

THE STATE OF SOUTH CAROLINA
In the Court of Appeal

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Clifton Newman

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

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SC Court of Appeals

Lawton Limehouse, Sr.....Appellant

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

RECORD ON APPEAL
Volume II

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1 A. No, sir, I didn't.

2 Q. Didn't do that. Do you recall when I took your
3 deposition on September 24th, 2014 in my office in Mount
4 Pleasant?

5 A. Yes, sir.

6 MR. CISA: Your Honor, I handed up the original
7 deposition to you. May I have it back? Paul Hulsey.

8 THE COURT: Yes, sir.

9 BY MR. CISA:

10 Q. Mr. Hulsey, let's turn to page 136 of your
11 deposition. Tell me when you get there.

12 A. I'm here.

13 Q. Now look at line 25. I'm going to read the
14 question that I asked you and I want you to read your
15 answer.

16 I asked you, Well, they were provided free housing,
17 correct?

18 Read your answer.

19 A. I said, Yeah.

20 Q. So at least when I took your deposition in my
21 office back on September 24th, 2014 you told me they were
22 provided free housing at that time, correct?

23 A. Yes. That's what I said.

24 Q. Yes, sir. Thank you.

25 Now, this lawsuit, this 33-page class action

1 Services?

2 A. Those are the allegations in the complaint. I was
3 asked what were the basis that I filed a lawsuit on, sir,
4 and that was part of the investigation that I did and
5 that we alleged in the complaint, sir.

6 Q. Let me ask the question again. You going to bring
7 in a witness in your defense of this case to testify that
8 Mr. Lawton Limehouse coerced him while he was working for
9 L&L Services? You going to bring one in or not?

10 A. No, not after 10 years.

11 Q. Yeah. You're not going to bring one in, are you?

12 A. Excuse me?

13 Q. You are not going bring one in, are you?

14 A. I said no.

15 Q. Are you going to bring in any witnesses that will
16 say that Mr. Lawton Limehouse, Sr. mistreated them while
17 they were employees of L&L Services?

18 A. I had the clients and I had the witnesses and my
19 investigation reflected that they did, sir, and I put
20 that in the complaint.

21 Q. You going to bring anybody into court --

22 A. I stand by the complaint right now that was filed
23 at that time, sir, and that's what I'm defending.

24 Q. You got any witnesses you're going to bring into
25 court to testify?

1 A. No, sir. It's been 10 years.

2 Q. You going to bring any witnesses in to testify that

3 Mr. Limehouse required them to stay in particular places?

4 A. No. Not now, no, sir.

5 Q. Now, you got that from Maximina Flores, right?

6 A. I got that from lots of witnesses but, yes, sir,

7 Mr. Flores did say that.

8 Q. Yeah, you remember the housing article about being

9 overcrowded?

10 A. I don't remember it specifically.

11 Q. Well, you've been here all week, haven't you?

12 A. I don't remember specifically, sir. I know the

13 article you are taking about.

14 Q. You remember the house that had 31 people in it?

15 A. Sure, I remember that.

16 Q. Do you remember Mr. Maximina Flores was required to

17 move out?

18 A. I know that my client was required to move out. I

19 don't know if it's that article or not.

20 Q. And you remember your client moved back in and was

21 fired; do you remember that?

22 A. I sure do.

23 Q. Because Mr. Limehouse had to take steps to say you

24 couldn't stay there because it was overcrowded, right?

25 A. He was fired because Mr. Limehouse had to take

1 steps to see that it was overcrowded? Was that your
2 question, sir?

3 Q. He was fired because he moved back into the house
4 when he was told to leave, wasn't he, sir?

5 A. He was fired because he wouldn't go live in the
6 trailer that they wanted him to go live in, no heat.

7 Q. Right. Is he the one that told you he had to live
8 in a certain place?

9 A. Pardon me?

10 Q. Was he the one that told you he had to live in a
11 certain place?

12 A. Among dozens of them.

13 Q. Okay. And you knew that the housing was provided
14 free at least on September of 2004, correct?

15 A. It was provided free to many of them. Some of them
16 it was not. My client it wasn't.

17 Q. You got any witnesses to come in to testify that
18 Mr. Lawton Limehouse threatened to turn him over to the
19 INS or threatened to have them deported? You got anybody
20 that can testify to that?

21 A. What's in the complaint. I don't have any now.
22 The migrant workers move all over the country, sir.

23 Q. Right. So you don't have any witnesses for that,
24 do you?

25 A. No. But he did it but I don't have a witness for

1 it right now other than what's in the complaint.

2 Q. Do you understand that during the time that

3 Mr. Limehouse was operating his business that none of his

4 employees got deported? Do you understand that?

5 A. No, I don't understand that.

6 Q. Do you understand that when Mr. Lawton Limehouse

7 was running the business the Social Security

8 Administration never came and bothered his employees?

9 A. I don't know that.

10 Q. You don't know that?

11 A. No, sir. I don't one way or the other.

12 Q. Okay. Now, let me ask you, as I understand your

13 position is is that when you said these things to James

14 Scott you weren't talking about Lawton Limehouse, Sr. or

15 Lawton Limehouse, Jr., correct?

16 A. That's correct.

17 Q. You were just talking about the corporations, right?

18 A. I was talking about the operation of the business.

19 Q. All right. Well, look at the complaint for a

20 second. Who was the first named defendant in your

21 complaint?

22 A. The first one is Lawton Limehouse, Sr.

23 Q. And who was the second one?

24 A. Lawton Limehouse, Jr.

25 Q. Okay. And you called James Scott to talk about the

- 1 lawsuit, correct?
- 2 A. My quote wasn't about the caption of the lawsuit.
- 3 Q. Did you call James Scott to talk about --
- 4 A. No, sir, I didn't. James Scott called me.
- 5 Q. Excuse me. Excuse me. Did James Scott call you to
- 6 talk about the lawsuit?
- 7 A. Absolutely.
- 8 Q. And that's what you did. You were talking about
- 9 the lawsuit, right?
- 10 A. I was talking about the lawsuit, yes, sir. /
- 11 Q. Now, let's look at the first allegation in the
- 12 lawsuit for a second. All right. See paragraph one?
- 13 A. Yes, sir, I do.
- 14 Q. Is that something you drafted?
- 15 A. Professor Blakey drafted it but, yes, I signed it.
- 16 Q. You signed it as the attorney for your class,
- 17 right?
- 18 A. Absolutely. Yeah, I did.
- 19 Q. And the first allegation in the complaint says this
- 20 case arises out of the abuse of employee rights by the
- 21 defendant, Lawton Limehouse, Sr., correct?
- 22 A. That's what the first part of the sentence says.
- 23 Yes, sir.
- 24 Q. And Lawton Limehouse, Jr.?
- 25 A. Yes, sir.

1 Q. As well as violations of the Racketing Influence
2 Corruption Act, correct?

3 A. You skipped the other defendants.

4 Q. And the other defendant, L&L Services, and WLL, and
5 John Doe, correct?

6 A. Yes, sir. Absolutely.

7 Q. So the first named defendants in the lawsuit were
8 Lawton Limehouse, Sr. and Lawton Limehouse, Jr. You
9 lumped all the defendants together, correct, for the
10 purposes of the allegations of the complaint?

11 A. I lumped what, sir?

12 Q. You lumped all the defendants together for the
13 purposes of the allegations of the complaint, throughout
14 the complaint?

15 A. That first paragraph has all defendants, yes, sir.

16 Q. And then thereafter you referred to them as
17 defendants, right?

18 A. If you'll show me a paragraph I can talk about
19 that. I don't know whether we did or not.

20 Q. All right. Well, I'll show you a paragraph. All
21 right. You see where it says the parties?

22 A. Yes, sir.

23 Q. You said Defendants Lawton Limehouse, Sr. and
24 Lawton Limehouse, Jr. started Defendant L&L Services, LLC
25 and Defendant WLL, LLC, parentheses, the Limehouse

1 defendants.

2 A. Yes, sir, I did.

3 Q. So you designated all the defendants as the
4 Limehouse defendants?

5 A. Yes, sir. Absolutely.

6 Q. And you knew that Lawton Limehouse, Sr. and Lawton
7 Limehouse, Jr. operated -- owned and operated L&L
8 Services, LLC and WLL, LLC; isn't that correct?

9 A. Yes, sir.

10 Q. You were well aware of that?

11 A. Yes, of course.

12 Q. And you understand that corporations don't operate
13 by themselves? They only operate through people,
14 correct?

15 A. They were LLC's and they operated as a corporation.

16 Q. They operate through people, don't they?

17 A. I'm not a business lawyer.

18 Q. You're not a business lawyer?

19 A. No, sir. I'm not a business lawyer.

20 Q. So you don't know that a corporation has to have a
21 manager or somebody running the company?

22 A. I understand the difference between an LLC and an
23 individual, and they ran the companies as corporations.
24 That's what I know.

25 Q. Well, at least in your lawsuit --

1 A. That's why everybody is in there.

2 Q. Well, at least in your lawsuit you call them the
3 Limehouse defendants?

4 A. Yes.

5 Q. L&L Service defendants, correct?

6 A. That's the way a racketing pleading is done.

7 Q. Well, Mr. Hulsey, if we were here and L&L Services,
8 LLC was suing you would you be saying, well, I wasn't
9 taking about L&L Services, LLC. I was taking about the
10 Limehouses? Is that what you would say?

11 A. I don't understand the question.

12 Q. That's all right. Now, you knew when you were
13 talking to James Scott about you filing the lawsuit that
14 he was going publish your quotes in the Post and Courier,
15 correct?

16 A. I suspected he was, sure.

17 Q. You understood that it was reasonable, probable
18 that he was going to quote you in the Post and Courier,
19 correct?

20 A. I didn't know what he would quote but I'm sure that
21 he -- he was there. He wanted to know my view of the
22 thing, yes.

23 Q. Let's talk for a minute about what you might have
24 known at the time that you talked to James Scott. Now,
25 did you know that L&L Services provided free job

1 placement for employees?

2 A. No.

3 Q. Didn't know that?

4 A. I never seen that document before at that time.

5 Q. Well, I'm not asking you --

6 A. Okay. I'm sorry. I thought you wanted me to
7 comment on the document.

8 Q. Didn't you do this big investigation?

9 A. Yes, sir. I did a big investigation.

10 Q. And you didn't find out during your investigation
11 that L&L Services provided free job placement?

12 A. I found that L&L Services brought free job
13 placement in through the coyotes.

14 Q. Did you find out that L&L Services provided free
15 job placement for their employees?

16 A. No.

17 Q. You didn't find that out?

18 A. No, sir. I didn't find that out.

19 Q. Did you find out that L&L Services provided them a
20 company I. D. card?

21 A. I sure did. I saw lots of them. In fact, some of
22 our clients had two I. D. cards with two different names
23 and the same pictures on it.

24 Q. Do you know how that happened?

25 A. Rodolpho Cinalli made them.

1 Q. Well, let me ask you about that. You are saying
2 your client had I. D. cards that had two different names
3 and two different pictures?

4 A. No, the same picture.

5 Q. The same picture but two different names?

6 A. Yes, sir. We saw some of that.

7 Q. And they used those? They used those cards?

8 A. Yeah.

9 Q. What's that have to do with the Limehouses?

10 A. They got them from Limehouses.

11 Q. They got them from Limehouses?

12 A. Yes, sir.

13 Q. So how did that damage your client?

14 A. It had nothing to do with damage. I don't think
15 that was the question, how does it damage my client?

16 Q. Yeah. How did that damage your client?

17 A. It didn't damage my client. It helped my client, I
18 guess you might say.

19 Q. It helped him?

20 A. Yes, sir.

21 Q. Did you understand that L&L Services provided free
22 dental care?

23 A. I heard them say that.

24 Q. Did you hear them say that L&L Services provided
25 free medical care?

1 A. It's sort of -- yeah, under certain circumstances.

2 Q. Under certain circumstances? Did you hear them say
3 that L&L Services provided free medical care?

4 A. They were discouraged not to do it but, yes, I
5 believe their policy was that they would take them to the
6 doctor.

7 Q. Well, I don't want you telling me what your clients
8 told me. Did you hear about free dental -- medical care?

9 A. That's what I heard about the medical care, that
10 they were encouraged not to use it.

11 Q. Are you aware of any employee of L&L Services that
12 was denied a Workman's Comp claim because Workman's Comp
13 Insurance was not in affect?

14 A. I don't -- not aware that there were any claims
15 when their coverage lapsed.

16 Q. Okay. We talked about free rent and one time you
17 told me, yeah, it was free then you told me, no, it
18 wasn't free, right? So where are you on that?

19 A. It was for some, it wasn't for others.

20 Q. Oh, is that right?

21 A. Yes, sir.

22 Q. The transportation \$15 a week, did your clients
23 tell you transportation was \$15 a week?

24 A. Yes. They had transportation to and from the job
25 that they paid for.

1 Q. Is that the way they got to work?

2 A. That's how they got to and from the job to do

3 Mr. Limehouse's work and the company's work.

4 Q. Did they tell you that they got a minimum hourly
5 wage of \$6 an hour?

6 A. Yes, I believe that was correct.

7 Q. Do you understand that minimum wage at that time
8 was \$5.15 an hour?

9 A. I didn't know that but if you tell me so I'll take
10 it.

11 Q. Okay. Didn't know that?

12 A. No, I didn't, sir.

13 Q. All right. You understand that the housing issue
14 that came up dealt with overcrowding, correct?

15 A. That was one of the issues, yes, sir.

16 Q. And then you heard testimony about the two houses
17 that were condemned? Do you remember that?

18 A. I heard that, yes.

19 Q. The workers were moved out of there the same day
20 they were notified?

21 A. Yes. I remember that.

22 Q. Now, before you -- by the time you filed your class
23 action lawsuit on April 23rd all those housing issues had
24 been resolved, hadn't they?

25 A. I don't know if they had or not. The ones that

- 1 were written about in the paper were.
- 2 Q. Okay. You personally aware of other housing
- 3 issues? Personally aware?
- 4 A. No. I was trying to answer your question. At the
- 5 time -- at the time I was aware of the ones that were
- 6 written in the paper were resolved.
- 7 Q. Okay.
- 8 A. There may have been others.
- 9 Q. In fact, the Limehouses resolved them within a
- 10 couple of weeks; isn't that correct?
- 11 A. According to the testimony, yes, sir.
- 12 Q. You don't have any reason to dispute that, do you?
- 13 A. I said according to the testimony.
- 14 Q. And the overtime pay, it was all resolved before
- 15 you brought your class action lawsuit; isn't that
- 16 correct?
- 17 A. No. My clients had never been paid. Many of the
- 18 folks we talked to had not been paid their overtime.
- 19 Q. Well, the Limehouses have resolved it with the
- 20 United States Department of Labor; isn't that correct?
- 21 A. I think their records were taken and audited and I
- 22 think they resolved it for some years. Yes, sir.
- 23 Q. Yes. Ten day audit by the United States Department
- 24 of Labor, correct?
- 25 A. Yes, sir.

- 1 Q. That was resolved by the Limehouses?
- 2 A. A two-year period it was resolved, yes, sir.
- 3 Q. Did you understand that some of the employees with
- 4 L&L Services who were so-called permanent employees who
- 5 worked for regular clients were paid time and a half?
- 6 A. No, I did not.
- 7 Q. You didn't know that?
- 8 A. No, sir.
- 9 Q. You talked about making papers, I believe, fake
- 10 I. D. cards and things of that nature. Is that what your
- 11 clients told you?
- 12 A. That's what I found in my investigation. I also
- 13 talked to Mr. Cinalli.
- 14 Q. Well, you were sent a copy of the report that was
- 15 done by the forensic laboratory for the United States
- 16 Postal Inspection Service, correct?
- 17 A. I don't know what time I received it.
- 18 Q. But you got it though, didn't you?
- 19 A. I think you handed to it me the other day.
- 20 Q. Yeah. You got this report, correct?
- 21 A. You handed to it me the other day.
- 22 Q. And you read this report?
- 23 A. I read it the other day.
- 24 Q. This report found no such wrongdoing?
- 25 A. No. Actually, the report found that there was no

1 evidence that they made the cards on their computer but
2 they were made on a laminating machine, so it wouldn't
3 find them on a computer. That's what the report
4 reflected. Mr. Cinalli took his laminating machine with
5 him when he went to Argentina.

6 Q. Mr. Hulsey?

7 A. Yes, sir.

8 Q. You read the report?

9 A. Yes, sir.

10 Q. You see the list of items that were taken by the --

11 A. I sure did. I read it when you showed to it me.

12 Q. Yes. And they found no evidence looking at any of
13 these records or anything else of any counterfeiting of
14 Social Security cards --

15 A. There was never an allegation that any of those
16 records or tools were used to make the cards, sir. It
17 was a laminating machine.

18 Q. Do you understand what an employer goes through as
19 far as a screening process of people coming in and
20 applying for work like L&L Services?

21 A. What they did?

22 Q. Yeah --

23 A. I heard --

24 (Court Reporter interruption.)

25 A. I'm sorry. Would you ask me again?

- 1 Q. I'll do better.
- 2 A. I'm sorry. Would you ask me again?
- 3 Q. Did you understand the procedure that an employer
- 4 like L&L Services went through to hire somebody who was a
- 5 resident alien? Do you understand what that --
- 6 A. I understand what my investigation reflected they
- 7 did.
- 8 Q. Do you understand what's required by law?
- 9 A. No. I think they have -- I do think they have to
- 10 fill out an I-9 and I'm not sure what else, sir.
- 11 Q. Do you understand what the law provides they can do
- 12 to an employer, employee that provides a bad Social
- 13 Security number?
- 14 A. What they can do to them?
- 15 Q. Yes.
- 16 A. Under what circumstances?
- 17 Q. Under any circumstances.
- 18 A. I think they can ask them to fix them.
- 19 Q. Okay. You brought a number of no-match letters; do
- 20 you remember that?
- 21 A. When?
- 22 Q. You introduced them into evidence in this trial.
- 23 A. All right. I didn't understand that to be your
- 24 question.
- 25 Q. Well, don't the no-match letters dictate what an

1 employer can do when they get notified that a Social
2 Security card doesn't match the name of the employee?

3 A. Yes, they do.

4 Q. Okay.

5 A. It asks the employer to -- you know, there's those
6 two pages that ask the employer to fill out more
7 information and put the correct Social Security number
8 and send it back to Social Security.

9 Q. Doesn't the instruction say any employer that uses
10 the information in this letter to justify taking adverse
11 action against an employee may violate state or federal
12 law and be subject to legal consequences?

13 A. Of course, yes.

14 Q. That means they can't fire them, can't lay them
15 off, right?

16 A. Absolutely. Not for that.

17 Q. Right. Not for submitting a false Social Security
18 card, correct?

19 A. It asks the employer to respond to the letter and
20 provide information.

21 Q. Mr. Hulsey, let's look at this article in the
22 newspaper. The first paragraph talks about six laborers
23 filed a class action lawsuit, correct?

24 A. Yes, sir.

25 Q. Okay. That class was never certified, was it?

- 1 A. It was resolved before it was certified.
- 2 Q. It was resolved because it was dismissed?
- 3 A. It was resolved before it certified, sir. That's
- 4 not correct.
- 5 Q. Resolved because it was dismissed; isn't that
- 6 right, Mr. Hulsey?
- 7 A. Before it was certified.
- 8 Q. Yeah, before it was certified --
- 9 A. Yes, sir.
- 10 Q. -- it was dismissed? Okay. And at the time it was
- 11 dismissed you had three people left, right?
- 12 A. Yeah, I think that's right.
- 13 Q. And you could only find two of them, right, two
- 14 former employees?
- 15 A. I don't recall whether that was --
- 16 Q. You don't even remember. So even though L&L
- 17 Services had 200 people working for them you ended up
- 18 with three between 2004 and 2006, right?
- 19 A. Because we didn't go through certification of the
- 20 class action.
- 21 Q. Well, we'll talk about that.
- 22 A. Okay.
- 23 Q. You see the one, two, third paragraph?
- 24 A. Yes, sir.
- 25 Q. The suit also lists as defendants yet-to-be-named

1 lowcountry businesses that may have used L&L Services
2 with the knowledge that workers were being exploited. It
3 is a list that can includes area golf courses,
4 construction companies and restaurants, and that's the
5 way you drafted your complaint, correct?

6 A. Yes, sir. That's standard practice.

7 Q. Okay. And it came out in the newspaper, correct?

8 A. I didn't say that. Mr. Scott said that.

9 Q. Well, it was in your lawsuit?

10 A. The caption, you know, speaks for itself. There
11 was -- we pled them as A, B, C, and John Doe, also,
12 because that's the way you plead it in federal court so
13 if you have to join somebody later it relates back to the
14 time that you filed it.

15 Q. So you talked about suing all their clients -- all
16 L&L Services' clients?

17 A. No. I did not talk about doing that.

18 Q. That's what's in the article?

19 A. That's not what I wrote. Mr. Scott wrote that.
20 That's his interpretation.

21 Q. Did you ever sue any of L&L Services' clients?

22 A. No, I didn't.

23 Q. So you never followed through with that, correct?

24 A. Pardon?

25 Q. You never followed through with that?

1 A. It wasn't following through either way. It was a
2 plead -- a federal pleading procedure so that if the
3 discovery actually had reflected that then they could
4 have been joined and it related back to the time that
5 this complaint was filed.

6 Q. Okay. You see up there in the first paragraph
7 where it's quoted indentured servitude? First paragraph.

8 A. Yes.

9 Q. You talked to Mr. Scott about indentured servitude?

10 A. In the quote that I gave him I did.

11 Q. And then you said this sets the community back 150
12 years, correct?

13 A. Yes.

14 Q. Were you taking about a time when there was
15 slavery, Mr. Hulsey?

16 A. I was going back from the time when we didn't have
17 workplace laws all through all the way up to today, and
18 that's what he and I generally were talking about, the
19 evolution that workplace law had taken through the years.
20 And, yes, I was talking about -- it goes back to when we
21 didn't have any of that.

22 Q. You're taking about -- do you understand slavery
23 was abolished in 1865?

24 A. I didn't use the word slavery, sir.

25 Q. I didn't ask you that. I asked you --

- 1 A. Since I moved down here I did.
- 2 Q. 1865?
- 3 A. Yes, sir.
- 4 Q. And when you made this statement in 2004 that took
- 5 you back to a time when slavery was still allowed in this
- 6 Country; isn't that correct?
- 7 A. I don't know if it did or not. I haven't done the
- 8 math.
- 9 Q. You haven't?
- 10 A. Uh-uh.
- 11 Q. Okay. But you used the term sets the community
- 12 back 150 years?
- 13 A. Yes, sir.
- 14 Q. Can you think of anything this country has done
- 15 that's worse, worse than allowing slavery in the country?
- 16 Can you think of anything else this Country has done that
- 17 bad?
- 18 A. I think there are a lot of bad things that have
- 19 happened in this Country. That's one of them.
- 20 Q. That's one of them?
- 21 A. Yes, sir.
- 22 Q. Now, the paragraph underneath -- the paragraph I
- 23 was just referring to talks about Lawton Limehouse, Owner
- 24 of L&L Services, right?
- 25 A. I didn't write that.

1 Q. I know you didn't write it, Mr. Hulsey. You put it
2 in your lawsuit. You knew that Lawton Limehouse owned
3 L&L Services with his son, correct?

4 A. If the question is is his name down there, yes.

5 Q. Right. And when you say this is a classic
6 racketing scheme you were talking about the business
7 practices of Lawton Limehouse, Sr. and Lawton Limehouse,
8 Jr., weren't you, sir?

9 A. No, sir.

10 Q. You weren't?

11 A. I was talking about the operation of the LLC's.
12 It's a different thing. I was talking about explaining
13 to Mr. Scott what a RICO enterprise is. It's a small
14 part of the racketing law and I was taking about business
15 operations, the operation of those two with the example
16 that came out about Tony Soprano, the operation of his
17 business. I was not talking about individuals.

18 Q. And when you said this sets the community back 150
19 years you were taking about the way Lawton Limehouse, Sr.
20 and Lawton Limehouse, Jr. operated their business; isn't
21 that correct?

22 A. I was taking about the racketing enterprise and the
23 way in which it treated workers.

24 Q. Mr. Hulsey, you certainly understand why somebody
25 would think you are talking about Lawton Limehouse, Sr.

- 1 and his son, can't you?
- 2 A. Understand by who?
- 3 Q. Understand by anybody who read this paper.
- 4 A. No, sir. I don't understand that at all. I know
- 5 exactly what I said and Mr. Scott knew what I said and he
- 6 knew what I was talking about.
- 7 Q. Did you tell Mr. Scott to make sure that you tell
- 8 everybody that I'm not talking about Lawton Limehouse,
- 9 Sr. or Lawton Limehouse, Jr. even though they owned and
- 10 operated this company? Did you tell him that?
- 11 A. I didn't have to tell him that because I didn't use
- 12 Mr. Limehouse's name? He knew I wasn't talking about
- 13 them.
- 14 Q. Talking about the lawsuit though, right?
- 15 A. No. I think he said the other day I was talking
- 16 about their business practices and he answered the
- 17 question that way, and that is what I was talking about,
- 18 the business practice of those two companies.
- 19 Q. Now, you were formerly employed by Ness Motley,
- 20 correct?
- 21 A. Yes, sir.
- 22 Q. And you said they had about a hundred lawyers over
- 23 there at the time you left?
- 24 A. We had a big firm when I left, yes, sir.
- 25 Q. You testified a few minutes ago about a hundred

1 lawyers?

2 A. Before the two firms split I think it probably was.

3 Q. Okay. And they had a big office over in Mount

4 Pleasant, correct?

5 A. Yes, sir.

6 Q. How many stories was that office?

7 A. I don't know.

8 Q. How long did you work there?

9 A. Eighteen years.

10 Q. You worked there 18 years and you don't know how
11 many floors were in your building?

12 A. Well, it depends on the way you count it. We had
13 six floors but we had floors underground.

14 Q. Six floors in a big office building?

15 A. Yes, sir. Yes, of course.

16 Q. And y'all handled major litigation?

17 A. Yes, sir.

18 Q. And you testified about how you represented
19 countries, Mexico, I think you said, and some over
20 country, and you handled a bunch of class action suits;
21 is that correct?

22 A. I have, yes, sir.

23 Q. And you said you handled this case pro bono, right?

24 A. I handled it for free.

25 Q. Yeah, for free --

- 1 A. They could not have afforded a lawyer or even the
2 expenses.
- 3 Q. Right. Well, y'all do stuff on a contingent fee
4 basis all the time, don't you, when you practice law,
5 Ness Motley did?
- 6 A. What contingency fee? Sure. Of course.
- 7 Q. Where you get paid out of what you recover, right?
- 8 A. Yes. Yes.
- 9 Q. But you did this pro bono?
- 10 A. I did it pro bono.
- 11 Q. And you told me you had a retainer agreement with
12 your clients; do you remember that?
- 13 A. Yes. I had an agreement with them.
- 14 Q. And I asked you to produce it and you couldn't
15 produce it, could you?
- 16 A. No. I don't have it anymore.
- 17 Q. You don't have it anymore?
- 18 A. No. We've moved twice. It's been 10 years ago.
- 19 Q. You got sued in this case in 2006?
- 20 A. No, I don't have them.
- 21 Q. And you got sued in this case before the federal
22 court case was dismissed, right?
- 23 A. Yeah. Yes, sir, I did.
- 24 Q. So you just don't have your retainer agreement?
- 25 A. No. We didn't use the standard one we have all

1 printed out because they were Spanish speaking, so we put
2 something together that basically said -- authorized me
3 to represent them and I was doing it for free. I don't
4 have that document anymore.

5 Q. You said, did you not, Mr. Hulsey, this is a
6 blatant case of indentured servitude?

7 A. Yes, I did.

8 Q. And when you said that you were describing the way
9 Lawton Limehouse, Sr. and Lawton Limehouse, Jr. did
10 business; isn't that correct?

11 A. I was describing the operation of the racketing
12 enterprise as set forth in the complaint, the operation
13 of the business which, again, Mr. Scott knew that, too.

14 Q. And you said L&L Services took advantage of the
15 complexity of the system. They have created a perfect
16 racketing enterprise just like Tony Soprano; is that
17 correct?

18 A. Yes, sir.

19 Q. Okay. That's what you told Mr. Scott?

20 A. That's what I told Mr. Scott at the end of the
21 discussion of the RICO and how the operation of the
22 businesses worked.

23 Q. But your position is now that when you use the word
24 that you weren't taking about the Limehouse defendants
25 which included Lawton Limehouse, Sr. and Jr. and L&L

1 Services and WLL; is that correct?

2 A. No. I was not talking about them individually.

3 Mr. Scott knew that and he agreed, also. I was talking

4 about the way in which the companies did a racketing

5 enterprise. Like Mr. Soprano had companies that did a

6 racketeering enterprises I was talking about the

7 operations of the company. If I had said Mr. Limehouse

8 Mr. Scott sure would have put it in there.

9 Q. But you can certainly understand how someone
10 reading this would think you are talking about the
11 Limehouses?

12 A. I don't think so, no.

13 Q. You don't think so?

14 A. No, sir.

15 Q. Now, you watch the Sopranos?

16 A. I've seen it before, yes.

17 Q. You understand how Tony Soprano was portrayed in
18 the Sopranos?

19 A. That isn't the context in which I did this quote.

20 Q. That's not my question. I said did you understand
21 before you made this statement how Tony Soprano was
22 portrayed in the Soprano series?

23 A. No. I knew he was a pitiful guy that went to a
24 psychiatrist that tried to figure out where he was going
25 in life.

1 Q. Did you understand that he was a murderer before
2 you made this statement --

3 A. No.

4 Q. -- to James Scott? You didn't know that?

5 A. No, I didn't, and that's not what I meant.

6 Q. I understand what you are saying --

7 A. I understood how he operated his business in
8 general.

9 Q. You understand that he extorted money from people?

10 A. No.

11 Q. You understand that he gambled?

12 A. Yeah, I think so.

13 Q. You understand anything else about him?

14 A. Not in the general. It was basically a drama. I
15 watched it a few times.

16 Q. Do you understand how somebody reading this can
17 think that you are comparing Lawton Limehouse, Sr. and
18 Lawton Limehouse, Jr. to Tony Soprano?

19 A. No, sir. I don't believe that at all. If that's
20 what I was going to say that's what I would have said.

21 Q. You see the paragraph under the Tony Soprano?

22 A. Yes.

23 Q. See where it says attorneys with the Hulsey
24 Litigation Group said Friday that the case is not limited
25 to the six workers. The firm plans to take out adds in

1 Spanish language newspapers and on radio stations to let
2 other current and former employees of the Ashley River
3 Road business know the suit exists. Is that what you
4 told James Scott?

5 A. I talked to James Scott about that and that's a
6 reference to after the case is certified as a class
7 action the Court requires you to give notice. You give
8 notice to the class by taking out adds in the newspapers,
9 is one of the ways.

10 You may have seen sometime in the paper notice of a
11 class action for a drug or something. In this case since
12 it was bilingual you would take out a notice in a Spanish
13 paper and the Court decides whether the expenses of that
14 are split among the parties, or one party or the other
15 bears the expense. That's what that was talking about in
16 the event that it got certified.

17 Q. Did you ever take out adds in Spanish language
18 newspapers and on radio stations --

19 A. No.

20 Q. -- to let people know?

21 A. No.

22 Q. Didn't do that?

23 A. No, sir.

24 Q. Just like you didn't sue any of the clients of L&L
25 Services, correct?

1 A. I don't think they are the same thing but I didn't
2 do that either.

3 Q. You own a hundred percent of Hulsey Litigation
4 Group?

5 A. Yes, sir.

6 Q. Always have?

7 A. Yes.

8 Q. When L&L Services shut down in April of 2004 do you
9 know where all of their employees, their 200 employees
10 went to live?

11 A. I didn't at the time.

12 Q. You didn't when I took your deposition in
13 September, right?

14 A. No. No. I was glad to hear they all went to the
15 same job.

16 Q. Heard it today?

17 A. Well, whenever they talked about Mr. Cook. I think
18 he talked -- Mr. Limehouse talked about Mr. Cook in his
19 deposition, that he gave the business to him.

20 Q. But when I took your deposition in September of
21 2014 you didn't know where they went to live?

22 A. No, sir, I didn't. I knew the work was still
23 there.

24 Q. When I took your deposition in September of 2014
25 did you know what happened to these 200 people that were

1 put out on the street?

2 A. I was doubtful that they were put out on the
3 street. Like I said, the work was still there.

4 Q. That's not my question. My question, sir, is did
5 you know when I took your deposition in September of 2014
6 what happened to these people that lost their jobs with
7 L&L Services? Did you know what happened to them in
8 September --

9 A. No, sir.

10 Q. -- 2014?

11 A. No, I didn't specifically know. No, sir.

12 Q. Yeah, you didn't know. So when the business was
13 shut down you didn't know what happened to these 200
14 people that you were trying to help; isn't that correct,
15 sir?

16 A. That is true.

17 Q. Is that because you were flying to Kansas City to
18 play in a band once to three times a month?

19 A. I just started recently doing that, sir.

20 Q. Is that because you --

21 A. This was 10 years ago, sir.

22 Q. Was that because you were playing golf at the Wild
23 Dunes Golf Club that you are a member of and the Bulls
24 Bay Golf Club that you are a member of?

25 MR. HOOD: Your Honor, I object to the relevance,

1 404.

2 THE COURT: The objection is sustained.

3 BY MR. CISA:

4 Q. Do you remember when Mr. Massallon filed a motion
5 for protective order in the class action suit?

6 A. I recall that.

7 Q. And he filed that motion for protective order
8 because he had read --

9 MR. HOOD: Objection, Your Honor.

10 MR. CISA: We talked about it yesterday, Judge.
11 You allowed it.

12 MR. HOOD: It was a state of mind, I believe, the
13 basis at the time.

14 THE COURT: You about to tell us what Mr. Massallon
15 read?

16 MR. CISA: No, sir. I just asked him --

17 THE COURT: What he read?

18 MR. CISA: I was going to ask him what he knows
19 happened of his own personal knowledge. Let me back up
20 and start again.

