	FA	0.00	0.00

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OF AND OWNED BY CHILD (WIFE IS CUSTODIAN ONLY) (FOR INFORMATION PURPOSES ONLY. VALUE C. \$1,807.00. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.							
50. UBS RESOURCE MANAGEMENT ACCOUNT #*040, FOR BENEFIT OF AND OWNED BY CHILD (WIFE IS CUSTODIAN ONLY) FOR INFORMATION PURPOSES ONLY) VALUE C. \$1,647.00. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
51. Post-Petition Interest Deposits (u)	Unknown	N/A		0.94	Unknown	0.00	0.00
52. TAX REFUNDS - 2010 STATE AND FEDERAL TAXES (u) 1. FEDERAL - 12/2010 - \$6,947.00; AND 2. SC STATE - 12/2010 8.00	6,955.00	6,955.00		6,955.00	FA	0.00	0.00

TOTALS (Excluding Unknown Values) \$1,725,589.00 \$1,501,388.45 \$1,253,889.39 \$0.00 \$4,409,910.00 \$149,370.50

Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

RE: VIRGIL RAY PASSAILAIGUE AND
STACY L. PASSAILAIGUE
B/K CASE NO. 11-01866-DD
OUR FILE NO. 11-1277T

FINAL REPORT CASE HISTORY

VIRGIL RAY PASSAILAIGUE AND STACY L. PASSAILAIGUE (HEREINAFTER REFERRED TO AS THE "DEBTORS"), FILED A PETITION FOR CHAPTER 7 BANKRUPTCY PURSUANT TO TITLE 11 OF THE UNITED STATES CODE ON MARCH 22, 2011. KEVIN CAMPBELL, (HEREINAFTER REFERRED TO AS THE "TRUSTEE"), WAS DULY APPOINTED AS THE INTERIM CHAPTER 7 TRUSTEE, WHOSE APPOINTMENT BECAME PERMANENT AT THE MEETING OF CREDITORS HELD ON APRIL 27, 2011. THIS CASE WAS DECLARED TO BE AN ASSET CASE.

KEVIN CAMPBELL AND HIS STAFF WILL BE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "TRUSTEE", ALTHOUGH ATTACHED TO THIS FINAL REPORT IS A STATEMENT WHICH PARTICULARLY SETS FORTH THE WORK DONE BY THE TRUSTEE AND HIS INDIVIDUAL STAFF MEMBERS.

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THE TRUSTEE RETAINED THE CAMPBELL LAW FIRM, P.A., (HEREINAFTER REFERRED TO AS THE "FIRM"), AS ATTORNEY FOR THE TRUSTEE AND THE ESTATE. THE APPOINTMENT OF THE FIRM WAS FILED WITH THE COURT ON MAY 5, 2011, AND FORMALLY APPROVED BY COURT ORDER ENTERED ON MAY 19, 2011. THE FIRM, AS ATTORNEY FOR THE TRUSTEE AND THE ESTATE, SHALL COLLECTIVELY INCLUDE THE ATTORNEYS AND THE STAFF MEMBERS OF THE FIRM. INCLUDED IN THIS FINAL REPORT CASE HISTORY ARE STATEMENTS WHICH MORE PARTICULARLY SET FORTH THE WORK PERFORMED BY THE INDIVIDUAL ATTORNEYS AND STAFF OF THE FIRM.

BASED UPON THE CIRCUMSTANCES OF THIS CASE, THE FIRM IS NOT MAKING AN APPLICATION FOR IT FEES AND HAS AGREED TO WAIVE ITS FEES TO ALLOW FOR A LARGER DISTRIBUTION TO CREDITORS.

GENERAL CASE ADMINISTRATION.

PRIOR TO THE MEETING OF CREDITORS, THE TRUSTEE REVIEWED THE DEBTORS' SCHEDULES, STATEMENTS AND OTHER DOCUMENTS FILED WITH THE COURT. HE ALSO REVIEWED ADDITIONAL FINANCIAL INFORMATION PRIOR TO THE FIRST MEETING OF CREDITORS. AT THE MEETING OF CREDITORS, THE DEBTORS TESTIFIED CONCERNING THEIR BUSINESS AFFAIRS. ALSO, AT THE FIRST MEETING, THE TRUSTEE REQUESTED ADDITIONAL BOOKS AND RECORDS CONCERNING THE DEBTORS' VARIOUS BUSINESS ENTERPRISES.

THE FIRM REVIEWED THE DEBTORS' SCHEDULES, STATEMENTS AND OTHER DOCUMENTS FILED WITH THE COURT, RECORDS AT THE SOUTH CAROLINA SECRETARY OF STATE'S OFFICE, COUNTY RECORDS LOCATED IN THE STATE OF SOUTH CAROLINA, AS WELL AS THE FINANCIAL RECORDS PROVIDED BY THE DEBTORS.

THE DEBTORS' CLAIMED OVER 30 DIFFERENT CLASSES OF ITEMS OF PERSONAL PROPERTY AS EXEMPT, INCLUDING 10 LIFE INSURANCE POLICIES, 2 RETIREMENT PLANS AND 1 FAMILY TRUST. THE FIRM REQUESTED INFORMATION AND DOCUMENTATION ON THESE ASSETS TO DETERMINE WHETHER OR NOT THE EXEMPTIONS WERE PROPERLY CLAIMED. WHILE WAITING FOR THE PRODUCTION OF THIS INFORMATION, THE FIRM OBTAINED AN EXTENSION OF TIME TO FILE OBJECTIONS TO THE EXEMPTIONS. THE DEBTORS DID PROVIDE THE FIRM WITH THE REQUESTED INFORMATION AND DOCUMENTATION. AFTER A THOROUGH REVIEW, THE FIRM REPORTED TO THE TRUSTEE THAT BASED UPON A REVIEW OF THOSE DOCUMENTS, ALTHOUGH THE EXEMPTIONS APPEARED TO BE PROPER, IT APPEARED THAT THE DEBTORS HAD NON-EXEMPT CASH ASSETS.

THE DEBTORS WERE CONTACTED ABOUT THESE NON-EXEMPT ASSETS AND DEMAND WAS MADE FOR THE TURNOVER OF THESE FUNDS. THE DEBTORS EVENTUALLY TURNED OVER \$11,315.50 IN NON-EXEMPT CASH ASSETS. IN ADDITION, FROM A REVIEW OF THE VARIOUS RECORDS, IT APPEARED FROM THE TAX RETURNS FILED THAT THE DEBTORS HAD ADDITIONAL NON-EXEMPT CASH. THE ESTATE RECEIVED AN ADDITIONAL \$6,947.00 IN NON-EXEMPT TAX REFUNDS.

THE DEBTORS' SCHEDULES DISCLOSED AN OWNERSHIP INTEREST IN TEN DIFFERENT LLC'S AND CORPORATIONS. MR. PASSAILAIGUE WAS THE PRINCIPAL OF PASSAILAIGUE HOMES, INC. WHICH DEVELOPED BOTH RESIDENTIAL PROPERTIES AND "SPEC" HOMES. AS A BUILDER, THERE WERE NUMEROUS SIDE BUSINESSES AND PROJECTS THAT THE DEBTORS WERE INVOLVED. AS A RESULT, THE FIRM CONDUCTED A 2004 EXAMINATION TO TRY TO DETERMINE WHETHER OR NOT THE DEBTORS HAD BEEN USING THE VARIOUS CORPORATIONS TO SHIELD THEIR PERSONAL ASSETS FROM THEIR CREDITORS. THE FIRM WAS ALSO INVESTIGATING WHETHER OR NOT ANY OF THESE OTHER ENTITIES MIGHT HAVE ASSETS THAT WOULD ALLOW FOR THE PIERCING OF THE CORPORATE VEIL. AFTER AN IN-DEPTH EVALUATION, BASED UPON TAX RETURNS, BALANCE SHEETS AND OTHER EVIDENCE, ALL OF THE ENTITIES APPEARED TO HAVE NO EQUITY AND MANY HAD CEASED OPERATIONS.

DURING THIS TIME, THE TRUSTEE APPOINTED AS REAL ESTATE SALES AGENT, HARBIN'S TWO, INC., IN AN ATTEMPT TO SELL THE ESTATE'S INTEREST IN THE REAL PROPERTY LOCATED AT 54 WOODFORD STREET, CHARLESTON, SC (BERKELEY COUNTY). THE FIRM REVIEWED THE LISTING AGREEMENT, MAKING SEVERAL CHANGES TO THE DOCUMENTS TO BETTER PROTECT THE ESTATE'S INTEREST.

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THE REAL ESTATE AGENT WAS SUCCESSFUL IN OBTAINING A SHORT SALE CONTRACT FOR THE PROPERTY. THE FIRM REVIEWED THE CONTRACT, MAKING ADDITIONAL CHANGES TO THE TERMS. THE CONTRACT WAS EVENTUALLY RATIFIED AND SUBMITTED TO THE LENDERS FOR APPROVAL.

DURING THIS TIME, THE FIRM OPENED A DIALOGUE WITH COUNSEL FOR NUMEROUS JUDGMENT CREDITORS TO OBTAIN THEIR PERMISSION TO ALLOW THE TRUSTEE TO PROCEED WITH THE SHORT SALE OF THIS REAL PROPERTY. THE FIRM WAS ABLE TO CONVINCE MOST OF THE JUDGMENT CREDITORS TO FULLY RELEASE THEIR LIENS FOR NO CONSIDERATION. THE FIRM WAS ABLE TO NEGOTIATE AN AGREEMENT WITH SUNTRUST BANK TO RELEASE OVER \$2,500,000 IN JUDGMENTS FOR THE DEMINIMIS AMOUNT OF \$500. THIS AGREEMENT WAS SET FORTH IN A CONSENT ORDER, PREPARED BY THE FIRM, ALLOWING A PORTION OF THEIR JUDGMENT LIEN AS BEING SECURED.

THE FIRM ASSISTED IN THE TRUSTEE IN PREPARING THE NOTICE AND ORDER APPROVING SALE TO INSURE THAT ADEQUATE LANGUAGE WAS INCLUDED CONCERNING THE NUMEROUS JUDGMENT LIENS. THE COURT ULTIMATELY APPROVED THE SALE. THE FIRM THEN COORDINATED WITH THE CLOSING ATTORNEY TO INSURE THAT THE CLOSING TOOK PLACE WITHOUT INCIDENT. THE FIRM PREPARED THE DEED, REVIEWED THE HUD AND OTHER CLOSING DOCUMENTS. THE SALE WAS CONSUMMATED AND THE ESTATE RECEIVED \$35,000 AT CLOSING. THE TRUSTEE PREPARED AND FILED A REPORT OF SALE WITH THE COURT.

THE DEBTORS' SCHEDULES ALSO INDICATED THAT THEY HELD A 25 PERCENT INTEREST IN A HOUSE LOCATED AT 2704 PALM BOULEVARD, ISLE OF PALMS, SC. THE FIRM WAS CONTACTED BY A LOCAL REALTOR, MARY ZIEGLER, WHO INDICATED THAT SHE HAD A PARTY INTERESTED IN MAKING AN OFFER ON THE PROPERTY. THE FIRM HAD NUMEROUS DISCUSSIONS WITH MS. ZIEGLER AND OTHER OWNERS ABOUT THE PROCESS AND PROCEDURE FOR SELLING THE ESTATE'S INTEREST IN THIS REAL PROPERTY.

EVENTUALLY, MS. ZIEGLER PRESENTED AN OFFER TO THE TRUSTEE FOR THE ESTATE'S INTEREST IN THE PALM BOULEVARD PROPERTY. THE FIRM MADE NUMEROUS CHANGES AND REVISIONS TO THE CONTRACT OVER SEVERAL DIFFERENT DRAFTS. EVENTUALLY, THE CONTRACT WAS RATIFIED BY THE PARTIES AND SUBMITTED TO THE LENDER FOR APPROVAL. MS. ZIEGLER'S FIRM, THE BEACH COMPANY, WAS APPOINTED BY THE COURT TO ACT AS THE SALES AGENT ON THIS TRANSACTION.

AS TO THE PALM BOULEVARD PROPERTY, THERE WAS ONLY ONE JUDGMENT LIEN APPEARING ON RECORD IN CHARLESTON COUNTY. NOTWITHSTANDING, THE FIRM CONTACTED THE BERKELEY COUNTY JUDGMENT LIEN HOLDERS TO SEE IF THEY RECORDED THE JUDGMENT LIENS IN CHARLESTON COUNTY. THE FIRM WAS ABLE TO CONFIRM THAT NONE HAD RECORDED THEIR LIENS IN CHARLESTON COUNTY. THE FIRM CONTACTED THE ONE JUDGMENT LIEN CREDITOR, WHICH ALSO HELD THE FIRST MORTGAGE ON THE REAL PROPERTY, AND WAS ABLE TO CONVINCE IT TO RELEASE ITS LIEN AS PART OF THE SALE.

THE FIRM ASSISTED THE TRUSTEE IN PREPARING THE NOTICE AND ORDER APPROVING SALE TO INSURE THAT ADEQUATE LANGUAGE WAS INCLUDED CONCERNING THE NUMEROUS JUDGMENT LIENS. THE COURT ULTIMATELY APPROVED THE SALE. THE FIRM THEN COORDINATED WITH THE CLOSING ATTORNEY TO INSURE THAT THE CLOSING TOOK PLACE WITHOUT INCIDENT. THE FIRM PREPARED THE DEED, REVIEWED THE HUD AND OTHER CLOSING DOCUMENTS. THE SALE WAS CONSUMMATED AND THE ESTATE RECEIVED \$15,000 AT CLOSING. THE TRUSTEE PREPARED AND FILED A REPORT OF SALE WITH THE COURT.

ALTHOUGH THE DEBTORS' INTEREST IN THE NUMEROUS BUSINESSES SHOWED THEY HAD NO VALUE, THE TRUSTEE WAS CONTACTED BY JERRY BEACH, A MEMBER OF BOOK'EM BROTHERS, LLC FOR A POSSIBLE PURCHASE OF THE ESTATE'S INTEREST IN THAT BUSINESS. MR. BEACH HAD BELIEVED THAT HE HAD SUCCESSFULLY REMOVED MR. PASSAILAIGUE AS A MEMBER PRE-PETITION BASED UPON HIS FAILURE TO MEET CERTAIN CAPITAL CALLS. MR. BEACH NEVERTHELESS MADE AN OFFER TO FORMALLY BUY THE ESTATE'S INTEREST IN THIS BUSINESS. THE FIRM HAD PREVIOUSLY REVIEWED THE FINANCIAL RECORDS AND HAD ADVISED THE TRUSTEE THAT THERE WAS NO VALUE TO THE MEMBERS OF THIS BUSINESS. THE TRUSTEE ACCEPTED THE OFFER AND OBTAINED COURT APPROVAL TO SELL

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THE ESTATE'S INTEREST IN BOOK'EM BROTHERS LLC FOR \$3,000. THIS AMOUNT WAS DEPOSITED INTO THE ESTATE'S ACCOUNT.

ACCOUNTANT.

THE TRUSTEE EMPLOYED DAVID R. FISCHBEIN AS ACCOUNTANT FOR THE ESTATE. HIS APPOINTMENT WAS APPROVED BY COURT ORDER ENTERED MAY 18, 2011, PURSUANT TO APPLICATION FILED ON MAY 6, 2011. HE REVIEWED THE DEBTORS' BOOKS, RECORDS, AND TAX RETURNS FOR ADDITIONAL ASSETS, TAX REFUNDS, AND ANY TAX LIABILITY FOR WHICH THE ESTATE MIGHT BE RESPONSIBLE. HE REVIEWED THE TRUSTEE'S FILE AND THE DEBTOR'S SCHEDULES. BECAUSE OF CAPITAL GAINS TAXES RESULTING FROM THE SALE OF THE PROPERTIES, THE ACCOUNTANT PREPARED ALL NECESSARY STATE AND FEDERAL INCOME TAX RETURNS, WHICH HAVE BEEN FILED WITH THE APPROPRIATE TAXING AUTHORITIES.

CONCLUSION.

THE TRUSTEE EXAMINED THE CLAIMS THAT WERE FILED IN THIS CASE AND MADE THE APPROPRIATE RECOMMENDATIONS. THE TRUSTEE THEN PREPARED HIS FINAL REPORT.

THE TRUSTEE'S PROFESSIONALS WERE APPROVED BY THE COURT UPON PROPER APPLICATION.

THE CAMPBELL LAW FIRM HAS AGREED TO WAIVE ALL LEGAL FEES AND COSTS IN THIS CASE TO PROVIDE FOR AN ADDITIONAL DISTRIBUTION TO CREDITORS.

3/31/11 - THIS IS AN ASSET CASE. THE FIRST MEETING OF CREDITORS IS SCHEDULED FOR APRIL 27, 2011. THE TRUSTEE IS INVESTIGATING THE DEBTORS' ASSETS, WHICH COMPRISES REAL PROPERTY, LLCs, TRUSTS, ETC. THE TRUSTEE HAS RECEIVED THE DEBTORS' NON-EXEMPT FUNDS FROM UBS FINANCIAL SERVICES. IT IS ANTICIPATED THAT THIS CASE WILL BE OPEN OVER ONE YEAR.

