

THE STATE OF SOUTH CAROLINA
In the Court of Appeal

RECEIVED

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

MAY 16 2016

SC Court of Appeals

The Honorable Clifton Newman

Trial Case No.: 2006-CP-10-1577
Appellate Case No. 2015-001844

Lawton Limehouse, Sr.....Appellant

Paul H. Hulsey and The Hulsey Litigation
Group, LLC.....Respondent

RECORD ON APPEAL
Volume I

Hood Law Firm, LLC
Robert H. Hood
James B. Hood
Deborah H. Sheffield
172 Meeting Street- P.O. Box 1508
Charleston, SC 29402
(843) 577-4435
fax: (843) 722-1630
info@hoodlaw.com

Attorneys for the Respondents,
Paul H. Hulsey and The Hulsey Litigation Group, LLC

Cherie K. Durand, Esquire
Hulsey Litigation Group, LLC
68 Queen Street
Charleston, SC 29401
(843) 723-5303
cdurand@hulseylawgroup.com

Cisa & Dodds, LLP
Frank M. Cisa
858 Lowcountry Blvd., Suite 101
Mt. Pleasant, SC 29464
(843) 881-6530
fax: (843) 881-5433
E-mail: frank@cisadodds.com
Attorney for Appellant
Lawton Limehouse, Sr.

INDEX

VOLUME I

ORDERS/JUDGMENTS

Order Denying Plaintiff's Motion for a New Trial Absolute.....	4
FORM 4 Judgment filed February 7, 2009.....	5
FORM 4 Judgment filed March 30, 2015.....	6

PLEADINGS/MOTIONS

Complaint filed April 19, 2006.....	8
Answer (Post Remittitur) filed August 12, 2013.....	15
Plaintiff's Notice of Motion and Motion in Limine filed March 20, 2015.....	21
Defendants' Motion in Limine to Exclude Information from Trial filed March 20, 2015.....	29

TRIAL PROCEEDINGS

Trial Transcript Volume I Pre-Trial Matters.....	55
Testimony of Dr. Fred Smith	
Direct Examination by Mr. Cisa.....	129
Cross Examination by Mr. J. Hood.....	129
Discussion on Rule 408.....	73
Testimony of James Scott	
Direct by Mr. Cisa.....	83
Cross by Ms. Durand.....	197
Re-Direct by Mr. Cisa.....	104
Discussion Concerning Page Line Designations of Mr. Hulsey.....	108

Introduction of Defendants' Exhibit 9.....	139
Testimony of Steve Wagonlander	
Direct Examination by Mr. Cisa.....	140
Testimony of Lawton Limehouse, Sr.	
Direct Examination by Mr. Cisa.....	146
Cross Examination by Mr. J. Hood.....	424
Re-Direct Examination by Mr. Cisa.....	376
Re-Cross Examination by Mr. J. Hood.....	382
Testimony of Harry Limehouse	
Re-Direct Examination by Mr. Cisa.....	384
Trial Transcript Volume II Discussion Concerning Verdict Form.....	385
Motion for Directed Verdict by Mr. J. Hood.....	390
Testimony of Paul H. Hulsey	
Direct Examination by Mr. J. Hood.....	434
Cross Examination by Mr. Cisa.....	468
VOLUME II	
Cross Examination contd. by Mr. Cisa for Paul H. Hulsey.....	469
Re Direct Examination by Mr. J. Hood.....	504
Testimony of G. Robert Blakey	
Direct Examination by Ms. Durand.....	509
Motion following Defendants Case.....	512
Trail Transcript Volume III Discussion concerning jury charges.....	521

Closing Arguments.....535

Jury charges.....591

POST TRIAL MOTIONS

The Plaintiff, Lawton Limehouse, Sr.'s Notice of Motion
and Motion for a New Trial Absolute.....620

TRIAL EXHIBITS

Court's Exhibit 9- Newspaper Article dated April 24, 2004.....623

Court's Exhibit 10-RICO Class Action Complaint filed April 23, 2004.....628

OTHER MATERIALS AND DOCUMENTS

Page Line Designations From the deposition of Paul H. Hulsey.....661

Condensed copy of the Deposition of Paul H. Hulsey dated 9/24/2014.....664

Certificate of Counsel.....723

) IN THE COURT OF COMMON PLEAS
) NINTH JUDICIAL CIRCUIT

) 2006-CP-10-1577

)

)

)

)

)

)

ROA 4

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

JUDGMENT IN A CIVIL CASE

Case No.: 2006-CP-10-1577

FILED
2006 FEB - 7 AM 9:34
CLERK OF COURT
JULIE J. ALLEN

LAWTON LIMEHOUSE, SR.

versus

PAUL H. HULSEY and THE HULSEY
LITIGATION GROUP, LLC

Plaintiff

Defendant

CHECK ONE:

- ☒ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and the verdict has been rendered.
- ☐ **DECISION BY COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ☐ **ACTION DISMISSED (CHECK REASON):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. nonsuit)
☐ Rule 43(k), SCRCP (Settled);
☐ Other: _____
- ☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j), SCRCP; ☐ Bankruptcy;
☐ Other: _____

IT IS ORDERED AND ADJUDGED: ☐ See attached order ☐ Statement of Judgment by Court

Jury verdict for the Plaintiff, Lawton Limehouse, Sr., in the amounts of \$ 2,390,000.00 actual damages and \$ 5,000,000.00 punitive damages against the defendants. Therefore, judgment is entered against the defendants, Paul H. Hulsey and The Hulsey Litigation Group, LLC in the amount of \$ 7,390,000.00. Submit any post-trial motions with Ten (10) days.

Dated at Charleston, South Carolina,

2/6/8
Date

Judge

This judgment was entered on the ____ Day of _____, 20__, and a copy mailed first class this ____ Day of _____, 20__, to attorneys of record or to parties (when appearing pro-se) as follows:

FRANK CISA
Attorney(s) for Plaintiff(s)

BOBBY HOOD, SR.
Attorney(s) for Defendant(s)

FORM 4

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

JUDGMENT IN A CIVIL CASE

CASE NO. 2006-CP-10-01577

Lawton Limehouse Sr.

Paul H. Hulsey and The Hulsey Litigation Group
LLC

PLAINTIFF(S)

DEFENDANT(S)

Submitted by: _____

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.
- ☐ **ACTION DISMISSED (CHECK REASON):** ☐ Rule 12(b), SCRCp; ☐ Rule 41(a), SCRCp (Vol. Nonsuit); ☐ Rule 43(k), SCRCp (Settled); ☐ Other _____
- ☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j), SCRCp; ☐ 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: As to the claim of the Plaintiff for defamation, we the jury unanimously finds in favor of the Defendants. The Parties will be allowed 10 (ten) days to file post-trial motions.

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

2127
Judge Code3/27/15
Date

For Clerk of Court Office Use Only

This judgment was entered on the _____ day of _____, 20____ and a copy mailed first class or placed in the appropriate attorney's box on this _____ day of _____, 20____ to attorneys of record or to parties (when appearing pro se) as follows:

Frank Cisa

James Hood & Cherie Durand, Drew Bradshaw

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

CLERK OF COURT

Court Reporter: Karen Andersen

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
)
LAWTON LIMEHOUSE, Sr)
)
Plaintiff,)
)
vs)
)
PAUL H HULSEY and THE)
HULSEY LITIGATION GROUP,)
LLC)
Defendants)
_____)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO

06 CP 10 1577

COMPLAINT

(DEFAMATION)

Jury Trial Demanded

BY

JULIE J. HARRIS
CLERK OF COURT

2006 APR 19 PM 1 40

FILED

The Plaintiff, above-named, complaining of the Defendants, above-named, would respectfully show unto this honorable Court as follows

PARTIES

- 1 The Plaintiff is a citizen and resident of the County of Charleston, State of South Carolina and at all times hereinafter mentioned was engaged in business in the County of Charleston, South Carolina
- 2 That the Defendant, Paul H Hulsey, was and is a licensed practicing attorney in the State of South Carolina having his principal place of business in the County of Charleston, State of South Carolina and at all times hereinafter mentioned was an agent, employee, servant and member of the Defendant, The Hulsey Litigation Group, LLC
- 3 That the Defendant, The Hulsey Litigation Group, LLC, is a corporation organized and existing under the Laws of the State of South Carolina and at all times hereinafter mentioned was and is operated as a law firm with its principal

place of business in the County of Charleston, State of South Carolina

JURISDICTION AND VENUE

- 4 That this Court has jurisdiction over the parties and subject matter of this action and venue is proper in that the Plaintiff is a resident of Charleston County, South Carolina, the Defendant, Paul H. Hulsey, is a resident of Charleston County, South Carolina and owns property and conducts business in Charleston County, South Carolina, and the Defendant, The Hulsey Litigation Group, LLC has its principal place of business in Charleston County, South Carolina

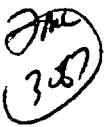
FACTUAL BACKGROUND

- 5 The Plaintiff, Lawton Limehouse, Sr., was born in Charleston County and has been a life long resident of Charleston County. The Plaintiff has friends, relatives, acquaintances and business contacts living in Charleston County, has raised a family in Charleston County, and has worked in Charleston County the majority of his life
- 6 That heretofore, in 1999 Lawton Limehouse, Sr., and his son incorporated a staffing agency known as L&L Services, LLC. Thereafter he and his son organized and incorporated another staffing agency known as WLL, LLC
- 7 That the aforesaid staffing agencies employed many individuals relative to the operation of the staffing agencies
- 8 That since 1999, the Plaintiff, Lawton Limehouse, Sr., has worked and devoted his full time and efforts to building and establishing the aforesaid staffing agencies

9 That heretofore, in 2004 the Defendant, Paul H Hulsey, individually and as an agent and servant of The Hulsey Litigation Group, LLC filed a class action lawsuit on behalf of certain individuals, against the Plaintiff, L&L Services, LLC and WLL, LLC which said lawsuit alleged improper acts and conduct on part of the Plaintiff as well as L&L Services, LLC and WLL, LLC

10 On or about April 23, 2004 the Defendants held a press conference or otherwise made false statements about the Plaintiff to certain news agencies including but not limited to a reporter from the Post & Courier staff The Post & Courier is a widely distributed newspaper in Charleston County and throughout other areas of the state of South Carolina

11 During the news conference and or during the Defendant, Paul H Hulsey's meeting with members of the news media including a reporter from the Post & Courier staff the Defendant, Paul H Hulsey, made false and defamatory statements concerning the Plaintiff with the knowledge and intent that said statements be published by the Post & Courier newspaper as well as by other media located in the Charleston County area which statements included the following to wit

- 
- a That the Plaintiff had engaged in a classic racketeering scheme,
 - b that the Plaintiff's conduct set the community back 150 years,
 - c that the Plaintiff engaged in a blatant case of indentured servitude,
 - d that the Plaintiff created a perfect racketeering enterprise just like Tony Soprano

12 That Tony Soprano is portrayed as a gangster on the critically acclaimed, Emmy and Peabody winning HBO series "The Sopranos" which is a made for TV series which is aired and shown on the Home Box Office network and has been aired and shown for the past five (5) years and continues to be aired and shown on Home Box Office network

13 That Tony Soprano in the TV series "the Sopranos" is depicted as

- a a gangster and mobster,
- b a murderer,
- c a person engaged in prostitution,
- d a person engaged in gambling,
- e a person engaged in extortion,
- f a person engaged in racketeering,
- g a person who operates a strip club,
- h a person who extorts money from people through physical violence as well as other means,
- i a person who uses obscene, vulgar, and profane language

 14 The aforesaid statements were made by the Defendant, Paul H. Hulsey, concerning the Plaintiff, in his individual capacity as well as an agent, servant employee and member of the Defendant, The Hulsey Litigation Group, LLC

15 The Hulsey Litigation Group, LLC is jointly and severally liable for the acts and omissions of the Defendant, Paul H. Hulsey, as referred to herein

16 That the statements made by the Defendant, Paul H. Hulsey as aforesaid were

made with the intent of bolstering the class action lawsuit which he filed against the Plaintiff and Plaintiff's companies and also with the intent to attract individuals who would become members of the class action suit so the Defendants could potentially earn large sums of money as legal fees

17 These statements made by the Defendant, Paul H. Hulsey, as aforesaid, were not privileged, were false and defamatory, and were intended to degrade the Plaintiff and did harm and reduce his character and reputation in the estimation of his friends, acquaintances, business associates, relatives and the public at large and caused the Plaintiff to experience great humiliation, embarrassment and intended to and did in fact disgrace the Plaintiff, and render him odious, contemptible and subject to ridicule

18 That at the time the Defendant, Paul H. Hulsey, made the aforesaid statements concerning the Plaintiff he knew or in the exercise of reasonable care and diligence should have known that said statements would be published in the Post & Courier as well as by other media and in fact said statements were published by the Post & Courier on April 24, 2004

19 That the aforesaid statements made by the Defendant have caused the Plaintiff to suffer great mental anguish and depression caused by the injury to his reputation and further the Plaintiff has suffered special damages in that he has lost income and has lost his businesses all to his damage and detriment

FOR A FIRST CAUSE OF ACTION

(As to both Defendants Defamation, Slander and Liable)

- 20 Each and every allegation contained in paragraphs 1-19 above are incorporated herein by express reference as though fully set forth
- 21 That the aforesaid statements made by the Defendant, Paul H Hulsey, had a defamatory meaning in that the statements impeached the honesty, integrity, virtue and reputation of the Plaintiff and exposed him to public hatred contempt, ridicule, caused him to be shunned or avoided, and injured his office, business and occupation
- 22 That the statements made and published by the Defendant, Paul H Hulsey were made and published with actual or implied malice by the Defendant in an effort to bolster the allegations of the class action lawsuit which he filed against the Plaintiff and Plaintiff's companies so that he and the Defendant, The Hulsey Litigation Group LLC could increase their potential for earning large sums of money from the lawsuit as legal fees
- 23 That the statements made by the Defendant, Paul H Hulsey as aforesaid were false
- 24 That the aforesaid defamatory statements made by the Defendant, Paul H Hulsey, and communicated to representatives of the Post & Courier and other representatives of the media were made by the Defendant, Paul H Hulsey with the expectation that said statements would be published in the media which statements were published by representatives of the press including but not limited to the Post & Courier
- 25 That the Defendant has engaged in libel per se and slander per se in making the

647

aforesaid defamatory statements concerning the Plaintiff and his businesses with the expectation that the aforesaid statement would be published by the news media

26 The Plaintiff has been damaged as aforesaid by the defamatory statements made by the Defendant, Paul H Hulse, who intended and expected the statements to be published in the news media and more particularly the Post & Courier The damages included the Plaintiff's embarrassment, humiliation, mental suffering, caused the Plaintiff injury in his office, business and occupation and further the Plaintiff has expended large sums of money in attorney's fees defending against the defamatory statements made by the Defendants

27 That the Plaintiff seeks, actual, general and special damages against the Defendants as well as punitive damages because the Defendants actions were intentional or made with the reckless disregard of the Plaintiff's rights in an amount to be determined by the jury

WHEREFORE, the Plaintiff prays for judgement against the Defendants, jointly and severely for actual damages including general and special damages and punitive damages and the costs of this action

7/16/06

CISA & DODDS, LLP

Frank M Cisa

Frank M Cisa
622 Johnnie Dodds Blvd
Mt Pleasant, SC 29464
(843) 881-3700

Mt Pleasant, SC
This 19th day of April, 2006

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

Lawton Limehouse, Sr.,

Plaintiff,

Versus

Paul H. Hulsey and The Hulsey
Litigation Group, LLC,

Defendants.

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

) C/A No. 06-CP-10-1577

) **ANSWER (POST REMITTITUR)**

BY

JULIE J. ARMSTRONG
CLERK OF COURT

2013 AUG 12 PM 1:11

FILED

COMES NOW the Defendants, Paul H. Hulsey and the Hulsey Litigation Group, LLC (hereinafter "the Defendants") answering the allegations of the Plaintiff's Complaint as follows:

1. On June 26, 2013, the South Carolina Supreme Court issued an opinion vacating the judgment in this case and ordered the matter remanded "to recommence the cases from the procedural point at which the state court received a certified remand order from the federal court." Although the Defendants have previously filed answers, now in an abundance of caution and based on the instructions of the Supreme Court in the remand, the Defendants filed an answer after receiving the appellate opinion. Now that the remittitur was issued on August 8, 2013, in a further abundance of caution the Defendants resubmit their answer.

2. The Defendants deny each and every, all and singular, the allegations of the Complaint except as are specifically admitted herein.

3. The Defendants admit the allegations of Paragraph 1 of the Complaint.

4. The Defendants admit the allegations of Paragraph 2 of the Complaint.

5. The Defendants admit the allegations of Paragraph 3 of the Complaint.

6. The Defendants admit the allegations of Paragraph 4 of the Complaint.

7. The Defendants do not have sufficient knowledge so as to admit or deny the majority of Paragraph 5 of the Complaint and for this reason deny the same except that the Defendants admit that Lawton Limehouse, Sr. was born and lives in Charleston County.

8. The Defendants admit the allegations of Paragraph 6 of the Complaint.

9. With respect to the allegations of Paragraph 7, the Defendants admit that the Plaintiff employed many individuals and, further answering, affirmatively states that the majority of the Plaintiff's employees were known to him to be illegal aliens, the availability of which his business depended upon.

10. The Defendants do not have sufficient knowledge so as to admit or deny the allegations of Paragraph 8 of the Complaint and for these reasons deny the same.

11. The Defendants admit the allegations of Paragraph 9 of the Complaint.

12. The Defendants deny the allegations of Paragraph 10 of the Complaint.

13. The Defendants deny the allegations of Paragraph 11 of the Complaint.

14. The Defendants deny the allegations of Paragraph 12 of the Complaint.

15. The Defendants deny the allegations of Paragraph 13 of the Complaint.

16. The Defendants deny the allegations of Paragraph 14 of the Complaint.

17. The Defendants deny the allegations of Paragraph 15 of the Complaint.

18. The Defendants deny the allegations of Paragraph 16 of the Complaint.

19. The Defendants deny the allegations of Paragraph 17 of the Complaint.

20. The Defendants deny the allegations of Paragraph 18 of the Complaint.

21. The Defendants deny the allegations of Paragraph 19 of the Complaint.

22. In response to the allegations in Paragraph 20 of the Complaint, the Defendants reassert and reallege the above paragraphs as if fully restated herein verbatim.

23. The Defendants deny the allegations of Paragraph 21 of the Complaint.

24. The Defendants deny the allegations of Paragraph 22 of the Complaint.

25. The Defendants deny the allegations of Paragraph 23 of the Complaint.

26. The Defendants deny the allegations of Paragraph 24 of the Complaint.

27. The Defendants deny the allegations of Paragraph 25 of the Complaint.

28. The Defendants deny the allegations of Paragraph 26 of the Complaint.

29. The Defendants deny the allegations of Paragraph 27 of the Complaint,

such being all the remaining allegations of the Complaint.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Failure to State a Claim)

30. The allegations contained in the Complaint fails in its entirety to state a claim upon which relief may be granted against the Defendants.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Truth)

31. The alleged defamatory statements were true and therefore the Plaintiff is barred from recovery against the Defendants.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Privilege)

32. The alleged defamatory statements were communicated in good faith to parties with a legitimate interest in hearing them and therefore the Plaintiff is barred from recovery against the Defendants.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Public Figure)

33. The Plaintiff was a public figure who must therefore prove defamation through actual malice which cannot be done, and therefore the Plaintiff is barred from recovery against the Defendants.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Opinion)

34. The alleged defamatory statements represent the opinions of the speaker and therefore the Plaintiff is barred from recovery against the Defendants.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Absolute Privilege)

35. The alleged defamatory statements were the subject of an ongoing lawsuit such that the Plaintiff's claims are barred from recovery against the Defendants.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Litigation Privilege)

36. The alleged defamatory statements were the subject of an ongoing lawsuit such that the Plaintiff's claims are barred from recovery against the Defendants.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Publication of Public Records)

37. The alleged defamatory statements are facts from a complaint and therefore the Plaintiff is barred from recovery against the Defendants.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Punitive Damages Unconstitutional)

38. That any award or assessment of punitive damages as prayed for by the Plaintiff would violate the Defendants' constitutional rights under the Fifth, Sixth and Fourteenth Amendments of the United States Constitution and comparable provisions of the South Carolina Constitution.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(First Amendment/Fourteenth Amendment)

39. The Defendants' right to free speech as set forth in the First Amendment to the US Constitution and made applicable to the states through the Fourteenth Amendment of the US Constitution bars the Plaintiff's claim.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Reservation and Non-Waiver)

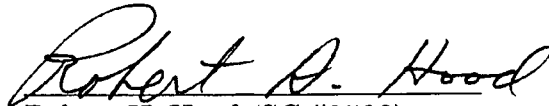
40. The Defendants reserve any additional and further defenses as may be revealed by additional information during the course of discovery and investigation, and as is consistent with the South Carolina Rules of Civil Procedure.

FURTHER ANSWERING AND AS AN AFFIRMATIVE DEFENSE,
THE DEFENDANTS ALLEGE:
(Lack of Standing)

41. The Defendants allege that Plaintiff lacks standing because the alleged defamatory statements were about L & L Services, LLC, not the named Plaintiff.

WHEREFORE, having fully answered the Plaintiff's Complaint, Defendants Paul H. Hulsey and the Hulsey Litigation Group, LLC pray that the Plaintiff's Complaint be dismissed with prejudice and that they be awarded the costs and reasonable fees associated with this matter and such other relief as the court may deem just and proper.

HOOD LAW FIRM, LLC
172 Meeting Street/Post Office Box 1508
Charleston, SC 29402
Phone: (843) 577-4435/Fax: (843) 722-1630
Email: Info@hoodlaw.com



Robert H. Hood (SC #2599)
James B. Hood (SC #70212)

*Attorneys for the Defendant
The Hulsey Litigation Group, LLC*

and

A. Camden Lewis
Keith M. Babcock
Ariail E. King
LEWIS & BABCOCK, LLP
1513 Hampton Street
Post Office Box 11208
Columbia, South Carolina 29211
Phone: (803) 771-8000/Fax: (803) 733-3534

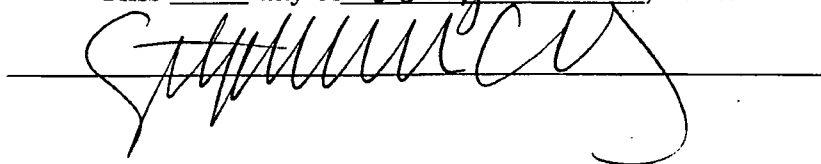
*Attorneys for the Defendant
Paul H. Hulsey*

August 12, 2013
Charleston, South Carolina

CERTIFICATE OF SERVICE

I certify that on this date a copy of the foregoing was served on each party or counsel of record by ☒ mailing, ☐ e-mailing, ☐ facsimile, or ☐ hand delivery in the manner prescribed by the applicable Rule of Civil Procedure.

This 12 day of August, 2013.



STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
)
LAWTON LIMEHOUSE, Sr.)
)
Plaintiff,)
)
vs.)
)
PAUL H. HULSEY and THE)
HULSEY LITIGATION GROUP,)
LLC)
Defendants.)
_____)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2006-CP-10-1577

NOTICE OF MOTION AND MOTION
IN LIMINE

2015 MAR 20 PM 4:11
JULIE J. ARMSTRONG
CLERK OF COURT

FILED

TO: JAMES B. HOOD, ESQUIRE, ATTORNEY FOR THE DEFENDANT, THE
HULSEY LITIGATION GROUP, LLC AND CHERIE DURAND, ESQUIRE
ATTORNEY FOR PAUL H. HULSEY:

Plaintiff
YOU WILL PLEASE TAKE NOTICE that the Defendant, Lawton Limehouse, Sr. by and
through his undersigned attorney, prior to the selection of the jury in this action, moves this
Court in limine to instruct the Defendants attorney, not to introduce, mention, refer to, interrogate
concerning, voluntarily answer, or attempt to convey before the jury at any time during these
proceedings in any manner, either directly or indirectly, the following facts:

1. All newspaper articles published in the Post and Courier concerning the Plaintiff
and/or L&L Services, LLC other than the publication of April 24, 2004.
2. Any philanthropy or charitable contributions made or engaged in by the
Defendant, Paul H. Hulsey and the Defendant, The Hulsey Litigation Group, LLC
3. Any documents identified in the Defendants' Second Supplemental Responses to
Plaintiff's First Request for Production of documents.

The Plaintiff, moves, through his undersigned attorney, that the attorneys for the

Defendants be instructed and cautioned not to inquire or cross examine relative to the matters referred to herein.

The grounds for this motion are that the character evidence of the Defendants is not admissible pursuant to Rule 404, SCRE and the newspaper articles in question are hearsay and not admissible pursuant to Rule 802, SCRE.

The attached Second Supplemental Responses to Plaintiff's First Request for Production were sent to me by email at 11:21a.m. on Friday, March 20, 2015. There is insufficient time for me to obtain, review and prepare for this late production of documents.

This motion shall be further supported by the South Carolina Rules of Evidence, and the statute and case law of the State of South Carolina.

CISA & DODDS, LLP



Frank M. Cisa
858 Lowcountry Blvd., Suite 101
Mt. Pleasant, SC 29464
(843) 881-6530

Fax: (843) 881-5433

This ^{10th} day of March, 2015
Mt. Pleasant, SC

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2006-CP-10-1577

LAWTON LIMEHOUSE, Sr.)
)
Plaintiff,)

vs.)

PAUL H. HULSEY and THE)
HULSEY LITIGATION GROUP,)
LLC)
Defendants.)

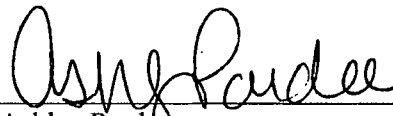
CERTIFICATE OF MAILING

FILED
2015 MAR 20 PM 4:11
JULIE J. ARMSTRONG
CLERK OF COURT
BY

I, Ashley Pardee, Legal Assistant to Frank M. Cisa, hereby certify that on the 20th day of
March, 2015, I mailed, postage prepaid via United States Mail and electronically mailed, the
Notice of Motion and Motion in Limine in the above-captioned action, to:

James B. Hood, Esquire
Hood Law Firm
P.O. Box 1508
Charleston, SC 29402

Cherie K. Durand, Esquire
Hulsey Litigation Group, LLC
68 Queen Street
Charleston, SC 29401


Ashley Pardee

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Lawton Limehouse, Sr.,

Plaintiff,

Versus

Paul H. Hulsey and The Hulsey
Litigation Group, LLC,

Defendants.

) IN THE COURT OF COMMON PLEAS

) NINTH JUDICIAL CIRCUIT

) C/A No. 06-CP-10-1577

)
) **DEFENDANTS' SECOND**
) **SUPPLEMENTAL RESPONSES TO**
) **PLAINTIFF'S FIRST REQUEST FOR**
) **PRODUCTION OF DOCUMENTS**
)

TO: FRANK M. CISA, ATTORNEY FOR THE PLAINTIFFS:

The Defendants, Paul H. Hulsey and The Hulsey Litigation Group, LLC (hereinafter "the Defendants"), supplement their responses to the Plaintiff's First Request for Production of Documents, as follows:

6. Any and all documents or things which you intend to introduce at trial.

RESPONSE: The Defendants intend to introduce the following documents or things at trial, all of which are in the Plaintiff's possession. The Defendants will provide the Plaintiff with copies of the following exhibits if needed at trial.

1. 02/11/2004 Post and Courier Article Titled "N. Charleston raids boarding homes"
2. 02/12/2004 Post and Courier Article Titled "Temp agency faces \$10,050 in fines after raid"
3. 02/18/2004 Post and Courier Article Titled "2 homes controlled by staffing agency condemned in '03"
4. 02/24/2004 Post and Courier Article Titled "Staffing agency on spot as 2nd raid finds 10 people living in house"

5. 02/27/2004 Post and Courier Article Titled "Temp agency gets delay of housing case"
6. 03/21/2004 Post and Courier Articles Titled "The Hidden Economy: Local company accused of trafficking in illegal immigrant labor" and "False document industry thriving"
7. 04/05/2004 Post and Courier Article Titled "A tough road to success"
8. 04/20/2004 Post and Courier Article Titled "Firm owes back wages to laborers"
9. 04/24/2004 Post and Courier Article Titled "Lawsuit Targets Staffing Agency"
10. 04/23/2004 Class Action RICO Complaint
11. 05/12/2004 L&L Services, LLC Customer Contact List
12. Social Security No Match Letters
13. 08/23/2004 Letter from the U.S. Department of Labor to L&L Services, LLC Stating Violations of the FLSA
14. 04/12/2004 Summary of Unpaid Wages from the U.S. Department of Labor
15. 02/16/2004 City of North Charleston Police Report
16. 05/16/2004 Agreement between Lawton Limehouse, Sr. and the South Carolina Workers Compensation Commission
17. 05/16/2004 Check from L&L Services, LLC to the South Carolina Workers Compensation Commission
18. 02/25/2003 Contract between L&L Services, LLC and Recovery Tech Group
19. 03/04/2003 Contract between L&L Services, LLC and Pine Forest County Club
20. 2000 U.S. Return of Partnership Income for L&L Services, LLC

21. 2001 U.S. Return of Partnership Income for L&L Services, LLC
22. 2002 U.S. Return of Partnership Income for L&L Services, LLC
23. 2003 U.S. Return of Partnership Income for L&L Services, LLC
24. 2004 U.S. Return of Partnership Income for L&L Services, LLC
25. 2000 Individual Income Tax Return for William L. Limehouse
26. 2001 Individual Income Tax Return for William L. Limehouse
27. 2002 Individual Income Tax Return for William L. Limehouse
28. 2003 Individual Income Tax Return for William L. Limehouse
29. 2004 Individual Income Tax Return for William L. Limehouse
30. 2005 Individual Income Tax Return for William L. Limehouse
31. 2005 Amended Individual Income Tax Return for William L. Limehouse
32. 04/29/2004 Engagement Letter Sent to William L. Limehouse by Richard Homes
33. 12/02/2004 Handwritten Notes made by Richard Homes
34. 2001 Profit and Loss Statement of L&L Services, LLC
35. 2002 Profit and Loss Statement of L&L Services, LLC
36. 2003 Profit and Loss Statement of L&L Services, LLC
37. 04/14/2004 Notices of Federal Tax Levy against L&L Services, LLC
38. 08/28/2002 Federal Tax Lien to L&L Services, LLC
39. 09/20/2002 Federal Tax Lien to L&L Services, LLC
40. 04/07/2003 Federal Tax Lien to L&L Services, LLC
41. 04/15/2004 Federal Tax Lien to L&L Services, LLC

42. 04/19/2004 Notice of Federal Tax Lien to L&L Services, LLC
43. 10/29/2003 Federal Tax Lien to William L Limehouse
44. 06/07/2004 Release of 10/29/2003 Federal Tax Lien
45. 11/21/2003 Letter from Law Offices of Grant & Kuyk to William L. Limehouse
46. Documents obtained by Lawton Limehouse, Sr. from IRS on 03/09/2015
47. 05/07/2004 Quitclaim Deed Transferring Property from William L. Limehouse to Gene Limehouse
48. 05/13/2004 Quitclaim Deed Transferring Property from William L. Limehouse Jr. to Mary Limehouse
49. 01/18/2007 Deed from William L. Limehouse to Gene Limehouse
50. Resume of G. Robert Blakey
51. 2004-2013 State and Federal Notices and Satisfactions of Tax Liens to William L. Limehouse
52. Hulsey Law Group Website

Defendants expressly adopt and incorporate by reference the exhibits disclosed by all other parties in this matter. Defendants also reserve the right to use all documents exchanged in this case as well as the underlying RICO action. Defendants reserve the right to supplement this exhibit list and further reserve the right to make such additions or deletions from this list as discovery continues and as may be appropriate in this action and to respond to the evidence presented at trial.

HOOD LAW FIRM, LLC
172 Meeting Street/Post Office Box 1508
Charleston, SC 29402
Phone: (843) 577-4435/Fax: (843) 722-1630
Email: Info@hoodlaw.com


Robert H. Hood (SC #2599)
James B. Hood (SC #70212)
James A. Bradshaw (SC #100548)

and

Cherie K. Durand, Esquire (SC #74104)
Hulsey Law Group
68 Queen Street
Charleston, SC 29401
P: (843) 723-5303; F: 723-5307
E: cdurand@hulseylitigationgroup.com

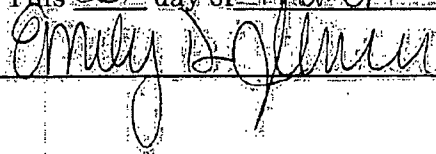
Attorneys for the Defendants
Paul H. Hulsey and The Hulsey
Litigation Group, LLC

3/20, 2015
Charleston, South Carolina

CERTIFICATE OF SERVICE

I certify that on this date a copy of the foregoing
was served on each party or counsel of record by ☐
mailing, ☒ e-mailing, ☐ facsimile, or ☐ hand delivery in
the manner prescribed by the applicable Rule of Civil
Procedure.

This 20th day of March, 2015.



Emily S. Miller

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Lawton Limehouse, Sr.,

Plaintiff,

Versus

Paul H. Hulsey and The Hulsey
Litigation Group, LLC,

Defendants.

) IN THE COURT OF COMMON PLEAS

)

) NINTH JUDICIAL CIRCUIT

)

) C/A No. 06-CP-10-1577

)

) DEFENDANTS' MOTION IN LIMINE

)

) TO EXCLUDE INFORMATION

)

) FROM TRIAL

)

)

)

)

)

)

Defendants Paul H. Hulsey and The Hulsey Litigation Group, LLC
(hereinafter "Defendants"), by and through their undersigned attorneys, pursuant
to the South Carolina Rules of Civil Procedure, hereby move for an Order in Limine
precluding the introduction into evidence and preventing all testimony regarding
the following:

- (1) Paul H. Hulsey's personal family life;
- (2) Any and all references to Paul H. Hulsey and/or The Hulsey Litigation Group, LLC as a rich, hotshot lawyer or words to that effect and "Lawyer Hulsey;"
- (3) Testimony about the types of cars owned by Paul H. Hulsey;
- (4) The pregnancy of Amy Limehouse-Eager and the effect the newspaper article at issue allegedly had on this pregnancy;
- (5) Medical testimony for which there is no evidentiary basis;
- (6) Information about the Plaintiff paying the tuition for someone at the Citadel;
- (7) Settlement of the underlying RICO case and offers of compromise related to the same;
- (8) Allegations that the Defendants violated a court order by providing a link to the at-issue *Post and Courier* article on their website;
- (9) Comments by the Court or previous decisions by the Court;

FILED
2015 MAR 20 PM 3:58
JULIE J. ARMSTRONG
CLERK OF COURT

- (10) The previous damages hearing and proceedings and references to such proceedings that took place in February of 2008;
- (11) Testimony by Plaintiff about conversations with business owners and why they stopped doing business with L&L Services, LLC;
- (12) Whether the Defendants called the Plaintiff to apologize for making the statements in the April 24, 2004 article;
- (13) Allegations that Paul H. Hulsey wrote the April 24, 2004 article himself and submitted it for publication;
- (14) Allegations that Paul H. Hulsey made other similar statements to the media;
- (15) Allegations that Plaintiff's grandson had to join the army and go to Iraq because of the alleged statements;
- (16) Allegations that the Defendants do not like the rules or do not play by the rules; and
- (17) Testimony from Tony Daniel about the reasons given to him by the president of Southcoast Community Bank for calling in loans of L&L Services, LLC.

FACTUAL BACKGROUND

Plaintiff was a co-owner and member of L&L Services, LLC, a temporary staffing agency that operated in and around the Charleston area and provided inexpensive Hispanic laborers to local restaurants, golf courses, and other businesses. Beginning in February of 2004, L&L Services, LLC came under great scrutiny in the media and faced federal, state, and local investigations into its labor practices and treatment of its Hispanic workers. In a series of articles written by James Scott, *The Post and Courier* reported that L&L Services, LLC faced fines by the City of North Charleston after investigators found thirty-one people living in two houses rented by L&L Services, LLC and that two homes were condemned by Charleston authorities the previous year after a total of sixty (60) people were found

to be living in them. On March 21, 2004, *The Post and Courier* published an article titled "The Hidden Economy: Local company accused of trafficking in illegal immigrant labor," which reported on numerous allegations by L&L Services, LLC's Hispanic workers that the company had manufactured and sold them fake social security cards and immigration documents. The article also set forth evidence obtained from the workers that the company set up WLL, LLC to avoid federal overtime laws and to not pay their workers overtime wages. An article published the same day titled "False document industry thriving" further reported on the allegations that L&L Services provided false documents to its workers. *Post and Courier* articles published in April of 2004 discussed the exploitation many Hispanic laborers face and also reported that L&L Services, LLC had been ordered by the U.S. Department of Labor to pay back wages to some of its employees and that the South Carolina Workers' Compensation Commission was investigating WLL, LLC for failing to have workers' compensation insurance.

On April 23, 2004, the Defendants on behalf of six laborers of L&L Services, LLC, filed a class-action lawsuit captioned *Maximo Flores, et al v. Lawton Limehouse, Sr., et al*, C/A No. 2:04-cv-01295-CWH, which asserted causes of action against L&L Services, LLC based on violations of the Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §§ 1961–1968. The Complaint set forth allegations regarding L&L's provision of substandard housing to its workers, provision of false identification documents to its workers, and failure to provide overtime pay. The Complaint describes the workers as being held "in indentured servitude" and treated as "virtual slaves."

Subsequent to the public filing of the Complaint, James Scott of *The Post and Courier*, contacted Defendant Paul Hulseley requesting an explanation of the allegations within the Complaint. On April 24, 2004, in an article titled "Lawsuit Targets Staffing Agency," the following quotations about L&L Services, LLC and the lawsuit were attributed to the Defendants:

- a. "This is a classic racketeering scheme."
- b. "This sets the community back 150 years."
- c. "This is a blatant case of indentured servitude."
- d. "L&L Services took advantage of the complexity of the system. They have created a perfect racketeering enterprise, just like Tony Soprano."

Plaintiff filed his complaint on April 19, 2006 in his individual capacity asserting claims of defamation against the Defendants based on the alleged statements set forth above.

DISCUSSION

I. Paul H. Hulseley's Personal Family Life

First, the Defendants seek to exclude from trial the admission into evidence and any testimony regarding Paul H. Hulseley's personal family life. Such inquiries have been made by the Plaintiff during the course of discovery during Mr. Hulseley's deposition, and the Court has already issued an order of protection pursuant to Rule 26(c) of the South Carolina Rules of Civil Procedure forbidding the discovery of this information. And this topic has come up during the discovery depositions of the Plaintiff and multiple witnesses listed by the Plaintiffs. The presentation of evidence or testimony at the trial of this case about matters related to Mr. Hulseley's

family life is improper under Rules 404, 608, 401, and 403 of the South Carolina Rules of Evidence.

As a threshold matter, prior to determining whether evidence of prior acts is admissible under Rule 404, “the trial court must determine whether the proffered evidence is relevant under Rule 401, S.C.R.E.” State v. Cope, 405 S.C. 317, 337 (2013). “If the trial court finds the evidence is relevant, it must then determine whether the bad act evidence fits within an exception in Rule 404(b).” Id. Rule 401 of the South Carolina Rules of Evidence defines “relevant evidence” as “evidence having any tendency to make the existence of any fact that is of consequence to the determination of the action more probable or less probable than it would be without the evidence.” S.C.R.E. 401. In other words, “[e]vidence which assists a jury at arriving at the truth of an issue is relevant.” State v. Lyles, 379 S.C. 328, 337 (Ct. App. 2008).

In this case, the only facts that are of consequence is whether statements allegedly made by the Defendants about L&L Services, LLC were defamatory and caused damage to the Plaintiff. How Mr. Hulsey conducts his personal affairs has no bearing on the jury’s determination of the issues in this action. Evidence of Mr. Hulsey’s relationship with his family does not tend to make the determination of whether his alleged statements were defamatory more or less probable as required by Rule 401. Mr. Hulsey’s character is simply not at issue in this defamation claim. Therefore, this evidence is not relevant and should not be admissible at trial.

Furthermore, even if evidence of Mr. Hulsey’s family life were relevant, it is still inadmissible character evidence. Rule 404(a) states, “Evidence of a person’s character is not admissible for the purpose of proving action in conformity therewith on a particular occasion.” S.C.R.E. 404(a). In civil cases, Rule 404(b) allows

character evidence to be admitted “to show motive, identity, the existence of a common scheme or plan, the absence of mistake or accident, or intent.” S.C.R.E. 404(b); see Judy v. Judy, 384 S.C. 634, 642 (Ct. App. 2009) (applying Rule 404(b) in civil cases). Plaintiff is unable to establish that evidence of details about Mr. Hulsey’s family life is being offered in this defamation case for any of the permissible purposes of Rule 404(b). How Mr. Hulsey conducts his family affairs is immaterial to any motive or intent Mr. Hulsey had in making the allegedly defamatory statements about the publically filed RICO lawsuit against L&L Services, LLC. As such, the statements are inadmissible under Rule 404(b).

While Rule 608 of the South Carolina Rules of Evidence does allow testimony as to a witness’s character for truthfulness or untruthfulness, Rule 608(b) explicitly states, “Specific instances of the conduct of a witness, for the purpose of attacking or supporting the witness’ credibility, other than conviction of crime as provided in Rule 609, may not be proved by extrinsic evidence.” S.C.R.E. 608(b). However, such instances may “in the discretion of the court, if probative of truthfulness or untruthfulness, be inquired into on cross-examination of the witness.” Id. It is not appropriate to inquire into crimes of moral turpitude under Rule 608(b), as the inquiry “is limited to those specific instances of misconduct which are clearly probative of truthfulness or untruthfulness such as forgery, bribery, false pretenses, and embezzlement.” State v. Kelsey, 331 S.C. 50, 75 (1998); see Reporter’s Note, S.C.R.E. 608 (“The former case law standard, which allowed impeachment if the conduct was a crime of moral turpitude, is not the appropriate standard . . .”). Moreover, “the cross-examiner may not go on a ‘fishing expedition’ in the hopes of finding some misconduct.” Id.

Mr. Hulsey's family matters or questions about his relationship with his family are not probative of his truthfulness or untruthfulness as interpreted under South Carolina law. His family life is not akin to instances of "forgery, bribery, false pretenses, and embezzlement" as required by Rule 608(b). As such, inquiries into Mr. Hulsey's family situation are not allowed by Rule 608(b).

Finally, evidence of Mr. Hulsey's personal family life is inappropriate under Rule 403 of the South Carolina Rules of Civil Procedure. Rule 403 states, "Although relevant, evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the jury, or by considerations of undue delay, waste of time, or needless presentation of cumulative evidence." S.C.R.E 403. "Unfair prejudice" is defined as "an undue tendency to suggest [a] decision on an improper basis." State v. Spears, 403 S.C. 247, 253 (Ct. App. 2013). Courts are given "particularly wide discretion in ruling on Rule 403 objections." State v. Gray, 408 S.C. 601, 608 (Ct. App. 2014).

Allowing testimony about Mr. Hulsey's family life creates a danger of unfair prejudice in this case as defined by Rule 403. Permitting the Plaintiff to introduce evidence about Mr. Hulsey's family affairs creates an undue risk that the jury will base their decision on Mr. Hulsey's personal life rather than making a finding on the proper elements of a defamation claim—precisely the risk that Rule 403 seeks to avoid. As explained above, such evidence is of no probative value to the defamation claim in this case, and as such, the danger of unfair prejudice caused by admitting this evidence far outweighs its relevance to this case. Accordingly, evidence of Mr. Hulsey's personal family life should also not be admitted under Rule 403 of the South Carolina Rules of Evidence.

II. References to Defendants as a Rich, Hotshot Lawyer or "Lawyer Hulsey"

During the previous damages hearing in this case, Plaintiff's counsel consistently referred to Mr. Hulsey as a rich, hotshot lawyer. He continued to harken back to this theme with references throughout the hearing to Mr. Hulsey as "Lawyer Hulsey." In addition to having no basis in fact, such a reference to Mr. Hulsey's character is not admissible at trial pursuant to Rules 404 and 403 of the South Carolina Rules of Evidence.

Again, Rule 404(a) forbids the introduction of a trait of character for the purpose of proving action in conformity therewith. S.C.R.E. 404(a). While Rule 404(b) allows evidence of "other crimes, wrongs, or acts" to show "motive, identity, the existence of a common scheme or plan, the absence of mistake or accident, or intent," a description of someone as rich or a hotshot is not another crime, wrong, or act. See Smith v. Specialty Pool Contrs., 02:07-cv-1464, 2009 U.S. Dist. LEXIS 24464 (W.D. Pa. Mar. 25, 2009) ("Being poor is not a crime, wrong or act."). The description of Mr. Hulsey as being rich and a hotshot layer is a trait of character that is precluded from introduction into evidence by Rule 404 of the South Carolina Rules of Evidence, and as such Plaintiff should be prevented from making such references.

Furthermore, any probative value of calling the Defendants rich and greedy or "Lawyer Hulsey" is substantially outweighed by the danger of unfair prejudice under Rule 403. See S.C.R.E. 403. In a persuasive opinion by the Ninth Circuit Court of Appeals, the court stated:

Poverty as proof of motive has in many cases little tendency to make theft more probable. Lack of money gives a person an interest in having more. But so does desire for money, without poverty. A rich man's greed is as much a motive to steal as a poor man's poverty.

Proof of either, without more, is likely to amount to a great deal of unfair prejudice with little probative value.

United States v. Mitchell, 172 F.3d 1104, 1108-09 (9th Cir. 1999). In this case, whether the Defendants were rich and greedy or not in filing the RICO suit against L&L Services, LLC and making statements to *The Post and Courier* is not relevant to the determination of the effect such statements allegedly had on the Plaintiff and whether such statements were defamatory. Moreover, the probative value of the description of the Defendants as greedy is further decreased, as there is simply no basis in fact for calling Mr. Hulsey greedy for filing the RICO suit. In fact, Mr. Hulsey handled the case pro bono and did not take a fee from the settlements in that case. As such, allowing Plaintiff to engage in such baseless and disrespectful name calling throughout the trial of this case will only serve to prejudice the Defendants and create the risk that the jury will make a ruling based not on the facts, but as punishment against a perceived money hungry lawyer.

III. Testimony about the Types of Cars Owned by Paul H. Hulsey

In the deposition of Mr. Hulsey, Plaintiff's counsel went through a list of the types of vehicles owned by Mr. Hulsey in an attempt to show that Mr. Hulsey owns many high value vehicles. However, such testimony is a mere continuation of the effort on Plaintiff's part to paint Mr. Hulsey as a rich, hotshot lawyer and should not be allowed at trial under Rules 401 and 403 of the South Rules of Evidence.

While Mr. Hulsey's ability to pay a punitive damages award may be relevant at the punitive damages stage of the trial, such testimony about the Defendants' financial status or property is not pertinent to any issues at the liability stage. Moreover, the South Carolina Supreme Court has explicitly held that in assessing punitive damages, "only evidence of net worth and extrapolations from net worth

may be introduced on the issue.” Sulton v. Healthsouth Corp., 400 S.C. 412, 420 (2012). Thus, a jury can take into account the general net worth of Mr. Hulsey in considering an award of punitive damages, but the specific details about the make and model of every vehicle owned by Mr. Hulsey is not relevant to the jury’s consideration of ability to pay.

Moreover, even if evidence of the types of vehicles Mr. Hulsey owns is relevant to the punitive damages determination, the risk of prejudice such evidence creates far outweighs its probative value. In Sulton, the Supreme Court cautioned that the introduction of evidence related to net worth “must be handled cautiously, since ‘the presentation of evidence of a defendant’s net worth creates the potential that juries will use their verdicts to express biases against big business, particularly those without strong local presences.’” Id. Allowing Plaintiff to introduce evidence about the car collection owned by Mr. Hulsey creates the potential that the jury will improperly inflate any punitive damages award based on a bias towards the rich. If the jury considers punitive damages, they will be able to have a general statement of Mr. Hulsey’ net worth and the value of his assets, but allowing evidence about the specific personal property owned by Mr. Hulsey into evidence needlessly increases the risk that the jury will return an improper punitive damages award. Therefore, such evidence should be excluded from trial.

IV. The Pregnancy of Amy Limehouse-Eager and The Effect of the Statements in the Article on Her Pregnancy

Also in the previous damages hearing in this case, it was suggested that reading *The Post and Courier* article with the above-quoted statements in it on April 24, 2004, caused Amy Limehouse-Eager, who is not a party to this suit, to have stress and to go into labor when she was eight months pregnant. Neither

Plaintiff nor any of his family members are allowed to offer medical opinion testimony regarding the causation of Ms. Limehouse-Eager's premature labor. Even if they were, such testimony is irrelevant to the damages recoverable by Plaintiff and impermissible under Rule 403.

Under Rule 701 of the South Carolina Rules of Evidence, lay witnesses, such as Plaintiff and Ms. Limehouse-Eager, are only allowed to offer testimony in the form of opinions or inferences if they "(a) are rationally based on the perception of the witness, (b) are helpful to a clear understanding of the witness' testimony or the determination of a fact in issue, and (c) do not require special knowledge, skill, experience or training." S.C.R.E. 701. South Carolina courts have held that the medical causation is "not a matter within the common knowledge and experience of most individuals." Armstrong v. Union Carbide, 308 S.C. 235, 238 (Ct. App. 1992); see Spartanburg Reg'l Medical Ctr. v. Balsa, 308 S.C. 322, 324 (Ct. App. 1992) (finding that the plaintiff's statements that medical costs for treatment of severe burns was insufficient evidence as the "treatment of severe burns . . . is a matter outside the common knowledge and experience of most lay persons"). Thus, the establishment of medical causation requires the use of medical experts who are able "with reasonable certainty, state in their professional opinion, the injuries complained of most probably resulted from" a particular act. Ellis by Ellis v. Oliver, 323 S.C. 121, 125 (1996).

In this case, neither the Plaintiff nor Ms. Limehouse-Eager has been qualified or named as a medical expert. There is no testimony that either of them have the "special knowledge, skill, experience or training" required to offer medical opinion testimony on the causation of the allegedly premature birth of Ms. Limehouse-Eager's child. Accordingly, Ms. Limehouse-Eager and Plaintiff are

simply lay witnesses, and any testimony from them opining that Ms. Limehouse-Eager gave birth prematurely because of the publication of the above-quoted statement is impermissible under Rule 701.

Furthermore, such testimony about the effect the April 24, 2004 article had on Amy Limehouse-Eager is irrelevant to any issues in this defamation action filed by Plaintiff in his individual capacity. In a defamation action, a plaintiff is only allowed to recover his or her own damages that were caused by the allegedly defamatory statements. See Fountain v. First Reliance Bank, 398 S.C. 434, 441 (2012) (setting forth the elements of a defamation claim). A plaintiff cannot recover for damages for the stress and other medical effects that the publication may have had on others. As such, any testimony that the above-quoted statements caused Amy-Limehouse Eager to have stress and go into early labor is irrelevant and inadmissible under Rule 401 of the South Carolina Rules of Evidence.

Moreover, even if such testimony had some relevance to the determination of the issues in this case, such relevance would be outweighed by the danger of unfair prejudice under Rule 403. Permitting baseless allegations that the above-referenced statements put the life of an infant in danger and caused a mother to give birth prematurely creates a risk that the jury will base their decision on an improper basis. This is especially true given the irrelevance of any damages claimed by Amy Limehouse-Eager stemming from the April 24, 2004 article to this action. Therefore, such evidence should not be permitted at trial.

V. Medical Testimony for Which There is No Evidentiary Basis

The Defendants also move to exclude any medical expert testimony offered by Dr. Fred Smith as to the causation of any alleged damages suffered by the Plaintiff

as well as any testimony by the Plaintiff as to the medical causation of any of his alleged damages.

As explained above, Rule 701 of the South Carolina Rules of Evidence does not allow lay witnesses such as the Plaintiff to offer opinion testimony on topics requiring specialized knowledge or skill. S.C.R.E. 701. Plaintiff has no medical background and is not equipped to opine on the causation of any alleged stress or medical issues he has allegedly suffered. Therefore, such testimony should not be allowed at trial.

Furthermore, any medical expert testimony offered by Dr. Fred Smith should be excluded pursuant to Rule 702 of the South Carolina Rules of Evidence. Rule 702 states:

If scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training or education, may testify thereto in the form of an opinion or otherwise.

S.C.R.E. 702. South Carolina courts hold that “[a]ll expert testimony must meet a reliability threshold under Rule 702, S.C.R.E., which imposes an affirmative and meaningful gatekeeper function on the trial judge.” Jamison v. Morris, 385 S.C. 215, 228 (2009). In determining whether scientific evidence is reliable, courts take into consideration:

- (1) the publications and peer reviews of the technique;
- (2) prior application of the method to the type of evidence involved in the case;
- (3) the quality control procedures used to ensure reliability; and
- (4) the consistency of the method with recognized scientific laws and procedures.

State v. Jones, 343 S.C. 562, 573 (2000).

In this case, Plaintiff has previously presented Dr. Smith to testify that in his opinion stress from the publication of the April 24, 2004 *Post and Courier* article caused the Plaintiff to have a diabetic episode in June of 2004. However, the methods relied upon by Dr. Smith in reaching this conclusion are entirely inconsistent with those of other medical experts and lack any quality control procedures. First of all, Dr. Smith is not an expert on diabetes, but is an internist who has been friends with the Plaintiff since he was in college. Dr. Smith testified in his deposition that Plaintiff is not one of his patients, he does not keep any type of records for the Plaintiff, and he has never provided any type of medical treatment for the Plaintiff. See Exhibit 1. Dr. Smith testified that the only basis for offering his testimony came from intermittent conversations he had with the Plaintiff about his medical history. See Ex. 1. Dr. Smith did not personally perform any tests on the Plaintiff, review any of the Plaintiff's medical records or tests, or even keep a record of the information he gained from the Plaintiff.

Under Rule 702, medical experts base their opinions on medical records, a physical examination of the patient, and other medical records available to opposing parties for cross-examination. They do not base their opinions solely on occasional telephone calls with a patient who relays to them only certain medical information. In fact, Dr. Smith testified that if someone was offering a medical opinion about him, he would want the opinion to be based on a review of all medical records. See Ex. 1. Moreover, while results of a medical test or medical treatment contained in actual medical records are reliable under South Carolina law, the trustworthiness of a patient with no medical background providing statements as to his or her own interpretation of the results is not presumed to have the same type of reliability.

See Jamison v. Morris, 385 S.C. 215, 226 (2009) (stating test results within a medical records are “presumed reliable as a business record regardless of a chain of custody”). Dr. Smith has no knowledge of Plaintiff’s actual medical records or any findings contained therein, and basing his opinion on secondhand information presented to him from the Plaintiff does not constitute a reliable method to formulate a medical opinion, nor is it a method used by other experts. Therefore, Dr. Smith is not allowed to offer his medical opinion testimony at the trial of this case.

VI. Information about the Plaintiff Paying the Tuition for Stephen Michael Shier to Attend the Citadel

In the previous damages hearing, during the testimony of Stephen Michael Shier, Plaintiff’s counsel solicited testimony that the Plaintiff paid for Mr. Shier to attend the Citadel. Arguably, Plaintiff’s character and reputation are at issue in this defamation claim. See United States v. Atkins, No. 97-4807, 1998 U.S. App. LEXIS 6689 (4th Cir. Apr. 3, 1998). However, testimony about the Plaintiff paying someone’s college tuition is of little relevance to the character and reputation of the Plaintiff, L&L Services, LLC and the treatment of its Hispanic workers as referenced in the April 24, 2004 article.

As shown above, the quotes attributed to the Defendants which form the basis of this lawsuit are in reference to the RICO suit and allege a pattern of racketeering against L&L Services, LLC. Thus, the character and reputation of the Plaintiff in running this business is what is actually at issue in this suit. To the extent that Plaintiff paid for someone’s college tuition years ago prior to the formation of L&L Services, LLC is not relevant to the character and reputation of L&L Services, LLC or Plaintiff’s reputation as one of the owners of the business.

Moreover, even if the payment of Mr. Shier's tuition was somehow relevant to the issues in this case, allowing such evidence creates an undue risk of confusion of the issues for the jury and is not admissible under Rule 403.

VII. Settlement of the Underlying RICO case and Offers of Compromise Related to the Same

The underlying federal RICO case was settled in October of 2006 for approximately \$20,000. See Exhibit 2. Counsel for the Plaintiff has consistently attempted to discredit the veracity of the claims by the L&L Services laborers in the underlying RICO suit by referencing the fact that the suit was settled for this amount after the initial demand in the case was for approximately \$6.5 million. Utilizing the settlement of a previous claim in order to prove the invalidity of such a claim is expressly prohibited by Rule 408 of the South Carolina Rules of Evidence.

Rule 408 states in pertinent part:

Evidence of (1) furnishing or offering or promising to furnish, or (2) accepting or offering or promising to accept, a valuable consideration in compromising or attempting to compromise a claim which was disputed as to either validity or amount, is not admissible to prove liability for or invalidity of the claim or its amount. Evidence of conduct or statements made in compromise negotiations is likewise not admissible.

S.C.R.E. 408. In analyzing the effect of this rule, South Carolina courts have held that "[t]he courts favor compromise; accordingly evidence relating to settlements is generally not admissible to prove liability." Commerce Ctr. of Greenville, Inc. v. W. Powers McElveen & Assocs., 347 S.C. 545, 558 (Ct. App. 2001). In this case, while other evidence may be admissible to prove the truth of the racketeering claims asserted in the RICO lawsuit and referenced in the statements attributed to the Defendants, Rule 408 prevents the Plaintiff from presenting the fact that the underlying lawsuit settled as evidence of "invalidity of the claim or its amount."

S.C.R.E. 408. In fact, the settlement documents signed in the underlying case acknowledge the principles of Rule 408 and states "We further acknowledge and agree that the within settlement is not intended to, nor shall it be interpreted to, have any effect upon the pending state court actions filed by the Defendants (Court File Nos. 06-CP-10-1577 and 06-CP-10-1578)." See Ex. 1. Therefore, evidence of the settlement of the underlying RICO suit is not admissible in this case.

VIII. Allegations that the Defendants Violated a Court Order by Providing a Link to the at-issue *Post and Courier* Article on Their Website

The Plaintiff testified at the previous damages hearing that the Defendants provided a link to the April 24, 2004 *Post and Courier* article on their website in violation of a court order. In addition to the fact that no court order was ever entered forbidding the Defendants from providing a link to the article, such testimony is prohibited opinion testimony by a lay witness under Rule 701 of the South Carolina Rules of Evidence.

Under Rule 701 lay witnesses, such as the Plaintiff, are not allowed to offer opinion testimony that requires "special knowledge, skill, experience or training." S.C.R.E. 701. The practice of law requires "specialized legal knowledge and ability." State v. Buyers Service Co., 292 S.C. 426, 430 (1987). Plaintiff is not a lawyer and has no legal training. Thus, he is not authorized or able to properly analyze any court order and make a determination as to whether the Defendants violated such an order. See generally Linder v. Ins. Claims Consultants, Inc., 348 S.C. 477 (2001) (discussing the unauthorized practice of law). Moreover, such an opinion is demonstrably false, as no order was ever entered by a court that prevented the Defendants from providing a link to the article. Accordingly, Plaintiff cannot offer

his opinion testimony as to whether the Defendants violated any court order by providing a link to the April 24, 2004 *Post and Courier* article on their website.

IX. Previous Comments by the Court and Previous Decisions by the Court

Plaintiff has also indicated an intent to use previous comments and decisions by this and other courts as evidence in this case. For instance, throughout his deposition, Plaintiff repeatedly made reference to an alleged quote from District Judge Weston Houck stating that some lawyers like to see their name in the newspaper and that apparently Mr. Hulsey was one of them. However, such previous comments and decisions constitute hearsay under South Carolina law and are impermissible under Rule 802 of the South Carolina Rules of Evidence.

Rule 802 states in its entirety, "Hearsay is not admissible except as provided by these rules or by other rules prescribed by the Supreme Court of this State or by statute." S.C.R.E. 802. "Hearsay" is defined as "a statement, other than one made by the declarant while testifying at the trial or hearing, offered in evidence to prove the truth of the matter asserted." S.C.R.E. 801(c). The South Carolina Supreme Court has held that "judicial findings constitute hearsay and do not fall within any of the exceptions to the hearsay rule, including the exception for public records." Mizell v. Glover, 351 S.C. 392, 402–03 (2002). Thus, previous statements and findings by this court or other courts are not permissible under the South Carolina Rules of Evidence and should not be admitted at trial. Moreover, even if previous rulings by the court are somehow not hearsay, they constitute substantially prejudicial evidence that is now allowed under Rule 403. In fact, in making its finding regarding the hearsay issue, the court in Mizell recognized "the great weight and obvious prejudicial effect that credibility assessments of witnesses by

judges have on subsequent juries.” Id. at 403. To allow previous statements by judges that have been made throughout the long and tortured procedural history of this case to come in at trial, creates a substantial risk that the jury will make a decision not on the facts presented at trial but on the previous impressions of judges.

X. The February 2008 Damages Hearing and Findings Made at That Hearing

Along the same lines, Defendants also request that any of the findings made at the February 2008 damages hearing and all references to this prior proceeding be excluded from evidence at trial. As this case is now for the first time properly before the court, the parties should be allowed to conduct this trial on a clean slate.

Plaintiff has made much of the fact that he was previously awarded millions of dollars at this damages hearing, which occurred after the entry of a default judgment. However, in addition to the previous statements and findings by the judge that were made at the prior damages hearing, South Carolina law also precludes the use of factual findings made by a jury in a subsequent trial. See Mizell, 351 S.C. at 403. The South Carolina Supreme Court stated that although it was not a statement made by the judge, “the jury’s factual finding introduced in this case is hearsay nonetheless, and we believe, is equally prejudicial.” Id. Thus, under Rule 802, the jury’s previous findings at the damages hearing in this case are inadmissible at the trial.

Furthermore, these findings and all references to the fact that there was a previous damages hearing, are excluded by Rule 403 of the South Carolina Rules of Evidence. As shown above, the South Carolina Supreme Court has found that the introduction of a jury’s actual findings at a subsequent trial is prejudicial.

Likewise, allowing the Plaintiff to even reference the fact that there was a previous hearing on the damages in this case creates substantial prejudice to the Defendants. Permitting the jury to know that a hearing has already been held in this case on the damages the statements caused to the plaintiff has the potential to cause confusion amongst the jurors and could cause them to believe that the Defendants have already been found liable. Moreover, this previous hearing and the testimony given at that hearing is of no probative value at this stage, as the South Carolina Supreme Court has already overturned the award of damages by finding that the court lacked jurisdiction. See Limehouse v. Hulsey, 404 S.C. 93 (2013). This court has already found that "the damages hearing held in state court is void pursuant to the South Carolina Supreme Court's decision" in ruling on a previous motion in this case on January 21, 2014. The court stated that due to this fact, the Defendants were unable to rely on testimony from this previous proceeding in arguing that the Plaintiff had waived the attorney-client privilege by allowing his attorney to testify. As such, Rule 403 prohibits the Plaintiff from relying on any findings at the damages hearing or referencing the damages hearing.

XI. Testimony by Plaintiff about Conversations with Business Owners and Why They Stopped Doing Business with L&L Services, LLC

In attempting to prove his damages, Plaintiff has testified that clients of L&L Services, LLC called him following the publication of the April 24, 2004 article and told him that they were no longer going to do business with L&L based on the statements within the article. However, such testimony by the Plaintiff is hearsay and not permitted by Rule 802 of the South Carolina Rules of Evidence.

As outlined above, hearsay is generally not admissible under the South Carolina Rules of Evidence. S.C.R.E 802. Again, hearsay is defined as "a

statement, other than one made by the declarant while testifying at the trial or hearing, offered in evidence to prove the truth of the matter asserted.” S.C.R.E. 801(c). Any testimony by the Plaintiff about what business owners told him regarding their reasons for no longer using L&L Services, LLC falls squarely within the definition of hearsay under Rule 801(c). Plaintiff is offering such testimony about these out-of-court statements for their truth in order to prove that L&L Services, LLC lost business because of the article. These statements by other business owners do not fall within any of the hearsay exceptions under the South Carolina Rules of Evidence. As such, testimony by the Plaintiff about the statements of these other business owners is not admissible and should be excluded from trial.