21 THE COURT: All right.

22 BY MR. CISA?

23 Q. I asked this question: Do you remember when
24 Mr. Massallon on behalf of the Limehouses filed a motion
25 for protective order in the United States District Court

1 in the class action suit?

2 A. Yeah, I remember that. Uh-huh.

3 Q. All right. And do you recall that it related to
4 the newspaper article --

5 MR. HOOD: Objection, Your Honor.

6 Q. -- that I've got on the screen?

7 MR. HOOD: 801.

8 THE COURT: The objection is sustained.

9 BY MR. CISA:

10 Q. Mr. Hulsey, did you have a website, sir?

11 A. Yeah, I had a website.

12 Q. Did you have a website back in April of 2004?

13 A. Yes, sir.

14 Q. And did you post on your website what we've had
15 introduced into evidence as Plaintiff's Exhibit Number 5?

16 A. Yes, sir. This was on there along with a whole
17 bunch of other things.

18 Q. And did this pertain to the class action lawsuit
19 that you had filed on behalf of your six claims?

20 A. That's a -- yeah. That was a general description
21 of it. Yes, sir.

22 Q. Okay. Do you see where it says click here to view
23 the complete article on Charleston.net?

24 A. I see that.

25 Q. Is that the article we were talking about that I

1 had up on the screen?

2 A. Yeah, I assume so.

3 Q. And how long did you run that on your website?

4 A. I don't have any idea.

5 Q. Well, did you run it for three years?

6 A. I don't have any idea, sir.

7 Q. Thank you, Mr. Hulsey. I appreciate it.

8 A. Thank you, sir.

9 THE COURT: Redirect.

10 REDIRECT EXAMINATION

11 BY MR. HOOD:

12 Q. Mr. Hulsey, the RICO lawsuit was filed on April
13 23rd, 2004?

14 A. Yes, sir, it was.

15 Q. I hand you a printout of an index from that case.

16 Look at the flagged page just to refresh your memory and
17 see if you can tell us when that case --

18 A. I have it here in front of me now.

19 Q. And what was the day that it was dismissed?

20 A. 8-24-2006. That would be August 24th, 2006 at

21 1:40.

22 Q. A little over two years later?

23 A. Yes, sir.

24 Q. And that was a resolution by the parties not

25 something that the Court did?

1 A. Yes. There was a motion to certify then the matter
2 was resolved.

3 Q. I want to talk about the motion to certify. You
4 were asked about the 200 workers.

5 A. Yes, sir.

6 Q. Did you represent 200 workers?

7 A. No.

8 Q. When is it that you would go beyond the individuals
9 that you represent and try to approach or enlist any of
10 the other folks?

11 A. When the Court certifies a class action all of
12 sudden you become attorney for, responsible for however
13 many people it's determined to be in the class.

14 Q. Had you got to that point yet?

15 A. No, sir, we hadn't.

16 Q. Do you run advertisements or send out the formal
17 notices before the class has been certified?

18 A. No, sir, not at all.

19 Q. The notices, do you have to submit those to the
20 Court for court approval?

21 A. You say what the announcement in the newspaper --
22 you say what it will say and the parties have to agree,
23 the Court has to approve it and then if it's approved
24 that's what's published in the newspaper.

25 Q. And that only happens if the Court decides that

1 it's an appropriate class action?

2 A. Yes, sir. That's what that paragraph was talking
3 about.

4 Q. And in this case it never got to that?

5 A. No, sir, we didn't.

6 Q. Now, I'm going to hand to you what's been marked as
7 Exhibit 52, and you've been looking at -- do you have the
8 website?

9 A. Here it is, I think.

10 Q. Yeah. Take a look at that for a second. I just
11 want to ask you just very briefly. The website that you
12 maintained for your firm, it had Hulsey Law Group at the
13 top of it; is that right?

14 A. Yes, sir.

15 Q. It had little bars or tabs that you go click on for
16 Hulsey DuRant Trial Team, about the firm, things like
17 that?

18 A. Yes, sir, we did.

19 Q. And then you have something under office news?

20 A. Yes, sir, we do. Yeah.

21 Q. And HLG, Hulsey Law Group office news?

22 A. Yes.

23 Q. And what you see in the plaintiff's version of
24 Exhibit 5 is contained at the bottom of page 12 of 14,
25 the firm news; is that right?

1 A. Yes, sir. It's in the bottom of the 12th page of
2 14 pages of the website.

3 Q. Okay. Then the office news identifies things that
4 you and the firm have, whatever, just results or other
5 news related to the firm?

6 A. That's what it does, yes, sir.

7 Q. You were asked questions about whether you were
8 referring to Mr. Limehouse, Sr. or Mr. Limehouse, Jr.

9 A. Yes.

10 Q. Mr. Limehouse, Jr. has actually filed the same
11 lawsuit against you, hasn't he?

12 A. Yes, he has.

13 Q. And he's claimed that these statements were about
14 him?

15 A. Yes, he has.

16 Q. You were also asked questions about whether you
17 went and had sued any of these other defendants in the
18 RICO --

19 A. Right.

20 Q. Well, did you find any evidence to warrant pursuing
21 claims against the other unknown entities?

22 A. No. We found out that they all were surprised as
23 we were when we filed it.

24 Q. Surprised about what?

25 A. That they were being provided illegal aliens.

1 Q. And did you feel any reason that there was a basis
2 to pursue a claim against --

3 A. No, sir. I did the same thing I do on any lawsuit.
4 I did the investigation and found no basis to bring
5 anybody else in under the procedural rules.

6 Q. Okay. Just a minute, please.

7 Mr. Cisa asked you a bunch of questions. Any of
8 those questions change whether or not you were referring
9 to Mr. Limehouse personally in this?

10 A. No, not at all. I was not referring to him and I
11 didn't.

12 Q. When you said Tony Soprano were you trying to make
13 a comparison between Mr. Limehouse and his character and
14 Tony Soprano and his character as depicted on HBO?

15 A. No, sir, just the opposite. I was making a
16 comparison of business practices.

17 MR. HOOD: Thank you, Mr. Hulsey.

18 MR. CISA: I don't have any further questions,
19 Judge.

20 THE COURT: All right. Thank you, sir.

21 Call your next witness.

22 MR. HOOD: Thank you, Your Honor. We would call
23 Jim Ewart.

24 THE COURT: Let's stand for a minute and get a
25 little stretch in.

1 name is Robert. My third name is Blakey, B-l-a-k-e-y.
2 For whatever reason my mother called me by my second
3 name. So I have been G. Robert Blakey all these years.
4 All she had to do was have it be Robert George and it
5 would have worked out.

6 DIRECT EXAMINATION

7 BY MS. DURAND:

8 Q. Good evening, Professor. Can you please state for
9 the ladies and gentlemen of the jury what your current
10 occupation is.

11 A. I am a retired professor of law.

12 Q. Okay. And can you give me a little bit of
13 description of what you currently -- what type of
14 occupation you are currently involved in?

15 A. Well, I still do scholarship. I published two --
16 I've been gone from the university since December of
17 12-12. I published two law review articles in that
18 period of time. So I'm doing some scholarship. And I've
19 also been doing some consulting. I always consulted when
20 I was a professor of law.

21 Q. And can you describe the type of consulting that
22 you are doing at this point in time?

23 A. Yeah. Let me put it in a context. I have seven
24 children and I had to get seven children through college
25 and even though the university gave me -- I was teaching

1 at that time at the University of Notre Dame. Even
2 though they gave me a break they didn't give me enough
3 salary to take care of educating my kids at Notre Dame,
4 so I began consulting out of class about 15 percent. I
5 taught 85 percent of the time with the students. That's
6 why I was teaching in that practice. I like working with
7 young people. It's a win, win situation. If I do good
8 and they learn something and then both of us are
9 satisfied.

10 The problem with mitigation sometimes it's win,
11 lose. But I began consulting on legislation that I had
12 drafted when I worked for congress. I worked for
13 congress as a consultant beginning in 1967 and then in --
14 just in 1968 I actually became a full-time employee of
15 the senate subcommittee on criminal loss and procedures.

16 And in that context as a consultant and then while
17 I worked for the committee I drafted two major pieces of
18 legislation, one authorizing electronic surveillance of
19 wiretapping prohibiting all of this and making a limited
20 court ordered system that gave rise to a certain amount
21 of litigation on what the statute meant and was to be
22 applied properly. So I consulted in that area.

23 But the other one is in the 1970 act the title
24 which is what you heard here is RICO, and it has two
25 major dimensions, one criminal and one civil. And in the

1 civil cases, unfortunately, they did not begin until
2 probably 1980. It took 10 years for people to read what
3 was on the statute.

4 I began consulting in that area, explaining what
5 the statute meant and then testifying or -- well,
6 properly, talking to plaintiffs and defendants or talking
7 plaintiffs out of bringing cases that they shouldn't
8 bring. The truth be known, over 15 percent of my time
9 that I did this I would say 95 percent of time I talked
10 people out of bringing RICO cases. But that having been
11 said there were some gems in there that I thought were
12 good and I would consult on those.

13 I also consulted for defendants, people who thought
14 they were wrongfully sued, and I consulted for them.

15 Q. So, Professor, as we sit here today are you
16 spending most of your time consulting on the RICO portion
17 of the --

18 A. Yes.

19 Q. -- discussion --

20 A. I haven't had a wiretap call for four or five
21 years.

22 Q. Okay. And you are typically a paid consultant, are
23 you not?

24 A. Yes.

25 Q. Okay. And --

1 THE COURT: The objection is sustained.

2 Q. Is there anything that you would add to that,

3 Professor?

4 A. No. Keep this in your mind and you can read the
5 complaint.

6 Q. Thank you. Is there anything else that you believe
7 you would like to illustrate?

8 A. No.

9 Thank you, Your Honor.

10 THE COURT: I think you are still on the stand.

11 MS. DURAND: Yes, sir.

12 THE WITNESS: Yes, sir.

13 BY MS. DURAND:

14 Q. Now, Professor -- I'll let you get to your seat.

15 (The witness was seated in the witness stand.)

16 Q. Professor, you just went through and went through a
17 fairly lengthy explanation of what RICO is and how it
18 pertains to specifically to the facts of the case that
19 we've been listening to. Is it normal in trying to
20 explain a RICO, a civil RICO case to a group of lawyers
21 or non lawyers to use the example of an organized crime
22 figure in that explanation?

23 A. Yes.

24 Q. And why is that?

25 A. Well, whatever RICO is it was aimed at organized

1 (There was no response.)

2 THE COURT: All right. Have a good night.

3 (WHEREUPON, the jury leaves the courtroom at
4 approximately 7:55 p.m.)

5 THE COURT: All right. Before we leave we'll hear
6 any motions at the close of the defense's case, Mr. Cisa?

7 MR. CISA: I have no motions, Your Honor.

8 THE COURT: Mr. Hood?

9 MR. HOOD: Yes, Your Honor. You know, at this time
10 at the close of all the evidence we would renew our
11 motion for directed verdict as to the allegations set
12 forth in the plaintiff's complaint.

13 For the sake of brevity I would reassert and
14 incorporate by reference the arguments previously made to
15 Your Honor for the standing issue in terms of the LLC
16 that the article in question pertains to the entity
17 itself not the individuals, as well as the application of
18 absolute privilege.

19 In the event that you disagree on the absolute
20 privilege we maintain that the qualified privilege of
21 fair comment applies and/or the -- and if you don't agree
22 with the fair comment then the fair report privilege
23 would apply and that there's not a genuine dispute of
24 material fact as to the application for those privileges
25 warrants a direct verdict.

1 With respect to the status issues, Your Honor, we
2 would renew our request that the Court revisit the -- not
3 revisit, but at this time renew our motion asking the
4 Court to recognize the plaintiff in this case for the
5 limited purpose public figure for the same reasons I've
6 already articulated to the Court.

7 In the event that the Court disagrees with that we
8 maintain the limited involuntary public figure analysis
9 would apply and would apply to this case changing the
10 standard for malice to constitutional actual malice as
11 the element the plaintiff must prove.

12 With regards to additional evidence that makes this
13 motion more pertinent now, Your Honor, we believe that
14 Mr. Hulsey has now testified, he's provided a context to
15 which the statements were made. There's been no evidence
16 to suggest that he had any doubt of the truthfulness of
17 the voracity of the statements.

18 Likewise, Professor Blakey just testified as to the
19 voracity or the believability and their perception at the
20 time the complaint was filed, along with state of mind by
21 Mr. Hulsey in response to conversation with the Court --
22 or the newspaper reporter. Good Lord.

23 THE COURT: Anything, Mr. Cisa?

24 MR. CISA: Your Honor, for the sake of brevity I'd
25 like to incorporate my arguments that I made and our

1 position to this earlier. You know, we're not here about
2 a complaint. We're here about a newspaper article.
3 There was a disagreement about what it means, what it
4 says, I guess whether it's defamatory, but I certainly
5 think that there's evidence in the record that would
6 support our version of our allegations of our complaint.

7 THE COURT: All right. Mr. Hood, anything you
8 forgot to say?

9 MR. HOOD: I would just -- in respect to the
10 previous motion for directed verdict dealing with the
11 privilege issues, and obviously your ruling on what was
12 presented to you at the time. Your Honor, I would just
13 ask the Court to look back at the West vs. Moorehead case
14 about whether the privilege is applicable being a
15 question of law.

16 It's my -- it's our position, Your Honor, that the
17 correct application of the common law privileges, the
18 qualified privileges that the Court needs to decide as a
19 matter of law whether they apply, and then the question
20 presented to the jury, if it's a question that exists,
21 there's more than one inference, is whether the scope of
22 that privilege was violated.

23 So I would just renew that request in terms that we
24 just add to our previous argument that as to the
25 application of privilege that we believe that that is a

1 question more proper for the Court to decide before we
2 get to the closing arguments and jury charge.

3 THE COURT: I have been thinking about it and I
4 determined that as a matter of law the defendants are
5 entitled to protections of a fair report privilege based
6 on whether the cases that primarily deal with news
7 reporters talking about cases that have been filed and
8 the cases that have extended that protection to
9 individuals. So I believe that all things considered,
10 including this being a conversation between the lawyer
11 who filed the lawsuit and the news reporter that the fair
12 report privilege applies to this case which necessitates
13 a determination of whether or not the comments made were
14 outside of that -- outside of the public records or
15 whether the statements were made for factual malice.

16 Regarding the fair comment privilege, I find that
17 that is a jury question as to whether the fair comment
18 privilege, not whether it applies but whether or not the
19 comments were -- the fair comment privilege that exists
20 was abused by comments made by Mr. Hulsey and/or whether
21 the comments were made with actual malice.

22 So I'm granting -- determining as a matter of law
23 as you suggest I should, Mr. Hood, that the fair report
24 privilege applies. The jury determines -- and I'm not --
25 I don't know whether it's a question whether the fair

1 comment privilege applies or whether it applies based on
2 the comments because it's a jury issue as to whether any
3 comments made extended beyond the privilege. So it's a
4 question of structuring the jury charge to tell the jury
5 about all that.

6 MR. CISA: Your Honor, can I make sure I understand
7 what you are saying?

8 THE COURT: Yes, sir.

9 MR. CISA: You are saying that under the fair
10 report privilege which basically says the fair report
11 privilege does not depend on the legal sufficiency of the
12 charges made and the judicial proceedings or the truth of
13 the charges but consist of making a fair and
14 substantially true account of the particular proceeding
15 of record, so you are saying that Mr. Hulsey stating that
16 they engaged in a racketeering scheme just like Tony
17 Soprano is a fair report of the complaint that was filed?

18 THE COURT: No, no. I said the privilege applies.
19 It's for the jury to determine whether those comments
20 were beyond the record and/or if they were made with
21 malice.

22 MR. CISA: They've got to determine whether it was
23 beyond the record --

24 THE COURT: Yes, sir.

25 MR. CISA: -- before they would be held to the

1 higher standard of actual malice, correct? Isn't there a
2 -- you said the question of fact as to whether or not
3 what he said -- there's nothing in the complaint about
4 Tony Soprano. There isn't anything in there about it.
5 So the question would be when he called my clients, at
6 least in my interpretation of what he said, a
7 racketeering enterprise -- engaged in a racketeering
8 enterprise, just like Tony Soprano, that's not contained
9 in the record and I suggest that --

10 THE COURT: Well, with regard to that it may be the
11 jury could conclude that that is a fair comment on the
12 matter of public interest or concern.

13 MR. CISA: There's a jury question?

14 THE COURT: That aspect is a jury question. I
15 think that these two privileges kind of merge into one at
16 some point. We are trying to splice two different
17 definitions but they may end up as one by tomorrow
18 morning.

19 MR. CISA: So you would -- in other words, you
20 would charge the privilege and let them decide?

21 THE COURT: Yeah. I determine as a matter of law
22 that a lawyer commenting on a lawsuit that they filed is
23 covered by the fair report privilege but the comments
24 have to be contained within the record and cannot be
25 based on actual malice toward the other person. That's

1 number one. And then number two, that it's for the jury
2 to determine whether whatever comments made were fair
3 comments on the matter of public interest or concern, or
4 whether or not it was done for an unfair or dishonest
5 purpose or with malice such that the privilege is lost.

6 MR. CISA: Okay. I think I --

7 THE COURT: They will be told that if you find the
8 defendant's statements were made under a qualified
9 privilege then the defendants are not liable because the
10 statements would be privileged. Of course, if they lost
11 the privilege then they can be liable.

12 MR. CISA: Okay. I understand. I think I
13 understand what you are saying, Judge. You are saying
14 that it applies but you are going to let the jury
15 determine whether or not he complied with the privilege,
16 essentially?

17 THE COURT: I think so, then the burden I believe
18 is on the defendant to prove that he stayed within the
19 privilege. Who's the expert on that? It looks like this
20 guy. So anyway, between tonight and the morning I'm
21 happy to receive any e-mails about it.

22 I'll e-mail a charge that I have to this point for
23 you all to look over and deal with. I think that having
24 narrowed the things down after the jury has been given an
25 instruction on all this then they can determine things on

1 a more simplified verdict form.

2 With regard to the entities, obviously the jury has
3 to determine that the statements were directed toward the
4 defendant as opposed to the LLC. That's the defendant's
5 burden.

6 All right. So we told jury 9:30 in the morning. I
7 think we should try to be here about 9:00 to work through
8 the charge --

9 MR. HOOD: Yes, sir.

10 THE COURT: -- and get started. Nine o'clock.

11 (WHEREUPON, the trial was recessed for the day.)

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1 (Whereupon, the proceedings continue on March 27th, 2015.)

2 THE COURT: Good morning. We've just e-mailed y'all
3 copies of the jury charges and I guess this verdict form,
4 proposed verdict form. And we have copies of the jury
5 charges, just two copies.

6 MR. CISA: Thank you, Your Honor.

7 THE COURT: And we will talk about any other matter
8 you might want to talk about before the jury comes in. Give
9 you a few minutes to talk about them and discuss them, take
10 fives minutes or so. I will be at ease and I will come back
11 in a few minutes and talk about it.

12 (Whereupon, recess transpired.)

13 THE COURT: Mr. Cisa.

14 MR. CISA: Thank you, Your Honor. Judge, just a few
15 things. On your definition of -- what you have to prove as
16 far as proving defamation, you said a statement is defamatory
17 if it tends to harm the reputation of another, as to lower
18 the estimation of the community or to deter third-party from
19 associating or dealing with them. That's fine. It's the
20 next paragraph: A defamatory statement does not have to be
21 direct, open or positive attack. I like that. It may be
22 materially -- merely a suggestion or hint which is false and
23 malicious.

24 I don't think I have to prove that it's malicious.
25 I think you just have to prove that it is false. I don't

1 have to prove malicious or malice. I would like to strike --

2 THE COURT: Strike malicious where it -- what says
3 the defense?

4 MR. HOOD: Your Honor, we would just accept the
5 entire paragraph. I think that the sentence preceding is the
6 common law definition attributed to the statement is
7 defamatory.

8 THE COURT: I guess, Mr. Cisa it says it may be
9 merely a suggestion or hint which is false or malicious. So
10 if it's -- if it's a hint of a false statement, then that's
11 defamatory or hint must be false and malicious.

12 MR. CISA: I don't have any problem with false, but
13 I don't have to prove malice if it's malicious. You know,
14 the charge that I submitted came right out of Judge
15 Anderson's charge book. And it says to recover for
16 defamation, plaintiff must establish by a preponderance of
17 the evidence that a false defamatory statement by the defense
18 concerning the plaintiff. I don't have to prove malice to
19 prevail on the preponderance of the evidence in defamation.

20 THE COURT: I don't use Judge Anderson's charge
21 because this is probably 50 pages instead of --

22 MR. CISA: I'm not suggesting --

23 THE COURT: I don't know. We pulled that from, I
24 think, what Mr. Hood -- and you can very well be right.

25 MR. CISA: What I'm saying, I don't have to prove

1 malice.

2 THE COURT: I'm going to strike through "and
3 malicious".

4 MR. CISA: Thank you. The only other thing, Judge,
5 on your general professional damages charge, right at the end
6 of the second paragraph, you say: These damages include
7 humiliation, hurt feelings, mental suffering, injury to
8 reputation and other types of damage on which you cannot
9 place a monetary value. I don't think it should be cannot.
10 It should be can.

11 THE COURT: Can place.

12 MR. CISA: Take out the not, is what I would like to
13 do.

14 THE COURT: What about it?

15 MR. HOOD: I understand what he's trying to say, but
16 I also understand what the charge is trying to say. And
17 those items to which we typically can assign a dollar figure,
18 I think your charge tells them -- I've heard similar type
19 charges. And I understand what Mr. Cisa is saying, is the
20 Court should be charging that they can't put a dollar figure
21 on it. But at the same time, I think you are saying it's not
22 susceptible to a precise dollar amount.

23 THE COURT: But if they put a monetary value, they
24 just can't give them an open feel for them to put a dollar
25 value on anything that they consider. Because it has to be

1 within the humiliation, hurt feeling, mental suffering,
2 injured reputation or other -- something -- I guess
3 intangible, akin to pain and suffering or something like
4 that. But if I say, or in any other type of damage on which
5 you can place a monetary value, they say, well, we think he
6 needs a new car. They can put a monetary value on that, but
7 that would not be proper. So I think this is the best way to
8 say, if it's to be said at all. And if I can just strike the
9 whole thing, the whole last few words -- I can't say, and any
10 other damages, any other types of damages, because that
11 doesn't give them any guidance. This presumes the intangible
12 kinds of things that stem from humiliation and all that
13 stuff.

14 And where did that come from by the way? Is that a
15 request number or something like that? It's part of the
16 standard charges in our judges' book.

17 MR. CISA: What concerns me is, I know you are going
18 to send the charge back with the jury.

19 THE COURT: Yes.

20 MR. CISA: The jury looks at this and says, damages
21 including humiliation, hurt feeling, mental suffering, injury
22 to reputation and other types of damages on which you cannot
23 place a monetary value, I'm afraid they are going to say,
24 well, we can't give them a monetary value for these things.

25 THE COURT: Yeah. Well, the note --

1 MR. CISA: Maybe if you stop after damages, and
2 other types of damages, period. I'm looking at --

3 THE COURT: It's cited in the Holtzscheiter, or
4 something, vs. -- Holtzscheiter vs. Thomson Newspapers.
5 That's the case -- we will see what it says. We will come
6 back to that.

7 MR. CISA: All right, sir. I think the only other
8 thing -- and I will look at my book and see if I can find
9 something. I would like a charge on defamation is actionable
10 per se, and for this reason. I think the law is that -- and
11 this is the charge out of Judge Anderson's book and I handed
12 this up -- slander is actionable per se when the defendant
13 alleged defamatory statement charged the plaintiff with one
14 of five types of acts or characteristics. And one of them is
15 unfitness in one's business or profession. And I think in
16 this particular case, those defamatory comments were directed
17 to Mr. -- the way Mr. Limehouse ran his business or
18 profession. And if that's the case, you know, you've got
19 five categories. You charge something with commission of a
20 crime of moral turpitude, contraction of loathsome disease,
21 adultery, unchastity, and/or unfitness in one's business or
22 profession.

23 If the jury finds that those statements were
24 directed towards Mr. Limehouse's business, then that's
25 actionable per se. Then the charge is then the law presumes

1 the defendant acted with common law actual malice and that
2 the plaintiff suffered general damages. And then it says, if
3 defamation is actionable per se, he's presumed to be damaged or
4 presumed --

5 THE COURT: I understand what you mean. I just have
6 a question, and I'm interested what you have to say about it
7 obviously is, where one is entitled to a privilege, can you
8 have an actionable per se case?

9 MR. CISA: Well, we don't really -- I understand
10 he's entitled to privilege, but we don't know if the
11 privilege applies. The jury is going to determine whether
12 the privilege applies. And I would say that we need to
13 include a charge on --

14 THE COURT: I've determined that it applies to the
15 fair reporting privilege.

16 MR. CISA: It's available, right.

17 THE COURT: It applies, but it may be defeated by
18 actual malice.

19 MR. CISA: Well, I think -- and I may be mistaken,
20 we talked about this last night, but -- I was thinking what
21 you were telling us last night, Judge, was you find as a
22 matter of law that the privilege is available to Mr. Hulsey,
23 even though he's not a reporter. But the jury has to
24 determine whether or not it was actually reporting what was
25 on the record. So it was available to him, but the jury has

1 got to determine whether or not -- let's see, fair -- let me
2 look at it.

3 THE COURT: How about it, Mr. Hood?

4 MR. HOOD: Sure, Your Honor. I think in response to
5 your question, I do not believe the defamation per se charge
6 is appropriate in the context where the Court has determined
7 that qualified privilege applies as a matter of law. And
8 with regards to the second point that Mr. Cisa is making
9 about the determination, I don't think he's quite stating it
10 right. I think that the determination is that the privilege
11 applies, the jury decides whether it was abused and whether
12 it serves as a defense or not in so deciding.

13 MR. CISA: Well, this is what you did.

14 THE COURT: Yes, sir.

15 MR. CISA: This is what you did. You said -- you
16 are saying he's entitled to protection of this. And then you
17 say, if you determine that the statement made was within
18 public records and without malice, you must find for the
19 defendants. So although he's entitled to argue and use the
20 fair report privileges available to him, the jury has got to
21 determine that it was within the public records. Well, you
22 know, I think you've got to determine that it was a fair and
23 accurate report and that it was within the public records and
24 without malice, because that's what the privilege does. And
25 your fair report privilege charge, qualified privilege

1 protects fair and accurate reports of judicial records and
2 proceedings.

3 So they've got to determine whether it was a fair
4 and accurate report within the public record, is what I would
5 say. So what I'm saying, if they find that privilege does
6 not apply to him, then I'm entitled to the charge on the --

7 THE COURT: Slander per se.

8 MR. CISA: -- slander per se. But I would ask that
9 you change that fair reporting privilege to say if you
10 determine that the statement made was fair -- was a fair and
11 accurate report and within the public records and without
12 malice, you must find for the defendants. Because I think
13 that's what you are going to allow them to do. Privilege is
14 available.

15 THE COURT: You are trying to get me to reword that?

16 MR. CISA: The last sentence, Judge, you start out
17 and you say, fair report privilege is a qualified privilege
18 that protects fair and accurate reports of judicial records
19 and proceedings.

20 So I would like you to say, where you've got the
21 bottom, if you determine that the statement was fair and --
22 was a fair and accurate report of matters within the public
23 record and without malice, you must find for the defendants.
24 So I'd ask you insert the following words, if you determine
25 that the statement made was a fair and accurate report of

1 matters within the public records.

2 THE COURT: All right. Matters within the public
3 records, you want me to add those words to the bottom there?

4 MR. CISA: Right to there. Judge, I think that's
5 all that I have.

6 THE COURT: Mr. Hood?

7 MR. HOOD: With regard to that specific line issue,
8 I would object to Mr. Cisa's proposal and go with what Your
9 Honor already has on here.

10 On the general damages one, there may be a way to
11 approach that under the Erickson case. It was my charge 13,
12 where you could say, and similar types of injuries, or you
13 could say, similar types of damages which are not capable of
14 definite money valuation.

15 THE COURT: How about that, Mr. Cisa?

16 MR. CISA: That's fine, Judge. I don't have any
17 problem with that charge.

18 THE COURT: Similar types of damages which are
19 not -- I hate to use the word injuries when it's not a
20 physical injury. Certain types of damages which are not
21 capable of definite monetary valuation?

22 MR. CISA: That's fine.

23 THE COURT: All right. We will do that.

24 MR. HOOD: Your Honor, with regard to the fair
25 comment privilege, we would just renew our request that the

1 Court decide as a matter of law the fair comment privilege
2 applies, charges similar to the way the fair report privilege
3 was done. We also renew our request that the Court recognize
4 the plaintiff as a public figure and charge him as a limited
5 purpose public figure, including charge for constitutional
6 actual malice.

7 I would request that the Court include a charge
8 indicating that pleadings are absolutely privileged, so the
9 allegations -- there is no defamation associated with the
10 allegations contained in the RICO complaint.

11 THE COURT: Allegations don't have to be true. You
12 said -- say it again.

13 MR. HOOD: The pleadings themselves are absolutely
14 privileged. And there's no defamation associated with the
15 content contained in them.

16 THE COURT: Where do you want me to add that?

17 MR. HOOD: I think you could probably do it instead
18 of the heading being qualified privileges, you could just
19 talk about privileges and insert paragraph beneath that, and
20 then goes to qualified privileges. Just would seem to make
21 more sense in the order of things.

22 MR. CISA: Judge, do you want me to speak?

23 THE COURT: Yes, sir.

24 MR. CISA: I'm not going to argue to this jury
25 anything as far as defamation except what Mr. Hulsey said to

1 James Scott in the newspaper article. I'm not going to argue
2 we were entitled to damages for what was put in the
3 complaint. I don't really think that has anything to do with
4 this trial. So I'm not going to suggest that he made false
5 statements in the complaint. I'm going to suggest he made
6 false statements to Mr. Scott, and Mr. Scott printed them in
7 the newspaper.

8 MR. HOOD: Maybe we can do it by way of stipulation,
9 Your Honor, that the parties will stipulate that the
10 allegations of alleged slander are the portions that -- the
11 quoted portions contained in the newspaper article of April
12 24th, 2004, something to that effect, so there's no
13 question -- I just don't want there to be some concern that a
14 juror has that something contained in the RICO complaint
15 itself is part of the defamation case here, because Mr. Cisa
16 had been referring back to it. He's the first name
17 plaintiff. He called in the Limehouse defendant in the
18 complaint. All of that creates a referencing back. And I
19 think to avoid confusion and potential for a verdict to be
20 based on content of the complaint, it would be appropriate.

21 THE COURT: How about that, Mr. Cisa?

22 MR. CISA: Well, I don't mind, Judge -- I don't know
23 that I want to stipulate to anything. But I don't mind you
24 telling the jury that the plaintiff contends that the
25 defendants defamed the plaintiff pursuant to the article

1 published April 24th, 2004. I don't have any problem with
2 that. I don't know that I want a stipulation. But like I
3 said, I'm not going to argue that, Judge.

4 THE COURT: Well, you, in effect, made the point of
5 that to the professor yesterday that you are not claiming
6 that the article -- you are not even here concerning the
7 lawsuit. You are here concerning the statements.

8 MR. CISA: Exactly.

9 THE COURT: So that's clear, but if I have to tell
10 the jury everything, then we don't need closing arguments. I
11 could just go to instructions. I'm agreeing with you, I
12 believe.

13 MR. CISA: I think you are. So, thank you.

14 THE COURT: All right. Well, I agree with Mr. Cisa
15 regarding the slander per se. That was part of the requested
16 charge, I think, even -- well, the defense submitted them as
17 well. But the -- I was thinking the privilege might have
18 done away with the need for that, but I was waiting for
19 someone to ask me to put it back in. And not surprisingly,
20 Mr. Cisa did. So I'm going to put that back in.

21 I'm going to change the -- add this language that
22 Mr. Cisa requested regarding the federal fair report
23 privilege. Add the language that Mr. Hood wants regarding
24 damages, special damages -- I mean, general damages.

25 And that's that. What else do you all have, if

1 anything?

2 MR. CISA: Your Honor, I think that verdict form is
3 fine. I don't have anything else.

4 THE COURT: All right. Mr. Hood?

5 MR. HOOD: Last comment on your charge, I didn't see
6 a charge in there related to sympathy or rewards, enemies
7 punished --

8 THE COURT: That's part of the end. You should not
9 be swayed by caprice, passion, prejudice or improper
10 sympathy --

11 MR. HOOD: Fair enough. With regard to the verdict
12 form, Your Honor, we would request that the Court include a
13 special interrogatory directed to the fair report privilege
14 and the fair comment privilege that will be charged, asking
15 whether -- with respect to the fair report privilege, we
16 would ask the Court to ask whether the plaintiffs met their
17 burden of proof that the defendants abused their report
18 privilege and/or acted with actual malice in making the
19 alleged defamatory statements.

20 And a similar question with regards to the fair
21 comment privilege, we would ask the Court to charge, or
22 include on the verdict form whether the plaintiff had a
23 burden to prove that the defendants abused their common
24 privilege or acted with malice in making --

25 THE COURT: I have in the charge that if you

1 determine that the statements made by the defendant was a
2 fair comment on matters of public interest, you must find for
3 the defendants.

4 If you find that it was made in fair and accurate
5 report of matters within public records and without malice,
6 you must find for the defendants. I think that's adequate.
7 I'm not going to give a special addition to the charge.