Initial Projected Date of Final Report (TFR): 03/31/12

Current Projected Date of Final Report (TFR): 03/31/12

Campbell Law Firm
890 Johnnie Dodds Blvd.
P.O. Box 684
Mt. Pleasant, SC 29465

Invoice submitted to:
Virgil & Stacy Passailaigue
c/o Kevin Campbell
P.O. Box 684
Mt. Pleasant, SC 29465

November 21, 2011

In Reference To: bk/dr
Invoice #12577

Professional Services

			<u>Hrs/Rate</u>	<u>Amount</u>
5/16/2011	MC	Review file in preparation for 2004 Exam	1.50 325.00/hr	487.50
5/17/2011	MC	Examination of debtors re: possible preferential and fraudulent transfers to their various corporations, possible piercing veil theories, possible non-exempt assets, review of numerous judgments	3.00 325.00/hr	975.00
5/26/2011	MC	Correspondence to Jerry Beach re: possible interest in buying partnership interest	0.40 325.00/hr	130.00
5/27/2011	MC	Correspondence to Nossokoff re: extension of time to object to exemptions, drafting order, etc.	0.70 325.00/hr	227.50
5/30/2011	MC	Draft consent order extending time to object to exemptions	0.50 325.00/hr	162.50
6/10/2011	MC	Correspondence to Nossokoff re: turnover of tax refund and possible causes against debtors if they don't turnover if they received the refunds	0.30 325.00/hr	97.50
7/8/2011	MC	Review listing agreement and other documents on 54 Woodford	0.40 325.00/hr	130.00
7/25/2011	MC	Review contract of sale, changes, etc. for short sale	0.50 325.00/hr	162.50
7/28/2011	MC	Conference with Beach re: possible settlement of LLC interest	0.50 325.00/hr	162.50
8/18/2011	MC	Draft order approving sale, to include judgment language	0.40 325.00/hr	130.00

Virgil & Stacy Passallague

Page 2

			<u>Hrs/Rate</u>	<u>Amount</u>
8/18/2011	MC	Correspondence to various judgment creditor to get them to release liens	1.00 325.00/hr	325.00
8/23/2011	MC	Draft order for sale of Book'em Brothers	0.40 325.00/hr	130.00
9/14/2011	MC	Conference with Dave Fischbein re: tax consequences and changes to contracts to compensate	0.30 325.00/hr	97.50
10/4/2011	MC	Review contract of sale, changes, etc. for IOP	0.80 325.00/hr	260.00
	MC	Telephone conference with closing attorney re: IOP short sale offer, procedures, etc.	0.60 325.00/hr	195.00
10/5/2011	MC	Telephone conference with Sam Altman re: compromise of judgment	0.20 325.00/hr	65.00
	MC	Review notice of sale	0.30 325.00/hr	97.50
	MC	Review closing documents, HUD, etc. for 54 Woodford	0.50 325.00/hr	162.50
	MC	Draft deed for 54 Woodford	0.50 325.00/hr	162.50
	MC	Draft Order approving sale of IOP	0.40 325.00/hr	130.00
10/7/2011	MC	Telephone conference with Sam Altman re: consent to release judgment lien	0.30 325.00/hr	97.50
11/14/2011	MC	Review HUD settlement statement for IOP sale	0.40 325.00/hr	130.00
	MC	Draft Deed for IOP sale	0.40 325.00/hr	130.00
For professional services rendered			14.30	\$4,647.50
Additional Charges :				
8/19/2011	188 pg(s).	at .25 per page copying costs		47.00
Total additional charges				\$47.00
Total amount of this bill				\$4,694.50

Virgil & Stacy Passallague

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Balance due

Amount

\$4,694.50

Timekeeper Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Michael Conrady	14.30	325.00	\$4,647.50

Campbell Law Firm
890 Johnnie Dodds Blvd.
P.O. Box 684
Mt. Pleasant, SC 29465

Invoice submitted to:
Virgil & Stacy Passallague
c/o Kevin Campbell
P.O., Box 684
Mt. Pleasant, SC 29465

November 21, 2011

Project Billing Summary

In Reference To: bk/dr
Invoice #12577

	Fees/ Costs	Service Tax/ Sales Tax/ Interest	Payments/ Credits/ Refunds	New Chgs/ Pm/Cr/Ref/ New Bal
	\$4,647.50	\$0.00	\$0.00	\$0.00
	\$47.00	\$0.00	\$0.00	\$4,694.50
		\$0.00	\$0.00	\$0.00
				\$4,694.50
GRAND TOTAL	\$4,647.50	\$0.00	\$0.00	\$0.00
	\$47.00	\$0.00	\$0.00	\$4,694.50
		\$0.00	\$0.00	\$0.00
				\$4,694.50

Case No: 11-01866 -DRD

Case Name: PASSALAIQUE, VIRGIL RAY

PASSALAIQUE, STACY L

Taxpayer ID No: *****0811

For Period Ending: 11/18/11

Trustee Name: KEVIN CAMPBELL

Bank Name: BANK OF AMERICA

Account Number / CD #: *****4860 Money Market Account (Interest Earn)

Exhibit B

Blanket Bond (per case limit): \$ 2,000,000.00

Separate Bond (if applicable):

1	2	3	4	5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Trans Code	Deposits (\$)	Disbursements (\$)
			BALANCE FORWARD			Account / CD Balance (\$)
						0.00
C 04/14/11	7	UBS FINANCIAL SERVICES INC. 900 ISLAND PARK DRIVE, SUITE 201 CHARLESTON, SC	NON-EXEMPT FUNDS	1129-000	11,315.50	11,315.50
C 04/29/11	51	BANK OF AMERICA	Interest Rate 0.010	1270-000	0.03	11,315.53
C 05/31/11	51	BANK OF AMERICA	Interest Rate 0.010	1270-000	0.10	11,315.63
C 06/30/11	51	BANK OF AMERICA	Interest Rate 0.010	1270-000	0.09	11,315.72
C 07/29/11	51	BANK OF AMERICA	Interest Rate 0.010	1270-000	0.09	11,315.81
*C 08/09/11		DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE AUSTIN, TEXAS	12/2010 FEDERAL TAX REFUND	1224-003	6,974.00	18,289.81
C 08/09/11	52	SC DEPARTMENT OF REVENUE STATE OF SOUTH CAROLINA OFFICE OF THE STATE TREASURER COLUMBIA, SC 292401	12/2010 STATE TAX REFUND	1224-000	8.00	18,297.81
C 08/31/11	51	BANK OF AMERICA	Interest Rate 0.010	1270-000	0.14	18,297.95
*C 09/09/11		DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE AUSTIN, TEXAS	12/2010 FEDERAL TAX REFUND INCORRECT AMOUNT ENTERED; SHOULD BE \$6,947.00	1224-003	-6,974.00	11,323.95
C 09/09/11	52	DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE AUSTIN, TEXAS	12/2010 FEDERAL TAX REFUND THIS IS THE CORRECTED DEPOSIT AMOUNT.	1224-000	6,947.00	18,270.95
C 09/30/11	51	BANK OF AMERICA	Interest Rate 0.010	1270-000	0.15	18,271.10
C 10/07/11	2	BROWNARD LAW FIRM, PA-TRUST IV SUITE 200 1017 CHUCK DAWLEY BOULEVARD MOUNT PLEASANT, SC 29464 STEPHEN G. & DEBORAH A. COREY BANK OF AMERICA, N.A.	NET REAL ESTATE SALE PROCEEDS Memo Amount: 880,117.95 GROSS SALES PRICE GROSS SALES PRICE: \$880,117.95, AS FOLLOWS: \$844,900 = CONTRACT PRICE; \$35,000 = AMOUNT DUE ESTATE; \$ 217.95 = ASSESSMENTS 2011 - 10/07/11 TO 01/01/12. Memo Amount: (780,042.80) PAYOFF OF FIRST MORTGAGE	1110-000 4110-000	35,000.00	53,271.10

Case No: 11-01866 -DRD

Case Name: PASSAILAIGUE, VIRGIL RAY
PASSAILAIGUE, STACY L

Taxpayer ID No: *****0811

For Period Ending: 11/18/11

Trustee Name: KEVIN CAMPBELL

Bank Name: BANK OF AMERICA

Account Number / CD #: *****4860 Money Market Account (Interest Earn

Exhibit B

Blanket Bond (per case limit): \$ 2,000,000.00

Separate Bond (if applicable):

1	2	3	4	5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Trans. Code	Deposits (\$)	Disbursements (\$)
		BANK OF AMERICA	Memo Amount: (6,000.00) PAYOFF OF SECOND MORTGAGE	4110-000		
		BERKELEY COUNTY TREASURER	Memo Amount: (4,505.65) COUNTY TAXES 01/01/11 TO 10/07/11	2820-000		
		HARBINS TWO, INC.	Memo Amount: (16,898.00) REAL ESTATE SALES COMMISSIONS	3510-000		
		CHARLESTON COASTAL REALTORS	Memo Amount: (16,898.00) REAL ESTATE SALES COMMISSIONS	3510-000		
		CAROLINA ONE REAL ESTATE	Memo Amount: (16,898.00) REAL ESTATE SALES COMMISSIONS	3510-000		
		BROWNYARD LAW FIRM, P.A.	Memo Amount: (750.00) CLOSING ATTORNEY FEE	3991-000		
		BERKELEY COUNTY REGISTER OF DEEDS	Memo Amount: (3,125.50) DEED STAMPS	2500-000		
C 10/27/11	33	M.G. JERRY BEACH P.O. BOX 206 MT. PLEASANT, SC 29465-0206	PURCHASE OF BOOKEM BROS.	1129-000	3,000.00	56,271.10
C 10/31/11	51	BANK OF AMERICA	Interest Rate 0.010	1270-000	0.34	56,271.44
C 10/31/11		BANK OF AMERICA	BANK SERVICE FEE	2600-000		56,220.83
C 11/16/11	3	CISA & DODDS, LLP REAL ESTATE TRUST ACCOUNT 858 LOWCOUNTRY BOULEVARD, SUITE 101 MOUNT PLEASANT, SC 29464 CISA & DODDS, LLP	NET REAL ESTATE SALE PROCEEDS		15,000.00	71,220.83
		SOUTHCOST COMMUNITY BANK	Memo Amount: 352,500.00 GROSS REAL ESTATE PROCEEDS	1110-000		
		CHARLESTON COUNTY TREASURER	Memo Amount: (323,441.29) PAYOFF OF FIRST MORTGAGE	4110-000		
		THE BEACH COMPANY	Memo Amount: (4,364.96) COUNTY TAXES 1/1/2011-11/14/11	2820-000		
		SOUTHCOST COMMUNITY BANK	Memo Amount: (8,437.50) REAL ESTATE SALES COMMISSIONS	3510-000		
		RMC OF CHARLESTON COUNTY	Memo Amount: (5.00) MORTGAGE RELEASES	2500-000		
		RMC OF CHARLESTON COUNTY	Memo Amount: (371.25) DEED STAMPS	2500-000		
		CHARLESTON COUNTY RMC	Memo Amount: (877.50) STATE DEED STAMPS	2500-000		
			Memo Amount: (2.50) PARTIAL RELEASE OF JUDGMENT	2500-000		

Case No: 11-01866 -DRD

Case Name: PASSAILAIGUE, VIRGIL RAY

PASSAILAIGUE, STACY L

Taxpayer ID No: *****0811

For Period Ending: 11/18/11

Trustee Name: KEVIN CAMPBELL

Bank Name: BANK OF AMERICA

Account Number / CD #: *****4860 Money Market Account (Interest Earn)

Blanket Bond (per case limit): \$ 2,000,000.00

Separate Bond (if applicable):

1	2	3	4	5	6	7
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Trans. Code	Deposits (\$)	Disbursements (\$)
						Account / CD Balance (\$)

* Reversed
 * Funds Transfer
 C Bank Cleared

Memo Receipts: 1,232,617.95

Memo Disbursements: 1,182,617.95

Memo Allocation Net: 50,000.00

Account	Balance Forward	0.00
*****4860	8 Deposits	71,270.50
	7 Interest Postings	0.94
	Subtotal	\$ 71,271.44
	0 Adjustments In	0.00
	0 Transfers In	0.00
	Total	\$ 71,271.44
	0 Checks	0.00
	1 Adjustments Out	50.61
	0 Transfers Out	0.00
	Total	\$ 50.61

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EXHIBIT C
ANALYSIS OF CLAIMS REGISTER

Date: November 18, 2011

Case Number: 11-01866

Claim Number Sequence

Debtor Name: PASSAILAIGUE, VIROIL RAY

Claims Bar Date: 07/04/11

Code #	Creditor Name & Address	Claim Class	Notes	Scheduled	Claimed	Allowed
025 2100-00	KEVIN CAMPBELL, TRUSTEE P. O. BOX 684 MOUNT PLEASANT, SC 29465-0684	Administrative		\$0.00	\$33,812.45	\$33,812.45
025 2200-00	KEVIN CAMPBELL, TRUSTEE P. O. BOX 684 MOUNT PLEASANT, SC 29465-0684	Administrative		\$0.00	\$264.40	\$264.40
025 3410-00	DAVID R. FISCHBEIN 208 CANDI LANE, SUITE B COLUMBIA, SC 29210	Administrative		\$0.00	\$1,430.00	\$1,430.00
025 3420-00	DAVID R. FISCHBEIN 208 CANDI LANE, SUITE B COLUMBIA, SC 29210	Administrative		\$0.00	\$103.57	\$0.00
000001A 070 7100-00	200 RIVER LANDING DR PHASE 1 CONDO ASSOCIATION INC. C/O MICHAEL WRIGHT, ESQ. 177 MEETING STREET, SUITE 700 CHARLESTON SC 29401	Unsecured	Filed 04/12/11	\$0.00	\$132.50	\$132.50
000001B 070 7100-00	200 RIVER LANDING DR PHASE 1 CONDO ASSOCIATION INC. C/O MICHAEL WRIGHT, ESQ. 177 MEETING STREET, STE 300 CHARLESTON SC 29401	Unsecured	Filed 04/12/11 CLAIMANT DOES NOT HAVE A SECURITY INTEREST IN ESTATE PROCEEDS; ALLOW THIS CLAIM AS UNSECURED WITHOUT PRIORITY. SUSTAINED BY COURT ORDER ENTERED OCTOBER 3, 2011.	\$0.00	\$3,372.00	\$3,372.00
000002 070 7100-00	SOUTHCOAST COMMUNITY BANK 530 JOHNNIE DODDS BLVD MOUNT PLEASANT SC 29464	Unsecured	Filed 05/03/11	\$114,693.00	\$114,692.75	\$114,692.75
000003 070 7100-00	CRM MID-ATLANTIC PROPERTIES C/O STANLEY H. MCGUFFIN, ESQ. HAYNSWORTH SINKLER BOYD, PA PO BOX 11889 COLUMBIA, SC 29201-1889	Unsecured	Filed 05/04/11	\$651,137.00	\$672,012.27	\$672,012.27
000004 070 7100-00	SUNTRUST BANK C/O STANLEY H. MCGUFFIN, ESQ. HAYNSWORTH SINKLER BOYD, PA PO BOX 11889 COLUMBIA, SC 29201-1889	Unsecured	Filed 05/04/11	\$671,883.00	\$693,416.00	\$693,416.00
000005 070 7100-00	SUNTRUST BANK C/O STANLEY H. MCGUFFIN, ESQ. HAYNSWORTH SINKLER BOYD, PA PO BOX 11889 COLUMBIA, SC 29201-1889	Unsecured	Filed 05/04/11	\$899,496.00	\$928,333.65	\$928,333.65

Page 2

EXHIBIT C

ANALYSIS OF CLAIMS REGISTER

Date: November 18, 2011

Case Number: 11-01866

Claim Number Sequence

Debtor Name: PASSAILAIGUE, VIRGIL RAY

Claims Bar Date: 07/04/11

Code #	Creditor Name & Address	Claim Class	Notes	Scheduled	Claimed	Allowed
000006 070 7100-00	SUNTRUST BANK C/O STANLEY H. MCGUFFIN, ESQ. HAYNSWORTH SINKLER BOYD, PA PO BOX 11889 COLUMBIA, SC 29201-1889	Unsecured	Filed 05/04/11	\$793,978.00	\$819,434.08	\$819,434.08
000007 070 7100-00	CRM MID-ATLANTIC PROPERTIES C/O STANLEY H. MCGUFFIN, ESQ. HAYNSWORTH SINKLER BOYD, PA PO BOX 11889 COLUMBIA, SC 29201-1889	Unsecured	Filed 05/04/11	\$1,014,001.00	\$1,046,511.24	\$1,046,511.24
000008 070 7100-00	TD BANK, N.A. C/O NELSON MULLINS RILEY & SCARBOROUGH, ATTN: KEITH POSTON P.O. BOX 11070 COLUMBIA, SC 29211	Unsecured	Filed 06/03/11	\$0.00	\$3,862,548.66	\$3,862,548.66
000009 070 7100-00	RES-SC ONE, LLC RIALTO CAPITAL MANAGEMENT RIALTO CAPITAL ADVISORS, LLC 700 NW 107 AVENUE, STE 200 MIAMI, FL 33172-3138	Unsecured	Filed 06/13/11	\$0.00	\$2,375,751.57	\$2,375,751.57
000010 050 4110-00	SITE 3 LLC C/O 578 CHIMNEY BLUFF DRIVE MOUNT PLEASANT SC 29464-8113	Secured	Filed 06/15/11 THERE IS INSUFFICIENT DOCUMENTATION TO VERIFY A SECURED CLAIM: DISALLOW THIS CLAIM. SUSTAINED BY COURT ORDER ENTERED OCTOBER 3, 2011.	\$75,000.00	\$123,351.82	\$0.00
000011 050 4110-00	SUNTRUST MORTGAGE INC BANKRUPTCY DEPARTMENT RVW 3034 P.O. BOX 27767 RICHMOND, VA 23261-7767	Secured	Filed 07/05/11 ALLOW THIS CLAIM AS SECURED BUT CLAIMANT WILL NOT RECEIVE A DISTRIBUTION FROM THIS BANKRUPTCY ESTATE BECAUSE THE TRUSTEE HAS NOT ADMINISTERED THE CLAIMANT'S COLLATERAL AND THE CLAIMANT HAS NOT OTHERWISE ASSERTED A DEFICIENCY. SUSTAINED BY COURT ORDER ENTERED OCTOBER 3, 2011.	\$122,000.00	\$122,220.60	\$0.00
Case Totals:				\$4,342,188.00	\$10,797,387.56	\$10,551,711.57
Code #: Trustee's Claim Number, Priority Code, Claim Type						

TRUSTEE'S PROPOSED DISTRIBUTION

Exhibit D

Case No.: 11-01866 DRD
Case Name: PASSAILAIGUE, VIRGIL RAY
PASSAILAIGUE, STACY L
Trustee Name: KEVIN CAMPBELL

Balance on hand \$ 71,220.83

Claims of secured creditors will be paid as follows:

NONE

Applications for chapter 7 fees and administrative expenses have been filed as follows:

Reason/Applicant	Total Requested	Interim Payments to Date	Proposed Payment
Trustee Fees: KEVIN CAMPBELL	\$ 33,812.45	\$ 0.00	\$ 33,812.45
Trustee Expenses: KEVIN CAMPBELL	\$ 264.40	\$ 0.00	\$ 264.40
Accountant for Trustee Fees: DAVID R. FISCHBEIN	\$ 1,430.00	\$ 0.00	\$ 1,430.00

Total to be paid for chapter 7 administrative expenses \$ 35,506.85

Remaining Balance \$ 35,713.98

Applications for prior chapter fees and administrative expenses have been filed as follows:

NONE

In addition to the expenses of administration listed above as may be allowed by the Court, priority claims totaling \$ 0.00 must be paid in advance of any dividend to general (unsecured) creditors.