XII. Whether the Defendants Called the Plaintiff to Apologize for Making the Statements in the April 24, 2004 Article

At the previous damages hearing, Plaintiff and his counsel made much of the fact that the Defendants never called the Plaintiff to apologize for making the allegedly defamatory statements to *The Post and Courier* reporter. Whether the Defendants expressed remorse to the Plaintiff for making the statements to the reporter is irrelevant to a determination as to whether such statements defamed the Plaintiff and such evidence creates a confusion of the issues for the jury under Rule 403.

Asserting evidence of an absence of the Defendants’ apology to the Plaintiff or the fact that the Defendants did apologize to try to show that the Defendants are liable to the Plaintiff is impermissible and has nothing to do with the actual facts at issue in this case. In fact, in medical malpractice cases, the South Carolina Legislature has stated that an apology made by a medical provider is not admissible.

to show liability. S.C. Code Ann. § 19-1-190. As a preface to that code section, the statute states, "The General Assembly finds that conduct, statements, or activity constituting voluntary offers of assistance or expressions of benevolence, regret, mistake, error, sympathy, or apology between or among parties or potential parties to a civil action should be encouraged and should not be considered an admission of liability." Id. Furthermore, the Plaintiff has been continuously represented by legal counsel since the publication of the article, and it would have been improper for Mr. Hulsey to attempt to speak directly with the Plaintiff. Thus, allowing such evidence at the liability stage of the trial should not be allowed in as evidence of either an admission or nonadmission of liability by the Defendants for the damages claimed by the Plaintiff.

XIII. Allegations that Paul H. Hulsey Wrote the April 24, 2004 Article Himself and Submitted It For Publication

Plaintiff has suggested that Paul Hulsey wrote the April 24, 2004 *Post and Courier* article himself and submitted it for publication. However, the undisputed evidence shows that James Scott was the author of the article and only interviewed Mr. Hulsey about the RICO lawsuit that had been publically filed. As the evidence shows that the suggestion that Mr. Hulsey actually wrote or dictated the article is an outright falsehood, the court, in its discretion, should forbid the Plaintiff from making such a suggestion at the trial of this case under Rule 403. Suggesting that Mr. Hulsey wrote the article without any basis in fact unfairly prejudices the Defendants and may improperly influence the jury. Moreover, such false allegations made in a trial have no probative value. Furthermore, even if such testimony is allowed, the Plaintiff himself is not permitted to testify regarding who

actually wrote the article, as he has no personal knowledge as to the drafting of the April 24, 2004 article. S.C.R.E. 602.

XIV. Allegations that Paul H. Hulseley Made Other Similar Statements to the Media

At the previous damages hearing, Plaintiff also suggested that Paul H. Hulseley made statements similar to those outlined above in the April 24, 2004 article to other media outlets than *The Post and Courier*.

First of all, under Rule 401 of the South Carolina Rules of Evidence, any statements that Mr. Hulseley made to other media outlets are not at issue in this litigation. The only statements that are at issue in this defamation action are those set forth in the April 24, 2004 *Post and Courier* article. Plaintiff has not identified any other statements that he claims are defamatory and has only chosen to pursue claims based on the statements attributed to the Defendants in *The Post and Courier*.

Moreover, there is no basis in fact for such allegations, and Plaintiff has not presented any evidence that Mr. Hulseley made other statements to the media. In analyzing the articles that were published prior to the April 24, 2004 article, there is no mention of any comments by Mr. Hulseley or anyone from the Hulseley Litigation Group. As such, even if relevant, the Court should preclude the Plaintiff from suggesting other statements were made by the Defendants under Rule 403. Making such a baseless statement will taint the jury into believing that the Defendants statements were more widespread than they actually were and could lead to an improper result in this case.

XV. Allegations that Plaintiff's Grandson Had to Join the Army and Go to Iraq Because of The Alleged Statements

Testimony was also solicited in the previous damages hearing that the Plaintiff's grandson joined the army and went to Iraq rather than go to college as a result of the statements in the article. This testimony is not permitted under Rules 401 and 403 of the South Carolina Rules of Evidence.

The effect that the April 24, 2004 article had on Plaintiff's grandson is irrelevant to any issues in this defamation action filed by Plaintiff in his individual capacity. As stated above, Plaintiff is only allowed to recover his own damages in this case—not those of his relatives. See Fountain v. First Reliance Bank, 398 S.C. 434, 441 (2012) (setting forth the elements of a defamation claim). To the extent that it is claimed that the publication of the Defendants' alleged statements caused Plaintiff's grandson to have to go to Iraq, that is the Plaintiff's grandson's claim to make and not the Plaintiff's. Moreover, given the limited relevance of the Plaintiff's grandson's damages, the court should also preclude such testimony under Rule 403. Allowing Plaintiff to claim that his grandson had to go into a warzone as a result of these statements has the potential to unduly influence the jury, and such evidence should not be permitted at trial.

XVI. Allegations that the Defendants Do Not Like the Rules or Do Not Play by the Rules

Plaintiff's counsel suggested at the prior damages hearing that Defendants "don't like the rules" and do not play by the rules in reference to the Defendants previously being found in default. To the extent that Plaintiff still seeks to make such suggestions, that testimony is irrelevant and impermissible under Rule 403.

Whether Defendants counsel "plays by the rules" is not relevant to a determination as to whether the statements made by the Defendants defamed the Plaintiff. Moreover, as stated above, the previous proceedings in this case are now

void and of no consequence to this trial. Thus, the characterization of Defendants' counsel as rule breakers is wholly irrelevant to any issue remotely connected to the determination of the issues in this case.

This name-calling by the Plaintiff is improper under Rule 403 and serves no purpose than to attempt to inflame the jury and unfairly advantage the Plaintiff. In fact, to allow the Plaintiff to suggest that the Defendants as attorneys do not act properly in court or respect the Rules of Civil Procedure and the law would be in contradiction of the pledge of civility to opposing counsel all South Carolina lawyers take. Therefore, Plaintiff should not be allowed to make such allegations at trial.

XVII. Testimony from Tony Daniel about the Reasons Given to Him by the President of Southcoast Community Bank for Calling in Loans of L&L Services, LLC

Finally, at the previous damages hearing, Tony Daniel, a lending officer at Southcoast Community Bank, attempted to testify about what the president of the bank told him when he was asked to call in all of the loans issued to L&L Services, LLC. Such testimony offered by Mr. Daniel about what he was told by the president of the company is hearsay under Rule 801(c) of the South Carolina Rules of Evidence and inadmissible under Rule 802. It is improper for Mr. Daniel to give his secondhand account of the alleged conversation with the president. If Plaintiff wished to offer testimony about why the president of L&L Services, LLC called in their loans, he could call the president to the stand. Mr. Daniel's testimony on this subject is offered for no other reason than its truth, and as such, it is inadmissible at the trial of this case.

CONCLUSION

For the foregoing reasons, the Defendants respectfully request that this Court enter an Order in Limine excluding all evidence and testimony of the above-referenced information at the trial of this case.

HOOD LAW FIRM, LLC
172 Meeting Street/Post Office Box 1508
Charleston, SC 29402
Phone: (843) 577-4435/Fax: (843) 722-1630
Email: Info@hoodlaw.com


Robert H. Hood (SC #2599)
James B. Hood (SC #70212)
James A. Bradshaw (SC #100548)

and

Cherie Durand, Esquire
Hulsey Litigation Group, LLC
Charleston Harbor, 2 Wharfside 3
Charleston, SC 29401
P: (843) 723-5303; F: 723-5307
E: cdurand@hulseylitigationgroup.com

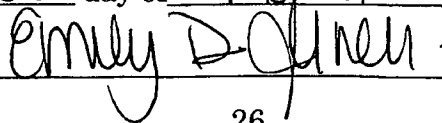
Attorneys for the Defendants
Paul H. Hulsey and The Hulsey
Litigation Group, LLC

3/20, 2015
Charleston, South Carolina

CERTIFICATE OF SERVICE

I certify that on this date a copy of the foregoing was served on each party or counsel of record by ☐ mailing, ☒ e-mailing, ☐ facsimile, or ☐ hand delivery in the manner prescribed by the applicable Rule of Civil Procedure.

This 20th day of march, 2015.



1 THE COURT: Matters from the plaintiff?

2 MR. CISA: Thank you, Your Honor. The only thing
3 that I've got is I filed a motion in limine on really three
4 different items. Number one was the newspaper articles that
5 I gave you a copy of, I think, at the time of the pretrial
6 conference last week, that I do not want those articles to be
7 used for cross-examination or used as evidence in this trial,
8 because I feel like they are hearsay. That's my foundation
9 for it.

10 We've got one publication that we are suing about as
11 far as defamation, is the April 24th, 2004, Post and Courier
12 article published on that day. That was a Saturday. I
13 questioned Mr. Hulsey about the article. And he admitted he
14 said certain things and denied he said certain other things,
15 but I've got Mr. James Scott here under subpoena to testify
16 to the quotes that Mr. Hulsey made in the article that he put
17 in the article. But I object to the introduction of those
18 articles. And I object to reading them to cross-examine any
19 witnesses in this trial.

20 THE COURT: You mean you are objecting to all the
21 articles that the defense intends to offer?

22 MR. CISA: That's correct. That's correct.

23 THE COURT: And you are also objecting to the ones
24 that you claim to be slanderous?

25 MR. CISA: I've got to use the one article -- I

1 don't have to put it into evidence. I've got to use the one
2 article, but I can get it in through James Scott, the
3 reporter. I can put him on the stand. I can ask him did he
4 talk to Mr. Hulsey, did Mr. Hulsey tell him, and I can read
5 the direct quotes to Mr. Scott. And there's just a few
6 things I'm going to try to get out of Mr. Scott as far as the
7 article is concerned. But I think to read the articles in
8 the record, they contain a lot of hearsay information. So I
9 object to defense.

10 I certainly believe the defense has a right to
11 cross-examine Mr. Limehouse and any of my witnesses as to
12 articles that are dealing with housing violations, overtime
13 pay, what they call fabricating or fraudulently making Social
14 Security cards and resident alien cards. They can ask
15 questions about that from Mr. Limehouse and whoever they
16 want. But to put the articles in, I object to because I
17 think they are hearsay.

18 THE COURT: How about the rule number 803-22?

19 MR. CISA: 21?

20 THE COURT: 21, reputation as to character as an
21 exception to the hearsay rule?

22 MR. CISA: Well, I've got no objection to them
23 bringing witnesses in to testify about his reputation or his
24 character in the community. I have no problem with that.
25 What I have a problem with is using newspaper articles as

1 witnesses, because I can't cross-examine a newspaper article.

2 I certainly think his reputation is fair game, Your
3 Honor. And they can cross-examine Mr. Limehouse about,
4 didn't you have housing violations? Didn't you have a
5 problem with overtime? Didn't you have this problem or that
6 problem? And he can respond either he did or he didn't, and
7 he can explain it. But I object -- and I don't have any
8 objection to them bringing witnesses in and saying, I know
9 Mr. Limehouse's reputation in the community; before that
10 publication, it was bad. I think they've got a right to do
11 that. But what I object to is using a hearsay document to do
12 it. That's the basis of my objection.

13 THE COURT: But you intend to prove the slander by
14 saying that this was published in the newspaper?

15 MR. CISA: I do. And I can do that through James
16 Scott, the newspaper reporter that wrote the article. I can
17 put him on the stand and say, Mr. Scott, what do you do? I'm
18 a reporter for the Post and Courier. Were you the reporter
19 on April 24th, 2004? Did you write an article about a
20 lawsuit that Mr. Hulsey had brought? And he did. That's
21 what I say this article is all about. And I can say, did you
22 talk to Mr. Hulsey? I did. Did Mr. Hulsey say to you, this
23 is a classic racketeering scheme? Is that the quote you put
24 in the article from Mr. Hulsey? Yes.

25 I think that's defamatory. Did Mr. Hulsey tell you

1 this sets the community back 150 years? Is that something
2 you put in the article as a quote? I think he's going to say
3 yes, because I took the deposition last Thursday or Friday.

4 I can also ask him, did Mr. Hulsey tell you this is
5 a blatant case of indentured servitude? Is that something
6 you quoted Mr. Hulsey as saying? He's going to say yes. I
7 can also say, did Mr. Hulsey tell you L & L Services took
8 advantage of the complexity of the system; they have created
9 a perfect racketeering enterprise just like Tony Soprano? Is
10 that a direct quote from Mr. Hulsey? And he's going to say
11 it is.

12 I think I can ask him how many times was
13 Mr. Limehouse's name mentioned in that article. And I think
14 he's going to say four.

15 I think I can use that article to prove the
16 defamatory statement from Mr. Hulsey. I've taken
17 Mr. Hulsey's deposition. He said that, yeah, he believed
18 that those statements were to be quoted in this newspaper
19 article.

20 So I will submit to the Court is, these articles,
21 all these articles, are defamatory hearsay. I don't have a
22 problem with cross-examination. I don't have any problem
23 with them bringing people in. I don't think they have
24 anybody to say Mr. Limehouse had a poor reputation before
25 this article came out. I don't think they have anybody to

1 say that.

2 THE COURT: But you are going to use the article to
3 prove that he was damaged because of the publication?

4 MR. CISA: I'm using the article to prove that he
5 made the statement to the Post and Courier reporter.

6 THE COURT: They want to offer the article to show
7 that the article didn't damage him because there were other
8 articles?

9 MR. CISA: I think that's what they want to do. But
10 what I'm suggesting is, I suggest those are hearsay and they
11 can't do it. And they contain a bunch of hearsay. They
12 quote people -- different people from all over everywhere. I
13 suggest they don't have the right to do it because it's a
14 hearsay document.

15 THE COURT: All right.

16 MR. HOOD: Your Honor, one of the fundamental
17 problems with that argument is that the plaintiff's
18 publication is that which is contained in the newspaper, and
19 dissemination of that newspaper to the readership. So he
20 intends to utilize the circulation and readership numbers to
21 show that this -- these quotations, this allegedly slanderous
22 comment was published to that many people. The whole point
23 of that is to show that the harm was caused by the
24 publication in the paper.

25 In response to that, we are entitled to establish

1 what his community reputation was for that same viewership of
2 people. There are seven preceding articles that address L &
3 L Services, and have Lawton Limehouse specifically
4 referenced. It goes directly to his reputation. Those
5 articles are not being offered for the truth of the matter
6 asserted. This is not a situation where we are attempting to
7 prove that we are entitled to damages or a breach of contract
8 as a result of the housing violation, for example. These are
9 being used to prove what his reputation was at the time prior
10 to the subject publication so that you can determine -- the
11 jury can determine whether he had any reputation left to
12 harm. And I think the cases that I provided you do deal with
13 that.

14 In terms of if Your Honor disagrees and thinks this
15 is hearsay, I think 803-21 controls, permits hearsay
16 testimony in the context of reputational testimony.
17 Otherwise, no witness would ever be able to testify. There
18 would be no evidence in a defamation case because by nature,
19 all defamatory damage testimony is, in fact, hearsay.

20 So the rules recognize an exception for it. It's
21 not being offered for the truth of the matter. And
22 Mr. Cisa's suggestion that he could satisfy his burden in a
23 way that he warrants without having introduced the article is
24 his decision, but I don't think that the jury should be
25 deprived: One, of the context of the quotations; two, they

1 shouldn't be deprived of understanding the context of the
2 public dispute that was in the media; and, three, I don't
3 think they should be deprived of knowing and understanding
4 and appreciating what was being reported about
5 Mr. Limehouse's reputation in the community.

6 So for those reasons, Your Honor, we would
7 respectfully ask the Court to deny Mr. Cisa's motion.

8 THE COURT: Well, I think that there is a
9 fundamental problem with motions in limine in general,
10 because it calls upon the Court, who often knows the least
11 about the case, to rule on major issues that -- of importance
12 in a trial. I think there is probably some validity in both
13 of the arguments. And certainly the exception to the hearsay
14 rule does exist. And on the one hand -- and I don't know the
15 extent of the hearsay that might be contained in the articles
16 that are being offered. I think that each article, each
17 objection must be dealt with on an individual basis.

18 I deny the motion in limine and I will address them
19 as they arise.

20 MR. CISA: You may not want to hear -- I don't know
21 if you want to hear the rest of this or not. But I had two
22 other matters in my motion in limine. One is, what I
23 anticipate happening in this case is Mr. Hulsey getting up
24 and testifying about his philanthropy and charitable
25 contributions and charitable givings. At the time I tried

1 it's not totally clearly defined by the courts as evidenced
2 by some of the appellate decisions involving LLCs in recent
3 years. But, the allegations in this complaint is that the
4 plaintiff suffered these damages, not that an LLC did.

5 So, if plaintiff is claiming damages suffered by
6 someone other than plaintiff, that may be your burden for
7 showing the jury that. As a matter of law, the Court cannot
8 restrict plaintiff's claim.

9 MR. HOOD: Okay. And we will deal with it with this
10 expert, because this expert is offering the testimony about
11 the value of the business. And there's no -- I don't know
12 how you would say that a business shuts down because of a
13 statement attributed to an individual, a business shuts down
14 and a lot of money to --

15 THE COURT: Yeah.

16 MR. HOOD: From a legal standpoint, we will raise it
17 at the appropriate time.

18 THE COURT: It may be a confusing message to handle,
19 but that's part of the process.

20 Let's see what else we have to address before they
21 come in.

22 MR. HOOD: Some of the stuff, Your Honor, we can --
23 I do think it's important in terms of addressing prior to
24 opening statement. For example, in our motion in limine, I
25 enumerated No. 6 -- excuse me, No. 7.

1 THE COURT: No. 7, settlements.

2 MR. HOOD: Yep, there's a claim in the settlement --

3 THE COURT: How about that, are you planning to talk
4 about settlements?

5 MR. CISA: Your Honor, I do intend to talk about
6 settlements for this reason. This newspaper article that I'm
7 here about, when Mr. Hulsey was talking to James Scott about
8 the lawsuit he filed in federal court -- and he filed it
9 actually on April 23rd, this article came out on April 24th,
10 in which he said a number of, I think, horrendous things
11 about my client. Now, their defense to some of this is that
12 all of that was true.

13 The underlying action, he demanded \$6 1/2 million.
14 He settled it for \$20,000. He only had two plaintiffs at the
15 end of the litigation, each one of them got -- well, he says
16 he had three. Each one of them got \$4,100.

17 So what I'm saying is, under relevance, relevance
18 means evidence having any tendency to make the existence of
19 any fact that is of consequence to the determination of the
20 action. Well, what he's saying is that when he's talking
21 about this lawsuit, in this newspaper article, he's saying
22 bad things about my clients. He's saying that this stuff is
23 true. It isn't true. It's not even close to being true. He
24 acknowledges he settled the case for \$20,000 after two years
25 of litigation. And I think it's clearly relevant to show

1 that he made these statements recklessly, without regard to
2 the truth of Hulsey.

3 And that class action suit which caused these
4 statements to be made is extremely relevant in this
5 particular action. I'm not talking about settlement
6 negotiations in the context of this case. I'm talking about
7 what happened to the big class action lawsuit that he filed
8 in federal court. And I think it's very relevant to show
9 that these statements made by him were made recklessly,
10 without regard to their truth or falsehood.

11 And as proof of that, this evidence tends to make
12 the existence of that argument seem correct under the
13 definition of relevance. That's why it's relevant. That's
14 why it's important. That's why it's important to this case,
15 because he's talking about his lawsuit in this article and
16 saying horrendous things about Mr. Limehouse.

17 THE COURT: I thought Mr. Hood was referencing those
18 things prohibited under Rule 408.

19 MR. CISA: No, sir. I'm talking about the outcome
20 of the federal case that he's describing my client's -- what
21 my clients did to get sued in this newspaper article, that
22 they engaged in indentured servitude, which is absolutely
23 incorrect and false. And I think that under the relevancy
24 standard, that evidence of what happened in that class action
25 RICO case certainly tends to make these statements seem like

1 they were absolutely false. And that's why I'm offering
2 them.

3 THE COURT: Once again, I know nothing about any of
4 this. I do know 408 says evidence of the accepting a
5 compromise of the claim which was disputed as to either
6 validity or malice is not admissible to prove liability for
7 or invalidity of the claim or its amount.

8 MR. CISA: Well, I'm not trying to do that. I'm not
9 trying to do anything in the context of the federal
10 litigation. I'm not trying to do that at all. What I'm
11 trying --

12 THE COURT: Mr. Hood has the word settlement, so --
13 and you are saying, well, it's admissible because he didn't
14 settle for that much money.

15 MR. CISA: I'm saying it's admissible to show that
16 when he made these statements, he was reckless. He did it
17 without regard to truth or falsity. And I could show that by
18 his federal lawsuit, how it turned out, that he got \$20,000
19 in settlement. He had \$24,000 out in costs. And his clients
20 got \$4,100 apiece. It goes to the reckless nature of his
21 conduct in making these statements. And it's got nothing to
22 do with the -- of the pending lawsuit that's before you now.
23 It's clearly relevant, Your Honor, under the relevancy
24 statute.

25 THE COURT: Well, if things were clear, we wouldn't

1 be here talking about it.

2 MR. HOOD: It's a 408 argument that this rule exists
3 for this exact purpose. This isn't a relevancy issue. This
4 is 408.

5 If you take an analysis that says it has to be
6 related to the current claim, you would never raise 408
7 because you would never try a case that's been settled. It
8 doesn't make sense. His argument doesn't make any sense.

9 Rule 408 specifically says we can't use evidence for
10 offers of compromise. You can't -- evidence of furnishing or
11 offering or promising to furnish or accepting or offering or
12 promising to accept valuable consideration in the
13 compromising or attempting to compromise a claim which is
14 disputed, as to either validity or amount, is not admissible
15 to prove liability for or the invalidity of the claim or its
16 amount.

17 That's precisely what he's trying to do. He's
18 trying to establish that the RICO claim had no validity
19 because that they were unable to settle it or he considered
20 it to be a low figure. So we would respectfully submit rule
21 408 addresses these issues squarely on its head and warrants
22 the exclusion of any reference to offers of compromise, which
23 would be settlement demands or settlement amounts.

24 MR. CISA: And that's not what I'm trying to prove,
25 Judge. I'm trying to prove that these statements made and

1 published in the Post and Courier have absolutely no
2 validity, and that's evidence of that.

3 THE COURT: Well, Rule 608 bars it, but then it says
4 it does not require exclusion when the evidence as offered
5 for another purpose, such as proving bias or prejudice of a
6 witness, negating a contention of undue delay, or proving an
7 effort to obstruct a criminal investigation or prosecution.

8 Absent some ruling that declares it to be relevant
9 for some other purpose, I am granting the motion prohibiting
10 any reference to settlement.

11 Now, if during the course of the trial it appears
12 that it should be allowed for some of the purposes you've
13 mentioned that does not violate Rule 608, we will visit it at
14 that time.

15 How about that, Mr. Cisa?

16 MR. CISA: That's fine, Judge, because I'm not going
17 to talk about it in opening anyway.

18 THE COURT: All right.

19 MR. HOOD: Your Honor, I will jump to two other
20 points, I think they may come up in opening. One point
21 dealing with Mr. Hulsey's character. We eluded to that
22 earlier in terms of -- the first trial we had started out
23 with an opening salvo: This case is about a rich, hotshot
24 lawyer, or words to that effect. And Mr. Hulsey's character
25 is not on issue. I don't think that's proper opening

1 Mr. Limehouse was under as a result of the April 2004
2 article?

3 A. I think most definitely it contributed to
4 deterioration of his diabetic control.

5 Q. Are you aware of any incident prior to the April
6 24th, 2004, article, in which Mr. Limehouse had that kind of
7 difficulty, that is, going into a diabetic coma?

8 A. I am not.

9 Q. Did you have occasion to talk to Mr. Limehouse after
10 the April 24th, 2004, article came out?

11 A. yes.

12 Q. Can you describe his mental condition at that time?

13 A. I felt like that was a crucial turning point in his
14 mood. I felt like he was very, very quiet, not his normal
15 upbeat self. I was worried he was going to become depressed.
16 I just felt like he was under a big burden. And, you know,
17 shortly thereafter, I knew that he moved. And I felt like
18 all these things were definitely related to this.

19 MR. CISA: I don't have anything further. Thank you
20 Dr. Smith. Please answer any questions Mr. Hood may have.

21 CROSS-EXAMINATION

22 BY MR. HOOD:

23 Q. Dr. Smith, Mr. Cisa handed to you an article. I
24 think he said had Pat Tillman on it; is that right?

25 A. Say it one more time.

1 Q. Had Pat Tillman on the front?

2 A. Yes, that's correct. I remember that.

3 MR. HOOD: May I approach, Your Honor.

4 THE COURT: yes.

5 BY MR. HOOD:

6 Q. I'm handing you what was marked as Defendant's
7 Exhibit No. 9. Is that the newspaper article that you just
8 testified to?

9 A. Yes.

10 MR. HOOD: Your Honor, at this time I would offer
11 Defendant's Exhibit No. 9.

12 MR. CISA: Only objection I have is the objection
13 concerning the hearsay contained in the article itself. And
14 we talked about it. And it starts with the first full
15 paragraph and the second paragraph, but --

16 THE COURT: We will have it marked for
17 identification purposes at this time.

18 MR. HOOD: Well, depending on what your ruling is, I
19 would like to ask him questions about whether the portions of
20 the article in his opinion contributed to the stress that
21 caused his hypoglycemic event.

22 THE COURT: I will have the jury go to the jury room
23 a few moments while I get a chance to review it. Please do
24 not discuss the case.

25 (Whereupon, the jury leaves open court at 5:14 p.m.)

1 (Exhibit D-2, Article with Pat Tillman on the front
2 page, is marked for identification.)

3 THE COURT: You want to proceed with the questions
4 or are you going to address Mr. Cisa's objection?

5 MR. HOOD: If you would like for me to do a proffer,
6 I'm happy to do that. If you want to address the objection,
7 however Your Honor wants.

8 THE COURT: Let me hear the objection, Mr. Cisa.

9 MR. CISA: The objection, Your Honor, is that it
10 contains hearsay. It contains direct quotes from Mr. Hulsey,
11 but it contains hearsay. Talks about a 33-page complaint.
12 It talks about what that complaint says. What the complaint
13 says, I suggest to the Court, should not be admissible in
14 this court.

15 The first paragraph talks about the complaint.

16 Second paragraph talks about the complaint.

17 THE COURT: Let's see now. You showed him the
18 article and you asked him whether he read the article and
19 whether the article contributed to your client's health
20 problems.

21 MR. CISA: Yes, sir, I did.

22 THE COURT: But you don't want Mr. Hood to ask him
23 any questions about the detail of the article?

24 MR. CISA: He can ask him question about whether he
25 thinks Mr. Hulsey's statement, "This is a classic

1 racketeering scheme that sets the community back 150 years,"
2 whether he thinks that contributed to it.

3 THE COURT: He doesn't want to ask him what you want
4 him to ask him. He wants to ask him whatever he wants to ask
5 him about this article, that you have had him to say
6 contributed to Mr. Limehouse's health issues.

7 MR. CISA: I understand. My objection is to
8 cross-examining with the hearsay. My objection -- if he
9 wants to ask him about the quotes from Mr. Hulsey, whether or
10 not that contributed, I think that's fair.

11 THE COURT: We are dealing with a doctor, so if this
12 was a medical report which might contain hearsay by the
13 doctors, then it would be no problem.

14 MR. CISA: I agree.

15 THE COURT: Okay. But this is a doctor giving an
16 opinion in part on hearsay contained in a nonmedical
17 document, but it's objectionable?

18 MR. CISA: Well, what I'm suggesting is the
19 cross-examining about the statements made by Mr. Hulsey, if
20 he thinks those caused him -- would cause like he testified
21 to, I object to the rest of it coming in before the jury,
22 because I think it's hearsay and not proper evidence, but I
23 understand.

24 THE COURT: Experts can rely on -- I don't know what
25 he relied on. That was the basis of Mr. Hood's original

1 objection.

2 I will overrule the objection.

3 And we will take two minutes. Press on once more.

4 (Whereupon, recess transpired.)

5 THE COURT: All right. Let's bring the jury back.

6 (Whereupon, the jury returns to open court at 5:24

7 p.m.)

8 THE COURT: Objection is overruled. You may

9 proceed.

10 MR. HOOD: Thank you, Your Honor.

11 BY MR. HOOD:

12 Q. We were looking at Defendant's Exhibit No. 9. Do
13 you have that in front of you?

14 A. Yes.

15 Q. There's also screen directly in front of you. We
16 are just going to pull up the first top section of that
17 article. There we go.

18 Is this article here where it says, "Lawsuit targets
19 staffing agency?"

20 A. Yes, that's the article.

21 Q. All right. And this was an article that, in your
22 opinion, caused stress that culminated in a hypoglycemic or
23 blood sugar problem 58 days later?

24 A. Yes.

25 Q. Let's look at the first paragraph there, if it's

1 nature of the restriction that's been put upon both
2 parties.

3 THE COURT: All right.

4 How is it coming with those jurors?

5 THE CLERK: Waiting for one.

6 MR. HOOD: While we are waiting, a housekeeping
7 matter. I think Mr. Cisa attempts to read excerpts of
8 depositions of Mr. Hulsey. It contains some designations
9 dealing with the 408 issue. And so we would have an
10 objection to that. And based on your ruling, that would
11 affect my counter designations, whether that designates
12 things in and around that same area.

13 MR. CISA: Judge, I'm not sure -- we talked about
14 Rule 408. I actually looked at it last night. And actually
15 did a little research on Rule 408. And I think your initial
16 reaction was that Rule 408 prohibits you from introducing
17 anything about settlement. But closer reading of the rule,
18 Judge, it clearly has application.

19 You know, offers back and forth, between Mr. Hood
20 and I relative to this case, clearly are not admissible.
21 They are not admissible for a lot of reasons, against public
22 policy. We would never negotiate, obviously, if I can come
23 in and say, I offer this, ladies and gentlemen of the jury,
24 because it's just not enough. But this talks about offering
25 or promising, accepting or offering or promising. What I'm

1 talking about is what was paid.

2 And I found a case that -- and the exceptions,
3 Judge, that you've talked about where it said the rule does
4 not require the exclusion of any evidence otherwise
5 discoverable merely because it is presented in the course of
6 compromised negotiations. This rule also does not require
7 exclusion when the evidence is offered for another purpose.
8 And then goes on and says, such as. That is not an exclusive
9 list, Judge. It's for any other purpose. And then they give
10 examples. They say such as. That's not an exclusive list.

11 There's a case of -- I can give you a copy of this
12 if you would like. Case of QHG of Lake City, Inc. vs. Karen
13 McCutcheon, MD. It's a Court of Appeals decision, March --
14 well, August 19th, 2004, 360 S.C. 196. And this is what the
15 Court said. They were arguing about something, said:
16 Nothing in the rule against settlement testimony requires
17 courts to exclude evidence that a party tendered a sum
18 mutually understood to be due.

19 That's what I'm talking about. My clients should be
20 able to testify, I paid \$20,000 to settle that case. It's
21 not excluded. It's not excluded under Rule 408.

22 THE COURT: Is it \$20,000 per person?

23 MR. CISA: No, sir, \$20,000 total, what we paid.

24 And what I'm suggesting is, and I go back to my relevancy
25 argument that I had yesterday about why I wanted it in,

1 because it's relevant. Because what I submit to the Court
2 is, these statements Mr. Hulsey made in the newspaper about
3 my client, and I think they were about my client, and I think
4 there's evidence from which a jury could find they were made
5 about my client, were absolutely false. They raised truth as
6 a defense. And I think the fact that we paid \$20,000 has a
7 tendency to prove that fact.

8 And it's not excluded under Rule 408. Certainly, I
9 can't discuss settlement negotiations in this trial. But
10 this was an agreed-upon sum that my client paid in the
11 underlying litigation. And it's my view, and I think the
12 jury can find this, that's a paltry sum for this big class
13 action federal court lawsuit. And I think that gives weight
14 to my position that these statements were absolutely false.
15 He should have known they were false at the time they were
16 made, and goes to recklessness too.

17 And I can give you a copy of this case, Judge, if
18 you would like to see it. And I'm really referring to --
19 it's kind of the end of the case, Judge. Do you want a copy?

20 MR. HOOD: I would like a copy.

21 THE COURT: Back to criminal court one more time,
22 Mr. Cisa, I've seen murder cases and assaults with intent to
23 kill being pled out as simple assaults and time served when
24 you are dealing with, in many instances, Hispanic people or
25 people who are not comfortable in coming to court or people

1 who they are migrant workers in South Carolina during the
2 summer, and Minnesota during the fall. So, I mean, there are
3 many factors that bear upon resolution of the case.

4 And so the question that I have on the question of
5 whether this may still lead to confusion of the issues and
6 undue delays, is that this then necessitates us going deeply
7 into the merits of the underlying case?

8 MR. CISA: No, sir. All I'm talking about is a
9 settlement, that's it. I'm not going into the merits of the
10 underlying case. I'm saying that it's clearly relevant about
11 what my client paid. I'm not going to try -- never tried the
12 federal court case. I wasn't involved in it. But I think
13 the fact that \$20,000 was paid is certainly relevant to these
14 allegations that were made by Mr. Hulsey to the Post and
15 Courier reporter.

16 THE COURT: Whether the case is meritorious?

17 MR. CISA: I think it goes to that. He made the
18 statement, made these, I think, horrible statements about my
19 client. And he had no right to do so. And I think that
20 proves it. Because they paid \$20,000 to resolve it. And
21 it's not -- I submit to the Court, it is not a matter that's
22 excluded by the rule. If I want to offer it for another
23 purpose, and I think its other purpose under the definition
24 of relevance, relevant evidence means evidence having any
25 tendency to make the existence of any fact, that's in

1 consequence to the determination of the action, more probable
2 or less probable. I think it's clearly relevant, Judge, on
3 that issue.

4 THE COURT: All right.

5 MR. HOOD: Very briefly, Your Honor. The settlement
6 that he's referring to was years after the statement was
7 made, put in the context the timing of it. When you asked --
8 excuse me, when Mr. Cisa just described what the other
9 purpose for its admission was, he again went back to Rule 401
10 and said it's relevant. This is not a relevance argument.
11 The question is, is there another purpose under the rules for
12 which it would be admissible? You have to go to other
13 purpose and we determine if it's relevant for that reason.

14 What he wants to establish is that, in his client's
15 opinion, the claims, the underlying RICO claims, were lack of
16 merit, because they were settled for what they considered to
17 be a nuisance value. That's precisely why Rule 408 exists.
18 Rule 408 is not just offers of compromise, but also includes
19 the word furnishing. And that's affecting settlement.

20 The public policy in this statement is to encourage
21 settlement. And that gets why we codify that public policy
22 in Rule 408 which is identical to the federal rule.

23 What Mr. Cisa handed to the Court is the case which
24 there was no dispute over the amount due. There's no dispute
25 over the amount due. So payment of that as part of a

1 settlement doesn't mean that it was confidential in terms of
2 that case.

3 In this case, the settlement documents agree that it
4 was a disputed case of liability. There's no admission of
5 liability. And then the parties agreed to settle the case in
6 the amount of debt, \$20,000. It's a very different set of
7 circumstances than this case.

8 We believe and maintain the 408 addresses this point
9 directly. And case law in South Carolina addresses it
10 directly.

11 Just the comments under the rule referring to the
12 Hunter vs. Hyder case, 236 S.C. 378, as well as the Woodward
13 vs. Southern Railway case, 88 S.C. 453, those cases are
14 unambiguous. The law is unambiguous. There was a demand
15 made. There was a settlement reached. The terms of the
16 settlement and offers made and the furnishing of the
17 settlement is inadmissible.

18 And his argument simply is trying to attack the
19 merits of the RICO case through evidence of the amount of the
20 settlement, which we maintain is why 408 exists.

21 MR. CISA: I'm not asking you to let in
22 negotiations. I'm asking you to let in what was agreed upon
23 between the parties to be paid to settle that case. And the
24 purpose I want it in evidence for is to show that these
25 statements made by Mr. Hulsey lack merit, lacked veracity.

1 That's why I want it in. It's for a specific purpose. I
2 have a purpose. The purpose is to show that these statements
3 lack merit and they weren't true.

4 THE COURT: You understand the case lacks merit
5 because the case was settled.

6 MR. CISA: For \$20,000. And it does not -- these
7 cases that are cited under the rule talk about disclosure of
8 settlement negotiations in a case. Certainly, I can't get
9 into settlement negotiations about this case in front of the
10 jury, but this is what the man paid. He paid \$20,000. Jury
11 may think that's a lot of money. I don't think so. And I
12 think it goes directly to show that the statements made by
13 Mr. Hulsey lacked merit, lacked veracity, and they were not
14 truthful. They were not truthful.

15 THE COURT: That's what you would like to show, but
16 then we have to hear the other side of that story. And it
17 could be, you know, started out I had a class action and some
18 of the people moved out of town, couldn't get others to join
19 in, they got cold feet. How much question -- question is
20 whether or not that puts us down the trail where the waste of
21 time aspect of it compared to the probative value, since the
22 whole idea of settlements is that you don't go behind the
23 settlement and judge whether it's a good settlement or bad
24 settlement.

25 MR. CISA: What this jury knows so far, Your Honor,

1 what this jury saw --

2 THE COURT: How are we coming with those jurors?

3 THE CLERK: All here.

4 MR. CISA: What this jury saw on the screen
5 yesterday was this article that says Lawsuit Targets Staffing
6 Agent. Mr. Hood went over every line about this article and
7 big class action lawsuit that was filed. And that's when
8 Mr. Hulsey made these horrible statements against my client.

9 I want them -- they are entitled to know that this
10 lawsuit lacked merit. Just like these statements lacked
11 merit. And they lack merit because \$20,000 was paid. And I
12 think that's clearly relevant to my position. This was on
13 the front page of the Post and Courier Saturday morning, no
14 question. The jury's seen it. And they brought it in.

15 All I wanted to do was to get the statements out.
16 This wasn't a class action lawsuit, Judge. It was never
17 certified as a class.

18 THE COURT: I understand.

19 MR. CISA: He ended up with three people at the end.
20 One they couldn't find. Only had two people sign releases.
21 These statements lacked merit. They lacked veracity.

22 THE COURT: You said it wasn't certified because
23 they couldn't find some of the people?

24 MR. CISA: I don't know. It was never certified as
25 a class.

1 THE COURT: That's why I'm saying the whole getting
2 into the whole culture of the matter and question is -- it
3 doesn't necessarily indicate that the case lacks merit. Many
4 other factor can be. I'm not ruling on it. We are just
5 having a conversation.

6 MR. CISA: Yes. Okay.

7 THE COURT: Because I don't know what the
8 designations are and what my ruling would be as to those
9 specific things that you may want to designate.

10 MR. CISA: This is what happened, Judge. These --
11 this big class was never certified. These people ended up
12 with \$4,100 apiece, \$4,100 apiece.

13 THE COURT: That's pretty good money.

14 MR. CISA: Jury may think that. Jury may think
15 that.

16 THE COURT: Sounds pretty good to me.

17 MR. CISA: I don't know if it's good money when you
18 have \$24,000 out in costs.

19 THE COURT: You have to cut your losses. A lot of
20 things cases -- well --

21 MR. CISA: All I'm saying is, these statements lack
22 merit. They lack veracity. And that's one way to show it.
23 And that's probably the best way to show it. I will show it
24 other ways too, but I suggest to the Court that's it.

25 THE COURT: Okay. We will get back to that, that

1 issue, because I'm going to rule on it in the context of the
2 designation. And then that will give me an opportunity to
3 think more on the questions. Regarding the request of Ms.
4 Durand, I think it is important to give some instruction
5 regarding --

6 MR. CISA: Judge, I understand your ruling. I'm not
7 going to argue with you. I was going to suggest to you maybe
8 the way to do it would be to take Judge Nicholson's order and
9 tell them what the statute says, it's set out in the order to
10 say Mr. Scott's testimony is limited pursuant to South
11 Carolina Code Section 19-11-100, because a person may not be
12 compelled to disclose any information or document -- just
13 read it; don't you think?

14 THE COURT: Yes, sir. I will do that.

15 MR. CISA: Do you have the order?

16 THE COURT: I have it here.

17 MR. CISA: If you are going to do it, that is what I
18 would request that you do.

19 MS. DURAND: I have no objection to that, Your
20 Honor. I just wanted some explanation to the jury. Thank
21 you.

22 THE COURT: Okay. All right.

23 Sir, anything else before the jury comes in?

24 MR. HOOD: I will hand you the deposition. I've
25 flagged and highlighted the objectionable portion we are

1 Your Honor, I call James Scott.

2

3

4

JAMES SCOTT,

5

having been duly sworn, testifies as follows:

6

7

THE CLERK: State your first and last name. Spell
your last clearly and loudly into the microphone.

8

THE WITNESS: James Scott, S-c-o-t-t.

9

DIRECT EXAMINATION

10 BY MR. CISA:

11

Q. Good morning, Mr. Scott. Where do you reside, sir?

12

A. 506 Royal Avenue, Mount Pleasant.

13

Q. How old are you?

14

A. 39.

15

Q. Can you briefly describe your educational
16 background?

17

A. I am graduated from Wofford College in 1997.

18

Q. Could you briefly describe your work history since
19 graduating from Wofford College?

20

A. I worked -- immediately out of school, I worked as
21 an English teacher in a Japanese school system for a year.
22 And then I came home and went to work in journalism. Worked
23 for about a year with Creative Loafing in Greenville. And
24 became a senior reporter for the Rockville Herald in Rock
25 Hill for about a year and a half. And then I came to the

1 Post and Courier in 2001 as a reporter.

2 Q. And how long did you work as a reporter for the Post
3 and Courier?

4 A. I was there from 2001 until late 2007. I left to go
5 on book leave. And just didn't go back after that, ended up
6 changing careers.

7 Q. Did you write articles for the Post and Courier?

8 A. I did.

9 Q. Approximately how many articles did you write every
10 year?

11 A. You know, approximately 200, sometimes more.

12 Typically we wrote anywhere from, you know, three to five in
13 a week.

14 Q. Are you familiar with the article that we are here
15 about that was published on April 24th, 2004, in the Post and
16 Courier?

17 A. I am.

18 Q. Okay. Let me show you -- is this a copy of the
19 front page of the Post and Courier that was published on
20 Saturday, April 24th, 2004?

21 A. It is.

22 Q. And is this where the article appeared on the front
23 page of the Saturday paper?

24 A. It is.

25 Q. Okay. Now, prior to writing this article, did you

1 have occasion to meet with Mr. Paul Hulsey?

2 A. On one occasion.

3 Q. Okay. You met with him on one occasion? Do you
4 recall where you met him?

5 A. We had lunch.

6 Q. Where did you have lunch?

7 A. Blossoms, I believe.

8 Q. What did you all generally discuss?

9 A. The discussions would be -- that's private between
10 journalist and source, but it was essentially about series of
11 stories I was working on.

12 Q. Did you have any other conversations with Mr. Hulsey
13 prior to writing this article that was published on April
14 24th, 2004?

15 A. Not that I recall, no.

16 Q. Didn't you have a telephone conversation with him?

17 A. For this article, yes, but not anything between that
18 time period, no.

19 Q. Well, do you recall what the time frame was you had
20 lunch with him at Blossoms? How much time lapsed before you
21 talked to him again relative to writing this article?

22 A. I don't recall.

23 Q. Okay. But it was some period of time?

24 A. Some period of time, certainly.

25 Q. Prior to writing the April 24th, 2004, article, did

1 you have a telephone conversation with Mr. Hulsey?

2 A. I did, yeah, about the contents of that article,
3 yes.

4 Q. Did Mr. Hulsey call you or did you call
5 Mr. Hulsey?

6 A. I probably called him.

7 Q. Do you recall why you called him?

8 A. About the complaint that's the subject of the
9 article.

10 Q. The complaint that was filed in federal court on
11 April 23rd, 2004?

12 A. Yes.

13 Q. Mr. Scott, I'm going to show you the archive print
14 view of the article, because it's a little easier to read.
15 Have you looked at the archive print view before?

16 A. I have.

17 Q. Is this the archive print view that's on the screen?

18 A. It is, yes.

19 Q. Now, throughout the article, you did make some
20 quotes? You quoted; is that correct?

21 A. I'm sorry?

22 Q. You quoted people in the article?

23 A. Certainly, yes.

24 Q. In the first paragraph, do you see where you put in
25 quotes "indentured servitude"?

1 A. Uh-huh.

2 Q. Is that a quote from Mr. Hulsey?

3 A. He is quoted in the story as using that same
4 language, but I can't recall if that was the same language
5 that was also contained in the original complaint or not. So
6 I don't recall. But he is quoted later in the article using
7 that phrase, but then also in the complaint too.

8 Q. During the conversation with Mr. Hulsey, he talked
9 about indentured servitude, correct?

10 A. Yes.

11 Q. Now, come down to the, I guess, one, two, three,
12 fourth paragraph of the article where you say, "This is a
13 classic racketeering scheme, said Paul Hulsey, founding
14 partner of the Wharfside Street law firm, downtown
15 Charleston. This sets the community back 150 years."

16 Is that a direct quote from Paul Hulsey?

17 A. It is..

18 Q. Do you know what the significance of this quote is,
19 "This sets the community back 150 years?"

20 A. Yeah. I can't get into Mr. Hulsey's head, but
21 exactly what he was thinking, but it appears this -- the
22 context of that lawsuit and the allegations outlined in that
23 lawsuit would set it back.

24 Q. Do you know when slavery was abolished in this
25 country?

1 A. In the 1860s.

2 Q. 1865?

3 A. Uh-huh.

4 Q. So when Mr. Hulsey gave you that statement, that was
5 on -- was it on April 23rd, 2004; do you know?

6 A. Yes.

7 Q. So if you go back 150 years, that's going back to
8 the abolition of slavery, 139 years, right?

9 A. Yeah, I assume so. Not doing math in my head, but,
10 yes.

11 Q. Mr. Hulsey is talking about a time you had slavery
12 in this country, correct?

13 A. Again, I'm not sure what he was -- what exactly he
14 was thinking at that time.

15 Q. I understand. You can't get into Mr. Hulsey's head,
16 is what you are saying?

17 A. Exactly.

18 Q. I understand that.

19 Now, I don't think there's -- well, let me ask you
20 this. Let me give you this so you will have something to
21 look at here too. Did you mention Lawton Limehouse in this
22 article? If you go to the back, you will see the print view.

23 A. Yes, he's mentioned as the owner of L & L Services.

24 Q. That is in the paragraph right beneath the quote
25 from Mr. Hulsey, correct?

1 A. Yes.

2 Q. "Lawton Limehouse, owner of L & L Services, declined
3 to comment."

4 Okay. So that's one time you talked about Lawton
5 Limehouse, right?

6 A. Yes.

7 Q. And then again down at the bottom, you talked about
8 Limehouse again, correct?

9 A. Yes.

10 Q. Okay. Now, is this also part of the article we are
11 talking about?

12 A. Yes.

13 Q. You see the second paragraph, "'This is a blatant
14 case of indentured servitude,' said Hulsey, formerly of the
15 Ness Motley law firm. 'L & L took advantage of the
16 complexity of the system. They have created a perfect
17 racketeering enterprise, just like Tony Soprano.'"

18 Is that a direct quote from Paul Hulsey?

19 A. Yes.

20 Q. Now, on this page, do you also talk about
21 Mr. Limehouse again? Look at the paragraph second paragraph
22 down from what I've just read.

23 A. Yep. Yes, I see that.

24 Q. You talk about Mr. Limehouse twice; is that correct?

25 A. In that -- that's just a background article,

1 background paragraph. That's not anything attributed to
2 Mr. Hulsey. It's just a background paragraph that says, "The
3 lawsuit comes on the heels of an investigation of L & L
4 Services by the labor department in which Limehouse said he
5 was ordered to pay back pages. Limehouse has told the
6 newspaper earlier this week --" again, that's background
7 information.

8 Q. I understand it's background information. But point
9 is, you put Mr. Limehouse's name in the article two times on
10 the second page, correct?

11 A. Yes.

12 Q. So that's four times you mentioned Lawton Limehouse
13 in this article, correct?

14 A. Yes.

15 Q. Do you have any specific recollection of what
16 happened to the employees of L & L Services when the business
17 was shut down shortly after this article was published?

18 MS. DURAND: Objection, Your Honor. Beyond the
19 scope of the order.

20 THE COURT: Mr. Cisa?

21 MR. CISA: It's one question, Judge, asking if he
22 had any specific recollection of what happened to the
23 employees of L & L Services when the business was shut down
24 following this -- the publication of this article on April
25 24th, 2004. And I think he answered the question.

1 THE COURT: I sustain the objection.

2 MR. CISA: Thank you, Mr. Scott.

3 THE COURT: Ms. Durand.

4 CROSS-EXAMINATION

5 BY MS. DURAND:

6 Q. Good morning, Mr. Scott. You have stated that you
7 wrote the April 24th, 2004, article that Mr. Cisa just showed
8 you, correct?

9 A. Correct.

10 Q. And you weren't responsible for the content of that
11 article, correct?

12 A. Correct.

13 Q. And I take it that, except for the direct quotations
14 from Mr. Hulsey that you have it absolutely attributed to him
15 in the article, that everything else in that article, in
16 fact, was your words and you take responsibility for them,
17 correct?

18 A. Correct.

19 Q. So if there's mention of Mr. Lawton Limehouse, I
20 think that was four times in the article, those words came
21 from you; did they not?

22 A. If they are not in quotes, yes, they did.

23 Q. They didn't come from Mr. Hulsey, did they?

24 A. Without looking back at all of the direct quotes, if
25 they are not in quotes, then I wrote them.

1 Q. Okay. And you don't recall Mr. Hulsey ever
2 specifically mentioning Mr. Limehouse during your
3 conversation, do you?

4 A. Honestly, I don't recall a lot of the specifics of
5 that, but I can't really say one way or the other. I don't
6 specifically recall.

7 Q. But if he had mentioned Mr. Limehouse personally,
8 you would have put that in quotation in the article, would
9 you not?

10 A. Potentially.

11 Q. And the fact that there isn't a quotation, and I
12 represent to you without going back through the whole article
13 again, there's not a single quotation from Mr. Hulsey that
14 mentions Lawton Limehouse in the quotation, then he didn't
15 even use Mr. Limehouse's name?

16 A. He didn't use it in anything that was publicly
17 attributed to him. I can't recall specifically during our
18 interview.

19 Q. Now, I think you've testified previously that you
20 called Mr. Hulsey for comment on that lawsuit that was filed
21 on April 23rd, 2004, correct?

22 A. Yes.

23 Q. And you wanted an explanation of some of the claims
24 in the lawsuit, correct?

25 A. Most likely, yes.

1 Q. Were you familiar with civil RICO at the time that
2 you discussed these allegations and the complaint with
3 Mr. Hulsey?

4 A. I don't recall specifically, but it's fair to say I
5 was not at that time.

6 Q. And you are not a lawyer, are you, Mr. Scott?

7 A. I am not.

8 Q. So -- before we get into some more of that, there
9 was never a press conference about this, was there?

10 A. No.

11 Q. And I take it that the conversation you had with
12 Mr. Hulsey was a relatively lengthy conversation, correct?

13 A. It may have been, yes.

14 Q. Okay. And at the time that you had spoken to
15 Mr. Hulsey, you had already had an opportunity to look at the
16 complaint that had been filed, correct?

17 A. Yes, it was a public document.

18 Q. Okay. Now, were you familiar with the plaintiffs
19 that Mr. Hulsey represented that had actually -- that were
20 the plaintiffs in the case that was filed on April 23rd,
21 2004?

22 MR. CISA: Objection, Your Honor. It's beyond what
23 your instruction was. You wouldn't let me do this.

24 MS. DURAND: Your Honor, this was something that was
25 specifically discussed with Mr. Hulsey and Mr. Scott during

1 the conversation.

2 MR. CISA: Mr. Scott has testified he doesn't recall
3 the conversation.

4 MS. DURAND: Mr. Hulsey has -- is going to testify
5 about the conversation. And Mr. Scott said in his deposition
6 that he wouldn't argue with the recollection of Mr. Hulsey.

7 MR. CISA: I object to this, Judge. May we
8 approach?

9 THE COURT: Just make legal objections. Don't argue
10 objections unless requested by the Court.

11 MR. CISA: My objection is outside the scope of your
12 instruction.

13 THE COURT: Let me hear the question once again.
14 BY MS. DURAND:

15 Q. Mr. Scott, you were familiar with the plaintiffs
16 that Mr. Hulsey represented in the lawsuit that was the
17 subject of the conversation with yourself and Mr. Hulsey on
18 April 23rd, 2004, were you not?

19 THE COURT: I sustain the objection.

20 BY MS. DURAND:

21 Q. Okay. Now, do you recall from the conversation with
22 Mr. Hulsey that he was representing those plaintiffs pro
23 bono, i.e., that he was representing them on their behalf for
24 free in that lawsuit?

25 A. I don't recall --

1 MR. CISA: Same objection. Outside the scope of
2 your instruction.

3 MS. DURAND: It was a subject of the discussion,
4 Your Honor.

5 THE COURT: He said he didn't know.

6 MS. DURAND: May I ask a follow-up, Your Honor?

7 THE COURT: Sure.

8 BY MS. DURAND:

9 Q. Mr. Scott, you wouldn't argue with Mr. Hulsey's
10 recollection of that discussion, would you, that he told you
11 he was representing the plaintiffs in the lawsuit pro bono?

12 MR. CISA: Objection; pitting, Judge.

13 THE COURT: Objection is sustained.

14 BY MS. DURAND:

15 Q. Were you familiar with the economic status of the
16 plaintiffs that were bringing the lawsuit that was the
17 subject matter of the discussion that you and Mr. Hulsey
18 had?

19 MR. CISA: Objection, outside the scope of your
20 instruction, Judge.

21 MS. DURAND: Again, Your Honor, it was subject of
22 the discussion between Mr. Scott and Mr. Hulsey.

23 THE COURT: Objection is sustained.

24 BY MS. DURAND:

25 Q. With respect to the actual quotes that you

1 attributed to Mr. Hulsey -- and I will hand you a copy of the
2 article, Mr. Scott, if that would --

3 A. I've got a copy here.

4 Q. You've got it? Okay.

5 A. Yes.

6 Q. Could you put the article up, please?

7 Okay. I'm just going to use a demonstrative here.

8 MS. DURAND: May I approach, Your Honor?

9 THE COURT: Sure.

10 BY MS. DURAND:

11 Q. Mr. Scott, this is a blowup of the actual article
12 for the ladies and gentlemen of the jury to see as well. And
13 in it, we have highlighted the actual quotes from Mr. Hulsey.
14 Okay. The first one -- and Mr. Cisa also showed that to
15 you -- the first one states, "'This is a classic racketeering
16 scheme,' said Paul Hulsey, founding partner of the Wharfside
17 Street law firm in downtown Charleston. 'This sets the
18 community back 150 years;'" is that accurate?

19 A. Yes.

20 Q. And those are attributed specifically to Mr. Hulsey?

21 A. Yes.

22 Q. And that was referencing the allegations in the
23 complaint that you had called Mr. Hulsey to discuss, correct?

24 A. Yes.

25 Q. Okay. The other part that we have blown up there --

1 I mean, that we've highlight there, says, "'This is a blatant
2 case of indentured servitude,' said Hulsey, formerly of the
3 Ness Motley Law Firm. 'L & L Services took advantage of the
4 complexity of the system. They have created a perfect
5 racketeering enterprise just like Tony Soprano;'" is that
6 correct?

7 A. Yes.

8 Q. And those are attributed to Mr. Hulsey directly?

9 A. Yes.

10 Q. Okay. And in those quotes there, he was referring
11 directly to the racketeering enterprise that was the subject
12 of the allegations in the RICO complaint, correct?

13 MR. CISA: Objection. No foundation.

14 THE WITNESS: Yes.

15 MR. CISA: And I will be glad to approach and
16 discuss, if you would like.

17 THE COURT: Okay.

18 (Whereupon, a bench conference takes place off the
19 record.)

20 THE COURT: The objection is overruled.

21 BY MS. DURAND:

22 Q. So, again, Mr. Scott, this quote from Mr. Hulsey
23 that we just -- you just agreed was, in fact, the words from
24 Mr. Hulsey, that is a quote that is referring specifically to
25 the allegations in the complaint of the RICO enterprise,

1 correct?

2 A. Yes, yes.

3 Q. Now, Mr. Scott, when you were discussing this
4 complaint with Mr. Hulsey, you were talking during the entire
5 conversation about the filing of the lawsuit, the complaint,
6 and the various elements and allegations contained therein,
7 correct?

8 A. Yes. The whole conversation would have been related
9 to the case and this article.

10 Q. Okay. So you weren't talking about a lot of
11 extraneous things or any personal things --

12 A. No.

13 Q. -- that might have been of interest?

14 A. I don't recall the conversation specifically, but
15 there would have been no reason for me to have any other
16 discussion except about what was in this article.

17 Q. Okay. And, obviously, there are certain quotes in
18 the article that are attributed to Mr. Hulsey. And we can
19 see the words right there. But there was a lot of discussion
20 beyond that that didn't make it into a quote, correct?

21 A. Certainly.

22 Q. So, Mr. Hulsey said a variety of other things, and
23 you just didn't quote him on all of those things?

24 A. Yes.

25 Q. And the quote mentions L & L Services, but there was

1 another company that Mr. Limehouse had called WLL, LLC,
2 correct?

3 A. Yes.

4 Q. And you were familiar with that company as well,
5 correct?

6 A. Yes.

7 Q. And do you recall Mr. Hulsey also was just using, in
8 his description of the RICO enterprise, he was using
9 references to WLL, LLC?

10 A. He may have been. I mean, L & L Services, I think,
11 was sort of the umbrella of it. That was sort of the main
12 company that the Limehouses had, but he may very well have
13 used WLL as well. I don't recall.

14 Q. Mr. Hulsey did give further explanation of the RICO
15 enterprise as you and he were discussing the lawsuit?

16 A. Yes.

17 Q. And in this quote, and I will show it to you
18 again -- it seems to be the easiest way to do it -- it says,
19 "L & L Services took advantage of the complexity of the
20 system. They have created a perfect racketeering enterprise,
21 just like Tony Soprano."

22 Now, "they" obviously is plural, correct?

23 A. Yes.

24 Q. So when you say "they", it would have been logical
25 that you would have been talking to Mr. Hulsey about both L &

1 L Services and WLL, LLC, when you quote him saying "they",
2 correct?

3 A. Oh, potentially. Again, I'm not exactly sure. I
4 can't get into his head, but, I mean, the conversation from
5 the quote above, it's clearly it's L & L Services we are
6 talking about. Sorry.

7 Q. If you have L & L and WLL, LLC, that would make
8 sense for the "they", correct?

9 A. Possibly.

10 Q. Now, in the description of the RICO enterprise, you
11 would agree, wouldn't you, that Mr. Hulsey was describing the
12 business practices of LLC and WLL, LLC, correct?

13 A. I'm not exactly sure. The conversation was all
14 about the complaint and the business, so, yes.

15 Q. And the complaint contained allegations about the
16 business practices of those companies, correct?

17 A. Yeah. I haven't read it in 11 years, but I assume
18 so, yeah.

19 Q. And there weren't any personal attacks or any
20 personal discussions about individuals, were there?

21 A. Not that I recall, no.

22 Q. Okay. And, again, if someone had made personal
23 attacks and if Mr. Hulsey had said something outside of
24 describing the allegations in the complaint, that most likely
25 would have ended up in the article in a quote, would it not?

1 A. It may have, yeah.

2 MR. CISA: I object to the question.

3 THE COURT: There's an objection. You can
4 disregard. Basis for the objection?

5 MR. CISA: Improper question, most likely is
6 improper. It's possibility.

7 THE COURT: Any response?

8 MS. DURAND: Your Honor, I'm asking the witness what
9 he would have done under the circumstances, and he certainly
10 can answer that.

11 THE COURT: I overrule the objection.

12 THE WITNESS: It may have been. We may have used
13 it, yeah.

14 BY MS. DURAND:

15 Q. Okay. And you don't recall Mr. Hulsey ever getting
16 into any kind of personal discussions of Mr. Limehouse
17 himself?

18 A. I don't recall, no.

19 Q. That wasn't the subject of the complaint, was it?

20 A. No, it was about the business practices.

21 Q. Okay. And, again, Mr. Hulsey didn't call
22 Mr. Limehouse any names?

23 A. Yeah, not that I recall.

24 Q. Okay. Now, I realize that when you were talking
25 with Mr. Hulsey, you were talking about a variety of

1 allegations and descriptions that were in the complaint. But
2 a lot of the allegations in the complaint related back to
3 some earlier articles that you had written, correct?

4 A. Yes.

5 Q. And just as you were the author of the article here
6 on April 24th, you were the author of a series of articles, I
7 think you mentioned in your earlier testimony, that began
8 sometime around February 11th, 2004; is that correct?

9 A. Yes.

10 MR. CISA: Objection. Outside the scope of your
11 instruction, Your Honor.

12 MS. DURAND: Your Honor, these were part of the
13 allegations in the complaint. And that was something that he
14 and Mr. Hulsey discussed.

15 MR. CISA: And I object to the speaking objection.

16 THE COURT: Objection. Both objections are
17 sustained.

18 MR. CISA: Thank you.

19 BY MS. DURAND:

20 Q. Mr. Scott, did your conversation with Mr. Hulsey
21 have any impact on your perception of Mr. Limehouse's
22 reputation?

23 A. No.

24 MR. CISA: Objection. Outside the scope of your
25 instruction, Your Honor.

1 THE COURT: Objection sustained.

2 MR. CISA: I would ask you to please instruct the
3 ladies and gentlemen of the jury they are to disregard the
4 question and the answer.

5 THE COURT: The jury is to disregard the question
6 and the answer.

7 BY MS. DURAND:

8 Q. Mr. Scott, in your conversation with Mr. Hulsey, did
9 he say anything to you that you felt were false statements
10 that in some way were against Mr. Limehouse personally?

11 MR. CISA: Objection. Outside the scope of your
12 instruction, Your Honor.

13 THE COURT: Objection sustained.

14 BY MS. DURAND:

15 Q. And Mr. Scott, in your conversation with Mr. Hulsey,
16 he didn't compare Mr. Lawton Limehouse individually to Tony
17 Soprano, did he?

18 MR. CISA: Objection, Your Honor. It's outside the
19 scope of your instruction and it's improper in the context of
20 the article that speaks for itself.

21 THE COURT: Objection is overruled.

22 THE WITNESS: Can you repeat the question?

23 BY MS. DURAND:

24 Q. In your conversation with Mr. Hulsey, he did not
25 compare Mr. Lawton Limehouse individually to Tony Soprano,

1 did he?

2 A. I think he's there when he says, "They created a
3 personal racketeering enterprise." It's referencing the
4 company, the enterprise itself, L & L Services and all of
5 them.

6 Q. So that was the company L & L Services and WLL, LLC,
7 correct?

8 A. Seems so, yes.

9 MS. DURAND: Thank you very much, Mr. Scott.

10 MR. HOOD: No questions, Your Honor.

11 MR. CISA: Just few question, Judge.

12 REDIRECT-EXAMINATION

13 BY MR. CISA:

14 Q. You typed the words to this article, correct?

15 A. Yes.

16 Q. They weren't all your words, were they?

17 A. Direct quotes were not, but the rest of it is.

18 Q. Okay. And the direct quotes would be Mr. Hulsey?

19 A. Those that are attributed to Mr. Hulsey are. Any
20 that are attributed to other people are their words.

21 Q. Now, you've read the complaint, correct?

22 A. I did, 11 years ago.

23 Q. I understand. Looking back at the article that you
24 wrote, you see the second paragraph?

25 A. I do.

1 Q. You say, "33-page lawsuit against L & L Services and
2 its owners filed in federal court," correct?

3 A. Yes.

4 Q. The owners of L & L Services were Lawton Limehouse
5 senior and Lawton Limehouse, Jr., correct?

6 A. Yes.

7 Q. And Lawton Limehouse, Sr. was the first named
8 defendant in that 33-page lawsuit; isn't that correct?

9 A. I don't know the order which they are named. You
10 would have to show it to me.

11 Q. I will show it to you. Does that look like a copy
12 of the 33-page class action lawsuit?

13 A. It does.

14 Q. Who is the first named defendant?

15 A. Lawton Limehouse, Sr.

16 Q. Who is the second named defendant?

17 A. Lawton Limehouse, Jr.

18 Q. And then whose name?

19 A. L & L Services, LLC, and WLL, LLC, unknown John Doe
20 individuals, unknown businesses, including but not limited to
21 A, B and C temporary staffing agency, farms, hotels,
22 restaurants, golf courses, construction companies,
23 landscaping services, cleaning services, municipalities and
24 other undiscovered businesses owned by or affiliated with
25 defendants.