8 The case from Roger -- Judge Young that was handed
9 up yesterday involving the guardian ad litem, he gave the
10 jury his special interrogatories. And the Court in the end
11 concluded -- and I was trying to get a copy of that verdict
12 form -- that the -- it just reading the case, it appears with
13 so many special interrogatories were given to the jury,
14 they -- in the end, the Court considered the verdict an
15 advisory verdict. It wasn't even a verdict, that was part of
16 them. So I think -- I don't think we need to jumble up the
17 verdict with all these things requested by the defense given
18 to them.

19 All right. Well, we will take three minutes and
20 then we will bring the jury in.

21 (A recess transpired.)

22 THE COURT: Here's the slander per se that you can
23 add. All right.

24 MR. CISA: Are you going to also -- oh, I see, you
25 did.

1 THE COURT: You are going to open and close, Mr.
2 Cisa?

3 MR. CISA: Yes, Your Honor.

4 THE COURT: How long do you think you are going to
5 argue?

6 MR. CISA: Judge, I'm tired. I don't think I will
7 take more than 30 minutes or so, somewhere around that.

8 THE COURT: How about you, Mr. Hood?

9 MR. HOOD: Same, Your Honor.

10 THE COURT: All right. Let's bring them on.

11 (Whereupon, the jury returns to open court at 10:22
12 a.m.)

13 THE COURT: Welcome back, ladies and gentlemen, day
14 number five. Y'all have heard the testimony, received the
15 evidence. It's now time for closing arguments.

16 Mr. Cisa.

17 MR. CISA: Thank you, Your Honor. Good morning,
18 ladies and gentlemen. I know it's been a long week. I know
19 you are tired. I know I'm tired. I will try to be brief, or
20 as brief as I can.

21 This is the time when we get -- we have the
22 opportunity to comment on the facts or discuss the facts with
23 you. Judge Newman will charge you the law at the end of our
24 closing arguments. And he will also send you a copy of the
25 jury charge when he charges you to the jury room. So if you

1 have a question about what he said, you will be able to look
2 at it.

3 I don't think this case is all that complicated from
4 our perspective. It's a defamation action, is what it is.
5 So what we've got to prove is that lawyer Hulsey and his law
6 firm defamed Mr. Limehouse. Now, what Judge Newman is going
7 to charge you, I know what he's going to charge you, because
8 he gave me a copy of his charge, he's going to charge you
9 about the law of defamation. This is what we have to prove.
10 A defamatory statement is -- a statement is defamatory if it
11 tends to harm the reputation of another as to lower him in
12 the estimation of his community or to deter third-persons
13 from associating or dealing with him. That's what we are
14 here about. That's what we've got to prove.

15 It goes on and he's going to charge you, a
16 defamatory statement does not have to be a direct, open or
17 positive attack. It may be merely a suggestion or hint which
18 is false as long as the meaning is plain.

19 In this case, you've heard it throughout the week.
20 What we contend is that lawyer Hulsey made defamatory
21 statements to James Scott, who is a reporter with the Post
22 and Courier. He made those statements on April 23rd, 2004,
23 after he filed this so-called class action lawsuit. And we
24 say the statements are defamatory.

25 Now, the first thing I want to discuss with you is,

1 did lawyer Hulsey know that he was going to be quoted in the
2 Post and Courier? Well, he did. How do we know that? Well,
3 he admitted on the stand yesterday, and also read this
4 portion of his deposition to you all, I think it was on
5 Monday. I asked him this: "Yeah, but you understood that
6 when you made the statements to James Scott on April 23rd,
7 2004, you knew it was going to be published in the Post and
8 Courier, didn't you? Didn't you know that it was reasonably
9 probable?

10 "ANSWER: Yes, sure.

11 "That James Scott was going to publish your
12 statements, your quote?

13 "ANSWER: Yes.

14 "In the Post and Courier?

15 "ANSWER: I did.

16 "In an article?

17 "I did".

18 He knew when he made the statements to James Scott
19 that they were going to be published in the Post and Courier.
20 That's the first step.

21 Now, I promise, this is the last time I'm going to
22 show you this article. I thought about it this morning, but
23 I really need to go over a couple of things with you.

24 Mr. Hulsey told James Scott, when he was discussing
25 the lawsuit, that he had filed in federal court across the

1 street, that, "This is a classic racketeering scheme." Well,
2 first he said, "Culture of indentured servitude" -- that's
3 Mr. Hulsey. "This is a classic racketeering scheme. This
4 sets the community back 150 years."

5 We contend that that statement was defamatory and we
6 contend that it was false. Now, why is it defamatory? Well,
7 you know, this country has done a lot of good things. But
8 slavery wasn't one of them. What Mr. Hulsey is doing by
9 saying indentured servitude and this is a classic
10 racketeering scheme and this sets the community back 150
11 years, he's placing Mr. Limehouse back when slavery was
12 allowed. And I suggest to you all that that certainly has an
13 impact, a negative impact, on Mr. Hulsey -- I mean, Mr.
14 Limehouse's reputation in the community.

15 Now, why is it false? Well, you heard testimony
16 from Mr. Limehouse about how he dealt with the employees of L
17 & L Services. They came in. He found them a job. He
18 provided free dental care, free medical care. He provided
19 them a free place to stay. Mr. Hulsey said he didn't, but he
20 told me in his deposition back in September, yeah, he
21 understood they had a free place to stay. He paid for the
22 electricity. He paid for the water. These folks could come
23 and go as they pleased. They went to work. When they were
24 off work, they did whatever they wanted to do. Mr. Limehouse
25 didn't have guards. Mr. Limehouse didn't coerce these folks,

1 any of them.

2 And then he makes a big deal out of the fact that
3 when we had problem with the housing, and his first named
4 class plaintiff, Maximino Flores, was told that he had to
5 move out of the house, so we corrected the problem, because
6 the city of North Charleston said we had too many people
7 living there, although they wanted to live there, weren't
8 required to live there, Maximino Flores was moved out. And
9 then when he was moved out, a few days later he came back.
10 And Mr. Limehouse fires him because he says, look, I can't
11 deal with these problems with the city of North Charleston.

12 So his client tells him, Mr. Limehouse is making me
13 live somewhere. Well, he could live anywhere he wanted. He
14 could live at the Motel 6 if he wanted to. But he couldn't
15 live in a situation that was overcrowded.

16 Transportation, \$15 a week. Van would pick you up,
17 take you to the job site, take you back to the house. Take
18 you to the shopping center. Take you to the picture show.
19 Take you to church. Take you wherever you wanted to go.
20 These folks that came from Mexico didn't drive cars over
21 here. They were brought in under the government program
22 initially. And Mr. Limehouse would charge them \$15 a week to
23 do it. Paid them a minimum of \$6 an hour. Minimum wage at
24 that time was \$5.15 an hour. And he did pay overtime, except
25 to their permanent employers paid overtime, but he made the

1 mistake with the overtime paid.

2 This is not a situation that set the community back
3 150 years. And it's not indentured servitude. I submit to
4 you those statements were horrible.

5 Now, Mr. Hulsey says, oh, well, I wasn't talking
6 about Mr. Limehouse. I wasn't talking about Mr. Limehouse
7 and his son who owned and operated L & L Services. Well, he
8 was commenting on the lawsuit -- y'all have heard this --
9 just filed in federal court. And the first named defendant
10 was Lawton Limehouse, Sr. The second named defendant was
11 Lawton Limehouse, Jr. But all of a sudden, he's not
12 directing his comments to the Limehouses, he's talking about
13 L & L Services or WLL.

14 Remember when we went over the complaint a little
15 bit, and he named Mr. Limehouse, Sr., Lawton, Jr., L & L,
16 WLL, and then he collectively referred to them as the
17 Limehouse defendants. And all of a sudden, he's saying he
18 wasn't talking about Lawton Limehouse, Sr. Don't buy into
19 that. It's just not true.

20 You see where in this article it says: The suit
21 also lists defendants yet to be named Lowcountry businesses.
22 Do you remember in the caption of the lawsuit where he lists
23 these construction companies, restaurants, et cetera, et
24 cetera? Who do you think those clients thought Mr. Hulsey
25 was talking about? They knew Lawton Limehouse was running

1 and operating that business. They knew he was owning and
2 operating it with his son.

3 And I'm sure when Mr. Hulsey said, I'm going to sue
4 all those people, that gave them a warm and fuzzy feeling.
5 Well, it didn't.

6 Now, it gets worse. "'This is the blatant case of
7 indentured servitude,' said Hulsey, formerly of the Ness
8 Motley law firm. 'L & L Services took advantage of the
9 complexity of the system. They have created a perfect
10 racketeering enterprise, just like Tony Soprano.'"

11 So you've got this -- maybe y'all are tired hearing
12 me saying this -- rich, hotshot lawyer who worked for Motley
13 Rice over the years over in Mount Pleasant in a tall building
14 who does all kinds of litigation, you've got him saying he
15 engaged in indentured servitude. And you've also got him
16 saying that Lawton Limehouse created a perfect racketeering
17 enterprise, just like Tony Soprano.

18 I don't know how -- I know that majority of y'all
19 have seen the Sopranos. Tony Soprano was not portrayed as a
20 good guy in the series. It was a good show. A lot of people
21 watched it. But he was not portrayed as a good guy. We
22 talked about it all week. He was a murderer. He was an
23 extortionist. He did prostitution. He extorted money by
24 physical violence. And that's what Mr. Hulsey was saying
25 about Mr. Limehouse.

1 The other thing Mr. Hulsey said, it's in the
2 article. He was going to take out ads in the Spanish
3 newspapers and on the radio so it could increase his class.
4 Of course, just like he threatened to sue all of Mr.
5 Limehouse's clients, this was never true, because he never
6 did. He never took out any ads. But he told everybody he
7 was going to do it. Another thing he said that wasn't true,
8 just didn't pan out.

9 When this article came out in the Post and Courier
10 on April 24th, 2004, on the front page of the Saturday paper,
11 the phone started ringing off the hook. Mr. Limehouse said
12 people were calling, we can't do business with Tony Soprano.
13 Mr. Limehouse, who has lived in this community his entire
14 life and done good things and had been generous to people,
15 tried to help people, all of a sudden was branded as the
16 person that engages in indentured servitude and is just like
17 Tony Soprano, the Tony Soprano of Charleston.

18 What happened? His business collapsed. And why
19 would a client do business with him? Why take the risk?
20 That's what happened. He lost his business because of this.
21 And he lost his reputation because of this.

22 Now, I get to talk to you twice, but I'm going to
23 touch on this. What the defense is saying, they are saying a
24 couple of things. Mr. Hulsey is saying, well, I wasn't
25 talking about Lawton Limehouse. That's just nonsense. Then

1 he's saying, well, these other articles that came out, you
2 know, that destroyed his reputation, destroyed his business
3 before I made those statements about Mr. Limehouse. Well,
4 they didn't.

5 Mr. Limehouse was a farmer by trade. He's in the
6 produce business. He managed property for Kiawah for awhile
7 and he started his business with his son. He hadn't run a
8 business like this before. He did make mistakes. But they
9 started in 2000 or really got it going in 2000. They didn't
10 have any problems with housing until this thing started, I
11 think, February 11th, 2004. But what did he do when it
12 started, when it happened? He didn't know everybody was
13 living in there. They could live anywhere they wanted to.
14 He corrected the problem. He overcame that issue. He had
15 the housing problem situation straightened out within two
16 weeks.

17 Then there was an article about the overtime pay.
18 What happened there? It's kind of like what Buck Limehouse
19 said. You know, I have a couple of corporations and this one
20 person working for me and I didn't know if I had one person
21 working more than 40 hours for two different companies, I had
22 to pay overtime. The Department of Labor came in and talked
23 to me about it, I paid it.

24 What did Mr. Limehouse do? When he found out about
25 it, that he couldn't do what he was doing when the Department

1 of Labor came in, he gave them a bookkeeper. He gave them a
2 desk in his office. They stayed there 10 days with his
3 bookkeeper to try to figure it out. He owed 60 grand. He
4 wrote a check. He paid the people he could find and he gave
5 the rest to the government. He overcame that problem. He
6 overcame that problem.

7 He testified that those articles, although they
8 weren't flattering by any stretch of the imagination, did not
9 hurt his business. He said he lost two clients during all
10 that episode. And he doesn't really know why he lost them,
11 but he had 250. His business wasn't damaged. His testimony
12 was -- we didn't lose any customers. We didn't lose any
13 business.

14 Now, what are they trying to portray to y'all?
15 Remember this? Mr. Ewart, his draft, January making
16 \$200,000, but it just dropped off and dropped off because of
17 all these other articles. This is just not true, absolutely
18 not true. He had \$995,000 worth of revenues in the first
19 four months of 2004. This is just not true. His business
20 increased between January -- January was \$202,000; February
21 was \$239,000; March was \$245,000; April was \$214,000. Didn't
22 work all day, but his business didn't drop off. It didn't
23 drop off until this article came out in the Post and Courier.

24 Making papers, you know, lawyer Hulsey -- what you
25 do in a defamation case, you try to come in and prove that

1 somebody did something wrong, like what you said, because
2 truth is a defense. If I call somebody a liar and they are a
3 liar, I get sued, I say, I can prove they are a liar. Lawyer
4 Hulsey hadn't proved anything. They didn't even offer any
5 testimony about Mr. Limehouse's reputation. They didn't
6 bring anybody in to say he's a bad guy. He's not a bad guy.
7 He's a good guy.

8 And do you remember this testimony from Mr.
9 Limehouse? I thought I had it right here. Remember I was
10 asking him about this report from the United States Postal
11 Inspection Service, Forensic Laboratory Services, and I
12 showed him this. And I asked him what happened, and he said,
13 they came in, took all my computers, all my papers and
14 everything else. Took it up to Virginia, ran it through a
15 forensic lab that the government has up there, and this is
16 what he said: The examination found no evidence of the
17 counterfeiting of Social Security cards, alien registration
18 cards or any other identification documents.

19 Mr. Hulsey wants you to believe he was fabricating
20 papers. He wasn't fabricating papers. This article didn't
21 bother him. He wasn't doing what he was being accused of
22 doing. So we call it the diverting your attention in the
23 legal word. We are here for one article and they want to
24 divert your attention away from that article.

25 Now, you've heard testimony from a lot people, Ed

1 Myrick, old friend, said he was the salt of the earth;
2 Michael Shier, who was a neighborhood kid Mr. Limehouse
3 brought into his home, sent to the Citadel. You've heard
4 testimony from Dino Manos, who is an attorney, works for
5 Charleston. He's known -- went to school with Mr. Limehouse,
6 went to Citadel with him, went to the Army with him, has been
7 a close personal friend. He's a great guy. You heard from
8 Bud Limehouse, who has known him. You heard from Derek
9 Eager, his son-in-law, says he's a great guy. You heard from
10 Tony Daniel, his banker. Tony Daniel said Mr. Limehouse had
11 a good reputation in the community.

12 Do you remember what Tony Daniel said? He said he
13 didn't read the article on Saturday. Said he was sitting --
14 on Monday he was sitting in a loan committee meeting waiting
15 for his boss to come in. The boss comes in with the
16 newspaper in his hand and says, who's loaning money to
17 Limehouse? Who is loaning money to Limehouse? And Tony
18 Daniel said, I'm loaning money to Limehouse. And he said,
19 you better get it because his reputation is ruining him.

20 Up until that time, Lawton Limehouse had a great
21 relationship with his banker. Tony Daniel said he was
22 current on everything he owed. But then Tony Daniel helped
23 him liquidate the company because he didn't have a business
24 anymore.

25 Now, we've got to establish liability. And that is

1 what I'm arguing to you about right now, that these
2 statements were false. And if you find that they were false
3 and they impacted his reputation, then you've got to go to
4 the damages page.

5 So what's the judge going to charge you on damages?
6 He's going to charge you that damages ruins your reputation,
7 humiliation, embarrassment, mental suffering, all of that is
8 compensable, as well as special damages, such as loss of
9 property or business. That's what the damage is going to be.

10 Now, what happened to Mr. Limehouse after this
11 defamatory statement came out? He got depressed, felt
12 humiliated, felt embarrassed, couldn't sleep, needed a job.
13 Myrick gave him a job. Problem was, it's 300 miles away.
14 All his family lives here. It's where he's lived his entire
15 life. His grandchildren live here and his great grandchild
16 lives here. He's out working in Georgia for 10 years. They
17 don't read the Post and Courier in Georgia.

18 He had a diabetic coma, went into a diabetic coma,
19 almost died. They want to make a big deal he transferred the
20 house to his wife. He thought he was going to die. You
21 know, so what, he transferred the house to his wife. What
22 does that have to do with this case? He thinks he was going
23 to die, so he transferred his house to his wife. He always
24 worked and lived in this community except for the last 10
25 years.

1 Now, what are the damages? How do you figure
2 damages? Well, I know he's got -- he had a payroll tax
3 problem. I get that. I understand that. But, you know,
4 this is what he did. He's good and kind and generous to a
5 fault. His high school buddy, Mr. Sithel, who he also had
6 done business with, got sick with cancer. He needed to go to
7 another CPA. I would have said, look, you need to go to
8 another CPA if he had asked me. He wouldn't do that. He
9 knew the man was trying to sell his business. He knew in
10 order to sell his business, he needed clients. So he hung in
11 there with him. He went over to the IRS and said, I'm not
12 filing this stuff because my CPA is sick. They said, doesn't
13 matter, get another CPA. He wouldn't do it. He hung in with
14 him.

15 The first tax return for L & L Services was signed
16 in 2003 or -- 2000 tax return signed in 2003 because he was
17 hanging in there with Mr. Sithel. He got behind in payroll
18 taxes way back then. But the government knew it. They
19 liened him back in 2002. He went over to the IRS and talked
20 to them. He was working it out. When he got that levy April
21 14th, 2004, they got his attention because he missed a
22 payment. He went over there and worked that out.

23 And I don't know how much he owed in the end. You
24 know, records go back 10 years. He went over to the IRS to
25 try to find out. I think it was about \$100,000 is what he

1 had to pay. But in any event, this business, even though
2 they had \$995,000 worth of income, Ellie Thomas testified --
3 and I will write this down for you. Ellie Thomas testified
4 that the value of the business on April 24th, 2004, was
5 \$1,040,911. Then he said the time value of that money would
6 increase the damages to that \$1,609,276.92. Mr. Limehouse
7 only owned half the business, but that's what he lost. And
8 if you think it needs to be adjusted because of payroll
9 taxes, so be it. But the business was shut down because of
10 that newspaper publication.

11 Now, how do you figure out -- how do you compensate
12 somebody for mental suffering, humiliation, embarrassment,
13 loss of reputation, having to move to Georgia? How do you
14 figure that out? Well, it's solely up to you all.

15 But that's why I called or subpoenaed Steve
16 Wagenlander with the Post and Courier. He was the
17 circulation manager at the time this all happened. And what
18 did he say? He said on that Saturday, the newspaper sold
19 99,148 newspapers. This article was on the front page. He
20 also said that they've got a readership statistic. Paper
21 comes to your house, you read it, your husband reads it, your
22 children may read it. This is how many people read the
23 paper, 228,040 readers of the newspaper that was published on
24 April 24th, 2004.

25 So what do you do? What do you give Mr. Limehouse?

1 It's up to you all. Give him \$100 a reader, \$2.28 million.
2 Do you think that is too much? Give him \$50 a reader. Don't
3 think it's enough? Give him more. But that's how many
4 people read this article that came out on April 24th, 2004.

5 I am going to talk to you about one other thing, and
6 then I will sit down. The judge's jury form, you will see
7 it, it's going to say, we find for plaintiff or we find for
8 the defendant in this amount of money. And it also has a
9 question: Should punitive damages be awarded? And the judge
10 is going to instruct you about punitive damages. This is
11 what the judge is going to tell you. Punitive damages should
12 be awarded when a statement is made with actual malice if it
13 is made with knowledge that it was false or with reckless
14 disregard of whether it is false or not. Okay?

15 So if you make a statement that was false or it was
16 made with reckless disregard of whether it was false or not,
17 you are entitled to punitive damages. So how does that have
18 application to this particular case? Well, Mr. Hulsey
19 likened Mr. Limehouse to a time in this country when there
20 was slavery. That's absolutely false and he knew it. He
21 knew there was free housing. He knew there was
22 transportation for \$15 a week. He knew what these people
23 were paying.

24 He had six plaintiffs, six plaintiffs. Mr.
25 Limehouse had 200 employees. Why didn't all his employees go

1 over there and join Mr. Hulsey's class action lawsuit? At
2 the end of the day, he ended up with three people and he
3 could only find two of them. That was a false statement. He
4 knew it was false when he made it. It was recklessly made.

5 Now, what else did he say when he testified? He
6 called -- likened Mr. Limehouse to Tony Soprano. I said, do
7 you watch the Sopranos, Mr. Hulsey? Well, you know, I
8 generally knew about it. Did you know that Tony Soprano was
9 portrayed as a murderer and extortionist? Oh, no, I didn't
10 know any of that.

11 He calls -- he calls Mr. Limehouse Tony Soprano.
12 And now he says he doesn't even know anything about Tony
13 Soprano. That's reckless conduct. And it's a false
14 statement. And he knew it was false. So I asked you to
15 answer that question yes on punitive damages.

16 I'm going to sit down. Jamie Hood I'm sure has a
17 lot to say. And I will reply to what he said. Thank you
18 very much. I appreciate y'all's help in this case.

19 THE COURT: Stand for a moment.

20 All right. Mr. Hood.

21 MR. HOOD: May it please the Court.

22 THE COURT: Yes, sir.

23 MR. HOOD: Madam Forelady, ladies and gentlemen of
24 the jury, good morning. Good morning.

25 Let me move this. And Mr. Cisa and I do agree about

1 one thing, I have a lot to say. There are two very different
2 stories that we've heard. But who would have thought that
3 House of the Month in North Charleston for a new couple
4 resulted in complaints to the city because the trucks coming
5 coming to get trash resulted in a raid, revealing 31 people
6 living in a house in deplorable conditions?

7 When the raid came in, they found evidence of pay
8 stubs, documentation. They found information about who these
9 people worked for. This raid resulted in a bright, shining
10 light coming down upon L & L Services for the first time.

11 In response to that, L & L Services and Mr.
12 Limehouse -- I almost said Limestone -- Mr. Limehouse, had an
13 opportunity to get ahead of the story. So he comes out and
14 says something. He gets in the press, and what is his first
15 quotation? We have no labor problems, no labor problems. He
16 continues on in the investigation to respond to everything,
17 to give them his spin, give their explanation, their details,
18 all of which result in more investigation.

19 They look into the business license. They look into
20 the workers' compensation. They look into the labor issues.
21 They look into trafficking illegal aliens. They look into
22 where these individuals were coming from. And it all
23 culminated on March 21st in an expose on the front page of
24 the Post and Courier on Sunday, two articles dealing with L &
25 L Services and listing a parade of horrors that the company

1 had engaged in as described to by these self-identified
2 illegal aliens. They were willing to tell the newspaper
3 reporter that they were there illegal, because they felt
4 strongly enough about the situation.

5 Confronted with that, these folks, some of them, go
6 see the Rural Mission. And they contact Mr. Hulsey. And Mr.
7 Hulsey and his partner Cherie Durand hear their story, speak
8 to them in their native tongue, are moved by what they hear.
9 They take the case on pro bono. Rich, greedy, hotshot
10 lawyer? He was trying to help people who came to see him.

11 And so what did he do? He embarked on an
12 investigation and when the details of his investigation
13 showed what he believed to be the framework of what
14 ultimately became a RICO complaint, he went to the
15 grandfather of RICO who drafted the statute and said, does it
16 fit? And together they worked on what we see in Exhibit
17 Number 10.

18 Now, all the while, this is happening. All the
19 while, nobody knew what was going on inside the company. I
20 didn't know until recently. We didn't know about some of the
21 financial records that had just come to light in the last few
22 days. What no one knew was that the IRS didn't have a lien,
23 but a levy. A lien notice is a notice to the world,
24 everyone, I have a right to their property. A levy is, you
25 owe them money, you pay me, not them. Very, very different.

1 And they had a levy for \$600,000, but nobody knew that. The
2 banker that received the letter says he didn't know about it.
3 Mr. Limehouse didn't tell any of his friends. His wife
4 didn't know. Nobody knew.

5 L & L Services had racked up \$25,000 in legal bills
6 the year before dealing with this tax lawyer, trying to get
7 ahead of the problem. It finally made sense. Finally made
8 sense. Because you can't blame your CPA, sick as he may be.
9 And I'm not suggesting that Mr. Limehouse is a bad person for
10 standing by someone when they are sick, but the CPA wasn't
11 paying the payroll tax. The CPA wasn't paying the payroll
12 tax. I'm not fussing at L & L Services for not filing a tax
13 return on time. It's the payroll tax that's the problem.

14 So I tried to figure out why -- how does this all
15 fit together? Remember I was flipping through these charts.
16 And I know it was not very good handwriting, but the gist was
17 that L & L Services's business model, which is a fair
18 business -- I mean, as Professor Blakey said, they are in the
19 business of selling labor. Fine. Workers here make \$6. L &
20 L is going to make \$4. That's the game. They manage their
21 cost and they pay the expenses out of this. And what's left
22 over, if it's profitable, they take it home.

23 The problem they had is it wasn't profitable. 2000,
24 2001, 2002, 2003, didn't make money. And with the building
25 up of all of the responsibilities to pay for their past due

1 debts and obligations, as you see in the records from their
2 own lawyers saying, we have to pay this trust fund that you
3 are liable for personally is a priority. What did they do?
4 They went back to an old company that they had originally
5 established for legitimate purpose, WLL. Why? Because they
6 said, there may be people willing to pay \$15 an hour for high
7 skill or skilled labor, and \$10 an hour for unskilled labor.
8 Sounds like a good business reason to do it, but the
9 economics didn't work out, because they found that the cost
10 of carrying the increased workers' compensation just made it
11 untenable. So that idea, good as it may have been, didn't
12 work. And they sort of scuttled that. And the company,
13 according to Mr. Limehouse, stayed dormant for a number of
14 years. Until 2003 it gets resurrected. It gets resurrected
15 to avoid this dilemma, to avoid the margin going from \$4 an
16 hour to \$1 an hour because they needed cash. They needed
17 money.

18 And when they did that, they violated the wage and
19 labor laws. They stole the money that was due to the
20 workers. They never paid it to the government. They tried
21 to negotiate it after the fact and wanted to be recommended
22 and praised for how much money they saved bilking the IRS.
23 But at the end of the day, the WLL business came back to life
24 to create for them what they couldn't get, money. They
25 couldn't borrow money. We saw some of the deeds. They were

1 leverage. They poured what they could into the company and
2 they couldn't get it right. So they tried something else,
3 and it was not lawful. Those aren't my words. Those are Mr.
4 Limehouse's words.

5 He recognized that this practice was unlawful. He
6 recognized the housing violations unlawful, the comp issues,
7 unlawful. They violated state, local and federal laws. And
8 the purpose of that was to make more money. It may have been
9 to pay people back. It may not have been. There is a large
10 sum of money, a huge sum of money today that remains
11 unaccounted for, unaccounted for, a \$400,000 discrepancy
12 between bank accounts and the tax returns.

13 I brought Mr. Homes here, their CPA, to ask him if
14 he could account for that difference. He couldn't. He was
15 not provided with the detail to make that decision. The
16 reason I put in all of the tax returns for the company is
17 because I want you to have all of the evidence, not just
18 little bits and pieces, because when you go back and you look
19 at a transaction detail for the one account, their operating
20 account, their main account, it tells the entire story of the
21 failure in the last few months of this company.

22 This is a defamation case, so I want to walk through
23 some of the legal things that you are going to hear about.
24 And I want to give you a framework for how I think that you
25 can evaluate the evidence in this case.

1 The first element they have to prove is statement
2 about the plaintiff. If the statement is false, defamatory.
3 I will talk about this issue of privilege. And it's
4 published. Obviously Mr. Hulsey acknowledges speaking with
5 Mr. Scott. And he did expect and anticipate it may end up in
6 the newspaper. And then the defendants are at fault and the
7 statement caused harm.

8 So let me start with James Scott, the first element.
9 James Scott had done the investigative journalism. He had
10 revealed this information. And they had two meetings, the
11 first was lunch. And the purpose of that first meeting was
12 for Mr. Hulsey, who had contacted Mr. Scott, said, I would
13 like to talk to you about the articles that you've published.
14 They go have lunch. He's trying to figure out whether the
15 company had, in fact, done what he did and whether James
16 Scott stood by what he reported. And he said that he did.

17 After lunch, they had a second contact, which was
18 the phone call that we heard about. And we heard about that
19 from both Mr. Hulsey and from Mr. Scott. First, the phone
20 call was from James Scott to Mr. Hulsey. That is undisputed.
21 The other thing that's undisputed is what the content of that
22 conversation was. Both Mr. Hulsey and Mr. Scott say the same
23 thing, and that is, the phone call was related to questions
24 about the RICO complaint that had been filed. So the
25 journalist, following up on what's happening against the

1 staffing agency, gets a report on his computer says, hey,
2 your Google finds that a lawsuit has been filed against L & L
3 Services. He calls up the lawyer, says, what's this all
4 about? They have an hour-long conversation.

5 And what's important about that conversation is the
6 context. The context becomes important. Because in this
7 case, the article represents the quotations taken from that
8 conversation and put in the newspaper, that their claim is
9 slander, which is a spoken word. And the spoken word is
10 between Mr. Hulsey and Mr. Scott.

11 Mr. Scott was the second witness. And he said
12 unequivocally that the conversation dealt with the RICO
13 complaint. They were talking about the way in which RICO
14 operated and the business practices. This was not a smear
15 campaign against Mr. Limehouse as an individual person, that
16 he's a bad person. This was talking about the business.

17 And so it's important, because I think the Court
18 will charge you that the context in which the statements were
19 made is pertinent. The context in which Mr. James Scott
20 heard the statements is how you determine whether or not
21 these comments were defamatory. It's the context in which
22 the conversation takes place.

23 So they ask the second question. Were the
24 statements, in fact, false? And I've already talked about
25 some of this stuff. And let me pull up the article. We've

1 been through the article plenty, but you remember I showed it
2 to you in the opening. Showing the article drew an
3 objection. There's nothing about what's contained in the
4 article that Mr. Hulsey is running or hiding from. But it's
5 important to realize that the conversation between James
6 Scott and Mr. Hulsey, that's the context that you consider
7 whether the comments were reasonable at the time. So we get
8 these two comments that we've been through at length.

9 And one of them is, is this a classic racketeering
10 enterprise? And we heard from Professor Blakey yesterday.
11 And we see what happened with their business model. And we
12 see they are in violation of the local, state and federal
13 laws. And we see that Mr. Limehouse acknowledged and
14 admitted those very things. Did they have a racketeering
15 enterprise? I submit that they did. I submit that there's
16 no evidence to the contrary. The fact that he may not have
17 intentionally did it doesn't change the fact that it was
18 wrong.

19 The enterprise, the enterprise in this flip chart,
20 the two LLCs, that's what he was referring to, that
21 combination of the defunct entity resurrected to avoid giving
22 those workers their one half is the enterprise.

23 So when we look at the context of the statements and
24 the context of what is being discussed as a RICO complaint,
25 that they are engaging in racketeering enterprise. Did they?

1 In fact, they did.

2 This sets the community back 150 years. Mr. Hulsey
3 is commenting on the effect that this business practice has
4 had on the community and the workers. And it takes them back
5 to a time where workers did not have equal rights like they
6 do today where workers and employers are on par with one
7 another.

8 A blatant case of indentured servitude. Well, I
9 will show you in the RICO complaint, that's a specific
10 allegation taken from the RICO complaint. The RICO complaint
11 describes what was virtually indentured servitude. And that
12 was based on his investigation and what was reported to him
13 and what we see separately as being reported in the
14 newspaper.

15 L & L Services took advantage of the complexity of
16 the system. I don't think there's any doubt they did that.
17 The no-match letters would come in back and forth. We are
18 not suggesting that you should terminate all of your
19 employees. But when you change the number and you send it
20 back and you have people like Rudolfo who had been there with
21 those no-match letters for years, since 2001 I believe
22 Exhibit 12 will show, you are taking advantage of the fact
23 that the system is so slow to respond that you can continue
24 to use your work force, bring the money in, and by the time
25 the issue comes to a head, the problems have sorted

1 themselves out because they are no longer there.

2 And they created a perfect racketeering enterprise,
3 just like Tony Soprano. They did create a racketeering
4 enterprise just like Tony Soprano, just like Tony Soprano's
5 racketeering enterprise.

6 The context of this conversation is about how these
7 businesses were run. This was not a context of the
8 conversation about, this is the Tony Soprano of Charleston.
9 We heard that from Uncle Buck. And we also just heard in
10 closing, that Mr. Limehouse was accused by Mr. Hulsey of
11 being the Tony Soprano of Charleston. That is a force
12 construction. The plaintiffs had forced themselves to
13 believe that that's what the article says because without
14 that, there is no defamation.

15 On this issue of the business cards, Carlton Elliott
16 testified. And you will recall Exhibit 6, I believe it is,
17 which is the March 21st big article, had pictures of ID cards
18 in there and had individuals claiming they bought ID cards
19 from L & L Services. I asked Mr. Limehouse about Rudolfo,
20 because they submitted affidavits, three of them, L & L
21 Services, to the newspaper. The reason they submitted them
22 to the newspaper was to try to give the newspaper their
23 version, their side of the story. And the affidavits, two of
24 which are in evidence, show that both of them make this
25 reference to Rudolfo left the country in December. Why would

1 they be talking about Rudolfo? It didn't make any sense to
2 me.