Allowed priority claims are:

NONE

The actual distribution to wage claimants included above, if any, will be the proposed payment less applicable withholding taxes (which will be remitted to the appropriate taxing authorities).

Timely claims of general (unsecured) creditors totaling \$ 10,516,204.72 have been allowed and will be paid pro rata only after all allowed administrative and priority claims have been paid in full. The timely allowed general (unsecured) dividend is anticipated to be 0.3 percent, plus interest (if applicable).

Timely allowed general (unsecured) claims are as follows:

Claim No.	Claimant	Allowed Amount of Claim	Interim Payments to Date	Proposed Payment
000001A	200 RIVER LANDING DR PHASE 1	\$ 132.50	\$ 0.00	\$ 0.45
000001B	200 RIVER LANDING DR PHASE 1	\$ 3,372.00	\$ 0.00	\$ 11.45
000002	SOUTHCOAST COMMUNITY BANK	\$ 114,692.75	\$ 0.00	\$ 389.51
000003	CRM MID-ATLANTIC PROPERTIES	\$ 672,012.27	\$ 0.00	\$ 2,282.21
000004	SUNTRUST BANK	\$ 693,416.00	\$ 0.00	\$ 2,354.90
000005	SUNTRUST BANK	\$ 928,333.65	\$ 0.00	\$ 3,152.71
000006	SUNTRUST BANK	\$ 819,434.08	\$ 0.00	\$ 2,782.87
000007	CRM MID-ATLANTIC PROPERTIES	\$ 1,046,511.24	\$ 0.00	\$ 3,554.05
000008	TD BANK, N.A.	\$ 3,862,548.66	\$ 0.00	\$ 13,117.56
000009	RES-SC ONE, LLC	\$ 2,375,751.57	\$ 0.00	\$ 8,068.27

Total to be paid to timely general unsecured creditors \$ 35,713.98

Remaining Balance \$ 0.00

Tardily filed claims of general (unsecured) creditors totaling \$ 0.00 have been allowed and will be paid pro rata only after all allowed administrative, priority and timely filed general (unsecured) claims have been paid in full. The tardily filed claim dividend is anticipated to be 0.0 percent.

Tardily filed general (unsecured) claims are as follows:

NONE

Subordinated unsecured claims for fines, penalties, forfeitures, or damages and claims ordered subordinated by the Court totaling \$ 0.00 have been allowed and will be paid pro rata only after all allowed administrative, priority and general (unsecured) claims have been paid in full. The dividend for subordinated unsecured claims is anticipated to be 0.0 percent.

Subordinated unsecured claims for fines, penalties, forfeitures or damages and claims ordered subordinated by the Court are as follows:

NONE

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:

VIRGIL RAY PASSAILAIGUE and
STACY L. PASSAILAIGUE,

Debtors.

Case No. 11-01866-D
Chapter 7A

CERTIFICATE OF MAILING

I, Gloria P. Sanchez, Legal Assistant to Kevin Campbell, Chapter 7 Bankruptcy Trustee, hereby certify that I have this day mailed a true and correct copy of the **Notice of Trustee's Final Report and Applications For Compensation and Deadline to Object (NFR)**, properly addressed and proper postage affixed, to the parties, on the attached mailing list.

The following parties are being noticed electronically:

The Office of the United States Trustee
Suite 953
1853 Assembly Street
Columbia, SC 29201

/s/ Gloria P. Sanchez
GLORIA P. SANCHEZ
Legal Assistant
Kevin Campbell, Trustee
P. O. Box 684
Mount Pleasant, SC 29465-0684
Tel. No. (843) 884-6874
Fax No. (843) 884-0997

Dated: November 28, 2011.

Label Matrix for local noticing
0420-2

Case 11-01866-dd
District of South Carolina
Charleston
Thu Nov 17 09:21:41 EST 2011

Alec A Gizzi
200 Regency Drive
Glendale Heights IL 60139-2265

B F Passallaigue Jr
Naomi C Passallaigue
4706 Mimosa St
North Charleston SC 29405-6745

Book 'Em Brothers LLC
c/o Jerry Beach
248 Delahow
Charleston SC 29492-8276

Kevin Campbell
PO Box 684
Mount Pleasant, SC 29465-0684

David Pagliarini, Esq.
Hinohey Murray & Pagliarini
234 Seven Farms Drive, # 300
Charleston SC 29492-7101

Frank Cisa, Esq.
Cisa & Dodds
858 Lowcountry Blvd, Ste 101
Mount Pleasant SC 29464-3080

Jerry Beach
Joyce Beach
c/o 248 Delahow
Charleston SC 29492-8276

Matthew J Keller
1015 E. State Parkway
Schaumburg IL 60173-4594

Multibank 2009-1 Res-ADC Venture LLC
700 NW 107 Ave, Ste 400
Miami FL 33172-3139

200 River Landing Dr Phase J
Condo Association Inc.
c/o Michael Wright, Esq.
177 Meeting Street, Ste 300
Charleston SC 29401-3204

American Roofing Concepts
c/o Laree Anne Hensley
1495 Remount Rd
Charleston SC 29406-3320

Bank of America
4161 Piedmont Pkwy
Greensboro NC 27410-8119

CRN MID-ATLANTIC PROPERTIES
c/o Stanley H. McGuffin, Esq.
Haynesworth Sinkler Boyd, PA
PO Box 11889
Columbia, SC 29211-1889

Clyde L Hiers CPA
225 Seven Farms Drive, #202
Charleston SC 29492-8353

Elizabeth Bailey, Esq
Haynesworth Sinkler Boyd
134 Meeting Street, 3rd Floor
Charleston SC 29401-2224

Guardian Life Insurance
PCB 26100
Lehigh Valley PA 18002-6100

Karen D Gizzi
30 West 115 St. Andrews Lane
West Chicago IL 60185

Matthew J Keller
Pamela J Keller
1015 E. State Parkway
Schaumburg IL 60173-4594

Nancy J Dlnaio
2602 Royal Lytham Drive
Saint Charles IL 60174-8769

ADT
Eversafe Security Systems Inc
475 Market St, Suite 301
Elmwood Park. NJ 07407-3126

American Roofing Concepts
c/o Smith & Koontz
P.O. Box 40578
Charleston SC 29423-0578

Bank of America
475 Crosspoint Pkwy
Getzville NY 14068-1609

CRN Mid-Atlantic Properties LLC
Mail Code NC-Charlotte-0872
6836 Morrison Blvd, Ste 327
Charlotte NC 28211-2612

Coastal Carolina Cleaners LLC
c/o Matt Keller
233 King George St
Charleston SC 29492-8244

Fleet Freeman, Esq.
941 Houston Northcutt Blvd Ste 204
Mount Pleasant SC 29464-5647

Harris & Pritchard Contracting
Services LLC
c/o 656 Cedar Point Street
Charleston SC 29412

Korn Law Firm
PO Box 11264
Columbia SC 29211-1264

Midland Mortgage Corp.
c/o Peake Fowler & Assoc PA
PO Box 23601
Columbia SC 29224-3601

Ivan N. Nossokoff
Ivan N. Nossokoff, LLC
1470 Tobias Gadson Blvd., Suite 107
Charleston, SC 29407-4835

Virgil Ray Passailaigue
54 Woodford Street
Charleston, SC 29492-7966

Passailaigue Homes Inc.
c/o 54 Woodford Street
Charleston SC 29492-7966

Brandon K. Poston
Nelson Mullins Riley & Scarborough
1320 Main Street
Columbia, SC 29201-3204

RES-SC ONE, LLC
Rialto Capital Management
Rialto Capital Advisors, LLC
700 NW 107 Avenue, Ste 200
Miami, FL 33172-3138

RES-SC ONE, LLC
Rogers Townsend Thomas
PO Box 100200
Columbia SC 29202-3200

Ray Passailaigue, LLC
c/o 54 Woodford Street
Charleston SC 29492-7966

Recovery Management Systems Corporation
25 SE Second Avenue
Suite 1120
Miami, FL 33131-1605

Recovery Management Systems Corporation
25 S.E. 2nd Avenue, Suite 1120
Miami, FL 33131-1605

Red Bay Constructors Corp
c/o Carlock Copeland & Stair, LLP
40 Calhoun St., Ste. 400
Charleston SC 29401-3511

Rialto Capital Management
Rialto Capital Advisors LLC
700 NW 107 Avenue Ste 200
Miami FL 33172-3138

Rogers Townsend Thomas
PO Box 100200
Columbia SC 29202-3200

SUNTRUST MORTGAGE INC
BANKRUPTCY DEPARTMENT RVW 3034 P.O. BOX
RICHMOND VA 23261

Sam Dimaio
200 Regency
Glendale Heights IL 60139-2265

Sam Dimaio
Nancy J Dimaio
2602 Royal Lytham Drive
Saint Charles IL 60174-8769

Samuel Altman Esq
P O BOX 600
Charleston SC 29402-0600

Samuel H Altman Esq
Derfner Altman & Wilborn LLC
575 King Street, Ste B
Charleston SC 29403-5521

Site 3 LLC
c/o 578 Chimney Bluff Dr
Mount Pleasant SC 29464-8113

Southcoast Community Bank
530 Johnnie Dodds Blvd
Mount Pleasant SC 29464-3083

Southcoast Community Bank
830 Johnnie Dodds Blvd
Mount Pleasant SC 29464

SunTrust Bank
c/o Stanley H. McGuffin, Esq.
Haynsworth Sinkler Boyd, PA
PO Box 11889
Columbia, SC 29211-1889

SunTrust Mortgage
1001 Semmes Ave Ste 600
Richmond VA 23224-2245

Suntrust Bank
c/o Louise M Johnson, Esq.
Haynsworth Sinkler Boyd PA
1201 Main St, 22nd Floor
Columbia SC 29201-3200

Suntrust Mortgage Inc.
c/o Korn Law Firm
PO Box 11264
Columbia SC 29211-1264

TD Bank, N.A.
c/o Nelson Mullins Riley & Scarborough
P.O. Box 11070
Columbia, SC 29211-1070

TD Bank, N.A.
c/o Nelson Mullins Riley & Scarborough,
Attn: Keith Poston
P.O. Box 11070
Columbia, SC 29211-1070

Thornwell Partners, LLC
c/o Jerry Saad
1249 S. Pleasantburg Dr
Greenville SC 29605-1353

US Trustee's Office
Stron Thurmond Federal Building
1835 Assembly St.
Suite 953
Columbia, SC 29201-2448

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(d)Virgil Ray Passailaigue
54 Woodford Street
Charleston SC 29492-7966

End of Label Matrix
Mailable recipients 60
Bypassed recipients 1
Total 61

Label Matrix for local noticing
0420-2

200 River Landing Dr Phase 1
Condo Association Inc.
Page 32 of 34

ADT
Eversafe Security Systems Inc
475 Market St, Suite 301
Elmwood Park, NJ 07407-3126

Case 11-01866-dd
District of South Carolina
Charleston
Thu Nov 17 09:21:41 EST 2011

c/o Michael Wright, Esq.
177 Meeting Street, Ste 300
Charleston SC 29401-3204

Alec A Gizzi
200 Regency Drive
Glendale Heights IL 60139-2265

American Roofing Concepts
c/o Larae Anne Mensley
1495 Remount Rd
Charleston SC 29406-3320

American Roofing Concepts
c/o Smith & Koontz
P.O. Box 40578
Charleston SC 29423-0578

B F Passallaigue Jr
Naomi C Passallaigue
4706 Mimosa St
North Charleston SC 29405-6745

Bank of America
4161 Piedmont Pkwy
Greensboro NC 27410-8119

Bank of America
475 Crosspoint Pkwy
Getzville NY 14068-1609

Book 'Em Brothers LLC
c/o Jerry Beach
248 Delahow
Charleston SC 29492-8276

CRM MID-ATLANTIC PROPERTIES
c/o Stanley H. McGuffin, Esq.
Haynesworth Sinkler Boyd, PA
PO Box 11889
Columbia, SC 29211-1889

CRM Mid-Atlantic Properties LLC
Mail Code NC-Charlotte-0872
6836 Morrison Blvd, Ste 327
Charlotte NC 28211-2612

Kevin Campbell
PO Box 684
Mount Pleasant, SC 29465-0684

Clyde L Kiers CPA
225 Seven Farms Drive, #202
Charleston SC 29492-8353

Coastal Carolina Cleaners LLC
c/o Matt Keller
233 King George St
Charleston SC 29492-8244

David Pagliarini, Esq.
Winchey Murray & Pagliarini
234 Seven Farms Drive, # 300
Charleston SC 29492-7101

Elizabeth Bailey, Esq
Haynesworth Sinkler Boyd
134 Meeting Street, 3rd Floor
Charleston SC 29401-2224

Fleet Freeman, Esq.
941 Houston Northcutt Blvd Ste 204
Mount Pleasant SC 29464-5647

Frank Cisa, Esq.
Cisa & Dodds
858 Lowcountry Blvd, Ste 101
Mount Pleasant SC 29464-3080

Guardian Life Insurance
POB 26100
Lehigh Valley PA 18002-6100

Harris & Pritchard Contracting
Services LLC
c/o 656 Cedar Point Street
Charleston SC 29412

Jerry Beach
Joyce Beach
c/o 248 Delahow
Charleston SC 29492-8276

Karen D Gizzi
30 West 115 St. Andrews Lane
West Chicago IL 60185

Korn Law Firm
PO Box 11264
Columbia SC 29211-1264

Matthew J Keller
1015 E. State Parkway
Schaumburg IL 60173-4594

Matthew J Keller
Pamela J Keller
1015 E. State Parkway
Schaumburg IL 60173-4594

Midland Mortgage Corp.
c/o Peake Fowler & Assoc PA
PO Box 23601
Columbia SC 29224-3601

Multibank 2009-1 Res-ADC Venture LLC
700 NW 107 Ave, Ste 400
Miami FL 33172-3139

Nancy J Dimaio
2602 Royal Lytham Drive
Saint Charles IL 60174-8769

Ivan N. Nossokoff
Ivan N. Nossokoff, LLC
1470 Tobias Gadson Blvd., Suite 107
Charleston, SC 29407-4835

Palm Blvd Partnership LLC
c/o Matthew Keller
1015 E. State Parkway
Schaumburg IL 60173-4594

Paralela J Keller
1015 E. State Parkway
Schaumburg IL 60173-4594

Stacy L Passailaigue
54 Woodford Street
Charleston, SC 29492-7966

Virgil Ray Passailaigue
54 Woodford Street
Charleston, SC 29492-7966

Passailaigue Homes Inc.
c/o 54 Woodford Street
Charleston SC 29492-7966

Brandon K. Poston
Nelson Mullins Riley & Scarborough
1320 Main Street
Columbia, SC 29201-3204

RES-SC ONE, LLC
Rialto Capital Management
Rialto Capital Advisors, LLC
700 NW 107 Avenue, Ste 200
Miami, FL 33172-3138

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Miami, FL 33131-1605

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40 Calhoun St., Ste. 400
Charleston SC 29401-3531

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Rialto Capital Advisors LLC
700 NW 107 Avenue Ste 200
Miami FL 33172-3138

Rogers Townsend Thomas
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Columbia SC 29202-3200

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BANKRUPTCY DEPARTMENT RVW 3034 P.O. BOX
RICHMOND VA 23261

Sam Dimaio
200 Regency
Glendale Heights IL 60139-2265

Sam Dimaio
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2602 Royal Lytham Drive
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Samuel Altman Esq
P O BOX 600
Charleston SC 29402-0600

Samuel H Altman Esq
Derfner Altman & Wilborn LLC
575 King Street, Ste B
Charleston SC 29403-5521

Site 3 LLC
c/o 578 Chimney Bluff Dr
Mount Pleasant SC 29464-8113

Southcoast Community Bank
530 Johnnie Dodds Blvd
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Southcoast Community Bank
830 Johnnie Dodds Blvd
Mount Pleasant SC 29464

SunTrust Bank
c/o Stanley H. McGuffin, Esq.
Haynsworth Sinkler Boyd, PA
PO Box 11889
Columbia, SC 29211-1889

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1001 Semmes Ave Ste 600
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Suntrust Bank
c/o Louise H Johnson, Esq.
Haynsworth Sinkler Boyd PA
1201 Main St, 22nd Floor
Columbia SC 29201-3200

Suntrust Mortgage Inc.
c/o Korn Law Firm
PO Box 11264
Columbia SC 29211-1264

TD Bank, N.A.
c/o Nelson Mullins Riley & Scarborough
P.O. Box 11070
Columbia, SC 29211-1070

TD Bank, N.A.
c/o Nelson Mullins Riley & Scarborough,
Attn: Keith Poston
P.O. Box 11070
Columbia, SC 29211-1070

Thornwell Partners, LLC
c/o Jerry Saad
1249 S. Pleasantburg Dr
Greenville SC 29605-1353

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Strom Thurmond Federal Building
1835 Assembly St.
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Columbia, SC 29281-2448

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54 Woodford Street
Charleston SC 29492-7966

End of Label Matrix	
Mailable recipients	60
Bypassed recipients	1
Total	61

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In re: §
§
PASSAILAIGUE, VIRGIL RAY § Case No. 11-01866 DRD
PASSAILAIGUE, STACY L §
§
Debtor(s) §

CHAPTER 7 TRUSTEE'S FINAL ACCOUNT AND DISTRIBUTION
REPORT CERTIFICATION THAT THE ESTATE HAS BEEN FULLY
ADMINISTERED AND APPLICATION TO BE DISCHARGED (TDR)

KEVIN CAMPBELL, chapter 7 trustee, submits this Final Account, Certification that the Estate has been Fully Administered and Application to be Discharged.