1 Q. Those were all the defendants --

2 A. Yes.

3 Q. -- named by Mr. Hulsey in this lawsuit, correct?

4 A. Yes.

5 Q. Can I have that back please?

6 You've talked about business practices. You
7 understand that corporations are fictitious entities?

8 A. Yes.

9 MS. DURAND: Objection, Your Honor.

10 MR. CISA: Judge, this is in response to -- and I
11 will be glad to approach.

12 MR. HOOD: I object to this statement that
13 corporations are fictitious entities as, one, a legal
14 statement and, two, an incorrect legal statement.

15 THE COURT: Objection is sustained.

16 BY MR. CISA:

17 Q. Corporations don't act on their own, do they?

18 A. I mean, they have various ways in which they are
19 filed, LLCs, corporations. I guess it all depends on the
20 type of business filing and how they are incorporated.

21 Q. In this particular case, L & L Services didn't act
22 on its own. It had three people that owned and operated it,
23 correct?

24 A. It was a limited liability corporation. So that's a
25 different structure. How it operated internally, who handled

1 day-to-day, things of this nature, you had owners, you had
2 employees. I'm not sure exactly what you are asking for
3 there.

4 Q. I'm asking this. You understood that Lawton
5 Limehouse, Sr., was one of the owners and operators of L & L
6 Services, correct?

7 A. Yes.

8 Q. And you understood that his son, Lawton Limehouse,
9 Jr., was an owner and operator of L & L Services?

10 A. Yes.

11 Q. And that L & L Services can't operate without people
12 operating the business, correct?

13 A. Yes.

14 Q. And that Lawton Limehouse, Sr. was directing the
15 business practices of L & L Services because he's an owner
16 and operator, correct?

17 A. I assume so. I don't know his --

18 MS. DURAND: Your Honor, objection, beyond the scope
19 of the order.

20 THE COURT: Objection sustained.

21 MR. CISA: Thank you, Mr. Scott. I don't have
22 anything further.

23 THE COURT: Anything further?

24 MS. DURAND: No, Your Honor. Thank you.

25 THE COURT: Thank you, sir.

1 THE WITNESS: Your Honor, am I excused then?

2 THE COURT: Yes.

3 MR. BAKER: As Mr. Scott's attorney, is that for
4 both sides?

5 THE COURT: He's been excused by the Court.

6 (Whereupon, the witness is excused.)

7 THE COURT: Next witness.

8 MR. CISA: Next thing I wanted to do was to publish
9 portions of Mr. Hulsey's deposition that I took during the
10 discovery portion of this case. So we may need to address
11 that.

12 THE COURT: Ladies and gentlemen, we will have you
13 go to the jury room for a break.

14 (Whereupon, the jury leaves open court at 10:42
15 a.m.)

16 MR. CISA: One issue is, he gave me -- his page/line
17 designation counter to mine. I haven't had a chance to look
18 at them. If I could take a few minutes to read that over,
19 because I haven't seen it.

20 THE COURT: We will be at ease for a couple of
21 minutes.

22 (A recess transpired.)

23 THE COURT: All right. I will look at this
24 deposition excerpt. Is there something else you want to say
25 first on that issue?

1 MR. CISA: No, sir. Go ahead. I didn't mean to
2 interrupt you.

3 THE COURT: Well, the rule is that, under Rule 408,
4 is that evidence of settlement or offering, furnishing,
5 accepting settlement which was disputed as to either validity
6 or amount is not admissible to prove liability for or
7 invalidity of the claim or its amount.

8 The case that Mr. Cisa handed up, QHG of Lake City
9 vs. McCutcheon -- of course, I thought he was going to hand
10 up QHG of Lake City vs. Mishoe. That's my case involving
11 punitive damages, that issue. Of course, QHG of Lake City
12 vs. McCutcheon, person who -- doctor who they provided
13 financial assistance and consideration for her promise to
14 practice medicine in around Lake City in the -- and she
15 decided she wanted to leave Lake City, and they were suing
16 her over the money that she supposedly owed them if she left
17 Lake City, and she had given a check for 25 -- \$250. And she
18 claimed it was inadmissible because as part of settlement
19 negotiations. And the Court held that was not an error
20 because the fact that she owed the debt is not in dispute,
21 undisputed.

22 But they mention in the case that the Court has held
23 that compromises are favored and evidence of an offer or
24 attempt to compromise or settle a matter in dispute cannot be
25 given in evidence against the party by whom such offer or

1 attempt is made. It's not codified in the law.

2 The issue is also addressed in a -- in the rules of
3 evidence book of Steven Goode in McInnis vs. A.M.F.
4 Plaintiff motorcyclist injured in a collision with a car sued
5 the manufacturer. To prove the invalidity of plaintiff's
6 claim, the manufacturer introduced evidence that the
7 plaintiff had reached a settlement with the driver of the car
8 before suing the manufacturer. And the Court of Appeals held
9 that Rule 408 bars the admission of this evidence and the
10 judge was in error in allowing it.

11 So I think that what's been presented here is, and
12 Mr. Cisa says he wants to have this evidence admitted to show
13 the invalidity of the lawsuit filed by Mr. Hulsey, and I find
14 that to allow that would be a clear violation of Rule 408 and
15 this line of going and asking him about the amount of this
16 settlement and where the money went, would likewise be a
17 violation of Rule 408. And I grant the defense's motion to
18 exclude discussions of settlement and compromise and the
19 amount of settlement and compromise as being a violation of
20 the 408.

21 Yes, sir.

22 MR. CISA: I've had an opportunity, I think, to
23 quickly look over the counter page/line designations. And
24 I've got a number of objections. Do you have Mr. Hulsey's
25 deposition? I've got the original, so I can hand that up.

1 THE COURT: What's the -- what do you want me to do
2 now?

3 MR. CISA: Well, you've gone over his objection to
4 my page/line designation.

5 THE COURT: I went over that one objection. That
6 was it, went over the 408 issue.

7 MR. CISA: Are there others?

8 THE COURT: I don't know.

9 MR. HOOD: No.

10 THE COURT: He said no.

11 MR. CISA: He gave me, a few minutes ago, in
12 response to my page/line designation, he gave me page/line
13 designations he wants to read. And I can hand up the
14 original deposition to you, Your Honor. It's probably got a
15 condensed version in there somewhere, maybe not. And I have
16 some objections about what they want to do. It starts at
17 page 36, line 3.

18 THE COURT: Page 36, line 3?

19 MR. CISA: Yes, sir. And this is where he gets --

20 MR. HOOD: I withdraw the designations. That deals
21 with charitable contributions.

22 MR. CISA: Throw that out. Okay. So 36-03 to 37-01
23 is out.

24 Next one goes to page 41, Your Honor. Same thing
25 again, I don't have an objection -- I have an objection to

1 page 41, line 8 to 21; page 41, line 8 to 21, again talking
2 about the charitable stuff again.

3 MR. HOOD: In response to that, Your Honor, the
4 question was: How did you come in contact with Maximino
5 Flores, who was one of the plaintiffs? The plaintiff in his
6 opening statement said this is a case about a greedy, rich,
7 hotshot lawyer, meaning his motive for bringing the suit and
8 his statements had to do with his desire to make money,
9 apparently. And he's put into context how he came to become
10 the plaintiff for these migrant workers.

11 MR. CISA: I didn't say he was a rich, greedy,
12 hotshot lawyer. What I said was, he was a rich, hotshot
13 lawyer. I didn't say he was greedy. That argument doesn't
14 have application to what I said.

15 THE COURT: So you asked him how did he come in
16 contact with the people --

17 MR. CISA: I don't have a problem if you say, I
18 think that contact came through the Rural Mission. Then he
19 goes on to say: I worked with their director for years. I
20 paid for the burial of two Latino children. Their parents
21 couldn't pay for. We supported an afterschool program.

22 I object to all of that. I think it goes to his
23 character. I don't have an objection to say, I think that
24 contact came through the Rural Mission, if that's what he
25 wants to say. I object to the rest of it though.

1 And I would submit to the Court, if he's going to
2 get into this kind of stuff about what a great person he is,
3 that I should be allowed to cross-examine him about all of
4 his infidelity. He will be opening the door. So I object to
5 anything past on line 11 -- I have worked with their
6 director -- through line 21.

7 THE COURT: All right. Mr. Hood?

8 MR. HOOD: You know, I think I've addressed his
9 objection to the extent that he's arguing that answering a
10 question about how you came into contact or how it came to be
11 the plaintiff, or these people, opens a door to Mr. Hulsey's
12 character. Obviously, I don't agree with that whatsoever,
13 nor do I think that the information contained in there is as
14 Mr. Cisa would describe it.

15 The question is, how did these people come to be
16 your client? And he's given a context: I worked for these
17 people, served on their board, done things for these
18 institutions, and when they have people with problems, they
19 send them to me.

20 MR. CISA: I don't have a problem with, "I think the
21 contact came through the Rural Mission." I have a problem
22 with the rest of it.

23 MR. HOOD: Your Honor, it may be, in the interest of
24 moving along, I will agree to that sentence. And then we can
25 move on to the next question and answer, if the Court is

1 inclined to let that process go forward. Sounds like
2 Mr. Cisa is proposing that. And I'm willing to do that and
3 we can deal with the full circumstances surrounding his
4 involvement before Mr. Hulsey testifies.

5 THE COURT: All right.

6 MR. CISA: Next objection is page 47, line 4 through
7 page 48, line 7. All this is questions about -- keep in
8 mind, Judge, this is a discovery deposition. So I'm asking
9 questions, getting answers that may or may not be admissible.
10 He's talking about the complaint. And I don't think the
11 complaint is admissible in the evidence in this trial. I
12 don't think complaints are. They're allegations. And what
13 he's doing is talking about the allegations of the complaint
14 in this section, 47, line 4, to 48, line 7. And I object to
15 it on that basis.

16 In other words, he can't testify in this trial about
17 wire fraud, crimes, falsification. He doesn't have any
18 foundation to do that. These are simply allegations. And
19 can't get a complaint in through allegations.

20 THE COURT: Yes, sir.

21 MR. HOOD: The testimony regarding the underlying
22 RICO complaint is not being offered for the truth of those
23 allegations. What it is is the filing of that lawsuit as a
24 public document that triggered Mr. Scott to review it,
25 contact Mr. Hulsey, resulting in the quotes. So it's part of

1 the information that was published, whether true or not,
2 about Mr. Limehouse's company that has a direct impact on
3 what reputation, if any, and what damages, if any, he
4 sustained as related to comments by Mr. Hulsey versus the
5 consequence of the filing of this lawsuit in and of itself
6 and the effect that that would have on him and his
7 businesses.

8 MR. CISA: Judge, I'm asking about allegations in
9 the complaint. I'm trying to figure out what he knows of his
10 own knowledge. He doesn't know anything of his own
11 knowledge. And I think it's inadmissible because we are
12 talking about allegations of the complaint. Complaints don't
13 come into evidence.

14 THE COURT: I overrule that objection by you.

15 MR. CISA: All right. Next is page 76, line 8, to
16 78, line 23. Again, he has no foundation to say the things
17 he's saying. I'm asking questions so I could find out
18 information from a discovery standpoint. But he has no basis
19 to say these things. He's talking about what his clients
20 told him. It's clearly hearsay too, Judge.

21 THE COURT: You are saying you have a lawyer who
22 filed a suit based on what the client tells him, and then you
23 are suing the lawyer because of the lawsuit, but you don't
24 want the lawyer to be able to say what the client told him?

25 MR. CISA: I'm not suing the lawyer because of the

1 lawsuit. I'm suing the lawyer because he said that my client
2 engaged in indentured servitude, set the community back 150
3 years, that he created a perfect racketeering scheme just
4 like Tony Soprano. That's why I'm suing this lawyer. I
5 can't sue him for filing the lawsuit. I'm not suing him for
6 filing the lawsuit. Lawsuit is privileged. I understand
7 that.

8 I have immunity. If I sue somebody and I say bad
9 things about them, they can't sue me because it's in the
10 context of a civil proceeding. Just like this lawyer Hulsey
11 can't sue me if I say he's greedy. I didn't say that, but he
12 can't sue me in the courtroom for saying that because this is
13 a judicial proceeding.

14 So I'm not suing him about the lawsuit. I'm suing
15 him about -- he knew James Scott was going to publish those
16 statements in the newspaper. He said that in his deposition.
17 He knew it. I'm suing him about the statements that
18 damaged -- I say damaged my client's reputation. Maybe the
19 jury will say, oh, well, didn't damage his reputation. I
20 think it did. But I'm not suing him about the lawsuit,
21 Judge. I'm not suing him about the lawsuit.

22 THE COURT: Okay.

23 MR. CISA: I'm saying, when you get up and say, my
24 client told me this, my client told me that, I say that's
25 inadmissible hearsay. And it's prejudicial. I can't

1 cross-examine his client. He can bring the client in perhaps
2 and say Mr. Limehouse did all these bad things. That's
3 probably fair, but not just talking about what these people
4 said.

5 THE COURT: All right. Mr. Hood?

6 MR. HOOD: Again, Your Honor, the lawsuit that's
7 been filed is in response to the newspaper article that we've
8 seen and the quotations. The quotations were comments on the
9 lawsuit -- according to the last witness -- were comments
10 from Mr. Hulsey about the suit that he had filed. Why did he
11 call them? Because he had questions about the lawsuit.

12 That raises three issues, three reasons why it's
13 pertinent. Number one is the application. It was absolutely
14 privileged whether his comments to Mr. Scott fall within the
15 absolute privilege afforded to judicial proceedings. And
16 that's an issue of law that we have to take up at another
17 time.

18 Number two is whether this applies to the fair
19 report privilege, which is a qualifying privilege, and then
20 the fair comment privilege, which is the third privilege
21 that's in play here. Mr. Hulsey, having the -- commenting on
22 the lawsuit and the basis for the lawsuit is pertinent to
23 those three things.

24 Secondly, Mr. Cisa has previously argued, on the
25 last legal issue before the Court, that Mr. Hulsey reared off

1 and filed a lawsuit without any reasonable basis, as
2 evidenced by the settlement. So the underlying essence of
3 the complaint and what he did and relied upon, it goes
4 directly to whether there was a requisite actual malice, the
5 constitutional actual malice, which is one of the elements
6 this Court determines, being a public figure, is at issue in
7 this case.

8 So Mr. Hulsey, as counsel for six individuals, filed
9 the RICO suit. And he's asked to comment on it. Certainly,
10 the basis for him filing this suit and the information
11 contained in this suit is relevant to the proceeding, is
12 admissible, is not being offered to establish that
13 Mr. Limehouse did, in fact, do these acts, but what was
14 alleged and the basis for which those allegations rely.

15 MR. CISA: Judge, Mr. Hulsey is making stuff up. He
16 has no foundation to do it. There is no privilege. We went
17 through this in summary judgment motion. I know you are
18 going to rule on it again. Judge Nicholson looked at
19 Mr. Hood and said, Mr. Hood, talking to a reporter is not a
20 judicial proceeding. And it's not. There's nothing
21 privileged about that. It's not in the context of a judicial
22 proceeding.

23 And I did not make the argument that I wanted the
24 settlement to come in because of the lawsuit. I wanted the
25 settlement to come in to show that the statements that

1 Mr. Hulsey made have no validity and no merit. But I know
2 you've already ruled on that. I'm not getting back into
3 that. I'm not saying that. But he has no foundation for
4 saying what he's saying. I'm trying to find out things
5 during discovery that he has no foundation. In other words,
6 he's got to be competent to testify, and he's not. He's
7 talking about stuff that he's making up or he's getting it
8 from somebody else. He has no personal knowledge of it.

9 THE COURT: So you propose -- your designation
10 regarding -- where do you stop with your designation, page
11 what?

12 MR. CISA: I could tell you, Judge.

13 THE COURT: 74, 73, 72, 71, 55?

14 MR. CISA: My page/line designations, Your Honor,
15 stop at page 147.

16 THE COURT: I'm saying in connection with what we
17 are talking about, we are on page 75.

18 MR. CISA: Okay. I'm sorry. Let me --

19 THE COURT: Before page 75.

20 MR. HOOD: Previous designations on page 56 through
21 57.

22 MR. CISA: Before 75, it's page 62 to 63.

23 THE COURT: And Mr. --

24 MR. CISA: He's ruled that out. Okay. That would
25 bring it back. Okay. So 62, 63 are out, and 62?

1 MR. HOOD: That whole section.

2 MR. CISA: Mine goes back to, Judge, 56 --

3 THE COURT: You know, Mr. Hood, so your designations
4 that you want to read at this time in response to his
5 designations or -- I'm trying to figure the point of this
6 discussion right now.

7 MR. HOOD: Mr. Cisa proposes to use the deposition
8 under Rule 32. And in response, I've made objection to his
9 designations, and identified the portions of the same
10 transcript that we would like to have published at the same
11 time, Your Honor.

12 THE COURT: And you want to publish these portions
13 at the same time that he publishes his?

14 MR. HOOD: Yes, sir. I would propose that we start
15 at the beginning and read the designations through and the
16 quarter in which they come, regardless of who was the
17 designee or designator.

18 THE COURT: That's under what rule?

19 MR. HOOD: Well, that's up to the Court's discretion
20 how you read the designations in. I would just propose that
21 would make -- the other trials I've done, that's certainly
22 been how we've handled it rather than having a portion read
23 here and then come back and designate a separate portion.

24 THE COURT: Because your designations are not in
25 response to any questions at this point. It's unrelated.

1 MR. HOOD: I have a combination. I have some that
2 are used to put the quotation, or the designation he's done
3 into context. And I've done separate counter designations
4 that are not, like this one, in connection with one of his
5 designations, correct. So I'm doing it on both accounts.

6 MR. CISA: It's under Rule 32, Judge. This is what
7 it says, just says: Excerpts from depositions can be
8 offered.

9 And it just said: At least one day prior to
10 offering excerpts from a deposition in the case in chief.

11 I wanted to use deposition of my case in chief to
12 prove my case.

13 Unless otherwise ordered by the trial judge, shall
14 furnish the trial judge and by the same means furnish
15 opposing counsel excerpts. We did that. I served them on
16 your law clerk and gave them to Mr. Hood.

17 And then it says: When the deposition excerpt is
18 offered at trial, the counsel for the adverse party,
19 Mr. Hood, shall furnish to the trial judge and at the same
20 time, by the same means, furnish to opposing counsel opposing
21 counsel's deposition excerpts and any additional excerpts
22 from the deposition which counsel expects to be read pursuant
23 to Rule (A)(4).

24 So what we did under rule is, I gave to Mr. Hood
25 like I was supposed to. And he made counter deposition --

1 counter excerpts. I believe that's the way he sees it. And
2 I think that's the way I see it.

3 THE COURT: Y'all see it the same way?

4 MR. CISA: I think we agree on the rule, don't we,
5 Mr. Hood?

6 THE COURT: You have to agree on the rule, because
7 the rule is the rule. The question is, as far as trial
8 procedure, you are doing designations and much of his counter
9 designations are in line with the defense's case, not
10 necessarily in response to your designations.

11 MR. CISA: Well, this is the way I normally handle
12 this, Judge, as a practical matter, because it gets
13 confusing. What I do is I take the pages I want of the
14 deposition and I highlight what I've designated. So it's
15 very easy. I give the highlighted one to the designee who is
16 going to read it and very easy, just go down and we read
17 through it. That's typically -- and then I think, generally,
18 Mr. Hood is saying he would like to read his excerpts in the
19 chronological order. I don't have any problem with that. As
20 long as he can do it.

21 I can very easily do mine because I've got them
22 highlighted. And I've got a highlighted copy for the
23 designee. But I have objections primarily on hearsay grounds
24 that we've been discussing as to his designations. So that's
25 the problem. And I'm sorry you had to go through this.

1 THE COURT: In the middle of the trial, we are going
2 to stop with a jury waiting and go through this 230-page
3 deposition and sort out which line you can read and which
4 line Mr. Hood can read?

5 MR. CISA: Well, I think we've resolved my
6 designations. You've ruled on it. That was the only one
7 that you said that -- there's only one Mr. Hood objected to.
8 And that was, Mr. Hood said line -- let me find it.

9 THE COURT: We've resolved his. How many other
10 objections do you have?

11 MR. CISA: Judge, he gave me 25 designations. I've
12 got a bunch of them. All of them are hearsay, half a page.

13 THE COURT: How long do you think it will take us to
14 go through all of this? We have a jury waiting. It's 20 to
15 12:00. Do you want to go to three or four o'clock? How long
16 do you think it would take to address these things?

17 MR. CISA: I don't think it will take three or four
18 o'clock.

19 THE COURT: Well, if we -- at some point we have to
20 break for lunch.

21 MR. CISA: I know that.

22 THE COURT: How long do you think it would take for
23 us to go through all of these, because --

24 MR. CISA: I think it will take 45 minutes probably.
25 I don't think any more than that, Judge. Most of the

1 objections are the same thing, either hearsay or no
2 foundation for what Mr. Hulsey is trying to say. And like I
3 said, we resolved --

4 THE COURT: At this point, as far as the counter
5 designations, I'm ruling that the only counter designation
6 that can be given at this time are counter designations that
7 are in response to your designations, not independent
8 evidence establishing a defense in the case. For example, if
9 you stopped your designation on page 56, there's a counter
10 designation on page 76 that's not in response to any of your
11 designations. It's really just presenting a defense to your
12 lawsuit.

13 MR. CISA: Well, Judge, maybe a way we can handle
14 it -- like I say, I think I've cleared up mine.

15 THE COURT: You've said that four times, but that is
16 not in dispute. We are clear with yours. We are talking
17 about your objections to his designations.

18 MR. CISA: I was going to suggest you let me do my
19 page/line designations and we come and deal with his
20 page/line designations.

21 THE COURT: All of his page/line designations are in
22 response to things -- to questions under the doctrine of
23 completeness, or lack of a better word, we can designate at
24 this time. But if it's something solely independent or
25 unrelated subject matter to your designation, then it can be

1 done at a later point in the trial.

2 MR. CISA: Maybe the question should be directed to
3 Mr. Hood. You know, it would take me a while to go through
4 and see if they are in response. Like I said, I just got
5 these before we took the recess.

6 MR. HOOD: I understand the Court's direction and
7 your ruling on how you want to proceed. And I can certainly
8 modify my designations to the separate designations and only
9 use the designations under the rule of completeness, where
10 it's either above or below the designated portion.

11 THE COURT: Right.

12 MR. CISA: Then I still need to find out what it is
13 so I can see whether -- I didn't object to all of these -- so
14 I can see whether I have an objection to them.

15 THE COURT: Let me know. I'm ready to press on with
16 the jury. But if you can tell me now, we can address it now.
17 If you can't tell me, then the trial will just have to stand
18 still.

19 MR. CISA: I will tell you. I was going through it.
20 What he had was he gave me a sheet and told me the page and
21 lines. And I think where we stopped was -- we stopped on
22 page 76 where I had an objection. Mr. Hulsey is talking
23 about what his client said. So it was page 76, line 8. I
24 guess the question is whether this is in response. This
25 isn't really -- it's not in response to one of my

1 designations.

2 Mr. Hood, do you agree with that?

3 MR. HOOD: I would propose that the Court's ruling
4 is, go back through my designations and remove those
5 designations that aren't immediately above or below your
6 designations. And if you give me five minutes, I will be
7 done with that. And then we can read portions in the order
8 in which they come, including the 32(A)(4)40.

9 MR. CISA: Is that okay, Judge?

10 THE COURT: Yes.

11 MR. CISA: Maybe we can read them together and
12 figure out and maybe streamline it and reach agreement on
13 most of it. Do you want to do that?

14 Your Honor, I think we've narrowed it down
15 considerably. The first objection I have is page 104, line
16 20, to 106, line 1. And my objection is his answers contain
17 hearsay and he has no foundation for saying what he was
18 saying. Like when he says, communication -- you know, where
19 do you get the wire fraud? Primarily, with the Social
20 Security people and the tax people.

21 You have to bring those people in, I think, to let
22 them testify. So I object to line 21 to 106 -- 104, line 20,
23 to 106, line 1.

24 THE COURT: Mr. Hood.

25 MR. HOOD: The information upon which Mr. Hulsey

1 acted at the time of filing the complaint goes to his degree
2 of conduct in attempting, according to the plaintiff's theory
3 in this case, to harm Mr. Limehouse. So we believe that it
4 is admissible. It's not being offered for the truth of the
5 matter asserted.

6 MR. CISA: This case is not about the filing of the
7 complaint. It's about the defamatory statements made by my
8 clients. I can't sue Mr. Hulsey for filing a complaint. I
9 don't follow that rationale. If I was suing for malpractice,
10 I think you are right, he can testify what his basis for
11 doing something was.

12 THE COURT: The issue is whether this is in response
13 to one of your designations.

14 MR. CISA: I don't think it is. I'm trying to find
15 out -- I was asking you about what happened to the people.
16 Had nothing to do with -- I was changing the subjects. I was
17 saying what mail and wire fraud issues --

18 THE COURT: Is this one of your designations?

19 MR. CISA: No, sir.

20 THE COURT: So at this time, as I said, we will only
21 publish things that are in response to your designations
22 under the doctrine of completeness.

23 MR. CISA: I think it's out.

24 THE COURT: At this time.

25 MR. CISA: Yes, sir. So then page 117.

1 THE COURT: We brought the jury in at 9:30 and
2 they've heard nothing today. I imagine they are wondering
3 why they are here. They've heard the news reporter who could
4 only give limited information. And they've been out for an
5 hour waiting for you to call your next witness, which is
6 publishing this designation, this deposition.

7 MR. CISA: Judge, I didn't get the designation until
8 a second ago. I had my designations. I gave when I was
9 supposed to give them. I got his a minute ago. So I would
10 object to the designation on that basis. I'm not trying to
11 slow anything down, I promise you.

12 THE COURT: It is what it is. Go ahead.

13 MR. CISA: Well --

14 THE COURT: What page are you on now?

15 MR. CISA: I will withdraw my objection to that.

16 THE COURT: All right.

17 MR. CISA: 117 to 1 -- all right. I will withdraw
18 my objection to 122, 01, to 122, 22.

19 Next one is 127. I have an objection to 127, line
20 25, where he talks about what his clients told him on the
21 basis that it's -- at least through 128, 17 -- it's hearsay.

22 THE COURT: Line what?

23 MR. CISA: 127, line 25, through 128. Well, all of
24 them through 131 it's designated, 131, line 8, I object to
25 because it's all the hearsay. From 127, line 8, through page

1 131, line 8.

2 THE COURT: All right. Mr. Hood.

3 MR. HOOD: Your Honor, this designation is under
4 32(A)(4), the question preceding the designation, you see the
5 next statement says: The lawsuit sets community back 150
6 years, is that what you told James Scott?

7 The answer was: I think in general. I'm not sure I
8 said exactly like that, but the general, yes.

9 Then the designation picking up 13 and continuing
10 until 134 -- excuse me, 131, 8, is the context of the
11 conversation and what that conversation was from which the
12 comment was derived. So I think it puts it into
13 completeness.

14 With regard to the hearsay, Your Honor, this is
15 Mr. Hulsey's knowledge base for the basis for his statement
16 that he gave to the reporter that was quoted in the
17 newspaper. It's not being offered for the truth of the
18 matter. It's being offered for the basis of his
19 understanding that led to him answering the questions in the
20 way that he did.

21 MR. CISA: That is a discovery deposition. I didn't
22 open the door during discovery deposition. It's all hearsay.
23 You know, if I ask him that question in here, maybe I opened
24 the door to a response. But this is a discovery deposition.
25 I didn't open the door.

1 THE COURT: I sustain the objection as it relates to
2 publishing it at this time.

3 MR. HOOD: 127, 25, through 131, 8, objection is
4 sustained?

5 THE COURT: Yes.

6 MR. CISA: That takes us to 138.

7 THE COURT: Sustained as far as publishing it at
8 this time. Who knows what will flow during the trial?

9 MR. CISA: I object to 138, line 4, through 128, 22,
10 on the same basis.

11 MR. HOOD: In terms of the 32(A)(4), that
12 designation is sandwiched between two excerpts that Mr. Cisa
13 has designated. So, for completeness, I'm offering that
14 portion relevant, germane to the proceeding, and following
15 questions and answers.

16 THE COURT: What page are you on again?

17 MR. HOOD: My designation is 138, line 4 through 22.

18 THE COURT: And it's in response to Mr. Cisa's --
19 which one?

20 MR. HOOD: He designated 137, 25, through 138, 3,
21 and 138, 23, through 139, 18.

22 MR. CISA: What I designated, Judge: Okay. But in
23 any event, you told James Scott on April 23rd that this sets
24 community back 150 years, right?

25 Sure, yes, that's what I said.

1 And then I went on to ask him some questions and
2 he's talking about hearsay. It's not -- doesn't have
3 anything to do with what I designated.

4 And then I designated 138, line 23: You understood
5 that when you made the statement to James Scott it was going
6 to be published in the Post and Courier?

7 He said, yes, sure.

8 I think that's relevant. I don't want all of the
9 hearsay in there.

10 THE COURT: I overrule the objection.

11 MR. CISA: 139, 19, to 141, 03, he's trying to tell
12 me about whether people in the public read the complaint.
13 It's just not competent testimony.

14 THE COURT: Mr. Hood?

15 MR. HOOD: Your Honor, this designation is also
16 sandwiched between two of plaintiff's designations. His
17 preceding questions had to do with whether Mr. Hulsey knew or
18 reasonably probable that James Scott was going to publish the
19 statement in the Post and Courier, to which he responded. He
20 then goes on to clarify that the people reading this article
21 didn't have the complaint, which is what the article is
22 about. And Mr. Hulsey is providing that context.

23 The question that picks up after my designation is:
24 Well, you knew that -- it's continuing on about whether he
25 knew that L & L Services was owned by the Limehouses.

1 MR. CISA: My point is, he can't testify that -- who
2 read the complaint. It's not competent.

3 My line of questioning was, did you know James Scott
4 was going to publish this? I think that's very relevant to
5 my case. He said he did.

6 THE COURT: You don't want him to say that the
7 complaint was public knowledge?

8 MR. CISA: I don't have a problem with him saying
9 the complaint was public knowledge. But when he's talking
10 about who read the complaint, I don't think he can do that.

11 THE COURT: Your objection begins at line -- you
12 said line 19?

13 MR. CISA: 19 through line, in this designation,
14 141, line 3.

15 THE COURT: I'm okaying line 19 through 23.

16 MR. CISA: I withdraw the next objection, 141 to
17 141, 16.

18 THE COURT: 141, 16?

19 MR. CISA: Well, that was his next designation. I'm
20 saying I withdraw my objection. That leaves us to 142, 5,
21 and 142, 14. I will withdraw that too.

22 I will withdraw the 140 -- let's see. He designated
23 144, line 22, but he wants to take it all the way to 147,
24 line 11. I don't have any objection to stopping at -- I
25 don't have any objection to 144, line 22, to 145, line 9. I

1 object to the remainder.

2 THE COURT: All right. Will you bring the jury in
3 please.

4 (Whereupon, the jury returns to open court at 12:04
5 p.m.)

6 THE COURT: Thank you. Ladies and gentlemen, you
7 were sent out at 10:45 and you've been there waiting while
8 we've been addressing matters that need to be addressed
9 outside of your presence. We have not completed addressing
10 those matters. Rather than have you continuing to wait, I'm
11 going to have you go to lunch. I need you back at 1:15, at
12 1:15. Please have a good lunch. Do not discuss the case.

13 (Whereupon, the jury leaves open court at 12:05
14 p.m.)

15 THE COURT: Go ahead, Mr. Cisa.

16 MR. CISA: Your Honor, I only have two more of
17 these. I'm objecting to designation 144, line 22, to 147,
18 line 11, but I will restate my objection to just be 145,
19 line -- yeah, 145, line 10, through 147, line 11, because
20 he's talking about hearsay and things that he didn't have a
21 foundation to say.

22 THE COURT: Mr. Hood.

23 MR. HOOD: Your Honor, the designation above the
24 objection is talking about the context of the statement and
25 the reference to Tony Soprano. And the question is, what

1 statement did you make to James Scott concerning Tony
2 Soprano? I don't know how that's not, one, part of the
3 completeness and, two, relevant to the issues in this case.

4 THE COURT: It's part of Mr. Cisa's designation?

5 MR. HOOD: No. That question at 146, 10, through
6 147, 11, is his objection to my designation.

7 The stuff immediately preceding it starting with 144
8 is -- begins Mr. Cisa's designation, through 21, and 144 --

9 THE COURT: What's that? This is in response to
10 which designation he's publishing?

11 MR. HOOD: Yes, Your Honor, commences on 144, line
12 1, through 144, 21.

13 THE COURT: 144, 21?

14 MR. HOOD: Yes, sir.

15 MR. CISA: That's where mine stops, Judge.

16 THE COURT: So, Mr. Hood, let me hear again, this is
17 in response to what?

18 MR. HOOD: So there's no objection to my designation
19 of 144, 22, through 145, line 9. He objects to the portion
20 of my designation starting at line 10. And it's my
21 contention that that question and answer is part and parcel
22 of the discussion about Tony Soprano and the statements made
23 by Mr. Hulsey to Mr. Scott on April 23rd that are referenced
24 immediately preceding that question.

25 THE COURT: Mr. Cisa, what's your position?

1 MR. CISA: My position is, Judge, that he talks
2 about what he said and what Mr. Scott said. And I think it's
3 objectionable because it's hearsay. He talks about what he
4 thinks Mr. Scott did. I think he shouldered the quote to get
5 it that way.

6 THE COURT: What line is he quoting Mr. Scott?

7 MR. CISA: Well, page 146 he starts: And I remember
8 he -- he stopped -- line 9 -- he stopped me there and he
9 said, let's talk about what an enterprise is and I said, all
10 right.

11 THE COURT: Line 9 is the end of it, isn't it? It's
12 the end of the proposed designation?

13 MR. CISA: No, sir. It goes on all the way to page
14 147, line 11. If you want to stop it at line 9, or line 8, I
15 guess it would be, eliminate the rest where he's talking
16 about what he thought Mr. Scott did and what Mr. Scott said
17 back to him, I'm okay with that.

18 THE COURT: How about that, Mr. Hood, excluding what
19 Mr. Scott said?

20 Of course, these are designations in lieu of -- or
21 they are being offered by the defense in lieu of testimony by
22 Mr. Hulsey?

23 MR. HOOD: No, sir. I'm offering the designation to
24 put into the context the portions he's designated under
25 32(A)(4), so --

1 THE COURT: So you will be publishing Mr. Hulsey's
2 designation and response. Then you will have him testify on
3 the same matter and further explain what you've designated?

4 MR. HOOD: Well, no. Some of the things I've
5 designated have been ruled out. And, obviously, I will have
6 him discuss those items. For what I'm doing here is I'm
7 making sure that the excerpts that the plaintiff is seeking
8 to introduce are put into context as permitted under
9 32(A)(4).

10 In terms of this particular question, and stopping
11 it as proposed at line 8 on 146, I'm happy to do that.

12 THE COURT: Okay. We will do that, that snippet.

13 All right. What else do we have then?

14 MR. CISA: Well, we have one other objection that
15 may have been --

16 THE COURT: We are making progress. One more
17 objection, let's hear that one.

18 MR. CISA: Yes, sir.

19 THE COURT: We are going to start back at 1:15, so
20 we are eating into lunch at this time.

21 MR. CISA: I withdraw that objection.

22 THE COURT: You withdraw that objection?

23 MR. CISA: Yes, sir.

24 THE COURT: All right. We will start back at 1:15.
25 When the jury will be here, we will be ready to roll. That

1 gives us one hour.

2 (Luncheon recess was taken.)

3

4 MR. HOOD: During the break, I created the script,
5 so to speak, for the witness. So I will give you two copies
6 unless two of y'all would like to follow them along. And we
7 are going to read the order they appear.

8 MR. CISA: It's going to take a few minutes to find
9 everything in the deposition, but I will look real quick.
10 It's going to take me a minute. I've got to flip the pages
11 to find, but I will do it as quick as I can.

12 THE COURT: Let's see if that other juror is back.
13 Okay. They can come in.

14 (Whereupon, the jury returns to open court at 1:21
15 p.m.)

16 THE COURT: Okay. Mr. Cisa.

17 MR. CISA: Thank you, Your Honor.

18 At this time, Mr. Hood and I are going to publish
19 excerpts from Paul H. Hulsey's deposition that was taken by
20 me in my office on September 24th, 2014. Mr. Hood is going
21 to take the role of Mr. Hulsey. And I'm going to take my
22 role.

23 THE COURT: All right.

24 MR. CISA: Your Honor, do you mind explaining to the
25 ladies and gentlemen of the jury what a deposition is.

1 THE COURT: Ladies and gentlemen, a deposition is a
2 sworn statement taken outside of court in the presence of a
3 person like the court reporter or someone who is authorized
4 by law to transcribe the deposition. And it can be used for
5 various purposes during trial. It's testimony given as if
6 the person is under oath here in trial.

7 MR. CISA: We are going to start on page 1.

8 (Whereupon, excerpts of the transcript are read.)

9 MR. CISA: That's all we have, Judge.

10 Your Honor, I would next call Michael Shier.

11 MICHAEL SHIER

12 having been duly sworn, testifies as follows:

13 THE CLERK: If you could please state your first and
14 last name, and spell your last clearly into the microphone.

15 THE WITNESS: Steven Michael Shier, S-h-i-e-r.

16 DIRECT EXAMINATION

17 BY MR. CISA

18 Q. Mr. Shier, where do you reside, sir?

19 A. Lighthouse Point, Florida.

20 Q. And did you come to Charleston to testify in this
21 trial?

22 A. Yes, I did.

23 Q. When did you come up?

24 A. I've been on the road for about 10 hours. I left
25 last night about 7 o'clock.

1 24th, 2004?

2 A. Yes, sir.

3 Q. Is that the article you were referring to with Mr.
4 Cisa?

5 A. Yes, sir.

6 MR. HOOD: Your Honor, I don't think that one was
7 formally moved into evidence. So I would do so now, Exhibit
8 No. 9.

9 MR. CISA: Same objection I had about the other
10 exhibit.

11 THE COURT: Number 9, is that the one with the
12 Fallen Soldier?

13 MR. HOOD: Yes, Your Honor.

14 THE COURT: I thought that was admitted yesterday.

15 MR. HOOD: I did too. The court reporter had it
16 marked for I.D.

17 THE COURT: It's admitted.

18 MR. HOOD: That solves that problem.

19 (Defendant's Exhibit 9, Article dated 4/24/04, is
20 moved into evidence.)

21 MR. HOOD: Let's look if we could for a moment
22 then. Could we pull up the first page, the caption.
23 Actually, if you go to the first page of the Exhibit Number 6
24 please.

25 BY MR. HOOD:

1 the paper?

2 A. He certainly was.

3 Q. If you read that article, at least you get
4 Mr. Limehouse's side of the side of the story, correct?

5 A. Yes.

6 Q. At least you wonder about who to believe, wouldn't
7 you?

8 All right. Thank you, Mr. Manos. I don't have any
9 further questions.

10 THE COURT: Anything further?

11 MR. CISA: Not from me, Your Honor.

12 THE COURT: Thank you, sir.

13 THE COURT: Next witness.

14 MR. CISA: Your Honor, I would call Steve
15 Wagonlander.

16 STEVE WAGONLANDER,

17 having been duly sworn, testifies as follows:

18 THE CLERK: If you could please state your first and
19 last name, spell your last loudly and clearly into the
20 microphone.

21 THE WITNESS: My name is Steve Wagonlander,
22 W-a-g-o-n-l-a-n-d-e-r.

23 DIRECT EXAMINATION

24 BY MR. CISA:

25 Q. Mr. Wagonlander, I apologize for keeping you

1 sitting. Thank you for coming.

2 A. You're welcome.

3 Q. Did I subpoena you to come here today?

4 A. Yes, sir.

5 Q. Did I subpoena you to bring with you certain records
6 from the Post and Courier?

7 A. Yes, sir.

8 Q. All right. How old are you?

9 A. 49, sir.

10 Q. Are you employed?

11 A. Yes, sir.

12 Q. Where are you employed?

13 A. I work for Evening Post Industries.

14 Q. Is that the company that owns and operates the Post
15 and Courier?

16 A. Yes, sir.

17 Q. How long have you worked for the Post and Courier?

18 A. 15 years, sir.

19 Q. So you would have started with them when? Do you
20 remember the date?

21 A. December 8th, 2000.

22 Q. All right. What are your duties and
23 responsibilities? What have your duties and responsibilities
24 been with the Post and Courier since you took employment in
25 December of 2000?

1 A. I started as the Post and Courier circulation
2 director. I then was promoted to the company's director of
3 audience development for its incorporation. And I now serve
4 as president, publisher of Summerville Communications, as
5 well as director of corporate audience development for the
6 entire company.

7 Q. How long were you the circulation director with the
8 Post and Courier?

9 A. Approximately seven years, sir.

10 Q. Was that the first seven years of your employment?

11 A. Yes, sir.

12 Q. So were you the circulation director from December
13 of 2000 until sometime in 2007?

14 A. Yes, sir.

15 Q. Were you the circulation director of the Post and
16 Courier on April 24th, 2004?

17 A. Yes, sir.

18 Q. Okay. Now, did I ask you to bring with you records
19 or information today so you could tell me how many newspapers
20 were sold by the Post and Courier on Saturday, April 24th,
21 2004?

22 A. Yes, sir.

23 Q. And did you bring that information?

24 A. I did, sir.

25 Q. How many newspapers did the Post and Courier sell on

1 Saturday, April 24th, 2004?

2 MR. HOOD: Your Honor, at this point, I lodge an
3 objection as to 401 and 403. The publication was alleged
4 slander between Mr. Hulsey and a reporter. He's talking
5 about the republication by the newspaper.

6 THE COURT: Sir?

7 MR. CISA: I can respond to that. I'm talking about
8 the -- you may want to do it at the bench or here.

9 Mr. Hulsey has testified he knew that his statements
10 were going to be published in the Post and Courier by James
11 Scott. He testified to that in his deposition that I read
12 into evidence. So he knew that the Post and Courier was
13 going to publish his statements. I've asked this gentleman
14 to tell me how many papers were sent out so I can explain to
15 the ladies and gentlemen of the jury how wide that
16 publication was or how wide that defamatory conduct went out.

17 THE COURT: Mr. Hood?

18 MR. HOOD: Your Honor, my argument is the same as
19 the publication that this alleged quotation or statements he
20 made to the reporter, the reporter publishing those in a
21 newspaper is republication.

22 THE COURT: All right. The objection is overruled.

23 BY MR. CISA:

24 Q. How many newspapers did the Post and Courier sell on
25 April 24th, 2004, that Saturday morning?

1 A. 99,148

2 Q. 99,148?

3 A. Yes, sir.

4 Q. Does the Post and Courier also have something called
5 a readership statistic?

6 A. Yes, sir.

7 Q. What is a readership statistic?

8 A. In order to show the impact of the stories and the
9 advertisings that we have in the paper, we engage in a study
10 through a market research company that extrapolates our
11 circulations into readers. So if I were to deliver a
12 newspaper in your home, if there's more than one person
13 living in your home, the likelihood is more than one person
14 is going to see the copy. So it takes our copies and turns
15 it into readers per copy.

16 Q. In other words, if the paper comes to my house and
17 I've got adult children living there and they read it, this
18 readership statistic tells you how many people actually read
19 the paper that particular day, correct?

20 A. Yes, sir.

21 Q. All right. Can you tell me what the readership
22 statistic was according to the Post and Courier for the
23 publication that came out on Saturday, April 24th, 2004?

24 A. Readers per copy were 2.3, which brings the total
25 readership that day to 228,040, 228,040.

1 Q. So does that mean that according to your
2 information, that 228,042 people --

3 A. No, 228,040.

4 Q. I'm sorry. 228,040 people?

5 A. Yes, sir.

6 Q. Is it your testimony that the readership of the
7 4/24/2004 article that came out on Saturday morning published
8 by the Post and Courier, that 228,040 people read that paper,
9 according to your readership statistic?

10 A. You asked me two different questions. Did they read
11 the article or read the paper? I can't tell you how many
12 read the article. I can tell you how many read the paper.
13 Yes, read the paper that day, yes, sir.

14 Q. Okay. I don't know if you've seen it. It's Exhibit
15 9.

16 Q. All right. This is a copy of the article that we've
17 had marked as Exhibit No. 9. Does that appear to be the
18 front page of the Post and Courier that was published on
19 April 24th, 2004?

20 A. Yes, sir.

21 Q. Okay. And the article that appears on that front
22 page is it titled Staffing Agents?

23 A. Lawsuit Targets Staffing Agency.

24 MR. CISA: I have no further questions. Thank you,
25 sir, for coming.

1 having been duly sworn, testifies as follows:

2 THE CLERK: Once seated, if you could please state
3 your first and last name. And spell your last clearly into
4 the microphone.

5 THE WITNESS: My name is William Lawton Limehouse,
6 L-i-m-e-h-o-u-s-e.

7 DIRECT EXAMINATION

8 BY MR. CISA.

9 Q. How old are you, sir?

10 A. 77.

11 Q. Now, are you hard of hearing?

12 A. Little bit.

13 Q. Can you hear me okay?

14 A. I can hear you pretty good.

15 Q. Do you wear a hearing aid?

16 A. Yes, sir.

17 Q. Do you suffer from diabetes?

18 A. Yes, sir.

19 Q. Can you let me know if anything goes on with your
20 diabetes while I'm questioning you?

21 A. Yes, sir.

22 Q. We can take a break perhaps. Okay? Can you do
23 that?

24 A. Yes, sir.

25 Q. If you can't understand my question or you can't

1 think clearly, let us know. Okay?

2 A. Yes, sir.

3 Q. Where do you currently live?

4 A. Sir?

5 Q. Where do you currently reside? Where do you live?

6 A. West of the Ashley, 1468 South Edgewater Drive.

7 Q. How long have you live there?

8 A. Since I think about '77.

9 Q. Where were you born? Were you born in Charleston?

10 A. Born in Charleston.

11 Q. Have you lived in Charleston County all of your
12 life?

13 A. All my life.

14 Q. Are you married?

15 A. I am.

16 Q. Who are you married to?

17 A. Jean Limehouse.

18 Q. How long have you been married to Jean Limehouse?

19 A. About 55 years in round figures.

20 Q. Do you have any children?

21 A. We have four.

22 Q. Are all your children grown?

23 A. Yes, sir.

24 Q. Do you have any grandchildren?

25 A. Yes, sir.

1 Q. Do your children live in the Charleston area or they
2 live outside?

3 A. I've got one of them that lives in Florida and the
4 rest of them live right around here.

5 Q. Who lives in Florida?

6 A. Allison.

7 Q. And you've got three children who live here in
8 Charleston County?

9 A. Yes, sir.

10 Q. How about grandchildren, do -- you said seven
11 grandchildren?

12 A. I've got seven of them.

13 Q. Where do your grandchildren live?

14 A. Well, they are all up here now.

15 Q. All of them live in Charleston County?

16 A. Yes.

17 Q. Do you see your grandchildren regularly?

18 A. Not as regular as I like to because I don't stay
19 here much anymore.

20 Q. Okay. Do you have a special needs grandchild?

21 A. Yes, sir, I do.

22 Q. What's his name?

23 A. Lee.

24 Q. How old is Lee?

25 A. He must be 25. He was bitten by a mosquito when he

1 was about a year and a month old and gave him encephalitis
2 and destroyed water in his brain.

3 Q. Do you spend time with Lee?

4 A. Sir?

5 Q. Do you spend time with Lee?

6 A. All I can, yes.

7 Q. What kind of stuff do you do with Lee?

8 A. Well, we go fishing. I take him hunting, take him
9 to -- he likes to go to music festivals. We will go to one
10 next-to-last month. Last about four or five days. He really
11 enjoys that. He can't talk. It's one of the things that it
12 messed up.

13 Q. Do you have brothers and sisters that live in the
14 area?

15 A. I've got brothers and sisters.

16 Q. Okay. They live in the area?

17 A. Sir?

18 Q. Do they live in this area?

19 A. Some live right here, uh-huh.

20 Q. How many brothers and sisters do you have?

21 A. I've got -- no, two sisters. They are not here.

22 One lives in Miami and one lives in Washington and I've got a
23 half sister that lives here and I've got a brother that lives
24 here. And I've got a half brother that's dead.

25 Q. Is your father deceased?

1 A. Sir?

2 Q. Is your father deceased? Is your father dead.

3 A. He's dead.

4 Q. What type of work did your father do?

5 A. He was a farmer and he ran a service station.

6 Q. Where did he run a service station?

7 A. Service station was at the foot at the Ashley River
8 bridge.

9 Q. Where did he farm?

10 A. Johns Island.

11 Q. What was the name of his place?

12 A. Mullet Hall.

13 Q. How many acres is Mullet Hall?

14 A. 3,000.

15 Q. How many acres of farmland on Mullet Hall?

16 A. About a thousand.

17 Q. Where did you go to high school?

18 A. Well, I went to Porter Military Academy from the
19 time I was five until 11 -- went through the 11th grade. And
20 they closed the school. So I went over to Saint Andrews and
21 finished the 12th grade over there.

22 Q. Do you remember when you finished high school?

23 A. Sir?

24 Q. Do you remember when you finished high school?

25 A. I don't remember what year it was. I could figure

1 it out.

2 Q. That's all right. Did you go to college?

3 A. Yes, sir, I did.

4 Q. Where did you go to college?

5 A. Went to the Citadel.

6 Q. Who paid for you to go to the Citadel?

7 A. Well, my father paid for my first year, and then I
8 paid for the rest of it. I sold uniforms. At the end of the
9 year, all the guys graduating, they threw all the uniforms in
10 the garbage cans. So I went around and picked them up and
11 took them to the cleaners. And back in those days, barracks
12 had a lot of spare rooms and put me in, like, a clothing
13 store. I sold sandwiches and I sold newspapers and I sold
14 women's underpants.

15 Q. You worked your way through the last -- I guess you
16 said first year your father paid for it. You paid for the
17 last --

18 A. I paid for the rest.

19 Q. Did you get out of the Citadel in four years?

20 A. Yes, sir.

21 Q. What kind of degree did you graduate with?

22 A. Business administration.

23 Q. What did you do after you graduated from the
24 Citadel?

25 A. Well, I had to go in the Army for awhile. I did

1 that. I got back out. And I stayed in the reserves for
2 eight years. I went to work at a place called Charleston
3 County Market.

4 Q. Hold on a second. Let me ask you about the Army
5 before you move on. What rank did you hold in the Army?

6 A. The rank? Second lieutenant.

7 Q. All right. What did you do in the Army?

8 A. Trained recruits.

9 Q. Were you honorably discharged?

10 A. Yes, I was.

11 Q. And you said you stayed in the Army in the reserves
12 for how many years?

13 A. Eight years.

14 Q. Were you honorably discharged from the reserves?

15 A. Yes, sir, I was.

16 Q. All right. After you got out of the Army, what did
17 you do?

18 A. I came back to Charleston and I went to work at a
19 place called Charleston County Market who sold -- that
20 company sold vegetables for -- there used to be a lot of
21 farming going on, a lot of small farmers. And we sold for
22 everybody. Didn't make any difference how small or large
23 they were, we sold for all of them.

24 Q. Was that your business or somebody else's business?

25 A. It was my dad's and another guy, and the other guy,

1 daddy bought him out and then he give it to me and my
2 brother.

3 Q. Which brother?

4 A. Sidi.

5 Q. And what type of business was it? What did you all
6 do?

7 A. Well, farmers brought beans and stuff in there every
8 night, and then we had a cucumber packing where they brought
9 cucumbers. And we packed them and put them in boxes. And
10 the beans, they came in. They were already in boxes. They
11 were ready to sell when they came in. They were hand-picked
12 beans.

13 Q. All right. How long did you operate that produce
14 business, from when to when?

15 A. I was probably there from '60 'til about '92,
16 something like that.

17 Q. During the time that you operated the produce
18 business, were you also farming?

19 A. I farmed some towards the end. And I worked in
20 Florida selling cabbage in the wintertime for the same
21 company.

22 Q. All right. What were you farming prior to 1992,
23 what kind of crops?

24 A. Green beans.

25 Q. Did you grow up farming?

1 A. Yes, I did.

2 Q. Farming for who?

3 A. Sir?

4 Q. Working for who?

5 A. Well, daddy had this farm that he bought and -- but
6 he had a whole lot of other interests. So he had a guy by
7 the name of Moses Maxwell that run the farm. I mean, he was
8 in charge of everything. And then the summertime, he would
9 send us down there with Moses. And he told us -- he taught
10 me everything I know about farming.

11 Q. Did you farm when you were at the Citadel during the
12 summers?

13 A. No.

14 Q. What did you do in the summertime at the Citadel?

15 A. Well, we had -- we did -- we had -- we grew corn in
16 the summer, and chopped it to make silos for cows. We had
17 400 cows all the time. At one time we had 3,000 head hogs.

18 Q. So you sold your produce business in '92, correct?

19 A. Yes, sir.

20 Q. Who did you sell --

21 A. I didn't sell it, no. I just quit.

22 Q. You just quit? Okay. What did you do after 1992,
23 what was your occupation?

24 A. I took a job with KRA as a land manager.

25 Q. Where was KRA located?

1 A. Down at Kiawah.

2 Q. During the time that you were farming, did you ever
3 interact with migrant labor?

4 A. Yes, I did.

5 Q. Was your son also farming?

6 A. Sir?

7 Q. Was your son also farming?

8 A. Yes. He grew pickled cucumbers. And the migrant
9 labors picked that. And I had green beans. And I picked my
10 beans with a machine. In other words, what I did, I went
11 over to the Citadel and I hired a bunch of boys to run the
12 machine, and that's the way I got mine picked.

13 Q. When did you stop farming?

14 A. I think it was '92.

15 Q. Why did you stop farming?

16 A. Well, we had -- they started building houses on all
17 the good land. And if you farm, you have to rotate. In
18 other words, if you plant beans in the field, season after
19 season after season, disease builds up in the land, and then
20 you can't make anything. So what you have to do is you plant
21 beans in this place, and then the next season, you plant in
22 that place. And by the time four or five years passes, you
23 come back to the first place. And all the disease that
24 carries over on beans will be gone.

25 Q. All right. So why did you stop farming?

1 A. Well, we couldn't get enough land. They started
2 building houses. The best land was by the rivers, you know.
3 And that is where people wanted to build houses. So we ran
4 out of land. Even though we had 1,000 acres, we planted 400
5 acres of beans spring and fall. So, you know, one year we
6 had -- we couldn't find any land.

7 Q. Did you make a lot of money farming?

8 A. Over the years, I did.

9 Q. Did you make enough money to take care of your
10 family?

11 A. Yes, sir, I did.

12 Q. Did your wife work?

13 A. She worked whenever we got in a jam.

14 Q. All right. So you took a job at Kiawah for, you
15 said, KRA?

16 A. Yeah. Well, it's -- I think it's called KRA at the
17 time. It's Kiawah Island and all that down there. I worked
18 for the people on that -- that owned that.

19 Q. Owned a residual part of Kiawah island?

20 A. Sir?

21 Q. Did they own the residual part of Kiawah Island?

22 A. All except the houses and lots they had sold.

23 Q. And what did you do for Kiawah?

24 A. I was land planner. When you are farming, you have
25 to do a lot of correspondence with these agencies that

1 control the way land is handled, core engineers and people
2 like that.

3 Q. How long did you work out of Kiawah doing the land
4 management?

5 A. I think I quit in 2000 when we started this little
6 company in '99. And it was either 2000 or 2001, I think it
7 was 2000, and I resigned.

8 Q. Let me ask you this. Was part of your
9 responsibility for KRA -- were part of your responsibilities
10 looking over Mullet Hall, your father's property that he once
11 owned?

12 A. Say that again now?

13 Q. Was part of your responsibilities looking over
14 Mullet Hall when you worked for KRA?

15 A. Well, I worked for KRA after they bought Mullet
16 Hall. I managed that. And then I helped him down on the
17 island too.

18 Q. Did your children attend college?

19 A. Sir?

20 Q. Did your children attend college?

21 A. Did what now?

22 Q. Did your children attend college?

23 A. Well, two of them graduated from college. Lawton
24 went for awhile, and then he came back home.

25 Q. Who paid for your children's college education?

1 A. Sir?

2 Q. Who paid for your children's college education?

3 A. I did.

4 Q. Did you also pay for Michael Shiers's college
5 education?

6 A. Yes, I did.

7 Q. Why did you pay for Michael Shier's college
8 education?

9 A. His father went off in the Korean War. And he went
10 as a navy pilot. And when he came back, he was called a
11 lunatic. His mama was over there with three kids that she
12 could barely feed. And I think we lived three or four blocks
13 down the street from them. And, you know, all the action was
14 at my house. You know, we went fishing. We went hunting.
15 We went camping. We cooked in the woods. And when he was
16 about 10 years old, he just started coming down, you know.
17 And I considered him one of my own.

18 Q. Okay. So did you pay for his college?

19 A. Yes, sir, I did.

20 Q. Did you help him get a job after college?

21 A. I gave him a job I think when he was like 13. And I
22 worked him until he got out of college. And then I sent him
23 down to Florida. See, we didn't work year round. I sent him
24 down to Florida where he could go to work for Ed Myrick. And
25 he stayed there for a long time with Edward Myrick. And when

1 he offered him a contract, like baseball players get, and he
2 left and went with them.

3 Q. Do you remember Fred Smith that testified yesterday,
4 I guess?

5 A. Yes, sir.

6 Q. Did you give him a job when you were working on the
7 farm?

8 A. When he was at the Citadel, yeah.

9 Q. Did you hire Citadel cadets to work in the summer?

10 A. I always hire -- number one, if they knew how to
11 take instruction, they knew how to follow instructions, I
12 mean, they did what you told them to do, you know.

13 Q. All right. You were saying before I interrupted you
14 that you started a little business in 1999 or 2000; do you
15 recall that?

16 A. Yeah. We went to a funeral in Lake City by the name
17 of Donny Kirby that I've done business with, I don't know,
18 since the '60s. He died, and we went up to his funeral.
19 While we were up there, there's another guy up there by the
20 name of Denny Cook that we also did business with. Well, I
21 left and came back to Charleston, and Lawton Jr. went by to
22 see Denny and said, you know, you've got that labor camp down
23 there, farming is going out, he said, why don't you look at
24 what I'm doing? And he was renting labor out to golf
25 courses, what he was doing.

1 Q. Okay. What labor camp are you talking about that
2 you had down there?

3 A. Lawton, Jr. bought a labor camp that Production
4 Credit, which is a farm financing organization, had built for
5 another farmer. Anyway, that farmer went broke or quit. I
6 don't know what he did. But anyway, the thing came up at
7 auction, and Lawton bought it.

8 Q. Okay. Can you describe this labor camp? How many
9 buildings were there?

10 A. Well, labor camps are kind of a special thing,
11 because you've got two types of labor. You've got
12 agricultural labor and then you've got just people that do
13 other things other than agriculture. In other words, you've
14 got A program, which is agriculture, and a B program, which
15 is nonagriculture. All right? The A program, the housing
16 has to be whole lot better than the B program. But, I mean,
17 the housing was already built when he bought it. So it
18 classified to be able to hold an A-type labor.

19 Q. So it was an A-type construction is what you are
20 saying?

21 A. Yeah. We didn't have anything to do with building
22 it. It was already built, already financed by Production
23 Credit when we got to it.

24 Q. What did it consist of? Was it a bunch of houses?
25 What was it?

1 A. Been a long time since I've been down there. I
2 think they had six four-bedroom houses. And then he had what
3 we call a big bunk house that had -- it was a long building.
4 And it had rooms down each side. And each room held two
5 people. And then it had a big kitchen. The kitchen was half
6 as big as this room here.

7 Q. How many people could stay at the -- this labor
8 camp?

9 A. It was certified for 85.

10 Q. And where was it located?

11 A. Johns Island.

12 Q. So you had a labor camp. You talked to your
13 friend -- what did you say, Denny Cook?

14 A. Yeah.

15 Q. -- about starting a staffing agency, is that what it
16 was?

17 A. Sir?

18 Q. Did you talk to him about starting a staffing
19 agency?

20 A. Yeah.

21 Q. All right. I think we started off -- in the end
22 of '99, I think we had about 12 guys. And then it started
23 picking up. And when I saw what it was going to do, I
24 resigned from Kiawah and went to help Lawton, Jr., because he
25 was doing it while I was working in Kiawah.

1 Q. When you first started, what was the name of the
2 company?

3 A. L & L Services.

4 Q. What L & L stand for?

5 A. Lawton Limehouse and Lawton Limehouse.

6 Q. When you first started L & L Services, did you have
7 an office?

8 A. We had an office in my cellar in the bottom of my
9 house.

10 Q. Where you are living now?

11 A. Right?

12 Q. How long did you have the office in your cellar at
13 your house?

14 A. I don't know. It was awhile, but we started doing
15 so much that my wife, she kind of got a little upset with it,
16 so we went and got us a building on Sam Rittenberg.

17 Q. How did you go about getting business?

18 A. Going seeing companies, Lawton and I did that.

19 Q. What type of company?

20 A. Any kind of company that would use unskilled labor.
21 We did turn down one company called -- I don't know what the
22 real name of it is, but we called it the barrel factory
23 because it was -- I considered it to be too dangerous.

24 Q. Too dangerous for who?

25 A. For the people working there.

1 Q. For employees of L & L Services?

2 A. Yes, sir. In other words, they didn't have any
3 safety program. They didn't have any -- and it was around
4 things that you could get your hands cut off, your toes cut
5 off. I mean, you could really get hurt in that. So they
6 went there for three days. When I went by to see what was
7 going on, and I pulled them out.

8 Q. Did you have a problem with a roofing company that
9 you were supplying labor for?

10 A. Problem with who?

11 Q. A roofing company?

12 A. No. We supplied labor for a good many roofing
13 companies, but we couldn't do it through L & L, because if
14 you have different job classifications, you have to pay on
15 the classification for the highest risk job. All right. So
16 we started another company called L & L Services that we were
17 going to run all the housing, roofing, and all that through.

18 Q. What are you talking about classification?

19 A. Then we decided that that was too dangerous too. So
20 we quit it. We just had the company sitting there.

21 Q. When you said you started another company for a
22 different classification, what did that have to do with? Is
23 that workers' compensation?

24 A. Huh?

25 Q. Was that for workers' compensation?

1 A. Workers' compensation, yeah. In other words, they
2 charge you one thing for cutting grass, charge you another
3 thing for roofing. Each thing is different. But if you've
4 got two or three different type jobs, they charge you the
5 whole amount on the highest rated job money-wise, which was
6 roofing.

7 Q. All right. Was your main company L & L Services?

8 A. Yes, sir.

9 Q. How did you go about getting employees with L & L
10 Services that you could place through your business?

11 A. Well, one year out, we got 70 people on H-2A
12 program -- I'm sorry, H-2B program. And we paid some company
13 in Virginia to get them for us.