3 Well, there was a rumor that he was making cards.
4 Carlton Elliott comes in and says, it was more than a rumor.
5 He saw with his own eyes workers waiting to get cards from
6 Rudolfo. Does that mean that Mr. Limehouse himself made the
7 cards? Of course not. But does it mean that someone working
8 for his company was making cards? Certainly seems plausible,
9 more likely than not. Why else would they have told Carlton
10 Elliott that they were waiting for cards? Why else would
11 Carlton Elliott not want to investigate further? You can't
12 quote in a newspaper that, none of my office employees had
13 anything to do with making cards and expect that
14 plausibility, plausible deniability to cover you when you
15 know that this is happening. And Carlton Elliott knew it was
16 happening and he didn't want to find out the answer.

17 Moving through the defamatory -- the legal process
18 or the analysis, sort of the framework of the jury charge and
19 different elements, the Court will give you a charge on what
20 a defamatory statement is. And I think Mr. Cisa read this.
21 And it's defamatory if it intends to harm the reputation of
22 another. And we went through all of the prior articles this
23 week. And we did that because when you are evaluating
24 reputation, as they allege has been harmed by something in
25 the newspaper, it's important to know how it was reported and

1 those same entities and individuals were characterized in the
2 newspaper.

3 When trying to figure out if there's a defamatory
4 statement, like I said earlier, it's the context that
5 matters. And I believe that the jury charge, all it is,
6 intent and meaning of the words must be determined from the
7 words themselves and the context in which they are used.
8 Statements or statement must be considered in light of the
9 facts known to the person to whom the statement was made.

10 This is really important. The context for
11 evaluating these comments is considered in the light of the
12 facts known to James Scott at the time they were made. James
13 Scott came here and testified to that precise thing. And he
14 confirmed that the context of the conversation was Mr. Hulsey
15 commenting on the complaint that he had filed, giving him an
16 explanation of the RICO statute. And he also acknowledged
17 that there was no discussion of Mr. Limehouse individually.

18 In response to this, as far as the damages because
19 of reputation, the plaintiff brought in a host of friends and
20 family. Some things -- as far as the friends and family
21 goes, some things just struck me as remarkable and
22 consistent. Every single -- virtually every single one of
23 the reputation witnesses, friends and family, had the same
24 thing to say. And I was struck by the fact that they all
25 thought that everything contained in the articles in the

1 newspapers was out of character and that they didn't believe
2 it. They didn't believe that their friend would subject
3 people to living in conditions like that. They didn't
4 believe that their friend would tolerate or have a company
5 that was charged with trafficking illegal aliens. They
6 didn't believe that he didn't have workers' compensation.
7 They didn't believe anything in there and it was all
8 sensationalized. Except Mr. Limehouse acknowledged all of
9 those things did in fact happen. They knew Mr. Limehouse in
10 a different way than the business community knew him,
11 certainly in a different way than the employees of L & L knew
12 him.

13 Virtually none of them had knowledge of the way L &
14 L Services operated. This company that he was proud of, he
15 hadn't shared with anyone really how the business system
16 worked. I know plenty of people who are realtors. And I
17 know whether they sell commercial or residential real estate.
18 I know things they specialize in. My friends know the sort
19 of law I practice. Those are things you share with people so
20 close they are willing to come in and testify for you. But
21 none of these people knew anything about the workings of L &
22 L Services. Now, I mean, that doesn't mean a whole a lot.
23 You don't want to bore your friends to death and tell them
24 about intimate details of your company. I understand that.
25 But it was interesting that none of them knew the details.

1 And none of them knew or believed or would accept what was
2 published previously, except for Mr. Limehouse.

3 And the big one that was interesting to me, and
4 maybe not friends so much, but the liens and the levies. And
5 perhaps most compelling was that his wife didn't know about
6 the levies. It was so serious in 2003 that he was seeing tax
7 attorney Mike Grant. Racked up \$24,000 in legal fees. He
8 was receiving lien letters, levy letters. No one knew about
9 that. His banker didn't know about it. His best friend
10 didn't know about it. And nobody had heard about it before
11 they even came in to testify. It had never been shared with
12 them. But it's certainly part of the picture. It's just
13 part of the picture that we couldn't see from the outside.

14 And then I want to talk about Shier. I think I
15 misspelled his name. I think it's S-C-H. Mr. Shier
16 described Mr. Limehouse as his surrogate father. And he was
17 as candid as he could be. And I asked him if he thought that
18 the first article was instrumental in putting L & L out of
19 business. And he said he did. And we went through, because
20 Mr. Cisa came back and said, how do you overcome this, how do
21 you overcome that. And I asked him, I said, how do you
22 overcome this March 21st article, this accusing your friend
23 of trafficking illegal immigrants? I don't know that there
24 can be a worse allegation than you are trafficking human
25 beings, legal or illegal. And he said, no comment.

1 That was a fair statement. And I didn't press him
2 on it. I just moved on. This was his friend. He didn't
3 need to answer that any more. His "no comment" was answer
4 enough. And it was candid. And it was real because you
5 can't overcome that accusation. And L & L Services couldn't.
6 And those were words published a month before Paul Hulsey
7 ever spoke with James Scott about the RICO complaint.

8 So all of their friends thought everything was out
9 of character, but Mr. Hulsey (sic) himself admitted each one
10 of those questions. And I asked him in order. And he
11 acknowledged every single one of them.

12 Now, we put in the -- another typo, that should be
13 2/11/2004. These are the quotes attributed to Mr. Hulsey
14 (sic). We don't have any labor issues. We rent legal
15 houses, livable houses. I don't require anyone to stay there
16 and don't charge them if they do.

17 We know they did have labor issues. We know they
18 were renting houses that were, in fact, not livable. And we
19 know in the second time, they follow those up, on 18th, he
20 says, the houses had been -- this is talking -- give you
21 context. This is talking about the houses in 2003. "If the
22 houses had been fit back in 2003, we could have cut the
23 number of people down. The city wouldn't condemn a house for
24 being overcrowded."

25 I mean, the rationale is, look, you know, if these

1 houses had been livable, yeah, it would have worked, we could
2 have worked it out, but they just weren't livable. That's
3 not much of an excuse.

4 Then he says, "Since we never charged any rent, we
5 didn't care who stayed where." I think that was abundantly
6 clear. And I asked him, you didn't have to provide this, but
7 you chose to, and when he chose to provide the housing, you
8 had an obligation to provide fair and reasonable housing,
9 didn't you? Of course. And he did not live up to that
10 promise.

11 And they keep harping on people didn't have to live
12 here, people could live anywhere. The housing and the
13 transportation suited his business. It was an expense, but
14 it was something that he could use to attract workers. It
15 was part of the benefit package. They had a home. They had
16 a way to get to work. It eliminated the trouble for those
17 workers. So this was an economic decision by him to make
18 attractive for the workers who would work for him. There's
19 nothing wrong with that. I'm not suggesting that that is in
20 any way wrong. But this is not just a benevolent gesture,
21 nor is the transportation a benevolent gesture. This is how
22 he gets the workers where you need to go. If your workers
23 don't show up on time, you are not going to get called back.
24 That's part of his business model.

25 What else was in the newspaper? This is from the

1 March 21st article. He said neither his company nor any of
2 his -- see this -- office employees, are making or selling
3 false identification cards. You know why he says -- he can
4 say this, neither his company are doing it, are making?
5 Because Rudolfo is already gone. That is some pretty clever,
6 precise language that is technically accurate, but it doesn't
7 tell the whole story.

8 Then he said to the best of his knowledge, all of
9 his employees are here legally. This is coming from the same
10 person who acknowledged using coyotes. Said he didn't use
11 coyotes, but acknowledged, yes, he did use coyotes. And
12 coyotes are people who bring people who are not documented in
13 to work. The difference was the financial relationship was
14 between the worker and the coyote. So he didn't have any
15 responsibility for it. That's called facilitating. And I
16 don't think that sits well.

17 But, he says here that if they come in with
18 documentation, he will immediately fire them. For 17
19 Hispanic employees with bogus Social Security cards, that
20 happened the year before. And then they say you can't use
21 the bogus Social Security cards to fire people. So what was
22 he supposed to do? Well, in the newspaper he says if they
23 show us these bad numbers, we fire people. But when I showed
24 no-match lists of 400 names, not 17, said, oh we can't take
25 action against them because that's what it says in here, but

1 he reports something different in the newspaper. "We never
2 gave nobody papers" or "We give nobody papers. We don't send
3 them to nobody to get papers." Then the last quote says, "If
4 they can't get here papers, we can't hire them. If we find
5 out the papers aren't any good, we fire them."

6 The quotes speak for themselves. "We never given
7 anybody papers." We know about Rudolfo. The newspaper knew
8 about Rudolfo. The clients knew about Rudolfo. Rudolfo knew
9 they knew and Rudolfo left.

10 And these were the pictures from the newspaper. All
11 of this becomes important because you are trying to figure
12 out what is the reputation associated with Mr. Limehouse as
13 an individual and as the proprietor of this entity who's
14 commenting on all of the stories. And this is a picture
15 showing the documentation, the problems with how poor the
16 quality is that they are accepting as legitimate.

17 And then this is one employee who has two sets of
18 documents. And he says, they must have defrauded my company.
19 Be that as it may, you still had illegal aliens working for
20 you. And you were still making money on them. And if you
21 bill them under two different names and two different cards,
22 certainly don't have to do overtime.

23 This was a workers' compensation issue. I mean, the
24 excuse for this is they probably wrote us a letter and got
25 lost in the trash or got lost in the mail and we lost it.

1 Now, down there at the bottom, you may be able to
2 see the last quote talking about the papers. He says, "We
3 used to keep everything out on the desk in the office, not
4 anymore." The inference to draw from that is that if people
5 were making documents, they were doing it because the
6 equipment was available and we fixed the situation. That's a
7 little bit different than, we've never done anything wrong.
8 Why? Because by this time, they knew that Rudolfo had been
9 in contact with these folks. And they knew that the
10 statements that "we never made papers" or "don't know of any
11 papers", couldn't be sustained.

12 And then we get -- so this leads us through the
13 newspaper chronology up to the 20th of April. Now, I can
14 digress for a minute and talk about some other legal
15 principles. There are some principles in play. Now, I think
16 as you heard yesterday, Mr. Cisa was examining a Professor
17 Blakey and said, you realize the defamation claim is not
18 about what's contained in the RICO complaint, it's about
19 this. And he's right. That's what this defamation case is
20 about. The RICO complaint represents additional information
21 that was in the publicity and we spent plenty of time talking
22 about it. But not the issue in this case.

23 You will hear charges from the Court about things
24 called the fair common privilege and the fair report
25 privilege. And I just want to take a minute to talk about

1 those because they are unusual except in the context of
2 defamation cases and certain circumstances.

3 This one, the fair report privilege, says that it
4 protects fair and substantially true reports made about
5 judicial records and proceedings. It does not depend upon
6 the truth of the allegations in the particular record.

7 What this is referring to is that an individual or
8 reporter, whomever, anybody, can make comments so long as
9 they are fair and substantially true about judicial records
10 and proceedings.

11 All of these comments, here and here, are in
12 relation to the RICO complaint. That's why that privilege
13 applies. And this privilege exists so that people, all of
14 us, can weigh in on things that are a matter of public court
15 records so that you can express your opinion. You can't say
16 something that is false or not substantially true, but you
17 can weigh in. And if you do, you have a privilege that's
18 applicable. And I will submit to you, if you disagree with
19 me about everything else I've said so far, you are still
20 thinking maybe this is defamation, that this privilege would
21 apply and it would cover the context that we've been
22 discussing here today.

23 The second one is called a fair comment privilege.
24 And that is that everyone has a right to make a comment on
25 matters of public interest and concern as long as the person

1 makes the comment fairly and with an honest purpose. If you
2 determine that the statement made by Mr. Hulsey was a fair
3 comment or matters of public concern and was made without
4 malice, you must find for the defendant.

5 So what does that mean? Again, I mean, these ideas,
6 these privileges in defamation, the reason it's confusing is
7 the United States constitution gives everyone the right to
8 free speech. But it is not absolute. So the law says there
9 are limits. And if you say something that's not true and you
10 know about it and it's published to a third-party, you could
11 be held accountable. But because the first amendment is
12 sacred in our country, they have these types of privileges,
13 the fair comment privilege. So that people, anyone, can
14 comment on things that are a matter of public concern. We
15 hear it all of the time on every news channel or every
16 24-hour news feed.

17 And they all weigh in on things that the people they
18 are speaking about -- I mean, if you are a democrat and you
19 watch Fox News, you probably think that everything they say
20 is defamatory. And if you are a Republican and you watch
21 CNBC, you probably think everything they say is defamatory.
22 But the comments fall under a privilege like this. And it
23 gives you the ability to weigh on things of public concern.

24 Was this an issue of public concern? Absolutely
25 right. This was an issue dealing with the treatment the

1 Hispanic laborers who were working, hundreds of them, working
2 for L & L Services. It had been in the paper, had been
3 covered in the paper, and it was something that was being
4 followed.

5 Mr. Hulsey's comments, if you don't believe that
6 they were in conjunction with the judicial proceedings, you
7 can say, well, was he talking about something that was a
8 matter of public concern? And if you think it is, and the
9 statements or comments are fair and with an honest purpose,
10 then you have to decide, well, did he do something -- did he
11 do it in a way that was without malice? If you say yes, then
12 you find for the defendant.

13 Now, malice is a technical word. And I will come
14 back to it because that's part of the charge. But these are
15 two different privileges that are at issue in this case that
16 are little bit complicated. You will hear about it and you
17 will also get a copy of the judge's charge which will have
18 language substantially similar to this.

19 Now, let me say one other thing before I move on.
20 To the extent my SlideDeck is not exactly what you see from
21 the Court, you follow whatever the Court gives you. I've got
22 summaries of what I anticipate it being, but the judge's
23 charge of the law, he's going to charge the law, and that
24 will apply and trump anything that I'm showing. I try to do
25 the best I can to make sure it's verbatim, but the judge's

1 charge trumps.

2 Now, I want to talk about the RICO complaint. I
3 want to mention it because, to the extent these comments in
4 the newspaper are commenting on legal proceedings, that was
5 one thing that you needed to know about. There it is, 65,
6 paragraph 65 says: The plan included employment of temporary
7 laborers, typically aliens from Latin American countries who
8 were held in indentured servitude by a scheme of forced
9 housing, transportation, threats of retaliation and coercion.

10 Indentured servitude, first word here and then the
11 words in this quote there come straight out of the complaint.

12 Paragraphs 96 talks about the enterprise that we
13 were talking about and they talk about racketeering,
14 racketeering enterprise. And what you see is, from the
15 complaint, Mr. Hulsey's comments makes sense. We didn't go
16 through the complaint. It's lengthy. It's in evidence.
17 It's Exhibit 10. If you would like to look at it, you will
18 see in those paragraphs those things that are referenced.

19 Now, let's talk about another element here,
20 publication. As I mentioned earlier, Mr. Hulsey talked with
21 Mr. Scott and then the Post and Courier readership. Now,
22 there's no dispute that the conversation happened. There's
23 no dispute about the context of the conversation. You've
24 heard it from two witnesses. And you also heard from Mr.
25 Scott, whose framework and state of mind, what he knew at the

1 time and the facts known to him is what matters in whether
2 these statements were defamatory.

3 And then you have the distribution that Mr. Cisa
4 eluded to there on the white board. So Mr. Wagenlander came
5 in and he showed the distribution. That's his number there,
6 228, the total readership, rather. And I asked and said, how
7 long were those articles? I mean, if this article is what's
8 causing harm to the reputation, what about the other ones?
9 There's a first one, second one, third one, fourth one, fifth
10 one, seventh one. Readership at that point was getting close
11 to 1.8 million. What is the effect of all of the these
12 articles on the same readership? I submit to you the
13 description of Mr. Limehouse's business practices, his
14 reputation as a businessman for L & L Services, was long
15 since past.

16 I told you I would tell you what -- I believe the
17 charges you are considering is actual malice. That is
18 present where a statement is made with knowledge that it is
19 false, or reckless disregard of whether it is false or not.
20 You heard from Mr. Hulsey, the statements that he made, the
21 allegations in the complaint. He had no question in his mind
22 whether those allegations were based on good faith evidence,
23 reliable witnesses, and him verifying what he heard, what Mr.
24 Scott had heard. And he had no reason to doubt the
25 information that he had. His client, Mr. Flores, had not

1 been paid his overtime. These claims were legitimate, valid
2 and being pursued.

3 Did he say these statements in reckless disregard,
4 whether it's false or not? Of course not. The plaintiff
5 would have you believe that Mr. Hulsey was acting in reckless
6 disregard because he's a hotshot lawyer. The explanation is
7 to a character assassination of Mr. Hulsey.

8 Mr. Hulsey was doing this case pro bono. Mr. Hulsey
9 was representing these people. Mr. Hulsey testified he did
10 not know who the Limehouses were. Mr. Hulsey explained that
11 he did not and would not and was not referring to them as
12 individuals. And he never made comparison that Mr. Limehouse
13 and Tony Soprano were the same people or he was the Tony
14 Soprano of Charleston. That's not in the quote. There's no
15 evidence of that. The only evidence of that was from Buck
16 who thought that there was a media circus.

17 He thought that there were newspapers and he thought
18 there were cameras. He thought this was on the news and
19 there's a whole full-blown press conference. He had no idea
20 that Mr. Hulsey sitting in his office, picked up the phone
21 and received a call from Mr. Scott calling for comment.
22 That's because Mr. Buck Limehouse is using the same forced
23 construction that all of the plaintiffs are.

24 Now I want to talk about damages. We talked about
25 reputation. And Mr. Hulsey went -- or Mr. Cisa went through

1 the numbers with -- from his expert. And I want to talk
2 about that for a minute. This is a timeline that's almost
3 too small to see. But what it shows is the progression over
4 time of these articles from February 11th to the subsequent
5 article, all of which are in evidence, these articles, and
6 then the filing of the complaint is in there as well. All
7 those articles are Exhibits 1 through 9. 7 is not an
8 exhibit. And the complaint is Exhibit 10.

9 This is a timeline of how this information came into
10 public sphere. And when we talk about the reputation and we
11 talk about all of these articles, you know, I showed you the
12 paragraph. Well, this is what the readership reflects in
13 that one article. And this is what it looks like that full
14 context. This is the reputation communicated in the
15 newspaper article to the same readership in 2004.

16 Now, in response to all of these things, there were
17 excuses. The housing issues, I didn't know. I submit to you
18 that's not a good enough excuse. If you are the owner and
19 operator of a company, you had an obligation to know whether
20 your employees are being treated fairly or not and whether
21 they are living in livable conditions. And I don't think
22 that saying, I didn't know 31 people were living in this
23 house, is good enough. But I certainly don't think it is
24 good enough when you know the year before you had a similar
25 problem where there were 60 people in two houses. And then,

1 yeah, they weren't livable and you could have moved people
2 out if they were condemned. I just don't think that's a good
3 enough excuse.

4 Workers' compensation got lost in the mail. Payroll
5 liabilities, my CPA. The CPA never did the payroll taxes.
6 The CPA never did the payroll taxes.

7 Fake ID cards, we moved equipment, got it off the
8 counter. Rudolfo is gone.

9 Overtime, well, I thought it was like Walmart and
10 K-Mart. Except you own both of the companies; except you own
11 both of the companies. You were taking their half. You get
12 whatever your hourly rate is plus time-and-a-half. You were
13 taking their half. That's what the labor issue was with
14 overtime. That's totally separate than what gives rise to
15 these liens.

16 The liens was when he would withhold from their
17 earned money, 7.65 percent, he's taking these workers' money,
18 like he's obligated to do, pulls it out of their paycheck,
19 gives them the balance. He's supposed to match that and send
20 it to the government. What did he do? He used that money
21 with what his own expert described as a super loan to
22 shareholders.

23 So those are the excuses for all of these failures.
24 And then they will say, well, Mr. Limehouse is just a farmer.
25 Well, once upon a time, he was a farmer. But he made the

1 decision to become the employer of hundreds of people. And
2 with that comes great responsibility. And you just can't say
3 that I didn't know about it. And once I found out, I fixed
4 it. Otherwise, we are rewarding people for conduct that is
5 below standard and you only deal with them if they get
6 caught. That is not a message worth sending.

7 How do you fix these issues? I'll tell you how you
8 fix the housing issue. You have too many people in there,
9 give them more houses. He said he had houses open. He can't
10 tell us how many houses he had or who was where. If they had
11 done what they promised to do, we would know. One thing you
12 can do is get more houses. What does that tell you? Money.

13 Business licenses, I didn't know you needed them. I
14 don't -- do you need a business license? Maybe you do, maybe
15 you don't. Yes, you did in these circumstances. He said, I
16 didn't know I needed one in North Charleston. I got one.
17 What does it take? Money.

18 Overtime, ways -- how do you fix it? Money.
19 Payroll tax liability, how do you fix it? Takes money. IRS
20 liens and levies, how do I get IRS off my back?

21 To be clear on this, this is not income tax
22 liability. Now, every small business in LLC, one of the
23 advantages of an LLC is that you can run your business
24 expenses through it. That's not fraudulent. People do it
25 all the time. The idea is that if there's legitimate

1 business expenses, like I think there's an example about if I
2 took a client to lunch, took them to Grill 225 was an example
3 used, that I could write it off as a business expense. Well,
4 that's fine. And then if you get audited and they find out
5 the sum of your expenses didn't work, then you have to pay
6 more income taxes or their fees or penalties. That's a
7 different deal.

8 I wouldn't fuss at somebody or fuss about someone
9 who had an income tax problem. Nobody likes the IRS. It's
10 tax season now. Nobody wants to pay more than they have to.
11 I get it. But your payroll tax is different. That's a
12 covenant between you and that worker. That's a promise you
13 are going to hold their money in trust and that you promise
14 you are going to take their money and match it and give it to
15 the federal government. So that when it comes time for that
16 person to retire, they've been paying into the system. They
17 get the benefit of it.

18 We heard that Mrs. Limehouse was on the payroll, so
19 she could get the Social Security benefit. But these workers
20 weren't. How do you fix IRS tax liens and levies? Takes
21 some money. What's the one thing that this company didn't
22 have? Cash money, cash money.

23 So we get to Tony Daniel. He was a banker. I asked
24 him, I said, you know, would you have loaned him money? Of
25 course not, he couldn't loan them. They were in a pinch.

1 They were in a predicament of their own creation. And they
2 couldn't borrow money. They were leveraged. Things fell
3 through the cracks. That is a pretty nice way of trying to
4 characterize the way this all happened.

5 And then this graph, we can put this up because the
6 image that you see is talking about cash. It shows what was
7 happening to the cash money that was coming in to L & L
8 Services in 2004. Now, Mr. Cisa says, what about the
9 revenue? The revenue says that they had 900 some odd
10 thousand dollars. The reason I called Mr. Homes was to ask
11 him if he knew or could verify that \$900,000.

12 This shows that Exhibit 4 for the plaintiff I think
13 was prepared in '08 or '09. So did you have the detail? No.
14 This detail is taken from the bank account statements that
15 are attached to Exhibit 24. L & L Services's 2004 tax
16 return. And I submit to you that that tax return tells you
17 everything you need to know about that company and its
18 ability to do business. It shows us, number one, that the
19 partners took out \$225,000 that year, unaccounted for.

20 Number two, behind it, it shows what the payroll tax
21 liabilities were. Then also shows in 2004, they couldn't
22 make the payroll tax liabilities, even when they had their
23 new CPA, even with Mr. Homes taking over as CPA. Why?
24 Because he wasn't paying the payroll tax. L & L always was.
25 They were doing it. They were guarding the hen house.

1 So, the tax returns also had the bank statement
2 data. The bank statements, I thought we didn't spend much
3 time on it. I flipped through a couple of items, it had a
4 thousand dollar debits, \$10,000 debits, pretty large charges.
5 But I didn't spend much time on it. And to me it was
6 striking, because if you do go through Exhibit 24 and look at
7 the bank statements, you will see for January tons of
8 activities, debits. It looks like gas station, probably
9 drivers filling up the tank, getting a hotdog at the gas
10 station, whatever it may be, money going in, money going out.
11 And the amount of transaction starts to dwindle by about
12 March.

13 And in April you saw that there were no
14 transactions. There were no deposits. There were no debits,
15 nothing. The business was already dead.

16 We just need to follow the money. Instead the
17 plaintiff wants to say, I lost all my customers because of an
18 article. Phones were ringing off the hook. 250 customers
19 gone overnight. I think there were 18 witnesses, not one of
20 them was a customer.

21 Not one of them came in and said: Yep, when I saw
22 Tony Soprano, no way, I just stopped doing business with him.
23 I was okay with trafficking. I was okay with making
24 documents. I was okay with everything else, but Tony
25 Soprano, no; not one of them, not one of the 250.

1 You can't see this. This is the big board we all
2 talked about, \$600,000 lien. The timing of it is not
3 coincidence. 10 days before they "shut down the business"
4 tax levies went to the bank, went to their customers. They
5 were unable to meet up whatever obligations they came to with
6 the IRS and it was over. Instead, what the plaintiff says, I
7 will bring you an expert, an expert witness who will tell you
8 what the value of this company was, is this. How does he get
9 to that? He says, I'm just going to look at the revenue and
10 multiple it, think about expenses and everything, just
11 revenue. Okay. And then I'm going to project that number to
12 say if he gave you a million dollars in '04, this is how much
13 it would be worth today. So what? If he gave a million
14 dollars in '04, wouldn't he have to pay back \$600,000? Yeah.

15 And if he only owns half the company, you would only
16 get half of that? Yeah. What about \$210,000 in account
17 receivables that we hadn't accounted for? And what about
18 \$225,000 in the cash distributions in the tax return? I
19 mean, you take this number and you can subtract the 600 from
20 it, you've got the \$210,000 in receivables, you've got 225 in
21 money that they've already taken out of the company that
22 didn't go to the government, come up with that number, which
23 is going to be, let's see, 5, 3, 10. Okay? So then if I
24 took \$1,040,911, and I subtracted \$1,035,000, I come up with
25 a number that looked a lot like \$5,911, of which he would be

1 entitled to one-half, which would be \$2,506.50 -- no, \$2,500
2 and 51 1/2 cents. He didn't do that math. It's not that
3 complicated.

4 And then to extrapolate the number to get what that
5 number would be worth today, you could take one-half of the
6 \$5,011, push it out and come up with a number. He didn't
7 want to do that. He never even thought about it. Instead,
8 he wanted to award a number that would benefit and would
9 serve as a financial reward for having not paid payroll tax
10 and for having all of us bear the consequence of it. That
11 was pretty remarkable.

12 And I think the credibility of that witness is just
13 as credible as all the other claims. I think that you can
14 see through the prism of what we've seen here. This business
15 failed as a result of its own internal problems. It may have
16 started for a good reason and it may have been a good idea,
17 but for as many businesses fail, if you don't have the right
18 checks and balances in place, you don't have the right
19 infrastructure, if you don't treat the people right, then
20 there you are.

21 What we saw, we had the housing issues that led to
22 the business license, overtime wages, no-match letters,
23 levies and liens and, boom, the cards, house of cards came
24 tumbling down.

25 The plaintiffs want to project all of their

1 frustration on the failure of this business on Mr. Hulsey.
2 And you can tell the anger from the witnesses, the family
3 members in particular, that they hold still today because
4 they attribute everything that happened to their father as a
5 result of L & L's closure. L & L closed as a result of its
6 own problems. It closed as a result of the choices that they
7 made and how they ran their business. L & L closed, Mr.
8 Limehouse's reputation was harmed because of the choices they
9 made, the decisions they made, and the consequences of
10 renting a house next-door to the Yard of the Month. But for
11 that, it might still be in business.

12 So when this is over, the judge is going to charge
13 you, and there's a verdict form. Judge is going to send this
14 back with the forelady. And y'all will deliberate. You have
15 to figure out what to do. And as you can see here, as for
16 the claim for defamation, plaintiff for defamation, we the
17 jury unanimously find, and you have two choices, one for the
18 plaintiff and one for the defendant.

19 If I've done my job, if I've brought you all of the
20 evidence, I hope that it is clear that when you get back to
21 the jury room, you have the chance to speak the truth, which
22 is where the word verdict comes from, Latin word veredicto,
23 that you will send out a message that speaks the truth and
24 check the box for the defense. Thank you very much.

25 THE COURT: Mr. Cisa.

1 MR. CISA: Thank you, Your Honor.

2 A racketeering enterprise, really? They keep
3 pitching it and they need to stop. And y'all need to send
4 them a message. You need to send a message to Mr. Hulsey and
5 tell him to stop. They need to stop. He doesn't -- he never
6 tried to stop. You will see in evidence his website. It ran
7 for three years. All you've got to do is click here and the
8 article we are suing over comes up on the website. That
9 needed to stop.

10 They are trying to divert your attention from what
11 we are here about. That's what they are trying to do. We
12 are here about an article that contained quotes from Mr.
13 Hulsey that put Mr. Limehouse out of business and put his
14 life in a tail spin.

15 Now, I'm not going to go back over all of them, but
16 housing is pretty easy. We had two things with housing, 31
17 people living in a house because it was a nice house in a
18 nice area. It was overcrowded. They moved people out. He
19 had over 20 -- he said he had 20 to 25 houses and then they
20 had that labor camp that housed 85 people. The only other
21 incident with housing was two houses were condemned. The
22 sewer was puddling up in the yard and there was electrical
23 wiring coming in. It was bad. He moved them out the same
24 day, as soon as it was brought to his attention. .

25 Pro bono, you know, I don't remember much about what

1 Mr. Blakey said, but I remember two things. One was he said
2 he made \$650 an hour, sitting here all week. That got my
3 attention. And other thing he said, yeah, I was doing this
4 pro bono. Well, when I showed him Mr. Hulsey's transaction
5 detail, it showed that Mr. Blakey sent him a bill for \$7,700
6 on May 28th, 2004. He finished the complaint on April 23rd,
7 2004. Pro bono?

8 Now, Mr. Hulsey, that's what he pitched to me when I
9 took the deposition, he's pitching, I did this pro bono. I
10 don't know if he did or not. But what I did was, I'm a
11 lawyer, and when somebody tells me something, I've got to
12 look a little further. So I said, well, Mr. Hulsey, did you
13 have a retainer agreement with my clients? Oh, yeah, I got a
14 retainer agreement with my clients. So I sent a request for
15 production for him to produce it so I can see whether or not
16 it's a pro bono retainer agreement. And he says, oh, I can't
17 find it.

18 Now, Mr. Limehouse sued him in this case before the
19 federal suit was dismissed. He knew this case was pending,
20 but all of a sudden, although he's got a retainer agreement,
21 he can't find it. I don't know if he did a pro bono or not.

22 I'm going to talk about a couple of things Mr. Hood
23 talked about. The affidavit Mr. Limehouse sent to the
24 newspaper and got Carlton Elliott to sign and Elvira Lueke to
25 sign about not making papers, Mr. Limehouse did that and paid

1 a lawyer to draft all of that stuff up. And he did it for
2 two reasons. One Elvira was trying to get citizenship, he
3 was concerned if they put her name in the paper, that would
4 block that citizenship request. And Carlton was trying to
5 get into a law school and he was concerned about Carlton.
6 That's why he sent them. That's why he sent them. He had a
7 good reason and good purpose for sending them.

8 He was talking about the coyote thing. You know,
9 Mr. Limehouse said, I didn't use coyotes. Mr. Hood asked
10 him, but he said coyotes probably brought people to me, but I
11 didn't use them. He's taking it out of context.

12 Mr. Ewart testified that he charges between \$360 an
13 hour and \$400 an hour and he worked for 70 hours. That's
14 somewhere between 25 and \$28,000 lawyer Hulsey paid him. And
15 all he came up with is that chart or that graph that's blue.
16 That's what he came up with. And he based it on one bank
17 account. He didn't look at the other bank account and he
18 ignored the tax return. He ignored the profit and loss
19 statement. And he ignored the financial transaction detail
20 that shows all the money that came in and the day it came in.
21 I mean, we supplied him with three verifiable data and he
22 ignored it. He ignores it because he made a lot of money to
23 testify.

24 Fair comment privilege, really? Fair comment? The
25 charge you are going to get says it protects fair and

1 accurate reports of judicial records and proceedings. These
2 statements made by Mr. Hulsey don't fit in this exception.
3 They weren't fair and they weren't accurate. And it doesn't
4 extend to or for protection when it's made outside of the
5 public records. It just doesn't work.

6 The other privilege he talked about was the fair
7 comment privilege. The fair comment privilege is qualified
8 privilege -- I'm sorry. The pollen has got me all week. The
9 fair comment privilege is qualified privilege that recognizes
10 that everyone has a right to comment on matters of public
11 interest and concern as long as it is done fairly and with an
12 honest purpose. The privilege, however, does not extend
13 toward protection where the defamatory statements were made
14 with actual malice. It's got to be done fairly. It doesn't
15 apply.

16 This really gets me. Mr. Hulsey is pitching to
17 y'all that he's trying to help these people, these 200
18 workers that Mr. Limehouse had. He's trying to help them.
19 Let me tell you, this has been a tragedy. Not only a tragedy
20 for Mr. Limehouse. When Mr. Hulsey made these statements
21 that were published in the Post and Courier, 200 people that
22 he was trying to help were on the street without a job,
23 without a place to live. I asked him: What did these people
24 do? Where did they go? I don't know. Where did they live?
25 I don't know.

1 MR. HOOD: Your Honor, that mischaracterizes the
2 evidence.

3 THE COURT: Objection overruled.

4 MR. CISA: He didn't even know what happened to
5 them. He put 200 people, that he's trying to help, on the
6 street without a place to live. But what did Mr. Limehouse
7 do? Mr. Limehouse was concerned about these folks. He's
8 concerned that they are not making a lot of money. What are
9 they going to do? He gets on the phone, calls his buddy in
10 -- I forgot what he said, Florence or Lake City, and said,
11 look, I've got a business, I can't operate it any more, I'm
12 done. But you need to come down here, I've got clients, I
13 will go talk to the clients and I'll go talk to the clients
14 and say I don't have anything more to do with it. But you
15 need to come down, I'm concerned about these people. Mr.
16 Hulsey wasn't concerned about anybody. He put 200 people out
17 of work. Trying to help people?