1) All funds on hand have been distributed in accordance with the Trustee's Final Report and, if applicable, any order of the Court modifying the Final Report. The case is fully administered and all assets and funds which have come under the trustee's control in this case have been properly accounted for as provided by law. The trustee hereby requests to be discharged from further duties as a trustee.

2) A summary of assets abandoned, assets exempt, total distributions to claimants, claims discharged without payment, and expenses of administration is provided below:

Assets Abandoned: 509,976.00 (Without deducting any secured claims)	Assets Exempt: 149,370.50
Total Distributions to Claimants: 1,145,198.07	Claims Discharged Without Payment: 12,955,439.29
Total Expenses of Administration: 108,691.32	

3) Total gross receipts of \$ 1,253,889.39 (see Exhibit 1), minus funds paid to the debtor and third parties of \$ 0.00 (see Exhibit 2), yielded net receipts of \$ 1,253,889.39 from the liquidation of the property of the estate, which was distributed as follows:

	CLAIMS SCHEDULED	CLAIMS ASSERTED	CLAIMS ALLOWED	CLAIMS PAID
SECURED CLAIMS (from Exhibit 3)	\$ 4,300,647.00	\$ 1,355,056.51	\$ 1,355,056.51	\$ 1,109,484.09
PRIORITY CLAIMS: CHAPTER 7 ADMIN. FEES AND CHARGES (from Exhibit 4)	NA	108,794.89	108,794.89	108,691.32
PRIOR CHAPTER ADMIN. FEES AND CHARGES (from Exhibit 5)	NA	NA	NA	NA
PRIORITY UNSECURED CLAIMS (from Exhibit 6)	NA	NA	NA	NA
GENERAL UNSECURED CLAIMS (from Exhibit 7)	6,653,949.00	10,516,204.72	10,516,204.72	35,713.98
TOTAL DISBURSEMENTS	\$ 10,954,596.00	\$ 11,980,056.12	\$ 11,980,056.12	\$ 1,253,889.39

4) This case was originally filed under chapter 7 on 03/22/2011 . The case was pending for 14 months.

5) All estate bank statements, deposit slips, and canceled checks have been submitted to the United States Trustee.

6) An individual estate property record and report showing the final accounting of the assets of the estate is attached as Exhibit 8. The cash receipts and disbursements records for each estate bank account, showing the final accounting of the receipts and disbursements of estate funds is attached as Exhibit 9.

Pursuant to Fed R Bank P 5009, I hereby certify, under penalty of perjury, that the foregoing report is true and correct.

Dated: 05/08/2012 By: /s/KEVIN CAMPBELL

Trustee

STATEMENT: This Uniform Form is associated with an open bankruptcy case, therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

**EXHIBITS TO
FINAL ACCOUNT**

EXHIBIT 1 – GROSS RECEIPTS

DESCRIPTION	UNIFORM TRAN. CODE ¹	\$ AMOUNT RECEIVED
54 WOODFORD STREET, DANIEL ISLAND (CHARLESTON), SC	1110-000	880,117.95
2704 PALM BLVD, ISLE OF PALMS, SC 29451, LOT 15,	1110-000	352,500.00
UBS RESOURCE MANAGEMENT ACCOUNT #*036 (INCLUDES	1129-000	11,315.50
BOOK 'EM BROTHERS LLC -50% OWNERSHIP -ASSETS	1129-000	3,000.00
TAX REFUNDS - 2010 STATE AND FEDERAL TAXES	1224-000	6,955.00
Post-Petition Interest Deposits	1270-000	0.94
TOTAL GROSS RECEIPTS		\$ 1,253,889.39

¹The Uniform Transaction Code is an accounting code assigned by the trustee for statistical reporting purposes.

EXHIBIT 2 – FUNDS PAID TO DEBTOR & THIRD PARTIES

PAYEE	DESCRIPTION	UNIFORM TRAN. CODE	\$ AMOUNT PAID
NA		NA	NA
TOTAL FUNDS PAID TO DEBTOR & THIRD PARTIES			\$ 0.00

EXHIBIT 3 – SECURED CLAIMS

CLAIM NO.	CLAIMANT	UNIFORM TRAN. CODE	CLAIMS SCHEDULED (from Form 6D)	CLAIMS ASSERTED	CLAIMS ALLOWED	CLAIMS PAID
	Creditor #: 1 Bank of America 475 Crosspoint Pkwy Getzville, NY 14068-1609		990,962.00	NA	NA	0.00
	Creditor #: 2 Bank of America 4161 Piedmont Pkwy Greensboro, NC 27410-8110		440,213.00	NA	NA	0.00
	Creditor #: 3 Guardian Life Insurance POB 26100 Lehigh Valley, PA 18002		62,472.00	NA	NA	0.00
	Creditor #: 4 Southcoast Community Bank 530 Johnnie Dodds Blvd Mount Pleasant, SC 29464		2,610,000.00	NA	NA	0.00
	BANK OF AMERICA	4110-000	NA	6,000.00	6,000.00	6,000.00
	BANK OF AMERICA, N.A.	4110-000	NA	780,042.80	780,042.80	780,042.80
000010	SITE 3 LLC	4110-000	75,000.00	123,351.82	123,351.82	0.00
	SOUTHCOAST COMMUNITY BANK	4110-000	NA	323,441.29	323,441.29	323,441.29
000011	SUNTRUST MORTGAGE INC	4110-000	122,000.00	122,220.60	122,220.60	0.00
TOTAL SECURED CLAIMS			\$ 4,300,647.00	\$ 1,355,056.51	\$ 1,355,056.51	\$ 1,109,484.09

EXHIBIT 4 – CHAPTER 7 ADMINISTRATIVE FEES and CHARGES

PAYEE	UNIFORM TRAN. CODE	CLAIMS SCHEDULED	CLAIMS ASSERTED	CLAIMS ALLOWED	CLAIMS PAID
KEVIN CAMPBELL, TRUSTEE	2100-000	NA	33,812.45	33,812.45	33,812.45
KEVIN CAMPBELL, TRUSTEE	2200-000	NA	264.40	264.40	264.40
BERKELEY COUNTY REGISTER OF DEEDS	2500-000	NA	3,125.50	3,125.50	3,125.50
CHARLESTON COUNTY RMC	2500-000	NA	2.50	2.50	2.50
RMC OF CHARLESTON COUNTY	2500-000	NA	371.25	371.25	371.25
RMC OF CHARLESTON COUNTY	2500-000	NA	877.50	877.50	877.50
SOUTHCOAST COMMUNITY BANK	2500-000	NA	5.00	5.00	5.00
BANK OF AMERICA	2600-000	NA	50.61	50.61	50.61
BERKELEY COUNTY TREASURER	2820-000	NA	4,505.65	4,505.65	4,505.65
CHARLESTON COUNTY TREASURER	2820-000	NA	4,364.96	4,364.96	4,364.96
DAVID R. FISCHBEIN	3410-000	NA	1,430.00	1,430.00	1,430.00
DAVID R. FISCHBEIN	3420-000	NA	103.57	103.57	0.00
CAROLINA ONE REAL ESTATE	3510-000	NA	16,898.00	16,898.00	16,898.00

PAYEE	UNIFORM TRAN. CODE	CLAIMS SCHEDULED	CLAIMS ASSERTED	CLAIMS ALLOWED	CLAIMS PAID
CHARLESTON COASTAL REALTORS	3510-000	NA	16,898.00	16,898.00	16,898.00
HARBINS TWO, INC.	3510-000	NA	16,898.00	16,898.00	16,898.00
THE BEACH COMPANY	3510-000	NA	8,437.50	8,437.50	8,437.50
BROWNYARD LAW FIRM, P.A.	3991-000	NA	750.00	750.00	750.00
TOTAL CHAPTER 7 ADMIN. FEES AND CHARGES		\$ NA	\$ 108,794.89	\$ 108,794.89	\$ 108,691.32

EXHIBIT 5 – PRIOR CHAPTER ADMINISTRATIVE FEES and CHARGES

PAYEE	UNIFORM TRAN. CODE	CLAIMS SCHEDULED	CLAIMS ASSERTED	CLAIMS ALLOWED	CLAIMS PAID
NA	NA	NA	NA	NA	NA
TOTAL PRIOR CHAPTER ADMIN. FEES AND CHARGES		\$ NA	\$ NA	\$ NA	\$ NA

EXHIBIT 6 – PRIORITY UNSECURED CLAIMS

CLAIM NO.	CLAIMANT	UNIFORM TRAN. CODE	CLAIMS SCHEDULED (from Form 6E)	CLAIMS ASSERTED (from Proofs of Claim)	CLAIMS ALLOWED	CLAIMS PAID
NA	NA	NA	NA	NA	NA	NA
TOTAL PRIORITY UNSECURED CLAIMS			\$ NA	\$ NA	\$ NA	\$ NA

EXHIBIT 7 - GENERAL UNSECURED CLAIMS

CLAIM NO.	CLAIMANT	UNIFORM TRAN. CODE	CLAIMS SCHEDULED (from Form 6F)	CLAIMS ASSERTED (from Proofs of Claim)	CLAIMS ALLOWED	CLAIMS PAID
	Creditor #: 10 Fleet Freeman, Esq. 941 Houston Northcutt Blvd Ste 204 Mount Pleasant, SC 29464		0.00	NA	NA	0.00
	Creditor #: 11 Frank Cisa, Esq. Cisa & Dodds 858 Lowcountry Blvd, Ste 101 Mount Pleasant, SC 29464		0.00	NA	NA	0.00
	Creditor #: 12 Harris & Pritchard Contracting Services LLC c/o 656 Cedar Point Street Charleston, SC 29412		0.00	NA	NA	0.00
	Creditor #: 13 Jerry Beach Joyce Beach c/o 248 Delahoy Charleston, SC 29492		0.00	NA	NA	0.00
	Creditor #: 14 Karen D Gizzi 30 West 115 St. Andrews Lane West Chicago, IL 60185		0.00	NA	NA	0.00
	Creditor #: 15 Matthew J Keller Pamela J Keller 1015 E. State Parkway Schaumburg, IL 60173		0.00	NA	NA	0.00

CLAIM NO.	CLAIMANT	UNIFORM TRAN. CODE	CLAIMS SCHEDULED (from Form 6F)	CLAIMS ASSERTED (from Proofs of Claim)	CLAIMS ALLOWED	CLAIMS PAID
	Creditor #: 16 Midland Mortgage Corp. c/o Peake Fowler & Assoc PA PO Box 23601 Columbia, SC 29224		0.00	NA	NA	0.00
	Creditor #: 17 Multibank 2009-1 Res-ADC Venture LLC 700 NW 107 Ave, Ste 400 Miami, FL 33172		760,013.00	NA	NA	0.00
	Creditor #: 18 Palm Blvd Partnership LLC c/o Matthew Keller 1015 E. State Parkway Schaumburg, IL 60173		0.00	NA	NA	0.00
	Creditor #: 19 Red Bay Constructors Corp c/o Carlock Copeland & Stair, LLP 40 Calhoun St., Ste. 400 Charleston, SC 29401		0.00	NA	NA	0.00
	Creditor #: 2 Alec A Gizzi 200 Regency Drive Glendale Heights, IL 60139		0.00	NA	NA	0.00
	Créditor #: 20 Reliance Trust Company 1100 Abernathy Rd 500 Northpark, Ste 400 Atlanta, GA 30328		0.00	NA	NA	0.00

CLAIM NO.	CLAIMANT	UNIFORM TRAN. CODE	CLAIMS SCHEDULED (from Form 6F)	CLAIMS ASSERTED (from Proofs of Claim)	CLAIMS ALLOWED	CLAIMS PAID
	Creditor #: 22 Sam Dimaio Nancy J Dimaio 2602 Royal Lytham Drive Saint Charles, IL 60174		0.00	NA	NA	0.00
	Creditor #: 23 Site 3 LLC c/o 578 Chimney Bluff Dr Mount Pleasant, SC 29464		75,000.00	NA	NA	0.00
	Creditor #: 28 Suntrust Bank c/o Louise M Johnson, Esq. Haynsworth Sinkler Boyd PA 1201 Main St, 22nd Floor Columbia, SC 29201		1,014,001.00	NA	NA	0.00
	Creditor #: 29 Suntrust Bank c/o Louise M Johnson, Esq. Haynsworth Sinkler Boyd PA 1201 Main St, 22nd Floor Columbia, SC 29201		651,137.00	NA	NA	0.00
	Creditor #: 3 American Roofing Concepts c/o Smith & Koontz P.O. Box 40578 Charleston, SC 29423		7,110.00	NA	NA	0.00
	Creditor #: 31 Suntrust Mortgage Inc. c/o Korn Law Firm PO Box 11264 Columbia, SC 29211		0.00	NA	NA	0.00

CLAIM NO.	CLAIMANT	UNIFORM TRAN. CODE	CLAIMS SCHEDULED (from Form 6F)	CLAIMS ASSERTED (from Proofs of Claim)	CLAIMS ALLOWED	CLAIMS PAID
	Creditor #: 32 Thornwell Partners, LLC c/o Jerry Saad 1249 S. Pleasantburg Dr Greenville, SC 29605		0.00	NA	NA	0.00
	Creditor #: 33 Wendi Freeman, Esq. 1040 eWall St Mount Pleasant, SC 29464		0.00	NA	NA	0.00
	Creditor #: 4 American Roofing Concepts c/o Laree Anne Hensley 1495 Remount Rd Charleston, SC 29406		0.00	NA	NA	0.00
	Creditor #: 5 Book 'Em Brothers LLC c/o Jerry Beach 248 Delahow Charleston, SC 29492		0.00	NA	NA	0.00
	Creditor #: 6 Clyde L Hiers CPA 225 Seven Farms Drive, #202 Charleston, SC 29492		0.00	NA	NA	0.00
	Creditor #: 7 Coastal Carolina Cleaners LLC c/o Matt Keller 233 King George St Charleston, SC 29492		0.00	NA	NA	0.00

CLAIM NO.	CLAIMANT	UNIFORM TRAN. CODE	CLAIMS SCHEDULED (from Form 6F)	CLAIMS ASSERTED (from Proofs of Claim)	CLAIMS ALLOWED	CLAIMS PAID
	Creditor #: 9 David Pagliarini, Esq. Hinchey Murray & Pagliarini 234 Seven Farms Drive, # 300 Charleston, SC 29492		1,500.00	NA	NA	0.00
000001A	200 RIVER LANDING DR PHASE I	7100-000	NA	132.50	132.50	0.45
000001B	200 RIVER LANDING DR PHASE I	7100-000	0.00	3,372.00	3,372.00	11.45
000003	CRM MID-ATLANTIC PROPERTIES	7100-000	651,137.00	672,012.27	672,012.27	2,282.21
000007	CRM MID-ATLANTIC PROPERTIES	7100-000	1,014,001.00	1,046,511.24	1,046,511.24	3,554.05
000009	RES-SC ONE, LLC	7100-000	0.00	2,375,751.57	2,375,751.57	8,068.27
000002	SOUTHCOAST COMMUNITY BANK	7100-000	114,693.00	114,692.75	114,692.75	389.51
000004	SUNTRUST BANK	7100-000	671,883.00	693,416.00	693,416.00	2,354.90
000005	SUNTRUST BANK	7100-000	899,496.00	928,333.65	928,333.65	3,152.71
000006	SUNTRUST BANK	7100-000	793,978.00	819,434.08	819,434.08	2,782.87
000008	TD BANK, N.A.	7100-000	NA	3,862,548.66	3,862,548.66	13,117.56
TOTAL GENERAL UNSECURED CLAIMS			\$ 6,653,949.00	\$ 10,516,204.72	\$ 10,516,204.72	\$ 35,713.98

ASSET CASES

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
Case Name: PASSAILAIGUE, VIRGIL RAY
PASSAILAIGUE, STACY L
For Period Ending: 05/08/12

Trustee Name: KEVIN CAMPBELL
Date Filed (f) or Converted (c): 03/22/11 (f)
341(a) Meeting Date: 04/27/11
Claims Bar Date: 07/04/11

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(n) DA=554(c)	Sale/Funds Received by the Estate	Asset Fully Adm (FA)/ Gross Value of Remain Assets	Lien Amount	Exempt Amount
1. 4706 MIMOSA STREET, CHARLESTON SC 29405, LOT 20-B, WANDO WOODS, TMS #410500194. REMAINDER INTEREST AFTER LIFE ESTATES OF BF PASSAILAIGUE, JR. AND NAOMI C PASSAILAIGUE. (NOTE: DEBTOR'S INTEREST IS SUBJECT TO JUDGMENT LIENS TO SUNTRUST BANK, ET AL, WHICH ARE LISTED ON SCHEDULE F AND INCORPORATED HERE BY REFERENCE.) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	149,500.00	27,500.00	DA	0.00	FA	122,000.00	0.00
2. 54 WOODFORD STREET, DANIEL ISLAND (CHARLESTON), SC 29492, TMS 2711502018, LOT 25, BLOCK C, DANIEL ISLAND PARK. (NOTE: DEBTOR'S INTEREST IS SUBJECT TO JUDGMENT LIENS TO SUNTRUST BANK, ET AL, WHICH ARE LISTED ON SCHEDULE F AND INCORPORATED HERE BY REFERENCE.) [SOLD]	750,000.00	880,117.95		880,117.95	FA	1,431,175.00	0.00
3. 2704 PALM BLVD, ISLE OF PALMS, SC 29451, LOT 15, SECTIONS C-2, TMS 5710900186 (1/8TH INTEREST OWNED BY HUSBAND, ADDITIONAL 1/8TH INTEREST OWNED BY WIFE = 25 PERCENT OF THE TOTAL FEE) (NOTE: DEBTOR'S INTEREST IS SUBJECT TO JUDGMENT LIENS TO SUNTRUST BANK, ET AL, WHICH ARE LISTED ON SCHEDULE F AND INCORPORATED HERE BY REFERENCE.)	437,000.00	352,500.00		352,500.00	FA	2,794,263.00	0.00
4. CASH THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	160.00	0.00	DA	0.00	FA	0.00	160.00
5. CHECKING ACCOUNT, FIRST CITIZENS BANK, #*66091 JOINT ACCOUNT; INTERESTS SHOW ON SCHEDULES SEPARATELY. THERE WAS	22.50	0.00	DA	0.00	FA	0.00	22.50

ASSET CASES

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
Case Name: PASSAILAIGUE, VIRGIL RAY
PASSAILAIGUE, STACY L.