14 Q. How does that work? Is that a government program?

15 A. It's government. It's got something to do with it.
16 I don't know exactly. But anyway, what they do is, they
17 advertise the job. What we have to do is advertise the job
18 that the money we are going to pay. All right. If we've got
19 people in the, you know, around that come apply for the jobs,
20 then we've got to hire them. We can't get H-2B people.
21 Well, we advertised and nobody -- and we don't do the
22 advertising. The State did the advertising, or the federal
23 government, I don't know which. Anyway, when they told us we
24 didn't have anybody apply for the jobs, you can go ahead and
25 get H-2B people. We got 70 on the first time.

1 Q. Where did the 70 people come from?

2 A. They came from Mexico.

3 Q. How did you get them from Mexico to Charleston?

4 A. Well, first they have to go by -- they have to get
5 certified by our embassy down in Mexico. And then the
6 company we was with, they had people down there to put them
7 on the buses and do all of that. And they sent them up to
8 us.

9 Q. Once the people got here, did you have to check them
10 in with any governmental agency?

11 A. You have to -- what you have to do, we had to take
12 them by the Social Security office. We had to take them down
13 to the Social Security office. And they had the papers that
14 they got from the embassy and all that. And they give them,
15 you know, green cards, Social Security card, whatever they
16 had to have.

17 Q. Okay. You said you brought in 70 people. Did you
18 bring any other people in under H-2B program?

19 A. Yes. The next year we brought -- we didn't go back
20 to Mexico. We brought 40 in from Ecuador.

21 Q. How did you get them here?

22 A. Well, I knew a guy from Columbia that lived in
23 Ecuador. And I called him. And he knew all about the
24 programs. And he said he knew a bunch of guys who would want
25 to come work, because we paid on the hour what they got down

1 there in a day, you know. And it wasn't any trouble getting
2 people. As a matter of fact, when I called the embassy to
3 see if anybody was checking in, they said, you know, we've
4 got hundreds of people that want to work.

5 Q. All right. Did your business continue to grow?

6 A. Yes, sir, it did.

7 Q. Did it grow the entire time you had it?

8 A. Well, it grew until we got 200 -- I hired a woman by
9 the name of Elvira Lueke to go around and talk to the
10 businesses. And she worked for us for two months. And by
11 that time, we got up to 200. And that's all we could handle.
12 So I took her off of that and put her in the office handling
13 the labor. She spoke Spanish. She was from Ecuador. No,
14 she was from -- I don't know, one of them countries down
15 there, but -- it wasn't Ecuador, was Venezuela.

16 Q. She spoke Spanish?

17 A. Fluently, and she is well-educated.

18 Q. Do you speak Spanish?

19 A. Me?

20 Q. Yes.

21 A. No.

22 Q. Speak any Spanish?

23 A. No.

24 Q. Did you have anybody else working for you that spoke
25 Spanish?

1 A. Carl Landen, he spoke Spanish. The lady at -- that
2 did the scheduling, Leticia was her name, she spoke Spanish,
3 and English.

4 Q. All right. Did you have to buy the equipment to
5 operate L & L Services?

6 A. We bought a bunch of vans. I think we had about 14
7 or 15 vans. We had probably 3- or 400 army cots, same cots I
8 slept on when I was in the Army. The Army was getting rid of
9 them, and we just bought a bunch of them.

10 Q. Did you put those cots out at the labor camp?

11 A. No, we kept them in a warehouse there. By that
12 time, we had moved over to 61, because it was too much
13 traffic where we was at. So we moved up to 61. And we had,
14 like, a garage and the cots folded up and we had them stacked
15 in there.

16 Q. Did you have -- besides vans, did you buy any other
17 equipment? Did you have to buy computers?

18 A. Yeah, I had to buy all that kind of stuff, yeah.

19 Q. Did you have to borrow money to finance the start-up
20 and operation of the business?

21 A. I borrowed some money from Southcoast Bank.

22 Q. Who did you deal with there?

23 A. Fellow by the name of Daniels, Tony Daniels.

24 Q. Did you have a line of credit through Southcoast?

25 A. I had a line of credit too, I think, yeah.

1 Q. Did you finance your vans through them, through
2 Southcoast?

3 A. I think we did.

4 Q. How many people did you have working in your office?

5 A. I had -- Leticia did the scheduling. I had a
6 bookkeeper. And the guys that drove the vans, a lot of them,
7 if they didn't -- some of them worked on the job. In other
8 words, like one of the golf courses at Kiawah would take a
9 van load of people plus a driver. And he just stay down
10 there all day and work. And the rest of them come back to
11 the office. And you always got trouble, some guy gets sick
12 and somebody gets this or that and you have to get them, you
13 know.

14 Q. How did the procedure work for hiring these Hispanic
15 people that came in from Mexico or the people that came in, I
16 think you said from another company? What's the procedure
17 for L & L to actually hire them?

18 A. Well, after we got those 40 people from Ecuador, we
19 had so many local people trying to get a job that we decided
20 we wasn't going to do that anymore. We were just going to
21 hire whoever come in. Well, if they came in, they had to
22 show you a Social Security card and what they called a green
23 card.

24 Q. Was a green card a resident alien card?

25 A. Yes, sir.

1 Q. So before you would hire anybody, did they have to
2 give you a Social Security card and resident alien card?

3 A. You had to see it. They couldn't say, my number is
4 so-and-so. You had to see the card.

5 Q. Did you take a picture of it and put it in a file in
6 any way?

7 A. Yes, we did.

8 Q. Did your company issue any kind of identification to
9 the employees that you hired?

10 A. Yes, we do. In other words, we have a card that was
11 laminated. And it had the guy's name on it and had his
12 picture and it had his -- each person had a company number.
13 All right? The reason we did that was, I could send anybody
14 out to pay off. In other words, I had a son-in-law who
15 worked at another job. And every Friday, he came along and
16 he paid people that he didn't even have any idea who they
17 were. What he would do is he'd call somebody's name and they
18 show him that card. All he had to do was check the picture,
19 check the name, check the number, and that was it. He gave
20 the man the card. The man tore off the bottom of the stub,
21 signed it. That it was. Money was right. And give it back
22 to him.

23 If -- occasionally somebody would be sick or
24 couldn't go to a job, then another fellow would go. Wrong
25 guy got paid. That was the way we corrected that. The man

1 would write on there that he wasn't paid for Tuesday or
2 whatever, and we would go back and check it. And we would
3 pay by Wednesday.

4 Q. Okay. How much were you paying these people that
5 you were placing for unskilled labor to these various
6 companies?

7 A. At the time minimum wage was \$5.15. The lowest we
8 paid anybody was \$6. The highest we paid anybody was \$12.
9 But the \$12 guys was people that had special abilities at
10 certain construction companies or certain kind of companies,
11 you know, were willing to pay that for.

12 Q. And what was your margin or what did you add onto
13 the \$6 an hour or the \$12 an hour person?

14 A. We charged -- we charged \$10 an hour for regular
15 companies. For restaurants, we charged \$9.50 an hour. And
16 the reason we did that was, we knew they were going to be
17 eating the people's food, you know. So we made them -- the
18 people that had the job with, we made them understand that
19 that was the way it was going to be, because I didn't want
20 people stealing food and having that rigmarole. But they
21 would have a restaurant and they would have a big party or
22 something and they would come home with a half steam boat
23 round, all that kind of stuff. The restaurants gave them
24 instead of -- back in those days, you couldn't -- if you had
25 stuff left over, you couldn't give it to charity, because you

1 might get sued. Well, they passed a law now that if you've
2 got a company and you have food left over and you give it to
3 some charity and people get sick, they can't sue you. But
4 back in those days, that wasn't the way it was.

5 Q. Okay. Did your company start out charging \$10 an
6 hour or did you ever charge \$9 1/2 an hour?

7 A. We charge \$9 1/2 I think starting a little bit and
8 then we went to \$10.

9 Q. Why did you go to \$10?

10 A. People pay it.

11 Q. Did you ever move from \$10 an hour to something
12 higher to \$10.50 or something?

13 A. Only time on especially qualified people.

14 Q. Now, other than paying them \$6 an hour or up to \$12
15 an hour, which you told us about, did you provide, for
16 instance -- did you provide healthcare?

17 A. Yes, we did.

18 Q. Did you provide health insurance?

19 A. No, we didn't. What we did was, I was trying to buy
20 health insurance, and I already had a dentist that I sent
21 them to, you know, I just paid cash to. His name was Alma
22 Smith. He's dead now. Anyway, I was talking to him about
23 insurance. And it was prohibited. I couldn't get anybody,
24 you know, that had decent insurance money-wise. So I
25 couldn't even cut a computer on back in them days. But

1 anyway, I got one of the girls in the office to start
2 looking. And we found out that insurance companies spent
3 about 38 percent of the money that they take in just
4 shuffling papers. And they tried to make a 15 percent gross
5 profit. That's 53 percent of the money gone and nobody got a
6 band-aid yet.

7 So I asked Smith, I said, what do you think we're
8 going to do? He said, do like you are doing me, go around
9 and get you some doctors and pay them like you do me. So I
10 called Fred Smith. I got his roommate from medical school.
11 His name is Snell. He's on the other side of the river, some
12 kind of stomach doctor. And I went around, and I got a
13 fellow by the name of Maulbrey, who did people's hands when
14 they got hurt. We had a foot man. We had an eye doctor, who
15 is dead now. We had all the doctors that, you know, that you
16 would need normally.

17 Now, the doctors that we got, everybody went to
18 them. My family went to them. My grandkids went to them.
19 Everybody in the company could go to them. And it didn't
20 cost them anything. What it was, you know, I would go in
21 there. I would pick out a doctor I wanted. And I go see
22 him, okay, here's the deal, I got like a hand man, I've got
23 200 people working to get their hands hurt. I said, I'm
24 going to come in here with them. I want you to take care of
25 them. And when we walk out the door, you'll either be paid

1 in cash or you will either be paid with a debit card,
2 whichever one you want. But you and your nurse, you can go
3 eat money, you know, go eat lunch on my money now when you
4 leave. You ain't got to wait six months to nine months to
5 see if an insurance company is going to pay you and may not
6 even pay you.

7 Q. So did you provide dental and medical care like
8 you've described to all of these 200 employees?

9 A. Well, we provided -- when it was over with, we
10 provided dental care, medical care and prescriptions. Now,
11 we did hit one little snag. We had to change something up.
12 We had to tell them that -- they figured out that we were
13 going to pay for all the medicine and everything. And they
14 started not being careful and they were starting to get
15 sexually transmitted diseases, one right after the other. I
16 mean, they would get it and get cured and go back and get it
17 again. So we said, okay, here's the deal, we will still take
18 you to the doctor, but you are going to pay for it. And that
19 cured that problem.

20 Q. Is that the only thing you excluded, was the
21 sexually transmitted disease?

22 A. Sir?

23 Q. Was that the only thing you excluded from your
24 care?

25 A. That's the only thing. And it took us awhile to

1 wise up on that. We didn't know what was going on there for
2 awhile.

3 Q. Who took your folks, your employees, who took them
4 to the doctors and the dentist?

5 A. Most of the time, I took them.

6 Q. Okay. Do you use the same dentist you use?

7 A. Yes, sir. Well, he's dead now, but he was the same
8 one. All the doctors we took them to were the finest doctors
9 in town and we went to them ourselves. My son, you talking
10 about the one that is afflicted, he broke his arm, he went to
11 the same doctors that fixed Mexicans' arms when they got
12 broke. I mean, that's just the way it was.

13 Q. All right. So you provided medical care, dental
14 care. How about housing, did you provide any housing?

15 A. We had that camp on Johns Island that held about 85
16 people. And then we had -- we rented from these real estate
17 companies houses, and we kept somewhere between 20 and 25
18 houses.

19 Q. All right. Now, did you charge the employees of L &
20 L Services or WLL, did you charge them to stay in the houses?

21 A. No, we did not. We didn't charge them to stay in
22 the house. We didn't charge them electricity. We didn't
23 charge them water. The only thing we charged them was they
24 had to pay \$15 transportation if they used our buses. That's
25 \$15 a week now, not a day, to go to work, to go to the drug

1 store, to go wherever they wanted to go in Charleston County.

2 Q. \$15 to go for the entire week?

3 A. Yeah.

4 Q. To go to work and then come back up to the house?

5 A. Yeah.

6 Q. Go to the picture show?

7 A. Whatever they wanted to do.

8 Q. Did they have to stay in the houses that you
9 provided?

10 A. No, sir, they didn't. And some of them didn't.

11 Q. Did you assign them to specific houses?

12 A. No, sir, we didn't. The reason we didn't do that
13 was, you take a group of them, might come from one little
14 town in Mexico, and for some reason, they want to all live
15 together. Another thing too, none of them spoke any English
16 to speak of; I mean, none. Then you might get, after we got
17 we get to working a lot, we started getting a lot of kin
18 people. Guy call his brother in Atlanta or whatever, you
19 know, and we've got this fellow Limehouse has got jobs or --
20 we get a house full of uncles and nephews and sons and
21 fathers and -- you know, but we didn't tell them where to
22 stay. They could stay anywhere they wanted to stay.

23 Q. And you said they weren't required to stay in the
24 houses that you were furnishing?

25 A. No, they weren't required to stay in the houses

1 either.

2 Q. Did some of them have their own houses?

3 A. Yes, sir, they did.

4 Q. How about the transportation, were they required to
5 ride on your vans?

6 A. No, sir, they weren't.

7 Q. Did some of them have their own transportation?

8 A. Some of them had their own transportation and they
9 weren't charged the \$15.

10 Q. So you told me about how you paid them, the
11 healthcare and dental care, transportation. Did you provide
12 anything else?

13 A. Sir?

14 Q. Did you provide anything else you can think of?

15 A. Not that I could think of, no.

16 Q. I'm going to go through the housing articles with
17 you in a little bit, but I wanted to cover that first. Tell
18 me about the -- are you familiar with the term called
19 no-match letter from the Social Security Administration?

20 A. Yes, sir, got plenty of them.

21 Q. Hold on a second.

22 (Plaintiff's Exh. 1, No-Match Letter, was marked
23 for identification.)

24 BY MR. CISA:

25 Q. Mr. Limehouse, I want to show you what I had marked

1 as Plaintiff's Exhibit No. 1. I want to ask you if this is
2 an example of a -- what we call a no-match letter that you
3 got from the Social Security Administration?

4 A. Yeah, this is one.

5 MR. CISA: Your Honor, I would ask this be
6 introduced into evidence as Plaintiff's Exhibit No. 1.

7 THE WITNESS: Sir?

8 MR. CISA: I'm not talking to you.

9 THE COURT: Without objection, it's admitted.

10 (Plaintiff's Exhibit 1 is moved into evidence.)

11 BY MR. CISA:

12 Q. You said you got a lot of these?

13 A. Yes, sir.

14 Q. Let's see what the Social Security Administration
15 does when they -- is this a result of you sending in the
16 Social Security information on an employee?

17 A. The information that they submit to us, we send it
18 into the Social Security.

19 Q. And if it doesn't match up with the Social
20 Security's records, they write you this kind of letter,
21 right?

22 A. Right, they write this letter.

23 Q. And are they saying, we are writing to you about
24 your wage and tax statement, W-2, or corrected wage and tax
25 statement, W-2C for the employees shown below. Please

1 complete the information on the back of this letter and
2 return it to us promptly. We cannot put these earnings on
3 the employee's Social Security records until the name and
4 Social Security number you reported agree with our records.

5 Is that what it says?

6 A. Yes, sir.

7 Q. All right. Now, let's look down at the bottom about
8 what you can do and what you can't do when you get one of
9 these no-match letters. See what the Social Security
10 Administration tells you. You see the paragraph under name
11 changes?

12 A. Yes, sir.

13 Q. Let's skip the -- well, I guess it starts off by
14 saying: This does not imply that you or your employee
15 intentionally provided incorrect information; is that
16 right?

17 A. Yes, sir.

18 Q. Then it says: It is not a basis, in and of itself,
19 for you to take any adverse action against the employee, such
20 as laying off, suspending, firing, or discriminating against
21 the individual. Do you see that?

22 A. Yes, sir.

23 Q. Tell you you can't take any action, you can't
24 suspend or fire?

25 A. Can't do anything.

1 Q. Then it says: Any employer that uses this
2 information in this letter to justify taking adverse action
3 against an employee may violate state or federal law and be
4 subject to legal consequences, correct?

5 A. Yes, sir.

6 Q. So, Mr. Limehouse, when you get this no-match letter
7 back that says something is funny with papers by one of your
8 employees, what kind of action can you take?

9 A. Well, what we did was -- of course, I couldn't do
10 anything because I couldn't do nothing with the computers.
11 You know, what I'm saying? But we would call the man in and
12 we would tell him that we had bad Social Security number.
13 And we gave him 10 days to correct it. We told him that this
14 will be the last week we pay you for, if you can't get it
15 corrected. And that's what we did.

16 We didn't actually fire them. We just made it where
17 it was advantageous for him to leave us.

18 Q. Well, what happened most of the time when you
19 brought an employee in and said you had this no-match letter,
20 what action did they take, the employee?

21 A. They usually left.

22 Q. Over the years -- well, how long did you operate the
23 business?

24 A. Well, really five years, four years apiece or
25 something like that.

1 Q. You started when, in 2000 --

2 A. Well, we started it in '99, but we didn't do
3 anything. We just kind of got straight to go, you know. And
4 we started rolling a little bit in 2000. That's when I quit
5 KRA.

6 Q. And then when did the business go out of business?

7 A. Business went out on -- I don't know. It was two
8 days after an article came out in the paper comparing our
9 business and us to Tony Soprano.

10 Q. During that time that you operated L & L Services,
11 do you know how many people you fired because of no-match
12 letters?

13 A. I remember I let go 17 one year.

14 Q. Okay.

15 A. But I don't -- you know.

16 Q. Was it a constant issue, getting these no-match
17 letters?

18 A. Yes, sir, it was.

19 Q. Mr. Limehouse, who owned L & L Services, LLC? Who
20 owned the company?

21 A. Me and my son.

22 Q. All right. And what percentage did you own of L & L
23 Services?

24 A. Half and half. He owned half. I owned half.

25 Q. So you owned 50 percent of the company and your son

1 owned 50 percent, correct?

2 A. Sir?

3 Q. Did you own 50 percent of the company?

4 A. I owned half and he owned half.

5 Q. Did your son Lawton, Jr. work full-time at L & L
6 Services?

7 A. Yes, he did.

8 Q. Did you work full-time for L & L Services?

9 A. Once I left KRA, I did.

10 Q. All right. Do you remember -- I'm sure you do --
11 the article you just talked about that's been introduced as
12 Defendant's Exhibit 9 that was published on April 24th,
13 2004?

14 A. Yes, I do.

15 Q. Titled Lawsuit Targets Staffing Agency?

16 A. Yes.

17 Q. Do you remember the article?

18 A. Yes.

19 Q. Let me put it up. You can hold the article. It's
20 been introduced. You know what you can read is actually on
21 the back of it?

22 A. Yep.

23 Q. Let's just talk about this for a few minutes. Mr.
24 Limehouse, you see where it says: This is a classic
25 racketeering scheme, said Paul Hulsey?

1 A. Yes, sir.

2 Q. Do you see where it says: This sets the community
3 back 150 years?

4 A. Yes, sir.

5 Q. Did this article -- do you remember a lawsuit being
6 filed against you and your son?

7 A. Yes, sir.

8 Q. Was the article -- was the lawsuit filed the day
9 before this article came out?

10 A. I think the lawsuit was filed on Friday and this
11 came out on Saturday.

12 Q. Have you ever engaged in a racketeering scheme?

13 A. No, sir.

14 Q. Have you ever held anybody in indentured servitude?

15 A. No, sir.

16 Q. Have you always treated people with respect?

17 A. Yes, sir.

18 Q. Have you ever taken advantage of any of these
19 Hispanic workers at L & L Services?

20 A. No, sir, I have not.

21 Q. Have you ever taken advantage of any --

22 A. Sir?

23 Q. Have you ever taken advantage of any African
24 Americans?

25 A. No, sir, I have not.

1 Q. Have you helped Hispanic people that work for you?

2 A. Yes, I have.

3 Q. Have you over the years helped African American
4 people?

5 A. Well, when the farming was going on, most of my
6 customers were black people. Anyway, they had a company by
7 the name of Asgrow Seed Company that sold bean seed. And
8 these people, what they did, they would grow beans in a
9 little piece of land behind their house, and the wife and the
10 kids would pick them and bring them to me and I would sell
11 them. Well, if you went down to Asgrow Seed Company and
12 brought four bags of seed, they charge you some high price.
13 Well, I brought a railroad car for seed every season. And if
14 anybody wanted seed, I just wrote them a ticket. They went
15 down to Asgrow and they picked up the seed. And when the
16 crop was picked, then I took my money out. I took out the
17 money that I paid Asgrow, which was about probably a third
18 less than what they would have had to pay if they had bought
19 them just, like I said, over the counter. Do you know what
20 I'm saying? I furnish them fertilizer. I sold their stuff,
21 paid them for it the same day that I sold it. I didn't
22 mistreat anybody. I didn't, in my opinion.

23 Q. Okay. Have you ever mistreated anybody, in your
24 opinion?

25 A. Well, probably have, but I don't think so.

1 Q. All right. Let's look at the second page of the
2 article. You see where it says: This is a blatant case of
3 indentured servitude, said Hulsey, formerly of Ness Motley
4 law firm?

5 A. Yes, sir.

6 Q. Do you see where it says: L & L Services took
7 advantage of the complexity of the system. They have created
8 a perfect racketeering enterprise, just like Tony Soprano?

9 A. Yes, sir.

10 Q. Have you ever engaged in indentured servitude?

11 A. No, sir. I didn't do any of the things that Tony
12 Soprano did either.

13 Q. Let me ask you about that. Have you seen the
14 Sopranos, the series?

15 A. I've seen some of it.

16 Q. How many episodes do you think you've seen in your
17 life? How many episodes do you think you've seen?

18 A. I don't know. There's 85 of them. I probably saw
19 maybe 15 or 20 at the most.

20 Q. Are you familiar with the character Tony Soprano by
21 watching?

22 A. Yes.

23 Q. How is Tony Soprano portrayed or depicted in that
24 series?

25 A. It was a pretty bad guy.

1 Q. Was he portrayed as a murderer?

2 A. Yes, he was.

3 Q. Have you ever murdered anybody, Mr. Limehouse?

4 A. Sir?

5 Q. Have you ever murdered anybody?

6 A. No, sir, I have not.

7 Q. Was he portrayed as a gambler?

8 A. Yes, sir.

9 Q. Do you gamble?

10 A. No, sir.

11 Q. Was he portrayed as engaging in infidelity?

12 A. Yes, say that again.

13 Q. Did he engage in infidelity?

14 A. I don't. No, he did.

15 Q. Was he portrayed as being involved with
16 prostitution?

17 A. He was, yes.

18 Q. How about you?

19 A. No.

20 Q. Have you ever stole anything, Mr. Limehouse?

21 A. No.

22 Q. How about Tony Soprano?

23 A. Stole everything he could.

24 Q. Was Tony Soprano portrayed as engaging in extortion?

25 A. Yes.

1 Q. Have you ever engaged in extortion?

2 A. No, sir.

3 Q. Did you run your business like Tony Soprano?

4 A. No, sir.

5 Q. Now, Mr. Limehouse, what happened when this article
6 came out on April 25th, 2004 -- let me ask you first, where
7 were you? Did you read it on April 24th, 2004?

8 A. It came out on a Saturday.

9 Q. Uh-huh. Did you read it that morning?

10 A. I was home. Yes, I read it. And then I usually got
11 up early and read the paper and made coffee. And, anyway, I
12 took it into my wife and showed it to her.

13 Q. What did you tell your wife?

14 A. I told her it was bad.

15 Q. All right. Then what did you do?

16 A. Well, first thing she thought about was getting over
17 to Amy and getting Derek, her husband, to get the paper. We
18 called him. And he was going to North Carolina. So I went
19 over there.

20 Q. Whose Amy?

21 A. My daughter.

22 Q. All right. And why were you concerned about Amy?

23 A. Well, she was -- you know, she was supposed to have
24 a baby in about three or four weeks. I don't know what it
25 was, anyway --

1 Q. Their first child?

2 A. Yes, it was.

3 Q. So what did you try to do?

4 A. I went over there going to get the paper, but she
5 already got it and read it.

6 Q. You didn't want her to read the paper?

7 A. No.

8 Q. Why not?

9 A. Well, it made family look bad, you know. Made me
10 look bad and everybody else look bad.

11 Q. Were you concerned it would upset her?

12 A. Sir?

13 Q. Were you concerned it would upset her?

14 A. I couldn't hear you.

15 Q. Were you concerned that it would upset her?

16 A. Yes. That's why I went over there. And five hours
17 later --

18 MR. HOOD: Your Honor --

19 THE WITNESS: -- she had a baby.

20 MR. HOOD: Can I approach? This is about one of the
21 matters we filed.

22 (Whereupon, a bench conference takes place.)

23 THE COURT: Ladies and gentlemen, why don't y'all go
24 to the jury room for a few minutes. Please do not discuss
25 the case.

1 (Whereupon, the jury leaves open court at 5:05 p.m.)

2 THE COURT: Yes, sir.

3 MR. CISA: Judge, the line of questioning is -- what
4 I intend to try to introduce into evidence is that Mr.
5 Limehouse was saying that she went into labor -- he testified
6 he was concerned about her because of the article, didn't
7 want her to read it. He's going to testify that five hours
8 later, she went into labor, that it was -- he felt guilty.
9 He was distressed, all because of this article that came
10 out.

11 THE COURT: He didn't want her to read or that she
12 read?

13 MR. CISA: Didn't want her to read, but she read
14 before he got over there. And she already picked it up out
15 of the yard.

16 What I submit to the Court, Your Honor, is that he's
17 got a family member that he's feeling guilty and he's hurting
18 about and he thinks that's all his fault, I think that's an
19 element of damages as part of the proof of damages. I'm in
20 no way going to suggest to this jury that the article
21 caused -- it was a causal effect on the premature delivery,
22 but I think it certainly has -- it certainly bears on his
23 mental anguish that he endured as a result of this letter.
24 It impacted -- he already testified, it impacted me, it
25 impacted my family. And I think what he's going to say it

1 was a sad time for him instead of a happy time for him, that
2 he felt it was all his fault because of this statement made
3 about him, calling him Tony Soprano, calling him somebody who
4 engages in indentured servitude. So I think it's admissible.

5 That's the argument I made to the Court of Appeals.
6 It got around at the Court of Appeals. I don't know if that
7 means anything. I don't really remember if that was the
8 argument I made.

9 And there was a case, Judge, that talks about it.
10 You know, there was a lady who was terminally ill. She
11 wasn't diagnosed properly. And she had consternation over
12 her children growing up without a mother. And, you know, it
13 was the children that were going to be damaged by it, but it
14 was her emotional distress she was experiencing because of
15 what happened to her by some third-party tortfeasor. So I
16 suggest it is admissible. But it's up to you, sir.

17 THE COURT: Mr. Hood?

18 MR. HOOD: In terms of the testimony to be elicited,
19 the connection attempting to being drawn is the daughter
20 reads an article and the article, stress associated with her
21 physical reaction to it, is that she goes into labor and has
22 a baby five or however many weeks they claim early, whatever
23 the testimony is. One, that doesn't -- that's not an item of
24 damage for Mr. Limehouse. Two, that would be creating a
25 causal -- medical causation connection through a temporal

1 correlation through a lay witness, which I think would be
2 improper under 701.

3 But more importantly, the prejudice of this is to
4 suggest that the damages extend beyond the plaintiff, who is
5 here testifying, who has already provided the testimony that
6 he was concerned about the impact this would have on his
7 family. I don't believe that the undue prejudice of
8 suggesting that there was an early delivery or any problem
9 associated with the delivery is something that would be
10 reasonable to interject into this case, try to hold
11 Mr. Hulsey responsible for in any fashion.

12 So we think it's unduly prejudicial. We also think
13 that it's not relevant in terms of the items of damages for
14 which Mr. Limehouse is seeking recovery. And it would also
15 require him to offer an opinion for which there's no
16 foundation and no medical testimony or evidence to support.

17 MS. DURAND: If I might add one thing, I concur
18 completely with my co-counsel. But this issue is going to
19 come up again because Mr. Cisa has indicated he's going to be
20 calling the daughter, Ms. Amy Limehouse-Eager. And I
21 anticipate this precise problem will also come up during her
22 testimony.

23 MR. CISA: Judge, the child is fine. The baby was
24 fine. And Mr. Limehouse is certainly not seeking damages as
25 a result of anything that happened to his daughter. My point

1 is that this article had ramifications that caused him
2 humiliation, embarrassment, feelings of guilt, and that's
3 what he endured. And that's a pretty big thing to endure.
4 And I think the jury should be entitled to consider that
5 relative to our claim for damages.

6 People that are close to you get hurt because
7 something you've allegedly done, and you feel guilty and you
8 feel remorse of that, and I think that's an element of
9 damage.

10 MR. HOOD: The one distinction -- are you finished?

11 MR. CISA: Yes.

12 MR. HOOD: One distinction I would make is that the
13 feeling of guilt for having done something would be all of
14 the things that are described in the article, but not the
15 quotations. The whole lawsuit is that Mr. Hulsey made
16 statements, not that Mr. Limehouse did something.

17 So, anyway, I see a disconnect in terms of how his
18 guilt and his feelings of guilty could give rise to this
19 being a particular element or item of damages for which he's
20 entitled to recover.

21 THE COURT: I agree with Mr. Hood's argument. And
22 the objection is sustained. And we will take five minutes or
23 so.

24 (A recess transpired.)

25 (Whereupon, the jury returns to open court at 5:20

1 p.m.)

2 THE COURT: Objection is sustained and we will
3 proceed.

4 BY MR. CISA:

5 Q. Mr. Limehouse, what effect, if any, did the
6 publication of the April 24th, 2004, article have on the
7 business of L & L Services?

8 A. Well, the day it came out, it didn't have much. We
9 had two or three calls because a lot of people that we do
10 business with don't work on Saturday. But Monday morning,
11 phone was ringing off the hook, people calling to cancel.

12 Q. What were they saying?

13 MR. HOOD: Objection, Your Honor. If he's going to
14 ask what other people are saying, that would be hearsay.

15 MR. CISA: I don't know that it's hearsay under Rule
16 803-21. I thought we already discussed that, testimony by
17 reputation and what they were saying. We can deal with it,
18 but I think we discussed it.

19 MR. HOOD: I don't think 803-21 is applicable.
20 That's dealing with people offering testimony about what they
21 believe someone's reputation is, as opposed to a conversation
22 that a customer had with service provider.

23 MR. CISA: It also relates to what Mr. Hood in his
24 memorandum, Goodwin vs. Kennedy, which essentially says you
25 can use so-called hearsay concerning reputational damages.

1 And I think that is what he's going to testify to, what they
2 were saying to him about the business and reputation.

3 THE COURT: I sustain the objection. It's hearsay.

4 BY MR. CISA:

5 Q. What happened, Mr. Limehouse? You said the phone
6 was ringing off the hook?

7 A. People calling canceling our service.

8 Q. Okay. How long did that go on?

9 A. Well, it went on Monday, Tuesday, Wednesday and
10 about until everything was over with.

11 Q. All right. Did you operate your business any longer
12 than, say, Wednesday or Thursday of that following week?

13 A. No, we closed.

14 Q. Were you concerned about -- how many people -- did
15 you have employees at that time?

16 A. Well, we might have had somewhere between 190 and
17 200 -- right around 200 you could safely say.

18 Q. Were you concerned about your employees?

19 A. Well, the people that I had working for me were
20 making \$6 an hour, which was not a lot of money, really. And
21 that's only thing they had. They had free housing. They had
22 cheap transportation. I mean, they sent a lot of that little
23 \$6 bill back home to the people that they were trying to take
24 care of in Mexico. All these people were going to lose their
25 jobs.

1 Q. So what did you do?

2 A. Elvira Lueke came to work for me three months
3 before. And I had her in the field two months getting jobs.
4 And we had about 200, so I pulled her back in and I had her
5 physically running the company from the office. So I called
6 this fellow Cook in Lake City, and told him I'm on the scene
7 and be right down the next day. He said, what's the deal?
8 And I told him, I got the customers, I got the company, I've
9 got the labor, I've got transportation, I've got the housing,
10 I've got everything, except I've got no business. And I
11 said, what I would like to do is for you to take it over,
12 because all these people, they are not going to have a place
13 to stay and they are not going to have any income. And he
14 took it over. And I gave him Elvira to run it.

15 Q. Did you go around and talk to your customers for
16 him?

17 A. I went around and talked to all the customers and
18 told them that we weren't involved in the new company. I
19 think he called it LTD or something like that. But anyway, I
20 told them that we weren't involved with it, neither one, and
21 nobody in the family was. And it was a new business
22 altogether. Only thing is they were going to have the same
23 labor that they had. Because most people when they get the
24 labor, unskilled labor, they have to train them to do some
25 kind of job. So they were happy to take them back. You know

1 what I'm saying?

2 Q. At that point in time, on or about April 24th, 2004,
3 I realize you've got a temporary staffing agency, but what
4 percentage of those 200 employees actually went to the same
5 business every day?

6 A. Most of them, probably about 80 percent went to the
7 same job every day.

8 Q. Could you give me an example, like, what kind of
9 jobs?

10 A. Well, like, say, just like one of the golf courses
11 at Kiawah, they want the same people every day. But they
12 were assigning them jobs on the golf course. In other words,
13 you are supposed to do this, or, you are supposed to do that.
14 And, I mean, it cut down on the management that they could
15 have the same people doing the same thing over and over
16 again.

17 Q. How about restaurants, did you have restaurants like
18 that too, where the same people weren't every day?

19 A. Sir?

20 Q. Did you have restaurants like that too where the
21 same people went?

22 A. Yes, restaurants did the same thing.

23 Q. You are saying 80 percent of your employees pretty
24 much did the same job all the time?

25 A. All the time, yes, sir.

1 Q. When the same people did the same job all the time,
2 did the clients that you had, did they ultimately give them
3 raises?

4 A. Yes, some of them did.

5 Q. Okay.

6 A. We had some guys making as high as \$12 an hour to
7 them.

8 Q. What did you do with your vans?

9 A. I let Cook use them until they could get through.

10 Q. Did Cook buy any of your vans?

11 A. I think he bought two.

12 Q. What did you do with the rest of them?

13 A. Well, we just had a guy sell them. You know, by the
14 time you ride the people around in them like we did, they are
15 not worth -- you know, they weren't fancy vans to start with.
16 All they were were just 12-passenger vans.

17 Q. Did you sell your business to Mr. Cook?

18 A. No, I did not.

19 Q. Did you receive any compensation from Mr. Cook at
20 all?

21 A. No, sir, I did not.

22 Q. What happened to all the houses, you said you had
23 between 20 and 25 houses, what happened to all the houses?

24 A. He took over some of the houses. He took over the
25 labor camp. I think he still got the labor camp running. I

1 don't know if he's got any of the houses now that we had to
2 start with.

3 Q. Did Mr. Cook run the same kind of business that you
4 were running?

5 A. Essentially the same thing.

6 Q. And he started it right there in April of 2004?

7 A. Well, he just -- he didn't start it. It was already
8 there. He just took key and went, you know.

9 Q. Why didn't you keep on running your business?

10 A. I couldn't -- I couldn't -- my customers wouldn't do
11 business with me on account of the article. In other words,
12 if you got international hotel sitting on the corner of King
13 and Market, I mean, that chains all over the world, they are
14 not going to stand for any kind of rigmarole like that.

15 Q. Is Mr. Cook still in business?

16 A. Yes, sir.

17 Q. He's still at the labor, same labor camp?

18 A. Yes, sir.

19 Q. Did he lease that from Lawton, Jr.?

20 A. Yes, sir, or his wife, I think.

21 Q. Okay. How many of your employees did Mr. Cook take
22 when you asked him to take your employees?

23 A. Well, I don't really know the exact number, but he
24 took most of them.

25 Q. Is Elvira still working for Mr. Cook?

1 A. Yes, sir.

2 Q. How did the publication in the newspaper of April
3 24th, 2004, affect you from a mental or physical standpoint?

4 A. Well, I couldn't sleep. I tried to sleep and I stay
5 asleep for about 15 minutes and I would wake up for four,
6 five, six hours and sleep again for 15 minutes. And blood
7 sugar was bouncing all around. And I just knew that I had to
8 do something to get all that off my mind. So I called
9 Mr. Myrick and told him, I needed a job. And he told me to
10 call Americus and be there in the morning. And that's what I
11 did. I've been there ever since.

12 Q. Where is Americus?

13 A. Georgia, on the other side of the Georgia.

14 Q. How many miles is that from your house?

15 A. Almost exactly 300.

16 Q. Did you try to get a job in Charleston County?

17 A. Yes, sir. Even my cousin, Buck Limehouse, who
18 was -- I think he ran the Highway Department there. He tried
19 to get me one. He said people just, you know, couldn't
20 afford to take a chance. If nothing happened, everything
21 would be all right. But if something was to happen, then
22 somebody say, well, hell, can't you read the paper, look what
23 Limehouse has been doing, you know.

24 Q. Well, let me ask you. Were you depressed after the
25 article came out?

1 A. Yes, I was.

2 Q. Did you feel humiliated?

3 A. That why I couldn't sleep. I couldn't eat. I lost
4 15 pounds in two weeks.

5 Q. Were you embarrassed?

6 A. I was.

7 Q. Did you feel humiliated?

8 A. Sir?

9 Q. Did you feel humiliated?

10 A. I was, yes, sir.

11 Q. After the article came out, were you able to provide
12 for your family?

13 A. No, I wasn't.

14 Q. Were you providing to your family before the article
15 came out?

16 A. Before the article came out, I got 10 cent an hour
17 for every hour that was worked. Lawton Limehouse, Jr. got 10
18 cent an hour. That meant we got 7, \$800 a week, apiece.

19 Q. Were you providing that healthcare you described for
20 all the members of your family?

21 A. Yes, sir.

22 Q. Including Lawton's children?

23 A. Everybody's children.

24 Q. Were you paying for special care for Lee that you
25 told us about?

1 A. Yes. We were sending him to special teachers.

2 Q. After this article came out, did you continue to do
3 that?

4 A. Had to quit doing that.

5 Q. Do you have to borrow money from anybody?

6 A. Yes, sir.

7 Q. Do you have to borrow money from children?

8 A. Had to borrow money to get medicine. Couldn't fill
9 my prescriptions.

10 Q. This job you've got, this came up, the job you got
11 in Georgia, do you work outside in the field or do you work
12 in a shed?

13 A. Packing shed. I run four packing sheds.

14 Q. And you've been working there for how long?

15 A. Probably a week after that article came out I went
16 over there, maybe 10 days, something like that.

17 Q. Before the article came out, were you proud of the
18 business of L & L Services?

19 A. Yes, sir. I had a lot of people that were low
20 income, unskilled. They were learning skills. They were
21 getting paid above the minimum wage. They had a place to
22 stay for free. They had transportation for free. They had
23 water free. They had electricity free.

24 Q. You've heard about all the articles that we had been
25 talking about today, right?

1 A. Yes, sir.

2 Q. Let's talk about those.

3 A. Could we start with the first one?

4 Q. Yes, we can. The first one we are talking about, do
5 you see that up on the witness stand?

6 A. What's this here?

7 Q. Hand me that back. Let's start with Defendant's
8 Exhibit No. 2. Yeah, let's start with Exhibit Number 1. Mr.
9 Limehouse, did you read all the articles that came out in the
10 Post and Courier?

11 A. Sir?

12 Q. Did you read all the articles that came out in the
13 Post and Courier?

14 A. Yes, I did.

15 Q. All right. This article is about housing. Do you
16 remember the article about housing? It's on your screen.

17 A. Yes, sir. I remember that.

18 Q. All right. This is a house located near Park
19 Circle; is that right?

20 A. Yeah, that's one of them.

21 Q. Is that the first one that the article came out
22 about, is it?

23 A. Sir?

24 Q. Is that the first article about housing?

25 A. I think so, yes, sir. Yeah, that's the first one,

1 that's about two houses.

2 Q. And look at this. Is this the one that came out on
3 February 11th, 2004?

4 A. I don't see a date on there anyway.

5 Q. Look at the right side.

6 A. Yeah, yeah. That's the same article you've got on
7 the screen.

8 Q. That's right.

9 A. Okay. All right. Now, first of all, did you
10 require these people to live in that house?

11 A. No, sir, I didn't. They could live anywhere they
12 wanted to.

13 Q. 31 people living in two houses in a storage shed.
14 Did you know 31 people were living in two houses in a storage
15 shed?

16 A. No, but apparently that was true.

17 Q. All right. When you found out about it, did you
18 take any action?

19 A. We moved them out of there.

20 Q. All right. Did you have any problems with moving
21 them out, that they wouldn't leave?

22 A. They didn't want to leave.

23 Q. After you moved them out, did any of them come back?

24 A. After we moved them out, Mr. Maximino Flores, one of
25 his plaintiffs, his wife, two of his sons and his niece moved

1 back in the house, contrary to what North Charleston told
2 them he could do. And this article somewhere is saying 10
3 people were in the house. And five of them were that
4 family.

5 Q. And what happened when they moved back in against
6 your instructions?

7 A. I fired him.

8 Q. You fired who?

9 A. Maximino, his two sons, but I had already gotten his
10 wife. And Maximina was his niece. She was about 21. I had
11 already gotten those two a job somewhere else.

12 Q. At the time there were 31 people living in the two
13 houses in a storage shed, did you have other places that were
14 available for people to stay?

15 A. Yes, sir. Yes, sir, I did. People liked to stay
16 close to the Piggly Wiggly, Food Lion, or something like
17 that.

18 Q. This came out on February 11th. How long did it
19 take to you correct this problem?

20 A. Probably three or four days at the most.

21 Q. To get them resituated in other houses?

22 A. Yes, sir.

23 Q. Is this the first time, February 11th, 2004, that
24 you had a housing issue?

25 A. No. We had one, I think, in '03. We had two houses

1 on Hester Street. And one of the household owners, or
2 whatever you call it, they had a sewage leak out toward the
3 street. And either somebody reported it or the city came by
4 and saw it. Anyway, they give him so much time to fix it.

5 Q. Gave who time to fix it?

6 A. The man that owned the house, the landlord I reckon
7 you call him. All right. He didn't fix it. And he came by
8 and saw it wasn't fixed. They condemned the house. And
9 while they were condemning that house, we had another house
10 next-door -- not next-door, but one more over. They started
11 walking around there. And when you have electric service
12 coming into the house, you have to have a cable that holds up
13 the wires. The wires don't hold up their own selves.
14 Anyway, that cable had broken loose from the side of the
15 house and the wires were being held up by their own ability.
16 They condemned that house.

17 We moved those people out that day, both houses.
18 But the thing of it is, it just says two houses. One house
19 had five apartments in it, had five electric meters on the
20 wall. And the other one had four apartments in it, big old
21 houses, you know, three-story -- I think one of them was
22 three-story and one of them was two-story. But anyway, one
23 had four apartments in it. One of them had five apartments
24 in it. And the City of Charleston did not cite us for being
25 overcrowded. I don't know how many people was in there, but

1 we weren't cited for being overcrowded.

2 Q. Any employees complain to you about the two houses
3 that were condemned?

4 A. Nobody said anything about housing being in
5 trouble.

6 Q. How about this house, the 31 people that were in it,
7 did they complain about that?

8 A. No, sir, they didn't.

9 Q. Do you know if the 31 people were solely the
10 employees of L & L Services?

11 A. Sir?

12 Q. Do you know if the 31 employees --

13 A. They were living in two houses.

14 Q. Were all 31 of those people, were they employees of
15 L & L Services?

16 A. May not have been, no.

17 Q. Did you have situations where other people were
18 living in the houses other than employees?

19 A. We had situations where a guy would be working for
20 us and his brother call up and tell him he lost his job and
21 whatever. He come over and he sit -- he didn't go to Motel
22 8, he moved right in that house right here with his brother
23 and stayed there until he found a job.

24 Q. Did you overcome that issue, Mr. Limehouse?

25 A. Sir?

1 Q. Did you overcome the problem about the overcrowding
2 in the house?

3 A. Yeah. We had to move them -- we had to move them
4 all around to do it.

5 Q. Did you lose any business because of this February
6 11th article?

7 A. No, we did not.

8 Q. Did you lose any business about the article about
9 the two condemned houses back in 2003?

10 A. No, we did not.

11 Q. Did you lose any revenue?

12 A. No, we did not.

13 Q. I want to show you what's been marked Exhibit Number
14 2. I'm going to show you the print version. Do you remember
15 this article, Mr. Limehouse?

16 A. Yes, I do.

17 Q. Is this relating to the 31 people living in the two
18 houses?

19 A. Yes, it is.

20 Q. You see where they are saying you face fines?

21 A. That's not true.

22 Q. Well, did you pay a fine?

23 A. I paid a fine of \$5,000, not \$10,050.

24 Q. Was this a boarding house?

25 A. No. We didn't charge any rent, so it couldn't be a

1 boarding house.

2 Q. I want you to look at what you said. See the
3 article, second from the bottom?

4 A. Yes, sir.

5 Q. I'm not going to put people out on the street. You
6 can't do that. Mr. Limehouse said he was unaware of that so
7 many residents living in the two houses. We are going to
8 make an effort to get it straightened out.

9 Why couldn't you put people out on the street, Mr.
10 Limehouse?

11 A. Didn't have a place to go. It's hard for a guy that
12 doesn't speak English and is an immigrant to be able to
13 get -- to be able to rent a place, to be able to get electric
14 meter put on a house, to be able to get water meter.

15 Q. All right.

16 A. So they couldn't have gone anywhere, except really
17 on the street.

18 Q. This article came out, Mr. Limehouse, you see it at
19 the top, February 12th, 2004, on the left side; do you see
20 it?

21 A. Which one are you talking about?

22 Q. The one I've got on the screen.

23 A. Charges in --

24 Q. Talking about the date of the article.

25 A. Oh, February the 12th.

1 Q. Now, did you take care of the issues raised by this
2 article? Did you pay your fine?

3 A. Yes, I did.

4 Q. Did you lose any business?

5 A. No, I didn't.

6 Q. Were you working with the city of North Charleston
7 to try to correct anything they wanted you to correct?

8 A. Yes, sir, we did.

9 Q. I've got Defendant's Exhibit 3, more stuff about
10 housing. It's exhibit -- article dated February 18th, 2004.
11 Do you remember this article? Mr. Limehouse, was this about
12 the two condemned houses you just told me about?

13 A. Yes, sir.

14 Q. Is that a quote from you, kind of in the middle: If
15 the houses had been fit to live in, we could have cut the
16 number of people down. The city wouldn't condemn a house for
17 being overcrowded. They just tell you to move the people
18 out, they are not supposed to be there. Is that right?

19 A. Well, if that was the two houses in Charleston, they
20 weren't overcrowded anyway. We shut those houses down
21 because of deficiencies in the houses.

22 Q. Right.

23 A. I don't know whether that's those two houses or --

24 Q. Did you move them out the same day?

25 A. Sir? Yes, same day.

1 Q. Did you lose any business as a result of this
2 February 18th, 2004, article?

3 A. No, we did not.

4 Q. There's another article that came out February 24th,
5 2004, that they marked as Defendant's Exhibit No. 4. Do you
6 remember this article about the housing?

7 A. Yes, sir, that's when Mr. Maximino Flores, his wife,
8 his two sons, and his niece moved back into the house. And
9 that's when we fired him.

10 Q. Elvira Lueke, is that your employee?

11 A. That's her.

12 Q. Said: We are working hard, but it's not easy. We
13 are working on it.

14 Was it hard? Was it easy to move everybody out?

15 A. Well, they didn't want to move out of the houses.
16 They wanted kind of family groups or locality groups or
17 cousins or whatever. They didn't want to move.

18 Q. Did this article about housing, again, February 4th,
19 2004, did that cause you to lose any business?

20 A. No, sir. We never lost any business over any
21 housing at all.

22 MR. CISA: Judge, I can quit anytime you want to
23 quit, come back tomorrow, but if you want me to keep on
24 plugging, I will keep on plugging.

25 THE COURT: Yes, sir.

1 MR. CISA: Give me Defendant's Exhibit 4.

2 BY MR. CISA:

3 Q. Mr. Limehouse, I wanted to show you Defendant's
4 Exhibit 5. Do you remember this article?

5 A. Yes, uh-huh.

6 Q. This is an article that came out February 21st,
7 2004. Is this talking about the same housing issue?

8 A. Yes, sir.

9 Q. Have you ever addressed it by this time?

10 A. Yes, sir.

11 Q. Did this article cause you to lose any business?

12 A. Didn't cause me to lose any business, no.

13 Q. Mr. Limehouse, do you remember the article that came
14 out on March 21st, I guess, again, The Hidden Economy?

15 A. Yes, sir. Yes, sir.

16 Q. Trafficking illegal aliens, did you ever traffic in
17 illegal aliens?

18 A. No, sir, I did not.

19 Q. Is this article talking about making false Social
20 Security cards and false resident alien cards?

21 A. It does.

22 Q. Did your company ever make, to your knowledge, any
23 false Social Security cards or false resident alien cards?

24 A. No, no.

25 Q. Did you lose any business when this article came

1 out?

2 A. No, sir.

3 Q. All right. Let's talk about the -- after your
4 business was shut down, I guess the week following the
5 publication of the article on April 24th, did any
6 governmental agency come to your -- I guess it was your house
7 by that time -- you had already moved all your furniture and
8 computers back to your house?

9 A. We moved all our records back to my house and put
10 them in the cellar. And within, I think, 10 days or two
11 weeks, the federal government sent about 20 guys over there.
12 I was gone. I was in Georgia. They had on flak jackets and
13 they was armed with 87 shotguns and they served a warrant on
14 my wife, all our records, whatever they wanted.

15 Q. Did they take your computers and all your records?

16 A. Yeah. She called up Mr. Manos, who was here just a
17 minute ago. And he told her, if they had a search warrant,
18 you know, they could do anything they wanted to do. So she
19 just got out of the way and let them do what they wanted to
20 do. They loaded everything we had.

21 Q. What happened to your stuff? Do you know?

22 A. Well, they sent it all, the computers and all the
23 stuff to a lab in Roanoke, Virginia, that the post office
24 had. And they ran tests on it, and then they brought it back
25 to Charleston.

1 Q. All right. Let me show you a report, United States
2 postal inspection services forensic laboratory examination
3 report, and ask you if you received that from -- it looks
4 like the Department of Justice sent it to you?

5 A. Well, what happened was, Mr. Massalon, who was my
6 lawyer representing me when Mr. Hulsey sued me. I hadn't
7 seen this stuff for a long time, all the stuff that they had.
8 And I asked him to give me one of the best paralegals and let
9 me get an appointment to go up there and look at all of this
10 stuff. I hadn't seen it.

11 Q. My question is simply, is this the postal
12 inspector's report?

13 A. Yes, it is.

14 Q. That was sent to you?

15 A. Yes, sir.

16 Q. All right. And you are going to tell me about how
17 this happened?

18 A. Well, me and this girl go out there, and this same
19 guy right here, this Leeds fellow was there, and he said, all
20 right, you can go in there and you can look at anything you
21 want, but you can't take anything out, and I'm going to sit
22 outside the door until you get finished. Well, we were going
23 through there and looking at all of this stuff. And then I
24 find this forensic laboratory examination report. And it
25 lists all the stuff that they got and took to Virginia.

1 And there's a paragraph in here that says the
2 examination found no evidence of the counterfeiting of Social
3 Security cards, alien registration cards or any other
4 identification documents.

5 Q. And that came from the Postal Service?

6 A. Came from the federal attorney. Federal attorney
7 had started investigating us. When they took all the stuff,
8 I reckon they sent this stuff over to post office people to
9 go through it. They subpoenaed South Carolina Electric &
10 Gas, see how many electric meters we had. They called in
11 Mr. Cook twice and questioned him. They called in Carlton
12 once and questioned him. In other words, they were doing an
13 investigation.

14 Q. All right. Was this all after the business was shut
15 down?

16 A. Yes, sir. In other words, when Mr. Hulsey showed
17 the federal judge a handful of cards that he claims we made,
18 all right, Mr. Massalon hired a lawyer -- not a lawyer, but a
19 document expert to go through it.

20 THE COURT: Just a moment.

21 MR. HOOD: I just object on the relevance issue. I
22 think we are getting a little far afield of what happened in
23 2004 and the statements that came out.

24 MR. CISA: I will withdraw it. I don't think I had
25 a question pending, but I will withdraw that question and try

1 to refocus a little bit.

2 THE COURT: Okay.

3 MR. CISA: Let me do this first, Your Honor. I
4 would move that this report be placed into evidence as
5 Plaintiff's Exhibit 2 under rule, I think it's 803(8). It's
6 a report from a governmental agency that I think under Rule
7 803(8) is admissible.

8 THE COURT: What says the defense?

9 MR. HOOD: In terms of 803(8), I don't think this is
10 a federal report that's contemplated under 803(8). So we
11 would object to it on hearsay grounds.

12 MR. CISA: Judge, let me give you a copy. I should
13 have done that earlier.

14 THE COURT: All right. Well, it's six o'clock. I
15 think we will let the jury go and then we will talk about it.

16 All right. Ladies and gentlemen, thank you all. We
17 will let y'all go. 9:30 tomorrow morning.

18 (Whereupon, the jury leaves open court at 5:58 p.m.)

19 THE COURT: You are suing over statements made in
20 April of 2004 and you are seeking to admit a letter from
21 September 2006.

22 MR. CISA: Well, Judge, report was done in 2006.
23 The equipment was seized in 2004. And it was taken up there.
24 And this is a report that essentially verifies -- it's a
25 report from a -- it's a report from a public office or

1 agency, that being United States Postal Inspection Service,
2 that verifies that after examination of all of the documents
3 they picked up from L & L Services and Mr. Limehouse, that
4 the examination found no evidence of counterfeiting of Social
5 Security cards, alien registration cards, or any other
6 identification documents.

7 THE COURT: What relevant issue does that address as
8 it relates to Mr. Hulsey?

9 MR. CISA: The racketeering scheme, that him saying
10 that they engaged in classic racketeering scheme, and part of
11 his pitch, I think even at his deposition, is that they were
12 making false papers.

13 THE COURT: Disproves it based on a letter that was
14 written --

15 MR. CISA: It's a report. The letter -- I don't
16 care about the letter, Judge. The letter is just a letter of
17 transmittal from the US Department of Justice. It's the
18 report I'm talking about.

19 THE COURT: The report is the letter itself.

20 MR. CISA: Well, it's a report. It's what the US
21 Attorney says. It's a report from the United States Postal
22 Inspection Services forensic laboratory examination. That's
23 what it is. It is a report from a public entity. And ,
24 pursuant to the exceptions to the hearsay rule, it's
25 admissible because it set forth the activities of office or

1 agency. It does. Shows what they did. They picked this
2 stuff up. Matters observed pursuant to the duty imposed by
3 law. And doesn't fit in any exception. I submit that it's
4 admissible under Rule 803(8) as a report from a -- you don't
5 have to have -- Mr. Black here relative to the report. Plus
6 he already testified what it said. He testified the report
7 says the examination found no evidence of counterfeiting.

8 THE COURT: He's testified to what the State --

9 MR. CISA: Yes, he already testified.

10 THE COURT: This is cumulative to that, to his
11 testimony?

12 MR. CISA: Yes, sir. He's already testified to --

13 THE COURT: What are we arguing about if it's
14 cumulative. Why are we arguing?

15 MR. CISA: I agree. I mean, it's admissible on it's
16 own, but he already testified to what it says and the
17 conclusion they drew. So I think it's admissible. But it's
18 certainly only cumulative to what he already said. I think
19 it's admissible under this rule.

20 THE COURT: Excluding matters observed by police
21 officers and other law enforcement personnel?

22 MR. CISA: Right.

23 THE COURT: However, that investigator notes
24 involving opinions and judgments or conclusions are not
25 admissible.

1 MR. CISA: But it's not investigative notes. It's a
2 report. It's not notes from an investigation. It's a report
3 done by a senior forensic computer analyst employed by the
4 United States Postal Inspection Service forensic
5 laboratories. Doesn't come into the exception because it's
6 not notes. And it doesn't contain matters of opinion. It
7 just says based upon my review of this stuff, there's no
8 evidence of counterfeiting Social Security cards or resident
9 alien cards, which he's already read to the jury.

10 THE COURT: All right. Are you finished?

11 MR. CISA: Yes, sir.

12 THE COURT: Mr. Hood.

13 MR. HOOD: Your Honor, I think, one, to the extent
14 that it's cumulative, we would object on that basis.

15 But the rule quite specifically says 803(8) says
16 investigative notes involving opinions, judgments or
17 conclusions are not admissible. The heading is called
18 findings. And everything contained thereunder would be the
19 conclusions of this report. So we do object to this being a
20 document introduced into evidence as hearsay and not falling
21 underneath a proper exception to hearsay.

22 THE COURT: All right. Well, I will review it and
23 then rule in the morning as it's -- and we will be prepared
24 to press on. It's already -- the testimony is in without
25 objection, so --

1 MR. CISA: Right, testimony is in, Judge. And I
2 just point out it clearly talks about reports, and that's
3 what this is, it's a report. I understand it's been a long
4 day. Deal with it in the morning.

5 THE COURT: I will look at it overnight. I will
6 rule in the morning. Hopefully you are all through arguing
7 about it now.

8 MR. CISA: Pardon me?

9 THE COURT: Hopefully you are through arguing about
10 it. You plan to find law overnight on this ruling, and if
11 you do, and give it to me, that's fine too.

12 THE COURT: All right. Anything else before we
13 exit?

14 MR. CISA: No, Judge. I'm going to try to get the
15 exhibits that I have back to the court reporter. I think we
16 get past Mr. Limehouse, I have some short witnesses,
17 hopefully they are short we can get through. Try to speed it
18 up best I can.

19 THE COURT: All right.

20 We will be in recess until 9:30 tomorrow morning.

21 (Whereupon, the proceedings were adjourned.)

22

23

24

25

1 (Whereupon, the trial continues on March 25, 2015.)

2 THE COURT: Good morning. Any other matters?

3 MR. CISA: Your Honor, I think where we left it is
4 you were going to rule on the admissibility of the report
5 from the postal forensic lab.

6 THE COURT: All right. Anything else you want to
7 say about it?

8 MR. CISA: No, sir, just argue the rule.

9 THE COURT: Mr. Hood, anything else you want to say
10 about it?

11 MR. HOOD: No. Thank you for giving us the
12 opportunity.

13 THE COURT: The rule says that: Records, reports,
14 statements, or data compilations, in any form, of public
15 offices or agencies, setting forth: (A) The activities of the
16 office or agency; (B) matters observed pursuant to duty
17 imposed by law as to which matters there was a duty to
18 report, excluding, however, in criminal cases matters
19 observed by police officers and other law-enforcement
20 personnel. Provided, however, that investigative notes
21 involving opinions, judgments or conclusions are not
22 admissible.

23 Under the note to the rule, it says: This
24 subsection differs from the federal rule in that it does not
25 include item C. Subsection also contains two limitations not

1 included in the federal rule. First, the investigative notes
2 involving opinions, judgments, or conclusions are not
3 admissible. Further, accident reports are not admissible in
4 negligence cases.

5 The item here sought to be admitted falls under the
6 category of investigative notes involving opinions and
7 judgments and conclusions. And this report is not admissible
8 under Rule 803(8).

9 Similarly, if the conclusion was just the opposite,
10 the defense couldn't introduce the report to prove
11 racketeering or whatever. Plaintiff cannot do so either
12 through a report.

13 MR. CISA: Only other thing, Judge, your court
14 reporter asked if we could make my designation of the page
15 lines of Mr. Hulsey, his deposition, if we could make that a
16 court exhibit, which is fine with me. It just helps her, I
17 think.

18 THE COURT: Okay, be recorded an exhibit.

19 (Court's Exh. 1, Transcript Excerpts, was marked
20 for identification.)

21 THE COURT: We now need Mr. Limehouse back on the
22 stand. We have enough jurors?

23 THE BAILIFF: We have 13. We need two more.

24 THE COURT: Goodness.

25 In the interim, are there any other matters I need

1 to go over?

2 MR. CISA: Judge, I'm hoping for smooth sailing.
3 I'm not really aware of anything. I've got some short
4 witnesses today. So hopefully it will move along once
5 Mr. Hood finishes cross-examination, but I'm not aware of
6 anything.

7 THE COURT: Mr. Hood?

8 MR. HOOD: Not that I'm aware of, Your Honor.

9 THE COURT: Okay. Well, since we are waiting on
10 those other people, we will just take a break. And when they
11 get here, we will get rolling.

12 (Whereupon, recess transpired.)

13 THE COURT: All right. Mr. Cisa, with regard to
14 this Gibbon vs. Kennedy, you are talking about upcoming
15 testimony, I think you said.

16 MR. CISA: Yes, sir. I'm going to call a guy named
17 Tony Daniel, who I think is going to --

18 THE COURT: You are not asking me to revisit
19 anything regarding any --

20 MR. CISA: Well, I would like you to, but you've
21 ruled, and it's not my intention to argue to the Court.

22 THE COURT: Yesterday you were about to ask
23 Mr. Limehouse about someone who called him, a customer,
24 somebody he was doing business with I think called him.

25 MR. CISA: This is what it was, Judge.

1 Mr. Limehouse's testimony was that when he read the newspaper
2 published on Saturday, April 24th, and that on Saturday,
3 people, couple people called, by Monday the phone was ringing
4 off the hook. Customers was saying, come get your people, I
5 can't do business with Tony Soprano. That's what he was
6 going to say. And you excluded it because you said it was
7 hearsay. And I'm suggesting that it's not hearsay because it
8 goes to his reputation in the community and it's an exception
9 to the hearsay rule. So I would like to ask him that
10 question. But I'm not arguing with the Court.

11 THE COURT: But in the end, when I sustained the
12 objection, you then asked him what happened, and he said he
13 lost all the business. And he didn't repeat specifically
14 what the person said.

15 MR. CISA: Didn't say what the person said, just
16 said, my business went down the tubes, I was out of business
17 by Wednesday or Thursday, I think he said.

18 THE COURT: Well, he's still on the stand. What's
19 your view in response to that further argument on that?

20 MR. HOOD: Sure, Your Honor. I still maintain it's
21 hearsay. The further complicating factor is the customer,
22 he's not been identified, definitely does not give us any
23 opportunity whatsoever to confront who that person -- who the
24 speaker is.

25 Had that person been identified, we would have the

1 opportunity, obviously, to discuss what, if anything, they
2 talked about. And Mr. Limehouse was inquired specifically
3 about this topic during the course of his discovery
4 deposition to which he responded he couldn't name a single
5 customer that he recalled talking to.

6 So, the prejudice there would be to allow hearsay
7 testimony where the speaker, the declarant, is not even
8 identified. So this is sort of phantom hearsay that we are
9 completely unable to address. And I don't think that the
10 manner in which it's being offered is to prove reputation,
11 but, rather, to prove the truth of his contention that the
12 statement caused him to go out of business, as opposed to his
13 perception of how other people viewed him in the community.

14 THE COURT: All right.

15 MR. CISA: I will only say, Judge, that, first, it's
16 not hearsay, just like this case talking about students, and
17 it goes to his reputation. People would not do business with
18 Mr. Limehouse because they thought they couldn't do business
19 with Tony Soprano. But ...

20 THE COURT: All right. Well, I think that the gist
21 of it all was the -- I ruled based on it being hearsay and
22 that he was about to -- he was being asked to repeat what
23 someone said outside of court, so that is hearsay. Of
24 course, there is no proffer to -- for me to understand that
25 what he intended to say was someone's comment about his

1 reputation as a result of the publication. And so I think
2 it's fine to ask him that question. I will reverse myself.
3 I do it many times.

4 MR. CISA: Thank you, Your Honor.

5 THE COURT: And whether or not he contradicts
6 something he said or didn't say in a deposition would be par
7 for the course of the examination.

8 MR. CISA: I understand..

9 THE COURT: Let's bring them on.

10 (Whereupon, the jury returns to open court at 10:03
11 a.m.)