18 How does Mr. Limehouse get his reputation back? He
19 probably can't. But I could tell you a way to start. I want
20 you to put Mr. Limehouse back in the Post and Courier. I
21 want you to put him on the front page of
22 tomorrow's Saturday's paper. But this time, I want the
23 article to say, the headline to say that a good Charleston
24 County jury returned a multi-million dollar verdict against
25 lawyer Hulsey because of the defamatory statements he made

1 about Lawton Limehouse, Sr. That's what I ask you to do..

2 Thank you very much.

3 THE COURT: Members of the jury, we will take a
4 break now. Please go to the jury room. Do not discuss the
5 case. We will take about ten minutes.

6 (Whereupon, the jury leaves open court at 12:01
7 p.m.)

8 (Whereupon, recess transpired.)

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

10 (Whereupon, the jury returns to open court at 12:17
11 p.m.)

12 THE COURT: Madam Forelady, members of the jury,
13 you've heard the testimony, received the evidence and heard
14 the arguments of the plaintiff and the defendants. I will
15 now explain to you the law that applies to this case. Under
16 the constitution and laws of South Carolina, you are the
17 finders of the facts in this case. I do not have the right
18 to pass upon the facts or to even express any opinion that I
19 might have as to them, because this is a matter solely for
20 you, the jury, to determine.

21 As jurors then, it is your duty to determine the
22 effect, the value, the weight, and the truth of the evidence
23 presented during this trial. You are also the judges, the
24 sole judges of the credibility, that is the believability, of
25 the witnesses who have testified and of the evidence which.

1 has been presented during this trial.

2 In evaluating credibility, you may take into
3 consideration many things, such as the demeanor or manner of
4 testifying, whether the witness had reason to be biased or
5 prejudiced, or whether the testimony of a witness was
6 contradicted on the one hand or supported and corroborated on
7 the other hand. It becomes your duty as jurors to analyze
8 and to evaluate the evidence and determine that evidence
9 which convinces you of its truth.

10 Normally, a person cannot give opinion testimony.
11 Normally when a person testifies, they must testify as to
12 what they either saw, heard, sensed by smell or something of
13 that nature. However, an exception is when someone is
14 qualified because of education or experience, they are
15 permitted to give their opinion in certain areas if the Court
16 qualifies them that way. And in this case, witnesses have
17 been qualified to give opinion testimony. This does not mean
18 that you must accept the opinion, but it is evidence for you
19 to use in any way you see fit and for you to give it the
20 weight and credibility you believe is appropriate.

21 Now, as the trial judge, it is my responsibility to
22 preside over the trial of this case and to rule upon the
23 admissibility of the evidence offered during the trial. You
24 are to consider only the testimony which has been presented
25 from this witness stand, together with any exhibits which

1 have been made a part of the record.

2 Additionally, I have the duty to charge you the law
3 applicable to this case. As the presiding judge, I am the
4 sole judge of the law of this case. It is your duty as
5 jurors to accept as correct and apply the law as I now state
6 it to you and then reach your verdict.

7 Finally, I charge you in this regard that you should
8 not be concerned with what you think the law ought to be, but
9 rather, what I charge you that the law is.

10 The plaintiff has filed a defamation claim against
11 the defendant Paul H. Hulsey and the defendant the Hulsey
12 Litigation Group LLC. The plaintiff claims that defendant
13 Paul Hulsey, Paul H. Hulsey, communicated a defamatory
14 statement about the plaintiff to another and that he suffered
15 damages. The defendants deny the allegations. Under the
16 law, the Hulsey Litigation Group, LLC is considered a
17 principal and Paul H. Hulsey is considered its agent. A
18 principal may be held liable for the wrongdoing of its agent
19 if the agent is acting within the scope of his employment or
20 within the scope of his apparent authority.

21 Slander is a spoken defamatory statement. This
22 action for slander is based on the violation of the
23 plaintiff's right to enjoy a good reputation without false
24 and defamatory attacks.

25 Defamatory language is language that tends to injure

1 or adversely affect the reputation of another. In order to
2 recover in this case, the plaintiff must first prove that a
3 statement made by the defendant referred to some
4 ascertainable person and that the plaintiff was the person to
5 whom the statement referred. A statement is defamatory if it
6 tends to harm the reputation of another as to lower him in
7 the estimation of the community or to deter third persons
8 from associating or dealing with him. A defamatory statement
9 does not have to be a direct, open or positive attack. It
10 may be merely a suggestion or hint which is false as long as
11 the meaning is plain.

12 In deciding whether a statement is defamatory, you
13 must give the words their ordinary and popular meaning. The
14 intent and meaning of the words must be determined from the
15 words themselves and the context in which they were used.
16 All parts of the statement must be considered together to
17 determine the statement's true meaning. Individual words
18 should not be singled out as defamatory. In addition, a
19 statement must be considered in light of the facts known to
20 the person to whom the statement was made and not in light of
21 what other facts known to the parties.

22 The truth of the statement is a complete defense to
23 a claim of defamation. A statement is not defamatory if it
24 is substantially true. Even if a statement is made for no
25 good purpose, was inspired by ill will toward the plaintiff

1 and the statement is made solely for the purpose of harming
2 the plaintiff, if the statement is true, it is not
3 defamatory.

4 Next, the plaintiff must prove that the statement
5 was communicated to someone other than the plaintiff. It is
6 not enough that the statement was made within the hearing of
7 another person. The plaintiff must prove that the statement
8 was heard by another person who understood that the statement
9 referred to the plaintiff. The plaintiff must also prove
10 that the statement was made knowing that it would or
11 reasonably expected it would reach a third person.

12 Finally, the plaintiff must prove that his
13 reputation was damaged by the defamatory statement and that
14 the damages naturally and proximately resulted from the
15 statement.

16 Certain statements are considered to be what is
17 called slanderous per se. If a statement is slanderous per
18 se, damage to the plaintiff is presumed. And the plaintiff
19 does not have to prove any special damages. Statements which
20 allege a person committed a crime of moral turpitude,
21 contracted a sexual disease, committed adultery, unchastity
22 or is unfit in a person's business or profession are
23 slanderous per se. In deciding whether a crime is one of
24 moral turpitude, you should focus on the duty to society,
25 which is breached by the commission of the crime.

1 If you find that the alleged statement is slanderous
2 per se, you should return a verdict for the plaintiff and
3 must award the plaintiff at least nominal damages. Nominal
4 damages may be only a -- may be only a small or trivial sum.
5 Nominal damages are required because the law presumes that
6 some actual damage to the plaintiff's reputation and
7 character directly and proximately results from a statement
8 that is slanderous per se.

9 Madam forelady and members of the jury, in a civil
10 case such as this one, the plaintiff has the burden of proof.
11 The burden of proof that the plaintiff must meet is by a
12 preponderance of the evidence. A preponderance of the
13 evidence simply means the greater weight of the evidence. It
14 is evidence which as a whole shows that the facts sought to
15 be proved is more likely true than not true. This can be
16 illustrated by imagining a set of scales. When the case
17 begins, the scales are evenly balanced. After all of the
18 evidence has been presented, if the scales remain even or if
19 they tip even slightly in favor of the defendant, then the
20 plaintiff has failed to meet the burden of proof and would
21 not be entitled to recover.

22 If, on the other hand, the scales tip even slightly
23 in favor of the plaintiff, the plaintiff will have met the
24 burden of proof and you should return a verdict for the
25 plaintiff for any damages proven by a preponderance of the

1 evidence. Preponderance of the evidence is not determined by
2 the number of witnesses. Instead, it must be determined by
3 the greater weight of all of the evidence.

4 Even if you find that the statement is defamatory,
5 the defendant claims that the statement was made under
6 qualified privileges. In order to prove that a qualified
7 privilege existed, the defendants must prove that the
8 statement was made -- that the statement made was upon an
9 occasion that makes it conditionally privileged and the
10 privilege was not abused.

11 There are two types of qualified privileges
12 applicable to this case, the fair report privilege and the
13 fair comment privilege. I have determined as a matter of law
14 that the defendants are entitled to the protection of the
15 fair report privilege. The fair report privilege is a
16 qualified privilege that protects fair and accurate reports
17 of judicial records and proceedings and other official acts,
18 reports and records.

19 The fair report privilege does not depend on the
20 legal sufficiency of the allegations made in the judicial
21 proceedings or the truth of the allegations, but consists of
22 making a fair and substantially true account of the
23 particular record or proceeding. This privilege, however,
24 does not extend to and affords no protection for a defamatory
25 statement made outside of public records, nor does it provide

1 protection where a statement is made with actual malice. If
2 you determine that the statement made was a fair and accurate
3 report of matters within public records and without malice,
4 you must find for the defendants.

5 The defendants claim that the statement made is also
6 protected by the fair comment privilege. The fair comment
7 privilege is a qualified privilege that recognizes that
8 everyone has a right to comment on matters of public interest
9 and concern as long as it is done fairly and with an honest
10 purpose. This privilege, however, does not extend to and
11 affords no protection where a defamatory statement is made
12 with actual malice. If you determine that the statement made
13 by the defendant was a fair comment on matters of public
14 interest and concern and was made without malice, you must
15 find for the defendants.

16 Actual malice is present where a statement is made
17 with knowledge that it is false or with reckless disregard of
18 whether it is false or not.

19 If you find that the plaintiff is entitled to a
20 verdict, then the plaintiff must prove general or special
21 damages. General damages are damages which compensate the
22 plaintiff for the damages suffered and puts the plaintiff in
23 the same position as he was in prior to the defamatory
24 statement as much as possible. These damages include
25 humiliation, hurt feelings, mental suffering, damage to

1 reputation, and similar types of damages which are not
2 capable of definite monetary valuation.

3 The plaintiff must also prove any special damages
4 resulting from the defamatory statement. Special damages are
5 monetary damages with respect to the property, business,
6 profession, or occupation of the plaintiff, such as the loss
7 of a job, loss of customers or the loss of a business
8 relationship as a result of the damage to the plaintiff's
9 reputation.

10 If you find that the plaintiff is entitled to
11 general or special damages, you must then consider whether
12 the defendants should be required to pay punitive damages to
13 the plaintiff. Punitive damages are not assessed to
14 compensate a party for harm suffered. Punitive damages are
15 to punish a defendant and to attempt to ensure that neither
16 the defendant nor anyone else commits similar conduct in the
17 future. In order to be awarded the punitive damages, the
18 plaintiff must prove by clear and convincing evidence that
19 the defendants made the defamatory statement with actual
20 malice.

21 The standard of clear and convincing evidence is
22 that degree of proof which produces, in the mind of a
23 reasonable juror, a firm belief as to the allegations sought
24 to be established. Such measure of proof is intermediary,
25 more than a mere preponderance, but less than is required for

1 proof beyond a reasonable doubt.

2 Actual malice involves a malicious intent or
3 recklessness, willfulness or wantonness. A statement is made
4 with actual malice if it is made with knowledge that it was
5 false or with reckless disregard of whether it is false or
6 not. The actual malice standard is not satisfied merely
7 through a showing of ill will or malice in the ordinary sense
8 of the term.

9 To be awarded punitive damages, the plaintiff must
10 prove by clear and convincing evidence that the defendant had
11 a high degree of awareness of a probable falsity of the
12 statement. Failure to investigate does not in and of itself
13 establish actual malice. And there must be evidence that the
14 defendant purposely avoided the truth.

15 In determining whether the plaintiff was the person
16 to whom the statement referred and what, if any, damages the
17 plaintiff is entitled to, you must consider the following:

18 1. That a limited liability company is a legal
19 entity that is separate and distinct from its individual
20 members; and

21 2. That the property and assets of a limited
22 liability company belong to the limited liability company and
23 not its individual members.

24 Now, while argument of counsel is a beneficial part
25 of every trial, you should remember that statements made by

1 counsel are not evidence. In presenting arguments, counsel
2 often refer to the evidence. However, you should base your
3 verdict on the evidence as you remember it. Therefore, if
4 there are any conflicts between the recollection of counsel
5 about the evidence and your own recollection, you should rely
6 on your own understanding of the evidence.

7 Now, you've been sworn to give the parties in this
8 case a fair and impartial trial. When you've done so, you
9 will have complied with your oath and no one will have a
10 right to criticize your verdict. You must not be influenced
11 by opinions or expressions of opinion you may have heard
12 outside of the courtroom, but, rather, should base your
13 verdict solely on the testimony of the sworn witnesses who
14 took the stand, the exhibits received into evidence and the
15 law which I have stated. You should not be swayed by
16 caprice, passion, prejudice, or improper sympathy for or
17 against anyone in this case. Remember, you have no friends
18 to reward or enemies to punish. And all parties are entitled
19 to a fair and impartial trial.

20 It is your duty as jurors to consult with one
21 another and to deliberate in an effort to reach an agreement.
22 Each of you must decide this case for yourself, but only
23 after an impartial consideration of all of the evidence with
24 your fellow jurors.

25 In the course of your deliberations, do not hesitate

1 to re-examine your own views and change your opinion if you
2 become convinced it is erroneous. However, do not surrender
3 your honest conviction as to the weight or effect of the
4 evidence solely because of the opinion of your fellow jurors
5 or for the mere purpose of returning a verdict.

6 As I stated earlier, you are the judges, judges of
7 the facts. Your verdict must represent the considered
8 adjustment of each juror. In other words, your verdict must
9 be unanimous.

10 Now, you may have noticed that I have read these
11 instructions. I do so to give the law as accurately as
12 possible. I will give you a copy of these instructions to
13 have in the jury room. You may refer to these instructions
14 to assist you in your deliberations. You must consider the
15 instructions as a whole and not follow some and ignore
16 others.

17 Madam Forelady, it will be your duty to preside over
18 the deliberations of the jury. If during your deliberations
19 you should desire to communicate with the Court, please
20 reduce your message or question to writing, signed by your
21 foreperson, and pass the note to the bailiff, who will bring
22 it to my attention. I will then respond as promptly as
23 possible, either in writing or by having you to return to the
24 courtroom. I caution you, however, with regard to any
25 message or question you might send, that you should never

1 state or specify your numerical division at the time.

2 Now, you have heard the evidence and now you have
3 heard the law. Whatever your verdict, Madam Forelady, you
4 will indicate it on the verdict form, which is this form, and
5 then sign and date your verdict.

6 Remember that although the foreperson is the only
7 juror who writes the verdict, it is not hers alone. The
8 verdict has to be unanimous.

9 And, Madam Forelady, you are not authorized to write
10 the verdict until all of you have agreed on the verdict.

11 Now, ladies and gentlemen, I'm going to send you to
12 your jury room, all of you except the alternate jurors. But
13 do you not begin your deliberations until you have received a
14 copy of this jury charge. Now, we've selected 15 jurors.
15 Last three selected are considered alternates. Therefore,
16 out of the first 12 jurors selected, if any of you cannot
17 continue with these deliberations, if you cannot continue or
18 participate in these deliberations for whatever reason,
19 please raise your hand.

20 (No response from the jury.)

21 THE COURT: No hands are raised, which means that
22 the alternates will remain while the others go to the jury
23 room. But do not begin your deliberations until you have
24 received a copy of the jury charge, verdict form and the
25 exhibits. Once you receive these things, that will be your

1 signal to begin your deliberations.

2 We told them to bring lunch at 12:45, pretty good
3 with this, it's 12:45. You can eat and talk, talk and eat,
4 whatever way you handle that, Madam Forelady and members of
5 the jury. It's solely up to you.

6 Once you begin your deliberations, you will
7 deliberate until you have reached a verdict. After you've
8 reached a verdict, please knock on the door and advise the
9 bailiff, and we will bring you out to receive your verdict.

10 Please go to the jury room at this time, all except
11 the final three jurors, unless if you have something in the
12 jury room. Well, they will bring it out to you or you can
13 get it. We will work that out.

14 (Whereupon, the jury leaves open court at 12:44
15 p.m.)

16 THE COURT: All right. Any additions? Before I
17 speak to you in the moment, in the interim, are there any
18 additions or so corrections to the charge or exceptions?

19 MR. CISA: None from the plaintiff.

20 MR. HOOD: On behalf of the defendants, Your Honor,
21 we would respectfully request Your Honor charged 16 as to the
22 damages of the LLC. We would accept to Page 4 of the charge
23 the definition of defamation.

24 THE COURT: Is that a matter mentioned in the charge
25 conference?

1 MR. HOOD: Yes, sir. It's the first paragraph of
2 page 4.

3 THE COURT: What does it say?

4 MR. HOOD: Says a defamatory statement does not have
5 to be a direct, open or positive attack. May be merely a
6 suggestion or hint which is false as long as its meaning is
7 plain.

8 THE COURT: Your disagreement was leaving the word
9 malicious?

10 MR. HOOD: That was Mr. Cisa's disagreement. I
11 don't think that's an accurate statement of the common law
12 definition of defamatory statement.

13 THE COURT: Exceptions are to be brought to the
14 attention of the jury before -- not exceptions, but any
15 disagreement with the charge. And I gave the parties an
16 opportunity to review and to point out any objection to the
17 charge prior to giving it to the jury.

18 MR. HOOD: I recognize that, Your Honor. And I
19 raised this, and I accepted this previously. And I
20 understand I'm duty bound to raise it now, otherwise, I
21 waived it.

22 THE COURT: Okay. I understand.

23 MR. HOOD: And I would renew our request to have the
24 Court charge absolute privilege as it relates to pleadings.
25 And I would also renew our exception to the slander per se

1 that Your Honor charged. I requested a public figure charge,
2 status determination. And I also accept the excerpt on the
3 fair report portion, the Court did make a determination that
4 it is -- complies as a matter of law. And that's it. Thank
5 you.

6 THE COURT: All right. Very good. Okay. Those
7 exceptions are noted. And if y'all review the exhibits and
8 the jury can have them and they can get started. While they
9 are reviewing them, I will speak with the alternates.

10 Ladies and gentlemen, we certainly want to thank
11 you. Particularly in a long trial, we never know who may
12 have to fall by the wayside. We almost lost a juror
13 yesterday, but the lawyers wanted to wait. And so, of
14 course, didn't matter to me, I wanted to press on, but they
15 wanted to wait for the juror, so we waited for her.

16 I understand that the day before, two of the jurors
17 who were late, they were in the building waiting for the
18 bailiffs to bring them over or something, so they really were
19 not late. Was that either of you? Okay. So thank you very
20 much for your attentiveness and being cooperative with us in
21 getting this case done.

22 My experience with jurors is that they first,
23 oftentimes, they don't want to be involved in the case, but
24 they get invested in it as they learn more about it and
25 realize what's involved. And typically, they feel privileged

1 to have participated in the process. And hopefully,
2 something has been said or done that gives you that
3 appreciation this week. But we can only use the first 12
4 selected out of the draw. You don't get to participate.
5 Could be good or bad. Could be here who knows how long. We
6 don't know how long they might take. But we want to thank
7 you all for your work and participation. And you are free to
8 go.

9 (Whereupon, the jury deliberates at 12:51 PM.)

10 (Luncheon recess was taken)

11 THE COURT: There's a note from the jury. "We
12 believe as a jury we are unable to make a unanimous decision.
13 What happens at this time? We would like to know where we go
14 from here," signed by the foreperson.

15 MR. HOOD: I feel like we've been down this road
16 before, Judge.

17 THE COURT: That's right.

18 MR. HOOD: Actually, I feel like I know what the law
19 is now on this, on account of our last experience.

20 THE COURT: What do you say, Mr. Cisa?

21 MR. CISA: I think go in and talk to them and ask
22 them to keep on trying.

23 MR. HOOD: I say I know the law. Now I just forgot
24 the case. There's a specific charge?

25 THE COURT: Allen charge.

1 MR. CISA: Allen charge, right.

2 MR. HOOD: I don't think we have any choice other
3 than that.

4 THE COURT: Anyone else coming in?

5 MR. HOOD: They are, Your Honor, should be at the
6 front door.

7 (Court's Exh. 1, Jury Note, was marked for
8 identification.)

9 THE COURT: All right. You can bring them in
10 please.

11 (Whereupon, the jury returns to open court at 05:39
12 p.m.)

13 THE COURT: All right. Ladies and gentlemen, you
14 sent a note to me stating, "Judge, we believe as a jury, we
15 are unable to make a unanimous decision. What happens at
16 this time? Where do we go? We would like to know where we
17 go from here."

18 As I instructed you earlier, the verdict of the jury
19 must be unanimous. Now, when a matter is in dispute it isn't
20 always easy for even two people to agree. So when 12 people
21 must agree, it becomes -- obviously, it becomes more
22 difficult. In most cases, absolute certainty cannot be
23 reached, an absolute certainty is not expected. However, you
24 have a duty to make every reasonable effort to reach a
25 unanimous verdict. In doing so, you should consult with one

1 another, as I'm sure you have done to a degree, express your
2 own views, and listen to the opinion of your fellow jurors.
3 You should tell each other how you feel and why you feel that
4 way. You should discuss your differences with open minds.

5 Although the verdict of the jury must be unanimous,
6 every one of you has the right to your own opinion. The
7 verdict you agree to must be your own verdict, the result of
8 your own convictions. And you should not give up your firmly
9 held beliefs merely to be in agreement with your fellow
10 jurors. The majority should consider the minority's position
11 and the minority should consider the majority's opinion. You
12 should carefully consider and respect the opinions of each
13 other and re-evaluate your position for reasonableness,
14 correctness and impartiality. You must lay aside all outside
15 matters and re-examine the questions before you based on the
16 law and the evidence in this case.

17 If you do not agree on a verdict, I must declare a
18 mistrial. In that case, it does not mean anybody wins. It
19 just means that at some future time, I or another judge will
20 have to try this case with some other jury sitting where you
21 now sit, same participants will come and same lawyers will
22 ask basically the same questions and get basically the same
23 answers, and we will have to go through this whole process
24 again.

25 You were selected in the same manner and from the

1 same source as any future jury will be selected. And there
2 is no reason for me to suppose that the case will ever be
3 submitted to 12 more intelligent, impartial, conscientious
4 and competent jurors than you, or that more or clearer
5 evidence will be produced on one side or the other.

6 I, therefore, ask you to return to your
7 deliberations with the hope you can arrive at a verdict
8 within a reasonable time. If you would like for us to order
9 dinner, inform the bailiffs and we will do so. So please go
10 to the jury room.

11 (Whereupon, the jury leaves open court at 05:44
12 p.m.)

13 THE COURT: Any additions or exception to the
14 charge?

15 MR. CISA: None from the plaintiff, Your Honor.

16 MR. HOOD: No, sir.

17 THE COURT: All right. We will be back in holding
18 pattern.

19 MR. CISA: Your Honor, could we bring one matter up
20 to you. I've got two witnesses that I've had sitting out in
21 the hall. And the witnesses really, I don't know if I will
22 need them or not because I don't know what the jury is going
23 to do, if anything, but it's on the issue of the financial
24 statements. They are two ladies from two banks. One of the
25 ladies has a financial statement that's dated 5/17/06 which

1 is the one we used last time we tried this case. The other
2 lady has four financial statements on Mr. Hulsey, one dated
3 1/28/2010, one dated 7/21/2011, one dated 5/8/2012 and one
4 dated September 12th, 2013.

5 The one dated September 12th, 2013, is the most
6 current in time where we are now. The one dated 5/17/06 is
7 most current in time back then. And you may want to think
8 about this. I was just wondering what your position would be
9 as to whether or not all the financial statements come in or
10 just the most current or the one that was the most close in
11 time to the incidents. I hate to keep people waiting, but --
12 you may not want to rule on it now, just something to think
13 about, I guess.

14 THE COURT: Mr. Hood?

15 MR. HOOD: Your Honor, I informed Mr. Cisa that I
16 would be amenable to allowing those to be used in phase two
17 without the necessity of having a witness present them. I
18 did tell him that I would object to anything other than the
19 most up-to-date version because I think under the State Farm
20 analysis and the ability to pay, the constitutional
21 protection afforded to defendants is their current ability to
22 pay and doesn't relate back to the time of the ability to pay
23 the date of the statement or date of the suit or anything of
24 that nature.

25 So our position would be that the financial

1 statements for the purposes of establishing net worth is a
2 factor to be considered in aware of punitive damages, the
3 appropriate one would be the most current.

4 THE COURT: All right. Mr. Cisa.

5 MR. CISA: Judge, that may be the correct position,
6 net worth, I guess that may be the correct position.

7 THE COURT: How does that impact the witnesses you
8 have outside there?

9 MR. CISA: Well, I was going to ask you two ways,
10 one, Mr. Hood and I were talking about this, and I think he's
11 indicated that if I could let the witnesses go, he wouldn't
12 object to me putting a financial statement in.

13 THE COURT: The most current one, 2013?

14 MR. CISA: Yes, right.

15 THE COURT: Do you agree with that?

16 MR. HOOD: I do. I think he could use it for
17 demonstrative purposes in phase two and whatever purposes the
18 Court would allow. I don't know that it would become an
19 exhibit. And certainly, I don't feel or would not require
20 him to bring the witness to authenticate it and lay a
21 foundation for its use during phase two. That is what I'm
22 trying to articulate, is that we can pretend as though all of
23 that has been done, and if we move to phase two, he can use
24 the information contained in the most recent financial
25 statement to make whatever argument that he feels is

1 appropriate.

2 MR. CISA: I have no problem doing that and just
3 letting them go, as long as I can say, you know, this is
4 Mr. Hulsey's most current financial statement and I'm able to
5 show it to the jury.

6 THE COURT: He says he's agreeable to showing, using
7 it for demonstrative, but not as an exhibit --

8 MR. HOOD: That's correct.

9 THE COURT: -- for the jury to take back.

10 MR. CISA: I see. Maybe we will do that. We will
11 chat about it, but as long as that's agreeable, I might let
12 them go. I don't know how long this jury is going to be out.

13 And the other thing, Judge, I don't know if they are
14 going to answer the question yes or no, but if they answer it
15 yes, we've got another proceeding. And it may be quicker to
16 do it in that fashion than put somebody on the stand.

17 THE COURT: All right. Well, in the event they come
18 back to that question yes on the punitive damages, what
19 procedure -- how do you want us to do it?

20 MR. CISA: Well, I think the only other thing it
21 goes into evidence -- or goes to the jury as the net worth of
22 Mr. Hulsey, I would propose that we make a short argument
23 before the jury on the elements there to consider. That's
24 what I would propose, much like we do in a closing. I don't
25 even -- like the closing argument, you know, I get to go, Mr.

1 Hood gets to go, and perhaps I can respond to him like we do
2 on the actual damage part of the case.

3 THE COURT: All right. Mr. Hood?

4 MR. HOOD: I would, because of the financial
5 statement being used, I do anticipate needing to call Mr.
6 Hulsey as a witness to explain the financial statement
7 itself. There's some -- the largest figure on the financial
8 statement is a stream of income associated with the tobacco
9 settlement. He just needs to put it in context so he can
10 explain what the number is. So I would expect calling him.
11 And that would be the only witness.

12 The -- I don't know about Frank getting to go first
13 and last at that stage. But I would think that we would have
14 short argument on the -- related to the issue of punitive
15 damages. And then I think Your Honor would then give
16 whatever portion of the punitive charge appropriate and then
17 let them deliberate.

18 THE COURT: All right. How does that sound, Mr.
19 Cisa?

20 MR. CISA: That's fine, Judge.

21 THE COURT: I saw the motion filed alleging various
22 errors in the procedure used the last time, about the defense
23 not being able to explain or call witnesses or put things
24 into different context, so I will look at all that again.
25 Well, I don't know. I guess I will look at it. I don't

1 know. I try not to use up too much brain that doesn't go
2 into actual use, but we will hopefully be prepared one way or
3 the other if it's necessary.

4 MR. CISA: Thank you, Your Honor.

5 THE COURT: But as far as the rest of the charges,
6 punitive damages charge, I just gave a first snippet of it.
7 And then I will go through the rest of all the other factors
8 that a jury must consider that was given on a traditional
9 punitive charge. All right. And we will be at ease once
10 again.

11 (A recess transpired.)

12 THE COURT: I understand there's a verdict. They
13 can come in. Bring them on.

14 (Whereupon, the jury returns to open court at 08:35
15 p.m.)

16 THE COURT: Thank you. Madam Forelady, if you will
17 stand for me. Have you reached a verdict?

18 THE FOREPERSON: We have.

19 THE COURT: Is it unanimous?

20 THE FOREPERSON: Yes.

21 THE COURT: Pass it up and you may be seated.
22 You may publish the verdict.

23 THE CLERK: State of South Carolina, County of
24 Charleston, Court of Common Plea for 9 Judicial Circuit, Case
25 No. 2006-CP-10-01577, Lawton Limehouse, Sr., plaintiff, vs.

1 Paul H. Hulsey and the Hulsey Litigation Group, LLC,
2 defendants. As to the claim of the plaintiff for defamation,
3 we the jury unanimously find for the defendants, signed Madam
4 Forelady, March 27th, 2015.

5 Ladies and gentlemen of the jury, if this your
6 verdict, please indicate so by raising your right hand.
7 Please let the record reflect that all jurors have raised
8 their right hand.

9 THE COURT: Any additional polling requested?

10 MR. CISA: None, Your Honor.

11 THE COURT: Any post-trial motions?

12 MR. CISA: Well, Your Honor, can we have 10 days to
13 file post-trial motions?

14 THE COURT: Any objection?

15 MR. HOOD: No, Your Honor.

16 THE COURT: All right. Motion is granted for 10
17 days.

18 Ladies and gentlemen, thank you very much. I enjoy
19 it when a jury deliberates a long time. I think it's a
20 tribute to you. You spend a great amount of time
21 deliberating. Those of us who are not on the jury, we like
22 to give a case to a jury and want the jury to go back there
23 and hurry up and make a decision so that we can get off and
24 be home by five o'clock or follow through with our plans of
25 basketball and the various things for the evening. But it is

1 good when the jury takes the time and to let the process of
2 deliberation follow its course and for the jury to reach a
3 verdict that everyone is satisfied with in the end.

4 So I can see the stress and strain on your faces
5 from hard work. Y'all didn't volunteer for this duty. You
6 were drafted, but you responded to the call, and you didn't
7 give up. You persevered and this is the way things are
8 supposed to be as far as our system of justice is concerned.

9 Certainly no amount of money could ever pay you for
10 your service. So it's not about the compensation money-wise,
11 but it's about doing your civic duty and serving on jury
12 duty. And your service this week is a perfect example of
13 what our jury system is all about.

14 I was somewhat shocked to learn from our clerk, Ms.
15 Julie Armstrong, my good friend, Clerk of Court here in
16 Charleston County, that you all pay how much per day? \$10,
17 \$10 a day. That takes me back to my days growing up when we
18 made \$6 a day in Williamsburg county. So it hasn't increased
19 much since then. So it's a -- so it's not about the money.
20 It's about serving and contributing back to your county and
21 your state.

22 My experience with many jurors in many cases is that
23 when you start out a case, you kind of wonder what you've
24 gotten yourself into and why were you here. And you kind of
25 wish you were like the others who were not selected and could

1 go on and move about your life without having to be burdened
2 with coming down here at the courthouse for jury duty. But
3 my experience with jurors is that after you have sat and
4 listened and observed the process for awhile, that you get
5 invested into the case. It becomes part of you. And most
6 jurors want to see it through. And at the end of the
7 process, you have -- you gain something. You gain an
8 understanding of maybe financial matters, maybe business
9 matters, maybe people, maybe, whatever it is that's the
10 subject of the case. And particularly in a long case like
11 this, you, I'm sure, whatever you heard and experienced this
12 week, if nothing more than deliberating, it will be something
13 you will take with you.

14 So that will conclude your services. I certainly
15 want to thank you on behalf of the plaintiffs and the
16 defendant. This has been a matter I imagine that's been
17 lingering for a number of years. And the parties couldn't
18 resolve it. They asked you to resolve it. And y'all have
19 returned the verdict concerning the matter. So thank you
20 very much.

21 I would like to speak with the forelady in the back
22 before you all -- before you leave. And any wise words for
23 your jurors? We have Julie Armstrong and good friend Sam,
24 who is giving the speech on behalf of the clerk's office,
25 both. You go first.

1 THE CLERK: I was going to say your service is
2 through for the week. Thank you for your service. If anyone
3 needs a work excuse, make me aware of that out back. And
4 thank you for your service.

5 THE COURT: My law clerk here is from a town called
6 Yemassee. And she's a new lawyer out of Charleston Law. And
7 she and Sam grew up together and went to school together.
8 And they reunite here this morning in the presence of all of
9 you.

10 And your very fine Clerk of Court, Ms. Julie
11 Armstrong, and what do you want to tell your citizens?

12 MS. ARMSTRONG: We thank you. We know it's been a
13 difficult case for you. We appreciate your patience and
14 thank you for your tremendous service to the community.

15 THE COURT: All right. Thank you all. With that,
16 you are free to go.

17 (Whereupon, the jury leaves open court at 08:42
18 p.m.)