Trustee Name: KEVIN CAMPBELL
Date Filed (f) or Converted (c): 03/22/11 (f)
341(a) Meeting Date: 04/27/11
Claims Bar Date: 07/04/11

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) DA=554(c)	Sale/Funds Received by the Estate	Asset Fully Adm (FA) Gross Value of Remain Assets	Lien Amount	Exempt Amount
INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption							
6. CHECKING ACCOUNT, FIRST CITIZENS BANK, #0509 (JOINT ACCOUNT; INTEREST SHOWN ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	335.00	0.00	DA	0.00	FA	0.00	335.00
7. UBS RESOURCE MANAGEMENT ACCOUNT #*036 (INCLUDES CASH, C. \$332.00, PLUS EQUITIES). ESTATE RECEIVED NON-EXEMPT VALUE OF ACCOUNT. Debtor Claimed Exemption	21,658.00	11,315.50		11,315.50	FA	0.00	10,342.50
8. CHECKING ACCOUNT, FIRST CITIZENS BANK, #*6609 (JOINT ACCOUNT; INTERESTS SHOWN ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	22.50	0.00	DA	0.00	FA	0.00	22.50
9. CHECKING ACCOUNT, FIRST CITIZENS BANK, #0509 (JOINT ACCOUNT; INTERESTS SHOWN ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	335.00	0.00	DA	0.00	FA	0.00	335.00
10. FURNITURE (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	2,400.00	0.00	DA	0.00	FA	0.00	2,400.00
11. FURNITURE (JOINTLY OWNED; INTERESTS SHOWN ON	2,400.00	0.00	DA	0.00	FA	0.00	2,400.00

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ASSET CASES

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
Case Name: PASSAILAIGUE, VIRGIL RAY
PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL.

Date Filed (f) or Converted (c): 03/22/11 (f)

341(a) Meeting Date: 04/27/11

Claims Bar Date: 07/04/11

1	2	3	4	5	6	7	8
Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA=554(a) DA=554(c)	Safe/Funds Received by the Estate	Asset Fully Admin (FA) Gross Value of Remain Assets	Lien Amount	Exempt Amount
SCHEDULES SEPARATELY. (JOINT ACCOUNT; INTERESTS SHOWN ON SCHEDULES SEPARATELY). THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption							
12. CLOTHING THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	200.00	0.00	DA	0.00	FA	0.00	200.00
13. CLOTHING THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	450.00	0.00	DA	0.00	FA	0.00	450.00
14. MISC JEWELRY THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	750.00	0.00	DA	0.00	FA	0.00	750.00
15. MISC JEWELRY THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	200.00	0.00	DA	0.00	FA	0.00	200.00
16. SPORTS EQUIPMENT: -GOLF CLUBS AND TENNIS RACKETS (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY.) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	37.50	0.00	DA	0.00	FA	0.00	37.50
17. SPORTS EQUIPMENT: -GOLF CLUBS AND TENNIS RACKETS (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY.) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE	37.50	0.00	DA	0.00	FA	0.00	37.50

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ASSET CASES

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
Case Name: PASSAILAIGUE, VIRGIL RAY
PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL

Date Filed (f) or Converted (c): 03/22/11 (f)

341(a) Meeting Date: 04/27/11

Claims Bar Date: 07/04/11

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ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption							
18. HEALTH SAVINGS ACCOUNT, FIRST FEDERAL, #9193 -USED FOR HUSBAND AND WIFE. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	2.00	0.00	DA	0.00	FA	0.00	4.00
19. GUARDIAN LIFE INSURANCE, #780, DB \$200,000 WHOLE LIFE, INSURANCE HUSBAND, BENEFICIARY: WIFE - LOAN BALANCE \$62,472; CASH/LOAN VALUE \$5,823. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	0.00	0.00	DA	0.00	FA	62,472.00	0.00
20. STATE FARM INSURANCE, #2911, DB \$250,000. UNIVERSAL LIFE, INSURANCE HUSBAND, BENEFICIARY: WIFE. CASH/SURRENDER VALUE \$63,445. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	0.00	0.00	DA	0.00	FA	0.00	4,275.00
21. STATE FARM INSURANCE, #4557, \$100,000 TERM LIFE, INSURED WIFE, BENEFICIARY: HUSBAND. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
22. NEW ENGLAND FINANCIAL/METLIFE LIFE INSURANCE, #83518, DB, \$4,000,000, TERM POLICY, INSURANCE HUSBAND, BENEFICIARY: THE V. RAY PASSAILAIGUE FAMILY TRUST DATED 7/19/2002. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00

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ASSET CASES

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
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PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL
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23. CASH/LOAN VALUE \$5,823, GUARDIAN LIFE INSURANCE, #780, THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	5,823.00	0.00	DA	0.00	FA	0.00	5,823.00
24. CASH/SURRENDER VALUE \$63,445, STATE FARM INSURANCE #2911, DB 250,000.00. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	63,445.00	0.00	DA	0.00	FA	0.00	67,720.00
25. CASH SURRENDER VALUE \$2,518, STATE FARM INSURANCE #4557. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	2,518.00	0.00	DA	0.00	FA	0.00	2,518.00
26. STATE FARM INSURANCE #7435, DB \$ TBD, TERM LIFE INSURANCE ON SON. CASH SURRENDER VALUE \$5,718.00. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
27. STATE FARM INSURANCE #6203, DB \$ TBD, TERM LIFE INSURANCE ON DAUGHTER. CASH SURRENDER VALUE \$4,465.00. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
28. CASH SURRENDER VALUE \$5,718, STATE FARM INSURANCE #7435, DB & TBD TERM LIFE INSURANCE ON SON. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	5,718.00	0.00	DA	0.00	FA	0.00	5,718.00
29. CASH SURRENDER VALUE \$4,465,	4,465.00	0.00	DA	0.00	FA	0.00	4,465.00

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ASSET CASES

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
 Case Name: PASSAILAIGUE, VIRGIL RAY
 PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL
 Date Filed (f) or Converted (c): 03/22/11 (f)
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Asset Description (Scheduled and Unscheduled (u) Property)	Petition/ Unscheduled Values	Estimated Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs)	Property Abandoned OA-554(a) DA-554(c)	Sale/Funds Received by the Estate	Asset Fully Adm (FA) Gross Value of Remain Assets	Lien Amount	Exempt Amount
STATE FARM INSURANCE #6203, DB STBD, TERM LIFE INSURANCE ON DAUGHTER. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption							
30. SEP FUND (UBS)-HUSBAND'S-#*041 THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	14,848.00	0.00	DA	0.00	FA	0.00	14,848.00
31. SEP FUND (UBS)-WIFE'S-#*037 THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	6,547.00	0.00	DA	0.00	FA	0.00	6,547.00
32. PASSAILAIGUE HOMES, INC. -100% OWNERSHIP -REAL. ESTATE ASSETS UNDER FORECLOSURE. CORPORATION HS SUBSTANTIAL DEBT. CORPORATION HAS A NOTE RECEIVABLE FROM THORNWELL PARTNERS, LLC TO \$130,000 DATED 11/7/2008, CONTINGENT ON SALE OF THORNWELL PARTNERS, LL REAL ESTATE HOLDINGS, WITH PERSONAL GUARANTEES FOR THE NOTE RECEIVABLE. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
33. BOOK 'EM BROTHERS LLC -50% OWNERSHIP -ASSETS CONSIST OF: REAL ESTATE HOLDINGS, FMV UNKNOWN, LIENS AND DEBT'S UNKNOWN. REAL ESTATE 92 1054 JOHNNIE DODDS BOULEVARD, MT. PLEASANT, SC, A/K/A TRACT Pib, QUEENSBOROUGH, TMS 535-00-00-138. TAX VALUE 2010 WAS \$1,049.00. ALSO OWNS 33.3 % IN MEDWAY PARK PARTNERS, LLC, WHICH ITSELF OWNS REAL ESTATE, BIRK CITY, MEDWA OFFICE	0.00	3,000.00		3,000.00	FA	0.00	0.00

ASSET CASES

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 PASSAILAIGUE, STACY L.

Trustee Name: KEVIN CAMPBELL
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(TMS2340707005, 2340707012, 2340707013) NOT OPERATED BY DEBTOR. (SOLD)							
34. RAY PASSAILAIGUE LLC -100% OWNERSHIP -NO ASSETS, BUT HAS SUBSTANTIAL DEBTS. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
35. COASTAL CAROLINA CLEANERS LLC -10% OWNERSHIP - ASSETS CONSISTED OF DRY CLEANING BUSINESS. BUSINESS ASSETS WERE RECENTLY (2011) SOLD (ON INFORMATION AND BELIEF), WITH NO DISTRIBUTIONS EXPENSES FOR DEBTOR THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
36. DANIEL ISLAND CONSTRUCTION AND RENOVATION, LLC 100% OWNERSHIP - NO ASSETS, NO DEBTS, FORM 2004 BUT NO ACTIVITY. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
37. HARRIS & PRITCHARD CONTRACTING SERVICES, LLC -33% OWNERSHIP - INFORMATION ABOUT LLC BASED ON K-1 FOR 2010, PROVIDED ON UPON REQUEST. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
38. PASSAILAIGUE COMMERCIAL, LLC -100% OWNERSHIP -NO A ASSETS, NO DEBTS. FORM 2006 BUT NO ACTIVITY. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
39. SITE 3, LLC -25%OWNERSHIP - FORMER OWNERSHIP - DEBTOR'S SHARES FORFEITED FOR	0.00	0.00	DA	0.00	FA	0.00	0.00

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ASSET CASES

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
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PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL
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NON-PAYMENT OF CAPITAL CALLS, PER LLC MANAGEMENT. LISTED FOR INFORMATION PURPOSES. INFORMATION ABOUT LLC UNAVAILABLE AT TIME OF FILING. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.							
40. PALM BLVD PARTNERSHIP LLC 100% OWNERSHIP INFORMATION REQUESTED FROM 3RD PARTIES, NOT AVAILABLE TO DEBTOR. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
41. H&P INSTALLATION, LLC -33% OWNERSHIP -INFO ABOUT LLC ADDED ON K-1 FOR 2010, PROVIDED UPON REQUEST. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
42. MONEY OWED TO RAY FROM PASSAILAIGUE HOMES, INC. (\$75,289 ESTIMATED) UNCOLLECTIBLE COMPANY DEFUNCT. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
43. CLAIM AGAINST DANIEL ISLAND CLUB (GOLFING CLUB) FOR REFUND OF INITIATION FEE (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	10,000.00	0.00	DA	0.00	FA	0.00	10,000.00
44. CLAIM AGAINST DANIEL ISLAND CLUB (GOLFING CLUB) FOR REFUND OF INITIAL FEE. (JOINTLY OWNED; INTERESTS SHOWN ON SCHEDULES SEPARATELY) THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE	10,000.00	0.00	DA	0.00	FA	0.00	0.00

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Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
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 PASSAILAIGUE, STACY I.

Trustee Name: KEVIN CAMPBELL
 Date Filed (f) or Converted (c): 03/22/11 (f)
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TRUSTEE ABANDONS NOW.							
45. HUSBAND IS THE SETTLOR OF A TRUST AGREEMENT DATED 7/2/2002, CREATED AS PART OF ESTATE PLANNING, WITH ASSETS OF \$\$. LISTED FOR INFORMATION PURPOSES.. THIS IS A SPENDTHRIFT TRUST. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
46. THE V. RAY PASSAILAIGUE FAMILY TRUST DATED 7.19.02 WHICH IS AN IRREVOCABLE TRUST USING RELIANCE TRUST COMPANY AS THE TRUSTEE, WITH NO RIGHTS OF DISTRIBUTION BEFORE THE DEATH OF HUSBAND WHO IS THE NAMED GRANTOR. ONLY ASSET IS THE NEW ENGLAND LIFE/MET LIFE LIFE LIFE INSURANCE POLICY #*3518, DESCRIBED HEREON. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
47. CLAIM AGAINST HARRIS & PRITCHARD CONTRACTING SERVICES, ET AL., PENDING IN CHARLESTON COUNTY COURT OF COMMON PLEAS (FOR LOANS, BREACH OF FIDUCIARY DUTY, E AL). AMOUNT SHOWN IS BASED ON CLAIM IN COMPLAINT AND IS ESTIMATED ONLY. MATTER IS DISPUTED. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	220,000.00	220,000.00	DA	0.00	FA	0.00	0.00
48. 2003 LEXUS LS430 -VIN #***09313 -MILEAGE 130,000 - CONDITION GOOD. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW. Debtor Claimed Exemption	9,760.00	0.00	DA	0.00	FA	0.00	9,760.00
49. UBS RESOURCE MANAGEMENT ACCOUNT #*038, FOR BENEFIT	0.00	0.00	DA	0.00	FA	0.00	0.00

ASSET CASES

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
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Trustee Name: KEVIN CAMPBELL
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OF AND OWND BY CHILD (WIFE IS CUSTODIAN ONLY)(FOR INFORMATION PURPOSES ONLY. VALUE C. \$1,807.00. THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.							
50. UBS RESOURCE MANAGEMENT ACCOUNT #*040, FOR BENEFIT OF AND OWNED BY CHILD (WIFE IS CUSTODIAN ONLY) FOR INFORMATION PURPOSES ONLY) VALUE C. \$1,647.00 .THERE WAS INSUFFICIENT VALUE TO BENEFIT THE ESTATE; THE TRUSTEE ABANDONS NOW.	0.00	0.00	DA	0.00	FA	0.00	0.00
51. Post-Petition Interest Deposits (u)	Unknown	N/A		0.94	Unknown	0.00	0.00
52: TAX REFUNDS - 2010 STATE AND FEDERAL TAXES (u) 1. FEDERAL - 12/2010 - \$6,947.00; AND 2. SC STATE - 12/2010 8.00	6,955.00	6,955.00		6,955.00	FA	0.00	0.00

TOTALS (Excluding Unknown Values) \$1,725,589.00 \$1,501,388.45 \$1,253,889.39 \$0.00 \$4,409,910.00 \$149,370.50

Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

3/31/12 - FINAL REPORT APPROVED; FINAL DISTRIBUTION MADE; TRUSTEE IS PREPARING TDS FOR AUDIT AND FILING WITH COURT. CASE SHOULD BE OPEN NO MORE THAN 60 DAYS.

RE: VIRGIL RAY PASSAILAIGUE AND
 STACY L. PASSAILAIGUE
 B/K CASE NO. 11-01866-DD
 OUR FILE NO. 11-1277T

FINAL REPORT CASE HISTORY

VIRGIL RAY PASSAILAIGUE AND STACY L. PASSAILAIGUE (HEREINAFTER REFERRED TO AS THE "DEBTORS"), FILED A PETITION FOR CHAPTER 7 BANKRUPTCY PURSUANT TO TITLE 11 OF THE UNITED STATES CODE ON MARCH 22, 2011. KEVIN CAMPBELL, (HEREINAFTER REFERRED TO AS THE "TRUSTEE"), WAS DULY APPOINTED AS THE INTERIM CHAPTER 7 TRUSTEE, WHOSE APPOINTMENT BECAME PERMANENT AT THE MEETING OF CREDITORS HELD ON APRIL 27, 2011. THIS CASE WAS DECLARED TO BE AN ASSET CASE.