12 THE COURT: Day number three. Good morning.

13 You may proceed.

14 MR. CISA: Thank you, Your Honor.

15 CONTINUED DIRECT EXAMINATION

16 BY MR. CISA:

17 Q. Mr. Limehouse, can you hear me?

18 A. Yeah.

19 Q. Before I get back on track where I was going, I want
20 to ask you a few questions before I forget to ask you these.
21 You testified yesterday that you took a job in Georgia,
22 right?

23 A. Sir?

24 Q. Did you take a job in Georgia?

25 A. Yes, sir, I did.

1 Q. Did you take that job right after this or shortly
2 after this publication came out?

3 A. Yes, sir.

4 Q. During the first year of the job, were you paid?

5 A. No, sir, I wasn't.

6 Q. Why would you work if you weren't getting paid?

7 A. Well, I wasn't too much worried about money. I was
8 worried about trying to stay sane, you know. Nothing like
9 this had ever happened to me. Everything I had ever done
10 before in life, I could correct it or change it. But I
11 couldn't do anything about this.

12 You know, I was sleeping about 15 minutes, waking up
13 five, six hours. In about two weeks, I lost 15 pounds. And
14 I just afraid -- I needed to do something to occupy my mind.
15 So that's why Mr. Myrick got me that job in Georgia. When
16 you're working packing houses, you start the morning at eight
17 o'clock and you might run until two, three o'clock in the
18 morning. When you come home, you go to sleep.

19 Q. After the first year, did you start getting paid?

20 A. Yes, sir, I did.

21 Q. Over those years of running L & L Services from, you
22 said, '99/2000 to about April 24th, 2004, how many different
23 employees did L & L service have?

24 A. We probably went through about 500 people.

25 Q. But at the time the business shut down, how many

1 employees did you have?

2 A. How many did we have working? Right at 200.

3 Q. I asked you yesterday about what happened to your
4 business. Did customers start calling?

5 A. Yes, sir. When that article came out on Saturday,
6 we had one or two calls. But, Monday --

7 Q. Did the customers say anything about your
8 reputation?

9 A. Sir?

10 Q. Did the customers say anything about your
11 reputation?

12 MR. HOOD: Objection, Your Honor, hearsay.

13 THE COURT: Objection is overruled.

14 BY MR. CISA:

15 Q. Judge overruled the objection. Did the customers
16 say anything about your reputation?

17 A. Well, they just said that they couldn't be
18 associated with anything like, you know, criminal like that.
19 And I was -- and it associated me with that guy.

20 Q. Okay. Do you recall who the three plaintiffs were
21 in the class action lawsuit?

22 A. Yes, I do.

23 Q. Who were the plaintiffs?

24 A. Maximina Flores, one of his sons. I think he said
25 his name is I-s or I-c-s or something like that. And he had

1 a niece who was 21, and her name, we called her Maxi.

2 Q. Okay. Do you know if any of those plaintiffs are
3 still in the area?

4 A. Yes, sir.

5 Q. Who's still in the area?

6 A. Maxi.

7 Q. Is her formal name Maximina?

8 A. You know, some of them go by their mom's name. Some
9 of them went by the father. I don't know how they did the
10 name thing, you know, as far as what their last names were.

11 Q. But you kept in touch with Maxi?

12 A. No.

13 Q. Did you help her in any way after the lawsuit was
14 filed?

15 A. Well, I got -- before all of this happened, I got
16 her a permanent job taking care of a guy that had his neck
17 broke. Her and Maximino's wife took care of this guy that
18 had a neck broken in a wreck. And they took care of him
19 around -- he had to be taken care of around the clock.
20 Anyway, Maximino's wife was going back to Mexico, as far as I
21 know. And Maxi has been over there for over ten years.

22 Q. Let me go back to the articles. I missed
23 Defendant's Exhibit 1, and I want to ask you some questions
24 about this article.

25 Mr. Limehouse, do you remember this article that

1 came out on February 11th, 2004?

2 A. Yes, sir.

3 Q. All right. It says: North Charleston Raids

4 Boarding Homes; do you see that?

5 A. Yes, sir.

6 Q. Were you -- did you have a boarding home?

7 A. No. I would think that if you ran a boarding home,
8 you would have to charge board, you know, rent, for people
9 stay to there. We didn't do that.

10 Q. Were you paying -- were you charging rent?

11 A. No, we weren't.

12 Q. Okay. See that quote at the bottom?

13 A. Yes, sir.

14 Q. Is that your quote?

15 A. Yes, sir.

16 Q. You said: We don't have any labor issues. We rent
17 legal houses, livable houses. I don't require anyone to stay
18 there and don't charge them if they do.

19 Is that what you told Post and Courier?

20 A. That's true.

21 Q. Did this article affect your business in any way?

22 A. No, sir, it did not.

23 Q. And did you take steps to take care of the housing
24 issue?

25 A. Sir?

1 Q. Did you take steps to take care of the housing
2 issue?

3 A. Yes, sir. When North Charleston told us what we had
4 to do, we moved people around, get them spread out.

5 Q. Did you lose any customers as a result of that
6 article?

7 A. No, sir, we did not.

8 MR. HOOD: Your Honor, we've been through all of
9 this.

10 MR. CISA: I haven't been through Defendant's
11 Exhibit 1 because I couldn't find it yesterday. It was in
12 somebody's stuff. But that's the last question I've got
13 about it.

14 THE COURT: Okay.

15 BY MR. CISA:

16 Q. I want to show you Defendant's Exhibit 8, which is
17 the article of April 20th, 2004, and ask you if you remember
18 this article? Do you see this article: Firm Owes Back Wages
19 to Laborers?

20 A. Yes, sir.

21 Q. Do you remember that one?

22 A. Yes, sir.

23 Q. Did you have a problem about overtime in your
24 business?

25 A. The way the overtime thing worked was, if you had a

1 job and you worked at Kiawah and you made 60 hours, you got
2 40 hours regular time and 20 hours overtime. All right. But
3 a lot of companies wouldn't work but 40 hours. They wouldn't
4 let you have any overtime. Some of the people knocked off
5 two hours early on Friday afternoon, so they only got 38
6 hours. These guys were trying to take care of families in
7 Mexico or wherever. They wanted to work all they could. So
8 what we did, we farmed them out to restaurants and businesses
9 that worked at night. But the restaurants and all those
10 places wouldn't pay overtime because they hadn't worked them.

11 So what we did was, we had a company that we started
12 when -- not too long after we started, to put roofing people
13 and like that in, because --

14 Q. What company?

15 A. WLL.

16 Q. Okay.

17 A. Put roofing people and people in dangerous jobs,
18 because if you had workers' compensation, they looked at
19 every job you had. And the highest price, highest class job
20 that you had is one they give you for everything. So what we
21 did, we had two companies. All right? We decided in the end
22 that the roofing thing wasn't all that good. So we quit
23 messing with it and let the company sit there. And when
24 these people wanted to make more hours, more hours, we
25 decided to run them through WLL on any time they did after

1 their first job, which is what we did.

2 Q. Let me stop you for a second.

3 A. Sir?

4 Q. Let me stop you for a second and ask you a question.

5 You testified earlier that you had -- most of the employees
6 were permanent employees for different clients, correct?

7 A. Right.

8 Q. You said was it 75 percent?

9 A. Probably better than that, probably 80 or better.

10 Q. All right. If those employees, that were working
11 for a permanent client, worked overtime, were they paid
12 overtime?

13 A. Yes, sir, they were.

14 Q. And your client paid you for overtime, right?

15 A. Yes, sir, they did.

16 Q. But these other folks that wanted to work extra, you
17 decided to let them work for WLL, correct?

18 A. Yes, sir.

19 Q. Now, did you know -- did they know at the time they
20 were working more than 40 hours that you were only going to
21 pay them \$6 an hour?

22 A. Say that again.

23 Q. Did you tell the employees that you were only going
24 to pay them \$6 an hour if they were working for WLL?

25 A. Yes, sir.

1 Q. Okay. Did you know that was a violation of the wage
2 and standard laws?

3 A. Not at the time, no. I know that now.

4 Q. What happened? Did the Department of Labor come in?

5 A. Department of Labor come in. And I give them -- I
6 hired another bookkeeper to help them. It took 10 days to do
7 the audit. They told me I was low in excess of \$60,000. And
8 I paid it.

9 Q. Okay. Did you get a fine?

10 A. No, sir, I didn't.

11 Q. Did you cooperate with the Department of Labor?

12 A. 100 percent.

13 Q. Did you provide them with a bookkeeper?

14 A. Yes, sir, I did.

15 Q. Did they tie your bookkeeper up for 10 days?

16 A. Well, I hired somebody else to come in. It wasn't
17 my regular bookkeeper.

18 Q. Was that before the newspaper article that was
19 published April 24th, 2004, came out?

20 A. Yes, it was.

21 Q. So before the newspaper article that we are here
22 about came out, you had already resolved the overtime issue?

23 A. We had already done what we was supposed to do with
24 it.

25 Q. And you paid the money?

1 A. Yes, sir.

2 Q. Did you pay the laborers?

3 A. Yes, sir. Well, we didn't pay the laborers. What
4 we did was, the commission, or whatever it is, told us find
5 everybody that you can. And they gave me a bunch of
6 receipts. Pay them, get them to sign a receipt. Well, we
7 found all we could. Paid them cash. They signed a receipt.
8 And then we had them send the rest of the money -- I don't
9 know whether it was to the state or the federal government.
10 Whatever way we had to send it, we sent it.

11 Q. Did you fire any employees as a result of the
12 Department of Labor coming in?

13 A. No, sir, I didn't.

14 Q. Did you properly pay overtime after that event?

15 A. Yes, sir, I did.

16 Q. Did you lose any customers as a result of this
17 article coming out, Mr. Limehouse?

18 A. No, sir, I didn't.

19 Q. Did you lose any business?

20 A. No, sir.

21 Q. Lose any revenue?

22 A. No, sir.

23 Q. Did you fix the problem?

24 A. Yes, sir, I did.

25 Q. Did you intentionally violate the wage and hour

1 laws?

2 A. No, sir. The reason they made us do that was
3 because we owned both companies. If the companies had been
4 separate, it wouldn't have made any difference.

5 Q. Okay. You didn't know that at the time?

6 A. No.

7 Q. You know it now?

8 A. I know it now.

9 Q. I want to show you again Defense Exhibit 9 just
10 briefly. Mr. Limehouse, you remember the article where
11 Mr. Hulsey was quoted making statements?

12 A. Yes, sir.

13 Q. What's the difference between this article and the
14 article about housing?

15 A. There was a lot of difference.

16 Q. What's the difference?

17 A. Well, I could do something about that.

18 Q. What do you mean do something about that?

19 A. I mean, about the housing. I couldn't do anything
20 about this. This is 10 years later and we still haven't done
21 anything about this.

22 Q. What did you do about the housing?

23 A. I straightened out whatever North Charleston wanted
24 us to do.

25 Q. Is this article the same as the article about the

1 overtime pay?

2 A. Sir?

3 Q. Is this article the same as the article about
4 overtime pay?

5 A. No, sir, it's not.

6 Q. Why not?

7 A. Because I could straighten out the overtime pay. I
8 couldn't do anything about this.

9 Q. Do you remember the article about making papers?

10 A. Sir?

11 Q. Do you remember the article about making papers?

12 A. Yes, sir, I remember that.

13 Q. Were you ever making any papers?

14 A. No, sir.

15 Q. Why isn't that article the same as this article?

16 A. Well, number one, it was -- I think the accusations
17 were made by people that were, you know, immigrants and all
18 that. This was made by a man from Ness Motley Law Firm, a
19 worldwide known law firm. It's a whole a lot of difference.
20 I mean, if he had been a lawyer from Walterboro or something
21 like that, it might have made some difference. But he was
22 from a nationally known, probably worldwide known law firm.
23 Q. Mr. Limehouse, is that what you mean about this
24 statement: This is blatant case of indentured servitude,
25 said Hulsey, formerly of the Ness Motley Law Firm?

1 Is that what you mean?

2 A. That's what I mean, yes, sir.

3 Q. Have you ever overcome this article, Mr. Limehouse?

4 A. Sir?

5 Q. Have you ever overcome what was contained in this
6 article?

7 A. The Tony Soprano thing?

8 Q. Yes.

9 A. No, I never overcome it.

10 Q. Did you have a problem with payroll taxes? You are
11 going to be asked about that.

12 A. Sir?

13 Q. Did you have a problem with payroll taxes?

14 A. Yes, I did.

15 Q. How did that problem arise?

16 A. Well, when we started the company, I had a CPA, an
17 accountant, or whatever you call him, by the name of Larry
18 Sithel, who I went to high school with. And when we got out
19 of college, he started doing my books. Anyway, he got cancer
20 about, I don't know, ten years or five years before we got
21 started on this business. And he started getting sick and he
22 started getting behind. So, I went -- I don't know whether I
23 called his wife or what it is. But anyway, I talked to her
24 and I told her, you know, we are going to have to do
25 something. She said, well, how about we sell the business.

1 MR. HOOD: Your Honor --

2 MR. CISA: I'm not offering for the truth of the
3 matter asserted, just why the problem arose.

4 THE COURT: Why do we need to know it then?

5 MR. CISA: Well, let me see if I can do it this way.

6 BY MR. CISA:

7 Q. Don't tell me what Mr. Sithel's wife said to you.

8 A. I will tell you what I told her.

9 Q. Okay.

10 A. I told her that, you know, we needed to do
11 something.

12 Q. Were they trying to sell the business?

13 A. They were trying to sell the business, yes.

14 Q. Okay. Why did you pull out and go to another CPA?

15 A. Well, when you sell a business, like CPA business,
16 more people you have for customers, the better chance you are
17 going to get money. He sold it or they sold it -- I don't
18 know who sold it. They hired a guy to sell it for them. And
19 instead of selling it, he bought it. And I just went with
20 him. But during the meantime, all I've gotten was messed up
21 on payroll taxes. But I went to the IRS --

22 Q. Don't tell me what the IRS told you. Tell us what
23 you told the IRS.

24 A. I told the IRS that I did business with Mr. Sithel,
25 and that he had cancer, and that his people were trying to

1 sell the business. And I was going to stay with him until
2 they either had a chance to sell it or do whatever it was
3 going to do, and I was going to get behind, and that was it.
4 And the reason I told him that was, if you self-report, they
5 can't do anything much to you other than charge you a little
6 interest, maybe a fine or something. But they can't put you
7 in jail. They can't prosecute you for anything as long as
8 you self-report. And that's what I did.

9 Q. So you stuck with Mr. Sithel?

10 A. Sir?

11 Q. Did you stick with Mr. Sithel?

12 A. I stood with him until he died, until the other guy
13 took over. I don't remember which now.

14 Q. Did you work something out with the IRS about
15 payroll taxes?

16 A. Yes, I did.

17 Q. Who did you talk to over there; do you remember?

18 A. Sir?

19 Q. Who did you talk to at the IRS?

20 A. Fellow by the name of Carter. And the one before
21 that by the name of Thompson, I think, but I'm not too sure
22 about his name.

23 Q. Did you work out a deal to catch up on the payroll
24 taxes?

25 A. Yes, sir.

1 Q. Did there come a time in April of 2004 when you were
2 served with levies and some of your customers were served
3 with levies?

4 A. A couple of them, yes, sir.

5 Q. Do you recall why that happened?

6 A. Well, I was supposed to be paying him a certain
7 amount. I fell back one time, and he showed me what he could
8 do.

9 Q. Did you straighten that out?

10 A. Yes, sir, I did.

11 Q. What did you do? Did you go down to the IRS and
12 talk to him?

13 A. Went down there and talked to him, yes, sir.

14 Q. Did the levies get straightened out?

15 A. Yes, sir.

16 Q. Was that before the publication of the article that
17 we are here about, April 24th?

18 A. Yes, sir.

19 Q. Now, once your business closed, did you still owe
20 back payroll taxes?

21 A. Yes, sir.

22 Q. Did you pay them?

23 A. No, sir.

24 Q. You never paid the payroll taxes?

25 A. I went down to the IRS and asked the man, I said,

1 we're out of business, I said, let me know how much I've got
2 to pay you for you to leave us alone. He told me. I paid
3 him.

4 Q. And has he left you alone for the last 10 years?

5 A. Ain't touched me in 10 years.

6 Q. Do you remember how much you paid him?

7 A. I think it was around \$100,000, but I don't
8 remember. But I owed him more than that, but he said I
9 didn't have to pay it, so I didn't pay it.

10 MR. HOOD: I object. Move to strike, Your Honor.

11 THE WITNESS: I'm sorry.

12 THE COURT: The jury is to disregard the last
13 response..

14 BY MR. CISA:

15 Q. Mr. Limehouse, I want to show you a sheet and ask
16 you what this is. It's called L & L Services, LLC. What is
17 that?

18 A. That's something that we gave the people when they
19 came in, that showed them what we did.

20 Q. Kind of your company policy about how you are going
21 to pay them?

22 A. How we are going to pay them. Well, can I read it
23 to you?

24 Q. Let's do this.

25 MR. CISA: Your Honor, I would ask this be

1 introduced as Plaintiff's Exhibit 2.

2 MR. HOOD: No objection.

3 THE COURT: Okay.

4 (Plaintiff's Exh. 2, Company Policy Document, is
5 moved into evidence.)

6 BY MR. CISA:

7 Q. Let me put it up on the screen. Okay. You said you
8 gave this to employees, potential employees?

9 A. Yes, sir.

10 Q. And what did you tell them?

11 A. Well, it said the company provides free job
12 placement, company ID, dental care, medical care, workers'
13 compensation.

14 Q. Let me stop you there. Did you have problems with
15 workers' compensation, any problems during the time around L
16 & L?

17 A. When we quit working with L & L, the workers'
18 compensation got -- we didn't keep it for awhile.

19 Q. Is that L & L --

20 A. Sir?

21 Q. Was that L & L Services?

22 A. No, that was WLL. Now, in all the years that we
23 were operating, we only had one claim, one workers comp claim
24 that was denied. Everyone else, every one that was filed was
25 paid.

1 Q. What claim was denied?

2 A. Well, Mr. Hulsey's client, Maximino Flores, had
3 appendicitis. And after we fired him, he went down and got
4 him a lawyer and sued us and said he had a hernia, which
5 would have been covered by workmen's comp.

6 Q. What did you do in response to the claim?

7 A. Well, I got a letter from the lawyer saying he was
8 filing a claim against --

9 MR. HOOD: Objection, Your Honor.

10 THE COURT: Objection is sustained.

11 BY MR. CISA:

12 Q. Tell me what you said to the lawyer. Did you call
13 the lawyer?

14 A. I called a lawyer. And I told him that we had 200
15 people working for us and 199 of them knew you had
16 appendicitis. And I asked him, if he knew what the word
17 appendicitis was and what the words hernia was.

18 Q. In Spanish?

19 A. In Spanish.

20 Q. All right.

21 A. The words hernia was hernia. The word for
22 appendicitis is apendicitis. So he couldn't have got it
23 mixed up. The man had to give him the wrong information.

24 Q. Did they abandon the claim?

25 A. That afternoon, about three o'clock I got a fax.

1 Q. During the time that you operated the L & L Services
2 and WLL, were all valid workers' compensation claims paid?

3 A. Yes, they were.

4 Q. Did L & L Services lose their workers' compensation?

5 A. Sir?

6 Q. Did L & L Services lose their compensation
7 insurance?

8 A. No, sir. We did when we didn't pay it on WLL, but
9 that was only a short period of time.

10 Q. And there were no claims made during the time?

11 A. No, sir. The company wasn't working at that time.

12 Q. All right. Going through this, after workmen's
13 comp., what's the next item?

14 A. Where did we stop at?

15 Q. Workmen's comp.

16 A. Employers share local -- Social Security and
17 Medicare taxes.

18 Q. Is that what you got behind on?

19 A. Yes, sir, that is what we got behind on.

20 Q. Unemployment, what does that mean?

21 A. Sir?

22 Q. What's unemployment?

23 A. Well, I reckon they could put in for unemployment,
24 you know, if you lost your job. I had free rent, free
25 electricity, free water. Transportation was \$15 a week.

1 Q. Hold on a second. All right. Transportation, \$15 a
2 week, is that what you charged people that used the
3 transportation?

4 A. Yes, sir.

5 Q. What's the next item?

6 A. Minimum hourly rate, \$6. At that time, the minimum
7 wage was \$5.15.

8 Q. Did you pay some people more than \$6?

9 A. Some people got as high as \$12.

10 Q. Okay.

11 A. That had special talent, you know.

12 Q. Next?

13 A. Overtime pay that -- well, half per hour. That
14 means we paid time-and-a-half, you know. If you was getting
15 \$6, then you got half of \$6 again in overtime.

16 Q. And did you pay that with at least the permanent
17 employees, permanent people you had on the payroll?

18 A. Yes, sir.

19 Q. All right. We already talked about it, so I won't
20 talk about it. What do you have here, company charges
21 clients?

22 A. That's what we charged. We charged -- we charged
23 the people that we worked for \$10 an hour. And we charged
24 \$12.50 an hour for overtime. We didn't charge them
25 time-and-a-half because we wanted them -- to give them more

1 work. That would give us enough to pay the overtime that we
2 needed to pay the workers. And restaurants, we charged them
3 \$9.50, but we had an agreement with the restaurants that they
4 could eat because I knew they were going to eat. I just
5 didn't want no rigmarole about people stealing food and all
6 that.

7 Q. Mr. Limehouse, I want to show you a document that's
8 titled L & L Services, LLC, customer contact list. It's
9 dated it, looks like, May 12th, 2004. Tell me, what is that?

10 A. That's a list of our customers.

11 Q. Is that something you maintained as a business
12 record?

13 A. Yes, sir.

14 MR. CISA: Your Honor, I would ask this be
15 introduced into evidence as, I think it's Plaintiff's Exhibit
16 3.

17 MR. HOOD: No objection.

18 THE COURT: It's admitted.

19 (Plaintiff's Exh. 3, List of Customers, is moved
20 into evidence.)

21 BY MR. CISA:

22 Q. Mr. Limehouse, approximately how many customers did
23 you have?

24 A. Somewhere between 200 and 250. I haven't counted
25 them.

1 Q. I'm not going to show this entire list, but I want
2 to give -- do you see that?

3 A. Yes, I can see it.

4 Q. What types of businesses were these, Mr. Limehouse?

5 A. Sir?

6 Q. What types of businesses -- what businesses were
7 these? Take a look at the list.

8 A. We had all types of businesses. We had golf
9 courses. We had yacht clubs. We had construction companies.
10 We had plumbing companies. We had electricians' companies.
11 We had -- any kind of company that you could think of, we
12 had, just about.

13 Q. How did you bill your customers? How often did you
14 bill your customers?

15 A. Every week.

16 Q. Weekly billing?

17 A. Yes, sir.

18 Q. I want to show you a document called L & L Services,
19 LLC, transaction detailed by account, January 1st through May
20 1st, 2004. What is that?

21 A. It looks like money we put in the bank.

22 Q. Is it a list of deposits that you made from various
23 customers from January 1st through May 1st, 2004?

24 A. Yes, it is.

25 MR. HOOD: Your Honor --

1 BY MR. CISA:

2 Q. Is that a business record of yours?

3 THE COURT: Just a moment.

4 MR. HOOD: I will wait until he offers it.

5 BY MR. CISA:

6 Q. Is that a business record of L & L Services, LLC?

7 A. Yes, it is.

8 MR. CISA: Your Honor, I would ask that this be
9 introduced into evidence as Plaintiff's Exhibit 4. And I can
10 hand you up a copy, Judge, so you can see what we are talking
11 about.

12 THE COURT: Sir?

13 MR. HOOD: I do have an objection. If this is what
14 I believe it is, I just received this on Saturday. So I
15 don't know the foundation of the information contained
16 therein.

17 MR. CISA: Well, I can explain that, Judge. I don't
18 know if you want me to explain it at the bench.

19 THE COURT: Sure.

20 MR. CISA: Maybe I will come up.

21 (Whereupon, a bench conference takes place.)

22 THE COURT: Let's get everybody to settle down.

23 BY MR. CISA:

24 Q. Pursuant to your instruction, I will have it marked
25 as Plaintiff's Exhibit 3 (sic) for ID only at this time.

1 THE COURT: Yes, sir.

2 (Plaintiff's Exh. 4, List of Bank Deposits, was
3 marked for identification.)

4 BY MR. CISA:

5 Q. Plaintiff 4 for ID at this time, that represents
6 what?

7 A. That's deposits we made to the bank.

8 Q. For what time frame? Look at the top.

9 A. 1 -- January 2, '04 to April the 30th, '04.

10 Q. Is that a business record that is maintained under
11 your supervision and controlled? Is that a business record
12 of yours, Limehouse Services?

13 A. Yes, it is.

14 Q. Mr. Limehouse, has Mr. Hulsey ever called you to
15 apologize?

16 MR. HOOD: Objection, Your Honor. That would be
17 improper for him to call someone that's represented by
18 counsel.

19 MR. CISA: I will ask it this way.

20 MR. HOOD: It's an improper question as well.

21 BY MR. CISA:

22 Q. Has Mr. Hulsey ever apologized?

23 MR. HOOD: Can I get a ruling?

24 THE COURT: I sustain the objection.

25 BY MR. CISA:

1 Q. Has Mr. Hulsey ever said anything to your attorney
2 to apologize?

3 A. Can I answer?

4 MR. HOOD: Your Honor --

5 THE COURT: I sustain both objections.

6 BY MR. CISA:

7 Q. Let me ask you this. Mr. Limehouse, do you know if
8 Mr. Hulsey had a website back on April 24th, 2004?

9 A. Yes, he did.

10 Q. Did you look at his website after that article came
11 out on April 24th, 2004?

12 A. I looked at it some time. I don't remember when it
13 was. But on his website he had a place where you could --
14 I'm not all that good with computers, and I surely wasn't
15 back then. But you could punch and it would bring up the
16 article with the Tony Soprano in it. Now, we had already had
17 a federal judge --

18 MR. HOOD: Your Honor, I would object to the hearsay
19 regarding -- I think this is one of the matters that was in
20 my preliminary motion filed with the Court.

21 THE COURT: Objection sustained. And the answer is
22 not responsive to the question.

23 BY MR. CISA:

24 Q. Don't tell me what the federal judge said. Okay?

25 A. All right. We applied for a protective order

1 against --

2 MR. HOOD: Your Honor, I'm going to object to him
3 trying -- the testimony he's trying to elicit is hearsay.
4 It's immaterial, but it's also a 403 situation.

5 THE COURT: Objection sustained.

6 BY MR. CISA:

7 Q. Tell me what the website said. Let me ask you this
8 way. Is this a copy of the website you are talking about,
9 what you are talking about on the website?

10 A. Yes, sir.

11 Q. Was the website linked to the April 24th, 2004,
12 article?

13 A. This was his website and all it says is, click here
14 to view complete article on Charlestonnet. It doesn't say
15 what article. When you clicked on it, the Tony Soprano
16 article came up.

17 Q. How long did that run on Paul Hulse's website?

18 A. Over three years.

19 Q. Had you moved for a protective order in federal
20 court?

21 A. We did.

22 MR. HOOD: Your Honor, I'm going to object to the
23 same question that's already been objected to. It's
24 sustained. And move to strike the witness's response before
25 he let me finish my objection.

1 THE COURT: All right.

2 MR. CISA: Well, he's not testifying to what anybody
3 said. He's just saying that they did file a motion for
4 protective order before. I just want to get that in. And
5 I'm asking what it pertained to. I don't think that's
6 hearsay. And it's what he did.

7 THE COURT: Ladies and gentlemen, I will have you go
8 to the jury room for a few moments. Please do not discuss
9 the case.

10 (Whereupon, the jury leaves open court at 10:45
11 a.m.)

12 THE COURT: Mr. Hood?

13 MR. HOOD: Your Honor, first of all, pleadings,
14 motions, judicial proceedings are all hearsay.

15 Number two is, he's attempting to elicit testimony
16 that he moved for a protective order. And then the reason I
17 suspect this is because we've had obviously a trial before,
18 and that in Mr. Limehouse's opinion, the defendants failed to
19 comply with the court order, which is very much an issue that
20 we dispute, but immaterial to the issue here today.

21 So it's irrelevant. It's hearsay. It's unduly
22 prejudicial. And we would request Your Honor to sustain the
23 objection and instruct the witness not to discuss what
24 motions were filed, what the judge said, or what orders were
25 generated, any of that material related to the subject

1 matter.

2 MS. DURAND: I might add something first. I was
3 actually present at that hearing in front of Judge Houck.
4 And there was a motion for a protective order. It had
5 nothing to do with a website. And there was never any
6 protective order issued. It only had to do with further
7 statements to the press. And there was never any order
8 issued. It was just agreed by the parties that there would
9 be no further statements to the press. No website or
10 anything about that was ever discussed. And it was
11 specifically discussed with one of the other lawyers that if
12 there was anything that had already been done, anything
13 already out in the public domain, that that wasn't going to
14 create any further issue. And so, clearly, that doesn't have
15 anything to do with the website here in question, Your
16 Honor.

17 MR. CISA: I partly agree with him, Judge. I've got
18 a transcript of the hearing.

19 THE COURT: You agree with who?

20 MR. CISA: I partly agree with some of the stuff
21 they are saying. I wasn't going to go as far as they think
22 I'm going to go.

23 THE COURT: It wasn't where you wanted to go, but to
24 hear Mr. Limehouse is anxious to say certain things,
25 regardless of your question.

1 MR. CISA: My question is going to be simply this:

2 Mr. Limehouse, did you move for a protective order in the
3 class action suit relative to this April 24th article? And
4 he's going to say yes or no. I'm not going to --

5 THE COURT: Well, he hasn't answered any questions
6 yet yes or no.

7 MR. CISA: I know, but I'm going to instruct him
8 right now, Judge. You can't say, Weston Houck ordered him
9 not to do that anymore. You can't say that Weston Houck said
10 no good self-respecting lawyer would do anything like that.
11 Can't say any of that.

12 It's going to be one simple question: Did you move
13 for a protective order in the federal court class action suit
14 concerning this article of April 24th?

15 THE WITNESS: I'm going to go yes.

16 MR. CISA: That's it. You can't say what Judge
17 Houck said to Mr. Hulsey. That's the only thing I'm going to
18 do, Judge. I'm not going to bring in -- I don't think he can
19 testify to what the judge said. I think that's hearsay. But
20 he can testify that he was concerned and they moved for a
21 protective order in the class action lawsuit concerning this
22 article. That's the extent of it, but I'm not asking for
23 hearsay.

24 THE COURT: Mr. Hood?

25 MR. HOOD: The lawsuit that we are here today about

1 are four sentences that are published in the April 24th
2 article, not about whether a protective order were issued or
3 violated or anything related thereto. So the issue of
4 whether he asked for protective order or not, Your Honor, is
5 in my opinion, completely irrelevant, completely misleading,
6 and would likely lead to confusion of the jury and is unduly
7 prejudicial.

8 He asked these questions in context of a website as
9 well. As Ms. Durand eluded to, the website, first of all,
10 there was no communication on the website in violation of any
11 order, nor was the website part of any order. So we are far
12 afield. We are talking about pleadings that are excluded,
13 should be excluded as hearsay, that the prejudice can't be
14 undone. And even the one question that he asked requires the
15 defendants to respond to it in some fashion to put it into
16 context.

17 MR. CISA: I'm not asking the pleading be introduced
18 into evidence. But I am going to ask the Court to introduce
19 this picture of the website in evidence. And although the
20 Court has instructed me, and I understand the Court's ruling,
21 that we are not dealing with punitive damages, net worth
22 issues, but this goes to duration of conduct. And if I could
23 get to the jury on punitive damages, it needs to be in the
24 record now or I will have to, you know, bring Mr. Limehouse
25 back up.

1 But I'm not seeking to put a pleading in the record.
2 I'm just asking him what happened, nothing more, no hearsay.
3 And then I'm going to move for the introduction of the
4 website that he's identified. It clearly says, click here to
5 view the complete article on Charleston.net. And that would
6 go, Judge, if I could get punitive damages, to the duration
7 of the conduct.

8 THE COURT: Well, let me say this, and this is
9 because it seems to affect all the parties. It seems as if
10 everyone wants to argue everything whether the Court requests
11 an argument or not.

12 As a rule, there are to be no arguments on
13 objections unless requested by the Court. If Mr. Hood says
14 something, you say something, someone else says something
15 without the Court requesting, and in about five or six
16 instances, I have already made up my mind as to ruling, and
17 just had an extra waste of time with all these additional
18 arguments unsolicited by the Court.

19 I sustain the objection -- I'm sorry. I overrule
20 the objection. I think it's an appropriate question. Goes
21 to his state of mind as to whether he thought he was being
22 harmed and what, if anything, he sought to do to protect
23 himself concerning it.

24 So as to the limited question and his answer yes or
25 no, the objection is overruled.

1 MR. CISA: Judge, I don't know if there's an
2 objection to the admissibility of this, do you want to deal
3 with that now? Do you all object to the admissibility of
4 this?

5 MR. HOOD: I do. This page, if there's going to be
6 an issue about duration of conduct, that that would be
7 relevant in terms of punitive damages. So we do object to
8 this at this time. And on the fact that this is an
9 incomplete version, and if the website is being presented,
10 then all of the website should be made available so that the
11 jury can see what the website, in fact, looked like.

12 THE COURT: I overrule that objection. It's
13 admissible.

14 MR. CISA: Thank you, Your Honor. I think I got
15 it.

16 THE COURT: We will take a two-minute break.

17 THE WITNESS: Can I answer that one or no?

18 (Plaintiff's Exh. 5, Screenshot of Website, was
19 marked for identification.)

20 THE COURT: Let's bring the jury.

21 (Whereupon, the jury returns to open court at 10:58
22 a.m.)

23 THE COURT: Objection is overruled. You may
24 proceed.

25 MR. CISA: Thank you, Your Honor.

1 BY MR. CISA:

2 Q. Mr. Limehouse, did you move for a protective order
3 in the class action lawsuit pending in federal court over
4 this article April 24th, 2004?

5 A. Yes, we did.

6 Q. All right.

7 MR. CISA: Your Honor, I would ask that -- I've had
8 the snapshot of the website marked as Plaintiff's Exhibit 5.
9 And I would move this into evidence.

10 THE COURT: Mr. Hood?

11 MR. HOOD: Just the same basis of completeness and
12 also the appropriateness at this time.

13 THE COURT: It's admitted.

14 (Plaintiff's Exh. 5, Website snapshot, moved into
15 evidence.)

16 BY MR. CISA:

17 Q. Let me show you this, Mr. Limehouse. Mr. Limehouse,
18 you see right here where it says, click here to view the
19 complete article; do you see that?

20 A. Yes, sir.

21 Q. Is that where you are talking about that you click?

22 A. Yes, sir.

23 Q. And when you click there, what pops up?

24 A. The Tony Soprano article.

25 Q. How long did you observe this on Mr. Hulsey's

1 website?

2 A. It was on there for over three years.

3 MR. CISA: Your Honor, I don't have any further
4 questions of Mr. Limehouse at this time.

5 THE COURT: Cross-examination.

6 CROSS-EXAMINATION

7 BY MR. HOOD:

8 Q. Hello, Mr. Limehouse.

9 A. Yes, sir.

10 Q. If for some reason you can't hear one of my
11 questions --

12 A. I will just ask you again.

13 Q. I'll speak as loud as I can. I don't want you to
14 feel like I'm screaming at you.

15 In the world of temporary labor, are you familiar
16 with the term coyote?

17 A. Yes, sir, I am.

18 Q. A coyote is someone that typically brings someone
19 into the country illegally, right?

20 A. Right.

21 Q. From time to time, L & L Services, LLC used coyotes
22 to bring people to work for them, didn't they?

23 A. We did not use coyotes.

24 MR. HOOD: May I approach?

25 THE COURT: Yes, sir.

1 BY MR. HOOD:

2 Q. I'm handing you your deposition dated June 20th,
3 2005. Start at line 16. Will you read the question and
4 answer please?

5 A. Sir? You've got to look at me.

6 Q. Would you read the question and answer there please?

7 A. Number 16?

8 Q. Yes, sir.

9 A. Well, I don't know who is asking the question, but:
10 I just want to make sure. Some companies have recruiters or
11 guys called coyotes or other things that bring workers to
12 companies. I just want to make sure you didn't have any
13 situations like that.

14 We probably did have coyotes bring us people.

15 Q. Thank you, sir. And the people that you are
16 referring to are workers who would come from, whether it be
17 Mexico or some other country, who were looking for work in
18 the US, right?

19 A. Yes.

20 Q. Now, you mentioned yesterday during your testimony
21 some programs to the federal government where you -- I think
22 you had 70 workers from Mexico one year and 30 or 40 from
23 Ecuador --

24 A. 40 from Ecuador.

25 Q. -- the following year. Those were the first two

1 years you were in business as L & L Services, right?

2 A. No, they weren't.

3 Q. When were those?

4 A. Probably '1 and '2, 2001 and '2.

5 Q. And then after that, and in addition to that, you
6 relied on local folks or people through word of mouth who
7 would come to L & L Services, right?

8 A. Most of our people wind up coming from brothers and
9 uncles and dads and people that were kin to one another. You
10 know, somebody would be in Columbia and his brother would be
11 down here working, and he would call it. They all had mobil
12 phones. He'd call him and say, I lost my job in Columbia.
13 And his brother say, come on down here to Charleston. We
14 worked mostly family or people from certain areas. You
15 understand what I'm saying? In other words, one little town
16 we have maybe 15 guys from there, or we have an extended
17 family, brothers, uncles, dads, people like that.

18 Q. I think you testified earlier that over time, L & L
19 Services had 500 people through its course?

20 A. All along, yes. That is not -- we didn't have them
21 at any one time, no.

22 Q. I understand. And you had 70 plus 40 from this
23 government program, right?

24 A. That's two years in a row, yeah.

25 Q. So you had 110 through the government program and,

1 say, 390 through word of mouth?

2 A. Of all that 500, yeah.

3 Q. And the word of mouth, you testified earlier
4 Plaintiff's Exhibit No. 2, was your company, L & L Services
5 would provide this list of things to people that were to come
6 come work for it, right?

7 A. Yes.

8 Q. If a worker -- like any job advertising placement or
9 job opportunity say, we've got 401K, we've got full medical,
10 whatever the benefits are, and that's what you laid out here,
11 right?

12 A. Yes, sir.

13 Q. You didn't have an obligation say to provide housing
14 for these folks, did you?

15 A. No, sir. We did not have an obligation -- well, we
16 had a personal obligation, yes, sir.

17 Q. You weren't obligated under any sort of law to
18 provide a house, were you?

19 A. There was no law saying that we had to keep, you
20 know, keep them in houses, no.

21 Q. But you voluntarily decided to do that?

22 A. Yes, sir, we did.

23 Q. And you would agree that as a businessman, once you
24 assume that responsibility, you have an obligation to make
25 sure that the housing you are providing is livable?

1 A. Yes, sir.

2 Q. All right. Now you've talked with your lawyer a few
3 minutes ago and yesterday about some of these housing issues.
4 And I want to go back and ask you a few questions about that.
5 I'm going to try to give you an idea of where we are going.
6 So first I want to concentrate on housing issues. Okay?

7 A. Okay, sir.

8 Q. Now, how many houses did L & L Services actually
9 provide to its laborers?

10 A. I don't know the exact number.

11 Q. Were you ever able to find those leases?

12 A. They might be over in the stuff that the government
13 took. I don't know.

14 Q. You haven't seen those?

15 A. I hadn't looked at any, no.

16 Q. As we sit here today, do you know how many houses
17 you had under rent, let's say in 2003?

18 A. We probably had in excess of 20 at one time.

19 Q. Do you know where those houses are?

20 A. I could take you to probably every one of them, but
21 I don't know the addresses.

22 Q. Okay. And is that because you would go to these
23 houses from time to time to check on the condition?

24 A. No, sir, that was because -- probably because I
25 carried, you know, some laborer home that was working late,

1 or something like that, but I knew where the houses were.

2 Q. Did I understand your testimony yesterday that you
3 didn't know who was living where?

4 A. That's correct.

5 Q. And if you didn't keep track of who was living
6 where, how would you know how many houses you needed?

7 A. We always had more houses than we needed.

8 Q. Well, how would you know that if you didn't know
9 where people were living?

10 A. Well, we let people stay wherever they wanted to
11 stay. In other words, we didn't assign them houses until
12 North Charleston said we had to assign them. And we assigned
13 them, we still had room to put other people.

14 Q. My question though is, if you don't know where
15 people are, how can you decide how many houses you need to
16 rent?

17 A. Well, we just rented houses, that's all. Nobody was
18 complaining about not having enough housing. So we probably
19 had more than we needed.

20 Q. Well, let's pull up Exhibit Number 1 please. This
21 is a February 11th, 2004, article that you've talked about
22 with Mr. Cisa this morning. Right?

23 A. Yes, sir.

24 Q. And the article describes the overcrowding
25 conditions in the houses that you had rented, right?

1 A. Right. It says we had 31 people in two houses.

2 Q. And you agree that that is overcrowded?

3 A. I certainly do.

4 Q. And you agree that that's a violation of the city
5 codes?

6 A. I do.

7 Q. And you agree that L & L Services, at least at this
8 time, was failing to comply with the local rules about
9 housing?

10 A. Yes.

11 Q. And at this time, L & L Services was failing to
12 provide its clients -- excuse me, its employees good, fair,
13 livable houses as advertised?

14 A. Well, what we had, we had enough houses to house
15 everybody legally, but they didn't -- a lot of them wanted to
16 live together because they were in a large family or they
17 came from one little area, one little town in Mexico. But we
18 didn't assign houses. We let them go wherever they wanted to
19 go.

20 Q. Now, you said that a number of times how they wanted
21 to stay in the houses together. Do you know about the 19
22 people in one of these houses that's reported whether they
23 were all from the same town?

24 A. Say that again now.

25 Q. Sure. Let me just direct you to the first paragraph

1 of that article, if we could blow that up?

2 A. I can't read that right.

3 Q. He's going to make it bigger for you. Can you see
4 that?

5 A. Yes, sir. Yes, sir.

6 Q. There it describes 19 men and women living in one
7 home including five men sleeping in a storage shed in the
8 backyard.

9 A. Yes, sir.

10 Q. Do you know who those 19 men and women were?

11 A. No, sir.

12 Q. Do you know if they are all from the same village?

13 A. No, sir, I don't. I don't even know whether they
14 worked for me or not.

15 Q. In terms of -- I mean, you are the owner the
16 company. The buck stops with you, right?

17 A. Sir?

18 Q. You were the owner of the company?

19 A. Right.

20 Q. The buck stops with you?

21 A. Yes, sir.

22 Q. So in terms of whether you knew this or not, you
23 should have known it, shouldn't you?

24 A. Well, we didn't assign them to houses. We let them
25 stay wherever they wanted to. That's what it amounted to.

1 Q. Five people in a shed in February; you see that?

2 A. No, I don't see that.

3 Q. This article came out on February the 11th, 2004,
4 right?

5 A. Yes.

6 Q. The raid took place the day before, correct?

7 A. Yes, sir, apparently.

8 Q. The raid was on February 10th, right?

9 A. I don't see any dates.

10 Q. Okay. Well, it says, early Tuesday morning, and the
11 newspaper article is published on Wednesday.

12 A. Sir?

13 Q. Look at the first paragraph please.

14 A. Right.

15 Q. It says, early Tuesday, describing when the raid
16 occurred. And that was the day before this newspaper article
17 came out, right?

18 A. I would think so.

19 Q. So you had five men or -- five men sleeping in a
20 storage shed in the backyard in February; is that right?

21 A. Yes, sir.

22 Q. Do you think that that is living up to providing
23 fair, reasonable, livable housing to your employees?

24 A. I had other housing that they could have gone to.
25 They chose not to go.

1 Q. Do you believe those conditions that are described
2 in that one sentence are acceptable?

3 A. Say that again.

4 Q. Do you believe the conditions that are described in
5 that sentence are acceptable?

6 A. No, I don't.

7 Q. Might be easier to go to archive print. All right.
8 This is the print that hopefully will be a little bit easier
9 to follow. Do you see in the paragraph that starts next
10 paragraph down, "at both houses?" It says: At both houses,
11 investigators found documents, including pay stubs, work
12 schedules and identification cards that link the residents,
13 both of them Hispanic, to a temporary staffing agency that
14 provides housing, transportation and jobs, paying about \$6 an
15 hour. Do you see that?

16 A. Yes.

17 Q. And the next sentence down, or excuse me, next
18 paragraph down, is the first time that L & L Services is
19 identified; is that right?

20 A. Sir?

21 Q. Is that the first time L & L Services is identified
22 in the newspaper, this next sentence?

23 A. Probably.

24 Q. Before that, had you ever been in the newspaper
25 about anything?

1 A. No, sir.

2 Q. And in this, it says that North Charleston
3 officials, including Mayor Keith Summey, said the city's goal
4 is to make sure no one is exploited or put in danger; is that
5 right?

6 A. That's correct.

7 Q. Now, did you -- let's go down two more paragraphs.
8 Mayor Summey is quoted again. It says, what we are doing is
9 finding the gentlemen who runs this service, finding out how
10 widespread this is, and looking to see if there are any
11 federal or state statutes that are broken, Summey said. Do
12 you see that newspaper article?

13 A. Yes, I saw it.

14 Q. Did you have any conversations with Mayor Summey?

15 A. No, I didn't.

16 Q. Did it give you concern that the mayor of North
17 Charleston was speaking out against these housing practices?

18 A. Well, we weren't breaking any state or federal
19 statutes that I knew of.

20 Q. You were violating the housing statutes, were you
21 not?

22 A. We did.

23 Q. And it turns out you were violating federal wage
24 laws too, weren't you?

25 A. Yes, sir.

1 Q. And found out that you were violating IRS rules too,
2 right?

3 A. Yes, sir.

4 Q. Found out you were violating workers' compensation
5 rules too, right?

6 A. Yes, sir.

7 Q. So you were, in fact, violating local, state and
8 federal laws, were you not?

9 A. Yes, sir, but not in any way related to the houses.
10 That's what you are asking me about.

11 Q. In terms of the way the business was being run?

12 A. In terms of the way the business was being run, yes,
13 sir.

14 Q. At this time, in the newspaper article, the first
15 one, you were in violation of state, local and federal
16 laws?

17 A. Yes, sir.

18 Q. Let's look at the next paragraph please. It says --
19 I think you cut it off. If we could maybe just click out and
20 rezoom so we don't lose that side.

21 All right. So we were looking at paragraph
22 next-to-last one on that page. There we go. Can you read
23 that one, sir?

24 A. Yes, sir.

25 Q. In that last sentence, you say -- your quote or you

1 are attributed with the statement that: All his employees,
2 Limehouse said, are in the country legally.

3 A. Yes, sir.

4 Q. And that is what you told James Scott?

5 A. Yes, sir. I think that's what I told him. I don't
6 see any italics, but I probably told him.

7 Q. Next paragraph says, "'We don't have any labor
8 issues', Limehouse told the Post and Courier. 'We rent legal
9 houses, livable houses. I don't require anyone to stay here;
10 don't charge them if they do.'"

11 Correct?

12 A. That's correct.

13 Q. Two things, one is, James Scott was contacting you
14 to provide a comment, right?

15 A. Probably so, I didn't call him.

16 Q. And he was doing the -- was it your understanding
17 that he was investigating this raid for the purposes of
18 publishing the newspaper article?

19 A. Right.

20 Q. And so he called you and asked you what your side of
21 the story was?

22 A. Right.

23 Q. And you took that opportunity to tell him what your
24 side of the story was?

25 A. Right.

1 Q. And you said, we don't have any labor issues, right?

2 A. No, we didn't.

3 Q. That's not true, is it?

4 A. I don't see -- how is it not true? We had people
5 working.

6 Q. You weren't paying them overtime?

7 A. Nobody was complaining.

8 Q. You weren't paying them overtime, were you?

9 A. Well, we got that straight before this article came
10 out.

11 Q. You had that straight in February 11th, 2004?

12 A. No. I'm sorry. We got it straight before the Tony
13 Soprano. It was after this, but we got it straight and we
14 paid them.

15 Q. At this time, sir, on February 11th --

16 A. At this time, we were wrong, yes, sir.

17 Q. I'm going to make a deal with you. I'm going to let
18 you answer the whole question any way you want if you just
19 let me finish the question. The court reporter has got to
20 type it all up. And she can't type with both of us talking
21 at the same time.

22 This quote here says, "We don't have any labor
23 issues." That turns out not to be true, correct?

24 A. Turns out not to be true, Yes.

25 Q. "We rent legal houses," that turned out not to be

1 true, right?

2 A. That was true.

3 Q. Legal houses?

4 A. Yes, sir.

5 Q. The houses were legal. They just weren't allowed to
6 have that many people in them?

7 A. Right.

8 Q. Livable houses?

9 A. Yes, sir.

10 Q. That wasn't true, was it?

11 A. That was true. We had -- we rented livable
12 houses.

13 Q. What about Hester Street?

14 A. Hester Street, there were two houses there. One of
15 them sewage started bubbling up in the street. We didn't
16 know anything about it. The city either came by and saw it
17 or somebody reported it. And they told the landlord he had
18 to straighten it out. He didn't straighten it out, so they
19 come by and closed the house down. While they were doing it,
20 they walked next-door. And where the power lines run into
21 the house, the main cable had come loose. And they closed
22 that one down. We moved everybody out of the those two
23 houses that same day.

24 One of those houses had five apartments in it, had
25 five meters on the wall. The other one had four. I don't

1 know whether it had any more than that, but I know it had
2 four, and it had four meters on the wall.

3 Q. We will come to the article in just a minute that
4 talks about that. Let's look at the next page. It's a
5 continuation, same article from February 11th, page 2. In
6 the second or third paragraphs there, it says, "Inspectors
7 found 16 men and 3 woman lived in four-bedroom two-bath
8 house. Inspectors also found cots scattered throughout most
9 of the rooms, as were refrigerators, cooking supplies and
10 clothing."

11 And next paragraph says, "'A family of five, a
12 husband, wife, two sons and a daughter, lived above the
13 two-car garage in a makeshift room where bed sheet was hung
14 to provide privacy around one of the beds,' inspector said.
15 Five men were also discovered sleeping in a small storage
16 shed behind the home."

17 When this description that I just read came out in
18 the newspaper, do you believe that harmed the business
19 reputation of L & L Services?

20 A. It didn't cost us any business.

21 Q. Do you believe it harmed the business?

22 A. I don't think it did it any good, no, but we didn't
23 lose any business over it.

24 Q. Did you have any concern personally that you were
25 being quoted in the newspaper article as being the owner of a

1 company who had rented houses and had this number of
2 employees living in it?

3 A. Yes, but we had a lawyer by the name of Dennis Rhoad
4 and Dennis Rhoad told us --

5 Q. I said I was going to let you answer, but I'm going
6 to stop you and I'm going to object to hearsay. But the
7 judge is in charge of objections.

8 THE COURT: Restate the question.

9 MR. McCULLOUGH: Sure.

10 BY MR. HOOD:

11 Q. I don't know what the question was. I have no idea
12 what the question was. So the conditions described in these
13 two paragraphs I've just read, did that cause you emotional
14 harm to know that your employees were being treated that way?

15 A. I did something about it as quickly as could be
16 done.

17 Q. I know that's your testimony. My question is a
18 little bit different. Did it cause you -- did it hurt you to
19 know that these employees were living like this?

20 A. Yes, it did.

21 Q. And did you think that that would hurt your
22 reputation in the community as well?

23 A. Well, I didn't think about it, to tell you the
24 truth.

25 Q. All right. Let's look at the third paragraph from

1 the bottom. There's a quotation attributed to John
2 Derbyshire, who was the owner of the property, where he says,
3 "'If I would have had any inkling of what was going on, I
4 would have evicted them,' said Derbyshire, adding that he
5 plans to speak with his attorneys about options. 'I don't
6 buy houses to rent them like that.'"

7 Were you concerned that the owner of the property,
8 the person who was the landlord, was describing this
9 situation in this caption?

10 A. I was concerned about what?

11 Q. Were you concerned that the landlord,
12 Mr. Derbyshire, was talking in the newspaper about if he had
13 known how bad the conditions were and what was happening, he
14 would have evicted you as the tenant?

15 A. It didn't concern me because we had more houses than
16 we needed.

17 Q. So you could have moved these people in other
18 houses?

19 A. Yes, sir.

20 Q. We are still talking about housing, Exhibit Number
21 2. This is from February 12th, 2004, the next day.

22 A. Yes, sir.

23 Q. And this article was titled Temp Agency Faces
24 \$10,050 in City Fines, right?

25 A. I can't read this, whatever you've got here.

1 Q. Well, let's --

2 A. I see it. Okay. Yeah, \$10,050.

3 Q. This article sort of restates some of the things we
4 heard from the previous day. And I want to go to the second
5 page if we could, where the North Charleston building
6 director, Darbis Briggman -- did you ever have any
7 interaction with him?

8 A. Yes, sir, I talked to him.

9 Q. Let's look at the first paragraph. Darbis Briggman
10 was quoted in the paper, said, "We are going after the rest
11 of these staffing agencies and any contractors out there who
12 are bringing folks in to work on job sites and not abiding by
13 the law."

14 In your conversation with Mr. Briggman, did you
15 discuss bringing workers in and not abiding by the law?

16 A. No, sir, I didn't.

17 Q. Did it cause you any concern that the official from
18 North Charleston building director was making a statement
19 that they were expanding the search or expanding their
20 efforts as a result of L & L Services's conduct?

21 A. Apparently, he was looking for other people.

22 Q. Did that give you any concern for --

23 A. No, sir, it didn't. Mr. Briggman and I talked
24 about -- all we talked about was how many people should be in
25 each house and how soon we could get them moved.

1 Q. Let's look at the last column there. Third
2 paragraph that starts with "we will". This is Kurt Taylor,
3 who was a councilman. Do you know Kurt Taylor?

4 A. Sir?

5 Q. Do you know Kurt Taylor, a councilman?

6 A. No, Not to my knowledge.

7 Q. He was quoted as saying, "We will do all we can to
8 put a stop to this. People should not be forced to live in
9 conditions like that regardless of their economic status."

10 A. Well, number one -- I'm sorry. Go ahead.

11 Q. So my question is, did it give you concern for L & L
12 Services to know that the councilman and the mayor and the
13 building director were all looking at the condition in which
14 L & L treated its employees?

15 A. I didn't assign any person to any house until North
16 Charleston told me I had to. I didn't -- these people were
17 on their own accord. In other words, I didn't direct them to
18 move into houses like that. And I had more houses than I
19 needed. As you stated, we had -- how did I figure? I just
20 kept more than I needed. This is like when you are going
21 duck hunting, you don't carry three shells. You carry a
22 pocket full.

23 Q. I carry two boxes, actually, but only shoot my
24 limit.

25 All right. Now, I hear what you are saying, but my

1 question is different. My question is whether having all of
2 these people, the mayor, councilman, the building, the town
3 director, talking about the way L & L Services is being
4 portrayed in the newspaper caused harm to L & L Services's
5 reputation?

6 A. Well, it didn't cost us any business, that's the
7 first thing. Second thing is, I didn't put people in any --
8 they went into any house they wanted to go into. And we had
9 more houses -- we kept more houses than we needed.

10 Q. Well, how many people did you have living in houses
11 at any given time?

12 A. Sir?

13 Q. How many people did you have living in houses at any
14 given time?

15 A. We had probably -- well, I know how many we had down
16 here over in the country. We had 85 living in the camp. So
17 that would leave probably 115, something like that.

18 Q. So pretty much all of the people working for you
19 were in some of your houses?

20 A. Sir?

21 Q. Pretty much all of the people working for you were
22 in some of your houses?

23 A. Some didn't, no. Some didn't want to stay at my
24 houses. Some had their own houses. Some had wives and kids
25 and they wanted to have their own place.

1 Q. My question then, do you have any idea how many
2 employees you had living in L & L Services's homes?

3 A. Probably 100, 115, something like that.

4 Q. And you had 200 employees, right?

5 A. Yeah.

6 Q. All right.

7 A. Now, all of them didn't live with me.

8 Q. Let's back up. My only question is, do you know how
9 many people did?

10 A. I did not. I do not.

11 Q. In terms of whether you had extra houses or not, you
12 are just assuming that you did, right?

13 A. We had houses that were empty.

14 Q. Which ones?

15 A. We had two trailers that -- on this side of
16 Summerville that were empty.

17 Q. Is that where Mr. Flores was sent?

18 A. Well, we said he could go there if he wanted to.

19 Q. What other houses? He had the two trailers. Any
20 others?

21 A. Sir?

22 Q. Any others that you know of?

23 A. We had two trailers rented out that I think one of
24 them was occupied and one of them wasn't.

25 Q. Did -- you said these articles didn't cause you to

1 lose any business. I thought you lost two customers on
2 account of the housing?

3 A. That's the only two I thought I could have lost.
4 Nobody ever told me that they left on account of that. There
5 were only two people that we lost, period.

6 Q. Now, did it cause you any concern for your personal
7 reputation that you were being described as an owner of a
8 company that was getting this kind of attention in the media?

9 A. No, sir, it didn't.

10 Q. Let's look at Exhibit Number 3. I told you we would
11 come back to the Hester Street house. This was a newspaper
12 article dated February 18th, 2004. Do you see that?

13 A. Yes, sir.

14 Q. And this one is titled, Two Homes Controlled by
15 Staffing Agency Condemned in 2003; right?

16 A. Yes, sir. I already told you about those. One of
17 them had five apartments in it, and one of them had four.
18 One of them was condemned because sewer was bubbling up in
19 the yard, and the landlord wouldn't do anything about it.
20 When they came down to check that, they checked the other
21 house and the wire wasn't right. They closed that one down.
22 We moved those people that day.

23 Q. Now, your lawsuit against Mr. Hulsey is because what
24 was published in the newspaper, right?

25 A. Sir?

1 Q. You sued Mr. Hulsey because of what was put in the
2 newspaper, right?

3 A. Yes, sir.

4 Q. You don't -- you maintain that the information in
5 the newspaper wasn't true, right?

6 A. What now?

7 Q. It's your position that everything in the newspaper
8 was false, right?

9 A. No, I don't say everything is false.

10 Q. From Mr. Hulsey?

11 A. I don't understand the question. Let me try this.
12 Mr. Hulsey compared me to Tony, whatever he is, Soprano. I
13 don't think I classify in any way to be compared to Mr. Tony
14 Soprano

15 Q. All right. That's the article number nine. We will
16 come to that one in a few minutes. Let me -- and I will give
17 you a chance to comment on that. But your lawsuit is based
18 off of what was put in the newspaper, right?

19 A. Based on that article, yeah.

20 Q. And what I'm asking you about is what's put in the
21 newspaper before that article, not about the plumbing, not
22 about what you did to fix it, but about what the readers of
23 the Post and Courier would have known about you and your
24 business, right?

25 A. Right.

1 Q. And the information we've gone through so far isn't
2 too good, is it?

3 A. Sir?

4 Q. The information about L & L Services that we've gone
5 through so far is not too good, is it?

6 A. No, but it didn't affect our business.

7 Q. Did it help your business?

8 A. Some people thought that it might have because
9 people realized that we had a business that you could get
10 labor from. I mean, to some people, even bad publicity is
11 productive.

12 Q. Okay.

13 A. But if you get so bad that it's not productive
14 anymore, and that's what Mr. Hulsey did.

15 Q. Well, let's look at Exhibit Number 3. This is the
16 Hester Street house. You told us twice what happened from
17 your side of the perspective. I want to talk about what's in
18 the newspaper. Okay? Look at paragraph two. It's reported
19 in the paper that, "Charleston inspectors, tipped off by
20 neighbors' complaints of excessive trash in the yard,
21 discovered about 60 people crowded into two Wagner Terrace
22 properties in August." Right?

23 A. Uh-huh, yes.

24 Q. Next sentence says, "The city immediately condemned
25 the neighboring Hester Street houses, which inspectors said

1 were controlled by L & L services, a temporary staffing
2 agency on Ashley River Road?"

3 A. That is true.

4 Q. Now, Charleston Police Sergeant Daniel Riccio was
5 quoted as saying, "When I got the complaint last year, I saw
6 that conditions were atrocious." Do you see that?

7 A. I see that.

8 Q. "We shut both of the houses down the same day," do
9 you see that?

10 A. Yes, sir.

11 Q. So I understand your description of what happened,
12 but the way the newspaper has reported it, the police officer
13 who shut down those houses describes what he found to be as
14 atrocious?

15 A. Yes.

16 Q. Do you think atrocious living conditions would
17 comply or live up to providing reasonable housing to
18 employees, as was part of the benefits offered by L & L
19 services?

20 A. No, sir.

21 Q. And then there's a sentence attributed to you next
22 that says, "Lawton Limehouse, owner of L & L Services, said
23 it was the condition of the rental houses rather than the
24 number of people living in them that prompted Charleston
25 inspectors to condemn the homes," right?

1 A. That was true.

2 Q. So what you are saying is that it's not how many
3 people are in the house, it's just that the houses aren't
4 livable?

5 A. The city did not cite us for having too many people
6 in the houses. They cited the landowners or people that
7 owned the land than the houses. They didn't cite me. They
8 cited one for sewer and they cited one for electricity.

9 Q. If the houses had been livable, you could have
10 stayed there is what you are saying?

11 A. If the houses would have been livable, we could have
12 stayed there.

13 Q. Then the next paragraph that has a quote that's
14 attributed to you. It says, "If the houses had been fit to
15 live in, we could have cut the number of people down." Do
16 you see that?

17 A. Yes, sir.

18 Q. That suggests that, one, the houses weren't fit to
19 live in, right?

20 A. I didn't know how many people were there. If they
21 said it was too many people there, I think they would have
22 cited us for having too many people there. They did not do
23 that. If there was too many people there, we could have
24 moved some of them.

25 Q. So the first part is that, "If the houses had been

1 fit to live in," that's recognition that the houses weren't
2 fit to live in, right?

3 A. No, sir, they were.

4 Q. And the second part says, "We could have cut the
5 number of people down," meaning that if the houses had been
6 livable, you could have reduced the number of people so that
7 you could have stayed there, right?

8 A. If there were too many people there, yes, sir.

9 Q. All right. So your next sentence that's quoted from
10 you says, "The city won't condemn a house for being
11 overcrowded. They just tell you to move people out, that
12 they are not supposed to be there;" is that right?

13 A. That's true. And they didn't tell us to do that.
14 They shut the houses down.

15 Q. They didn't have to move you out because you had to
16 move out anyway, right?

17 A. Sir?

18 Q. They didn't have to move you out because you were
19 forced to move out when the house was condemned?

20 A. When they condemned the houses, we moved the people
21 that day.

22 Q. When you look at this article, this is another
23 instance where James Scott is reaching out to you to get your
24 comment on the housing situation for L & L Services, right?

25 A. Yes, sir.

1 Q. And you are communicating with him, taking the calls
2 to provide him with your side of the story?

3 A. Yes.

4 Q. And you did that so that the newspaper would at
5 least hear your side of the story, right?

6 A. That's true, but we decided later on that we
7 couldn't talk to the newspaper anymore because they didn't --
8 they weren't writing balanced articles.

9 Q. And we will get to that. And that's when you
10 declined to comment?

11 A. Yes, uh-huh.

12 Q. Now, from this article, it appears that L & L
13 Services in 2003 had a house that had not been fit to live
14 in. And if it had been, you could have reduced the number of
15 people that use it?

16 A. Yes, sir, if there were too many people there. We
17 didn't get cited for having too many people there. We didn't
18 get cited for anything.

19 Q. Let's look at the second page. That article
20 continues on to another page. And in the middle column
21 there, the first paragraph, it says, "Limehouse relocated the
22 residents to area hotels that day and avoided being hit with
23 any citations." Do you see that?

24 A. Yes, sir.

25 Q. If you hadn't moved out, you would have been cited,

1 right?

2 A. I don't know.

3 Q. Was that part of the discussion that you had with
4 the City of Charleston?

5 A. I didn't -- I didn't discuss that with them.
6 That's -- Mr. Scott said that.

7 Q. It says --

8 A. He said that.

9 Q. Says, "He said the houses, which lacked air
10 conditioning, had major plumbing issues and holes in the
11 ceilings."