19 THE COURT: Thanks to all the parties for a
20 hard-fought job. Well done. Court is adjourned.

21

22

23

24

25

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

2015 APR -6 PM 2:45
FILED
JULIE J. ARMSTRONG
CLERK OF COURT

THE PLAINTIFF, LAWTON LIMEHOUSE,
SR.' NOTICE OF MOTION AND MOTION FOR
A NEW TRIAL ABSOLUTE

TO: JAMES B. HOOD, ESQUIRE, CHERIE DURAND, ESQUIRE, ATTORNEYS
FOR THE DEFENDANTS:

PLEASE TAKE NOTICE that the Plaintiff, Lawton Limehouse, Sr., will move pursuant
Rule 59, of the South Carolina Rules of Civil Procedure for a new trial absolute based on the
following grounds:

1. The trial court erred in allowing the introduction into evidence of the 33 page
class action RICO Complaint which was filed in the United States District Court
by the Defendant's as pleadings contain allegations and are not allowed to be
submitted to the jury for its deliberations pursuant to Rule 43(g), SCRPC.
2. The trial court erred by failing to allow evidence of the terms of the settlement of
the action filed in the United States District Court by the Defendants as Plaintiff
was seeking to prove that the defamatory statements made by the Defendant, Paul
H. Hulsey, that were published in the April 24, 2004 newspaper article were false

and the amount of the settlement and the reasons for the settlement had a tendency to make Plaintiff's contention that the aforesaid statements were false more probable.

3. The trial court erred in allowing the Defendant, Paul H. Hulsey, to testify about conversations he had with the clients he represented in the action filed in the United States District Court, as well as testify to statements made to him by his clients and other individuals as the testimony was offered for the truth of the matter asserted and violated Rule 802, SCRE.

This motion is supported by the applicable common law, the state and federal constitutions, statutes and court rules, the pleadings, evidence, and the trial record, in addition to such memorandum as may be filed subsequently with the Court and/or such argument as will be heard by the trial court at a hearing on a day and time to be set.

CISA & BODDS, LLP


Frank M. Cisa
858 Lowcountry Blvd., Suite 101
Mt. Pleasant, SC 29464
(843) 881-6530
Fax: (843) 881-5433

This 6th day of April, 2015
Mt. Pleasant, SC

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

CERTIFICATE OF MAILING

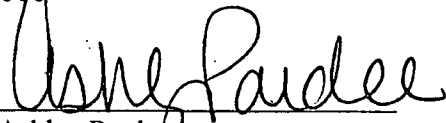
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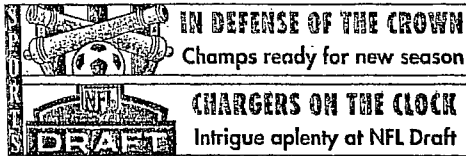
I, Ashley Pardee, Legal Assistant to Frank M. Cisa, hereby certify that on the 16th day of April, 2015, I mailed, postage prepaid via United States Mail, the Plaintiff, Lawton Limehouse, Sr.'s Notice of Motion and Motion for New Trial Absolute in the above-captioned action, to:

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

The Honorable Judge Clifton Newman
Circuit Court Judge
P.O. Box 516
Kingstree, SC 29556-0516


Ashley Pardee



The Post and Courier

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THE SOUTH'S OLDEST DAILY NEWSPAPER

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SATURDAY

April 24, 2004



Partly sunny
and warm.
High 84.
Low 60.

IRAQ/WAR ON TERROR

► Cleric threatens
suicide attacks. 16A
► Number of wounded
sours in Iraq. 16A

Dog fighting takes to inner-city streets

Protections are fueling the growing trend of impromptu dog fighting on city streets and in alleys and parks, according to authorities. The practice is putting dangerous dogs out into the community. 1B

Proposal would alter retiree health benefits

The Equal Employment Opportunity Commission voted in favor of allowing employers to reduce or eliminate their retiree health benefits once they qualify for Medicare. 3A

Protest filed against Election Commission

Palmetto United, passed over for a lucrative statewide voter machine contract, has accused the state Election Commission of four violations, including a potential conflict of interest. 1B

United Healthcare, Roper hospitals align

The agreement adds Roper St. Francis Healthcare's two hospitals to a building network of South Carolina providers who have joined forces with the nation's largest health insurer. 7B

North Korea issues rare plea for help

A devastating train explosion near the Chinese border killed hundreds of people and injured more than 1,000, according to the communist government. U.S. intelligence sources regard the blast as an industrial accident. 3A

U.S. eases sanctions as reward for Libya

The easing of sanctions dating back to the Reagan era will allow a resumption of oil imports from Libya and most other commercial and investment transactions. 6A

Markets close mixed despite good news

The Dow rose 11.54 to 10,472.84 and the Nasdaq gained 16.36 to 1,019.77, but most stocks on the Big Board were lower as interest rate fears outweighed upbeat earnings reports. 8B

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Students safe at Brentwood Middle, Goodloe says

BY ALLISON L. BRUCE
Of The Post and Courier Staff

Charleston County schools Superintendent Maria Goodloe said Friday she wants parents to know that their children are safe at Brentwood Middle School.



"It is unfair to the kids and community to portray them as being out of control because that's not true," Superintendent Maria Goodloe said.

discipline concerns and criticized teachers for bringing them up. One teacher was put on paid administrative leave Wednesday because of safety concerns.

Goodloe said the school is not out of control or unsafe. In the case of the teacher put on leave, Goodloe said the public does not know all of the personnel issues surrounding that case.

The concerns raised by the two teachers who filed discrimination complaints this month sparked a community outcry. On Friday, a school nurse who worked at Brentwood last year also filed a complaint with the federal Equal Employment Opportunity Commission.

and the state Human Affairs Commission. All three complaints are being investigated. They were discriminated against because of their race.

See GOODLOE, Page 9A

\$45 million gift to USC sets record

Moore donates
to business school

BY JASON HARDIN
Of The Post and Courier Staff

Six years ago, Daria Moore gave the University of South Carolina its largest gift ever. On Friday, she did it again, showering the business school already named after her with \$45 million.

The gift from the USC graduate and investment banker is nearly double her previous record-setting donation of \$25 million. Combined, the \$70 million is the largest private contribution ever to a business school in the United States, according to the university.

University officials waxed ecstatic about the gift Friday.

"We're excited," said Peggy Blinette, a university spokeswoman.

"It does put us in a different league," said Joel Smith, dean of the business school.

Moore did not attend Friday's announcement, but a student read remarks she had prepared, according to a news release.

She said the school is an "integral part" of the state's future and needs to continue to improve.

"If our students are prepared with state-of-the-art training and a rigorous educational environment, then they can add fuel to the economic engine of our state's future, as well as our nation's," she said.

The university is planning to raise enough money to be able to match Moore's gift, Smith said.

The money will go toward an extensive renovation of the school's facilities and toward scholarships and professorships.

Smith said the school's current home is a barrier to recruiting top students and teachers.

"In this competitive environment ... we need to have a state-of-the-art facility to compete," he said.

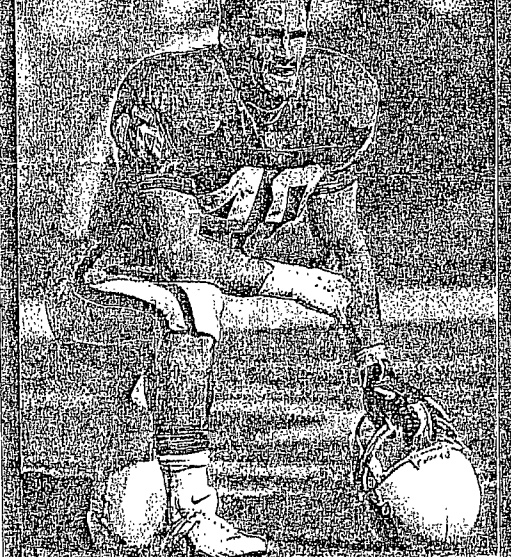
"This building, unfortunately, doesn't even meet code."

The building, which is 30 years old, will be gutted and refitted with new technology and other

See MOORE, Page 17A

FALLEN SOLDIER

Former NFL defensive back
Pat Tillman killed in combat
while serving in Afghanistan



Pat Tillman, who gave up his professional football career to join the Army Reserve, was killed in Afghanistan last Friday.

He was 26 years old.

He was a former NFL defensive back for the Arizona Cardinals.

He was killed by a friendly fire incident.

His death has sparked a national outcry.

He was a hero to many.

He was a true American.

He was a legend.

He was a hero.

He was a legend.

He was a hero.

He was a legend.

He was a hero.

He was a legend.

LAWSUIT TARGETS STAFFING AGENCY

6 laborers sue
L&L Services

BY JAMES SCOTT
Of The Post and Courier Staff

Six laborers filed a class-action lawsuit Friday, accusing a Charleston staffing agency of racketeering by making fake federal documents, cheating workers out of overtime pay and housing them in rundown properties that created a culture of "industrial servitude."

The 33-page lawsuit against L&L Services and its owners, filed in federal court by the Hulse Litigation Group, describes a pattern of underreporting workers' hours, conspiring to avoid paying overtime and threatening the Mexican laborers who complained with deportation.

The suit also lists as defendants yet-to-be-named Lowcountry businesses that may have used L&L Services with the knowledge that workers were being exploited. It is a list that could include area golf courses, construction companies and restaurants.

"This is a classic racketeering scheme," said Paul Hulse, founding partner of the Wharfside Street law firm in downtown Charleston.

"This sets the community back 150 years."

Lawton Limehouse, owner of L&L Services, declined to comment on the lawsuit Friday. His attorney, Dennis Rhoad, also had no comment.

The lawsuit is grounded in the Racketeer Influenced and Corrupt Organizations Act, which Congress passed several decades ago to allow criminal and civil lawyers to go after organized crime families.

The premise of the act is that various illegal activities committed by one group or company can add up to a criminal enterprise.

Lawyers for the six workers — five men and one woman, all of whom are in the country illegally — argue that the federal law applies to L&L Services and its subsidiary

See LAWSUIT, Page 9A

Catholic politicians face heat from Vatican over abortion

BY DANIEL WILLIAMS
AND ALAN COOPERMAN
The Washington Post

ROME—A top Vatican official said Friday that Roman Catholic politicians who support abortion should be denied communion, as church officials in the United States debate how to respond to Democratic presidential candidate John Kerry's position in favor of abortion rights.

The official, Cardinal Francis

Arize, declined at the Vatican news conference to say whether Kerry in particular should be denied communion. Instead, he spoke generally about Catholic politicians who do not uphold church teachings in their public lives.

Arize, a Nigerian who is often cited as a possible successor to Pope John Paul II, took questions during the introduction of Vatican rules governing the celebration of Mass.

John Paul has said it is the duty

of Catholic politicians to adhere to Church doctrine in setting public policy, although he has not laid down guidelines for sanctioning those who ignore Vatican teaching.

Arize introduced a 71-page Vatican document on liturgical abuses that seeks to stop lay people from taking on the role of priests, the insertion of non-Catholic rites into Masses and the giving of communion to non-Christians. An earlier proposal to discourage partici-

ipation of altar girls was omitted. Pressed by reporters to say whether a politician who is "unambiguously pro-abortion" should receive the Eucharist, he said: "Obviously, the answer is clear. The person is not fit. If he should receive it, then it shouldn't be given."

But Arize also made clear that decisions on whether to deny communion to Kerry and other U.S. politicians would be made by U.S. Catholic bishops, not by the Vatican. "The norm of the Church is

clear. The Catholic Church exists in the United States, and there are bishops there. Let them interpret it," he said.

A spokesman for Boston Archbishop Sean P. O'Malley said Kerry has not been barred from taking communion in his hometown, and he indicated that no ban is likely.

"The position of Archbishop O'Malley has been that when people

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SATURDAY

April 24, 2004

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6 laborers file lawsuit against staffing firm

LAWSUIT from Page 1A

staffing agency WLL LLC, which is run out of the same office and uses the same laborers. The lawsuit states that WLL was intentionally created to avoid paying overtime to laborers, some of whom worked more than 70 hours a week at the flat rate of \$6 an hour. When checks were written each week, some workers' hours would be paid by L&L Services and the rest by WLL. Federal wage law requires a company to pay employees time-and-a-half once a worker has logged more than 40 hours in a week.

In previous interviews, Limehouse has told The Post and Courier that the reason for the two companies was workers' compensation insurance premiums. L&L Services, he said, provides workers for less dangerous jobs, such as landscaping, while WLL is reserved for more risky work, such as construction.

For workers without legal documentation, the lawsuit alleges that L&L Services' managers made and sold fake green cards and Social Security cards, altered records and failed to carry proper insurance. The suit also alleges that as part of its enterprise, L&L Services housed dozens of workers in substandard properties, two of



A worker displays an identity card split open to show an L&L Services logo inside.

which were condemned, and shuttled them back and forth to work in company vans to guarantee a ready labor force.

"This is a blatant case of indentured servitude," said Hulsey, formerly of the Ness-Motley law firm. L&L Services took advantage of the complexity of this system. They have created a perfect racketeering enterprise just like Tony Soprano's.

Attorneys with the Hulsey Litigation Group said Friday that the case is not limited to the six workers. The firm plans to take out ads in Spanish-language newspapers and on radio stations to let other current and former employees of the Ashley River Road business

know the suit exists. Money generated from the suit, the attorneys said, will be set aside in a bank account from which workers will be able to draw money owed to them.

The lawsuit comes on the heels of an investigation of L&L Services by the U.S. Labor Department in which Limehouse said he was ordered to pay back wages to an undisclosed number of employees. Limehouse told the newspaper earlier this week that the back wages involved the use of the two staffing agencies and a failure to pay overtime to some laborers.

The S.C. Workers' Compensation Commission also has begun investigating WLL, which officials in Columbia said does not have work-

ers' compensation insurance, as required by law. State officials also said Friday that L&L Services' workers' compensation carrier, Builders Mutual Insurance Co. in Raleigh, has dropped L&L Services effective May 21.

Experts say lawsuits such as the one filed Friday represent a growing trend of illegal aliens using the court system to try to recover owed wages and deal with problems including workers' compensation. Andrew Siegel, a constitutional law professor at the University of South Carolina, said the U.S. Constitution allows undocumented workers many of the same rights as regular citizens. "Just because you are here illegally, you are not barred from accessing the courts," Siegel said. "Most of the rights of protection in the Constitution protect everybody in our borders, not just citizens."

Wilfredo Leon, who was a member of former Gov. Jim Hodges' committee on Hispanic issues and is the publisher of El Ladrón newspaper in Greenville County, said, despite the fear of deportation, the number of lawsuits being brought by undocumented workers is on the rise. Leon said many Hispanics are learning how the legal system works and know that companies must pay minimum wage and overtime and carry workers' compensation insurance.

"A big factor is that the Hispanic community is becoming better educated," Leon said. "There are more people helping these workers realize that they may be here illegally, but they still have rights under the law."

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LAWSUIT TARGETS STAFFING AGENCY

Author: *JAMES SCOTT; Of The Post and Courier Staff*

Article Text:

PHOTO: A worker displays an identity card split open to show an L&L Services logo inside.

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James Scott can be reached at 745-5855 or jscott@postandcourier.com.

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Record Number: MERLIN_1699072

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION
Civil Action No.:**

FILED

APR 23 2004

**LARRY W. PROPPS, CLERK
CHARLESTON, SC**

Maximino Flores, Mateo Alvarez, Manuel
Ramirez, José Luis Jimenez, Maximina Flores,
and Macrino Flores, and Others Similarly
Situating,

2 0 4 1 2 9 5 2 3

Plaintiffs,

vs.

**CLASS ACTION COMPLAINT
TRIAL BY JURY DEMANDED**

Lawton Limehouse, Sr.; Lawton Limehouse, Jr.;
L&L Services LLC; WLL, LLC; unknown
John Doe individuals; and unknown businesses,
including, but not limited to, A, B, & C temporary
staffing agencies, farms, hotels, restaurants, golf
courses, construction companies, landscaping
services, cleaning services, municipalities, and
other undiscovered businesses owned by or
affiliated with Defendants,

Defendants.

HULSEY LITIGATION GROUP LLC
Paul H. Hulsey
William J. Cook, D.S.C. Bar No. 7167
Marco T. Torres
Charleston Harbor
2 Wharfside 3
Charleston, SC 29401
tel: (843) 723-5303
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ATTORNEYS FOR PLAINTIFFS

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I. INTRODUCTION

1. This case arises out the abuse of employee rights by Defendant Lawton Limehouse, Sr., Defendant Lawton Limehouse, Jr.'s, Defendants L&L Services, LLC, and WLL, LLC, and other John Doe and A, B, & C Defendants, as well as violations of the Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §§ 1961 to 1968, and violations of other federal and state laws as detailed below.
2. This Complaint is brought by the Plaintiffs on their behalf and for all others similarly situated to vindicate their rights to receive full and fair compensation for their labor. The Defendants' acts and omissions include, but are not limited to, an unlawful scheme to defraud, corrupt, cheat, steal, extort, and convert the money and property of the Plaintiffs who provided labor services in exchange for wages. This scheme to defraud the Plaintiffs for the economic benefit of the Defendants involves, among other crimes, mail fraud, wire fraud, falsification of government documents, extortion, and transportation of persons or property stolen, obtained by fraud or converted.

II. JURISDICTION AND VENUE

3. This Court has jurisdiction over this action under 18 U.S.C. § 1964(a) and (c) (RICO); 28 U.S.C. §§ 1331 (federal question); and 28 U.S.C. § 1367 (commerce). Supplemental jurisdiction under 28 U.S.C. § 1367 exists as to those claims that are so related to the federal claims in that they form part of the same case or controversy. The matters in controversy arise under the Constitution, treaties, and laws of the United States, including those regulating commerce.

4. Personal jurisdiction and venue are proper in this Court under 18 U.S.C. § 1965(a) and 28 U.S.C. § 1391(b) because a substantial part of the events and omissions giving rise to the claims occurred in this district.

III. PARTIES

5. Defendants Lawton Limehouse, Sr., and Lawton Limehouse, Jr. started Defendant L&L Services, LLC and Defendant WLL, LLC (the "Limehouse Defendants") in September 1999 and April 2000, respectively, or perhaps earlier as discovery may disclose, to provide temporary employees to Charleston, South Carolina, businesses. Other undiscovered individuals are denominated as Defendant John Doe and other undiscovered businesses are denominated as Defendant A, B, & C. Their identities will be disclosed as discovery progresses.
6. The John Doe and A, B, & C Defendants either knowingly or willfully and recklessly turned a blind eye to the impropriety and illegality of the conduct of the Limehouse Defendants, and either aided and abetted or participated in the scheme by providing continuous demand for temporary staffing.

IV. RELEVANT PERIODS OF TIME

7. The various Enterprises, pled hereinafter, were formed no later than 1999, if not earlier, and have continued in existence through the date of filing of this Complaint. The scheme to defraud, corrupt, cheat, steal, and convert property, pled hereinafter, began on or before 1999, and continues to this date.

V. DEFINITIONS

8. As used in this Complaint and as used hereinafter, "mail," "mails," "mailed," "mailing" or "letter" means placing in any post office or authorized depository for

mailed matter, any matter or thing to be delivered by the United States Postal Service or depositing or causing to be deposited any matter or thing to be delivered by any private or commercial interstate carrier, or taking or receiving therefrom, any such matter or thing, or knowingly causing to be delivered by any such means any such matter; and "wire communication" or "telephone" refers to any transmission by means of wire or radio communication in interstate commerce.

VI. THE SCHEME TO DEFRAUD

9. The Plaintiffs and Class Members in this action were hired by the Defendants, through which they worked at various area businesses as temporary employees.
10. The businesses that contract employees from Defendants' enterprise pay salaries and wages directly to the Limehouse Defendants. The businesses benefit by neither paying wages or benefits, such as health or worker's compensation insurance.
11. The Limehouse Defendants, in turn, take at least \$4.00 per hour from each of their employees' wages and then issue a paycheck to the employees.
12. Although deductions are taken from each employee for Social Security and Medicare, the Plaintiffs and all others similarly situated are deprived of the benefit of those deductions through Defendants' scheme of reporting false Social Security and other identification numbers. Plaintiffs thus earn, but not accrue, the benefits intended by the Social Security and Medicare laws.
13. Each week, the Defendants' managers tell the employees at which area businesses they need to report for work. The Limehouse Defendants provide vans to shuttle

the employees back and forth from the substandard company-owned residences where the majority of the company employees reside, to the various work sites.

14. The housing the Limehouse Defendants provide is substandard and yet the workers are charged for it. Often, ten to thirty, and sometimes more, employees are crowded into the homes. Many of the homes used by Defendants to house its employees have been deemed uninhabitable by city inspectors, but Defendants still deduct rent from Employees' paychecks.
15. The Plaintiffs individually and on behalf of other employees similarly situated allege that Defendants developed a scheme whereby they would illegally, willfully and consistently withhold portions of its employees' wages without any justification or right under state or federal law. For example, employees would work a forty (40) hour work week and would be compensated for either thirty-five (35) or thirty-seven (37) hours without written or verbal notification of said deductions or justification for said deductions.
16. Plaintiffs individually and on behalf of other employees similarly situated also allege Defendants developed a scheme whereby they would illegally, willfully and consistently fail to compensate its employees at the rate of one-half times the regular rate for hours worked in excess of forty (40) hours a week. For example, Plaintiffs would often work sixty (60) to seventy (70) hours a week and received no overtime pay.
17. Moreover, in order to circumvent the federal overtime requirements, Defendants would divide the hours employees worked between its two companies so that an employee who worked over forty hours would receive two checks, one issued by

L&L Services and another from WLL, LLC. The employee was thereby denied the federally mandated time and half compensation for his/her hours worked over forty in a week.

18. Although the Limehouse Defendants set up two companies, they were for all intents and purposes one and the same.
19. In addition to dividing the hours employees worked between its two companies to circumvent federal overtime wage requirements, Defendants would also routinely issues pay checks to employees that reflected over forty hours a week but were compensated at the same pay rate for all of the hours with no explanation as to why they were denied overtime pay.

VII. OTHER FACTS COMMON TO ALL CLAIMS

20. Plaintiff Maximino Flores ("Flores") worked for the Defendants from approximately February 2002 through February 2004.
21. Through Defendants' employment agencies, Flores worked at various businesses and companies including, several Charleston restaurants, landscaping companies, and collecting trash for the area municipalities.
22. Flores regularly worked over forty hours a week in landscaping jobs during the day and at various restaurants in the evening. Both jobs were coordinated by and paid through Defendants' companies.
23. In addition, Defendants, by and through their agents, advised Flores that if he worked two shifts in one day he would need to use a different name at the second job.

24. Defendants then provided Flores with a resident alien card and Social Security card bearing the name of Oscar Mejias. Plaintiff Flores asserts that Defendants' identification and Social Security card scheme was used as a means to regularly deny him overtime wages.
25. Defendants' also routinely withheld hours that Flores worked during the week from his paycheck. Flores informed Defendants of the missing hours on several occasions and was credited for some of these. However, at the time Flores' termination from Defendants' companies, he was owed approximately twelve hours of wages he has never received.
26. Plaintiff Mateo Alvarez ("Alvarez") worked for the Defendants from approximately August 2003 through March 2004.
27. Alvarez worked through Defendants' companies for Trident Construction in Charleston County and at local restaurants. Like Flores, Alvarez worked two jobs a day through Defendants' staffing agencies. Alvarez worked eight hour days for Trident Construction, accumulating forty (40) hours a week there. Alvarez would then work up to an additional eight hours at local restaurants the same night. Alvarez was issued two separate pay checks by Defendants, one for the construction job and one for the restaurant work. As a result, Alvarez was routinely, willfully and illegally denied overtime wages.
28. Additionally, Alvarez alleges that Defendants' routinely withheld hours he worked from his paychecks. For example, in October 2003, Defendants' did not compensate Alvarez for twenty hours of work he performed while working for a local construction company and a local restaurant.

29. On other occasions, when Alvarez's paycheck did not reflect the complete hours he had worked, the Defendants' would reimburse him several weeks later, but only after he complained to the Defendants. The Defendants' regularly withheld from Alvarez one or several hours he worked a pay period and since his departure from Defendants' employment, Alvarez has yet to be reimbursed for approximately forty hours owed to him for work performed.
30. Plaintiff Manuel Ramirez ("Ramirez") worked for the Defendants from approximately November 2002 through February 2004. Through Defendants' temporary staffing agency, Ramirez worked for various construction companies and for Waste Industries, Inc. collecting trash.
31. Ramirez regularly worked ten to twelve hour days, five days a week, and was routinely, willfully and illegally denied overtime compensation. In addition, on at least one occasion, Ramirez was not compensated for the full amount of hours he at local businesses through the Defendants' agencies.
32. Plaintiff José Louis Jimenez ("Jimenez") worked for the Defendants from approximately November 2003 through March 2004. Through Defendants' temporary staffing agency, Jimenez worked for various landscaping and construction companies, as well as for various local restaurants.
33. Jimenez alleges that Defendants' routinely withheld hours he worked during the week from his paycheck without justification or cause. For example, during the week of December 11, 2003, Defendants willfully failed to pay Jimenez for approximately fourteen hours he worked in landscaping and at a local restaurant. In total, Jimenez believes he was willfully and illegally not paid for a total of

twenty-one hours he worked at various companies through Defendants' temporary staffing agency.

34. Maximina Flores ("Maximina") worked for the Defendants from approximately September 2003 to February 2004.

35. Through Defendants' temporary staffing agencies, Maximina worked in housekeeping and at local restaurants.

36. Maximina alleges that at least on one occasion she was willfully and illegally denied overtime compensation during a week she worked fifty-six hours. In addition, Defendants willfully failed to compensate Maximina for at least twenty-two hours she worked at two local restaurants.

37. Macrino Flores ("Macrino") worked for the Defendants from approximately August 2003 to February 2004.

38. Through Defendants' temporary staffing agencies, Macrino worked for various landscaping and construction companies and restaurants. Macrino regularly worked over forty-hours a week in landscaping jobs during the day and at various restaurants in the evening all of which were coordinated by and paid through Defendants' companies. Macrino was issued a separate check for the construction work and a separate check for the restaurant work.

39. As a result, Macrino was routinely, willfully and illegally denied overtime wages. In addition, Defendants willfully failed to compensate Macrino for at least twenty hours he worked for various construction companies and restaurants. For example, Macrino was not compensated for eight hours he worked at a local

restaurant in January 2004, even though he notified Defendants of the missing hours.

40. On information and belief, the Defendants treated all as yet unidentified individuals in a similar fashion.

VIII. CLASS ACTION ALLEGATIONS

41. The Representative Plaintiffs bring this action individually and on behalf of the Class pursuant to Rule 23, FRCP.

42. The proposed class does not include directors, officers, or employees of the Defendant companies.

43. Class Members include all persons who worked for the Defendants and their companies, who did not receive their hourly wages and/or overtime wages in accordance with federal and state law.

44. Upon information and belief, the class period begins at least five years prior to the date of the filing of the Complaint in this action.

45. Class members are numerous. Joinder is impracticable. Plaintiff believes there are hundreds if not thousands of Class Members. Their exact number and identities are known by Defendants.

46. Plaintiffs' claims and any defenses thereto are typical of the Class Members, arise from the same course of conduct, and involve questions of fact and law common to the Class.

47. Any claims or defenses of Defendants are common to all Class Members, including Plaintiffs, and are typical of the claims and defenses they will raise against the Class.

48. Plaintiffs and the Class Members were damaged in the same way by the same wrongful conduct of the Defendants.

49. Representative questions of law and fact common to the Class Members include, but are not limited to: whether Defendants illegally manufactured government documentation to allow them to perpetuate their illegal practices, including their failure to pay wages and overtime to Plaintiffs and their Class Members; whether Defendants failed to pay wages; whether Defendants failed to pay overtime; and other violations of state and federal law articulated herein; and other yet undiscovered violations of state and federal law.

50. Plaintiff will fairly and adequately protect and represent the interests of the Class.

51. The interests of the Plaintiffs are coincidental with and not antagonistic to those of the Class Members.

52. Neither Plaintiffs nor their counsel have any interest which might cause them not to vigorously pursue this action.

53. Plaintiffs are represented by counsel who are experienced and competent in the prosecution of complex litigation, including class action litigation. Lead counsel Paul H. Hulsey is experienced in complex racketeering and class litigation, including several trials to verdict.

54. Counsel has the ability to advance the costs and expenses of the litigation.

55. To the extent the relief sought is not declaratory or injunctive, the amount in controversy exceeds one hundred dollars for each member of the Class.

56. The maintenance of this action as a class action will be superior to other available methods of adjudication in promoting the convenient administration of justice

because: the prosecution of separate actions by individual class members would create a risk of inconsistent or varying adjudications with respect to individual members of the class who would confront the party opposing the Class with incompatible standards of conduct, and adjudications with respect to individual Class Members would as a practical matter be dispositive of the interests of adjudications or would substantially impair or impede their ability to protect their interests; final equitable and declaratory relief is appropriate with respect to the class; the action is manageable as a class; individual claims of the separate class members might and could be prejudiced by the expense of multiple separate litigations; and it is probable that the amount which may be recovered by individual class members will be large enough in relation to the expense and effort of administering the action to justify class treatment.

IX. FACTS RELEVANT TO THE § 1964 CLAIMS

1. The Temporary Staffing Enterprise

57. At all relevant times, at least one “enterprise” existed within the meaning of 18 U.S.C. § 1961(4). This “enterprise” is an entity that engaged in activities affecting interstate commerce.
58. The Enterprise was an association-in-fact enterprise, which is referred to herein as the “Temporary Staffing Enterprise.” The Individual Defendants participated in the operation and management of this enterprise and conduct its affairs through their pattern of unlawful activity, including execution of their Scheme to Defraud, corrupt, cheat, steal, and convert the money and property of the Plaintiffs.

a. Purpose of the Enterprise

59. At all relevant times, the purposes of the Temporary Staffing Enterprise were to:
- (1) provide for the temporary staffing needs of licit organizations and businesses, including those of Charleston County; and (2) to make profits by engaging in activities in connection with the provision of temporary workers to area businesses.
60. At all relevant times, the legitimate purpose of the Temporary Staffing Enterprise was to match temporary workers with area businesses for employment. Some members of the enterprise were owners and provided management in connection with the enterprise. Other members of the enterprise served supporting roles and participated in the business of the enterprise.
61. At all relevant times, the Defendants utilized the Temporary Staffing Enterprise to further their illegitimate purpose to retain monies earned as wages by the Plaintiffs and other former temporary workers to increase their own profits and those of the enterprise, and to manipulate reporting requirements to governmental labor and taxing authorities in order to deprive, corrupt, cheat, steal, and convert the money and property of the Plaintiffs.
62. The Plaintiffs were the intended victims of this Scheme, and were deprived and cheated out their wages and overtime earned through their employment by the Temporary Staffing Enterprise.

b. Membership in the Temporary Staffing Enterprise

63. The membership, both witting and unwitting, in the Temporary Staffing Enterprise was and is as follows: (1) the Defendants Lawton Limehouse, Sr. and

Lawton Limehouse, Jr.; (2) the Defendants L&L Services, LLC and WLL, LLC, and their affiliates; (3) the various yet unnamed Defendant "John Doe" individuals; and (4) the various yet unnamed Defendant A, B & C businesses, including, but not limited to temporary staffing agencies, farms, hotels, restaurants, golf courses, construction companies, landscaping services, cleaning services, and municipalities; (5) Elvira Luebke, a supervisor employed by Defendants Limehouse and their Defendant companies, who assisted and facilitated the Defendant's Scheme to Defraud, including, but not limited to threatening, extorting, and coercing Plaintiffs in order to further the purposes of the Enterprise; (6) Carlton Elliott, a staffer employed by Defendants Limehouse and their Defendant companies, who assisted and facilitated the Defendants' Scheme to Defraud, including, but not limited to, their falsification of government documents; (7) other unnamed individuals, partnerships, corporations, and associations, including yet unnamed resident nationals of Mexico and Argentina; (8) the Plaintiffs, who provided licit labor services incidental to Defendants' Scheme to Defraud, and who were the Scheme's intended and unknowing victims.

c. Structure of the Enterprise

64. At all relevant times, the Temporary Staffing Scheme was an ongoing association-in-fact enterprise composed of entities and individuals with a common and shared purpose, a continuity of structure and personnel and a consensual decision-making structure that was used to both encourage and effect its legitimate

purposes and to carry out the Scheme to defraud, corrupt, cheat, steal, and convert the money and property of Plaintiffs.

65. The roles that were performed by the various members of the Temporary Staffing Enterprise are described as follows: (A) The members of the Temporary Staffing Enterprise, with the exception of Plaintiffs, who formulated a broad plan to exploit the temporary labor market by attracting and/or providing a continuous supply of temporary labor. The plan included the employment of temporary laborers, typically aliens from Latin American countries, who were then effectively held in indentured servitude by a scheme of forced housing, transportation, threats of retaliation, and coercion; (B) Defendants who concealed from labor, insurance, and taxing authorities the full nature and existence of their Employment scheme and indeed the existence of the Plaintiffs in this county, state, and country by falsifying government documents and reports, including Social Security numbers, visas, and reports submitted to regulatory authorities; (C); Defendants who concealed the true value of the wages earned by Plaintiffs by dividing wages earned between the Defendants' companies such that the full amount of wages and/or overtime earned were never disclosed or paid to the Plaintiffs; (D) Defendants and other members of the Enterprise who used and relied on the complexity of immigration regulations and law, along with the bureaucracy of government regulatory schemes, such as taxation, Social Security, and workers' compensation, to prey upon the Plaintiffs in the Scheme to Defraud. Because of the methods used, Defendants' Scheme to Defraud is intentionally designed to be almost impossible for the relevant governmental authorities to

uncover; (E) Defendants who lured and trafficked into South Carolina workers by the promise of legal and gainful employment; (F) as part of their pattern of racketeering activity, Defendants and members of the enterprise who provided false Social Security numbers and/or documentation, and/or immigration visas to their workers so that they could then work as temporary laborers at various area businesses; (G) Defendants who transported Plaintiffs and Class Members as part of the Scheme to Defraud. Workers, including Plaintiffs, were transported by Defendants to prevent frolic and diversion on highways inter- and intrastate in vehicles licenses and registered in North Carolina; (H) in furtherance of this pattern, Defendants who used extortion and threats of retaliation by government authorities to keep Plaintiffs as virtual slaves. To this end, Defendants corralled and housed Plaintiffs in substandard housing, thus controlling how and where they lived.