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Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
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PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL
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Claims Bar Date: 07/04/11

KEVIN CAMPBELL AND HIS STAFF WILL BE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "TRUSTEE", ALTHOUGH ATTACHED TO THIS FINAL REPORT IS A STATEMENT WHICH PARTICULARLY SETS FORTH THE WORK DONE BY THE TRUSTEE AND HIS INDIVIDUAL STAFF MEMBERS.

THE TRUSTEE RETAINED THE CAMPBELL LAW FIRM, P.A., (HEREINAFTER REFERRED TO AS THE "FIRM"), AS ATTORNEY FOR THE TRUSTEE AND THE ESTATE. THE APPOINTMENT OF THE FIRM WAS FILED WITH THE COURT ON MAY 5, 2011, AND FORMALLY APPROVED BY COURT ORDER ENTERED ON MAY 19, 2011. THE FIRM, AS ATTORNEY FOR THE TRUSTEE AND THE ESTATE, SHALL COLLECTIVELY INCLUDE THE ATTORNEYS AND THE STAFF MEMBERS OF THE FIRM. INCLUDED IN THIS FINAL REPORT CASE HISTORY ARE STATEMENTS WHICH MORE PARTICULARLY SET FORTH THE WORK PERFORMED BY THE INDIVIDUAL ATTORNEYS AND STAFF OF THE FIRM.

BASED UPON THE CIRCUMSTANCES OF THIS CASE, THE FIRM IS NOT MAKING AN APPLICATION FOR IT FEES AND HAS AGREED TO WAIVE ITS FEES TO ALLOW FOR A LARGER DISTRIBUTION TO CREDITORS.

GENERAL CASE ADMINISTRATION.

PRIOR TO THE MEETING OF CREDITORS, THE TRUSTEE REVIEWED THE DEBTORS' SCHEDULES, STATEMENTS AND OTHER DOCUMENTS FILED WITH THE COURT. HE ALSO REVIEWED ADDITIONAL FINANCIAL INFORMATION PRIOR TO THE FIRST MEETING OF CREDITORS. AT THE MEETING OF CREDITORS, THE DEBTORS TESTIFIED CONCERNING THEIR BUSINESS AFFAIRS. ALSO, AT THE FIRST MEETING, THE TRUSTEE REQUESTED ADDITIONAL BOOKS AND RECORDS CONCERNING THE DEBTORS' VARIOUS BUSINESS ENTERPRISES.

THE FIRM REVIEWED THE DEBTORS' SCHEDULES, STATEMENTS AND OTHER DOCUMENTS FILED WITH THE COURT, RECORDS AT THE SOUTH CAROLINA SECRETARY OF STATE'S OFFICE, COUNTY RECORDS LOCATED IN THE STATE OF SOUTH CAROLINA, AS WELL AS THE FINANCIAL RECORDS PROVIDED BY THE DEBTORS.

THE DEBTORS' CLAIMED OVER 30 DIFFERENT CLASSES OF ITEMS OF PERSONAL PROPERTY AS EXEMPT, INCLUDING 10 LIFE INSURANCE POLICIES, 2 RETIREMENT PLANS AND 1 FAMILY TRUST. THE FIRM REQUESTED INFORMATION AND DOCUMENTATION ON THESE ASSETS TO DETERMINE WHETHER OR NOT THE EXEMPTIONS WERE PROPERLY CLAIMED. WHILE WAITING FOR THE PRODUCTION OF THIS INFORMATION, THE FIRM OBTAINED AN EXTENSION OF TIME TO FILE OBJECTIONS TO THE EXEMPTIONS. THE DEBTORS DID PROVIDE THE FIRM WITH THE REQUESTED INFORMATION AND DOCUMENTATION. AFTER A THOROUGH REVIEW, THE FIRM REPORTED TO THE TRUSTEE THAT BASED UPON A REVIEW OF THOSE DOCUMENTS, ALTHOUGH THE EXEMPTIONS APPEARED TO BE PROPER, IT APPEARED THAT THE DEBTORS HAD NON-EXEMPT CASH ASSETS.

THE DEBTORS WERE CONTACTED ABOUT THESE NON-EXEMPT ASSETS AND DEMAND WAS MADE FOR THE TURNOVER OF THESE FUNDS. THE DEBTORS EVENTUALLY TURNED OVER \$11,315.50 IN NON-EXEMPT CASH ASSETS. IN ADDITION, FROM A REVIEW OF THE VARIOUS RECORDS, IT APPEARED FROM THE TAX RETURNS FILED THAT THE DEBTORS HAD ADDITIONAL NON-EXEMPT CASH. THE ESTATE RECEIVED AN ADDITIONAL \$6,947.00 IN NON-EXEMPT TAX REFUNDS.

THE DEBTORS' SCHEDULES DISCLOSED AN OWNERSHIP INTEREST IN TEN DIFFERENT LLC'S AND CORPORATIONS. MR. PASSAILAIGUE WAS THE PRINCIPAL OF PASSAILAIGUE HOMES, INC. WHICH DEVELOPED BOTH RESIDENTIAL PROPERTIES AND "SPEC" HOMES. AS A BUILDER, THERE WERE NUMEROUS SIDE BUSINESSES AND PROJECTS THAT THE DEBTORS WERE INVOLVED. AS A RESULT, THE FIRM CONDUCTED A 2004 EXAMINATION TO TRY TO DETERMINE WHETHER OR NOT THE DEBTORS HAD BEEN USING THE VARIOUS CORPORATIONS TO SHIELD THEIR PERSONAL ASSETS FROM THEIR CREDITORS. THE FIRM WAS ALSO INVESTIGATING WHETHER OR NOT ANY OF THESE OTHER ENTITIES MIGHT HAVE ASSETS THAT WOULD ALLOW FOR THE PIERCING OF THE CORPORATE VEIL. AFTER AN IN-DEPTH EVALUATION, BASED UPON TAX RETURNS, BALANCE SHEETS AND OTHER EVIDENCE, ALL OF THE ENTITIES APPEARED TO HAVE NO EQUITY AND MANY HAD CEASED OPERATIONS.

DURING THIS TIME, THE TRUSTEE APPOINTED AS REAL ESTATE SALES AGENT, HARBIN'S TWO, INC., IN AN ATTEMPT TO SELL THE ESTATE'S INTEREST IN THE REAL PROPERTY LOCATED AT 54 WOODFORD STREET,

INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT

Page: 12
Exhibit 8

ASSET CASES

Case No: 11-01866 DRD Judge: DAVID R. DUNCAN, JUDGE
Case Name: PASSAILAIGUE, VIRGIL RAY
PASSAILAIGUE, STACY L

Trustee Name: KEVIN CAMPBELL
Date Filed (f) or Converted (c): 03/22/11 (f)
341(a) Meeting Date: 04/27/11
Claims Bar Date: 07/04/11

CHARLESTON, SC (BERKELEY COUNTY). THE FIRM REVIEWED THE LISTING AGREEMENT, MAKING SEVERAL CHANGES TO THE DOCUMENTS TO BETTER PROTECT THE ESTATE'S INTEREST.

THE REAL ESTATE AGENT WAS SUCCESSFUL IN OBTAINING A SHORT SALE CONTRACT FOR THE PROPERTY. THE FIRM REVIEWED THE CONTRACT, MAKING ADDITIONAL CHANGES TO THE TERMS. THE CONTRACT WAS EVENTUALLY RATIFIED AND SUBMITTED TO THE LENDERS FOR APPROVAL.

DURING THIS TIME, THE FIRM OPENED A DIALOGUE WITH COUNSEL FOR NUMEROUS JUDGMENT CREDITORS TO OBTAIN THEIR PERMISSION TO ALLOW THE TRUSTEE TO PROCEED WITH THE SHORT SALE OF THIS REAL PROPERTY. THE FIRM WAS ABLE TO CONVINCE MOST OF THE JUDGMENT CREDITORS TO FULLY RELEASE THEIR LIENS FOR NO CONSIDERATION. THE FIRM WAS ABLE TO NEGOTIATE AN AGREEMENT WITH SUNTRUST BANK TO RELEASE OVER \$2,500,000 IN JUDGMENTS FOR THE DEMINIMIS AMOUNT OF \$500. THIS AGREEMENT WAS SET FORTH IN A CONSENT ORDER, PREPARED BY THE FIRM, ALLOWING A PORTION OF THEIR JUDGMENT LIEN AS BEING SECURED.

THE FIRM ASSISTED IN THE TRUSTEE IN PREPARING THE NOTICE AND ORDER APPROVING SALE TO INSURE THAT ADEQUATE LANGUAGE WAS INCLUDED CONCERNING THE NUMEROUS JUDGMENT LIENS. THE COURT ULTIMATELY APPROVED THE SALE. THE FIRM THEN COORDINATED WITH THE CLOSING ATTORNEY TO INSURE THAT THE CLOSING TOOK PLACE WITHOUT INCIDENT. THE FIRM PREPARED THE DEED, REVIEWED THE HUD AND OTHER CLOSING DOCUMENTS. THE SALE WAS CONSUMMATED AND THE ESTATE RECEIVED \$35,000 AT CLOSING. THE TRUSTEE PREPARED AND FILED A REPORT OF SALE WITH THE COURT.

THE DEBTORS' SCHEDULES ALSO INDICATED THAT THEY HELD A 25 PERCENT INTEREST IN A HOUSE LOCATED AT 2704 PALM BOULEVARD, ISLE OF PALMS, SC. THE FIRM WAS CONTACTED BY A LOCAL REALTOR, MARY ZIEGLER, WHO INDICATED THAT SHE HAD A PARTY INTERESTED IN MAKING AN OFFER ON THE PROPERTY. THE FIRM HAD NUMEROUS DISCUSSIONS WITH MS. ZIEGLER AND OTHER OWNERS ABOUT THE PROCESS AND PROCEDURE FOR SELLING THE ESTATE'S INTEREST IN THIS REAL PROPERTY.

EVENTUALLY, MS. ZIEGLER PRESENTED AN OFFER TO THE TRUSTEE FOR THE ESTATE'S INTEREST IN THE PALM BOULEVARD PROPERTY. THE FIRM MADE NUMEROUS CHANGES AND REVISIONS TO THE CONTRACT OVER SEVERAL DIFFERENT DRAFTS. EVENTUALLY, THE CONTRACT WAS RATIFIED BY THE PARTIES AND SUBMITTED TO THE LENDER FOR APPROVAL. MS. ZIEGLER'S FIRM, THE BEACH COMPANY, WAS APPOINTED BY THE COURT TO ACT AS THE SALES AGENT ON THIS TRANSACTION.

AS TO THE PALM BOULEVARD PROPERTY, THERE WAS ONLY ONE JUDGMENT LIEN APPEARING ON RECORD IN CHARLESTON COUNTY. NOTWITHSTANDING, THE FIRM CONTACTED THE BERKELEY COUNTY JUDGMENT LIEN HOLDERS TO SEE IF THEY RECORDED THE JUDGMENT LIENS IN CHARLESTON COUNTY. THE FIRM WAS ABLE TO CONFIRM THAT NONE HAD RECORDED THEIR LIENS IN CHARLESTON COUNTY. THE FIRM CONTACTED THE ONE JUDGMENT LIEN CREDITOR, WHICH ALSO HELD THE FIRST MORTGAGE ON THE REAL PROPERTY, AND WAS ABLE TO CONVINCE IT TO RELEASE ITS LIEN AS PART OF THE SALE.

THE FIRM ASSISTED THE TRUSTEE IN PREPARING THE NOTICE AND ORDER APPROVING SALE TO INSURE THAT ADEQUATE LANGUAGE WAS INCLUDED CONCERNING THE NUMEROUS JUDGMENT LIENS. THE COURT ULTIMATELY APPROVED THE SALE. THE FIRM THEN COORDINATED WITH THE CLOSING ATTORNEY TO INSURE THAT THE CLOSING TOOK PLACE WITHOUT INCIDENT. THE FIRM PREPARED THE DEED, REVIEWED THE HUD AND OTHER CLOSING DOCUMENTS. THE SALE WAS CONSUMMATED AND THE ESTATE RECEIVED \$15,000 AT CLOSING. THE TRUSTEE PREPARED AND FILED A REPORT OF SALE WITH THE COURT.

ALTHOUGH THE DEBTORS' INTEREST IN THE NUMEROUS BUSINESSES SHOWED THEY HAD NO VALUE, THE TRUSTEE WAS CONTACTED BY JERRY BEACH, A MEMBERS OF BOOK'EM BROTHERS, LLC FOR A POSSIBLE PURCHASE OF THE ESTATE'S INTEREST IN THAT BUSINESS. MR. BEACH HAD BELIEVED THAT HE HAD SUCCESSFULLY REMOVED MR. PASSAILAIGUE AS A MEMBER PRE-PETITION BASED UPON HIS FAILURE TO MEET CERTAIN CAPITAL CALLS. MR.

**THIS OPERATING AGREEMENT IS SUBJECT TO ARBITRATION
PURSUANT TO §15-48-10, et seq., OF THE SOUTH CAROLINA CODE**

**SECOND AMENDED AND RESTATED OPERATING AGREEMENT
OF
THORNWELL PARTNERS, LLC**

Whereas, Thornwell Partners, LLC was organized by a filing with the South Carolina Secretary of State on August 3, 2006, and

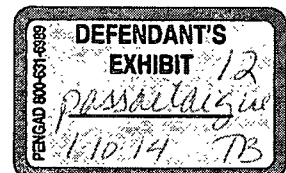
Whereas, the initial Operating Agreement was amended on April 20, 2007, and

Whereas, the members of the limited liability company are desirous of amending and restating the Operating Agreement to reflect a withdrawal by member Ray Passailaigue, the transfer of interests by Alfred L. Saad, III and Paul D. Hollen, III to Thornwell Investments, LLC and by Henry Kuznik to Kuznik Holdings, LLC, the reallocation of membership interests of the remaining members, their percentage of membership and capital contributions, and

NOW, WHEREFORE, the members agree as follows:

1. All Whereas paragraphs are incorporated by reference.
2. Ray Passailaigue's membership interest has been purchased by Thornwell Investments, LLC and Kuznik Holdings, LLC and he has withdrawn from the LLC.
3. Alfred L. Saad, III and Paul D. Hollen, III have transferred their interests to Thornwell Investments, LLC.
4. Henry Kuznik has transferred his interest to Kuznik Holdings, LLC.
5. Thornwell Investments, LLC and Kuznik Holdings, LLC have purchased the interest of Ray Passailaigue.
6. Section 2.1 of the Amended Operating Agreement is further amended to reflect the members of the LLC, their percentage of interest held in the LLC, and their contributions:

	<u>Contribution</u>	<u>Percentage of Interest</u>
(A) Thornwell Investments, LLC	\$2,132,274.30	57%
(B) Kuznik Holdings, LLC	\$1,590,625.70	43%



7. All other terms of the Amended and Restated Operating Agreement not inconsistent herewith are incorporated by reference.

NOVEMBER

WITNESS our hands and seals this 7th day of May, 2008

IN THE PRESENCE OF:

Shannon E. Bulch

Alfred L. Saad, III
Alfred L. Saad, III

Shannon E. Bulch

Paul D. Hollen, III
Paul D. Hollen, III

Shannon E. Bulch

Henry Kuznik
Henry Kuznik

Shannon E. Bulch

Ray Passalunghi
Ray Passalunghi

Shannon E. Bulch

THORNWELL INVESTMENTS, LLC

By: Paul D. Hollen, III

Its: MEMBER

Shannon E. Bulch

KUZNICK HOLDINGS, LLC

By: Henry Kuznik

Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

INDEMNIFICATION

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Thornwell Partners, LLC, and its members, do hereby agree to indemnify and hold harmless Ray Passailaigue, as to any costs or expenses relating to any actions or loans that are outstanding in the name of Thornwell Partners, LLC.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 7th day of ~~NOVEMBER~~
September, 2008.

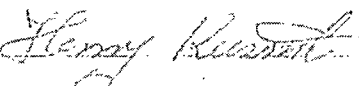
THORNWELL PARTNERS, LLC

By: Thornwell Investments, LLC
Member

By: 

Its: MEMBER

By: Kuznik Holdings, LLC
Member

By: 

Its: MEMBER

**THIS OPERATING AGREEMENT IS SUBJECT TO ARBITRATION
PURSUANT TO §15-48-10, et seq., OF THE SOUTH CAROLINA CODE**

**SECOND AMENDED AND RESTATED OPERATING AGREEMENT
OF
THORNWELL PARTNERS, LLC**

Whereas, Thornwell Partners, LLC was organized by a filing with the South Carolina Secretary of State on August 3, 2006, and

Whereas, the initial Operating Agreement was amended on April 20, 2007, and

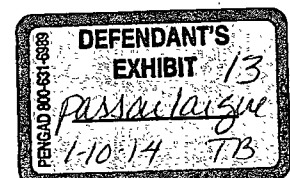
Whereas, the funds for the purchase of the interest of Ray Passailaigue were contributed by Passailaigue Homes, Inc., and a membership certificate should have been issued in the name of the corporation rather than in the name of the individual, and

Whereas, the members of the limited liability company are desirous of amending and restating the Operating Agreement to reflect the withdrawal by member Passailaigue Homes, Inc., the transfer of interests by Alfred L. Saad, III and Paul D. Hollen, III to Thornwell Investments, LLC and by Henry Kuznik to Kuznik Holdings, LLC, the reallocation of membership interests of the remaining members, their percentage of membership and capital contributions, and

NOW, WHEREFORE, the members agree as follows:

1. All Whereas paragraphs are incorporated by reference.
2. The initial membership interest erroneously issued in the name of Ray Passailaigue should have been issued in the name of Passailaigue Homes, Inc. The initial Operating Agreement is hereby amended to reflect Passailaigue Homes, Inc. was the holder of a 27% membership interest in Thornwell Partners, LLC. Passailaigue Homes, Inc.'s membership interest has been purchased by Thornwell Investments, LLC and Kuznik Holdings, LLC and Passailaigue Homes, Inc. has withdrawn from the LLC.
3. Alfred L. Saad, III and Paul D. Hollen, III have transferred their interests to Thornwell Investments, LLC.
4. Henry Kuznik has transferred his interest to Kuznik Holdings, LLC.
5. Section 2.1 of the Amended Operating Agreement is further amended to reflect the members of the LLC, their percentage of interest held in the LLC, and their contributions:

	<u>Contribution</u>	<u>Percentage of Interest</u>
(A) Thornwell Investments, LLC	\$2,132,274.30	57%
(B) Kuznik Holdings, LLC	\$1,590,625.70	43%



6. All other terms of the Amended and Restated Operating Agreement not inconsistent herewith are incorporated by reference.