12 A. Say that again.

13 Q. It says, "The houses, which lacked air conditioning,
14 had major plumbing issues and holes in the ceilings,"
15 right?

16 A. I don't know whether that's true or not. It's not a
17 quote.

18 Q. That's what it says, right?

19 A. That's what it said, but it's not a quote.

20 Q. And it's being attributed to you, right?

21 A. It is, but it doesn't -- it's not a quote.

22 Q. And I'm not asking you whether it's true or not.
23 What I want to know is if that's just what's being reported
24 in the newspaper, so that all the people that read the
25 Charleston Post and Courier are seeing how L & L Services is

1 being accused of treating its workers?

2 A. Yes, sir.

3 Q. And then the next paragraph, Sergeant Riccio is
4 quoted again as saying, "We deem them both inhabitable. And
5 the residents were, like, please help us. That's why I
6 stayed and spent the whole day there getting folks out." Do
7 you see that?

8 A. Yes, sir.

9 Q. And then in the third column, you are quoted again.
10 And it says, "Since we never charged any rent, we didn't care
11 who stayed there?"

12 A. That's true.

13 Q. If you had cared, you would know the conditions of
14 the houses, right?

15 A. Well, I furnished them houses and that's -- you
16 know, that is what I did. I didn't do any kind of inspection
17 much.

18 Q. Let's look briefly at Exhibit 4, which is still on
19 the housing topic, sir. And this was an article published on
20 February the 24th, 2004.

21 We will get to something that hopefully someone can
22 read. I'm going to try to get it bigger so it's easier to
23 see. If we scroll down to the paragraph that just starts
24 with Elvira.

25 This article, Exhibit 4, was your house on Ivydale,

1 which had previously been raided, was raided a second time,
2 right?

3 A. Yes, sir.

4 Q. And this is the one when Mr. Flores, you said, had
5 moved back into the house?

6 A. Yes, sir.

7 Q. And you were -- because of that, you were in
8 violation of the city or the local --

9 A. Yeah. We didn't know that he moved back in. He
10 moved back in on his own. And we had been directed by North
11 Charleston not to have that many people there. And he moved
12 back in with himself, his wife, his -- two of his sons, and
13 his niece. This wife and his niece at that time did not work
14 for us.

15 Q. I'm sorry. You told me about Mr. Flores, you didn't
16 know he moved back in? Is what you've just said?

17 A. No, sir.

18 Q. But somebody driving one of your vans brought him
19 back?

20 A. Sir?

21 Q. Someone driving one of your vans brought him back?

22 A. The people driving the vans drove the vans. They
23 didn't get -- in other words, they didn't tell us he would
24 come back. They didn't tell us that they brought him back.
25 He had his own vehicle too.

1 Q. Are you sure?

2 A. I'm pretty sure, yes, sir.

3 Q. Are you positive about that?

4 A. Sir?

5 Q. Are you positive about that?

6 A. Well, he took his wife to work every day. I knew
7 that.

8 Q. Do you know why he came back?

9 A. He didn't like the place in Summerville.

10 Q. Did he say that it was uninhabitable?

11 A. That's what he said.

12 Q. Would you want him to live in uninhabitable
13 conditions?

14 A. I didn't want him to live anywhere. He didn't have
15 to live with me. He could live anyplace he wanted. He could
16 have rented an apartment. He could have stayed anyplace he
17 wanted. But that is what we had. We had two trailers up
18 there for five people. If they wanted to go up there, they
19 could have. I never went up there and looked at them.
20 Elvira looked at them.

21 Q. And Elvira there is quoted as saying, "We are
22 working hard, but it's not easy in terms of relocating the
23 tenants;" is that correct?

24 A. That's true.

25 Q. All right. So --

1 A. They didn't want to be moved.

2 Q. My question is whether James Scott contacted L & L
3 services to get a quote and spoke to --

4 A. Elvira Lueke.

5 Q. Did they contact L & L Services and speak with Ms.
6 Lueke?

7 A. They might have talked to her. I don't know.

8 Q. She was speaking on behalf of L & L Services?

9 A. I don't know who she was speaking on. I didn't even
10 know if she was speaking. Somebody said they got quotation
11 marks, so she must have said something.

12 Q. Sure. When she says, "We are working hard, but it's
13 not easy," the "we" she's referring to is L & L Services?

14 A. Right. The people didn't want to move.

15 Q. Let's go to Exhibit 5, which is still on the
16 housing, and this is an article dated February 27th, 2004.
17 And this one says, "Temp Agency Gets Delay of Housing Case."

18 A. Yes.

19 Q. That's referring to L & L Services?

20 A. Yes, I see that.

21 Q. And by this time, you had hired a lawyer, you had
22 mentioned, Dennis Rhoad?

23 A. Yeah.

24 Q. And he was hired to help represent L & L Services in
25 connection with the fines that were assessed against it?

1 A. Anything between us and the town of North
2 Charleston.

3 Q. And Mr. Rhoad developed a two-page set of guidelines
4 in Spanish and English for tenants in agency-controlled
5 properties, right?

6 A. I think so.

7 Q. And this article says -- let's scroll down. "Rhoad
8 provided the Post and Courier with a two-page set of
9 guidelines in Spanish and English for tenants in
10 agency-controlled properties." Did he do that at your
11 request or was that his idea?

12 A. I don't even know.

13 Q. But part of the memo says, "L & L will keep a
14 register of who lives in which homes, inspect homes twice
15 each month, and assign a house monitor?" Right?

16 A. Yes.

17 Q. Now, L & L Services has been brought up in the
18 newspaper for housing problems. First you denied it. Then
19 it continued to have problems. You hire a lawyer. And now
20 you come up with a plan to prevent this from happening in the
21 future; is that right?

22 A. That's what he did, yeah.

23 Q. You never implemented this plan, did you?

24 A. Huh?

25 Q. You never implemented this plan, did you?

1 A. We were in the process of doing it, yes, sir.

2 Q. You never had a monitor, did you?

3 A. People we had going by -- well, we didn't have a
4 house mother, or whatever you want to call it. The people
5 driving the trucks went by. Some of them even lived in
6 there, but they monitored the situation. But we didn't have
7 any -- I mean, one guy driving a truck today, another
8 tomorrow. But all I'm saying is, we didn't have like a den
9 mother or nothing; no, we didn't.

10 Q. And what you had reported, your lawyer reported to
11 the Post and Courier in the memo, was that you have a
12 register who lives in which homes?

13 A. What now?

14 Q. I'm looking at what's quoted in the newspaper or
15 cited in the newspaper article. Mr. Rhoad, your lawyer, said
16 that there would be a register of who lives in which homes,
17 right?

18 A. Yes, sir.

19 Q. And you never did that, did you?

20 A. I don't think we did that.

21 Q. And then he said that, "We would inspect the homes
22 twice each month." You never did that either, did you?

23 A. Yes, we did that.

24 Q. Did you keep track of them?

25 A. What do you mean?

1 Q. Did you keep track of who inspected the houses and
2 what the conditions were?

3 A. No, hum-um.

4 Q. Do you have any documentation to support that?

5 A. No.

6 Q. Did you ever inspect any houses?

7 A. I did.

8 Q. Which houses?

9 A. I inspected the ones that we were moved out of. And
10 then we had some houses on Grove Street. I inspected those.
11 We had some on King Street. I inspected those. I just
12 looked whenever I went around, if I was carrying people or
13 picking them up or whatever.

14 Q. So when you were driving the van to pick people up,
15 dropping --

16 A. Well, I didn't drive a van. I drove a pickup truck.
17 In other words, they call me and say, so-and-so is sick and
18 needs to go to the doctor. Well, if I went over there to
19 pick him up, I would walk over and look at the house.

20 Q. What you are saying is that you come over, you pick
21 up, and if you are picking someone up in the house, you can
22 take a look and see what it looks like?

23 A. Yes.

24 Q. Same thing your drivers could have been doing all
25 along, right?

1 A. Yes.

2 Q. But they weren't, were they?

3 A. As far as I know, they were. No one was reporting
4 us saying anything was wrong.

5 Q. You said you didn't know that you had 31 people
6 living in the house.

7 A. That was early before all of this started. That was
8 before Mr. Rhoad did anything like this. That was way before
9 this.

10 Q. Way back, two weeks earlier?

11 A. Well, however -- it was before it happened, before
12 this happened.

13 Q. The plan that Mr. Rhoad came up with was -- in
14 effort to demonstrate to the readership of the newspaper,
15 that L & L Services had a problem, recognized it, and wanted
16 to take measures to fix it?

17 A. No, didn't have anything to do with the newspaper.
18 It had to do with trying to keep up with the laws of North
19 Charleston.

20 Q. Then why did he provide it to the Post and Courier?

21 A. Because he probably asked him for it.

22 Q. Don't you think the only reason to provide something
23 to the newspaper is so that they can report on it?

24 A. I would think so, probably.

25 Q. So you have your lawyer who is trying to get the

1 remedy that you've described in front of the readership,
2 right?

3 A. I don't know what -- I don't know what his idea it
4 was.

5 Q. Was that to try to help the reputation and goodwill
6 of L & L Services in the community?

7 A. I think it was just to let people know what we were
8 doing.

9 Q. But either way, you didn't implement the plan that
10 was set out by memo, did you?

11 A. Not all the way, no.

12 Q. Let's look at Exhibit 6 then, if you could. We're
13 moving off of the housing issues. And we are on the big
14 Sunday article called The Hidden Economy. Do you remember
15 when this came out?

16 A. Yes, sir.

17 Q. That was March 21st, 2004?

18 A. Sir?

19 Q. March 21st, 2004?

20 A. well, I don't know what the date -- yeah, uh-huh.

21 Q. Let's go down. May be easier just to go to the
22 archive version. In this newspaper article, it starts out,
23 it says, "Employees of a temporary staffing agency that
24 provides labor to prominent Lowcountry golf courses,
25 restaurants and hotels, have told police that the company

1 sold them fake documents and cheated them out of overtime
2 pay." Is that what was reported?

3 A. Yeah, that's correct.

4 Q. And did it give you some concern that employees of
5 your company were speaking to the newspaper and claiming to
6 have purchased fake federal documentation from your company?

7 A. We weren't doing it, so it didn't worry me.

8 Q. Did it concern you for your reputation in the
9 community that you were being associated with a company that
10 was being accused of doing this?

11 A. Like I say, we weren't doing it, so it didn't worry
12 me.

13 Q. The next paragraph says, "The Hispanic workers, many
14 of whom provided documents that appeared to support the
15 allegations, said L & L Services got from \$80 to \$120 for
16 phony resident alien cards, commonly known as green cards,
17 and Social Security cards. One worker said he bought two
18 sets of documents under two different names. He also had the
19 company issue photo identification cards under both names."
20 Is that right?

21 A. Yes, sir.

22 Q. Did it give you any concern that there was a worker
23 claiming to have been issued two sets of cards by L & L
24 services?

25 A. No, sir, because none of us were making cards or had

1 anything to do with selling cards.

2 Q. Did it give you any concern that your customers,
3 the -- this list, your Exhibit 3, of customers that you had,
4 would be seeing allegations by your own employees printed in
5 the newspaper that you were making fake cards and selling
6 them to them?

7 A. Oh, yeah, it worried me that they would be reading
8 it, but none of them left me.

9 Q. And the fourth -- skip the next paragraph and scroll
10 past -- there you go. Last paragraph on this page says ...
11 well, actually in that paragraph ahead of it, it says, "Other
12 current and former employees of the Ashley River Road
13 staffing agency provided authorities and the Post and Courier
14 with pay stubs showing that the laborer sometimes worked as
15 many as 75 hours a week for L & L Services and its sister
16 agency, WLL, LLC, neither of which had business licenses,
17 without receiving overtime." Did you see that?

18 A. Read the last part again.

19 Q. You just made me do that. Let me highlight it.
20 It's really small and it's a long sentence.

21 A. It's big enough for me to read.

22 Q. I just wanted that part -- well, you asked me to
23 read it. Let's read it for you. Says, "Other current and
24 former employees of the Ashley River Road staffing agency
25 provided authorities and the Post and Courier with pay stubs

1 showing that laborers sometimes worked as many as 75 hours a
2 week for L & L Services and its sister agency, WLL, LLC,
3 neither of which have business licenses, without receiving
4 overtime."

5 A. Well, the first thing I see is it says we didn't
6 have business licenses, which was not true. We had business
7 licenses.

8 Q. Did you have business licenses for Charleston
9 County?

10 A. Got them in the City of Charleston.

11 Q. When did you get that?

12 A. When did I get it? January the 1st, whenever you
13 get it.

14 Q. Of 2004?

15 A. 2004. Mr. Cisa has got a copy of it, if you want
16 it.

17 Q. All right. I will look at that during the break.
18 The other business licenses you had was where?

19 A. We had one at Kiawah and one at Seabrook.

20 Q. Were you required to have one in North Charleston?

21 A. Sir?

22 Q. Sorry. Were you required to have one in North
23 Charleston?

24 A. I don't think so. I think if you have a business
25 license, like in the City of Charleston, and you work in

1 Kiawah, you know, or something, one, you get credit against
2 one for the other. I don't know how it works. But anyway,
3 we did have a license in Charleston, the City of Charleston.
4 We did have one for Seabrook. And we did have one for Kiawah
5 and in those areas where most of our business was done.

6 Q. All right. So the time of this article, you had
7 business licenses, right?

8 A. Yes, sir. And this article said I didn't.

9 Q. So it's your contention that that was not true,
10 right?

11 A. Sir?

12 Q. You believe that's a false statement?

13 A. Yes, I know it's a false statement.

14 Q. And then it says, "Workers worked without receiving
15 overtime," is that true or false?

16 A. Sir?

17 Q. "The workers worked overtime without receiving
18 overtime payment." Was that true or false?

19 A. That's true. I told you before, that if we had a
20 guy that worked 40 hours for one company that only worked 40
21 hours and he wanted to work another company 10 or 15 hours,
22 we would put him on L & L.

23 Q. And then the next sentence says, "In one case, an
24 employee provided pay stubs from L & L Services and WLL,
25 which showed a one-letter change in the spelling of his name

1 and two different Social Security numbers, neither of which
2 matched the employee."

3 A. Well, I don't know where he got his papers, so I
4 don't know what he did.

5 Q. Is that what was reported in the newspaper?

6 A. That's what was reported in the newspaper.

7 Q. And that's not good for your business, is it?

8 A. Well, it didn't hurt our business, I will put it
9 that way.

10 Q. You think -- do you think that was harmful to your
11 business's reputation?

12 A. It may have harmed our reputation, but it didn't
13 hurt our business.

14 Q. Okay. Did it hurt your reputation as being the
15 owner associated with a company where the employees were
16 making these accusations?

17 A. I would think it would, yeah.

18 Q. And did it hurt you emotionally? Did it upset
19 you?

20 A. No, it didn't, because I knew we weren't doing it.

21 Q. In this sentence that I just read, the employee
22 provided pay stubs. The newspaper's reporter suggests from
23 this sentence, does he not, that he's looking at these
24 documents themselves, and he's seeing one-letter change in
25 the spelling of the name, two different Social Security

1 numbers, neither of which match this employee.

2 A. They got their own cards. I don't know where the
3 cards come from. All we did was either accept them or turn
4 them down. That's all we could do. We couldn't ask more
5 questions about the cards. We could either look at them and
6 accept them or we could turn them down. That was it.

7 Q. Okay. And I think you actually have a comment about
8 that coming up. It says, the next paragraph says, "Lawton
9 Limehouse, who owns both L & L Services and WLL, said neither
10 his company nor any of his office employees are making or
11 selling false identification cards for illegal aliens." Is
12 that right?

13 A. We weren't making any, but I don't think that's a
14 quote.

15 Q. Okay. That sentence is attributed to you anyway?

16 A. Well, yeah, it is, probably.

17 Q. And then another, it continues on, says, "Limehouse
18 said that, to the best of his knowledge, all of his employees
19 are here legally. If he discovers workers without legal
20 documentation, Limehouse says he immediately fires them.
21 Last year he said he fired 17 Hispanic employees with bogus
22 Social Security numbers," right?

23 A. We were led to believe they had bad papers, yes,
24 sir.

25 Q. And so if you find out they had bad papers, it's

1 your policy to terminate them?

2 A. Sir?

3 Q. Is this accurate that if they had bad papers, that
4 you would terminate them?

5 A. If they had bad papers and we could understand they
6 were bad papers, we turn them loose.

7 Q. And if I understood your testimony yesterday with
8 Mr. Cisa, you talked about a no-match letter?

9 A. Yes, sir.

10 Q. I'm going to hand you what we've marked as Exhibit
11 12. Mr. Limehouse, does this appear to be correspondence
12 sent to your office from the Social Security Administration?

13 A. Yeah, that's a no-match letter.

14 Q. And this is similar to the one that we saw
15 yesterday.

16 A. I think it is, yeah.

17 Q. And this is a business record of L & L Services?

18 A. Yes, sir.

19 MR. HOOD: Judge, we would offer this as Defendant's
20 Exhibit 12.

21 MR. CISA: Well, it's a number of pages, Your Honor.
22 Only thing I would request is Mr. Limehouse look at all the
23 pages to make sure this a business record of L & L Services.
24 I'm not sure it is. It's a pretty thick exhibit. I would
25 just ask him to -- if he can identify the business record, I

1 have no objection. But you need to look at it to make sure,
2 look at all the pages. Other than that objection, I have no
3 objection.

4 THE COURT: All right. You are going to have to
5 identify that as a business record?

6 MR. HOOD: I think he already did. I will let him
7 continue flipping through it so we can be sure.

8 BY MR. HOOD:

9 Q. Have you had a chance to flip through that stack?

10 A. Yes.

11 Q. Are all of those no-match letters or correspondence
12 to L & L Services?

13 A. No-match letters.

14 Q. And those are business records of your company?

15 A. Probably so.

16 MR. HOOD: We would move in Defendant's Exhibit
17 12.

18 MR. CISA: No objection, Your Honor.

19 THE COURT: They are admitted.

20 (Defendant's 12, No-match letters, was received in
21 evidence.)

22 BY MR. HOOD:

23 Q. Looking at page 13 of Exhibit 12, does this look
24 like a no-match letter sent to WLL, LLC?

25 A. Yes, sir.

1 Q. The date is May 29th, 2003.

2 A. Yes.

3 Q. Just after that, I have a number of pages -- there
4 are two pages of Social Security numbers.

5 Can you zoom in on that, please?

6 Is this the kind of sheet that you would get to
7 identify the --

8 A. I never saw one of these.

9 Q. And looking at the no-match letters -- let's see,
10 there's this page and then another one. There are over 400
11 Social Security numbers listed on these two pages. Do you
12 know if your office went through to try --

13 A. I never seen anything like this.

14 Q. Who dealt with this?

15 A. I don't know who dealt with, because I never saw it.

16 Q. Well, you testified yesterday that if someone had
17 no-match letters, that you would bring them in and they would
18 pretty much disappear.

19 A. Sir?

20 Q. Did you testify yesterday that if someone had
21 no-match letters, that you would call them in, and they would
22 usually never show up again?

23 A. Usually, yes, sir.

24 Q. Did that give you any concern that maybe the people
25 that you were hiring were not legal aliens?

1 A. We couldn't -- we couldn't differentiate between
2 them, period.

3 Q. Did you consider changing how you processed
4 employees to make a determination of whether it was your
5 screening process --

6 A. It was against the law for us to do any kind of
7 screening whatsoever.

8 Q. It was against the law to screen them to make sure
9 they were --

10 A. Yeah.

11 Q. If they showed you documents that appeared to be
12 fake, what would you do?

13 A. You can either take them or turn them down.

14 Q. Okay. And that would be screening them, right?

15 A. Sir?

16 Q. That would be screening them, correct?

17 A. Well, I don't know whether you call it screening
18 them. You could either take them or turn them down. That's
19 all you could do. You couldn't ask about it; couldn't do
20 anything.

21 Q. And every quarter you would get these no-match
22 letters from the Social Security Administration?

23 A. I don't know whether it was every quarter. I don't
24 think it was that often.

25 Q. All right. So one thing you are doing as an

1 employer is you are withholding Social Security for the
2 workers, right?

3 A. Right.

4 Q. When I work, my wages are deducted, a portion of
5 them are deducted every pay period, and it goes into the
6 Social Security account so that I can enjoy the benefits of
7 my work when I reach retirement age?

8 A. Right.

9 Q. These workers were not receiving the benefit of
10 their effort, were they?

11 A. Federal law says that these workers can receive the
12 benefits. All they got to do is apply.

13 Q. In terms of the money they are paying in, their
14 money wasn't being paid in, was it?

15 A. Well, some of it wasn't, no.

16 Q. When we look at Exhibit 12, for example, in just the
17 first page, it's showing Mr. Lopez in 2000 had reported
18 earnings of \$6,300, right?

19 A. Which page are you on?

20 Q. The first page.

21 A. Lopez, yeah.

22 Q. So the Social Security attributed to those earnings
23 for that year weren't being paid in, right?

24 A. It doesn't say anything about him getting any money.
25 Oh, yeah, I see it, yeah, \$6,300.

1 Q. When I looked at your Exhibit 1 yesterday, I did
2 have a question. This is what it looked like. So your
3 no-match letter is a little bit different than mine. Why are
4 you getting a no-match letter for 2006?

5 A. I would have no idea.

6 Q. Were you in business in 2006?

7 A. That's why I say I have no idea, because we weren't
8 in the business.

9 Q. Okay. Have you seen the version where it's all not
10 blacked out?

11 A. Yes, sir.

12 Q. And it says L & L Services?

13 A. Sir?

14 Q. The version that's not blacked out, does it say L &
15 L Services?

16 A. I think this is just an example of a no-match
17 letter. I don't know.

18 Q. I thought it was offered as a business record of
19 your company?

20 A. Well, it might have been. I don't know.

21 Q. Is it or is it not?

22 A. I don't know.

23 Q. We were talking slowly through the article from
24 March 21st, if we could pull that back up. Could we go to
25 the front page of that, please, 21. Excuse me, Exhibit 6

1 from March 21. And could you blow up basically everything
2 under The Hidden Economy. Stop right there.

3 So, Mr. Limehouse, did you see in this article or
4 this day in the paper -- I mean, this was a front-page above
5 the fold, right?

6 A. I think so, yes, sir.

7 Q. And there are two articles you have, one here
8 talking about L & L Services, and then another one over
9 there, right?

10 A. Yes, sir.

11 Q. L & L Services is talked about in both of them; is
12 that right?

13 A. Sir?

14 Q. Both of those articles talk about L & L Services?

15 A. Yes, sir.

16 Q. So we had gone through part of it.

17 A. Sir?

18 Q. We had gone through part of the article. I want to
19 flip through another section, sir. If we could go to the
20 section that starts out with Work Expense? It may be easier
21 to go back to the archive please. Second page. Can you zoom
22 a little bit?

23 MR. CISA: Judge, would this be a good time to take
24 a bathroom break while they get that straight?

25 THE COURT: All right. We will take a break. When

1 you return, Ms. Kelly K. Hiott, you have the number one seat.
2 You are the foreperson. You've been holding that seat for
3 awhile." And as foreperson, it will be your responsibility to
4 serve as spokesperson for the jury, to preside over the jury
5 deliberations, and to complete the verdict form at the end of
6 the case. Are you up to the task? Sure. Yes, you are. All
7 right. You are the foreperson.

8 We will take a break now. Please do not discuss the
9 case.

10 (Whereupon, the jury leaves open court at 12:12
11 p.m.)

12 (Whereupon, recess transpired.)

13 THE COURT: Bring the jury out.

14 (Whereupon, the jury returns to open court at 12:27
15 p.m.)

16 THE COURT: You may proceed.

17 BY MR. HOOD:

18 Q. Thank you, Your Honor. Mr. Limehouse, I was trying
19 to get us to Exhibit 6 from the March 21st, 2004, article.
20 In the article entitled Work Expense, if we could go there
21 please.

22 A. Yep.

23 Q. Looking there underneath the caption Work Expense,
24 says, "Mexican native Jose Jimenez said for the price for him
25 to become a 'quote legal' resident of the United States was

1 \$80. Jimenez, who shares a dingy motel room with two other
2 Mexicans off the southern end of Rivers Avenue, said he came
3 here illegally about six months ago with no support
4 documentation -- no supporting documents. Jimenez said he
5 bought a Social Security card for \$80 from L and L services.
6 'The company sold the card to me, says Jimenez,' who was
7 listed on a company schedule as doing work for a local
8 landscaping company. 'Most of the people I know also bought
9 cards.'"

10 Did it concern you that Mr. Jimenez, who was an L &
11 L employee, was making these statements in the newspaper?

12 A. Me and none of my people, Elvira or Carlton Jr.,
13 were making papers. You could buy papers anywhere in North
14 Charleston. I'm looking at what he said, but we didn't sell
15 papers.

16 Q. My question is different, sir. My question is, did
17 it cause you concern that an employee --

18 A. No, it didn't, because I wasn't selling any papers
19 and none of my people were.

20 Q. Do you think it was helpful to the reputation of --

21 A. I don't think it was helpful, no, sir.

22 Q. Do you think it was helpful to your reputation?

23 A. I don't think so, no.

24 Q. Did it cause you any emotional harm to know that
25 employees were claiming to have gotten documentation there?

1 A. No, sir, it didn't harm me because I knew that we
2 weren't selling papers.

3 Q. And then it says -- next paragraph talks about
4 Mr. Jimenez's roommate telling a similar story, Mateo Alvarez
5 and Eugeno -- I'm not going to pronounce that second name --
6 "both said they came here illegally about three months ago,
7 like Jimenez, who said they paid \$80 in cash to L & L
8 Service's for Social Security cards."

9 Whether you were doing it or not, it was being
10 reported in the newspaper at least by these three L & L
11 employees that they got fake documents from your company,
12 right?

13 A. Yes, sir.

14 Q. And you agree with me that that is not good for
15 business for a staffing agency, right?

16 A. It didn't hurt our business, no.

17 Q. Is it good for your reputation as a company?

18 A. Wouldn't be good for my reputation, no.

19 Q. The article continues on in the next big paragraph,
20 it says, "In recent weeks, a bilingual newspaper reporter has
21 interviewed nearly two different current and former L & L
22 Services employees. Some of the workers have provided
23 documents that said they were purchased out of state.
24 Others, some of whom have given statements to police, said
25 green cards and Social Security cards were purchased from L &

1 L Services."

2 And then it goes on to say, "For example, two green
3 cards lacked the required fingerprint and signature of the
4 individual. And at least one Social Security card had a
5 person's name misspelled. Several other Social Security
6 cards had unusual placement of commas between each name."

7 Q. Were you worried that Mr. Scott was reporting about
8 the documentation problems described in this paragraph and
9 how that would affect L & L Services's business reputation?

10 A. It didn't hurt us, I will put it that way. I was
11 concerned about all this, yeah, but it didn't hurt us. We
12 didn't lose any customers.

13 Q. I understand that's your testimony, sir. But in
14 terms of reputation and harm --

15 A. Oh, I don't think it helped my reputation, no.

16 Q. It hurt it, didn't it?

17 A. Yes, sir.

18 Q. And it hurt the reputation of the company, didn't
19 it?

20 A. It probably would, yes, sir.

21 Q. So when we are looking at the next paragraph, where
22 it says, "Several L & L Services workers said company
23 managers came to their residence and took their photographs.
24 These photos, employees said, later ended up on laminated
25 green cards. Close examination of those green cards shows

1 that the photos were cut out and pasted before being
2 laminated." Do you see that?

3 A. Yes, sir.

4 Q. And whether it's true or not, these are the
5 allegations or these are the statements contained in a
6 newspaper about how your company --

7 A. True.

8 Q. -- was producing documentation? And this would be
9 unlawful, correct? If that were true, it would be unlawful?

10 A. Yes, it would.

11 Q. And part of your business arrangement with your
12 customers was that you would comply with the federal laws
13 about things like this, right?

14 A. Yes, sir.

15 Q. I've got -- just by way of example, I have two
16 contracts. I think they are pretty similar. They're
17 Exhibits 18 and 19 that I will hand you, 18 and 19. Have you
18 had a chance to look at those, sir?

19 A. Yes, sir.

20 Q. Are those fair copies of temporary service
21 agreements between L & L Services, and in the case of Exhibit
22 18, Recovery Technologies Group?

23 A. Sir?

24 Q. Exhibit 18, is this a fair copy of the agreement
25 between L & L Services --

1 A. Yes.

2 MR. McCULLOUGH: We offer this as Defendant's
3 Exhibit 18.

4 MR. CISA: No objection, Your Honor.

5 THE COURT: Admitted.

6 (Defendant's Exh. 18, Recovery Technologies Group
7 Agreement, was received in evidence.)

8 BY MR. HOOD:

9 Q. Is this a copy of the Pine Forest Country Club
10 agreement with L & L Services?

11 A. Yes, sir.

12 MR. HOOD: And we would offer Defendant's Exhibit 19
13 in evidence, Your Honor.

14 MR. CISA: Without objection, Your Honor.

15 THE COURT: Admitted.

16 (Defendant's Exh. 19, Pine Forest Country Club
17 agreement, was received in evidence.)

18 BY MR. HOOD:

19 Q. Pursuant to these agreements, sir, your obligation
20 was to provide a legal workforce, right?

21 A. Right.

22 Q. If your customers are reading about illegal aliens,
23 fake documentation, don't you think that would cause a
24 legitimate concern in the minds of your customers?

25 A. It probably would.

1 Q. You were -- as a businessman, you were competing
2 with other staffing agencies, right?

3 A. Not really.

4 Q. There was no one else doing the same type of work?

5 A. Nobody had the business we had.

6 Q. There were other staffing agency, were there not?

7 A. Yes, there were.

8 Q. And so if a customer wanted to fill the need, there
9 was elsewhere to go?

10 A. Yes, sir.

11 Q. You weren't the only provider?

12 A. No, sir.

13 Q. In terms of the documentation issues that we've
14 talked about, didn't you provide an affidavit to Mr. Scott
15 prior to the publication of this article?

16 A. To what now?

17 Q. The Exhibit 6, the March 21st article --

18 A. What are you talking about? Did I provide him
19 affidavits?

20 Q. Yes.

21 A. Yes, I did.

22 Q. And you provided him affidavits for yourself, Elvira
23 Lueke and Carlton Elliott, right?

24 A. Can I tell you certain sentences or what?

25 Q. I'm going to ask you about it in just a second. But

1 you provided three, yours, Mr. Elliott's and Elvira Lueke's,
2 right?

3 A. Right.

4 Q. And the reason you did that was because when he
5 called you for comment, he indicated that he was going to
6 print the names of Carlton Elliott and Elvira Lueke, right?

7 A. Right.

8 Q. And you didn't want him to print those names because
9 they had futures, and you didn't want him to mess with their
10 future?

11 A. Well, the reason -- Elvira Lueke had come here from
12 Venezuela. She worked for a company that made oil filters.
13 She flew up to Atlanta twice a year and met with all the
14 suppliers. She had a real good job. She woke up one morning
15 in Venezuela and everybody's bank account was cleared out by
16 the government. So she left there and she went to Germany.
17 And she said it was -- she was from Venezuela. And she said
18 it was always cold and cloudy, so she left Germany and come
19 to the United States, where I gave her a job.

20 All right. She was in the process of being --
21 whatever you need to do to get a citizenship. And she is now
22 a citizen. But I told him, I said, if you put that in the
23 paper, if you print their names in the paper saying that they
24 are making cards, number one, Elvira Lueke probably won't
25 ever get to be a citizen.

1 Now, as far as Carlton goes, he's been accepted, or
2 we are in the process -- I don't know whether he was accepted
3 yet, but me and Dennis Rhoad was trying to get him in a law
4 school in Connecticut. I said, if you print that in the
5 paper about Carlton Elliott, he said, he will never get into
6 law school. I said, here's what I'm going to do. I'm going
7 to send you three affidavits, and they are going to be -- at
8 the top of the page, it said affidavit, and each one of us is
9 going to sign them that we weren't making any papers.

10 I said, now, if you print it in the paper that they
11 are making papers, I will hire the best lawyer that I could
12 find and I will sue you and the Post and Courier. Well, he
13 didn't put it in there like that. He said we signed
14 statements, I think, certified statements or something. I
15 forget the word he used. He didn't use the word affidavit.
16 And he certainly didn't put it in the paper that they were
17 making papers or selling papers.

18 Q. He put in there that L & L Services was?

19 A. Sir?

20 Q. He put in there that L & L Services was making the
21 papers?

22 A. That's what he said, yeah.

23 Q. Right, that's what was in the newspaper?

24 A. Yes.

25 Q. And you didn't sue the Post and Courier, did you?

1 A. No.

2 Q. Because you've got a personal relationship with the
3 publisher, the Manigaults, right? You didn't want to sue the
4 Manigaults?

5 A. I didn't want to sue the Manigaults. Well, when I
6 was a kid, I used to hunt with old man Eddie Manigault.

7 Q. Down at Mullet Hall?

8 A. Yes, sir, up at his place on the Santee.

9 Q. At his plantation up on the Santee?

10 A. Yes, sir. When I was like 12 or 14, I would help
11 the old man, I would go on runs with him. I thought that was
12 pretty good thing for a man like of that stature to be
13 messing with a kid like me. Anyway, anyway, I had respect
14 for him and I had respect for the paper. And then his son
15 took over and then his grandson took over. And the Pierre
16 was in charge of the newspaper when all of this was going on.
17 And Pierre had problems with his marriage. He had problems
18 with dope. And I just didn't want to mess with him. That's
19 why.

20 Q. You didn't want to sue the newspaper because --

21 A. No.

22 Q. Now --

23 A. But I would have sued them if they had named Carlton
24 or if they had named Elvira for selling papers.

25 Q. And --

1 A. Because he would have ruined both of their lives.

2 Q. I understand. But you didn't sue him in the
3 newspaper in this instance because they only named L & L
4 Services, and it doesn't name an individual, so there's no
5 harm done, right?

6 A. They had not at that time done me any damage at all.
7 I have not received any damage to my business from any
8 article that was put in the paper, but I knew what it would
9 do to Carlton. And I knew what it would due to Elvira. And
10 I wasn't going to stand for it.

11 Q. I understand. Different question. In this article,
12 March 21st, you didn't feel like you needed to sue them
13 because it was talking about L & L Services?

14 A. No, sir, I didn't.

15 Q. And it's because when it's a company doing it, there
16 was no harm done, right?

17 A. All I'm saying is, they hadn't hurt my business. I
18 couldn't sue them because I had to have something to sue them
19 for. And I still had the same business I always had.

20 Q. All right. And then looking at the same article,
21 you come down to the next page, if we could, and it's talking
22 about as -- the first paragraph the reporter says, "Part of
23 its investigation, the newspaper tried to verify Social
24 Security numbers, workers -- valid pay stubs, Social Security
25 cards, other financial documents. Of roughly 60 Social

1 Security numbers of employees over the past two years, only
2 time one came back as a match to the employee." Did that
3 give you any concern?

4 A. Sir?

5 Q. Did that give you any concern?

6 A. No, sir, it didn't.

7 Q. At this point in time, March 21st, 2004, did you
8 know that you had either intentionally or unintentionally
9 employed illegal aliens?

10 A. Well, I didn't believe everything that was in the
11 paper, number one. When the reporter told me that he had
12 reliable sources that said that two people was selling papers
13 that I knew weren't, that he lost all credibility with me.

14 Q. March 21st, 2004, did you know at that time, whether
15 intentionally or unintentionally, that L & L Services had
16 hired and employed illegal aliens?

17 A. No, sir. We hired people that fit the government
18 description. We had to hire people that you could fill out
19 an I-9 on. That was the rule. That was the only rule we
20 had. And that's what we did.

21 Q. What about the employees of L & L Services who came
22 forward in this article and were quoted as being illegal
23 aliens?

24 A. I can't say anything about that, what they are
25 doing.

1 Q. Did you read that?

2 A. I read it.

3 Q. Did you think at that point that they may be illegal
4 aliens?

5 A. All I'm saying is, after Mr. Scott told me that he
6 had reliable people that would say something, and then he
7 couldn't quote it, I thought he was lying from then on.

8 Q. So did you think everything that he was saying was
9 untrue?

10 A. I thought a lot of it was, yes, sir.

11 Q. Now, your affidavit to the Post and Courier -- well,
12 let me ask you. You are aware of an incident at L & L
13 Services involving your driver, Rudolfo? Do you remember
14 him?

15 A. What's his last name?

16 Q. C-i-n-a-l-l-i?

17 A. I knew of him, yes, sir.

18 Q. He was one of your head drivers, right?

19 A. Yes, sir.

20 Q. He left L & L Services in December of 2003, sometime
21 around there?

22 A. 1st of December, 2003, I think it was.

23 Q. And he went to Argentina; is that right?

24 A. I don't know where he went.

25 Q. But he left?

1 A. He left.

2 Q. Now, Rudolfo, you are aware of an episode where he
3 was flaunting IDs and laughing in front of Elvira in your
4 office, right?

5 A. What now?

6 Q. You are aware of the episode where Rudolfo was
7 showing IDs in front of Elvira in the office, correct?

8 A. I don't know what you are talking about.

9 Q. That wasn't reported to you?

10 A. No.

11 Q. You didn't sit in on the deposition testimony where
12 that was discussed?

13 A. I don't remember. I don't remember that. Showing
14 IDs, what do you mean?

15 Q. Showing the IDs, flaunting the IDs that he had made?

16 A. No, sir.

17 Q. You didn't ever hear that story?

18 A. No, sir, I don't think so.

19 Q. Then why would your affidavit say that Rudolfo has
20 left the company as of December 2003?

21 A. When this first article came out, Carlton told me he
22 heard a rumor that Rudolfo was making papers.

23 Q. Who is Carlton Elliott?

24 A. Huh?

25 Q. Who is Carlton Elliott?

1 A. He's another guy that worked for me.

2 Q. And what did Carlton tell you about the rumor about
3 making papers?

4 A. He just said he heard he was making paper, heard a
5 rumor, but he didn't tell me that until sometime in February,
6 whenever this first article came out.

7 Q. February 11th, 2004?

8 A. Yes, some time in there probably, February or March.

9 Q. I will hand you what we've marked as Exhibit 56.
10 I'm not sure if that made it in your notebook or not.

11 Q. Is that the affidavit you submitted to the Post and
12 Courier?

13 A. I think it was, yes, sir.

14 Q. And that's your signature at the bottom?

15 A. Yes, sir.

16 MR. HOOD: Your Honor, we would offer Defendant's
17 Exhibit 56 into evidence.

18 MR. CISA: No objection, Your Honor.

19 THE COURT: It's admitted.

20 (Defendant's Exhibit 56, Affidavit of Lawton
21 Limehouse, is moved into evidence.)

22 BY MR. HOOD:

23 Q. So this is what you sent to the Post and Courier
24 prior to the article coming out, right?

25 A. Yes, sir.

1 Q. And let's look at, if we could, 3 and 4 and see
2 what -- here we say, Rudolfo, that's the gentleman we've been
3 talking about?

4 A. Yes.

5 Q. He left the employment of your company in December
6 2003 to return to his native country of Argentina?

7 A. That's what I said. I must have known he went to
8 Argentina.

9 Q. You were saying that and telling the newspaper
10 reporter that because you had heard rumors that he was
11 creating fake documents, right?

12 A. Right.

13 Q. So you knew that somebody in your company had at
14 least been accused or there was a rumor that they were making
15 fake documents?

16 A. All it was was a rumor. You can't base anything on
17 a rumor.

18 Q. But you thought it was important enough for you to
19 make that clear to the Post and Courier?

20 A. I did, yes, sir. He may have even asked me about it
21 Rudolfo. I don't know.

22 Q. Might have asked you about the papers?

23 A. He may have asked me about Rudolfo. I don't know.

24 Q. But, nevertheless, you felt that it was necessary to
25 make --

1 A. Yes, sir, I did.

2 Q. Because you wanted him to know that if there were
3 problems with L & L Services making papers because of
4 Rudolfo, that problem is over, right?

5 A. I don't understand what you mean.

6 Q. You wanted him to know that if there were a problem
7 with papers being made by L & L Services, that problem was
8 over because Rudolfo was gone?

9 A. No, I just stated he was gone, period. I didn't say
10 anything else.

11 Q. The reason that you mentioned him is because --

12 A. He may have asked me about Rudolfo. I don't know.

13 Q. All right. But you are aware, you are, that Rudolfo
14 at least had been accused or there's a rumor that he was
15 making --

16 A. There was a rumor that he was making papers, but I
17 didn't hear about it until some time -- when the first
18 article came out, Carlton told me -- I think it was at that
19 time -- that he had heard a rumor that Mr. Rudolfo was
20 selling papers.

21 Q. All right. So we look then back to the Exhibit 6.
22 Let's go to the heading that talks about no overtime pay.
23 When you've talked earlier in your testimony with Mr. Cisa
24 about overtime issues -- and I want to shift gears and talk
25 about that and also how it was reported in the paper. Okay?

1 A. Okay.

2 Q. Looking here in this article, Exhibit 6, the
3 newspaper was reporting the system that you described where
4 workers would work 40 hours a week for L & L Services and
5 maybe some other hours for WLL. And prior to this article
6 coming out, had you ever considered the issue of how you were
7 structuring the payment of wages for your employees?

8 A. No. We paid -- in other words, if you worked for
9 Kiawah and you worked 50 hours, you got paid 40 hours regular
10 time and you got paid 10 hours overtime. If you worked for
11 another company, some companies only worked 38 hours. Some
12 only worked 40. But if the people wanted a job, wanted to
13 make more time, then I've got to try to find them another job
14 at night. And that is when we got into doing that. But if
15 you made 40 hours plus overtime at one company, you got paid
16 that, period.

17 Q. I will grab this chart real quick. I want to make
18 sure I understand how this works. Can you see that okay?

19 A. Yeah.

20 Q. So you would have money here, time down here?

21 A. Right.

22 Q. The way your business worked is that if this were,
23 say, \$5 and this is \$15, call that \$10, you charge your
24 customers \$10 an hour?

25 A. Right.

1 Q. You pay your employees \$6 an hour?

2 A. \$6, yeah.

3 Q. So this is what the employees make and this is what
4 L & L makes, right?

5 A. Yep.

6 Q. Now, if a worker gets to 40 hours at one spot, then
7 that company has to pay L & L \$12.50, right?

8 A. No, or \$12.50, yeah. I'm sorry. You are right,
9 uh-huh.

10 Q. And at least that's what the rates were --

11 A. I'm sorry. I didn't understand what you were
12 saying. You are looking at it the other way, you know.

13 Q. All right. So if you are down here and it's 40
14 hours, and you go in this direction, then the price goes up
15 for the labor?

16 A. Yeah.

17 Q. And so the customers would say, Mr. Limehouse, I
18 don't want anybody working more than 40 hours a week, right?

19 A. Sometimes. Some of them did. Some of them -- the
20 golf courses all worked over 40 hours.

21 Q. For those workers and those customers, the price
22 went up that you charged the golf course, and the workers
23 would receive overtime for the overtime?

24 A. Yes, sir.

25 Q. All right.

1 A. I think I understand what you mean.

2 Q. So what you've got up here, the workers' rates would
3 go up to \$9 an hour, right?

4 A. Yes, sir.

5 Q. So the workers are now here, and they are making
6 this, and then your margin is right there?

7 A. Yes, sir.

8 Q. Okay. So --

9 A. But I've already made -- if they are working
10 overtime, I've already made money on the first 40 hours.

11 Q. Oh, yeah. You wouldn't be doing that business
12 otherwise, would you?

13 A. Sir?

14 Q. You wouldn't be doing the business otherwise? I
15 mean, you started the company to make money?

16 A. Yeah, yeah.

17 Q. That's how you are making money?

18 A. Yeah.

19 Q. Okay. For the workers who didn't change places,
20 instead if the worker worked 40 hours --

21 A. At \$6.

22 Q. -- at \$6, then they can get paid by you, right?

23 A. Right.

24 Q. They got, what, \$240?

25 A. Yeah.

1 Q. Now, if they wanted to make extra money, you might
2 be able to get them a night job at a restaurant?

3 A. Right.

4 Q. So they get 20 hours during the week maybe?

5 A. Right.

6 Q. And you pay them at --

7 A. \$6.

8 Q. -- \$6. So they get extra \$120, right?

9 A. Yes, sir.

10 Q. Now, you would bill them as L & L?

11 A. Yes, sir.

12 Q. And bill them as WLL?

13 A. Right.

14 Q. WLL didn't start out in this role?

15 A. No, sir, it didn't.

16 Q. It started out for high-risk stuff?

17 A. Right.

18 Q. That high-risk stuff ended in 2001 some time?

19 A. I don't know when it did, but it ended because we
20 thought it wasn't worth doing, you know.

21 Q. The margins weren't there?

22 A. Well, the margins were there, but the chance of
23 somebody getting hurt were there too.

24 Q. WLL laid dormant, and then in the 2003 time frame,
25 you started using it for this reason?

1 A. That's what we started using. I don't recall
2 exactly when the time was.

3 Q. If you had been following the wage laws, then you
4 would have been paying them not \$6 here, but --

5 A. \$9.

6 Q. -- \$9?

7 A. Yes, sir.

8 Q. So the time-and-a-half, they weren't making the
9 half?

10 A. No, sir.

11 Q. What was happening with the half?

12 A. There was no half.

13 Q. What do you mean there wasn't a half?

14 A. We didn't charge -- in other words, we didn't charge
15 any more for their time. If they would have been making
16 overtime, we would have charged overtime pay.

17 Q. I've got the \$6 down there, right?

18 A. Right.

19 Q. And then you got the \$4 up there, right?

20 A. Right.

21 Q. So if they got their half, that's what they would
22 have been paid?

23 A. Right.

24 Q. And then your number is just that dollar?

25 A. Right.

1 Q. If the companies needed more labor, they wanted you
2 to send more workers, right? I would rather pay two people
3 40 hours and one person 80 hours?

4 A. No, it wasn't anything like that. They worked 40 or
5 better hours a week. I mean, nobody -- no company that I
6 know of worked people 80 hours.

7 Q. Fair enough. If they needed 60 hours of work, they
8 want to have two people doing the work instead of one to
9 avoid paying 20 hours of overtime on your numbers?

10 A. No. People hire people for what they needed. They
11 might need three guys for two days and that's all they
12 needed. They might need them for four days and that's all
13 they need them. People don't think like that.

14 Q. I thought I understood your testimony to say that
15 many of your customers didn't want to pay overtime.

16 A. Well, they didn't. They didn't work them overtime
17 either.

18 Q. And they would have multiple employees who worked
19 less than 40 hours?

20 A. Well, they work -- I think the shortest one we had,
21 we had some companies that shut down at three o'clock on
22 Friday, they paid 38 hours.

23 Q. And so from a business standpoint, the companies are
24 looking to you to get the most affordable labor they could
25 find?

1 A. I would say that, yes, sir.

2 Q. The reason it's affordable to them is they don't
3 have to pay the cost associated with having an employee on
4 their roll, right?

5 A. I'm sorry, say that -- I would say that, yes.

6 Q. Because you are carrying those costs?

7 A. Yeah.

8 Q. If they need more employees, you have workers, you
9 can send more employees, right?

10 A. Right.

11 Q. But in order to get the numbers up, you would
12 have -- beyond the 200 employees, you would have to bring in
13 more employees, right?

14 A. Well, when we got to 200, we realized that was about
15 all we could do.

16 Q. If you were trying to meet the demand of customers,
17 if they didn't want to pay overtime, you would just add the
18 number of workers?

19 A. I mean, if it took -- say if it took three weeks of
20 work to get something done, you know, we would send enough
21 people to do it. I don't understand what you are trying to
22 get at.

23 Q. All right. Let me try another way. So if someone
24 is coming to you for regular business, say a golf course --

25 A. Right.

1 Q. -- or say a restaurant, whatever it may be, somebody
2 where they wanted these people that are their "temporary
3 workers" there, they come in to you and say, Mr. Limehouse, I
4 need four workers to bus tables or clean the kitchen six
5 hours a day?

6 A. That's what we send them.

7 Q. And you would send them to them?

8 A. Yes.

9 Q. And they would say, now, Jamie Hood has been here
10 for, you know, five days in a row, we don't want him coming
11 in on Saturday because I don't want to pay him overtime, so
12 you would send in somebody else, right?

13 A. No, sir, I never had anybody do that. You mean -- I
14 really don't understand what you are getting at.

15 Q. If you are not going to pay them overtime --

16 A. Well, all I'm saying is, the people we worked, some
17 of them worked 40 hours, some of the worked 38 hours, some of
18 them worked 60 hours. The ones that worked 60 hours got paid
19 overtime. The ones that worked 40 hours didn't get overtime.
20 The ones that worked 38 didn't get overtime.

21 Q. Not these workers? These workers weren't getting
22 overtime, were they?

23 A. No, they weren't getting overtime.

24 Q. And they were all L & L Services employees?

25 A. Right.

1 Q. And what you were trying to do is run them through
2 two companies so you can avoid paying them the overtime?

3 A. No. I ran them through two companies because I
4 could get them jobs. Ain't nobody going to take a man for 10
5 hours a week and pay him overtime. Nobody is going to do
6 that.

7 Q. It's not their obligation. It's your obligation,
8 right? To avoid the overtime, you created this scheme to use
9 this company to avoid that money?

10 A. All right. Well, here's what I found out. If you
11 and I go down and we work for Walmart eight hours a day for
12 five days a week, we get 40 hours. If we go the rest of our
13 time and work for K-Mart 40 hours a week, we don't get any
14 overtime. But if we work either for one K-Mart store and
15 another K-Mart store, they've got to pay us overtime.

16 Q. You've got two stores?

17 A. I got two stores.

18 Q. And you are not paying overtime?

19 A. And I wasn't -- the only reason I had it was to give
20 people extra time that wanted it, Jamie.

21 Q. Once these people made beyond a certain point, the
22 \$4 is just more money that you are making on them because
23 you've already covered their expenses, right?

24 A. The jobs that we got these people at night and in
25 the afternoon, after they got off of other jobs, we didn't

1 make any money on them, period. It costs money to send them
2 over to restaurants. They didn't take -- restaurants don't
3 take, you know, 10 guys and a van driver. They take two,
4 they take one. They got one dishwasher, got a couple of
5 bussers or whatever. We sent them people. We didn't make
6 any money off of them. What I'm saying is, it gives us a
7 chance to hire them out for more hours, period.

8 Q. And you made more, \$4 for every hour they worked,
9 right?

10 A. Sir?

11 Q. You make \$4 for every extra hour they work under
12 that scheme?

13 A. Yes.

14 Q. And they are not getting their half, right?

15 A. No, sir.

16 Q. You are?

17 A. Well, probably if that's the way you want to put it,
18 yeah.

19 Q. And that was their money?

20 A. It would have been, yeah.

21 Q. And it should have been?

22 A. Yes.

23 Q. But L & L Services needed the money, didn't it?

24 A. No, sir, we didn't do that for that reason. We did
25 it to get them jobs. People wanted to work more than 40

1 hours a week.

2 Q. You've talked earlier about the Department of Labor,
3 Mr. Limehouse. I can hand you Exhibit 13. Is this the
4 letter and attachments that you got from the Department of
5 Labor?

6 A. Probably so, yes, sir.

7 Q. Just take a look at it. I want to make sure it is.

8 A. Yes, sir.

9 Q. Yes, it is?

10 A. Yes.

11 Q. And this was in response to the overtime violations
12 that we talked about?

13 A. Yes, sir.

14 Q. And the amount under payments was \$66,485.36?

15 A. Yes, sir.

16 Q. And that was for an investigation between May 1st of
17 2002 and April 12th of 2004; is that right?

18 A. Right.

19 MR. HOOD: Your Honor, we would offer Defendant's
20 Exhibit 13 into evidence.

21 THE COURT: Any objection?

22 MR. CISA: I would object on the basis of hearsay.
23 It's not Mr. Limehouse's letter.

24 THE COURT: Mr. Hood? Which Exhibit Number is it?

25 MR. HOOD: Number 13, Your Honor.

1 THE COURT: I think it's probably a good time to
2 break for lunch as well. We are going to take 45 minutes for
3 lunch, 45 minutes for lunch. That brings us back at two
4 o'clock.

5 (Whereupon, the jury leaves open court at 1:06 p.m.)

6 THE COURT: Any response to the objection, Mr. Hood?

7 MR. CISA: I'm sorry, Judge, I didn't hear you.

8 THE COURT: Mr. Hood's response to your hearsay
9 objection.

10 MR. HOOD: 803(8).

11 THE COURT: I think he's already testified on this
12 issue about what he worked out with -- was this the subject
13 of his testimony on direct?

14 MR. HOOD: It was, Your Honor.

15 MR. CISA: He testified about the overtime problem.
16 He acknowledged he had it. He testified that he met with the
17 Department of Labor. They got it resolved. There's no fines
18 or penalties. And he admitted that the amount was \$66,000,
19 so I'm just saying all the other stuff in here, Mr. Hood -- I
20 don't know if you want to hear from me about this.

21 THE COURT: Well, I'm going to allow it in, but you
22 certainly can say whatever you want to say on the issue.
23 It's admitted.

24 (Defendant's Exhibit 13, Department of Labor letter
25 and attachments, was received in evidence.)

1 THE COURT: Under 803(8) and impeachment of
2 evidence.

3 And we are going to break until two o'clock.

4 (Luncheon recess was taken.)

5 THE COURT: Let's bring them on.

6 (Whereupon, the jury returns to open court at 2:03
7 p.m.)

8 THE COURT: Welcome back. Madam Forelady, how is
9 the jury doing? Thumbs up.

10 THE FOREPERSON: All fit, happy.

11 THE COURT: Good. All right. You may proceed.

12 BY MR. HOOD:

13 Q. Thank you, Your Honor. Mr. Limehouse, before the
14 break, we had talked about employee of yours, Rudolfo. And I
15 wanted to ask you -- do you have Exhibit 12 in front of you
16 still?

17 A. What's that now?

18 Q. Exhibit 12, is that still in front of you?

19 A. I don't know.

20 Q. I will tell you what, could you just pull up page 11
21 of Exhibit 12. Could you zoom in in the middle? Can you see
22 that, sir?

23 A. Yes, sir.

24 Q. That's the employee that we are talking about?

25 A. Yes, sir.

1 Q. So back in 2001, you received a no-match letter for
2 Rudolfo, right?

3 A. Right.

4 Q. And he worked for you until 2003 when he left,
5 right?

6 A. Right.

7 Q. And these no-match letters are how you knew the
8 people didn't have good papers, how you knew their papers
9 weren't right?

10 A. Say that again.

11 Q. The no-match letters is how you knew they didn't
12 have good papers?

13 A. Right.

14 Q. But you kept him on book?

15 A. Sir?

16 Q. You kept Rudolfo on for another two years?

17 A. Yes.

18 Q. You knew you at least had one illegal alien working
19 for you, right?

20 A. Well, I didn't see the -- I didn't see that.

21 Q. Could we look at the address just above that please.
22 Tell us where that is, sir.

23 A. That's our address.

24 Q. Our address? Is that home?

25 A. That was at my house.

1 Q. Your house. This letter came to you addressed to L
2 & L Services at your house?

3 A. Yes. We had an office there.

4 Q. All right. We were moving through, albeit slowly,
5 to Exhibit 6. And I will ask to pull that back up if you
6 would please. And I want to specifically ask you about
7 Exhibit 6. It was just at the very end, if we go to the
8 fourth page of the archive print, middle paragraph. It's
9 real short, where it says Maximino. Do you recall telling
10 Mr. Scott: Maximino Flores has an ax to grind. He and his
11 family are out to get us because we had to fire them?

12 A. Yes, I remember telling him that.

13 Q. And this was you speaking again with Mr. Scott who
14 was calling you to comment?

15 A. Right.

16 Q. And you wanted to tell him your side of the story?

17 A. Well, the news reporter called me and asked me about
18 Maximino Flores. That's why I told him about it.

19 Q. And that was your side of the story, right?

20 A. Well, I will tell you my side of the story.

21 Q. You have done that. My question is simply, were you
22 trying to get across to him what your side of the story was
23 so if it was printed, at least your side would be printed as
24 well?

25 A. I was just trying to answer his question.

1 Q. Okay. Now, let's move on to Exhibit Number 8
2 please. This was the April 20th, 2004, letter, sir. Do you
3 see that?

4 A. Sir?

5 Q. The April 24th, 2004, article?

6 A. Yeah, I see it.

7 Q. I think you discussed this earlier with Mr. Cisa,
8 but this is where it was reported that your company had to
9 return back wages, the overtime that we've already talked
10 about; is that right?

11 A. We paid them overtime, yes, sir.

12 Q. Okay. What we were talking about was that March --

13 MR. HOOD: Your Honor, Exhibit 13, before the break,
14 I think I had moved for its introduction and there had been
15 an objection.

16 MR. CISA: You already ruled on the objection. You
17 ruled it admissible, I think; is that right?

18 THE COURT: It's in the note.

19 BY MR. HOOD:

20 Q. So the Department of Labor investigation was
21 reported in this newspaper article here?

22 A. I think so, yes, sir.

23 Q. Let's take a few minutes. Just look at it. The
24 title, the headline is Firm Owes Back Wages to Laborers. And
25 beneath it it says: Staffing company also faces workers'

1 compensation investigation. Do you see that?

2 A. Okay, yeah.

3 Q. And this is where Mr. Scott describes the results of
4 the investigation of the Department of Labor. And the fourth
5 paragraph down or, excuse me, fifth paragraph down, you are
6 quoted again as saying: No penalties, no fines, no charges,
7 nothing on top of back wages. We owe the workers, so we are
8 going to pay them.

9 A. That's true.

10 Q. Again, that was you reaching out to Mr. Scott or him
11 reaching out to you, and you provided him with --

12 A. He asked me and I answered his question.

13 Q. If we could go to second page please, second column.
14 Where it says Alicia Clawson, executive director of the state
15 agency, talking about workers' compensation, said: WLL does
16 not carry workers' compensation, which is required by state
17 law.

18 Do you see that?

19 A. Yes, sir.

20 Q. Did WLL have workers' compensation at that time?

21 A. I don't think so, no.

22 Q. I'm going to hand to you what we've marked as
23 Defendant's Exhibit 16. And, sir, I hand you Exhibit 17 as
24 well. Exhibit 16, sir, is that the agreement that you signed
25 on behalf of WLL, LLC, regarding the work comp violation?

1 A. Yes, sir.

2 Q. And Exhibit 17, I think that's a photocopy of the
3 check that was written; is that right?

4 A. Yes, sir.

5 Q. And you wrote that second check as well and it bears
6 your signature?

7 A. Sir?

8 Q. That check bears your signature?

9 A. Yes, that is my check.

10 Q. The first document bears your signature as well?

11 A. Yes, sir.

12 MR. HOOD: Your Honor, at this time we offer
13 Defendant's Exhibit 16 and 17.

14 MR. CISA: No objection, Your Honor.

15 THE COURT: Admitted.

16 (Defendant's Exhibit 16, Workers Compensation
17 violations agreement, was received in evidence.)

18 (Defendant's Exhibit 17, Photocopy of check, was
19 received in evidence.)

20 BY MR. HOOD:

21 Q. So the fine, that was assessed against WLL, was for
22 a little under \$4,000,; is that right?

23 A. Yes.

24 Q. I notice that the check was drawn on L & L Services?

25 A. L & L paid most of the expenses on everything.

1 Q. Did WLL even have its own account?

2 A. Yeah, we had an account. It may not have had an
3 expense account, but it had a payroll account.

4 Q. Did it have a checking account?

5 A. Yes, sir.

6 Q. Have you seen any of those checking account records?

7 A. No, sir, I haven't.

8 Q. Did you keep those records?

9 A. Well, it's been 10 years. I don't think I got any
10 of them. Y'all had access to whatever I had.

11 Q. I haven't seen them, is why I'm asking.

12 A. Sir?

13 Q. I haven't seen them, which is why I'm asking.

14 A. Well, I haven't seen them either.

15 Q. Did you keep any of the business records from L & L
16 Services or WLL?

17 A. I had a room full of them.

18 Q. We've seen some accounting records. Did you keep
19 the QuickBooks records, the electronic records?

20 A. I never did have anything to do with computers, so I
21 don't know. I couldn't even cut one on at that time.

22 Q. Did you give all the accounting stuff to your CPA?

23 A. As far as I know, yes, sir.

24 Q. All right. So in 2004, when you were operating WLL
25 for the overtime that we talked about on that chart, it was

1 not at that time covered by workers' compensation; is that
2 right?

3 A. No, sir, I wasn't.

4 Q. And in connection with your business, did you think
5 that it was harmful to your business's reputation, that in
6 April 20th of 2004, that it was written up in the newspaper
7 as having owed wages to its employees and did not have
8 workers' compensation for WLL?

9 A. I didn't think that was good.

10 Q. Would you agree it was bad?

11 A. I think it was.

12 Q. Okay. I want to see if we can clarify one thing
13 about the way the business worked. Company is L & L
14 Services, right?

15 A. Right.

16 Q. And you've got 200 people that worked for you?

17 A. Roughly, yes, sir.

18 Q. And the customers were the customers of L & L,
19 right?

20 A. Yes, sir.

21 Q. So L & L sends people to the customers and the
22 customers send money back to L & L?

23 A. Right.

24 Q. And then L & L pays the workers?

25 A. Yes.

1 Q. There's never any money going --

2 A. Sir?

3 Q. There's never any money going from the customers to
4 the workers?

5 A. Yes, there was. We had a program that we worked on
6 the weekends, we advertised in the paper if people wanted a
7 man a day, in other words, people cleaning out your garage,
8 you could come by and pick up a man using whatever hours, you
9 pay him \$7 cash, and you brought him back to the office. You
10 either picked him up from the office and brought him back
11 there or you picked him up from the camp and took him back
12 there, but we didn't participate in that in any way. The
13 customers hired him directly. They paid him directly.

14 Q. Okay.

15 A. But that was given extra time, in other words, we
16 didn't participate on that. All we did was, like, if you
17 want somebody to clean out your garage on Saturday, you call
18 on Friday afternoon and said, I need two guys Saturday
19 morning eight o'clock. Well, you pick them up, you know.
20 People don't keep -- pick them up at the camp. People around
21 town picked them up at the office in town.

22 Q. For most of your workers, the relationship was in
23 this --

24 A. Yes, sir.

25 Q. And occasionally on the weekends, you might have

1 something on the side?

2 A. Sir?

3 Q. On the weekends, you might have something on the
4 side?

5 A. We tried to get them all we could get them, yeah.

6 Q. Now, the side business, that was cash money,
7 right?

8 A. Yes, sir.

9 Q. L & L didn't take a cut of that?

10 A. No, we didn't participate in that.

11 Q. L & L didn't withhold the wages, the withholdings
12 from those wages, did they?

13 A. Well, if people paid directly to the Mexicans, we
14 didn't -- in other words, they didn't pay us. That's why we
15 wouldn't let them give them any check, because I didn't want
16 to be running around trying to collect checks that some of
17 them had given to Mexicans. In other words, if you came and
18 picked up a guy and worked him for 10 hours, you paid him \$70
19 cash money and you brought him back to the office. That was
20 all. I mean, it was just a way to get people time, you know,
21 that was sitting around Saturday or Sunday.

22 Q. That's work under the table, right?

23 A. I don't know what you call it. But I didn't -- I
24 will put it this way. I did not participate monetarily in it
25 in any way. Only thing is, it costs me to get them either to

1 the office or to the labor camp where they could pick them
2 up.

3 Q. Okay. You participated by making them available,
4 the opportunity, transportation, you gave them the means --

5 A. Right.

6 Q. -- and the end to do the work?

7 A. Well, I didn't carry them. They had to -- in other
8 words, I didn't carry them to your house. You had to come
9 and get them from the labor camp or from the office.