66. Through this circular pattern of subterfuge described above, Defendants were able to unlawfully divert from Plaintiffs their lawful wages and/or overtime and credit for Social Security and Medicare.
67. Upon information and belief, Defendants (1) divert these monies for their own personal use; (2) launder money in North Carolina, Argentina, and other Latin American countries; and (3) reinvest these monies in the maintenance of the Enterprise so that the Plaintiffs are injured in a perpetual cycle.
68. The Defendants' involvement in these illegal activities in furtherance of their Scheme was through their participation in the management and operation of the Temporary Staffing Enterprise.

69. Defendants played a central role in the management and operation of the

Temporary Staffing Enterprise, especially in its illegitimate endeavors.

70. The Defendants managed and organized the enterprise, dictating its structure, decisional process, and organization.

d. Distinction Between the Temporary Staffing Enterprise and Pattern of Unlawful Activity

71. As described herein, the Temporary Staffing Enterprise was separate and apart from the pattern of unlawful activity because the enterprise engaged in both legitimate and illegitimate activity. The members of the Temporary Staffing Enterprise included innocent parties, including the Plaintiffs, unaware of the Defendants' Scheme or the use of the enterprise in its execution.

e. Continuity of the Temporary Staffing Enterprise

72. The Temporary Staffing Enterprise was created at least as early as 1999, possibly earlier, upon the formation of Defendants L&L Services, LLC and WLL, LLC by Defendant Lawton Limehouse, Sr., and Defendant Lawton Limehouse, Jr. It continues today and may continue into the future. It has continuity of structure and personnel in that many of its original members, including the Individual Defendants, continue to be active in its management and control.

f. Culpability of Members of the Enterprise

73. Some of the members of the Temporary Staffing Enterprise, including each of the Defendants, acted with culpability in their conduct of its affairs. Other members of the Temporary Staffing Enterprise were the unwitting instruments or victims of the culpable members of the Temporary Staffing Enterprise.

2. Unlawful Activity

74. Defendants engaged in a pattern of unlawful activity consisting of predicate acts of mail fraud in violation of 18 U.S.C. § 1341, wire fraud in violation of 18 U.S.C. §§ 2 and 1343, transportation of persons or monies and property stolen, or converted in violation of 18 U.S.C. § 2 and 2314, extortion in violation of 18 U.S.C. § 1961(1), and violations of 18 U.S.C. § 1962(a)-(d).

a. Mail and Wire Fraud

75. At the times relevant to this Complaint, as previously alleged herein, Defendants devised, intended to devise and carried out a Scheme to Defraud, and to deprive, corrupt, cheat, steal, deprive, and convert the money and property of the Plaintiffs, including their wages and/or overtime. The Scheme to Defraud involved calculated efforts to interfere with monies owed to the U.S. government and the use of material misrepresentations and/or omissions and other deceptive practices reasonably calculated to deceive the Plaintiffs, as well as taxing, insurance, and labor authorities. The scheme to corrupt involved depriving the Plaintiffs of their entitlement to overtime and/or credits paid into federal and state insurance and benefit plans. The scheme to cheat was inconsistent with moral uprightness, fundamental honesty, and fair play and right dealing in the general business life of members of society. In executing or attempting to execute these schemes and to receive the financial benefits of the Scheme to Defraud, Defendants repeatedly used the United States mails and interstate wire communications, as described above.

76. From at least 1999 or earlier, the Plaintiffs were paid less than the hours they earned by way of wages and/or overtime. Payments were facilitated through use of the mails and wire communications. Every report transmitted by Defendants and members of the Enterprise that used the mails and wires constituted separate executions of the Scheme to Defraud. Each report and payment accomplished the dual purposes of, first, making possible the retention of the fruits of the illegal Scheme by the Defendants, and, second, concealing from the Plaintiffs the true value of their services rendered and credits earned in federal and state insurance and taxing programs.

b. Transportation of Stolen Property or Monies

77. As alleged herein, the Defendants throughout the course of the Scheme failed to pay Plaintiffs their fair value of their labor services rendered used by the Defendants in furtherance of the Temporary Staffing Enterprise. The Defendants created the supply and demand for the labor services of the Plaintiffs, and used these services for activities in the marketplace to the Defendants' financial benefit. The Defendants stole and converted for their own use the difference in the true value of the Plaintiffs' labor services actually rendered and the amounts Plaintiffs were actually paid.
78. On numerous occasions, the Defendants transported and caused to be transported property or money belonging to Plaintiffs, knowing that it had been converted to the Defendants' own use and benefit with a value in excess of \$5,000.
79. On numerous occasions, the Defendants transported and caused to be transported persons, or induced a person to travel, in interstate commerce in the execution and

concealment of the Scheme to deprive, corrupt, cheat, steal, and convert the Plaintiffs' money and other property.

c. Extortion

80. In furtherance of the pattern and Scheme to Defraud, Defendants used extortion and threats of violence or retaliation by government authorities to ensure that Plaintiffs are compelled to remain a part of their subterfuge. This control extends to transporting Plaintiffs to prevent their free movement and housing Plaintiffs in substandard lodgings in locations that require transportation by the Defendants to and from work in a continuous cycle.

d. Money Laundering

81. Upon information and belief, Defendants, through their Enterprise, take monies gained by their Scheme to Defraud out-of-state and to Argentina and other Latin American countries where they divert and launder it.

e. Pattern

82. The forgoing predicate acts constitute a pattern of unlawful activity. Defendants' conduct constitutes a pattern in that there is both relationship and continuity of the predicate acts. The acts are related in that they are connected to one another as part of a scheme to accomplish a uniform purpose. Their continuity is established by both the repeated nature of the conduct during the period of the Scheme and the threat of similar conduct occurring in the future. This threat is established by the continuing and ongoing nature of the conduct.

f. Relatedness

83. In addition, within the Scheme to Defraud, as shown herein, the predicate acts are related in the sense that they have the same purpose or goal (to retain wages and overtime pay of workers for the economic benefit of the Defendants and members of the enterprise); results (retention of wages and overtime pay); participants (the Defendants and other members of the Enterprise); victims (the Plaintiffs and other members of the Class); and methods of commission (the Scheme to Defraud and predicate acts described in the Complaint).

84. The predicate racketeering acts are otherwise interrelated by their distinguishing characteristics and are not isolated events, since they were carried out for the same purposes in a continuous manner throughout a substantial period of time.

85. The continuity and relatedness of these racketeering activities constitute a pattern of racketeering activities within the meaning of 18 U.S.C. § 1961(5).

3. Summary of the § 1964 Allegations

86. In connection with the activities giving rise to these claims, the Defendants at all relevant times acted with malice, intent, and knowledge and in reckless disregard of the rights of the Plaintiffs.

87. At all relevant times, the enterprises as defined herein were engaged in interstate commerce in various states.

88. As set forth hereinabove, the Defendants at all relevant times in connection with the activities giving rise to these claims, conspired with each other and with others unknown to engage in the various activities set forth herein and aided and abetted one another in these activities, all in violation of the statutes set forth herein, and

specifically 18 U.S.C. § 2, and conspired to do so in violation of 18 U.S.C. § 1962(d).

89. In addition to these unknown, known individuals not named as Defendants, including Elvira Luebke, Carlton Elliott, and others, conspired with the Defendants as alleged herein.
90. Each of the Defendants agreed to the operation of the conspiracies to deprive, corrupt, cheat, steal, and convert the property and money of the Plaintiffs.
91. As set forth hereinabove, at all relevant times, and in furtherance of and for the purpose of executing the Scheme to Defraud and schemes to deprive, corrupt, cheat, steal, and convert the money or property of the Plaintiffs, the Defendants on numerous occasions used the mails and wire communications in connection with and in furtherance of the Scheme constitutes the offense of mail fraud in violation of 18 U.S.C. §§ 2 and 1341 and the offense of wire fraud in violation of 18 U.S.C. §§ 2 and 1343.
92. As set forth hereinabove, at all relevant times, the Defendants on numerous occasions transported and caused to be transported persons or property or money in excess of \$5,000, knowing the same to have been stolen and converted or obtained by fraud or misrepresentation, and each such transportation constitutes the offense of transportation of persons or stolen or converted monies, all in violation of 18 U.S.C. §§ 2 and 2314.
93. As set forth hereinabove, at all relevant times, the Defendants corruptly persuaded and caused individuals, including Elvira Lubke (to coerce or threaten the

Plaintiffs) and Carlton Elliott (to produce false and misleading documents) in violation of various federal and state statutes.

X. CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

(Violation of § 1962(a))

94. The Plaintiffs re-allege the preceding paragraphs.
95. Each Defendant is a person under 18 U.S.C. §§ 1961(1) and 1962(c).
96. The Temporary Staffing Enterprise is an "enterprise" within the meaning of 18 U.S.C. §§ 1961(4) and 1962(c), which enterprise was engaged in activities affecting interstate commerce at all times relevant to this Complaint.
97. Each Defendant has received income resulting from a pattern of racketeering activity in which such Defendant has participated as a principal to use or invest any part of such income, or the proceeds from this income, in the acquisition in, or the establishment and operation of, an enterprise which is engaged in, or whose activities affect, interstate or foreign commerce.
98. Each Defendant was associated with the enterprise within the meaning of 18 U.S.C. § 1962(d) and conspired to violate 18 U.S.C. § 1962(a), that is, the Defendants conspired to conduct or participate, directly, or indirectly, in the conduct of the affairs of that enterprise in relationship to the Plaintiff through a pattern of unlawful activity within the meaning of 18 U.S.C. §§ 1961(1)(B), 1961(5), and 1962(c), to wit: multiple, repeated, and continuous instances of mail fraud in violation of 18 U.S.C. §§ 2 and 1341; multiple, repeated, and continuous instances of wire fraud in violation of 18 U.S.C. §§ 2 and 1343; multiple,

repeated, and continuous instances of interstate transportation of persons, or property or money stolen, obtained by fraud or converted in violation of 18 U.S.C. §§ 2 and 2314; multiple, repeated, and continuous instances of extortion by threats of coercion in violation of the Hobbs Act, 18 U.S.C. § 1951 in interference with commerce of labor and services, and South Carolina Code § 16-17-640 (blackmail and other offenses against public policy); and upon information and relief, money laundering in violation of 18 U.S.C. § 1956.

99. The Plaintiffs were injured within the meaning of 18 U.S.C. § 1964(c) by reason of the commission of the unlawful activities within the meaning of 18 U.S.C. § 1961(1)(B) that were overt acts in violation of 18 U.S.C. § 1962(d) committed by the Defendants.

SECOND CLAIM FOR RELIEF

(Conspiracy in Violation of § 1962(d) to Violate § 1962(a))

100. The Plaintiffs re-allege the preceding paragraphs, including the allegations set forth in the First Claim for Relief.

101. Each Defendant is a person under 18 U.S.C. §§ 1961(1) and 1962(c).

102. The Temporary Staffing Enterprise is an “enterprise” within the meaning of 18 U.S.C. §§ 1961(4) and 1962(c), which enterprise was engaged in activities affecting interstate commerce at all times relevant to this Complaint.

103. Defendants conspired to receive income in violation of 18 U.S.C. § 1962(a).

104. Each of the Defendants conspired within the meaning of 18 U.S.C. § 1962(d) to violate 18 U.S.C. § 1962(a), that is, the Defendants conspired to receive income and/or reinvest this income from a pattern of racketeering activity through

participation in an enterprise related to the Plaintiffs that affected interstate or foreign commerce within the meaning of 18 U.S.C. §§ 1961(1)(B), 1961(5); and 1962(c), to wit: multiple, repeated, and continuous instances of mail fraud in violation of 18 U.S.C. §§ 2 and 1341; multiple, repeated, and continuous instances of wire fraud in violation of 18 U.S.C. §§ 2 and 1343; multiple, repeated, and continuous instances of interstate transportation of persons, or property or money stolen, obtained by fraud or converted in violation of 18 U.S.C. §§ 2 and 2314; multiple, repeated, and continuous instances of extortion by threats of coercion in violation of the Hobbs Act, 18 U.S.C. § 1951 in interference with commerce of labor and services, and South Carolina Code § 16-17-640 (blackmail and other offenses against public policy); and upon information and relief, money laundering in violation of 18 U.S.C. § 1956.

105. The Plaintiffs were injured within the meaning of 18 U.S.C. § 1964(c) by reason of the commission of the unlawful activities within the meaning of 18 U.S.C. § 1961(1)(B) that were overt acts in violation of 18 U.S.C. § 1962(d) committed by the Defendants.

THIRD CLAIM FOR RELIEF

(Violation of § 1962(c))

106. The Plaintiffs reallege the preceding paragraphs.

107. Each Defendant is a person under 18 U.S.C. §§ 1961(1) and 1962(c).

108. The Temporary Staffing Enterprise is an “enterprise” within the meaning of 18 U.S.C. §§ 1961(4) and 1962(c), which enterprise was engaged in activities affecting interstate commerce at all times relevant to this Complaint.

109. Each of the Defendants was associated with the enterprise and acquired or maintained an interest, through a pattern of racketeering, in the enterprise, whose activities affected interstate or foreign commerce, which harmed Plaintiffs through a pattern of unlawful activity within the meaning of 18 U.S.C.

1961(1)(B), 1961(5), and 1962(c), to wit: multiple, repeated, and continuous instances of mail fraud in violation of 18 U.S.C. 2 and 1341; multiple, repeated, and continuous instances of wire fraud in violation of 18 U.S.C. §§ 2 and 1343; multiple, repeated, and continuous instances of interstate transportation of persons, or property or money stolen, obtained by fraud or converted in violation of 18 U.S.C. §§ 2 and 2314; multiple, repeated, and continuous instances of extortion by threats of coercion in violation of the Hobbs Act, 18 U.S.C. § 1951 in interference with commerce of labor and services, and South Carolina Code § 16-17-640 (blackmail and other offenses against public policy); and upon information and relief, money laundering in violation of 18 U.S.C. § 1956.

110. The Plaintiffs were injured within the meaning of 18 U.S.C. § 1964(c) by reason of the commission of the unlawful activities within the meaning of 18 U.S.C. § 1961(1)(B) that were overt acts in violation of 18 U.S.C. § 1962(d) committed by the Defendants.

FOURTH CLAIM FOR RELIEF

(Conspiracy in Violation of § 1962(d) to Violate § 1962(c))

111. The Plaintiffs re-allege the preceding paragraphs, including the allegations set forth in the Third Claim for Relief.

112. Each Defendant is a person under 18 U.S.C. §§ 1961(1) and 1962(c).

113. The Temporary Staffing Enterprise is an "enterprise" within the meaning of 18 U.S.C. §§ 1961(4) and 1962(c), which enterprise was engaged in activities affecting interstate commerce at all times relevant to this Complaint.

114. Defendants conspired to receive income in violation of 18 U.S.C. § 1962(a).

115. Each of the Defendants was associated with the enterprise and conspired within the meaning of 18 U.S.C. § 1962(d) to violate 18 U.S.C. § 1962(c), that is, the Defendants conspired to conduct or participate, directly, or indirectly, in the conduct of the affairs of that enterprise in relationship to the Plaintiff through a pattern of unlawful activity within the meaning of 18 U.S.C. §§ 1961(1)(B), 1961(5), and 1962(c), to wit: multiple, repeated, and continuous instances of mail fraud in violation of 18 U.S.C. §§ 2 and 1341; multiple, repeated, and continuous instances of wire fraud in violation of 18 U.S.C. §§ 2 and 1343; multiple, repeated, and continuous instances of interstate transportation of persons, or property or money stolen, obtained by fraud or converted in violation of 18 U.S.C. §§ 2 and 2314; multiple, repeated, and continuous instances of extortion by threats of coercion in violation of the Hobbs Act, 18 U.S.C. § 1951 in interference with commerce of labor and services, and South Carolina Code § 16-17-640 (blackmail and other offenses against public policy); and upon information and relief, money laundering in violation of 18 U.S.C. § 1956.

116. The Plaintiffs were injured within the meaning of 18 U.S.C. § 1964(c) by reason of the commission of the unlawful activities within the meaning of 18 U.S.C. § 1961(1)(B) that were overt acts in violation of 18 U.S.C. § 1962(d) committed by the Defendants.

FIFTH CLAIM FOR RELIEF

(Violations of the Fair Labor Standards Act)

117. The Plaintiffs re-allege each of the preceding allegations.
118. The Fair Labor Standards Act (FLSA), 29 U.S.C. § 207 et seq., provides a cause of action to recover overtime wages not paid.
119. Defendants' bad faith conduct as described herein entitles Plaintiffs to an additional equal amount of lost wages in liquidated damages, attorney's fees, and costs.
120. Plaintiffs satisfy standing requirements insofar as they have handled or otherwise worked on goods or materials that have been moved in interstate commerce and whose gross sales volume exceeds \$500,000.

SIXTH CLAIM FOR RELIEF

(Violations of the Payment of Wages Act)

121. The Plaintiffs re-allege each of the preceding allegations.
122. The Payment of Wages Act, S.C. Code Ann. §§ 41-10-10 to -110, provides that an employer shall not withhold or divert any portion of an employee's wages unless the employer is required or permitted to do so by state or federal law or the employer has given written notification to the employee of the amount and terms of the deductions.
123. As detailed herein, Defendants have unlawfully withheld wages without legal justification.

124. As a result of Defendants' statutory violations, Plaintiffs and Class Members are entitled to treble damages in the amount of three times the full amount of the unpaid wages, plus costs and reasonable attorney's fees.

SEVENTH CLAIM FOR RELIEF

(Breach of Contract)

125. The Plaintiffs re-allege each of the preceding allegations.

126. The Defendants and their agents, by their acts and omissions, described herein breached their contractual obligations, which were owed to the Plaintiffs and Class Members, including but not limited to failing to pay Plaintiffs and Class Members their wages and/or overtime earned in exchange for services provided.

127. Plaintiffs and Class Members have been damaged by Defendants breach of contract, and Defendant, and its agents, have illegally profited from this breach.

128. Plaintiffs and Class Members are entitled to actual damages as a result of this breach.

EIGHTH CLAIM FOR RELIEF

(Unjust Enrichment, Restitution, and Disgorgement of Illegal Profits)

129. The Plaintiffs re-allege each of the preceding allegations.

130. The Defendants, and their agents, have been unjustly enriched by reaping the benefits of their deception by failing to pay wages and/or overtime earned.

131. Based upon the practices alleged hereinabove, the Defendants intended to and did fail to account for and pay wages and/or overtime to Plaintiffs and Class Members in exchange for services they provided.

132. The Defendants intended to retain, and did retain, monies not paid to Plaintiffs and Class Members for work they provided to the detriment of the Plaintiffs and Class Members.

133. The Defendants manipulated their internal wage accounting process for its benefit and to the detriment of the Plaintiffs and Class Members.

134. The Defendants have therefore been unjustly enriched. The Plaintiffs and Class Members are entitled to appropriate equitable relief to recover the amounts by which the Defendants have been unjustly enriched as a result of said conduct, together with pre-judgment interest, along with disgorgement or all profits and ill gotten gains thus obtained.

NINTH CLAIM FOR RELIEF

(Civil Conspiracy)

135. The Plaintiffs re-allege each of the preceding allegations.

136. Defendants, in concert with their agents in South Carolina, did purposely harm and injure the Plaintiffs and Class Members.

137. Individual and Corporate Defendants acted together as agents for the other, individually and in concert to the detriment of Plaintiffs and Class Members.

138. Defendants and their agents, with full knowledge of the prohibitions against their practices in the State of South Carolina, and despite that knowledge, continued their illegal practices to the detriment of the Plaintiffs and Class Members.

139. Defendants, and their agents in South Carolina, sought to damage Plaintiffs and the Class Members by failing to pay money for work that was performed on Defendants' behalf.

140. That Defendants, and their agents in South Carolina, caused the Plaintiffs and Class Members special damages as a result of their civil conspiracy for failing to pay for services performed on Defendants' behalf.

141. That Plaintiffs and Class Members have suffered damages as a result of the civil conspiracy of Defendants and their agents, and are entitled to receive actual and punitive damages, together with costs.

TENTH CLAIM FOR RELIEF

(Accounting)

142. Plaintiffs re-allege each of the preceding allegations.

143. Plaintiffs request this Court require the Defendants to provide an accounting for all sums they illegally and improperly retained from the Plaintiffs and Class Members out of the practices alleged herein, and to determine all wages and benefits the Plaintiffs would have been entitled to receive had the Defendants' conduct been lawful, and to determine which Defendants, named or unnamed, may be responsible.

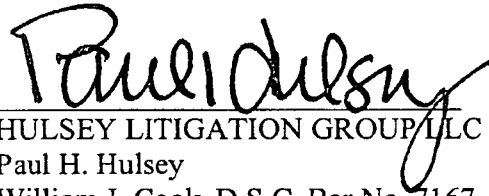
XI. DEMAND FOR JURY TRIAL

144. Plaintiffs demand a trial by jury on behalf of themselves and the Class Members.

XII. PRAYER FOR RELIEF

WHEREFORE, the Plaintiffs, on behalf of themselves and the Class Members, pray for judgment, jointly and severally, against the Defendants, as follows:

- a. Awarding the Plaintiffs and Class Members actual damages, punitive damages, and pre-judgment interest as a result of the wrongful conduct complained of herein;
- b. Awarding injunctive relief prohibiting Defendant from continuing to engage in the illegal practices described herein;
- c. Awarding the Plaintiff and Class Members their costs and expenses in this litigation, including reasonable attorneys' fees and expert fees;
- d. Requiring the Defendants to provide an accounting to the Plaintiffs and to disgorge all profits illegally obtained and for which they were unjustly enriched and to provide a mechanism for identifying and notifying all Class Members similarly situated and a mechanism for the fair and equitable distribution of damages to the Class;
- e. Awarding the Plaintiff and Class Members such other and further relief as may be just and proper.



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ATTORNEYS FOR THE PLAINTIFFS

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

PAGE LINE DESIGNATIONS FROM
THE DEPOSITION OF PAUL H. HULSEY
TAKEN SEPTEMBER 24, 2014

The Plaintiff, Lawton Limehouse, Sr., hereby designates the following excerpts from the deposition of Paul H. Hulsey taken on September 24, 2014 to be used in the Plaintiff's case in chief.

P.4, L20-21

P.8, L.9-15

Page 9, 10, 11, 12 and 13

P.14, L16 to P.15, L.14

P.16, L.3 to P.17, L.11

P.40, L.4-13

P.42, L.15 to P.43, L.16

P.44, L.4-13 and P.44, L.23 to P.45, L.2

P.46, L.5-23

P.56,L.4 to P.57, L.9

P.60, L.24 to P.62, L.3

P.62, L.12 to P.63, L.1

P.104, L.9-19

P.118, L.23 to P.121, L.25

P.127, L.8-12

P.137, L.25 to P.138, L.3

P.138, L.23 to P.139, L.18

P.141, L.4-8

P.141, L.17 to P.142, L.4

P.142, L.15-24

P.144, L.1-22

P.147, L.12-25

CISA & DODDS, LLP



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This 22nd 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.)

CERTIFICATE OF MAILING

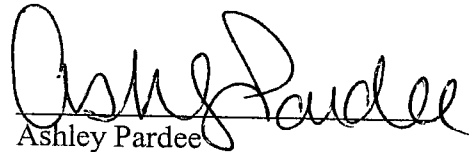
PAUL H. HULSEY and THE)
HULSEY LITIGATION GROUP,)
LLC)
Defendants.)

I, Ashley Pardee, Legal Assistant to Frank M. Cisa, hereby certify that on the 22nd day of March, 2015, I electronically mailed, the Page Line Designation from the Deposition of Paul H. Hulsey in the above-captioned action, to:

Cdurand@hulseylawgroup.com

James.hood@hoodlaw.com

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Ashley Pardee

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STATE OF SOUTH CAROLINA
IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON

LAWTON LIMEHOUSE, SR.,
Plaintiff,
vs. CASE NO. 06-CP-10-1577
PAUL H. HULSEY and
THE HULSEY LITIGATION GROUP, LLC,
Defendants.

DEPOSITION OF: PAUL H. HULSEY
DATE: September 24, 2014
TIME: 10:01 AM
LOCATION: Law Offices of
Cisa & Dodds, LLP
858 Lowcountry Boulevard
Mount Pleasant, SC
TAKEN BY: Counsel for the Plaintiff
REPORTED BY: TERRI L. BRUSSEAU, RPR, CRR

A. WILLIAM ROBERTS, JR., & ASSOCIATES
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Page 2

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ALSO PRESENT:
Lawton Limehouse, Sr.
(INDEX AT REAR OF TRANSCRIPT)

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1 question.
2 A. Sure will.
3 Q. Okay. There's a couple of -- there's a
4 couple of rules I need to tell you about. If you
5 have any question about any words or you need
6 clarification about my question, you're required
7 under the rules to direct your question to me, not
8 to your attorney. We can take a break at any time
9 you want -- need to take a break, just let me know,
10 but during periods of breaks you are not allowed to
11 discuss your deposition testimony with your
12 attorney or with anyone else.
13 I'm going to ask you a question that I
14 ask everybody so don't take offense to it. Are you
15 under the influence of any drugs, alcohol,
16 prescriptive medication that would either affect
17 your ability to understand my questions or give
18 truthful answers?
19 A. No.
20 Q. Okay. You feel okay today?
21 A. Sure.
22 Q. Okay, good. Mr. Hulsey, where do you
23 currently reside?
24 A. I currently reside on the Isle of
25 Palms.

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1 STIPULATION
2 It is stipulated by and among Counsel
3 that this deposition is being taken in accordance
4 with the South Carolina Rules of Civil Procedure,
5 Rule 30; that all objections as to Notice of this
6 deposition are hereby waived; that all objections
7 except as to form are reserved until the time of
8 trial; and that the deponent does not waive reading
9 and signing of this deposition.
10 * * * * *
11 PAUL H. HULSEY
12 being first duly sworn, testified as follows:
13 EXAMINATION
14 BY MR. CISA:
15 Q. Mr. Hulsey, my name is Frank Cisa. I
16 represent Lawton Limehouse, Sr. in a lawsuit that's
17 been filed against you and your law firm, Hulsey
18 Litigation Group, LLC, in the Court of Common Pleas
19 for Charleston County. The reason I've asked you
20 to come here today is to ask you some questions
21 about the lawsuit so I can figure out what your
22 position is and what you acknowledge, that type of
23 thing. During the course of the deposition if I
24 ask you a question which you do not understand,
25 just let me know. I'll try to rephrase the

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1 Q. What's your address?
2 A. 61 Ocean Point.
3 Q. Is that on the front beach of the Isle
4 of Palms?
5 A. It's on the golf course.
6 Q. Okay. What fairway?
7 A. 17.
8 Q. All right. It's on the fairway. Does
9 it overlook the fairway and the ocean?
10 A. Yes.
11 Q. How long have you lived there?
12 A. Since about '94, I think.
13 Q. Okay. And who do you live there with?
14 A. Belinda Hulsey.
15 Q. And is that your wife?
16 A. Yep.
17 Q. How old are you?
18 A. I am 63.
19 Q. What's your date of birth?
20 A. 12/31/50.
21 Q. Where were you born?
22 A. I was born in Colorado Springs,
23 Colorado.
24 Q. When were you married to Belinda
25 Hulsey?

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1 A. In August of 1971.
2 **Q. You remember the date in August?**
3 A. 20th.
4 **Q. And you're still married to**
5 **Miss Hulsey --**
6 A. Yep.
7 **Q. -- correct?**
8 A. Yes, sir.
9 **Q. Okay. You have any children?**
10 A. I have two. The oldest is Brett,
11 B-R-E-T-T. He's -- was born in 1978 and Blaine,
12 B-L-A-I-N-E. He was born in 1985.
13 **Q. All right. What -- where is Brett**
14 **located now, where is he living?**
15 A. Brett works in my office with me.
16 **Q. Is he an attorney?**
17 A. No, he's an IT person.
18 **Q. Okay.**
19 A. The youngest, Blaine, goes to the
20 culinary school here, Trident.
21 **Q. And where does Blaine live?**
22 A. He lives in Mount Pleasant.
23 **Q. What is your educational background? I**
24 **know you graduated from high school. I know you're**
25 **an attorney.**

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1 A. I went to high school, then I went
2 to --
3 **Q. Where did you go to high school?**
4 A. Southwest High School in Kansas City,
5 Missouri.
6 **Q. What year did you graduate?**
7 A. 1969. Graduated from college in 1973.
8 **Q. Where did you go to college?**
9 A. Kansas Wesleyan.
10 **Q. Where is that located?**
11 A. Salina, Kansas.
12 **Q. How many years were you in college?**
13 A. Four.
14 **Q. Who paid for your college education?**
15 A. I did.
16 **Q. Okay. How did you pay for your college**
17 **education?**
18 A. I worked.
19 **Q. You worked?**
20 A. I worked a job.
21 **Q. Okay. Where did you work?**
22 A. I don't know, I worked everything I
23 could get. I washed the athletic laundry for the
24 athletic department. I worked various construction
25 projects. I worked in the library for awhile. I'm

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1 sure there were other things, I just can't recall
2 right now.
3 **Q. Okay. What degree did you get from**
4 **Kansas Wesleyan?**
5 A. Bachelor of Arts.
6 **Q. All right. And you graduated from**
7 **college in 1973, correct?**
8 A. That's right.
9 **Q. All right. And then where -- what did**
10 **you do after college?**
11 A. I went to Washburn law school in
12 Topeka, Kansas.
13 **Q. And when did you graduate from law**
14 **school?**
15 A. 1976.
16 **Q. Who paid for your law school education?**
17 A. I did.
18 **Q. Okay. And how did you pay for your law**
19 **school education?**
20 A. I worked while I was in law school. I
21 worked various law clerks jobs and I drove a truck
22 for a trucking company and I did some construction
23 work.
24 **Q. Any other education after law school,**
25 **any formal education?**

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1 A. No.
2 **Q. All right. So you got out of law**
3 **school in 1976, is that correct?**
4 A. That's right.
5 **Q. All right. And can you describe or**
6 **trace your employment history since 1976? Just**
7 **take your time.**
8 A. I was an associate for two years from
9 '76 to '78 in a firm in Topeka that was named
10 Eidson, Lewis, Porter & Haynes. That's
11 E-I-D-S-O-N.
12 **Q. Okay. You were an associate?**
13 A. I was.
14 **Q. What type of work were you doing?**
15 A. I was doing railroad defense work and
16 insurance litigation, mostly defense work.
17 **Q. Okay. Did you leave that firm in 1978?**
18 A. Yes. I went to -- in 1978 I went to a
19 firm called Fisher, Ochs, O-C-H-S, & Heck,
20 H-E-C-H-T (sic).
21 **Q. All right. Why did you leave the --**
22 **the other firm in '78?**
23 A. I got an offer. They needed someone
24 who could try cases. They made me a good offer.
25 **Q. Okay. And you said the name of the**

1 firm was?
2 A. Fisher, Ochs & Heck.
3 **Q. And how long were you with Fisher, Ochs**
4 **& Heck?**
5 A. I was there for, let's see, about two
6 years and then I was given a partnership offer in a
7 firm called Schroer & Rice, S-C-H-R-O-E-R.
8 **Q. Schroer &?**
9 A. Rice, R-I-C-E.
10 **Q. All right. So you would have been --**
11 **you would have taken a partnership position at**
12 **Schroer & Rice in probably 1980?**
13 A. Yes.
14 **Q. All right. And how long were you --**
15 **were you with Schroer & Rice?**
16 A. I was there till 1986.
17 **Q. All right. What type of work were you**
18 **doing at Schroer & Rice?**
19 A. Civil litigation, plaintiffs only.
20 **Q. Where was Schroer & Rice located?**
21 A. They were in Topeka.
22 **Q. All right. After you left Schroer &**
23 **Rice, where did you go?**
24 A. I came out here.
25 **Q. All right. When you say out here,**

1 where do you mean?
2 A. To the -- Blatt & -- the firm at the
3 time was called Blatt & Fales, had an office in
4 Barnwell and an office in Charleston.
5 **Q. All right. That would have been in**
6 **1986?**
7 A. 1986.
8 **Q. All right. And where were you living**
9 **at that time?**
10 A. West Ashley briefly and then Mount
11 Pleasant.
12 **Q. How long did you work for Blatt &**
13 **Fales?**
14 A. The firm's name changed over the years
15 but I was there till about ten years ago.
16 **Q. Do you recall -- I know that the firm**
17 **name has changed but do you recall the name**
18 **changes?**
19 A. I'll give a try at it.
20 **Q. Yep.**
21 A. From Blatt & Fales it went to -- the
22 way in which the guys' names were listed changed
23 so, let's see, I think it was Richardson,
24 Loadholt -- Motley Richardson Loadholt Weeks &
25 Poole (sic) is the best I can do.