WITNESS our hands and seals this 29th day of May, 2008.

IN THE PRESENCE OF:

James
Dance Brady

James
Dance Brady

James
Dance Brady

James
Dance Brady

James
Dance Brady

James
Dance Brady

James
Dance Brady

Alfred L. Saad, III
Alfred L. Saad, III

Paul D. Hollen, III
Paul D. Hollen, III

Henry Kuznik
Henry Kuznik

Ray Passailaigue
Ray Passailaigue

PASSAILAIGUE HOMES, INC.

By: Ray Passailaigue
Its: President

THORNWELL INVESTMENTS, LLC

By: Paul D. Hollen, III
Its: MEMBER

KUZNIK HOLDINGS, LLC

By: Henry Kuznik
Its: MEMBER

Subject: **Re: Correction of Membership Records for Ray Passailaigue / Passailaigue Homes, Inc.**
From: Ray Passailaigue
Date: Monday, September 21, 2009 4:03 PM
To: Jerry Saad
CC: "PASSAILAIGUE, STACY"

Stacy Please issue a check for \$600 for the K-1 revisions to

Jerry Saad, Saad & Manios

1249 S Pleasantburg Dr

Greenville SC 29605

Thanks
Ray

843-224-1396 cell
843-856-0078 home
email: Ray@PassailaigueHomes.com

PAID

On Fri, Sep 18, 2009 at 9:35 AM, Jerry Saad <jerrysaad@charter.net> wrote:

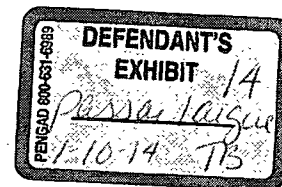
Al, Paul, Henry, and Ray:

I am so glad there is unanimous consent to change the ownership records from Ray Passailaigue (individually) to Passailaigue Homes, Inc.

Now, all that is left to be done is to change the ownership records from Ray Passailaigue (individually) to Passailaigue Homes, Inc. and amend the partnership returns. I will do my part as soon as you do yours.

I hope you all understand that I am requiring copies of the corrected membership documents because I expect that if I prepare amended returns without them, the records will not be corrected in due course.

So - just as soon as you send me copies of the corrected records and \$600 (\$300 for each year), I will prepare amended returns for 2007 and 2008.



Jerry Saad Cell: (864) 907-1300
Saad & Manios Office: (864) 277-9600
1249 S Pleasantburg Dr Fax: (864) 422-9949
Greenville SC 29605

From: Ray Passailaigue [mailto:ray@passailaiguhomes.com]
Sent: Monday, September 14, 2009 1:37 PM
To: Jerry Saad
Cc: Saad, Al; Hollen, Paul; Kuznik, Henry; Cartrette, Mary
Subject: K-1

Jerry

I spoke to Paul a few minutes ago and he is supposed to send you a note to confirm the revised K-1. Please know everyone was indifferent to the revision and basically gave the go ahead for the update. Passailaigue Homes has already claimed the income and need the new K-1 to keep from explaining to the powers to be what exactly has gone on.
Thanks for your help in getting this corrected,
Ray

843-224-1396 cell
843-856-0078 home
email: Ray@PassailaigueHomes.com

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

COURT OF COMMON PLEAS

VIRGIL "RAY" PASSAILAIGUE)
PLAINTIFF,)

v.) TRANSCRIPT OF RECORD
13-CP-10-01647

HENRY KUZNIK, ALFRED L.,)
SAAD, III, PAUL D. HOLLEN,)
III, AND THORNWELL PARTNERS,)
LLC,

DEFENDANT.)

September 10, 2014
Charleston, South Carolina

B E F O R E :

THE HONORABLE R. MARKLEY DENNIS, JR., JUDGE

A P P E A R A N C E S:

PATRICK T. NAPOLKSI, ESQ.
Attorney for the Plaintiffs

JOHN M. BLEECKER, ESQ.
SHAUN C. BLAKE, ESQ.
Attorneys for the Defendants

FRANCES B. RAY, RPR
Circuit Court Reporter

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(There were no exhibits submitted.)

1 THE COURT: It appears we have a motion
2 for summary judgment, two motions for summary
3 judgment; is that correct? That's still -- that's
4 what we have?

5 MR. BLEECKER: I believe so.

6 MR. NAPOLSKI: Yes, Your Honor.

7 THE COURT: All right.

8 MR. BLEECKER: Your Honor, I'm John
9 Bleecker and I represent one of the defendants in
10 this case Mr. Henry Kuznik, who is an elderly man
11 approximately my age and has been my client for --

12 THE COURT: Young fella.

13 MR. BLEECKER: We filed -- this is a very
14 simple case, Your Honor.

15 THE COURT: Thank you, I need that.

16 MR. BLEECKER: There have been, there are
17 lots of lawyers and there are lots of pleadings and
18 there's been lots of discovery; but it comes down to
19 this simple fact, there was a one term joint
20 venture, an LLC created to develop property on the
21 new Commerce Parkway in north Charleston. It came
22 at a inauspicious time in our economy, and there was
23 a lot of struggling to get through and finish it and
24 pay off the bank loans and whatnot. We filed a
25 motion of summary judgment because one of the

1 parties to this action, Virgil Passailaigue, the
2 plaintiff, received a note and that note called for
3 the payment of 130,000-dollars. And if you read the
4 note it says from the net proceeds of future sales.
5 Our position is there have been no net proceeds. We
6 have filed with our, with our motion, an affidavit
7 of the accountant who handled the money, the books
8 for the company till the end. He shows 200 some
9 thousand dollar loss.

10 THE COURT: Okay.

11 MR. BLEECKER: There have been no net
12 proceeds and so it's pretty simple; it's black and
13 white. If -- you'll have to determine what net
14 proceeds are, but everything I've seen in the
15 dictionary is net proceeds means what you walk away
16 with after you pay the costs and expenses of
17 transaction. And that's where we get to and the
18 bottom line. In the -- cleverly Mr. Passailaigue's
19 lawyers have suggested, well, we gave them a note
20 with also personal guarantees of all of the makers
21 of the note, not only the company but the partners,
22 the individuals, so yes, they have that. And but
23 the note itself has to trigger the guarantee. These
24 guarantees are typical bank guarantees which I have
25 seen a thousand times on mortgage loans, but it --

1 if there's not a default under the note, then our
2 position is there's no default under the note
3 because there has been no net profits, net proceeds
4 from future sales.

5 THE COURT: Okay.

6 MR. BLEECKER: And that's -- I can make it
7 simpler, and there are more complex issues in here
8 that we can discuss whether the plaintiff himself is
9 actually a party to the action. And I'll let my
10 cohort here, my fellow attorney Shaun Blake discuss
11 that if we get to that point.

12 THE COURT: Okay, that's fine. Why don't
13 I hear from the opposition to this, ---

14 MR. NAPOLSKI: Thank you, Your Honor.

15 THE COURT: ---as to what is the
16 scintilla.

17 MR. NAPOLSKI: Patrick Napolski here on
18 behalf of Mr. Ray Passailaigue.

19 THE COURT: Sure.

20 MR. NAPOLSKI: I appreciate Mr. Bleecker's
21 position this boils down to how simple it is, and I
22 can, I think, even simplify that even further. He
23 says that net is in the note, that net proceeds is
24 discussed in the note, but net proceeds or net isn't
25 defined in the note. Net can have several meanings

1 if it's not defined. Net proceeds can be net
2 proceeds above the line accounting. Net proceeds
3 can be net proceeds below the line accounting. It
4 can have several meanings. The fact that the term
5 net isn't defined in the note shows that there's,
6 there's a huge question of fact as to what the
7 parties thought that net proceeds meant. My client
8 is of the position that net proceeds is, that
9 property sold whether or not there's a profit made
10 at the end, he's still entitled to his ---

11 THE COURT: To what? It's sold and
12 there's no money distributed to anybody, what's he
13 entitled to?

14 MR. NAPOLSKI: There was mon-- there was
15 money distributed back to the remaining members of
16 this LLC. They just didn't make any money on the
17 deal, and so, therefore feel that they no longer
18 need to pay Mr. Passailaigue.

19 THE COURT: Well, I understand that, but
20 if they didn't make any money you just kind of said
21 what it is. The bottom line is ---

22 MR. NAPOLSKI: Well, I take that back.
23 They received money back from their investment.
24 It's just that they didn't earn a profit from that.
25 And nowhere in that, in the note, is net defined to

1 say that only that it'll be paid only if there is
2 profit made. Net in this instance seems to indicate
3 that it may be, it's more of a time limitation that
4 once the property is sold and the net proceeds ---

5 THE COURT: Where is anywhere defined it
6 as a time limitation?

7 MR. NAPOLSKI: A reading of the promissory
8 note, I think is, it can be construed to be that the
9 net proceeds, once the property is sold, then that
10 is what triggers the time for repayment; not
11 necessarily that, nowhere in there is that the
12 amount of remaining after cost of sale of the
13 Dasinger (ph) tract. Nowhere is that defined or is
14 that stated. This -- in addition, this note was
15 given to Mr. Passailaigue in exchange for his
16 membership interest in the LLC. The defendants will
17 say that initially there's an assignment of contract
18 that they purchased from Mr. Passailaigue for a
19 little over a million dollars, and they had held the
20 position that in addition to the assignment of
21 contract that also was to get him out of the LLC.
22 But according to the testimony of my own client
23 during his deposition as well as the affidavit, he
24 says that promissory note was given to him in
25 exchange for his membership in Thornwell Partners,

1 LLC. He had met with the three client, with the
2 three remaining members of the LLC, the Harvard Club
3 downtown Charleston. They all agreed that for
4 130,000-dollars, because Mr. Passailaigue was a
5 financial liability to the LLC as they're trying to
6 receive increased funding for this project, that
7 they would need him gone. And in exchange for his
8 membership interest they would be willing to give
9 him a promissory note for 130,000-dollars. Now each
10 one of these defendants in their respective
11 depositions have identified the signatures on the
12 promissory note and the personal guarantees, but
13 conveniently, each of them have a severe case of
14 amnesia and they can't remember signing it.

15 THE COURT: Okay. Anything else?

16 MR. NAPOLSKI: That's it, Your Honor.

17 THE COURT: All right. Reply,
18 Mr. Bleecker?

19 MR. BLEECKER: Your Honor, whether they
20 had amnesia or not, the facts are, if you read the
21 note the note itself is a triggering device and it
22 says net proceeds from future sales. They're
23 talking about a profit, making a profit to pay him
24 from their profits from future sales. The affidavit
25 of the CPA for the firm, for the partnership, the

1 affidavit there is compelling and they -- and
2 surprisingly, in all of this discovery they have not
3 ---

4 THE COURT: Let me ask you, Mr. Bleecker,
5 as I read this it says basically, as you stated, it
6 says the principal sum of 130,000-dollars. This sum
7 is to be repaid in its entirety from the net
8 proceeds from the future sales of the property known
9 as the Dasinger track consisting of two parcels
10 further identified as Lot A, 17 acres, gives a TMS
11 number, and then Lot B, 28.15 acres. Both of those
12 have been sold?

13 MR. BLEECKER: That is the -- that's what
14 the whole development was ---

15 THE COURT: I understand that.

16 MR. BLEECKER: ---those tracts.

17 THE COURT: And they've been all sold?

18 MR. BLEECKER: They have been sold. Every
19 parcel has been sold.

20 THE COURT: And moneys were distributed?

21 MR. BLEECKER: And the money distributed.

22 THE COURT: To the people?

23 MR. BLEECKER: Well, to the banks, to the
24 banks and to pay -- what happened in the instance
25 there was the two million dollar farm, the

1 Dasingers, so ---

2 THE COURT: Well, I understand that, but
3 my question is how am I -- if there's money
4 distributed there was money that was after went to
5 banks went to your -- went to the individuals?

6 MR. BLEECKER: No, Your Honor, it didn't
7 go to the individuals. The accountant ---

8 THE COURT: That's what they just
9 represented. I know your affidavit ---

10 MR. BLEECKER: The accountant says ---

11 THE COURT: Where is your, where is the
12 affidavit that said the individuals got something
13 out of them?

14 MR. BLEECKER: They ---

15 THE COURT: No, I'm asking the plaintiff.

16 MR. NAPOLSKI: We -- they just have the
17 records from the tax ID records showing that there
18 was a sale.

19 THE COURT: Well, I don't quarrel with the
20 sale. Where is the -- you made a representation to
21 me that moneys were distributed to the individuals.

22 MR. NAPOLSKI: I apologize, money was ---

23 THE COURT: So that was not correct?

24 MR. NAPOLSKI: That was incorrect. I'm
25 sorry for that statement, Your Honor.

1 THE COURT: All right, then that's fine.
2 That's fine. I heard moneys were ultimately paid,
3 then I wanted to know how they could get money if
4 the net moneys would ultimately go 'cause that's
5 what net means. Thank you, your motion is granted.
6 Y'all can argue that one, what does net mean, up in
7 Columbia if they have a definition for it, thank
8 you. I assume that's all three motions on the same
9 basis; is that correct?

10 MR. BLEECKER: Yes, Your Honor.

11 MR. NAPOLSKI: Yes, Your Honor.

12 THE COURT: Very well. Then I'll grant
13 all three of them, do form orders for all three.
14 Thank you.

15
16 * * * END OF REQUESTED TRANSCRIPT OF RECORD * * *
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25

C E R T I F I C A T E O F R E P O R T E R

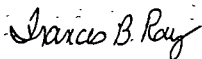
STATE OF SOUTH CAROLINA)

COUNTY OF FLORENCE)

I, FRANCES B. RAY, Registered Professional Reporter (RPR), court reporter for the State of South Carolina, Third Judicial Circuit, do hereby certify that the foregoing proceeding is a stenographic report and was transcribed through computer-aided transcription; that the foregoing transcript contains a true record of the proceedings.

I further certify that I am neither counsel for, nor related to nor employed by any of the parties connected to the action, nor am I financially interested in the action.

Witness my hand at Florence, South Carolina, this 9th day of March, 2015.



FRANCES B. RAY, RPR

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue

Plaintiff,

vs.

Henry Kuznik, et al

Defendant.

IN THE FAMILY COURT

9th JUDICIAL CIRCUIT

**MOTION AND ORDER INFORMATION
FORM AND COVERSHEET**

Docket No. 2013-CP-10-1647

Plaintiff's Attorney:

Patrick T. Napolski, Bar No. _____

Address:

622 Johnnie Dodds Blvd, Mt. Pleasant, SC
29464

Phone: _____ Fax: _____

E-mail: _____ Other: _____

Defendant's Attorney:

John M. Bleecker, Jr., Bar No. 0735

Address:

89 Broad Street, Charleston, SC 29401

Phone: (843)577-4352 Fax(843)722-1119

E-mail: john@jblawfirm.com Other: _____

☒ **MOTION HEARING REQUESTED** (attach written motion and complete **SECTIONS I and III**)

☐ **FORM MOTION, NO HEARING REQUESTED** (complete **SECTIONS II and III**)

☐ **PROPOSED ORDER/CONSENT ORDER** (complete **SECTIONS II and III**)

SECTION I: Hearing Information

Nature of Motion: Motion for Summary Judgment

Estimated Time Needed: 30 min

Court Reporter Needed: ☒ YES / ☐ NO

SECTION II: Motion/Order Type

☒ Written motion attached

☐ Form Motion/Order

I hereby move for relief or action by the court as set forth in the attached proposed order.

Signature of Attorney for ☐ Plaintiff / ☒ Defendant

Date submitted 6-30-2014

SECTION III: Motion Fee

☒ **PAID - AMOUNT: \$** _____

☐ **EXEMPT:**

(check reason)

☐ Rule to Show Cause in Child or Spousal Support

☐ Domestic Abuse or Abuse and Neglect

☐ Indigent Status ☐ State Agency v. Indigent Party

☐ Sexually Violent Predator Act ☐ Post-Conviction Relief

☐ Motion for Stay in Bankruptcy

☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRPC)

☐ Proposed order submitted at request of the court; or,
reduced to writing from motion made in open court per judge's instructions

Name of Court Reporter: _____

☐ Other: _____

JUDGE'S SECTION

☐ Motion Fee to be paid upon filing of the attached order.

☐ Other: _____

JUDGE CODE _____

Date: _____

Judge Signature: _____

CLERK'S VERIFICATION

Collected by: _____ Date Filed: _____

☐ **MOTION FEE COLLECTED: \$** _____

☐ **CONTESTED - AMOUNT DUE: \$** _____

Custodial Parent (if applicable): _____

SCCA 233F (12/2009)

ROA000491

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2013-CP-10-1647

Virgil "Ray" Passailaigue,
Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III,
Paul D. Hollen, III, and Thornwell
Partners, LLC

Defendants.