10 Q. This was something that was done off the books?

11 A. Yes, sir, it was done off -- but I didn't
12 participate in it. There wasn't any books to keep.

13 Q. And it was all cash? You didn't want any checks?

14 A. All cash.

15 Q. All right. I mentioned article number 8, I think.
16 If we could go to the last paragraph of that article please.
17 And this was Mr. Scott reporting in the same article about
18 the title Firm Owes Back Wages to Laborers. Here he says,
19 "Limehouse has said neither his company nor any of his office
20 employees made or sold false identification cards for illegal
21 aliens. Said numerous employees had access to the blank
22 cards at his office. 'Nobody in my office that I know did
23 anything like that,' Limehouse said. 'We used to keep
24 everything out on the desk in the office, not anymore.'"

25 A. That's correct.

1 Q. Those are your words?

2 A. Yes, sir.

3 Q. And this was in response to questions about the
4 rumors of some of your employees making cards, right?

5 A. Well, I think it came about -- we took pictures of
6 every employee. And the machine that we had, it would make
7 full pictures at the time. And what we would do is, we would
8 use that one picture for our card. And we would give them
9 the other three pictures, and we had no use for them. And I
10 think some of them might have been used in some of these
11 things to get other cards or something, but we didn't have
12 anything to do with it. We just gave them the pictures. We
13 didn't need them. But we locked them up after that. We
14 didn't give them any more pictures.

15 Q. Are you referring to the workers had access to your
16 equipment and they could have been making their own false
17 documents?

18 A. No, sir. They had access to the camera making the
19 pictures.

20 Q. And that's what you took away?

21 A. And that's what we put up in the ---

22 Q. And you did that because you were worried they were
23 using those pictures to make false identification?

24 A. Somebody said something about they might be using
25 the extra pictures for other reasons. But the machine we had

1 would only take four pictures. It wouldn't take one, two, or
2 three; it took four.

3 Q. There was one other sentence in article 8 I wanted
4 to ask you about. It's just above that. It's the fifth
5 paragraph down. It starts with, "Limehouse told". It's
6 actually the paragraph below that, says, "Limehouse said the
7 coverage must have lapsed. He said he is in the process of
8 restoring coverage. 'We didn't know it,' he said, 'they
9 probably wrote us a letter but it just got lost in the mail
10 or we lost it.'"

11 A. That's true. That's what I said.

12 Q. And that was your response to why you didn't have
13 workers' compensation?

14 A. That's it.

15 Q. Do you think that that depicts L & L Services in a
16 good light?

17 A. No, sir.

18 Q. Do you agree that would be harmful to its business
19 reputation?

20 A. Sir?

21 Q. Do you agree that would be harmful to its business
22 reputation?

23 A. I think it would, but we didn't lose any customers
24 over it.

25 Q. Let's look at April 24th, 2004. That's Exhibit

1 Number 9. And let's go to the highlight sections there.
2 This is one of the quotes that you've filed this lawsuit
3 about, right?

4 A. Sir?

5 Q. Is this one of the quotes that you filed the lawsuit
6 about?

7 A. Yes, sir.

8 Q. And in this paragraph, it says, "'This is a classic
9 racketeering scheme,' said Paul Hulsey, founding partner of
10 the Wharfside Street Law firm in downtown Charleston. 'This
11 sets the community back 150 years.'"

12 A. Yes, sir.

13 Q. And in that paragraph, those two sentences, the two
14 quotes contained by Mr. Hulsey, do you see him referring to
15 Lawton Limehouse?

16 A. I got some stuff on the side of the screen on me.
17 If you could get it off so I could read the whole thing.

18 Q. Well, your name is right below it right there. My
19 question is, the quotations that are attributed to my client,
20 Paul Hulsey --

21 A. I'm saying I can't read the whole quotation. You've
22 got something on the right-hand side of the screen.

23 Q. Is this better?

24 A. Okay. That's true. That's what it says.

25 Q. Okay. Let's look at the second highlight. "'This

1 is a blatant case of indentured servitude,' said Hulsey,
2 formerly with the Ness Motley Law Firm. 'L & L Services took
3 advantage of the complexity of the system. They have created
4 a perfect racketeering enterprise, just like Tony Soprano.'"
5 Do you see that?

6 A. Yes, sir.

7 Q. In the quotations there attributed to Mr. Hulsey,
8 did he identify Lawton Limehouse?

9 A. He said L & L Services, which all our customers knew
10 Lawton, Jr. and I were Limehouses that owned L & L
11 Services.

12 Q. So the answer to my question is --

13 A. I didn't.

14 Q. No, he didn't use Lawton Limehouse?

15 A. Sir?

16 Q. The answer to the question is, no, he did not use
17 the words Lawton Limehouse?

18 A. No, he did not.

19 Q. He used L & L Services?

20 A. He used L & L Services.

21 Q. And you agree that if someone had just said
22 something about L & L Services and doesn't name an
23 individual, then there's no harm done, right?

24 A. Sir, say that again.

25 Q. Sure. You agree that if someone just said something

1 about L & L Services and doesn't name an individual, then
2 there is no harm done?

3 A. I see a lot of harm done.

4 MR. HOOD: Your Honor, could I open this
5 deposition?

6 THE COURT: Yes, sir.

7 MR. CISA: What's the date, Jamie?

8 MR. HOOD: March 18th.

9 BY MR. HOOD:

10 Q. I'm going to hand to you your deposition that is
11 dated March 18th, 2015. Okay? And I'm going to direct you
12 to page 352, line 25, right here. Question says, "Okay. So
13 as far as you were concerned, if someone just said something
14 about L & L Services and it didn't name an individual, then
15 there wasn't a problem there?"

16 Your answer?

17 A. "No, ma'am, I don't think so."

18 Q. And your testimony under oath at the deposition last
19 week --

20 A. Yes, I did.

21 Q. Just a minute. Your testimony under oath last week
22 at the deposition was that it was about the LLC, there's not
23 an individual named --

24 A. Sir?

25 Q. Last week at the deposition, you testified under

1 oath, that if the statement was something about L & L
2 Services and doesn't name an individual, there's no harm
3 done, right?

4 A. Say that again. I don't understand it.

5 Q. The testimony -- do you remember giving your
6 deposition?

7 A. Yes, sir, I do.

8 Q. And you were under oath just like you are here?

9 A. Yes.

10 Q. When you were pitched the question whether -- let's
11 read it again.

12 A. Was that the first deposition or the second one?

13 Q. This was the second one on -- this was the 18th, so
14 a week ago.

15 A. Yeah. On that deposition, I told you that I wanted
16 to read it and sign it, and I haven't done that.

17 Q. Okay. Your deposition testimony says, "Okay. So as
18 far as you were concerned, if someone has just said something
19 about L & L Services and didn't name an individual, then
20 there wasn't a problem there?"

21 Your answer, "No, ma'am, I wouldn't think so."

22 A. That was the answer on the thing, but I reserved the
23 right to read my deposition and sign it, which I have not
24 done.

25 Q. But at least when you heard the question under oath

1 and you answered the question, that's how you answered that
2 day, right?

3 A. That's the way it was asked, apparently, and that's
4 what I answered.

5 Q. Is that truthful?

6 A. Sir?

7 Q. You gave a truthful response; is that right?

8 A. I don't think so. I haven't had a chance to read
9 the deposition and sign.

10 Q. I have a stack of documents in front of you that I
11 want to try to work through as efficiently as possible. I'm
12 not going to ask you questions about all of them. We have
13 some subsequent witnesses who may. So I'm going to hand to
14 you what's been marked as Defendant's 20 through 24, and ask
15 you if these are the tax returns for L & L Services for 2000,
16 2001, '02, '03 and '04?

17 A. Yes, sir.

18 MR. HOOD: We would offer Defendant's 20 through 24
19 into evidence.

20 MR. CISA: No objection, Your Honor.

21 THE COURT: Admitted without October.

22 (Defendant's Exhibit 20, Tax returns for L & L
23 Services for 2000, was received in evidence.)

24 (Defendant's Exhibit 21, Tax returns for L & L
25 Services for 2001, was received in evidence.)

1 (Defendant's Exhibit 22, Tax returns for L & L
2 Services for 2002, was received in evidence.)

3 (Defendant's Exhibit 23, Tax returns for L & L
4 Services for 2003, was moved into evidence.)

5 (Defendant's Exhibit 24, Tax returns for L & L
6 Services for 2004, was moved into evidence.)

7 BY MR. HOOD:

8 Q. Same thing, 26, 27, 28, 29 are tax returns for 2000,
9 2002, 2003, 2004, to you. And I just ask if those look to be
10 accurate?

11 A. Yes, that's what it looks like.

12 Q. Let me hand you Exhibit 26 as well. Do those appear
13 to be copies of your individual tax returns?

14 A. Yes.

15 MR. HOOD: Your Honor, we would offer Defendant's
16 Exhibit 26, 27, 28 and 29 into evidence.

17 MR. CISA: Judge, I don't object to the authenticity
18 of those documents. I have a relevance objection. I don't
19 know why they would be relevant in this trial.

20 THE COURT: All right. Relevance, Mr. Hood?

21 MR. HOOD: Yes, Your Honor. An expert in the area
22 of business valuations has reviewed and relied upon these.
23 We offer testimony related to some of the information
24 contained in the tax returns.

25 MR. CISA: I took his deposition. He didn't tell me

1 that. But, Judge, it may be permissible for their expert to
2 say, I reviewed personal tax returns. I don't think they
3 should be put into evidence.

4 THE COURT: They are admitted.

5 (Defendant's Exhibit 26, Individual tax returns for
6 2000, was moved into evidence.)

7 (Defendant's Exhibit 27, Individual tax returns for
8 2002, was moved into evidence.)

9 (Defendant's Exhibit 28, Individual tax returns for
10 2003, was moved into evidence.)

11 (Defendant's Exhibit 29, Individual tax returns for
12 2004, was moved into evidence.)

13 BY MR. HOOD:

14 Q. I'm going to hand to you three more documents.
15 These are profit and loss statements from L & L Services for
16 2001, 2002, 2003, Defendant's Exhibits 34, 35 and 36, and
17 just ask if those appear to be the P and Ls from your
18 company?

19 A. Yes, sir.

20 MR. HOOD: Your Honor, at this time we would offer
21 Defendant's Exhibit 34, 35 and 36.

22 MR. CISA: No objection, Your Honor.

23 THE COURT: They are admitted.

24 (Defendant's 34, Profit and loss statements from L
25 & L Services for 2001, was moved into evidence.)

1 (Defendant's 35, Profit and loss statements from L
2 & L Services for 2002, was moved into evidence.)

3 (Defendant's 36, Profit and loss statements from L
4 & L Services for 2003, was moved into evidence.)

5 BY MR. HOOD:

6 Q. Mr. Limehouse, when you are looking at those profit
7 and loss statements, if we could pull up Defendant's Exhibit
8 34 please. Could we zoom in just a little bit? I have a
9 question about -- I just want to ask you about a line item.
10 I see in this -- keep going down. There's a legal fees, that
11 in 2001, you had legal fees for \$2,900. Do you see that or
12 2,920?

13 A. Yes, sir.

14 Q. Okay. And then in 2002, Exhibit 35, go to the legal
15 fees there. You are looking at \$1,600?

16 A. Yes, sir.

17 Q. And then 2003, Exhibit 36, your legal fees went up
18 almost over \$24,000?

19 A. That's what it said.

20 Q. What was going on with L & L Services to rack up
21 \$24,000 worth of legal fees?

22 A. I don't know. Could you tell me who they were paid
23 to?

24 Q. I don't know either. That's why I'm asking you.
25 I'm going to hand up 32. See if that helps.

1 A. This is from Homes.

2 Q. That is? That is not what I thought it was. That
3 is your engagement with Mr. Homes, your new CPA; is that
4 right?

5 A. Yeah, I think that is why I signed saying I would do
6 business with him.

7 Q. Well, we will use this later. Let me go ahead and
8 offer this as Defendant's Exhibit 32.

9 MR. CISA: I don't have any objection, Your Honor.

10 THE COURT: Admitted.

11 (Defendant's Exhibit 32, Homes CPA document, was
12 received in evidence.)

13 BY MR. HOOD:

14 Q. Let me hand you Exhibit 45. Do you see Exhibit 45,
15 sir?

16 A. Yeah, yeah, yeah.

17 Q. And this is a letter to you from your lawyer, Mike
18 Grant?

19 A. Yes, sir, that's who it was.

20 Q. He's a tax lawyer?

21 A. Yes, he is.

22 Q. Were you spending some money on tax lawyers in 2003?

23 A. I spent this on him.

24 Q. And is this dealing with your tax liabilities
25 associated with L & L Services?

1 A. Right.

2 MR. HOOD: Your Honor, we offer Defendant's Exhibit
3 45.

4 MR. CISA: Judge, I object on the grounds of
5 hearsay. And it's one page of a letter. It doesn't -- it's
6 not the full letter. I haven't seen the full letter.

7 THE COURT: Mr. Hood?

8 MR. HOOD: The document was located in the
9 warehouse. And this is the only piece of paper found next to
10 this. And it's Mr. Limehouse's warehouse, not mine. So this
11 is all we had.

12 MR. CISA: Well, it's not even -- it's not a
13 complete document. And it's hearsay. It's not a complete
14 document.

15 THE COURT: Did you ask questions about it; question
16 the witness about the document?

17 MR. HOOD: I do have a question about the document,
18 yes, sir.

19 THE COURT: Let's proceed with the question then.

20 BY MR. HOOD:

21 Q. Mr. Limehouse, you are going to have to follow along
22 on your document there. Okay?

23 A. Which one?

24 Q. 45, Mike Grant's letter. Do you remember getting a
25 letter from Mike Grant?

1 A. I did business with him. I don't remember getting
2 this letter, but I probably did. It's been, 10, 12 years
3 ago.

4 Q. At the end there, it says: There's a substantial
5 amount owed from you personally for the trust fund portion of
6 the unpaid L & L payroll taxes. Do you see that?

7 A. Yes, I see that.

8 Q. And did you understand, in November of 2003, that
9 that unpaid portion of the trust fund was potentially liable
10 to you individually?

11 A. Yes, that's why I paid it.

12 Q. But you didn't pay the portion that was attributed
13 to the company, right?

14 A. No, sir.

15 Q. Because part of the -- the plan was, they know they
16 can come after you personally, so you've got to satisfy that
17 portion first, right?

18 A. No, sir. I didn't use these people after that.
19 They never did anything with the government with me. I was
20 doing better with the agent than they were. So I didn't use
21 them anymore.

22 Q. All right. The last paragraph says: I urge you to
23 continue to attempt to raise money so that at least this
24 portion of your obligations to the Internal Revenue Service
25 can be satisfied and we could concentrate on the remaining L

1 & L individual matters?

2 A. That's true.

3 Q. And did you concentrate on trying to satisfy that
4 trust fund portion?

5 A. I paid them.

6 Q. And this was November 21st of 2003, right?

7 A. That is when this was, uh-huh.

8 Q. And how long had you been seeking -- was Mike Grant
9 the only lawyer you were working with in 2003?

10 A. I think so, yes, sir.

11 Q. Would that be where the \$24,000 worth of legal --

12 A. Probably. I think I paid him \$15,000 the first
13 time.

14 Q. And he was trying to help you get through your tax
15 liability from L & L Services?

16 A. Yes, sir, that's what he was trying to do.

17 MR. HOOD: Your Honor, based on his testimony, we
18 would renew our offer of 45 into evidence.

19 THE COURT: Anything further, Mr. --

20 MR. CISA: Nothing further than what I've already
21 said. It's not a full document.

22 THE COURT: It's admitted.

23 (Defendant's Exhibit 45, Attorney Mike Grant's
24 letter, was received in evidence.)

25

1 BY MR. HOOD:

2 Q. Let's pull it up so everybody can see what we are
3 looking at, Exhibit 45.

4 All right. Mr. Limehouse, in the first paragraph,
5 it references Richard Homes. Do you see that?

6 A. Yes, sir.

7 Q. So at least as early as November of 2003, Mike Grant
8 and Richard Homes were working together?

9 A. They only worked together for a short period of
10 time.

11 Q. But they were working together for your benefit?

12 A. Yes, sir, they were.

13 Q. And they were looking at the L & L accounting and
14 financial statement work and audit of your 1997 individual
15 return; do you see that?

16 A. Probably so.

17 Q. Did you get flagged for audit individually from 1997
18 or something?

19 A. I've been audited twice in my lifetime. The last --
20 first time I don't remember at all. And the last time was
21 about that time, yeah.

22 Q. Let's look at the second paragraph. There it says:
23 Richard has received proposed adjustments for your individual
24 return from the year 1997 with the IRS proposing additional
25 income of approximately \$70,000 resulting in self-employment

1 tax and interest due in the amount of \$6,000. The agent
2 suggested that her supervisor would like for her to look into
3 1998 and 1999 as well.

4 A. She did, as far as I know.

5 Q. And they are talking about your individual return
6 right there, isn't it?

7 A. Sir?

8 Q. They are talking about the individual return?

9 A. Yeah, I believe so.

10 Q. And then the last paragraph, which we read earlier,
11 this is a portion dealing with L & L payroll, right?

12 A. Sir?

13 Q. Is this a portion dealing with the L & L payroll?

14 A. Yes.

15 Q. And you said that in 2003 you stopped using
16 Mr. Grant's services?

17 A. Well, right after this, I did. Might have been six
18 months or something. I don't know.

19 Q. And then was it just you and Mr. Homes working with
20 the IRS?

21 A. Yes, sir, I think that's the way it was. It's been
22 so long ago. It's been -- I don't know.

23 Q. I just have one question about Exhibit 24. There's
24 a handwritten set of notes with Exhibit 24 for Mr. Homes.

25 A. Is that his writing? I don't know.

1 Q. These were attached to the tax return. And I want
2 to ask you a few questions, see if this jogs your memory.

3 A. Say that again now.

4 Q. I'm going to ask you a couple of questions?

5 A. Okay.

6 Q. See the arrow on the screen in front of you, sir?

7 A. Yeah.

8 Q. All right. There it says: Still has one computer
9 with payroll info that IRS didn't take. Did not tell Carter
10 about computer. Didn't want Carter to see bank statement.

11 A. That's not my writing.

12 Q. Do you remember having a conversation with
13 Mr. Homes?

14 A. No, sir, I don't.

15 Q. Do you remember who Mr. Carter is?

16 A. I know who Carter is.

17 Q. Who is Carter?

18 A. IRS agent.

19 Q. Did you tell Mr. Homes that you still had one
20 computer with payroll information on it?

21 A. No, I didn't. I didn't know anything about
22 computers, period.

23 Q. This piece of paper, this is a piece of paper with
24 notes referring to L & L, LLC?

25 A. Sir?

1 Q. These notes are dealing with L & L Services?

2 A. Yes, sir. You think this is Mr. Home's writing? Do
3 you think this is?

4 Q. They are attached as backup data for 2004 tax return
5 that Mr. Homes produced.

6 A. Oh, you think he would send a tax agent?

7 Q. I see people do all kinds of silly things.

8 A. Huh?

9 Q. I don't know. We will have to ask him. I just want
10 to know if you remember that conversation?

11 A. I don't remember a thing about it, no.

12 Q. I will take that. Thank you. You've talked with
13 Mr. Cisa about the tax liens that came in. Do you remember
14 that?

15 A. Yes, sir.

16 Q. I'm going to put together another stack and hand
17 them up to you at one time. I'm handing to you, sir,
18 Defendant's Exhibits 37, 38, 39, 40, 41, 42 and 43. And if
19 you would, flip through them and see if these are the tax
20 levies that we are talking about.

21 A. Yes, sir.

22 Q. I forgot one. There's Exhibit 44. I forgot to hand
23 you Exhibit 44. Is 44 also one of the tax liens?

24 A. Yes, sir.

25 MR. HOOD: Your Honor, we would offer Defendant's

1 Exhibit 37, 38, 39, 40, 41, 42, 43, 44 into evidence.

2 MR. CISA: No objection.

3 THE COURT: They are admitted.

4 (Defendant's Exhibit 37, Notice of Levy, is moved
5 into evidence.)

6 (Defendant's Exhibit 38, Notice of Lien, is moved
7 into evidence.)

8 (Defendant's Exhibit 39, Notice of Lien, is moved
9 into evidence.)

10 (Defendant's Exhibit 40, Notice of Lien, is moved
11 into evidence.)

12 (Defendant's Exhibit 41, Notice of Lien, is moved
13 into evidence.)

14 (Defendant's Exhibit 42, 4/19/04 Notice of Lien, is
15 moved into evidence.)

16 (Defendant's Exhibit 43, 10/29/03 Notice of Lien,
17 is moved into evidence.)

18 (Defendant's Exhibit 44, 6/7/04 Notice of Lien, is
19 moved into evidence.)

20 BY MR. HOOD:

21 Q. Would you look with me, sir, at Exhibit Number 38
22 for example?

23 A. Is that one of the ones you had seen?

24 Q. We will put it on the screen. How about that? Pull
25 up Exhibit 38, please. On the screen in front of you, sir,

1 is Exhibit 38.

2 A. Yes, sir.

3 Q. This is a notice of federal tax lien; is that right?

4 A. Yes, sir.

5 Q. And this was to L & L Services?

6 A. Yes, sir.

7 Q. And it appears that this was filed in August 28th of
8 2002, right?

9 A. Right.

10 Q. Scroll down a little bit. At that time, there was a
11 lien in the amount of \$257,000 and some change, right?

12 A. Yes, sir.

13 Q. Over here where it says kind of tax, those were the
14 payroll taxes that we've been talking about, right?

15 A. Yes, sir.

16 Q. This isn't some income tax issue; it's a payroll tax
17 issue, right?

18 A. Sir?

19 Q. This was a payroll tax issue?

20 A. Right.

21 Q. Not income tax?

22 A. Yeah.

23 Q. And what the IRS is doing is they are putting you
24 and the public on notice that they have a lien in this amount
25 over any proceeds that your companies make, right?

1 A. I don't think that's what it means.

2 Q. All right. What does it mean?

3 A. It means they can take whatever profit the company
4 has got.

5 Q. Up to \$257,000?

6 A. Up to anything. I had already been to the IRS and
7 self-reported that I was going to get behind because of my
8 accountant was in bad shape with cancer.

9 Q. I understand your testimony, but, nevertheless, in
10 August of --

11 A. That's true.

12 Q. Excuse me. Let me finish the question. In August
13 of 2002, they filed a notice of a federal tax lien in the
14 amount in excess of \$250,000?

15 A. Yes, sir.

16 Q. Let's look at Exhibit 37. This is a notice of levy.
17 Do you see that?

18 A. Yes, sir.

19 Q. And did you understand what a notice of levy was?

20 A. Yes, sir.

21 Q. What does that mean?

22 A. Means that it could take whatever was available at
23 the time.

24 Q. All right. Let's scroll down to the bottom. Two
25 things. There's the amount?

1 A. I can't see. You've got something on the screen.

2 Q. How about now?

3 A. I can see it.

4 Q. What's the amount?

5 A. \$602,317.72.

6 Q. If we go to the top of that document, in the top
7 left-hand corner, what's the date?

8 A. 4/14/04.

9 Q. So 4/14/04, you owed the IRS \$602,000; is that
10 right?

11 A. Uh-huh.

12 Q. Is that a yes?

13 A. That's right, uh-huh.

14 Q. And IRS was sending these notices out to your
15 customers, right?

16 A. They sent out two, I think.

17 Q. Well, they sent this one -- we know -- what we are
18 looking at, the first page. And then they sent one time to
19 Kiawah Island Inn Company and Gulf Stream Construction as
20 well; is that right?

21 A. Say that again.

22 Q. Kiawah Island Inn Company and Gulf Stream
23 Construction; is that right?

24 A. Right. I think they sent two.

25 Q. That's all you know of today?

1 A. That's all I know of.

2 Q. Do you think that your customers receiving tax levy
3 notices would have an adverse effect on their willingness to
4 do business with L & L Services?

5 A. As long as whatever you owed at the time, if a
6 company owed you, that's what they could take. And then
7 after that, you could go right on.

8 Q. Did L & L Services have \$600,000 in available funds
9 to pay the debt?

10 A. No, sir.

11 Q. When did you talk to the IRS agent?

12 A. I talked to him starting when Larry got sick and
13 talked to them continually.

14 Q. And as a result of your communications, is that why
15 they let you keep working or keep going?

16 A. I think so.

17 Q. And as I look at this levy, it's showing -- if we
18 can zoom in in the middle there, that box -- it shows taxes
19 due from back in June 30th of 2000, September 30th of 2000,
20 2001 and 2002. By April of 2004, L & L Services was still
21 unable to make its payroll obligations to the federal
22 government for income received in June of 2000, correct?

23 A. Say that again.

24 Q. By April 14th, 2004, L & L Services was still unable
25 to pay its portion of the payroll tax for 2000, 2001 and

1 2002?

2 A. Well, we had started paying them, but it's my
3 understanding that they can credit them any way they wanted
4 to. We were giving them extra money.

5 Q. Well, at this point, you still owed them 6 --

6 A. Yes, that's right.

7 Q. And according to the IRS, you still owed from 2000,
8 2001, 2002?

9 A. Right.

10 Q. By this point in '04, you still hadn't been able to
11 satisfy your tax burden and obligations right?

12 A. Right.

13 Q. And the payroll tax is the 7.65 percent that you as
14 the company are withholding from your employee's wages?

15 A. Right.

16 Q. And you are taking 7.65 percent of your employee's
17 income from this \$6 down here, and you are supposed to hold
18 it in trust and pay it to the government?

19 A. Yes.

20 Q. But you didn't do that?

21 A. No. I did in the end.

22 Q. But while you were trying to run the business, you
23 needed all the cash you could to keep moving to try to make
24 enough money to ultimately pay the taxes, right?

25 A. I don't know exactly what you are saying, but --

1 Q. Well, you were getting a paycheck in 2000, 2001,
2 2002, 2003, and 2004, right?

3 A. Right.

4 Q. You were putting money in your pocket?

5 A. Right.

6 Q. But you weren't paying your trust fund obligation?

7 A. Not all of them, no.

8 Q. And that money, that was your employees' money who
9 had earned that?

10 A. Right.

11 Q. And you were using their money to continue to fund
12 the operation of L & L Services?

13 A. You could put it that way.

14 Q. And also to pay your salary, what you took out of
15 the company?

16 A. Right.

17 Q. I'm going to shift gears and stop talking about
18 taxes for a few minutes.

19 May the 7th, 2004, you transferred title of your
20 home, your residence, to your wife for a dollar, right?

21 A. I did.

22 Q. A week later, your son transferred title of his home
23 to his wife?

24 A. I don't know about that.

25 Q. I'm going to hand you Exhibit 48. Does that refresh

1 your memory about your son transferring his property --

2 A. Well, I read where he transferred it.

3 Q. He transferred his personal -- his residence to his
4 wife's name for a dollar?

5 A. Uh-huh.

6 Q. Is that a yes?

7 A. I think he gave it to her in the divorce. I don't
8 know.

9 Q. But you transferred title of your home to your
10 wife's name?

11 A. Yes, I did.

12 Q. And at that time, you had \$600,000 of debt to the
13 IRS?

14 A. Through the company, yes, sir.

15 Q. And a portion of that you knew could come to you
16 personally because it was a trust fund portion, right?

17 A. I probably did, yes, sir.

18 Q. And if they came after you, they could potentially
19 come after your property?

20 A. But they didn't come after me. They never came
21 after me.

22 Q. Mr. Limehouse, WLL was originally set up for
23 legitimate purpose of using the company for high-risk work,
24 right?

25 A. Yes, sir.

1 Q. And that went on for a little while. And you
2 stopped doing that, correct?

3 A. Yes, sir. It was too long -- two days, people I put
4 them in a position that was too dangerous.

5 Q. Turned out when you and your son decided to renew
6 using WLL, that you ended up using it for an unlawful way?

7 A. Right.

8 Q. And it worked for a year, but in 2004, in April,
9 after the original James Scott article, it was discovered
10 that your practice was actually in violation of the federal
11 wage laws.

12 A. Right.

13 Q. And it violated the rights of the workers as well?

14 A. Right.

15 MR. HOOD: Thank you, sir. I don't have any further
16 questions.

17 THE COURT: Redirect?

18 MR. CISA: Yes, Your Honor, just have a few areas.

19 REDIRECT EXAMINATION

20 BY MR. CISA:

21 Q. Mr. Limehouse, why did you transfer your house to
22 your wife's name on May 13th, 2004?

23 A. I had an episode. I couldn't keep my sugar straight
24 and I was worried about, you know -- I was just worried about
25 dying. I couldn't sleep. I couldn't rest. I couldn't eat.

1 I lost 15 pounds in no time at all. And I was just afraid
2 that something might happen to me and she would have all that
3 to go through. So I just gave it to her.

4 Q. You thought you were going to die?

5 A. I thought I was getting to die, a good possibility,
6 I think.

7 Q. Were you trying to gyp somebody out of money?

8 A. Sir?

9 Q. Were you trying to gyp somebody out of money?

10 A. No, sir, I was not.

11 Q. Did you pay the IRS what they had told you you
12 needed to pay them?

13 A. I went down to Mr. Carter and I asked him what I had
14 to pay him, and I paid him that.

15 Q. I want to show you Defendant's Exhibit 37 again, and
16 ask you a couple of questions. You see the date on this
17 levy, April 14th, 2004? Do you see it up there?

18 A. Yes, sir.

19 Q. Now, let's look at the tax periods they are talking
20 about. You see where it says tax period ended in the second
21 column?

22 A. Tax what now?

23 Q. Tax period ended?

24 A. Yes, sir.

25 Q. Do you see where -- does it say tax period ended

1 6/30/2000?

2 A. Yes, sir.

3 Q. And then it covers -- does it cover 6/30/2009,
4 30/2012, 31/2000; is that what it says?

5 A. Right.

6 Q. And then it covers 2001; is that correct?

7 A. Right.

8 Q. And then it ends in June 30th of 2002; is that
9 correct?

10 A. Yes, sir.

11 Q. So this money under this tax levy, does it not
12 relate to those tax periods?

13 A. Sir?

14 Q. Does this levy relate to those tax periods?

15 A. I would suppose so. I don't know.

16 Q. Okay. Are those the tax periods or the times back
17 in 2000, 2001 to June of 2002, when you were having problems
18 with Mr. Sithel because he was dying of cancer? Is that
19 correct?

20 A. Yes, sir.

21 Q. And this isn't a levy for any payroll taxes from
22 June 30th of 2002 to 2003 or for 2003 or for 2004; is that
23 correct?

24 A. I really don't understand what you are saying.

25 Q. Okay. That's all right. When you got this levy,

1 what did you do? Did you go to the IRS?

2 A. I went to the IRS.

3 Q. And did you work it out?

4 A. Yes, sir.

5 Q. Did they shut you down?

6 A. No, sir.

7 Q. Did you pay them what you owed them?

8 A. I was already shut down, I think, when I got this
9 letter, but I don't know.

10 Q. Are you tired?

11 A. Sir?

12 Q. Are you tired? Are you tired?

13 A. No, I'm all right.

14 Q. You are all right? I'm just going to ask you a few
15 questions about what Mr. Hood asked you. Do you recall Mr.
16 Hood reading to you some language out of the deposition where
17 you said: We probably did have coyotes bring us people. Do
18 you remember that?

19 A. Yes, sir, but we didn't know it. People just show
20 up.

21 Q. Did you use any coyotes?

22 A. No, sir, I didn't pay one coyote to bring me
23 anybody. I didn't pay anybody to bring me anybody.

24 Q. Do you remember the question about the five men
25 living in the storage shed?

1 A. Yes, sir.

2 Q. Did you require those men to live in that storage
3 shed, or did they choose to live in that storage shed?

4 A. They chose to live in that storage shed.

5 Q. Did you know they were living in that storage shed?

6 A. No, sir, I didn't.

7 Q. Did you have trouble getting those people out of the
8 house when the city of North Charleston came and told you
9 about them?

10 A. We had a lot of trouble getting them out of there.

11 Q. Do you recall Mr. Hood asking you about the no-match
12 letters? Do you recall Mr. Hood questioned you about the
13 no-match letters?

14 A. Yes, sir.

15 Q. I want to show you Defendant's Exhibit No. 12. All
16 right. Do you see the employee's name?

17 A. Yeah, Lopez.

18 Q. Lopez. All right. Do you actually -- well, this is
19 when -- where was your office when this letter was apparently
20 sent? Do you see the address?

21 A. I think my office had been moved from there for a
22 long time.

23 Q. Well, do you recall getting this letter?

24 A. No, sir, I don't.

25 Q. Do you recall discussing this letter with

1 Mr. Lopez?

2 A. No, I don't.

3 Q. Come down, you see where it says name changes with
4 the dots, the bullet points?

5 A. Says what now?

6 Q. Do you see the paragraph below the bullet points
7 where it says name changes?

8 A. Yes, I see that.

9 Q. Do you see where it says right there: Any employer
10 that uses this information in this letter to justify taking
11 adverse action against an employee may violate state or
12 federal law and be subject to legal consequences.

13 Do you see where it says that?

14 A. Yes, sir. We knew we couldn't do that.

15 Q. So, Mr. Limehouse, when you got this letter and read
16 it, did you understand you couldn't do anything to Mr. Lopez?

17 A. No, you couldn't.

18 Q. Did the Social Security Administration send somebody
19 to pick him up?

20 A. No, sir.

21 Q. Did the immigration people send anybody to pick him
22 up?

23 A. No, sir. We never had one man picked up by the
24 immigration service while we were working.

25 Q. Did you ever have any employee of L & L Services

1 from 2000 until April of 2004 picked up and deported?

2 A. No, sir.

3 Q. Did you ever have an instance where the Social
4 Security Administration came and picked up one of your
5 employees?

6 A. No, sir.

7 MR. CISA: Thank you, Mr. Limehouse. I have no
8 further questions.

9 THE COURT: Anything further?

10 RECROSS-EXAMINATION

11 BY MR. HOOD:

12 Q. You were asked about coyotes?

13 A. Yes, sir.

14 Q. Read the highlighted text there.

15 A. I said it came to us --

16 Q. Read the question and answer please.

17 A. "So from time to time, you had coyotes bring people
18 in?" Wait a minute. "So from time to time, you had coyotes
19 bring people in? But the financial arrangements were between
20 the worker and the coyote, right?"

21 "Right."

22 Q. So from time to time, you had coyotes bring in
23 workers, but the financial arrangement was between the
24 workers and the coyote?

25 A. Well, you know, people would call up their brother

1 or something and somebody would bring them. And whoever it
2 was, he brought, paid to bring him. I mean, I can't --
3 nobody brought me people out of Mexico or anywhere like that,
4 no.

5 Q. Mr. Limehouse, you found out it's virtually
6 impossible to keep a business running with \$600,000 in
7 payroll tax liability, didn't you?

8 A. Sir?

9 Q. You found out that it's virtually impossible to keep
10 a company going with \$600,000 in tax liability?

11 A. I kept it going until the article came out in the
12 paper that compared me to Tony Soprano. And then when I
13 didn't have any business, I couldn't keep up.

14 Q. Before the article in 2000 -- April 24th, 2004, you
15 couldn't meet your financial obligations as an employer to
16 the federal government, could you?

17 A. No.

18 MR. HOOD: Thank you, sir.

19 THE COURT: Mr. Limehouse, you may step down. And
20 we will take a break for a few minutes. Please do not
21 discuss the case.

22 (Whereupon, the jury leaves open court at 3:13 p.m.)

23 (Whereupon, recess transpired.)

24 THE COURT: Okay. Bring the jury please.

25 MR. HOOD: Your Honor, I understand the Court's

1 on here, that's not good either, is it?

2 A. It's definitely not good.

3 MR. HOOD: Thank you.

4 THE COURT: Redirect.

5 MR. CISA: I will try to be brief, Judge.

6 REDIRECT EXAMINATION

7 BY MR. CISA:

8 Q. Mr. Limehouse, you are a small businessman?

9 A. I am.

10 Q. I want to show you the part of the April 24th, 2004,
11 article. And I'm going to direct your attention, do you see
12 the second full paragraph, "This is a blatant case of
13 indentured servitude?"

14 A. Yes, I do.

15 Q. "They have created a perfect racketeering
16 enterprise, just like Tony Soprano?"

17 A. Yes.

18 Q. Is that what you were referring to when you were
19 saying this article --

20 A. That's what I was talking about is the Tony Soprano
21 allegation. You know, at that time the Sopranos were all
22 over the television and he was in charge of racketeering.
23 They had murderers and prostitution and drug dealing and all
24 of that. And it's just a terrible association.

25 Q. As a small businessman, if you have a housing issue,

1 Thursday, March 26, 2015

2 THE COURT: Good morning. Thank you. Be seated.

3 All right. I understand five jurors are missing,
4 so we will stand still.

5 (PAUSE.)

6 THE COURT: Are there any other matters we can talk
7 about in the interim, or we need to talk about?

8 MR. CISA: Judge, the only thing I just want to
9 make sure, I think we've already talked about it. I only
10 have one more witnesses but I have two witnesses that are
11 under subpoena relative to net worth, a lady named Ellen
12 Cavanaugh, who works for CresCom Bank, who has personal
13 financial statements filed by Mr. Hulsey with that bank,
14 and I have a lady named Bernadette Dewitt who is an
15 employee of Bank of America, and she also has a financial
16 statement that's been filed by Mr. Hulsey.

17 As I understand your ruling, I won't put them up in
18 my case in chief and will only put them up if the jury
19 finds that Mr. Hulsey's actions were reckless, malicious
20 or whatever. Isn't that the way you want to do it?

21 THE COURT: Yes, sir.

22 MR. CISA: Yes, sir. Thank you.

23 THE COURT: And with regard to this verdict form,
24 the lawyers present the evidence to the jury and the jury
25 finds for the plaintiff or for the defendant based on the

1 instructions of law. The jury does not go through every
2 item of evidence to determine whether this bit has been
3 proven, that bit has been proven. The jury takes all the
4 evidence as a whole to determine who wins and who loses.
5 That's my view of the case.

6 MR. CISA: Yes, sir. I really haven't looked at
7 this, Judge.

8 THE COURT: Anything else while we wait?

9 MR. CISA: I guess we do need at least one
10 interrogatory about the punitive damage issues, we would
11 think. I understand on the actual damages side, I
12 understand what you are saying but we would need one
13 interrogatory --

14 THE COURT: Well, that would determine whether the
15 elements of punitive damages have been proven in order --
16 by clear and convincing evidence in order for us to get
17 to --

18 MR. CISA: Okay.

19 THE COURT: -- that phase of the trial.

20 MR. CISA: I understand.

21 MR. HOOD: As it relates to the verdict form I
22 handed up, Your Honor, the reason I had contained all of
23 the special interrogatories on there were to address the
24 complexity of the legal claims that have been brought and
25 the defenses associated with them.

1 And some of that will be -- there are going to be
2 some matters of law that Your Honor has the decide before
3 the case goes to the jury as charged in terms of whether
4 privileges apply, statutes, things of that nature that
5 are matters of law that would have an impact on perhaps a
6 verdict form. Because the concern I have is with --
7 depending on the statute determinations by Your Honor the
8 heightened standard of constitutional actual malice may
9 be required and the evidentiary burden of proof for that
10 is clear and convincing evidence versus a preponderance
11 of the evidence, and so there will be potentially
12 different burdens applicable to different portions of the
13 claims brought. This complexity is not a creation of
14 ours collectively. It's a function of the U. S. Supreme
15 Court jurisprudence.

16 THE COURT: Whatever that is, whatever the burden
17 is will be given to the jury in the jury charge, the jury
18 instructions. It won't be in the verdict form.

19 MR. HOOD: Is it your practice to submit the jury
20 charge to the jury as well?

21 THE COURT: Yes, a written copy of it.

22 MR. HOOD: And the other reason I would propose to
23 use interrogatories that are consistent with Your Honor's
24 determinations as a matter of law would be to ensure that
25 when we look back at this case and jury's determination

1 that all parties would have some direction from the jury
2 based on the interrogatories in terms of the evidence
3 that was presented and whether the evidence supports the
4 determinations reached by the jury.

5 Without the special interrogatories we would run
6 the risk of not knowing that information, and I think it
7 would certainly make the record clearer and more easily
8 determined for Your Honor in posttrial motions or anyone
9 else who is looking at the ultimate result.

10 THE COURT: Many times parties never know what are
11 the determining factors in a jury reaching a verdict and
12 to have separate interrogatories that polls them as to
13 each phase or each component of the case to see who wins
14 or who loses on this particular point in order to create
15 or have some basis for appellate issues I certainly
16 understand the argument and it's essential in some
17 instances and some instances it's not. So we'll see
18 where it goes but it's just preliminary looking --

19 MR. HOOD: Sure.

20 THE COURT: -- that's how it strikes me. Just send
21 them back, once you determine nine different or ten
22 different things, you know. Basically, you know, send
23 them back to determine nine, ten different things. You
24 determine based on the law and evidence we find for one
25 side or the other and --

1 MR. CISA: That's what I would prefer; you find for
2 the plaintiff or you find for the defendant. If you find
3 for the plaintiff what are the damages, what are the
4 actual damages. That's what I would prefer. Then you
5 got to do something with punitive. You know, has the
6 plaintiff proved by -- you've already charged the
7 standard, so has the plaintiff proved the elements for
8 punitive damages.

9 THE COURT: All right.

10 MR. CISA: I kind of agree with you. I like to
11 keep it simple.

12 THE COURT: All right. Okay. Well, we'll be at
13 ease for a bit.

14 (WHEREUPON, a brief recess was taken.)

15 THE COURT: Thank you. Be seated.

16 All right. We have 14 or 15 jurors. It's
17 10 o'clock. It says 10:04.

18 MR. CISA: Judge, who are we missing? Do we know
19 who we are missing? Is it an alternate or is it --

20 THE COURT: One of the first 12.

21 MR. CISA: One of the first 12.

22 THE CLERK: We are only lacking one. Number 12.

23 THE COURT: Hey, I wasn't going to tell them who.
24 I wanted to make that more random whether or not they
25 agree to proceed or not.

1 witness and he took all morning. So I don't know. We're
2 just all out of whack schedule wise right now. Let's
3 just -- but the jury is going to take lunch. I'm going
4 to hear your motions. I don't know how long they will
5 take then we have to take lunch, and it may well be two
6 o'clock. Hopefully it will be before two, though, I
7 would say.

8 MR. HOOD: I'll tell him quarter to two just to be
9 safe.

10 THE COURT: All right. Let's bring them on.

11 By the way, several folks have heard clicking of
12 cameras. There are no cameras. There is no photography
13 allowed in the courtroom unless approved by me.

14 (WHEREUPON, the jury enters the courtroom at
15 approximately 12:38 p.m.)

16 THE COURT: Mr. Cisa?

17 MR. CISA: Your Honor, I have no further witnesses.
18 The plaintiff rests.

19 THE COURT: Ladies and gentlemen, the plaintiff has
20 rested. That means you've heard the plaintiff's case. I
21 now must take up certain matters of law before we can
22 proceed. This is a good time, therefore, for us to break
23 for lunch -- for you all to break for lunch. We have to
24 remain here to deal with matters before we can proceed.
25 So I need you back in the jury room at 1:30. Need you

1 back at 1:30. Please do not discuss the case or allow
2 anyone to discuss it with you or in your presence.

3 (WHEREUPON, the jury leaves the courtroom at
4 approximately 12:40 p.m.)

5 THE COURT: All right. Mr. Hood, Ms. Durand?

6 MR. HOOD: Is there anything from the plaintiff?

7 THE COURT: Anything from the plaintiff?

8 MR. CISA: Nothing, Your Honor.

9 THE COURT: All right.

10 MR. HOOD: May it please the Court, Your Honor.

11 THE COURT: Yes, sir.

12 MR. HOOD: Jamie Hood, and I think I can speak to
13 both defendants as to this motion.

14 Pursuant to Rule 50 of the South Carolina Rules of
15 Civil Procedure we would respectfully ask the Court to
16 grant a motion for a directed verdict now at the close of
17 the plaintiff's case. The issues are obviously clear to
18 the Court in terms of the cause of action asserted and
19 the elements necessary to meet that.

20 In a first threshold issue, Your Honor, is that in
21 this -- this lawsuit is a slander case based upon the
22 comments by my client to Mr. Scott that he's testified to
23 and quotations that were published by him in the
24 newspaper article.

25 Mr. Scott has testified that the comments were in

1 discussion in relation to L&L Services and that the
2 comments as published into the newspaper do not reference
3 Lawton Limehouse, Sr. individually. Therefore, Your
4 Honor, we believe that the plaintiffs claims fail because
5 a plain ordinary reading of the words themselves as
6 published and as testified to by Mr. Scott in terms of
7 the direct communication between he and my client
8 established that this statement is not, in fact, about
9 the plaintiff.

10 As we've previously argued as relates to certain
11 evidentiary issues the entity itself is an LLC. It is
12 separate and distinct from its members and the assets of
13 it belong to the company and not the individuals. So to
14 the extent that this Court considers the statements to be
15 defamatory and the actual statements and any action
16 related to those would lie with the LLC itself.

17 The LLC is not and has not been a party to this
18 action. So as it relates to the first element of the
19 cause of action for defamation, Your Honor, we maintain
20 that there's only one inference that can be drawn from
21 the communication between Mr. Scott and Mr. Hulsey.

22 The only testimony on that is from Mr. Scott
23 himself, and when you look at the quotations they speak
24 for themselves and Lawton Limehouse is not named, and the
25 only reasonable inference to be deduced from that

1 quotation is the reference to L&L Services and the way
2 that the business operations were run.

3 Separately, Your Honor, part of the directed
4 verdict issues I think that I need to present to Your
5 Honor deal with certain legal things or legal items that
6 the Court needs to consider and deal with as a matter of
7 law.

8 THE COURT: I think I'd rather address each issue
9 separately.

10 MR. HOOD: Fair enough.

11 THE COURT: And then so we can keep it all in
12 focus.

13 Yes, sir?

14 MR. CISA: Your Honor, when we talk about
15 reasonable inferences I think that there's evidence in
16 the record that Mr. Hulsey had talked to Mr. Scott for
17 the purpose of telling about a lawsuit that he had filed.
18 The lawsuit that he had filed the first named defendant
19 was Lawton Limehouse, Sr., the second named defendant
20 Lawton Limehouse, Jr., then L&L Services, then WLL.

21 I think that the statements being made, This is a
22 classic racketeering scheme, this sets the community back
23 150 years, they have created a perfect racketeering
24 enterprise just like Tony Soprano, this is a blatant case
25 of indentured servitude, I think the jury can easily find

1 that Mr. Hulsey was making comments about the way
2 Mr. Limehouse operates his business.

3 And I think they are clearly defamatory and I think
4 there's evidence in the record of who Tony Soprano was,
5 and that a jury could certainly find by looking at this
6 article right out of the quote, it says, Lawton
7 Limehouse, owner of L&L Services. Mr. Hulsey through his
8 deposition testimony said he understood who owned and
9 operated L&L Services.

10 So I submit to the Court that there is sufficient
11 evidence in the record from which the jury could
12 reasonably infer that Mr. Hulsey was directing his
13 comments about the way Mr. Limehouse operated his
14 business.

15 THE COURT: Well, one of the elements of defamation
16 is that the defamation if such exists concerns the
17 plaintiff and corporations. Associations and
18 partnerships can sue for defamation that affect their
19 business like as can individuals. So we start with the
20 fact that both individuals can be defamed and
21 corporations can be defamed.

22 In this case, the allegation -- allegations in the
23 complaint substantively individuals are not the
24 corporation; so therefore, the plaintiff must show that
25 the defamatory statement which he contends to be

1 defamatory reference the plaintiff.

2 Now, where the reference may not be -- may not
3 explicitly identify the plaintiff then the cases I've
4 heard held in one instance that what is termed colloquia,
5 that is it may be interpreted as referencing plaintiff.

6 So your contention, Mr. Cisa, is that the reference
7 either explicitly or was interpreted by others to
8 referencing the plaintiff or that it may be reasonably
9 due by the folks reading the newspaper as referencing the
10 plaintiff individually as opposed to the organization or
11 the LLC. Of course, that's a disputed fact.

12 We've had the testimony from Mrs. Limehouse
13 yesterday concerning what everyone commonly understood --
14 understood they to mean, that they were not referred to
15 the LLC but they were referred to Mr. -- her husband and
16 son. All of this in my view is a jury issue as to
17 whether or not the plaintiff was referenced versus his
18 company being referenced, versus both being referenced.
19 Then for that reason it would not be appropriate to grant
20 a directed verdict on this issue.

21 And, of course, we have all of the fluctuation in
22 the laws right now as to the effect of one forming an LLC
23 and what it all means and the impact of it all, and this
24 case is yet another example of it all, but I believe it's
25 a jury issue and that adequate evidence is in the record

1 that prevents the Court from granting a directed verdict
2 on this issue and I deny it.

3 MR. HOOD: Your Honor, I've got some other areas
4 that move to the privilege and some status issues.

5 THE COURT: All right.

6 MR. HOOD: But I think in order to be complete I
7 just wanted to make sure that I address each of the four
8 statements that were quoted because it's my contention --
9 it's our contention, the defendant's contention that
10 Mr. Hulsey would potentially be liable for anything that
11 he said which was defamatory and false to Mr. Scott.
12 Okay. So that's the communication, and the evidence
13 that's been presented is from that conversation these
14 four quotes were said.

15 THE COURT: Right.

16 MR. HOOD: So when we look at the first quote that
17 says, This is a classic racketing enterprise, I would
18 maintain that that statement alone is not defamatory and
19 does not describe the plaintiff.

20 The same thing with the statement, This sets the
21 community back 150 years. The third statement says, This
22 is a blatant case of indentured servitude.

23 All three of those statements, Your Honor, use the
24 pronoun or the -- is thus a pronoun? Is this a pronoun?

25 THE COURT: I don't know. My mind is someplace

1 else.

2 MR. HOOD: All right. Well, anyhow, it uses the
3 word this instead of they, which was eluded to, and
4 obviously the reference is in connection with the lawsuit
5 saying this is a classic racketing scheme.

6 So with regards to those first three quotations,
7 Your Honor, we would -- and I didn't specifically state
8 them individually previously, I would renew our request
9 that a directed verdict as to those three statements be
10 granted as there is no reasonable inference from which a
11 juror could infer that this is referring to a person.

12 THE COURT: Okay. Is there a fourth as well?

13 MR. HOOD: There is, Your Honor. The fourth
14 quotation is the one that was eluded to earlier that had
15 the pronoun they in it.

16 THE COURT: Okay.

17 MR. HOOD: And that is the quotation that L&L
18 Services took advantage of the complexity of the system.
19 They have created a perfect racketing enterprise just
20 like Tony Soprano.

21 And I understand your earlier ruling on the pronoun
22 they issue but we maintain that a customary plain and
23 ordinary reading of that, those two sentences attributed
24 to Mr. Hulsey refer to L&L Services and the context --
25 you know, the other information in the article was

1 referenced four times, Mr. Limehouse's name was
2 mentioned, those are words that are not attributed to
3 Mr. Hulsey and for which the plaintiff can't hold him
4 accountable. Those are the fourth ones.

5 THE COURT: Okay. I understand my ruling is based
6 on the statements as a whole and not parsing out the
7 statements line by line and that whether or not the --
8 whether or not Mr. Limestone was defamed would be based
9 on the interview statements as a whole given by
10 Mr. Hulsey not -- certainly not based on any statements
11 by Mr. Scott since Mr. Scott of the newspaper, they opted
12 not to bring an action against them.

13 But the statements given by Mr. Hulsey should be
14 considered as a whole and not -- as far as my ruling is
15 concerned not parsed out line by line, word by word. So
16 the statements taken as a whole, a jury issue exists as
17 to whether it constituted defamatory remarks regarding
18 Mr. Limehouse.

19 MR. HOOD: All right. And thank you, Your Honor,
20 for giving me the opportunity to revisit that.

21 Moving on. The issue of privilege, Your Honor,
22 there are three different privilege issues that I
23 maintain are at play, all of which are the applicability
24 of those privileges is a matter of law.

25 The first one is the absolute privilege, and the

1 absolute privilege exists as any utterance arising out of
2 the judicial proceeding and having relation to it,
3 including preliminary steps leading to judicial action of
4 any nature provided, those steps bear reasonable relation
5 to it, and I'm citing to Crowell vs. Herring, 301 S. C.
6 424.

7 THE COURT: Crowell V. Herring?

8 MR. HOOD: Yes, sir. That's a Court of Appeals
9 case.

10 THE COURT: All right.

11 MR. HOOD: Further, there is the Pond Place
12 Partners case vs. Poole, 351 S. C. 1, Supreme Court case
13 talking about pleadings having absolute privilege.

14 I have looked, Your Honor, at the issue of the
15 absolute privilege in the context of lawyers speaking to
16 media personnel, and in South Carolina we do not have --
17 or I have not come across, have not heard argued against
18 me yet any case law on point dealing with a statement by
19 an attorney to a reporter.

20 I would note that court's in other jurisdictions
21 have looked into this and in the context -- especially in
22 the context of suits where there had been a class action
23 courts have determined the statements made by attorneys
24 to the press in connection with the filing of a class
25 action are absolutely privileged.

1 Those out of South Carolina cases that I'm
2 referring, it's Helena Chemical Company vs. Uribe. It's
3 281 P.3d 237 from New Mexico; Norman V. Borison is a
4 Maryland case, 418 M. D. 630. And even in Texas outside
5 the context of class actions they have acknowledged the
6 absolute privilege of applying statements made by
7 attorneys to the press in Daystar Residential vs.
8 Collmer, 177 S.W.3d 24.

9 And so in this case, Your Honor, the evidence of
10 the nature of the communications between Mr. Scott and
11 Mr. Hulsey, the only evidence presented on that was
12 through Mr. Scott and the context of the conversation was
13 obtaining his comments related to the lawsuit that was
14 filed and commenting directly upon that.

15 As such, Your Honor, it's our contention that the
16 absolutely privilege would apply because the statements
17 made to Mr. Scott are related to the judicial proceedings
18 and bear a reasonable relation to it.

19 I would just note in the South Carolina case I
20 cited to, the Crowell case, that case does say that -- I
21 think that was -- if I'm not mistaken, there were
22 comments made before the suit had actually been filed and
23 that's why the citation that I gave to the Court includes
24 the language that preliminary steps leading to judicial
25 action. I just bring that to the Court's attention

1 because those would be statements that are made outside
2 of the courtroom, outside a pleading, outside of a
3 deposition but in steps leading up to the filing of an
4 action.

5 So, Your Honor, we would ask the Court to examine
6 the evidence that's been presented and look at the
7 application of the absolute privilege. We believe that
8 it applies and would serve as an absolute bar to the
9 plaintiff's claim -- all the plaintiff's claims against
10 both defendants in this case.

11 THE COURT: Okay. What do you say about it,
12 Mr. Cisa?

13 MR. CISA: Your Honor, I believe I understand the
14 absolute privilege and I agree that what you say in the
15 courtroom is privileged, you can't be sued for it. I
16 understand that if you use an affidavit in the courtroom
17 or the proceedings you can't be sued for it, but talking
18 to a reporter is not a judicial proceeding and there is
19 no privilege associated with that.

20 He made comments to the reporter that wasn't in the
21 context of a judicial proceeding and I would submit to
22 the Court, respectfully, that no absolute privilege or
23 any privilege exists for Mr. Hulsey.

24 THE COURT: All right. Well, this Crowell V.
25 Herring case and Hoyt's Music Company case is where a VFW

1 member, Mr. Herring, was accused of improper receipt of
2 money from a video machine, video machines at the VFW and
3 he was found not guilty. So he decided to sue various
4 folks for liable slander and malicious prosecution, and
5 Judge Don Rushing granted the summary judgment and he was
6 affirmed on appeal, and the Court took the opportunity in
7 this case to talk about absolute privilege which extends
8 to judges, parties and witnesses in the course of
9 judicial proceedings and extended that absolute privilege
10 to testimony given in depositions.

11 In this case, the statements by the officials of
12 the VFW during the course of the investigation the
13 plaintiff claim was slanderous and the Judge disagreed
14 and said the privilege extended to statements during the
15 investigation by VFW officials; and so therefore,
16 Mr. Herring had no case of slander and summary judgment
17 was appropriately granted by Judge Don Rushing.

18 Now, I agree with the comment by Mr. Cisa. At some
19 point you were quoting Judge somebody.

20 MR. CISA: Judge Nicholson, Your Honor --

21 THE COURT: Nicholson.

22 MR. CISA: -- heard the summary judgment motion.

23 THE COURT: In the summary judgment motion that
24 this -- whatever statements were not -- those statements
25 were not protected by judicial immunity.

1 You know, it's a new and interesting comment that
2 regarding statements made in connection with class action
3 litigation and whether or not that should take it --
4 extend it beyond courtroom into other areas but, you
5 know, that's apparently Texas. It's not recognized at
6 this point in our law and I do not believe that
7 statements to the media in this case would be given
8 absolute privilege, not based on the current status of
9 South Carolina law. So I deny that motion.

10 MR. HOOD: Thank you, Your Honor. I would move to
11 two qualified privileges that we've raised. One is the
12 fair report privilege and the second is the fair comment
13 privilege. As I mentioned, both of these are qualified
14 privileges.

15 I believe under the case of West vs. Moorehead, 396
16 S.C. 1 (Ct. App. 2011) case, the issue whether the
17 qualified privilege, this issue is a question of law to
18 be decided by the Court, and the question of whether a
19 qualified privilege has been abused would be one for the
20 jury if there is conflicting evidence about it.

21 THE COURT: Okay.

22 MR. HOOD: So with that backdrop, Your Honor, I
23 would -- I first maintain, our position is first that in
24 addressing the fair report privilege that there in no
25 conflicting evidence about it. So it's appropriate --

1 THE COURT: Hold on just for a moment.

2 MR. HOOD: Okay.

3 THE COURT: Let me pull up this. You said West

4 V --

5 MR. HOOD: West vs. Moorehead, 396 S.C. 1.

6 THE COURT: And the other one is -- West V.

7 Moorehead, and did you cite a second case as well?

8 MR. HOOD: No, sir. That was the only one I cited
9 so far. I am going to cite to Lybrand vs. State, 179
10 S.C. 2008.

11 THE COURT: And that's State Newspaper?

12 MR. HOOD: Yes, sir. That's an old one, 1936
13 Supreme Court case.

14 THE COURT: Okay.

15 MR. HOOD: All right. So the fair report
16 privilege, Your Honor, protects fair and accurate reports
17 of judicial proceedings and records, and it applies both
18 to individuals and to newspapers. That's what the
19 holding from Lybrand vs. State Company was in 1936, 179
20 S.C. 208.

21 The issue here is whether Mr. Hulsey's statements
22 to Mr. Scott as have been published in the newspaper are
23 fair and accurate reports of the judicial records, being
24 the RICO complaint. And in terms of the evidence
25 presented, Mr. Hulsey's comments are in relation to the

1 racketeering enterprise that is described in the RICO
2 complaint and it is talking about the classic racketing
3 scheme referencing the complaint; engaging in indentured
4 servitude referencing the conduct as described in the
5 complaint. Taking advantage of the complexity of the
6 situation relates to the complaint, and as does they have
7 created a perfect racketing enterprise like Tony Soprano
8 references their conduct in operating the business which
9 is contained in the RICO complaint.

10 So it's our position, Your Honor, under the fair
11 report privilege Mr. Hulsey is permitted to comment about
12 -- to make fair and accurate reports of judicial records
13 and proceedings, and the complaint would be one of those
14 and his comments fall underneath it.

15 Then the question would shift if you believe that
16 -- if you decided that that applies you have to then
17 evaluate whether there's conflicting evidence or whether
18 the qualified privilege has been abused. And in order to
19 establish that the privilege has been abused, it would
20 not be applicable, the plaintiff would have to present
21 evidence that Mr. Hulsey made the statements with actual
22 malice, as they were all made about, in this instance,
23 the complaint and after investigation and the articles,
24 the circumstances in the newspaper that we've heard
25 about. We maintain that as a matter of law it's

1 appropriate for the Court to look at the application of
2 this privilege. I believe that there is no conflicting
3 evidence on that and a fair report privilege applies and
4 it is appropriate to direct a verdict accordingly.

5 Do you want me to deal with the second qualified
6 privilege or let --

7 THE COURT: Well, what is the second one?

8 MR. HOOD: It's the fair comment privilege, and I
9 didn't make these up.

10 THE COURT: I understand.

11 Go ahead, Mr. Cisa.

12 MR. CISA: We're on --

13 MR. HOOD: Fair report.

14 MR. CISA: Fair report privilege. He's not saying
15 this article -- this is what I've alleged about these
16 defendants. He's saying this is a classic racketing
17 scheme. This sets the community back 150 years. They
18 have created a perfect racketing scheme just like Tony
19 Soprano.

20 He's not saying I brought a lawsuit where I allege
21 certain facts. He's saying that's the fact. I don't see
22 how the fair -- I mean, he's certainly not a reporter.
23 Mr. Hood says it also applies to individuals but, you
24 know, if you say I filed a complaint on April 23rd, 2004,
25 there's nothing wrong with that. But these articles are

1 not reporting on judicial records. He's making
2 statements about my clients. I don't think that applies
3 at all. And when the word fair comes into play, Judge, I
4 certainly think that these statements, there's evidence
5 in the record that support that they were not fair.

6 THE COURT: Again, you are referring to -- at this
7 point we are on the fair comment?

8 MR. HOOD: No, sir, the fair report privilege.

9 THE COURT: Report privilege.

10 MR. HOOD: Yes, sir.

11 THE COURT: You know, all this has some degree of
12 difficulty because most of the lawsuits involving -- of
13 this nature are typically lawsuits against newspapers or
14 newspaper reporters, and they are not against individuals
15 who may have given information to the newspaper.

16 So in this case, the West case where they sued the
17 Columbia record newspaper and under the fair report
18 privilege the very first line says, Fair and impartial
19 reports of newspapers of matters of public interest are
20 qualified to be privileged.

21 And in this particular case the appellants or
22 defendants were contending they were entitled to a
23 directed verdict on the basis of the fair report
24 privilege immunized them from liability.

25 Under this defense one who publishes defamatory

1 matter concerning another is not liable for the
2 publication if the matter is published upon the occasion
3 that makes it qualify or conditionally privileged and the
4 privilege is not abused.

5 In this case, the evidence is subject to more than
6 an inference as to whether the privilege was abused. In
7 particular, there's conflicting evidence as to whether
8 the article is a fair and substantially true account of
9 allegations made in the family and circuit courts. Thus,
10 the trial court properly submitted to the jury a question
11 of whether the appellants use of marital journalism and
12 their choice of words other than those that use in the
13 court's documents was an abuse of privilege.

14 So I think in this case you have some lawyers, I
15 believe, who are called some names. I don't know whether
16 it involved lawyers or not. But the reason I say it
17 presents some sort of interesting issues in that the --
18 in some degree of difficulty in the cases typically filed
19 against newspapers is balancing matters of the public
20 interest and obviously the newspapers are given certain
21 leeway in reporting things. Most of the cases will sort
22 of shift toward the public's right to know or right to
23 receive information on matters of public interest.

24 I suppose in this case you should ask the question
25 whether or not the matter being commented on by

1 Mr. Hulsey in this case is a matter of public interest,
2 and if it's a matter of public interest then I guess the
3 -- well, Mr. Hood says that it extends to individuals and
4 that in effect Mr. Hulsey would be in the same shoes as a
5 news reporter making -- having the right to give a fair
6 report under the fair report privilege of a matter of
7 public interest, and then that triggers the second
8 question of whether or not the privilege was abused.

9 Now, in this case the last thing I read says, The
10 trial court properly submitted to the jury the question
11 of whether appellant's use of mere journalism and the
12 choice of words other than those used in court documents
13 was an abuse of the privilege.

14 But now, Mr. Hood, you are presenting this to me as
15 a matter of law and not a matter for the jury and I'm
16 trying to get a handle on that. And I guess you are
17 presenting it in the form of a directed verdict under
18 Rule 50 in addition to all that.

19 MR. HOOD: I am, Your Honor.

20 THE COURT: Without hearing anything further,
21 hearing one side you want me to declare that this is a
22 matter of public interest and Mr. Hulsey is a reporter,
23 stepping in shoes of the reporter.

24 MR. HOOD: What I was also referring to about this
25 can be dealt with at directed verdict or as a matter of

1 law I think is contained in the footnote in that case.

2 In this situation, Your Honor, you know, the
3 plaintiff has to present any and all evidence. It is --
4 well, whatever evidence they want to present, and they
5 have done that. They close their case as it relates to
6 the defamation matter, so I think now is a fair time and
7 I think I am probably duty bound to bring it to the
8 Court's attention at the close of the plaintiff's case
9 and again at the close of all evidence if you don't agree
10 with me at this juncture.

11 THE COURT: Well, in the footnote it says while
12 abuse of the conditional privilege is ordinarily an issue
13 preserved for the jury the absence of the controversy as
14 to the facts is for the Court to say in given instance
15 whether or not the privilege had been abused or exceeded.

16 MR. HOOD: And on the record before Your Honor the
17 comments, the whole universe of the comments besides what
18 has been captured is Mr. Scott's testimony and that's not
19 in the conflict. There is no conflict about that
20 testimony. There's no two sides to that story. There's
21 only what Mr. Scott has presented.

22 And so the question then becomes if Mr. Hulsey's
23 comments to him, to Mr. Scott, and that common context as
24 he's described it were, in fact, fair report of the
25 complaint that he called him to ask him questions about.

1 THE COURT: Well, even if it is a fair -- well, a
2 fair -- the right to comment on the complaint in public
3 then meaning that where there exists some privilege to do
4 so then you still have the prong of whether that was
5 abuse based on the choice of words used and that's sort
6 of what they addressed here. Because the reporter did
7 not quote -- specifically quote something that occurred
8 in the courtroom or in the court documents. It said some
9 other things and the second question was whether or not
10 it was abused; and therefore, the matter was properly
11 submitted to the jury. So I'm just thinking it through.

12 MR. HOOD: That's what I said earlier. There's a
13 lot of very complicated stuff in here. This is not just
14 a run of the mill defamation case. Do you have any other
15 questions or anything else I can address about that one?

16 THE COURT: No. I'll tell you, just coming into
17 this stage of the game I don't know if you have any more
18 privileges or is that it for privileges?

19 MR. HOOD: There's another one. It's very similar
20 to this. It's called a fair comment privilege.

21 THE COURT: Fair comment privilege. Fair report
22 privilege and fair comment privilege.

23 MR. HOOD: That's correct. The fair comment
24 privilege is set out in the Oswald vs. State Record and
25 Company case, 250 S.C. 429. It's a Supreme Court case

1 from 1957. And that's the one, Your Honor, that says in
2 matters of public interest and concern -- or legitimate
3 subjects and criticism and everyone has a right to
4 comment thereon as long as he does so fairly and with
5 honest purpose, and being a qualified privilege it can be
6 overcome through showing of actual malice.

7 So the first step there, Your Honor, is a matter of
8 public concern and interest, and I spent a long time with
9 Mr. Limehouse, Sr. going through the chronological
10 history of this information contained in the Post and
11 Courier and the comments made by the council members, by
12 the mayor, by the investigative authorities.

13 All of those entities expressed some interest and
14 concern in the subject matter and that is how these
15 individuals were being treated. So I don't think there's
16 any dispute or any issue that what was going on and being
17 reported leading up to the April 24th, 2004 article was,
18 in fact, of public interest and concern. In fact, it
19 generated in seven newspaper articles leading up to this
20 one that is the subject of this lawsuit including the
21 large exposé from March 21st, Defendant's Exhibit 6.

22 So, Your Honor, we believe that it's a matter of
23 public interest and concern and that Mr. Hulsey as well
24 as anyone else has a right to comment thereupon so long
25 as it's done fairly and with honest purpose, and in this

1 instance he did so in speaking fairly and honestly with
2 the reporter. He was commenting on his allegations, the
3 allegations reported in the complaint that he filed and
4 there has been no evidence to the contrary.

5 In order to overcome this privilege, Your Honor,
6 the plaintiff would have to show actual malice and, you
7 know, in this case actual malice, I believe, Your Honor,
8 would require the plaintiff to show constitutional actual
9 malice and that is by clear and convincing evidence that
10 the defendant acted with knowledge that a statement was
11 false or was with reckless disregard for the truth.

12 Even if the Court uses a lesser standard for actual
13 malice rather than constitutional actual malice, and I
14 cited to you from Erickson vs. Jones Street Publishers,
15 368 S.C. 444, there still has been no evidence that
16 Mr. Hulsey, his comments were made with actual malice nor
17 can it be inferred. There must be evidence about it to
18 overcome the application of fair comment privilege.

19 So to the extent that the fair report privilege
20 gave you pause for concern regarding Mr. Hulsey being a
21 lawyer instead of a reporter the fair comment would --
22 privilege would address that point squarely because it
23 extends not just to newspapers but to everyone, and
24 that's just a fundamental First Amendment right that we
25 all as Americans have the freedom of speech and we're

1 allowed to make fair comment about things that are a
2 matter of public interest. It's part of having vibrant
3 disagreements and it's a closely held First Amendment
4 constitutional right that that privilege recognizes.

5 THE COURT: All right. Mr. Cisa?

6 MR. CISA: Your Honor, again, I make the same
7 comment. It's a fair comment privilege; it only applies
8 if it's done fairly with an honest purpose. Certainly,
9 we have something else in this record besides Mr. Scott's
10 testimony. We've got a newspaper article where he
11 clearly says, Classic racketing scheme. This sets the
12 community back 150 years.

13 Well, what's the honest purpose and how is that
14 fair? And then when he says they have created a perfect
15 racketing enterprise just like Tony Soprano, there's
16 nothing in this record that would indicate Mr. Limehouse
17 isn't Tony Soprano. I just don't think it has any
18 application at all.

19 THE COURT: Yes, sir?

20 MR. HOOD: Thank you, Your Honor. You've given me
21 ample opportunity to address the fair comment privilege
22 and I don't have anything to add unless I can answer any
23 questions for the Court.

24 THE COURT: Okay. Just a moment.

25 (PAUSE.)

1 THE COURT: I think whether or not the fair comment
2 or fair report privilege are there I think they are both
3 questions for the jury. Recognizing that the cases say,
4 particularly this Murray case that you cite, and these
5 are all -- or course, the Murray case V. Howell, that's
6 where a policeman is suing over something in the paper,
7 once again suing over something in the paper.

8 It says, In general the question whether an
9 occasion gives rise to the qualified or conditional
10 privilege is one for the Court or of the question whether
11 the privilege has been abused is one for the jury.
12 Factual inquiry such as whether the defendants acted in
13 good faith in making statements, the scope of the
14 statements, is property limited scope or whether the
15 statements were sent only to proper parties is generally
16 left in the hands of a jury to determine whether the
17 privilege was abused.

18 And this court held that it was a question for the
19 jury to determine publication and beyond what the
20 occasion required and was unnecessarily defamatory.

21 It could be considered a very close question as to
22 whether or not this is a matter of public interest that
23 would -- whether the matter of public interest extends to
24 an individual in addition to Mr. Hulsey, in addition to
25 the newspaper man who's writing all the articles.

1 You know, it's a very close question as to whether
2 or not it is a matter of public interest, certainly based
3 on the all folks reading the Post and Courier on all of
4 the -- during the various times these articles were
5 published, and one could argue that it was a matter of
6 public interest but whether or not that would extend to
7 Mr. Hulsey making his report of this I think that -- and
8 whether or not what was stated didn't go beyond the
9 privilege even if it existed.

10 I think all of that is a question for the jury.
11 Well, at least at this stage of the proceeding I'm ruling
12 on -- I haven't heard the other side yet. I heard ruling
13 based on your motion that the Court must decide this as a
14 matter of law at this time.

15 At this time, I'm denying the motion. My leanings
16 are that they are both questions for the jury. One is
17 whether or not this is a matter of public interest, and
18 two if it's a matter of public interest whether or not --
19 such that there is a qualified privilege for Mr. Hulsey
20 to be interviewed on it whether or not the privilege was
21 abused or exceeded, and all that is typically a jury
22 question. So I'm thinking both issues at this point for
23 purposes of the Rule 50 ruling that they are jury issues.

24 MR. HOOD: And when you say both issues you are
25 referring to the fair report and fair comment?

1 THE COURT: Yes. I'm bucking the trend of the
2 cases. I'm thinking you said one is for the Court, one
3 is for the jury. I think at this stage of the game at
4 directed verdict motion both is for the jury. I might
5 change my mind at the end of the case but I'm ruling on
6 your Rule 50 motion at this point.

7 MR. HOOD: Thank you, Your Honor. Shifting gears.

8 THE COURT: Yes, sir.

9 MR. HOOD: Public figure. The determination of the
10 plaintiff's status is a question of law.

11 THE COURT: Okay.

12 MR. HOOD: That is from Erickson vs. --

13 THE COURT: I accept that one.

14 MR. HOOD: Do what?

15 THE COURT: I accept that one. That is a question.
16 Whether he's a public figure is a question.

17 MR. HOOD: Right. So the two public figures, Your
18 Honor, that I believe are in play here are, one, the
19 limited purpose public figure, and two, the involuntary
20 public figure.

21 In terms of the limited purpose public figure, here
22 the plaintiff has access to channels of effective
23 communications. He spoke and made comments to the same
24 reporter who published the comments by Mr. Hulsey. He
25 was contacted for the same article, declined to comment.

1 That's stated in the Defendant's Exhibit Number 9. And
2 the other articles that proceeded that reveal
3 Mr. Limehouse did, in fact, reach out to Mr. Scott and he
4 confirmed that in cross-examination.

5 The plaintiff voluntarily assumed a role of
6 especial prominence in a public controversy. Once this
7 public controversy came to light, the raid, he assumed
8 the role of prominence by going to the reporter, speaking
9 with the reporter, putting his spin on the story. He
10 says we don't have any labor issues. We put people in
11 livable houses. All of those sorts of things were
12 provided for cross-examination to support the elements
13 necessary for this limited purpose public figure.

14 The third element, Your Honor, for this limited
15 purpose public figure is that the plaintiff sought to
16 influence the resolution or outcome of the controversy.
17 He, in fact, did so by, one, communicating with the
18 investigator -- or the newspaper reporter, James Scott.
19 He tried to influence the resolution or outcome by the
20 affidavits that were submitted by he and two employees to
21 rebut the allegations of false documentation making.

22 THE COURT: Was that before or after the 24th of
23 April?

24 MR. HOOD: It was before, Your Honor. The date of
25 the affidavits that are in evidence are March 12th, 2004.

1 And according to Mr. Limehouse's testimony they were
2 presented to the reporter in advance of March the 21st
3 article because he did not want them to specifically name
4 Elvira Lueke and Carlton Elliott for fear that it would
5 have long-time consequences on their respective lives.
6 That is a full six weeks -- five or six weeks before the
7 subject article was published.

8 Additionally, his lawyer provided -- Dennis Rhode,
9 it was reported and testified to, provided the newspaper
10 with a memo outlining instructions in Spanish and English
11 on how they intended to in the future deal with housing
12 problems. That was an effort by them to resolve or
13 influence the outcome of this controversy, in addition to
14 all of his public comments about what was being reported
15 upon.

16 The forth element, Your Honor, is that the
17 controversy, which is the treatment of the employees of
18 L&L Services, existed prior to the publication of the
19 alleged defamatory statement. All of these things that I
20 have spoken to predate April 24th, 2004.

21 We've put into evidence exhibits 1 through 8,
22 except for number 7, which are a series of seven articles
23 discussing the business practices and conduct of L&L
24 Services outlining their housing violations, wage and
25 labor violations, Workers' Compensation violations,

1 manufacturing false documentation, allegations of
2 employment of illegal aliens and allegations of
3 trafficking illegal aliens. All of that controversy was
4 in the public spear through the Post and Courier prior to
5 the April 24th, 2004 article.

6 And finally, Your Honor, the last element is that
7 Mr. Limehouse retained his public figure status at the
8 time of the alleged defamation. That goes to make sure
9 that a person is no longer, you know, outside of the
10 limelight. There was just immediately prior to this on
11 April 20th an article, Exhibit Number 8, discussing
12 Mr. Limehouse and his company, specifically some Workers'
13 Comp issues.

14 In addition, he was contacted, declined to comment
15 on the April 24th, 2004 article. He, in fact, retained
16 his public figure status. So for those reasons, Your
17 Honor, we believe that the determination in this case is
18 that Mr. Limehouse was a limited purpose public figure.

19 THE COURT: Yes, sir. Mr. Cisa?

20 MR. CISA: Your Honor, the public controversy that
21 involved what we are here about is comments Mr. Hulsey
22 made about a lawsuit. That's what we are here about. We
23 are not here about other newspaper articles or anything
24 else. Mr. Limehouse --

25 THE COURT: I understand that's the subject of the

1 complaint. The argument is that the statements made were
2 made concerning a public figure who became a public
3 figure as a result of these other articles and his
4 reaction to it.

5 MR. CISA: Well, I submit that Mr. Limehouse is not
6 a public figure. If you read Erickson vs. Jones Street
7 Publishers, 368 S.C. --

8 THE COURT: Tell me about it.

9 MR. CISA: Well, this is what the Court says. The
10 Court must focus on facts and circumstances relating to
11 the claimant's status at the time of the issue when
12 public concern or controversy arose. A private
13 individual is not automatically transformed into public
14 figure just by becoming involved in or associated with
15 the matter that attracts public attention. A defendant
16 may not transform a private figure into a limited public
17 figure by dragging an unwilling participant into the
18 spotlight of a public controversy through the defendant's
19 own words or actions.

20 Mr. Limehouse didn't want to become a public
21 figure. He was dragged into it. The reporter called him
22 about a housing issue, he commented.

23 THE COURT: Well, his argument is you can be
24 dragged into it. You can involuntarily become a public
25 figure.

1 MR. CISA: Well, this law says you can't be
2 dragged. It says the defendant may not be transformed
3 into -- transform a private figure into a limited public
4 figure by dragging an unwilling participant into the
5 spotlight or developing controversy through the
6 defendant's own words or actions.

7 I submit Mr. Limehouse -- and the only thing that
8 we are dealing with is the one newspaper article in which
9 Mr. Hulsey made the statements, I say, about
10 Mr. Limehouse to which Mr. Limehouse had no comment at
11 all. So if you are saying somebody can be a public
12 figure by commenting, by answering a question about
13 housing or answering a question about making papers, I
14 submit that that does not transform Mr. Limehouse into a
15 public figure. He didn't ask for any of this, but he was
16 called. So you got two different subject matters, but he
17 didn't comment at all on the lawsuit targeting the
18 staffing agency which is what our focus is as far as the
19 defamatory statements.

20 I'm think Mr. Limehouse is a farmer, and I think
21 he's running a staffing agency. I don't think you can
22 transform him into a limited public figure, I would
23 submit to the Court.

24 THE COURT: All right. Mr. Hood?

25 MR. HOOD: While you are considering that one

1 should I --

2 THE COURT: No. I need to consider this a little
3 more. I see we have a Charleston case here that's on
4 this issue that's relatively fresh, looks like 2006.

5 It appears she's suing the Charleston City Paper.
6 They posted a front page news story titled In a Child's
7 Best Interest. It's a guardian ad litem program giving
8 children a voice. The newspaper contended the appellant
9 and guardian ad litem as a public figure, figure or
10 public official and constitutional actual malice had to
11 be proven.

12 The trial progressed and it sounds like this case
13 it appears by the third day the trial judge expressed
14 concern about the length of the trial. By Friday morning
15 the decision to bifurcate the case agreed upon,
16 understood by all parties.

17 Friday afternoon the Judge explained to the parties
18 he would instruct the jury after appellant rested her
19 case on liability and the parties presented closing
20 arguments they will then hear arguments and rule on the
21 paper's motion on whether the appellant was a private
22 figure, public figure or public official while the jury
23 deliberated.

24 The Judge ruled that the appellant was a limited
25 public figure who had not presented clear and convincing

1 evidence to prove the newspaper acted with malice and
2 granted the newspaper a directed verdict, and the
3 question on appeal was did the Judge err -- among other
4 things, did the Judge err in ruling appellant, private
5 guardian ad litem, was a limited public figure.

6 Appellant argued the trial judge erred in granting
7 the directed verdict, that she was a -- appellant,
8 private guardian ad litem, appointed to represent the
9 children's interest in a divorce case, where a limited
10 public figure must prove actual malice.

11 Prior to the publication of the article the
12 appellant was not famous, had no special access to the
13 media, never sought the public's attention, did not
14 thrust herself into a public controversy, and did not
15 assume any special prominence in the resolution of an
16 issue of public concern.

17 While the debate about potential reform of the
18 guardian system as a public controversy appellant
19 contends she was a private figure who must prove by a
20 preponderance of the evidence that the newspaper acted
21 negligently in publishing false and defamatory statements
22 about her. We agree in part.

23 There are three important caveats with regard to
24 private figure plaintiffs resulting from the need to
25 balance First Amendment rights with the rights of

1 individuals to be compensated for damages for defamatory
2 statements. In the case involving an issue of public
3 controversy or concern where the libelous statement is
4 published by a media defendant common law presumes the
5 defendant acted with malice and general damages -- and
6 the plaintiff suffered general damages do not apply.
7 Instead the private figure plaintiff must plead and prove
8 common law malice and show actual injury instead. I've
9 gone through the whole evolution of the New York Times V.
10 Sullivan and all that.

11 Okay. Neither Supreme Court nor this Court of
12 Appeals, I guess it was, has provided precise or all
13 encompassing definition of public official; although,
14 it's clear the category does not include all public
15 employees.

16 In general, a public official is a person who among
17 the hierarchy of government employees has or appears to
18 the public to have substantial responsibility for the
19 control over the government affairs. Therefore, they say
20 a police officer is a public official, school assistant
21 principle.

22 The parties have not cited nor have we found any
23 authority directly addressing whether a private guardian
24 ad litem in a family court case is a public official.

25 The newspaper further urges that the most defined

1 (phonetic) appellant is a public official because a
2 private guardian ad litem enjoys immunity from lawsuits.
3 Immunity to suit is an appropriate factor in analyzing,
4 however, no one factor is dispositive.

5 We conclude appellant, a private guardian ad litem
6 who represented children in a divorce case, is not a
7 public official. Appellant is not a government employee
8 much less an official has or would appear to the public
9 to have substantial responsibility of government affairs.

10 The U. S. Supreme Court has generally defined
11 public official -- for the most part, must have assumed a
12 special prominence in the affairs of society to be a
13 public official.

14 A limited public official, the type more commonly
15 found, is an individual who voluntarily injects himself
16 or is drawn into a particular public controversy and
17 thereby becomes a public figure for a limited range of
18 issues. In either case such person assumes special
19 prominence in the resolution of public questions.

20 In determining whether a claimant is a private or
21 public official the Court must focus on the nature and
22 extent of the individual's participation in the
23 particular controversy giving rise to the defamation.

24 They cited a case Parker V. Evening Post where an
25 automobile dealer invited public attention through

1 extensive media advertising regarding his dealership.
2 The Supreme Court identified a third category of
3 involuntary public official who becomes public figures
4 through no purposeful action of their own, however, the
5 instances of truly involuntary public figures must be
6 exceedingly rare.

7 All three types of public officials must meet the
8 New York Times standard of actual malice in order to
9 recover damages.

10 The Court must focus on the facts relating to the
11 claimant's status at the time of the public controversy.
12 A private individual is not automatically transformed to
13 a public figure just because they become involved in a
14 matter that attracts public attention. Those charged
15 with defamation cannot, by their own conduct, create
16 their own defense while making a claim public official.

17 Appellant does not fall into the category of public
18 figure. The Court said, We agree with the analysis set
19 forth in this Fourth Circuit case to determine whether
20 the person is a limited public official. The defendant
21 must show the person had access to channels of effective
22 communication, the plaintiff voluntarily assumed a role
23 of special prominence in the public controversy, the
24 plaintiff sought to influence the resolution or outcome
25 of the controversy, the controversy existed prior to the

1 publication of the defamatory statements, and the
2 plaintiff retained public figure status at the time of
3 the alleged defamation.

4 That's the law but it did not apply to this
5 guardian ad litem in this particular case; so therefore,
6 they reversed the Judge on that particular issue.

7 I know we are all hungry and it's lunchtime, and
8 I'm withering myself but this is obviously a very
9 critical issue on this case.

10 What do you say about it, Mr. Cisa?

11 MR. CISA: Your Honor, this is what I would say. I
12 think you got to the heart of this case. The plaintiff
13 had access to channels of effective communication.
14 That's the first prong. Mr. Limehouse had no more access
15 to channels of effective communication such as media than
16 any other ordinary private person. That's what the
17 Supreme Court held about this guardian ad litem.

18 The plaintiff voluntarily assumed the role of
19 special prominence in the public controversy, he never
20 did. He answered a question about housing.

21 But this is the one that's really on point. The
22 plaintiff sought to influence the resolution or outcome
23 of the controversy. The controversy we are talking about
24 is a lawsuit being filed against him. He didn't comment
25 at all. He made no comment about this lawsuit. That's

1 the --

2 THE COURT: Well, it can't be at the time of the
3 lawsuit. It has to be before the lawsuit.

4 MR. CISA: Well, I think they are talking about the
5 controversy involving the defamatory statement. He made
6 no comment about that, and he didn't. And this is what
7 they said -- and Mr. Limehouse -- they said appellant in
8 this case did not voluntarily assume a role of special
9 prominence in the controversy over reforming the guardian
10 system. Well, Mr. Limehouse did not seek to influence
11 the outcome of this lawsuit at all by making any comment
12 whatsoever. So I suggest, Judge -- now, there was a
13 controversy over how he answered a question but that's
14 not the controversy we're dealing with here. It was a
15 controversy over overtime pay, but that's not controversy
16 we're dealing with here.

17 The controversy here is the lawsuit, and he can't
18 seek to influence anything and he certainly doesn't have
19 any access to channels of effective communication such as
20 the media than any ordinary private person. So I
21 respectfully submit to the Court that under this analysis
22 Mr. Limehouse is not a limited public figure for the
23 purposes of the article that came out and was seen.

24 THE COURT: You think all five have to exist or if
25 three exist, four exist, or must all five exist?

1 MR. CISA: I think all five because it says the
2 defendant must show, it lists four, then it says and the
3 plaintiff retained public figure status. So I think all
4 five have to have to exist. In order for the Court to
5 properly hold the plaintiff as a public figure for the
6 limited purpose of comment on particular controversy the
7 defendant must show one, two, three, four, and five. So
8 I think all, the way I interpret this case.

9 THE COURT: Well, how about the fact that he's a
10 Limehouse and you have Chip and Buck and everyone else.
11 As Buck Limehouse said, Limehouse the brand has been
12 damaged.

13 MR. CISA: Well, it may have been. He may be right
14 about that, but not my client Lawton, not Lawton. And,
15 Judge, there's probably five or six Lawton Limehouses
16 around this community but I've never met or heard anyone
17 except him. So I think we are talking about my plaintiff
18 and I don't think he fits under these five different
19 matters that you have to show in order to -- I think it's
20 very similar to what we've got here.

21 The controversy, he wasn't trying to influence the
22 controversy about the lawsuit. He did comment, and
23 that's what Mr. Hulsey was commenting about, and I think
24 that's what they are talking about here.

25 THE COURT: All right. Anything else, Mr. --

1 MR. HOOD: Yeah. I think Mr. Cisa is trying to
2 restrict the scope of the public controversy to fit his
3 argument. The controversy had to do with the treatment
4 of the individuals, the plight of the individuals, the
5 operation of the business, all of those things that were
6 contained in the newspaper articles and all of those
7 things which are also included in the RICO complaint. So
8 that is part of it, and he did, in fact, try to influence
9 it. That's why he sent in the affidavit, that's why he
10 came up with a memo, that's why commenting.

11 I asked him specifically, You wanted to get your
12 side of the story out there, didn't you?

13 Yes.

14 Those were specific questions I asked for this
15 exact purpose. And so, Your Honor, we feel strongly that
16 in terms of the limited purpose of public figure that
17 we've met all of the criteria set forth in the -- I
18 forget the name -- the Erickson case.

19 THE COURT: Yes, sir.

20 MR. CISA: The affidavits he keeps talking about
21 didn't show up in the newspaper. He sent the affidavits
22 because he didn't want James Scott publishing Elvira
23 Lueke's name because she's trying to get United States
24 citizenship and he didn't want the article publishing
25 Carlton Elliott's name because he was trying to get in

1 law school.

2 Those affidavits had nothing to do with public
3 figure status. It wasn't published in the newspaper. He
4 was trying to tell James Scott I'm going to sue you
5 because these people are telling you they didn't have
6 anything to do with it and I'm concerned about my people.
7 So I don't think that has any application at all. The
8 affidavits don't have any bearing.

9 THE COURT: All right. We'll think about that
10 issue. We'll take a break until 2:30. 2:30.

11 (WHEREUPON, a lunch break was taken.)

12 THE COURT: The record is fairly complete on this,
13 fair of whether or not the defendant is a public figure,
14 a public private figure, and my conclusion is that he was
15 not, that it does not satisfy all the elements in the
16 case referenced from the Fourth Circuit, that he is not a
17 public private or an involuntary public figure.

18 As I indicated earlier, in this question of fair
19 report and being a legal issue or a jury issue for the
20 record purposes at this point I'm denying that motion.
21 You may revisit it, and that's that.

22 MR. HOOD: And I just want to be clear that on the
23 public figure status, Your Honor, there was -- we talked
24 at length about the limited purpose public figure and the
25 second one and I understand your ruling was involuntarily

1 public figure. The standard is obviously different and
2 so we would assert that based on the evidence presented
3 so far at the close of the plaintiff's case if Your Honor
4 concludes that Mr. Limehouse is not a public -- limited
5 purpose public figure he would be an involuntary public
6 figure under the same case of Erickson.

7 THE COURT: And he didn't voluntarily inject
8 himself into it, so he is not a public figure under any
9 of the scenarios proposed by the defense. All right.

10 MR. CISA: Judge, may I just take this exhibit I
11 found and put it back on the table?

12 THE COURT: Absolutely.

13 The defense is ready?

14 MR. HOOD: We are ready, Your Honor.

15 THE COURT: Okay. You can bring the jury.

16 (WHEREUPON, the jury enters the courtroom at
17 approximately 2:35 p.m.)

18 THE COURT: All right. Madam forelady, how is the
19 jury doing at this point?

20 THE FORELADY: (Indicted).

21 THE COURT: Still two thumbs up. Very good.

22 Well, you've heard the plaintiff's case. It's now
23 the defense's turn.

24 MR. HOOD: Thank you, Your Honor. At this time, we
25 will call Richard Homes.

1 MR. HOOD: Thank you, Your Honor. At this time, we
2 call Paul Hulsey.

3 PAUL H. HULSEY, after having been duly
4 sworn, testified as follows:

5 THE CLERK: You may be seated. Once seated if
6 you'll please state your first and last name, spell your
7 last loudly and clearly into the microphone for the
8 record, please.

9 THE WITNESS: I'm Paul Hulsey, H-u-l-s-e-y.

10 DIRECT EXAMINATION

11 BY MR. HOOD:

12 Q. Mr. Hulsey, please tell the jury what you were
13 referring to when you spoke to James Scott.

14 A. When I'm speaking to James Scott I was referring to
15 L&L Services and WLL and how they operated their
16 companies to avoid wage and hour loss.

17 Q. Why were you having that conversation?

18 A. Mr. Scott had called me and asked me to comment on
19 a lawsuit that we had filed.

20 Q. Did you call him or did he call you?

21 A. No. He called me and asked me to comment on it.

22 Q. Was there any media induced paper or televisions,
23 news cameras, anything like that?

24 A. No, sir. He just called me that afternoon and
25 asked me to comment on it and I did.

1 Q. All right. Let's back up. Tell the jury a little
2 bit about yourself. Where are you from? How did you
3 become a lawyer?

4 A. I'm from Kansas City. I grew up in Kansas City.
5 I'm the oldest of seven. I went to high school there. I
6 went to college in Selina, Kansas, then I went to law
7 school in Topeka, Kansas at Washburn Law School. I
8 graduated from Topeka in 1976.

9 From '76 to '86 I practiced in Topeka, Kansas in
10 three different law firms doing basically trial work,
11 representing people in court. In 1986, I got an offer to
12 come out here and become a partner in a large national
13 litigation firm and I did and I've been here ever since.

14 Q. So we say come down here instead of out here.

15 A. Well, you can tell by the way I talk I'm not from
16 here.

17 Q. All right. Well, since you moved to Charleston
18 tell the jury a little bit about your practice. What
19 kind of work did you do?

20 A. My practice was basically courtroom work. The
21 majority of my trials were representing families or if
22 the men were still alive, men who were exposed to
23 asbestos. We tried lawsuits that couldn't get resolved.
24 We tried them. They involved lung disease, cancer,
25 mesothelioma, which is a cancer in the lining of the lung

1 that's only known to be caused by asbestos, asbestosis,
2 which is a scaring of the lungs themselves that makes it
3 so you can't breathe very well. I tried dozens and
4 dozens of those lawsuits in a dozen states and around the
5 United States and in Puerto Rico.

6 Q. All right. And then in terms of, you know, we are
7 taking about a RICO suit, and we'll talk about that in a
8 few minutes, prior to 2004 had you had any experience
9 with that type of litigation?

10 A. RICO litigation?

11 Q. Yeah.

12 A. Yes, sir. I had been involved in several RICO
13 cases. It's kind of a specialized area of the law.
14 Basically that means racketeer influence, corrupt
15 organizations, acts, and I handled a case for -- a
16 national case for a union which was tried in Puerto Rico.
17 It was settled before verdict. I handled a class action
18 for 9,000 Puerto Rican citizens who had bought Volvo
19 vehicles, against the Volvo Motor Company in Gothenburg,
20 Sweden. Several others.

21 Q. Okay. And in terms of -- everyone is familiar with
22 lawsuits. I mean, you get hurt and you can sue somebody
23 for the injury. We've been talking about defamation
24 cases here. We don't hear about a RICO very often. Can
25 you give us a very basic outline of what RICO means?

1 A. RICO basically -- I think the easiest way to
2 explain it is RICO involves the use of a legitimate
3 business for illegitimate means. That is the simplest
4 way to say it.

5 The law is very complex but racketing law allows
6 civil plaintiffs and criminal prosecutors to examine the
7 business operations of companies or groups of companies
8 in determining whether they have a scheme to defraud,

9 In the case of the government it would be to
10 defraud the government from taxes or things like that.
11 In a civil case it would be to take the money away from
12 you. And so you examine the business practices and under
13 certain rules, rules and standards, you determine whether
14 there was a way in which these businesses are operating
15 that deprives people of money.

16 Q. We'll come back to talk about the allegations in
17 the underlying RICO case in a few minutes. Where do you
18 live?

19 A. I live in Isle of Palms.

20 Q. And you have a law firm?

21 A. Yes, sir. It's called Hulsey Law Group.

22 Q. And at the Hulsey Law Group do any of the lawyers
23 there speak Spanish?

24 A. Yes, sir. My partner and I are fluent in Spanish.

25 Q. You're looking at Cherie, your partner.

1 A. Yes, sir.

2 Q. She's your law partner?

3 A. Yes, sir. Cherie Durand is my law partner?

4 Q. And she speaks Spanish, you speak Spanish?

5 A. No. She speaks more than that. She speaks Spanish
6 with no American accent.

7 Q. Okay. But are you conversing in Spanish as well?

8 A. Yes. I started learning Spanish in fourth grade
9 and I represented Mexico, the Country of Mexico not the
10 District of Mexico. I've represented Costa Rica, I have
11 represented many Latin American clients.

12 My partner and I have tried many cases in Puerto
13 Rico where the language in the courtroom is English but
14 the language outside the courtroom and when you have
15 little sidebars is in Spanish.

16 So, yes, we're -- she learned Spanish by living in
17 Ecuador and living in Spain, then being a medical
18 missionary translator in Ecuador. In fact, she even
19 translated for Diane Sawyer on 60 Minutes. So we've had
20 quite a bit of experience not only with speaking the
21 language but using it in business and to communicate with
22 clients and people and judges.

23 Q. All right. That's going to be my next question.
24 What does that do, if anything, for you in representing
25 people of Hispanic backgrounds?

1 A. Well, it's a tremendous benefit. Well, first of
2 all, I know I don't look like I speak Spanish, and it's
3 good to have her as a partner and in the past we've had
4 other Spanish speaking lawyers in our office.

5 But the Latino and Hispanic community through word
6 of mouth gets to know there are lawyers who speak Spanish
7 and there are lawyers you can go to. And, I mean, the
8 advantage when you are talking to a client one-on-one and
9 it doesn't have to be translated in your ear is amazing
10 because you are getting all the senses of what they are
11 saying, their pain, what they went through with their own
12 words without it being filtered by someone else. It's
13 the most comfortable way to work and it's the best way to
14 work if you can, and it's been a great help for us all
15 over the years in all the things that we did. It puts
16 them at ease is what I'd say is the best way.

17 Q. All right. And we heard earlier some -- I played
18 the role of Paul Hulsey and read some of the deposition.
19 Tell us about Platinum Express.

20 A. Platinum Express is a soul band in Kansas City that
21 my best friend in high school put together. We played in
22 a band in high school and, what is it, 50 years later got
23 back together and play in Kansas City every once in a
24 while, six horns and four singers and a rhythm section.

25 Q. All right. And you talked about growing up in the

1 midwest. What is it that led you to ultimately become a
2 lawyer?

3 A. I wanted to help people. I was the oldest of seven
4 and we didn't have a lot of things, and the first thing
5 you want to do is go to school and get a career.

6 And when I went to school I found that Washburn,
7 the law school that I went to, was one of the few law
8 schools at the time that had a clinic program, and in the
9 clinic program you got to practice being a lawyer. You
10 were still a law student but you were helping indigent
11 people that didn't have any money.

12 So it was a great way to learn and I did that, and
13 as I did that I learned the difference that we can make
14 in the courtroom when we are representing a person -- an
15 indigent person has a lawyer they stand on the same
16 footing as General Motors does.

17 So I did that and I really enjoyed that practice.
18 I thought it was beneficial. I felt good about it and
19 having done that I decided as I moved on that I wanted to
20 be a lawyer -- a courtroom lawyer, if I could, and if the
21 breaks fell the right way and it worked out all right.

22 Q. All right. Well, let's move on to the time that
23 you are in Charleston, back in 2004 time frame when this
24 article was published. At that time, did you have your
25 own practice?

1 A. Yes, sir. My partner Cherie Durand and I started
2 my own law firm in 2003. As I said before, I was in a
3 national law firm here in downtown that went through many
4 names but it was Ness Motley when I left, I believe, or
5 maybe they changed the name. But in any event, I got to
6 where I was the third lawyer in almost a hundred person
7 law firm and I wanted to do some of the cases that I
8 wanted to do and pro bono work and things like that so
9 she and I left in 2003 and started our own law firm.

10 Q. All right. Now, in this instance we know that you
11 filed the RICO complaint. Let me just hand to you the
12 copy of it. It's marked as Defendant's Exhibit 10.

13 Mr. Hulsey, does that appear to be a copy of the
14 complaint that was filed in district court that we've
15 been talking about this week?

16 A. Yes, sir. That's what it looks like.

17 MR. HOOD: Your Honor, we would offer Defense
18 Exhibit Number 10 as our next into evidence.

19 MR. CISA: Objection, Your Honor. The pleadings --
20 on the basis the pleadings aren't allowed. They are
21 allegations.

22 THE COURT: It's admitted over objection.

23 (WHEREUPON, Defendant's Exhibit Number 10, a
24 Document, was admitted into evidence.)

25 BY MR. HOOD:

1 Q. All right. Before we talk about the complaint and
2 the allegations contained in it I've just got some names
3 of individuals.

4 Could you pull up Exhibit 10 and zoom in on the
5 caption, please.

6 All right. Mr. Hulsey, I want to ask you, these
7 folks, Maximina Flores, Mateo Alvarez, the individuals
8 listed there, how the did you come to represent those
9 individuals in what ultimately became Exhibit 10.

10 A. The way in which they got in touch with us was
11 Ms. Linda Gadson and from the rural mission called me and
12 I understood that she had some immigrant workers that she
13 was helping and that they -- I just understood they were
14 if dire need of some legal advice.

15 I didn't know exactly what it was about but I told
16 her to send them on down, and she sent them on down. And
17 they came over to the office and they were very relieved
18 that we both spoke Spanish, and they told us their story.

19 Q. Now, can you just give the jury an idea of what you,
20 and your firm did in terms of diligence background effort
21 prior to creating what we see as Exhibit 10?

22 A. First of all, we talked -- we talked with those
23 plaintiffs. We talked with maybe two dozen other folks
24 that they brought in. A lot of them were, you know, sort
25 of afraid of the system and everything but they brought

1 them in and they gave us their stories of what went on in
2 the labor camp and how their employment with L&L Services
3 and WLL was going. So we talked to as many people as we
4 could.

5 We talked to whatever person from -- whatever
6 employee from L&L or WLL had been talked to in the paper.
7 Several of these, our plaintiffs, have been talked to in
8 the paper but there were others. So we talked to as many
9 people as we could.

10 We talked to the building folks and the inspectors
11 and the police officer who from time to time came in and
12 helped when they were doing the inspections.

13 We talked with Rodolpho Annoli -- Cinalli, I mean,
14 who was like the transportation manager of L&L. We
15 talked to him about the I. D. card situation. I talked
16 to James Scott about his investigations.

17 Q. And we'll come back and talk about James Scott in a
18 minute. You mentioned the articles. Had you seen the
19 newspaper articles that came out referring to L&L
20 Services?

21 A. Yes, sir. We had all of those that had been
22 written at the time.

23 Q. There was some -- in those articles it described
24 raids in houses.

25 A. Yes.

1 Q. Were those done at your direction?

2 A. Oh, no. No. The raids were done by the City of
3 North Charleston, I believe. I didn't have anything to
4 do with it.

5 Q. Then we heard about raids for seizing business
6 records from L&L Services. Did you have anything to do
7 with that?

8 A. No, sir, I didn't. Uh-uh.

9 Q. In terms of your interaction with L&L Services was
10 this limited to the filing of this complaint and the
11 subsequent litigation?

12 A. Yes. I never spoke to them before that. I didn't
13 know who they were or any of the principals were or
14 anything else.

15 Q. And prior to this lawsuit had you any interaction
16 at all with Mr. Lawton Limehouse, Sr. or Mr. Lawton
17 Limehouse, Jr.?

18 A. No, I didn't know them.

19 Q. Did you have any bone to pick, axe to grind with
20 these folks?

21 A. No.

22 Q. Did you know anything about their personal lives?

23 A. Nothing at all, no.

24 Q. Had they wronged you or had you accused them of
25 something or they accused you of anything in the past?

1 A. No, of course not.

2 Q. All right. So we'll talk about some of the
3 allegations in your -- but before I do I'd like to ask
4 you, you mentioned James Scott. How many times did you
5 talk to Mr. Scott?

6 A. Two times total.

7 Q. Tell us about the first time.

8 A. The first time was a couple of -- within a month of
9 the filing of the lawsuit. I think maybe it was closer
10 in time, I'm not sure, but I called him and asked him if
11 he would meet me for lunch, and he did. And we sat down.
12 I said I wanted to talk about his investigation. He was
13 the gentleman that wrote all those articles. And he
14 agreed to do that and we sat down and talked about it.

15 Q. All right. And that was sometime before the filing
16 of the suit?

17 A. Yes. It was before filing the suit for sure.

18 Q. Did that give you any concern for what you
19 anticipated would be included in the lawsuit that you had
20 ultimately filed based on having spoken with Mr. Scott?

21 A. Well, no. Actually, it was very gratifying and
22 relieving. I asked Mr. Scott if he stood behind
23 everything that he had written. Mr. Scott is bilingual,
24 too. He speaks Spanish, too. So he had interviewed all
25 the folks that he wrote about in those articles. He had

1 personally interviewed --

2 MR. CISA: Your Honor, I would object on the basis
3 of foundation. He can only get this information from
4 somebody else. Hearsay.

5 THE COURT: All right. Mr. Hood, what do you say?

6 MR. HOOD: Your Honor, it's being offered to
7 establish the foundation for him proceeding with the
8 filing of the complaint. So instead of the truth of the
9 matter asserted it's being offered to go to the issue of
10 forth cause of action to the plaintiff's cause of
11 action -- fourth element rather.

12 THE COURT: All right. Overrule the objection.

13 A. I forgot what you asked. I'm sorry.

14 Q. So my question was you know -- let me back up.
15 Before you met with James Scott did you have an idea
16 about -- or had you heard facts about how the workers
17 were being treated and had some concerns?

18 A. Yes, sir. I had the direct interviews with my
19 clients and many others and I had the articles, so I had
20 a pretty good idea about what was going on but I wanted
21 to meet with Mr. Scott to confirm everything.

22 Q. And after your meeting with Mr. Scott can you tell
23 us whether you had any concern about the story that you
24 were hearing in your investigation compared to what
25 Mr. Scott was telling you?

1 A. I had none whatsoever. We were on solid ground. I
2 even learned about the vetting process that the newspaper
3 does before they let somebody write an article like that.

4 Q. And did he indicate that he stood by the
5 investigation that he had done?

6 A. I understood he stood by every word of it.

7 Q. Now, that was sometime prior to the filing of this
8 complaint and when I read the complaint it's got factual
9 components and legal components in it. Tell us how you
10 go about -- or how you went about drafting or putting
11 together what ultimately turned into Exhibit 10.

12 A. Well, after we'd done the factual analysis and
13 gathering facts as much as we could before we filed suit
14 I then contacted a man I met professionally several times
15 in my life, Professor Robert Blakey, who at the time was
16 professor emeritus at Notre Dame.

17 Professor Blakey is called the father of RICO. He
18 wrote the statute. He wrote it. He is the man on the
19 Supreme Court United States cites when they cite RICO and
20 cite RICO under decisions. I contacted him, told him a
21 little bit about the case, and I said, Would you work
22 with me on the case, and he said he would.

23 Q. And did he?

24 A. Did he? Yeah. I told him it was pro bono and he
25 kind of laughed and he said, Well, we'll figure out a

1 different basis to work on it, but yeah.

2 Q. All right. And tell us, we've heard a lot about
3 the details in all the articles but can you give the jury
4 just a sense of, you know, what you understood the facts
5 supporting the racketing claim that you described in your
6 Exhibit 10 to be?

7 MR. CISA: Your Honor, I would object. He's got to
8 have a foundation for what he's testifying to, and if
9 it's based on hearsay I object to it, unless he's going
10 to bring people in to testify in this courtroom because I
11 can't cross-examine hearsay.

12 THE COURT: The objection is overruled.

13 A. In taking with the employees, former employees and
14 employees and people with the city and things like that
15 we determined that the way in which the businesses L&L,
16 and WLL were being run was -- created -- I guess the best
17 way to say it is a very, very stressful work relationship
18 where the workers were being coerced, where they were
19 being forced to do things, where they were being forced
20 to go to certain places, where they were being forced to
21 live where they had to live.

22 We found that the way in which they were treating
23 them was not the normal give and take that you expect an
24 employer-employee relationship nowadays. We didn't
25 believe that they were being treated as the law says you

1 treat them. The United States Constitution says that
2 immigrant laborers are entitled to the same rights and
3 privileges that everybody else was. Our conclusions were
4 they hadn't been treated like that.

5 We saw that they were required to live in a certain
6 place, that they were required to go to the workplace in
7 vans. That the vans took them back to where they were
8 required to live, that they had to go wherever the vans
9 took them to work. By the way, not always to the same
10 job every day. That if they complained they were
11 threatened with being turned into the authorities. They
12 were threatened with the INS.

13 And these workers are scared to death. They are in
14 the United States and they are trying to send money back
15 to their families. They are on a tightrope and they are
16 scared to death and that threat and coercion is just --
17 drives them crazy because they can't do anything about
18 it. They have to work.

19 So we found that there were threats, coercion. If
20 someone complained about the hours they worked or that
21 they didn't get paid they were threatened. They were
22 threatened with being deported.

23 We found that the living conditions were not --
24 well, not up to par as even bad. Some of the living
25 conditions were horrible. They don't want to live 31

1 people to a house. I guarantee you that. I've dealt
2 with Hispanics my entire life. They are no different
3 than anyone else is.

4 MR. CISA: Your Honor, I note an objection about
5 all of this. It's all hearsay. He's laid no foundation
6 whatsoever. He's just rambling on about -- he didn't
7 testify he lived in any house. He hadn't testified about
8 anything that he knows of his own personal knowledge.
9 It's all hearsay.

10 THE COURT: Mr. Hood?

11 MR. HOOD: Your Honor, he's describing the
12 background to the basis for him filing what became
13 Exhibit Number 10, which was the subject of the article
14 from April 24th, 2004.

15 THE COURT: The objection is sustained to the
16 extent that the last comments were not responsive to a
17 question.

18 BY MR. HOOD:

19 Q. So, Mr. Hulsey, I think the last comments was your
20 personal experience --

21 A. Well, yes, sir.

22 Q. Let's stick with the investigation, what you
23 learned in terms of the facts that ultimately ended up in
24 this complaint.

25 A. We learned about the way in which they -- when they

1 took the laborers back and forth as I described to you.
2 We learned that they were provided with false I. D.
3 cards, both green cards and identification cards. We
4 learned that they were subject to coercion and
5 intimidation of the workplace if they complained about
6 any working conditions.

7 We learned that they used -- that WLL and L&L used
8 their two companies to avoid the wage and hour laws by
9 working -- for instance, Mr. Flores would work eight
10 hours, the first plaintiff in the case would work eight
11 hours somewhere on a golf course or somewhere else, we
12 learned, and then he would be taken and work eight hours
13 at a different place and he would receive money from WLL
14 for eight of the hours and money for L&L for the other
15 eight.

16 Q. And in terms of the sort of factual basis for the
17 lawsuit, Exhibit 10, did that provide you with what you
18 felt to be sufficient detail to move forward in the
19 preparation of the complaint?

20 A. Yes. I thought we had sufficient detail to go
21 through and then make sure that it fit into the legal
22 side of RICO.

23 Q. And then who was in charge making sure that you had
24 fit into the legal side of RICO?

25 A. I asked Bob Blakey to work with me to do that and

1 he drafted the pleadings himself.

2 Q. Now, the conditions that you have heard and seen
3 reported in the newspaper did those -- were they
4 different from what you were hearing? Were they
5 consistent with what you were hearing? How would you
6 describe what was being reported in the media to what you
7 were learning on your own?

8 A. What was reported in the media was at least
9 consistent with what we found out. Sometimes we -- some
10 of the people gave anecdotal stories or worse than that
11 but it was consistent with what had been written in the
12 newspaper.

13 Q. During your investigation did you ever uncover
14 something that you considered to cause you to doubt the
15 validity of truthfulness of the information contained in
16 Exhibit 10?

17 A. No, not at all. No.

18 MR. CISA: Your Honor, this is why I object because
19 he's using all this hearsay for the purpose of proving
20 the truth of the matter asserted. Everything he said is
21 hearsay and he's using it to prove the truth of the
22 matter asserted, and that's why I objected to it.

23 THE COURT: All right, sir.

24 MR. CISA: Unless he's going to bring people in.

25 THE COURT: Mr. Hood, any response?

1 MR. HOOD: Your Honor, again, he's providing this
2 background and the basis for his preparation of Exhibit
3 Number 10 which was the subject of a newspaper article on
4 the 24th of April, which is what we are here about and it
5 goes directly to the -- as I mentioned, the fourth
6 element of their cause of action.

7 THE COURT: Yes, sir?

8 MR. CISA: He just asked him about proving the
9 truth of everything in that complaint. That's what he
10 just asked him, Judge. That's why he's offering his
11 testimony for the jury, and it's all hearsay. He needs
12 to bring somebody in to say they were coerced.

13 THE COURT: All right. Next question.

14 BY MR. HOOD:

15 Q. Mr. Hulsey, on April 23rd, 2004, did you file this
16 complaint?

17 A. Yes, sir, I did.

18 Q. Tell us in terms of -- well, let me ask you a
19 procedural question. We've heard some questions about
20 how many plaintiffs there were. There were only six or
21 three or four. This is styled as a class action
22 complaint. Can you just give us a very short explanation
23 of why it's classed as a class action complaint or styled
24 that way and what that means.

25 A. A class action allows you to file an action with

1 what are called representative plaintiffs if you believe
2 that those plaintiffs represent the conditions of an
3 entire class.

4 An example outside of this lawsuit might be that
5 five people had taken a bad drug. You don't have to file
6 a lawsuit for 10,000 people that had taken that. You
7 file a lawsuit class action for five people as
8 representative plaintiffs and then as the case progresses
9 on through and goes on through the judiciary the Court
10 can certify it as a class if the Court believes that
11 these five people adequately -- or three people or two
12 people adequately represent the group, the rights of the
13 group and the same facts, or it can be not certified.
14 And so in this particular case we had what we considered
15 to be a sufficient number of plaintiffs to plead that
16 they -- and the allegations that they were representative
17 of the class.

18 Q. All right. Now, let's move on to what happened
19 immediately after this complaint was filed. Did you --
20 well, first, did you call Mr. Scott?

21 A. Oh, no. Well, immediately after this was filed
22 Mr. Scott called me and asked me if I would comment on
23 it. He'd seen it come up in the monitoring system they
24 have at the newspaper that something was filed in court.

25 Q. And why don't you tell us what you told Mr. Scott.

1 A. Well, Mr. Scott knew a lot about this because he
2 had done the investigation. But I told him that it was a
3 racketing case, it was based upon the RICO law as he saw
4 and we talked in general about how the RICO law applied
5 to the case. He wasn't familiar with RICO so he asked me
6 -- asked me about it.

7 Mr. Scott asked me how a RICO enterprise worked and
8 I know he was really interested in that, and I basically
9 said, Well, that's when you have two companies or three
10 or one, two companies that are legitimate that they
11 operate, their operation is illegitimate in some way.

12 And he said, Well, I just don't understand what a
13 RICO enterprise is.

14 And I said, Well, it's using a legitimate company
15 to operate illegitimately.

16 And he said, Well, I still don't get it. Can you
17 give me an example. And I gave him an example that
18 Professor Blakey had given me and had used in lectures to
19 judges and lawyers for years, and basically it's
20 comparing the practices to a fictional character.

21 Q. All right. What character did you describe --
22 compare it to?

23 A. In this situation I used Tony Soprano because
24 Mr. Scott was in his 20's. Professor Blakey uses the
25 Godfather.

1 Q. Tell me specific what was the conversation that you
2 spoke to Mr. Scott dealing with Tony Soprano?

3 A. We were talking about the use of L&L Services and
4 WLL and the way in which they would bill the clients
5 differently so that they could get around the wage and
6 hour law. And so I started out with that as a premise
7 and he said, Well, give me an example of a racketing
8 enterprise as it relates to the facts you gave me.

9 And I said, They created a perfect enterprise just
10 like Tony Soprano because -- I said, because they had
11 legitimate businesses but they billed -- they used them
12 for illegitimate purposes. That's basically how the
13 quote came out.

14 Q. Now, there are four sentences that are attributed
15 to this article and I want to just ask you about -- why
16 don't we just pull it up. That will be a lot easier.

17 Pull up Exhibit 9, the highlighted text, please.

18 All right. Mr. Hulsey, there are four sentences
19 that are attributed or quoted, attributed to you in this
20 article. Was that the sum total of your conversation?

21 A. We had a long interview. I might have talked to
22 him for an hour. We talked a lot about RICO and a lot
23 about how it applies and how it seems to -- the scheme
24 and defraud work, but basically that's what ended up in
25 the newspaper.

1 Q. Now, the first quote there, This is a classic
2 racketeering enterprise -- excuse me, classic
3 racketeering scheme, is that something that you told
4 Mr. Scott?

5 A. Yes.

6 Q. In what context, again, was that statement made and
7 to what are you referring to?

8 A. In the context of the operation of the businesses,
9 the business enterprises, the interchange of those two
10 companies.

11 Q. And when you say classic racketing scheme and you
12 are saying, This is a classic racketing scheme, what do
13 you mean? What is this?

14 A. I meant this was the operation of the two companies
15 who appeared to be different but they actually were one
16 company. They had the same address, the same person
17 answered the phone. It was the same office, it was the
18 same everything else.

19 The only thing that wasn't the same was one of the
20 names was different, but they used the differences in
21 order to bill eight hours to one person then have the men
22 work the second eight hours of 16 hours to another person
23 and avoid the wage and hour laws. That was a classic
24 racketing scheme.

25 Q. The next sentence is in quotations. It says, This

1 sets the community back 150 years. When you say this
2 what are you again referring to?

3 A. I was taking about the way in which the businesses
4 operated. The workplace conditions have evolved over the
5 last 150 years and now we have a more or less pleasant
6 employee/employer relationship where each side respects
7 what they are given, they respect the value of their
8 workers and they respect the rights of their workers, and
9 this scheme if allowed to exist sets us completely back
10 away from all the progress that's been made for the
11 rights of these people. That's what I was talking about,
12 rights for the immigrant laborers.

13 Q. Let's look at the second highlighted portion of
14 this, please. It says, This is a blatant case of
15 indentured servitude. My question to you is when you say
16 this what are you referring to?

17 A. Again, I was taking about the operation of those
18 two businesses, the way in which they operate and the way
19 in which they intimidated and manipulated the workers.

20 Q. And when you say a blatant case of indentured
21 servitude what did you mean by that?

22 A. A blatant case means it was an obvious case. It
23 was right in front of me. It was right in the newspaper.

24 Q. What was right in the newspaper?

25 A. The fact that they had operated a company like this

1 and over things that they did was right there. It was
2 actually shown that -- at least in the situation of wage
3 and hour laws, that they, in fact, had operated both
4 those companies.

5 Q. Did you believe that the conduct outlined and
6 described in the complaint, Exhibit 10, was consistent
7 with --

8 A. That's where I wrote it up.

9 Q. -- a blatant case of indentured servitude?

10 A. Yes, sir. I'm sorry. When I said this is a
11 blatant case Mr. Scott called me to talk about a 33-page
12 complaint, and in the context of our conversation I was
13 talking about what was in the complaint. The complaint
14 spells these out in extreme detail. He asked me about
15 the complaint. This is a blatant case of indentured
16 servitude is what had been outlined in the complaint.

17 Q. And was that consistent with your investigation?

18 A. Yes, sir, it was.

19 Q. Did you have any -- based on what you knew at the
20 time did you have any reason to doubt the accuracy of
21 that statement?

22 A. No, none at all.

23 Q. I didn't ask you those two questions about -- can
24 you pull that other one up.

25 The first sentence, this is a classic racketing

1 scheme, was this consistent with what you had identified
2 in your investigation?

3 A. Yes. Both those quotes, this was a classic
4 racketing scheme, and this sets the community back, I'm
5 talking about the 33-page complaint and the alligations
6 outlined in there.

7 Q. At the time that you made these two statements did
8 you have any doubt in your mind about the accuracy of the
9 truthfulness of what you were saying?

10 A. No, sir.

11 Q. Now, we go back to the other one.

12 And there's one more sentence. It says L&L
13 Services took advantage of the complexity of the system.
14 There are two sentences here. So let's talk about that
15 one. What are you referring to when you say took
16 advantage of the complexity of the system?

17 A. Well, the allegations of the complaint go through
18 the various ways that L&L and WLL, too, operated to take
19 advantage of the system. One example was the use of two
20 supposedly separate companies but they weren't. Another
21 example was that the use of the no-match letters that's
22 talked about in the complaint.

23 Another example is that as you look at the
24 investigation you would have the work comp people
25 investigating something, they have an office, you have

1 the Department of Labor investigating something, you have
2 the housing folks investigating something, you have the
3 INS investigating something. But the system is so
4 complex that these agencies don't ever talk to each other
5 so they may see a little part of the -- part of the
6 picture, and RICO has you look at the big picture and in
7 looking at the big picture they took advantage of the
8 complexity of the system.

9 Q. At the time that you said that, did you have any
10 doubt about the truthfulness of that statement?

11 A. No, sir.

12 Q. And was it consistent with what you had outlined or
13 contained in the allegations of the RICO --

14 A. Absolutely. Yes.

15 Q. Then the last sentence says they have created a
16 perfect racketing enterprise just like Tony Soprano. Do
17 you see that?

18 A. Yes, I do.

19 Q. Tell us what you mean in that sentence.

20 A. I meant that hey created a perfect -- the racketing
21 enterprise is the operation of the business and I had --
22 what I meant was, and Mr. Scott knew because we discussed
23 about it, the way in which Tony Soprano operated a
24 business. I wasn't talking about him individually but
25 the way in which Tony Soprano operated a business was the

1 same. He had a nightclub, I think, that was a legitimate
2 business but he used it illegitimately to run gambling
3 debts through and some other things. So the operation of
4 those two businesses, the operations that are outlined in
5 this complaint are a creative -- a perfect racketeering
6 enterprise just like Tony Soprano had.

7 Q. And in this statement when you say they, talking
8 about pronouns this week, what were you referring to?

9 A. I was taking about L&L Services and WLL, LLC.
10 That's a lot of L's.

11 Q. And then just like Tony Soprano. In the context of
12 this sentence were you trying to equate or draw a
13 comparison between Mr. Limehouse, the plaintiff in the
14 case, personally, and Tony Soprano as the character
15 depicted in HBO and all of his various misdeeds?

16 A. No, just the opposite. I was referring to the way
17 in which Tony Soprano ran his business, and I didn't even
18 know Mr. Limehouse or either one of them. I was talking
19 about L&L Services and WLL, the way in which it had been
20 described in the complaint which Mr. Scott was familiar
21 with. I was saying L&L Services. I was talking about
22 the companies. They ran their business like Tony Soprano
23 ran his.

24 Q. Did you have any doubt of the truthfulness of that
25 statement?

1 A. No, sir. It was the same example that I've learned
2 through working with the man who wrote the statute in the
3 first place, except he uses the Godfather. It's a
4 complex law and James was trying to understand it at the
5 time.

6 Q. Now, these four quotes that we've gone through are
7 a portion of your conversation, fair?

8 A. A very small portion, yes, sir.

9 Q. Whether these quotes are exactly right or not
10 exactly right, I mean, do you generally acknowledge
11 saying something to the effect of what's contained in
12 these quotes?

13 A. Yes, sir, I did. I said some more about it but,
14 yes, I did say those things.

15 Q. You are not standing up here saying you never said
16 the word Tony Soprano?

17 A. No. No. That's a correct quote.

18 Q. You were referring to what, again?

19 A. I was referring to the companies and I was
20 referring to the way in which Mr. Soprano operated his
21 business. It was business operations.

22 Q. All right. Let me ask you, this picture here --
23 could you pull up the newspaper article itself. There's
24 a photograph right above that. You see that?

25 Do you see that picture in front of you?

1 A. Yes, sir.

2 Q. What are we looking at?

3 A. What you are looking at is a resident alien card, a
4 green card, and what we found out -- I had several of
5 them in my hands. This is my picture. We are looking at
6 a resident alien card that our clients got from L&L
7 Services. You can even see the inside of this is an L&L
8 Service --

9 MR. CISA: Your Honor, I object. I object.
10 There's no foundation. He's basing his testimony on
11 hearsay. It's the only way he can testify to it. I
12 object.

13 THE COURT: The objection is overruled.

14 A. The L&L Services you see -- I don't know how to run
15 this thing.

16 Q. Just use your finger. You should be able to draw.

17 A. Okay. The L&L Services -- the L&L Services is the
18 back of the laminated card and the front of it you can't
19 see too very well but it says resident alien. It's a
20 green card, and a man named Roldolpho Cinalli was making
21 those with a laminating machine and a lot of our
22 investigation reflected that a lot of the employees got
23 those cards.

24 Q. All right. So it looks like that's the top and
25 this is also peeled off inside of that card?

1 A. Yes, sir. That's in the middle. I guess to give
2 it stability or something.

3 Q. And did you put your hands on cards like this?

4 A. Oh, I had a handful of them in my hands. Yes, sir.

5 Q. Did you see them with your own eyes?

6 A. I saw them with my own eyes, held them in my hands.

7 Q. Mr. Hulsey, did you seek out Mr. Scott for any
8 reason to try to get your name in the newspaper?

9 A. No, I didn't. He called me.

10 Q. During the course of the trial you've obviously
11 been sitting here. You've heard the testimony of
12 Mr. Limehouse and their business operation. In
13 particular, he discussed the wage and labor issues. Do
14 you recall that testimony?

15 A. Yes, sir.

16 Q. Do you believe that an operation like that
17 represents a classic racketing enterprise?

18 A. Yes, sir. Absolutely.

19 Q. The plaintiffs in the RICO case, did they pay for
20 their housing?

21 A. Yes, they did. It was deducted from their paycheck
22 and they paid their utilities.

23 MR. CISA: Objection, Your Honor. There's no
24 foundation for the testimony.

25 (PAUSE.)

1 MR. CISA: Did you hear the question?

2 THE COURT: I missed the question.

3 MR. CISA: He asked the question did the employees
4 pay for their housing, and he spouts off an answer, but
5 there was no foundation laid for that answer.

6 THE COURT: Mr. Hood?

7 MR. HOOD: He conducted his on investigation into
8 the -- well, let me see if I can fix this, foundation
9 wise, now that I got a note.

10 BY MR. HOOD:

11 Q. Your clients, did you see their pay stubs?

12 A. Yes, sir, I did.

13 Q. Did you with your own eyes see whether there were
14 payments charged or debits from their pay stubs?

15 A. Yes, sir. There were deductions for things like
16 utilities and housing.

17 MR. CISA: Same objection, Your Honor, unless he
18 can bring the paycheck stub in. He's talking about a
19 hearsay document. He's taking about something that I
20 can't see, that I can't cross-examine him with. I
21 object. It's hearsay.

22 THE COURT: The objection is overruled.

23 BY MR. HOOD:

24 Q. And then we were taking about overtime that was
25 due. Did you see with your own eyes payment details for

1 your clients and whether they had been paid overtime they
2 were due?

3 A. Yes. We alleged in the complaint and I actually
4 saw the pay stubs and the calculations and they were not
5 paid. None of my clients were paid for overtime at the
6 time the lawsuit had been filed.

7 Q. So at the time the lawsuit was filed?

8 A. Yeah. None of them have, and others that they knew
9 hadn't either.

10 Q. Mr. Hulsey, thank you for answering my questions.
11 Please answer any questions Mr. Cisa may have?

12 THE COURT: We'll take a break first. Go to the
13 jury room. Please do not discuss the case.

14 (WHEREUPON, the jury leaves the courtroom at
15 approximately 4:00 p.m.)

16 THE COURT: With regard to the various objections
17 Mr. Cisa made to the testimony, the complaint alleges
18 that the statements -- the statements made by Mr. Hulsey
19 may have actually implied malice in an effort to bolster
20 the allegations in this class action lawsuit and to bring
21 ridicule and harm on the plaintiffs.

22 If Mr. Hulsey had a good faith basis for filing the
23 lawsuit and making the statements then in hearing all
24 that is that the statements would not have been made with
25 malice and it's appropriate testimony, and that's the

1 basis for my ruling. Not whether or not it's true or not
2 but he is a lawyer investigating.

3 If he had a good faith belief based on his
4 representation of clients to make the allegations then
5 that goes to that allegation made by the plaintiff in the
6 complaint and his right to defend against those
7 allegations.

8 All right. We'll take a few minutes.

9 (WHEREUPON, a brief recess was taken.)

10 THE COURT: Okay. If you'll bring the jury.

11 (WHEREUPON, the jury enters the courtroom at
12 approximately 4:10 p.m.)

13 THE BAILIFF: All jurors are present, Your Honor.

14 THE COURT: Mr. Cisa?

15 MR. CISA: Thank you, Your Honor.

16 CROSS-EXAMINATION

17 BY MR. CISA:

18 Q. Mr. Hulsey, you just testified that employees of
19 L&L Services had to pay for housing, right?

20 A. Yes, sir.

21 Q. You saw it on the paycheck stubs?

22 A. Some of them did, yes, sir.

23 Q. Did you bring those paycheck stubs into the
24 courtroom today so we could show the ladies and gentlemen
25 of the jury?