**NOTICE OF MOTION AND
MOTION FOR SUMMARY JUDGMENT**

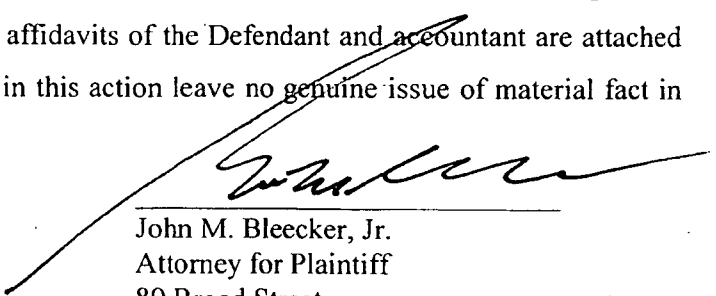
BY

FILED
JUL 14 2014
JUL 14 30 PM 3:33
CLERK OF COURT

TO: LAWRENCE E. RICHTER, JR., ESQ., ATTORNEY FOR PLAINTIFF:

YOU WILL PLEASE TAKE NOTICE that the undersigned attorney for defendant, Henry Kuznik, (herein "Defendant"), will move before the Court of Common Pleas at the Charleston County Courthouse, Charleston, South Carolina, on the tenth (10th) day after service hereof, at 10:00 a.m., or as soon thereafter as counsel may be heard, or at such time and place as may be set by the Court, for an order granting Summary Judgment pursuant to Rule 56 of the South Carolina Rules of Civil Procedure upon the failure of the plaintiff to prove through pleadings, depositions, or discovery requests and responses that conditions and terms of the Note upon which the plaintiff seeks relief have been fulfilled. The Note provides repayment from the "Net Proceeds" of the sale of certain real property. There have been no "Net Proceeds" realized by the Defendant. As such there is no genuine issue as to the material fact. Supporting affidavits of the Defendant and accountant are attached which with the pleadings and discovery in this action leave no genuine issue of material fact in dispute.

June 25, 2014


John M. Blecker, Jr.
Attorney for Plaintiff
89 Broad Street
Post Office Box 148
Charleston, SC 29402
Telephone: (843)577-4352
Fax: (843)722-1119
john@jblawfirm.com

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2013-CP-10-1647

Virgil "Ray" Passailaigue,)
Plaintiff,)

v.)

Henry Kuznik, Alfred L. Saad, III,)
Paul D. Hollen, III, and Thornwell)
Partners, LLC,)
Defendants.)

CERTIFICATE OF SERVICE

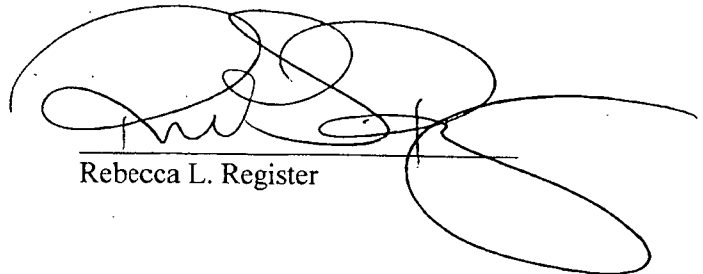
FILED
2014 JUN 30 PM 3:34
JULIE H. HARRIS, CLERK OF COURT

I, Rebecca L. Register, the undersigned employee of the Law Office of John M. Bleecker, Jr., LLC, hereby certify that on this 30th day of June, 2014, a true and correct copy of the Notice of Motion and Motion for Summary Judgment, the Affidavit of Henry Kuznik and the Affidavit of Jerry T. Saad was served by depositing a copy of same, enclosed in a first class, postpaid envelope and properly addressed to the following parties, in a post office or official depository under the exclusive care and custody of the United States Postal Service.

Shaun Blake, Esq.
Adams and Reese, LLP
1501 Main Street, 5th Floor
Columbia, SC 29201
*Attorney for the Defendants Alfred L. Saad, III and
Thornwell Partners, LLC*

Lindsey Cooper, Jr., Esq.
The Law Offices of L.W. Cooper, Jr., LLC
36 Broad Street
Charleston, SC 29401
Attorney for Defendant Paul D. Hollen, III

Patrick T. Napski, Esq.
The Richter Firm, LLC
622 Johnnie Dodds Blvd
Mt. Pleasant, SC 29464
Attorney for the Plaintiff



Rebecca L. Register

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

VIRGIL "RAY" PASSAILAIGUE

Plaintiff,

vs.

HENRY KUZNIK, ET AL.

Defendant.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO.: 2013-CP-10-01647

**MOTION AND ORDER INFORMATION
FORM AND COVERSHEET**

Plaintiff's Attorney:
Patrick T. Napski, Bar No. 100966
Address:
622 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
Phone: 843-849-6000 Fax _____
E-mail: _____ Other: _____

Defendant's Attorney:
Shaun C. Blake, Bar No. 76349
Address:
Rogers Lewis Jackson Mann & Quinn, LLC
1330 Lady Street, Suite 400
Columbia, SC 29201
Phone: 803-256-1268 Fax 803-252-3653
E-mail: sblake@rogerslewis.com Other: _____

- ☒ **MOTION HEARING REQUESTED** (attach written motion and complete SECTIONS I and III)
☐ **FORM MOTION, NO HEARING REQUESTED** (complete SECTIONS II and III)
☐ **PROPOSED ORDER/CONSENT ORDER** (complete SECTIONS II and III)

SECTION I: Hearing Information

Nature of Motion: Motion for Summary Judgment

Estimated Time Needed: 30 mins

Court Reporter Needed: ☒ YES / ☐ NO

SECTION II: Motion/Order Type

- ☒ Written motion attached
☐ Form Motion/Order

I hereby move for relief or action by the court as set forth in the attached proposed order.

Signature of Attorney for ☐ Plaintiff / ☒ Defendant

6/30/2014

Date submitted

☒ **PAID - AMOUNT: \$** 25.00 **SECTION III: Motion Fee**

☐ **EXEMPT:**

(check reason)

- ☐ Rule to Show Cause in Child or Spousal Support
☐ Domestic Abuse or Abuse and Neglect
☐ Indigent Status ☐ State Agency v. Indigent Party
☐ Sexually Violent Predator Act ☐ Post-Conviction Relief
☐ Motion for Stay in Bankruptcy
☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP)
☐ Proposed order submitted at request of the court; or,
reduced to writing from motion made in open court per judge's instructions
Name of Court Reporter: _____
☐ Other: _____

JUDGE'S SECTION

☐ Motion Fee to be paid upon filing of the attached order.

☐ Other: _____

JUDGE CODE _____

Date: _____

CLERK'S VERIFICATION

Collected by: _____ Date Filed: _____

☐ **MOTION FEE COLLECTED: \$** _____

☐ **CONTESTED - AMOUNT DUE: \$** _____

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue,

Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III, Paul
D. Hollen, III and Thornwell Partners,
LLC,

Defendants.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO. 2013-CP-10-1647

**NOTICE OF MOTION AND
MOTION FOR SUMMARY
JUDGMENT**

FILED
2014 JUL -2 PM 1:24
JULIE J. ARMSTRONG
CLERK OF COURT

TO: LAWRENCE E. RICHTER, JR., ATTORNEY FOR PLAINTIFF:

YOU WILL PLEASE TAKE NOTICE that the undersigned attorneys for Alfred L. Saad, III and Thornwell Partners, LLC ("Defendants") will move before the Court of Common Pleas at the Charleston County Courthouse, Charleston, South Carolina, on the tenth (10th) day after service hereof or as soon thereafter as counsel may be heard, or at such time and place as may be set by the Court, for an entry of judgment in favor of the Defendants dismissing the claims of the named Plaintiff against Defendants under Rule 56 of the South Carolina Rules of Civil Procedure.

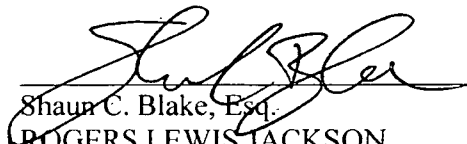
The basis of this motion is that the pleadings, depositions, answers to interrogatories, and affidavits of record in this matter show that there is no genuine issue as to any material fact and Defendants are entitled to summary judgment for the following reasons:

1. Plaintiff's cause of action against Defendants is based solely on a Promissory Note and related Guaranty that, even if valid, are not drawn in favor of Plaintiff and have not ever been assigned to Plaintiff. Rather, the Promissory Note, if valid, is an asset of a defunct, dissolved entity which never distributed or assigned the Note to Plaintiff. Therefore, Plaintiff lacks standing to sue under the Note and the related Guaranty, and his Complaint must fail as a matter of law.

2. Plaintiff's action is based solely on a Promissory Note that, even if valid, only requires Thornwell Partners, LLC to make payment to be made from the net proceeds of the transaction at issue. Since there was a cash loss and no net proceeds, then no payment is due as a matter of law, and Plaintiff's claim must fail.

This motion is based upon the pleadings and exhibits of this action, the depositions of the parties and Sandi McGovern, the affidavit of Jerry T. Saad, CPA, the interrogatory responses served by the Plaintiff, the statutory and common law of this state, and such other matters as may be properly presented to the Court at the time of the hearing. Defendants reserve the right to supplement this motion with legal memoranda in the future and to add additional ground as may be appropriate.

Respectfully submitted,



Shaun C. Blake, Esq.

ROGERS LEWIS JACKSON

MANN & QUINN, LLC

1330 Lady St, Suite 400

P.O. Box 11803 (29211)

Columbia, SC 29201

Tel: (803) 256-1268

Fax: (803) 252-3653

sblake@rogerslewis.com

June 30, 2014
Columbia, SC

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

Virgil "Ray" Passailaigue,

Plaintiff,

v.

Henry Kuznik, Alfred L. Saad, III, Paul D.
Hollen, III and Thornwell Partners, LLC,

Defendants.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT

CASE NO. 2013-CP-10-01647

CERTIFICATE OF SERVICE

The undersigned, of the law office of Rogers Lewis Jackson Mann & Quinn, LLC, does certify that on **June 30, 2014**, she did cause to have served by U.S. Postal Service, regular mail with postage prepaid and return address clearly indicated, copies of the **Defendants Alfred L. Saad, III and Thornwell Partners, LLC's Motion for Summary Judgment**, in the above-captioned case, to the following:

Jacob S. Barker, Esq.
225 Seven Farms Drive Suite 107
Charleston SC 29492
Attorney for Defendant Alfred L. Saad, III and Thornwell Partners, LLC

John M. Bleeker, Jr., Esq.
89 Broad Street
P.O Box 148
Charleston SC 29402
Attorney for Defendant Henry Kuznik

Lindsey W. Cooper, Jr., Esq.
Law Offices Of LW Cooper Jr.
36 Broad St.
Charleston SC 29401
Attorney for Defendant Paul D. Hollen, III

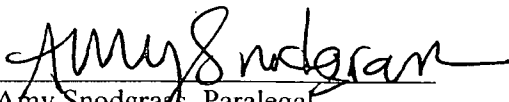
Mallory A. Lopata, Esq.
571 Spring Street Apt 2
Newport RI 02840
Attorney for Defendant Paul D. Hollen, III

Patrick T. Napolski, Esq.
Lawrence E. Richter, Jr., Esq.
622 Johnnie Dodds Blvd.

FILED
2014 JUL -2 PM 1:22
JULIE J. ARMSTRONG
CLERK OF COURT
BY _____

Mt. Pleasant SC 29464
Attorneys for Plaintiff

June 30, 2014


Amy Snodgrass, Paralegal
Rogers Lewis Jackson Mann & Quinn, LLC

ROGERS ♦ LEWIS

— ROGERS LEWIS JACKSON MANN & QUINN, LLC —

Shaun C. Blake, Esq.
sblake@rogerslewis.com

June 30, 2014

The Honorable Julie J. Armstrong
Charleston County Clerk of Court
100 Broad St., Ste 106
Charleston, SC 29401-2210

Re: Virgil "Ray" Passailaigue v. Henry Kuznik, et al.
CA #: 2013-CP-10-01647

Dear Ms. Armstrong:

Please find enclosed for filing the original and one copy of a Motion and Order Information Form and Coversheet and a Notice of Motion and Motion for Summary Judgment with a Certificate of Service in the above-referenced action. Also enclosed, please find \$25.00 made payable to the Charleston County Clerk of Court to cover the filing fee.

Please file the original and return a clocked-copy to me in the self-addressed, postage-paid envelope provided.

By copy of this letter, I am notifying all counsel of record

With kind regards, I am

Sincerely,



Shaun C. Blake, Esq.

SCB/ams
Enclosure

cc: Jacob S. Barker, Esq.
John M. Bleeker, Jr., Esq.
Lindsey W. Cooper, Jr., Esq.
Mallory A. Lopata, Esq.
Patrick T. Napolski, Esq.
Lawrence E. Richter, Jr., Esq.

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

RECEIVED

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

JUN 15 2015

R. Markley Dennis, Jr., Circuit Court Judge

SC Court of Appeals

Case No. 2013-CP-10-1647
Appellate Case No. 2015-000044

Virgil "Ray" Passailaigue

Appellant,

v.

Henry Kuznik, Alfred L. Saad,
III, Paul D. Hollen, III, and
Thornwell Partners, LLC

Respondents,

PROOF OF SERVICE

I certify that I have served the Record on Appeal, Certificate of Counsel, Certificate of Compliance, and Proof of Service by depositing a copy of it in the United State Mail, postage prepaid, on 6/12/15, addressed to the attorneys of record, as follows:

John M. Bleecker, Jr., Esq.
Law Office of John M. Bleecker, Jr.
89 Broad St.
P.O. Box 148
Charleston, SC 29402
Attorney for Defendant Henry Kuznik

Lindsey W. Cooper, Jr., Esq.
Law Offices of LW Cooper, Jr.
36 Broad St.
Charleston, SC 29401

Attorney for Defendant Paul D. Hollen, III

Shaun C. Blake, Esq.
Rogers, Lewis, Jackson, Mann & Quinn, LLC
PO Box 11803
Columbia, SC 29201
*Attorney for Defendants Alfred L. Saad, III and
Thornwell Partners, LLC*

THE RICHTER FIRM, LLC

By: *Michelle Stith*
Michelle Stith on behalf of:

Lawrence E. Richter, Jr.
Patrick T. Napski
622 Johnnie Dodds Blvd.
Mt. Pleasant, SC 29464
P: (843) 849-6000
Attorneys for Appellant

Dated: *June 12*, 2015
Mt. Pleasant, South Carolina

THE RICHTER FIRM, LLC

Attorneys & Counselors at Law
622 Johnnie Dodds Boulevard
Mount Pleasant, South Carolina 29464

Lawrence E. Richter, Jr.
Alice Anne Richter Lehrman
Aaron E. Edwards
Patrick T. Napolski*

Telephone: (843) 849-6000
Telefax: (843) 881-1400

*Also licensed in IL

June 12, 2015

Via U.S. Mail

John M. Bleecker, Jr., Esq.
Law Office of John M. Bleecker, Jr.
P.O. Box 148
Charleston, SC 29402

Lindsey W. Cooper, Jr., Esq.
The Law Offices of L.W. Cooper, Jr., LLC
36 Broad St.
Charleston, SC 29401

Shaun C. Blake, Esq.
Rogers, Lewis, Jackson, Mann & Quinn, LLC
P.O. Box 11803
Columbia, SC 29201

Re: Virgil "Ray" Passailaigue v. Henry Kuznik, et al.
Case No.: 2013-CP-10-01647
Appellate Case No.: 2015-000044

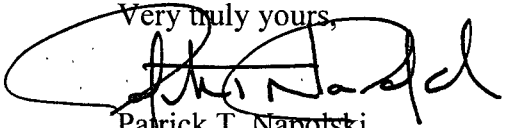
Dear Counselors,

Enclosed please find a copy of the Record of Appeal in the above referenced matter as well as a copy of the Proof of Service. The Proof of Service has also been sent to the Court of Appeals.

If you have any questions, please do not hesitate to contact me.

With kindest regards, I am,

Very truly yours,


Patrick T. Napolski

RECEIVED

JUN 15 2015

SC Court of Appeals

THE RICHTER FIRM, LLC

Attorneys & Counselors at Law
622 Johnnie Dodds Boulevard
Mount Pleasant, South Carolina 29464

Lawrence E. Richter, Jr.
Alice Anne Richter Lehrman
Aaron E. Edwards
Patrick T. Napolski*

Telephone: (843) 849-6000
Telefax: (843) 881-1400

*Also licensed in IL

June 12, 2015

RECEIVED
JUN 15 2015
SC Court of Appeals

Via U.S. Mail

The Honorable Jenny Abbott Kitchings
Clerk, South Carolina Court of Appeals
P.O. Box 11629
Columbia, SC 29211

Re: Virgil "Ray" Passailaigue v. Henry Kuznik, et al.
Case No.: 2013-CP-10-01647
Appellate Case No.: 2015-000044

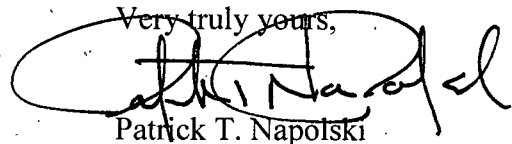
Dear Madam Clerk,

Enclosed please find the Proof of Service of the Record on Appeal in the above captioned matter.

If you have any questions, please do not hesitate to contact me.

With kindest regards, I am,

Very truly yours,


Patrick T. Napolski