1 **Q. That's pretty good.**
2 A. That was right after Blatt & Fales.
3 After Mr. Blatt died and they decided to change the
4 name of the firm I believe that's the way it went.
5 I might have one of the guys out of order.
6 **Q. Okay. Do you recall how long the firm**
7 **had that name or what period of time?**
8 A. No. I think I can give you the names
9 but -- but -- but I don't -- I don't know the --
10 the various years involved.
11 **Q. Okay.**
12 A. And then it at some point went to -- a
13 couple of the guys dropped out. I'm not sure what
14 it was in the middle and then we were Ness --
15 Judge Ness joined us so then we were Ness Motley
16 Richardson Loadholt & Poole for awhile.
17 **Q. Okay.**
18 A. Then we were Ness Motley and then we
19 were Motley Rice.
20 **Q. Okay.**
21 A. There might be somebody in the middle
22 but --
23 **Q. I understand.**
24 A. -- that's as close as I can get.
25 **Q. Do you recall the year that -- I guess**

1 **when you left this -- this firm that started out as**
2 **Blatt & Fales and evolved into Motley Rice I guess**
3 **at the end, do you recall when you left Motley**
4 **Rice?**
5 A. I left them after there was a division
6 in the firm. Half the firm split off into Terry
7 Richardson's firm. I'm not sure exactly what they
8 call that. Richardson Westbrook Brickman & Patrick
9 (sic) I think they call that.
10 **Q. Um-hum.**
11 A. I left sometime after that.
12 **Q. Do you recall what year that was?**
13 A. That was probably 2002 or '3. I'm
14 going to -- I can be off by a year or so.
15 **Q. Why did you leave the firm?**
16 A. I left the firm basically to -- to have
17 my own firm. I had a significant list of clients
18 and -- and it was peaceful leaving. I just decided
19 I wanted to have my own firm. I was at the point
20 where I was the third guy in the firm and I just
21 didn't want to be in a big firm.
22 **Q. During the time that you worked for**
23 **Blatt & Fales evolving into Motley Rice, what type**
24 **of work did you actually do?**
25 A. I did asbestos litigation, trial work

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1 mainly. I did handle other products liability
2 cases. I had a few plane crashes and I handled
3 some racketeering cases and a couple car accidents.
4 **Q. Did you handle any class action**
5 **litigation?**
6 A. Oh, yeah.
7 **Q. What -- what type of class action**
8 **litigation?**
9 A. Asbestos litigation, racketeering, a
10 couple racketeering class actions, some products
11 class actions I can't recall. We had so much
12 business it's -- I think there was a Ford/Firestone
13 class action, I think there was a couple medical
14 products class actions, I just can't recall them
15 all now.
16 **Q. Are you currently employed?**
17 A. I have a -- a corporation that I
18 presently work on -- work for.
19 **Q. Okay. What's the name of that**
20 **corporation?**
21 A. Hulsey Law Group.
22 **Q. Is that a corporate entity?**
23 A. Yes.
24 **Q. What is it, what --**
25 A. It's an LLC.

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1 **Q. LLC?**
2 A. Yeah.
3 **Q. Do you recall when you formed Hulsey**
4 **Law Group?**
5 A. About ten years ago. The name changed
6 from Hulsey Litigation Group to Hulsey Law Group
7 but it was simply a name change.
8 **Q. Okay. Who owns a membership interest**
9 **in Hulsey Law Group?**
10 A. I do.
11 **Q. Is that you a hundred percent?**
12 A. Yeah.
13 **Q. And you always have?**
14 A. Yeah.
15 **Q. Okay. Over the past ten years what**
16 **type of work did Hulsey Law Group do?**
17 A. I would say -- let's see. General
18 litigation is what we did from -- from the
19 plaintiff side.
20 **Q. Okay. What type of litigation?**
21 A. Some asbestos litigation, some
22 insurance fraud litigation. Let's see. I had some
23 individual cases, a girl that was highjacked at a
24 shopping center, airplane litiga -- aircraft
25 litigation, airplane crashes, couple of those. I'm

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1 sure there was a lot of others, I just can't recall
2 them all.
3 **Q. Okay. Did you handle any class action**
4 **litigation with the Hulsey Litigation Group?**
5 A. Yes, I think so. -- I think we had a
6 healthcare fraud class action and I think there was
7 another one, I just can't recall what it is -- was.
8 **Q. The healthcare fraud class action, was**
9 **that a case that was tried?**
10 A. No, it was resolved.
11 **Q. It was settled?**
12 A. Yeah.
13 **Q. How big a class was it?**
14 A. Oh, I don't -- I don't recall.
15 **Q. All right.**
16 A. Several thousand.
17 **Q. Where -- where -- in what venue was the**
18 **action --**
19 A. In Puerto Rico.
20 **Q. Puerto Rico?**
21 A. United States District Court.
22 **Q. When you do class action litigation,**
23 **how are you paid, are you paid out of the class**
24 **settlement?**
25 A. The court usually approves the fees.

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1 **Q. Okay. So you would apply to the**
2 **court --**
3 A. Yes.
4 **Q. -- for fees --**
5 A. Yes.
6 **Q. -- based upon the result, I guess?**
7 A. A lot of factors but that's one of
8 them.
9 **Q. Okay. I guess it's -- one factor is**
10 **result, one factor is time spent?**
11 A. Yeah, there's a lot of factors.
12 **Q. There's a lot of factors?**
13 A. A lot of factors, right.
14 **Q. Okay. So, for instance, in the Puerto**
15 **Rican litigation that involved the healthcare fraud**
16 **class action suit, was a fee generated in that one?**
17 A. No, no, huh-uh.
18 **Q. Why was there no fee generated?**
19 A. I don't recall. There was a
20 technicality. We worked it out with the insurance
21 industry and allowed the individuals to have their
22 own cases if they wanted them.
23 **Q. Okay. So you started out as a class**
24 **action but then it evolved into separate lawsuits?**
25 A. I think so, yeah, yeah. I was just

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1 called in to -- to handle the -- the trial work if
2 it went to trial, I didn't handle the individual
3 clients.

4 **Q. Okay. All right. When is the last**
5 **time you actually tried a case?**

6 A. I tried -- I tried a racketeering --
7 well, I set -- two of them. I settled a -- a class
8 action in United States District Court in Puerto
9 Rico in about 1992 where we applied to the court
10 for -- for fees and then I tried a racketeering
11 case in Puerto Rico in about '96 where we got a --
12 got a verdict.

13 **Q. All right. So have you tried any cases**
14 **since 1996?**

15 A. Any class actions?

16 **Q. Yes.**

17 A. No.

18 **Q. Okay. In 19 -- and what kind of case**
19 **was it in 1996 which you tried?**

20 A. It was a -- a racketeering case against
21 Volvo Motor Companies from Sweden.

22 **Q. It involved some -- did it involve a**
23 **products --**

24 A. A local dealer -- a local dealer and
25 his relationship with the national company.

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1 A. A class action, the last time I
2 tried --

3 **Q. Or any case.**

4 A. Any case?

5 **Q. Yes, sir.**

6 A. I tried the carbide case in about 2004.
7 That was a consolidation of 10,000 cases in West
8 Virginia, it was an asbestos case. They didn't
9 call it a class action, they called it a
10 consolidation.

11 **Q. Okay. Have you tried any cases since**
12 **2004?**

13 A. Yes, I tried -- well, to verdict, no.
14 They tried to settle but they haven't -- they were
15 settled somewhere in the trial process.

16 **Q. Okay. Were you involved at all with**
17 **the tobacco litigation at Motley Rice?**

18 A. Yeah, I was.

19 **Q. Okay. What was your involvement with**
20 **the tobacco litigation?**

21 A. I had various litigation
22 responsibilities on depositions. I developed with
23 Professor Blakey the RICO theory first used in
24 Florida to keep the case in court and then we
25 applied that -- my responsibility was to take that

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1 **Q. Okay. Did you apply for fees in that**
2 **case?**

3 A. We -- let me see. It went up on appeal
4 and it was reversed and we went back and settled it
5 and we applied for fees and we got a third of the
6 settlement. I don't recall what -- the verdict was
7 like 124 million dollars. When we settled it
8 again, I don't recall what the number was. It was
9 less than that but the court gave us a third of the
10 fees.

11 **Q. Okay. And is that typical in a class**
12 **action suit?**

13 A. I'm -- I wouldn't say anything typical.
14 Again, there's like 14 factors you can look at.

15 **Q. Is there a range of fees generally?**

16 A. Yeah. The broad answer to your
17 question is yes, but again, it depends on so many
18 things. If you settle the cases the day after you
19 file then I guess there would be a wide range of
20 fees.

21 **Q. Okay.**

22 A. You know, the court might give you your
23 court costs and a couple hours work.

24 **Q. Back to my original question. When is**
25 **the last time you actually tried a case?**

1 and apply it to the Puerto Rico US District Court
2 litigation, which was a Federal Court. So my
3 involvement basically was -- initially was working
4 up the RICO case and then we got some -- some cases
5 that involved medical monitoring and I tried the
6 first tobacco medical monitoring case in West
7 Virginia.

8 **Q. Was the tobacco litigation a class**
9 **action suit?**

10 A. No, it was -- it was by each individual
11 state against the industry. I do not believe it
12 was ever certified as a class.

13 **Q. Okay.**

14 A. I didn't do the legal work on it other
15 than the RICO so I'm not sure.

16 **Q. Okay. Who handled the -- who was the**
17 **lead attorney with Motley Rice that handled the**
18 **tobacco litigation?**

19 A. Ron Motley was the lead on that. There
20 was probably 30 people working on it.

21 **Q. And you said you had a medical**
22 **monitoring case.**

23 A. Um-hum, yes.

24 **Q. Was that a class action case?**

25 A. Yes.

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1 **Q. Okay.**
2 A. For the -- all the former -- all the I
3 think nonsmokers and some former smokers in -- in
4 West Virginia against the industry. It was a class
5 action.
6 **Q. Did that get settled?**
7 A. We got in the middle of it and there
8 was a mistrial.
9 **Q. Okay.**
10 A. And then I did -- it was tried again
11 but I didn't try it.
12 **Q. All right. Do you know what the result**
13 **was?**
14 A. I'm not sure what happened the second
15 time. I was gone from the firm by the time they
16 tried it again.
17 **Q. When you left Motley Rice, I know that**
18 **there was some type of income stream coming into**
19 **you because I've seen your financial statement. Do**
20 **you have an income stream coming in from Motley**
21 **Rice?**
22 A. I have -- I have -- yeah, I have a --
23 the way in which we looked at it, it was wages for
24 work done so I have -- I'm still being paid for the
25 work done, yeah.

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1 **Q. Okay. Wages for work done on what**
2 **case?**
3 A. On the tobacco litigation. We worked
4 on it for about ten years.
5 **Q. Okay. And that's the litigation where**
6 **you helped with the theories concerning RICO**
7 **violations --**
8 A. Yeah. I mean, I did a lot of other
9 things but I'm trying to give you generally what I
10 did.
11 **Q. Yeah, I understand.**
12 A. You'd get called to do a deposition or
13 you'd get called to go do a hearing or something
14 like that. My primary job wasn't tobacco, though,
15 it was asbestos litigation.
16 **Q. How did you determine what percentage**
17 **of that income stream you would receive, how was**
18 **that done?**
19 A. I don't know how that was done. It was
20 complicated negotiations over about six months.
21 **Q. Okay. Were you involved in the**
22 **negotiations?**
23 A. No. No.
24 **Q. Why weren't you involved?**
25 A. I just wasn't involved, it wasn't my

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1 job.
2 **Q. Okay. The -- did you end up with a**
3 **percentage of that income stream from the tobacco**
4 **litigation?**
5 A. I think we worked out -- I think it's
6 worked out to a percentage, yeah.
7 **Q. Do you recall what percentage you got?**
8 A. No, I don't.
9 **Q. Okay. Do you recall what the total**
10 **fees were generated from the tobacco litigation?**
11 A. I don't think there is a total because
12 it's based on a complicated formula, how the
13 tobacco industry sales go going for -- going forth,
14 whether their sales are reduced by overseas sales.
15 It was a lot of complicated factors.
16 **Q. Okay.**
17 A. So it's not a -- it's not a fixed
18 target.
19 **Q. Is it -- is it your understanding that**
20 **it's -- that the fees are tied to sales**
21 **generated --**
22 A. They're tied to a lot of --
23 **Q. -- by tobacco?**
24 A. They're tied to a lot of things
25 which -- which I only know general things about.

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1 They were tied to the income that the states -- the
2 states -- not income but the damages that -- that
3 the states alleged each one of them had as a result
4 of people who had gotten sick or died of
5 tobacco-related diseases because they had to pay
6 the -- they had to pay the healthcare for that.
7 It was a fairly complicated formula and
8 each state had a formula and a way in which they
9 calculated what their damages were and then the
10 fees were calculated based on mediation -- a
11 mediation panel and I think they looked at the work
12 that was done with each state and they had fee
13 awards and those fee awards I think were
14 percentages of those damages fees. It's fairly
15 complicated. Like I said, I didn't have anything
16 to do with how it ended up being but what it was.
17 **Q. Okay. Do you receive any other**
18 **compensation from Motley Rice other than the**
19 **compensation you're receiving relative to the**
20 **tobacco litigation?**
21 A. No. No.
22 **Q. Okay. And do you recall when that**
23 **compensation began?**
24 A. Probably about 1998, I think. I can be
25 off a little bit.

1 **Q. And how is it paid?**
2 A. It's paid quarterly when they pay it
3 but there are all kinds of factors on whether they
4 do or don't have to and, again, it's fairly
5 complicated.
6 **Q. Okay.**
7 A. But -- but when it works it's paid
8 quarterly.
9 **Q. All right. And who handles the**
10 **payments of those fees or the division of the fees?**
11 A. I think all the calculations are done
12 in the Motley Rice firm.
13 **Q. Do you know who at Motley Rice does it?**
14 A. They had a lead accountant that does
15 that. I can't remember what his name is.
16 **Q. Well, if you had a question about the**
17 **amount of your check, who would you call or have**
18 **you ever had a question?**
19 A. I -- I'd look his name -- I can find
20 his name somewhere but that's who I'd call, the
21 accountant.
22 **Q. Okay. Have you --**
23 A. Yeah.
24 **Q. Have you ever had occasion to do that?**
25 A. No.

1 **Q. All right.**
2 A. Once in awhile there's some tax issues
3 that come up that he answers but I haven't had any
4 questions or questioned what the amount was or why.
5 **Q. Is the income that's paid off the**
6 **tobacco settlement to you, is that ordinary income**
7 **or is it some kind of long-term capital gain**
8 **income?**
9 A. It's income. It's wages.
10 **Q. It's wages?**
11 A. Yeah.
12 **Q. Okay. What is the average amount of**
13 **those wages that you've been receiving a year would**
14 **you say?**
15 A. It fluctuates.
16 **Q. From what to what?**
17 A. I can't tell you.
18 **Q. Well, let's say this year. How much**
19 **have you received this year?**
20 A. I'm not sure. I'm not sure.
21 **Q. Why are you not sure?**
22 A. Because I'm just not sure.
23 **Q. Do you keep a record of it?**
24 A. Sure I do.
25 **Q. What form -- what kind of record?**

1 A. It goes -- it goes directly into my
2 office. They put it in the bank, pay bills with
3 it.
4 **Q. Okay. So the funds you receive from**
5 **the tobacco litigation are paid to the Hulsey**
6 **Litigation Group?**
7 A. No, they're paid to me but I said I
8 put -- I put the money in the -- my bank and then
9 my accountant does whatever they need with it.
10 **Q. Okay. Who is your accountant?**
11 A. It's DeAnna Moss.
12 **Q. DeAnna Moss.**
13 A. Um-hum.
14 **Q. Is that a person or a firm?**
15 A. I think she has another partner but --
16 but DeAnna Moss is a person, yeah.
17 **Q. Okay. And how long has DeAnna Moss**
18 **been your accountant?**
19 A. Five or six years for sure.
20 **Q. Where is her office?**
21 A. I -- I don't know.
22 **Q. Well, is it in Charleston?**
23 A. Oh, yeah, it's -- yeah, it's here, I
24 just don't know the address.
25 **Q. Does DeAnna Moss do financial**

1 **statements for you?**
2 A. I suppose -- I'm sure she does.
3 **Q. When is the last time she'd done a**
4 **financial statement for you?**
5 A. Oh, I don't recall. Probably the first
6 of the year.
7 **Q. Does she do it for you or your firm or**
8 **both?**
9 A. I'm not sure whether I just do one
10 individual one or I do it for the firm. I'm not --
11 I'm not sure. I'm sure I do an individual one.
12 **Q. Do you do one every year, a financial**
13 **statement?**
14 A. Whenever the banks ask for it.
15 **Q. All right.**
16 A. And it's usual -- usually they want to
17 see one once a year.
18 **Q. Have you individually borrowed any**
19 **money recently from a bank?**
20 A. Let's see. I haven't been required to
21 give a financial statement to anybody since the
22 first of the year.
23 **Q. When was the last time you were**
24 **required to give a financial statement to a bank?**
25 A. Probably the first of the year. I

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1 think I do one every year for -- for probably
2 CenCom (sic).
3 **Q. CenCom? How do you spell that?**
4 A. It's C-E-N and then C-O-M (sic).
5 **Q. That's who you do banking business**
6 **with?**
7 A. Yeah. Yes.
8 **Q. Who is your banker?**
9 A. Let's see. Primarily Ned Jervey.
10 **Q. And how long have you been doing**
11 **banking business with Ned Jervey?**
12 A. Oh, probably about eight years.
13 **Q. You had indicated that you had been --**
14 **you formed Hulsey -- it wasn't Hulsey Litigation**
15 **Group initially but it was that entity --**
16 A. Yes.
17 **Q. -- about ten years ago.**
18 A. Right.
19 **Q. When you first formed it, how many --**
20 **how many attorneys were in the office?**
21 A. When I first formed it we had two.
22 **Q. And who were those attorneys?**
23 A. Myself and Ms. Durand.
24 **Q. All right. And that would have been**
25 **around 1994?**

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1 A. About 2004.
2 **Q. I'm sorry, 2004, excuse me.**
3 A. Yeah.
4 **Q. Did you ever hire any additional**
5 **attorneys other than you and Ms. Durand?**
6 A. Yeah, from time to time we had several
7 different ones. We had -- one associate was named
8 Will Cook.
9 **Q. Um-hum.**
10 A. We had, let's see, Abigail -- she's
11 changed her name. I'll think of it for you.
12 **Q. Okay.**
13 A. Let's see. We had Ray Quinones.
14 **Q. Can you spell that last name for the**
15 **Court Reporter?**
16 A. Yeah, Q-U-I-N-O-N-E-S. And Fraser
17 Reid, a couple in there that didn't stay very long.
18 I'll -- I'll think of them while we're going
19 through here.
20 **Q. In 2000 -- well, I guess in 2004, April**
21 **of 2004, how many attorneys did you have with your**
22 **firm, the Hulsey Litigation Group?**
23 A. Probably -- besides Ms. Durand and I,
24 we probably had three more.
25 **Q. How many attorneys do you have working**

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1 **in your -- at your firm, Hulsey Litigation Group,**
2 **today?**
3 A. Just she and I.
4 **Q. And how long has it been just you and**
5 **Ms. Durand?**
6 A. About two years, I think.
7 **Q. Why have you -- why have you cut back**
8 **to only two attorneys?**
9 A. Because we've been very selective in
10 our cases, just have a handful.
11 **Q. How many cases do you currently have in**
12 **the office?**
13 A. Three or four probably.
14 **Q. What type of cases?**
15 A. One is a -- is a lawsuit against a
16 resort. The action happened in Dominican Republic.
17 It was filed in Miami and now they're waiting to
18 see what happens to the action in the Dominican
19 Republic.
20 **Q. Is it a lawsuit that your firm filed?**
21 A. Yes. Yes.
22 **Q. Do you remember the name of the**
23 **defendant?**
24 A. One of them was La Romana Resort.
25 **Q. How do you spell that?**

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1 A. L-A and then R-O-M-A-N-A.
2 **Q. And what law -- what venue is it**
3 **pending in?**
4 A. Well, right now it's in -- it's in the
5 civil court in the Dominican Republic. We're
6 waiting to see what the civil court does with
7 certain legal issues.
8 **Q. Do you maintain an office in the**
9 **Dominican Republic?**
10 A. No. No. We have a co-counsel there.
11 **Q. Okay. What other lawsuits? You said**
12 **three or four.**
13 A. There's a couple that we've just been
14 asked to try the case so they -- I don't know that
15 they're even lawsuits in this office. I can't even
16 recall what they are now but the -- the only active
17 case is the one I just told you about.
18 **Q. Okay. So you've basically got one**
19 **active case, correct?**
20 A. Yes, uh-huh.
21 **Q. As of -- as of today, correct?**
22 A. That's correct.
23 **Q. All right. How many cases did your**
24 **firm handle in 2013, how many cases did you have?**
25 A. I don't -- I don't know. A couple

1 probably.
2 **Q. Do you work full-time as an attorney at**
3 **the present time?**
4 A. Yes. Come in the office every day.
5 **Q. If you -- if you only have one case,**
6 **what do you work on?**
7 A. I work on writing law journal articles,
8 speeches.
9 **Q. Anything else?**
10 A. No. I work on a lot of charitable
11 committees. I use the office for that but I
12 consider that going to work.
13 **Q. Where is your office located?**
14 A. 2 Wharfside 3 in Charleston.
15 **Q. How many square feet is it?**
16 A. Oh, I don't know, 3,000 maybe.
17 **Q. How long have you owned that office?**
18 A. Since about 2000 -- 2004, I think.
19 **Q. Is it currently on the market for sale?**
20 A. Yeah, it's sold.
21 **Q. It sold?**
22 A. Yeah. It will close in October.
23 **Q. What was the sales price?**
24 A. I think about a million one. That's
25 just off the top of my head.

1 **Q. Do you recall who you sold it to?**
2 A. I do not recall the gentleman's name.
3 It's some company.
4 **Q. Did you have it listed for sale with a**
5 **realtor?**
6 A. Yes.
7 **Q. What realtor?**
8 A. Mark Mizell.
9 **Q. Is he with a company?**
10 A. Yes, it's -- I can't think of it. It's
11 a commercial real estate company, I just can't
12 think of the name right now.
13 **Q. Mizell is M-I-Z-E-L-L?**
14 A. Yeah, M-I-Z -- Z-E-L-L, yes.
15 **Q. Two Z's?**
16 A. I think it's only one Z.
17 **MR. HOOD:** It is one Z.
18 **THE WITNESS:** One Z.
19 **BY MR. CISA:**
20 **Q. Do you have a plan about where you're**
21 **going to relocate your office?**
22 A. Yes.
23 **Q. What's your plan?**
24 A. We're going to 68 Queen Street.
25 **Q. Is that that white building almost on**

1 **the corner of Meeting and Queen?**
2 A. Yes.
3 **Q. Okay. You mentioned that you -- you're**
4 **a member of a number of charitable organizations.**
5 **Do you know what charitable organizations you're a**
6 **member of?**
7 A. One is called YEScarolina.
8 **Q. What is -- what does that do?**
9 A. That provides trainings for -- training
10 for teachers to teach entrepreneurial skills to
11 disadvantaged students.
12 **Q. Okay. What else?**
13 A. MUSC Children's Hospital.
14 **Q. Okay. What else?**
15 A. Lowcountry Food Bank.
16 **Q. What does Lowcountry Food Bank do?**
17 A. It provides -- provides food for
18 disadvantaged people throughout the Low Country.
19 **Q. Okay.**
20 A. Rural Mission.
21 **Q. What does Rural Mission do?**
22 A. Provides food and housing for
23 underprivileged people in the north part of
24 Charleston.
25 **Q. Okay.**

1 A. Let's see, the homeless shelter.
2 **Q. Anything else you can think of?**
3 A. I may be missing a few but those are
4 the main ones.
5 **Q. Okay. Do you have any hobbies?**
6 A. I play golf.
7 **Q. Are you a member of any golf clubs?**
8 A. I'm a member of Wild Dunes Golf Club
9 and the Bulls Bay Golf Club.
10 **Q. How long have you been a member of Wild**
11 **Dunes Golf Club?**
12 A. I'm not sure. I don't know that I
13 joined it when I first moved over there but let's
14 say 20 years for sure.
15 **Q. How long have you been a member of**
16 **Bulls Bay Golf Club?**
17 A. Ten years.
18 **Q. Are you a member of any other golf**
19 **clubs?**
20 A. No.
21 **Q. Do you have any other hobbies besides**
22 **golf?**
23 A. Not really, no.
24 **Q. Do you -- do you have a band? Do you**
25 **play in a band?**

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1 A. I do play in a band.
2 Q. Is that a hobby?
3 A. I guess.
4 Q. Okay. What's the name of your band?
5 A. Platinum Express.
6 Q. And how long have you been a member of
7 Platinum Express?
8 A. A little over a year now.
9 Q. And what -- what role do you play in
10 Platinum Express?
11 A. I help manage the band and play
12 percussion and sing.
13 Q. And is that a band that operates
14 locally?
15 A. They're out of Kansas City.
16 Q. So you're involved with a band that's
17 located in Kansas City?
18 A. Yeah. Yeah.
19 Q. Do you travel back and forth between
20 Isle of Palms or Charleston and Kansas City?
21 A. Yes. Yeah.
22 Q. And you've been doing that for how
23 long?
24 A. For about -- since last August.
25 Q. How often do you travel to Kansas City

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1 to deal with your -- or perform?
2 A. It -- it fluctuates. Once a month to
3 three times a month.
4 Q. Do you have a home out in Kansas City?
5 A. No.
6 Q. When you travel out there, where do you
7 stay?
8 A. Various hotels.
9 Q. Any other hobbies besides golf and your
10 involvement with your band?
11 A. I don't think so.
12 Q. Do -- do you own the band or is it --
13 how is it held?
14 A. No, I don't -- I don't own the band, I
15 just help the man that owns the band. I've known
16 him since he was in high school so... I help him
17 manage it.
18 Q. Okay.
19 A. I don't take any money out of -- out of
20 it so...
21 Q. Would you say you're a good father?
22 A. Sure.
23 Q. Would you say you're a good husband?
24 A. I think so.
25 (PLF. EXH. 1, Class Action Complaint

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1 Trial By Jury Demanded, was marked for
2 identification.)
3 BY MR. CISA:
4 Q. Mr. Hulsey, I want to show you a
5 document that I've had marked as Plaintiff's
6 Exhibit 1, which is a class action complaint, trial
7 by jury demanded relative to a lawsuit filed in the
8 United States District Court for the District of
9 South Carolina, Charleston Division, under Case
10 Number 2:04-1295-23. Can you identify that Exhibit
11 1?
12 A. Looks like the class action complaint
13 we filed.
14 Q. Okay. And who was involved with
15 preparing the Exhibit 1 and drafting the class
16 action complaint?
17 A. Myself, Cherie, Will Cook primarily and
18 Professor Robert Blakey from Notre Dame.
19 Q. All right. And I see you've got some
20 other -- another attorney, Marco T. Torres --
21 A. Yes.
22 Q. -- listed.
23 A. Yep, he was there too.
24 Q. Was he involved also?
25 A. Yes.

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1 Q. All right. And then you've got, let's
2 see, one, two, three, four, five, six plaintiffs,
3 is that correct?
4 A. That's what it says there.
5 Q. And then others similarly situated, is
6 that correct?
7 A. That's what it says.
8 Q. Do you recall how you came to -- to
9 meet Maximino Flores, one of the plaintiffs?
10 A. I think that contact came through the
11 Rural Mission. I have worked with their director
12 for -- for years and somewhere around that time I
13 had paid for the burial of two Latino children,
14 their parents couldn't pay for the burial, and I
15 believe the contact may have come from there.
16 We also supported an afterschool
17 program for disadvantaged children and I think
18 maybe from those two sources it was known that we
19 spoke Spanish and we helped people so I -- I think
20 that's how -- how these guys got here. It's been a
21 long time. I can't recall exactly.
22 Q. Okay. You say you -- do you speak
23 Spanish?
24 A. Yes.
25 Q. You speak fluently?

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1 A. Yeah.
2 **Q. Okay. Other people in your firm speak**
3 **Spanish?**
4 A. Cherie does.
5 **Q. Okay. All right. Do you recall how**
6 **you came to meet the other individuals that are**
7 **named as plaintiffs, Mateo Alvarez?**
8 A. It would -- it would have been through
9 the same contact.
10 **Q. How about Manuel --**
11 A. Same thing.
12 **Q. Okay. All the plaintiffs would have**
13 **been the same thing?**
14 A. Yes, I believe so, right.
15 **Q. All right. And then the action named**
16 **as defendants Lawton Limehouse, Sr., correct?**
17 A. Yes, that's what it says.
18 **Q. And Lawton Limehouse, Jr., correct?**
19 A. Says that too.
20 **Q. And then L&L Services, LLC?**
21 A. Yes.
22 **Q. And WLL, W-L-L, LLC, correct?**
23 A. That's what -- yes.
24 **Q. And then you -- you sued unknown**
25 **businesses, including but not limited to ABC**

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1 temporary staffing agencies, farms, hotels,
2 restaurants, golf courses, construction companies,
3 landscaping services, cleaning services,
4 municipalities and other undiscovered businesses
5 owned by or affiliated with defendants, is that
6 correct?
7 A. That's correct.
8 **Q. All right. Did you ever name any of**
9 **these unknown businesses in the lawsuit that I've**
10 **marked as Plaintiff's Exhibit 1?**
11 A. We didn't find any others to list.
12 That's done so that if you find someone was
13 conspiring, then the -- if you move to join
14 somebody, it relates back to the time of the -- of
15 the complaint and so it's -- you're required to
16 file it that way.
17 **Q. Okay. So is it fair to say that based**
18 **upon your investigation and discovery in this case,**
19 **you never were able to name any of these other**
20 **unknown businesses such as farms, hotels,**
21 **restaurants, et cetera?**
22 A. No, it's not fair to say that.
23 **Q. It's not?**
24 A. We didn't go through that discovery.
25 **Q. Okay. Why didn't you?**

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1 A. I can't recall right now but we
2 didn't -- we didn't get to that part of the
3 discovery.
4 **Q. Okay. But in any event in the lawsuit**
5 **that I've had marked as Exhibit 1, which is the**
6 **class action complaint, your firm never named any**
7 **other defendants other than Lawton Limehouse, Sr.,**
8 **Lawton Limehouse, Jr., LLC, L&L Services and WLL,**
9 **LLC, correct?**
10 A. Yeah, that's right. It surprised me we
11 didn't find any -- any restaurant or golf course or
12 anything else that, in fact, had known that there
13 were illegal -- illegal aliens.
14 **Q. Okay. And the title of the complaint**
15 **is a class action complaint.**
16 A. Yes.
17 **Q. Did you ever add any additional**
18 **plaintiffs to this lawsuit that I've marked as**
19 **Plaintiff's Exhibit 1?**
20 A. I don't recall if we did or not.
21 **Q. Do you know one way or the other?**
22 A. I just don't recall.
23 **Q. Okay. Did -- was this class ever**
24 **certified by the United States District Court,**
25 **Charleston division?**

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1 A. No. In fact, we settled it so it
2 wouldn't be certified.
3 **Q. Okay. Do you recall when you settled**
4 **it?**
5 A. I don't remember the days -- date now
6 but one of the issues was whether we settle it now
7 or we wait and let the court certify it and we
8 settled it before the certification.
9 **Q. Okay. Why did you make the decision to**
10 **settle it --**
11 **MR. HOOD:** Wait a second.
12 **BY MR. CISA:**
13 **Q. -- before the certification?**
14 **THE WITNESS:** Huh?
15 **MR. HOOD:** In terms of -- I mean,
16 you're asking him for the lawyer's thought process
17 and what he was doing working on behalf of the
18 plaintiffs?
19 **MR. CISA:** No, I'm asking him why he
20 settled it before the certification.
21 **THE WITNESS:** The -- the motion for
22 certification had been filed and you're faced with
23 a situation if the class is certified, then in
24 order to settle it, the settlement has to go
25 through the court and the court handles it and you

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1 may have 4 or 500 plaintiffs to deal with. If it's
2 prior to certification you have whatever handful of
3 plaintiffs you have.
4 **BY MR. CISA:**
5 **Q. Okay. Do you recall when you settled**
6 **the case how many plaintiffs you had?**
7 A. I think by the time Mr. Massalon and I
8 worked it out, there were three.
9 **Q. Okay. And what three plaintiffs did**
10 **you have left?**
11 A. We had Maximino and Maximina Flores and
12 we had -- we had one more.
13 **Q. Well, you can look --**
14 A. Yeah, it was -- it was another
15 gentleman besides this, I'm pretty sure. There was
16 another gentleman besides this but I don't recall.
17 **Q. Okay. So at the time you settled the**
18 **class action complaint lawsuit that I've marked as**
19 **Exhibit 1 --**
20 A. Yes.
21 **Q. -- you believe you had three individual**
22 **plaintiffs?**
23 A. Yes. Yes, sir.
24 **Q. Okay. You remember two of their names**
25 **but you can't really recall a third, is that**

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1 correct?
2 A. He had three names, I just don't recall
3 right now.
4 **Q. Okay. Now, let me ask you just a few**
5 **questions about -- about the -- the complaint. If**
6 **you would -- and all the pages are numbered except,**
7 **I guess -- well, I guess they're all numbered on**
8 **the top. If you'd turn to Page 3. There's no**
9 **number at the bottom but there's a number at the**
10 **top. And I'm looking at Paragraph Number 2, okay?**
11 A. Yes, sir.
12 **Q. And did -- did your law firm, I guess,**
13 **allege on behalf of the plaintiffs that the**
14 **defendants were involved, among other crimes, mail**
15 **fraud, wire fraud, falsification of government**
16 **documents, extortion and transportation of persons**
17 **or property stolen, obtained by fraud or converted,**
18 **is that your allegation?**
19 A. That's what the paragraph says, yes.
20 **Q. Okay. So you're making that allegation**
21 **about all of the defendants that you list in the**
22 **caption to the case, correct?**
23 A. Yes, sir.
24 **Q. Including Lawton Limehouse, Sr., Lawton**
25 **Limehouse, Jr., LLC, L&L Services, LLC, WLL, LLC**

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1 **and the unknown businesses, correct?**
2 A. I'm making the -- the allegations
3 against the defendants as they appear in the
4 complaint as it's filed.
5 **Q. Okay. As the defendants appear in the**
6 **caption of the complaint, correct?**
7 A. Yes. Yes.
8 **Q. Okay. And if you would, turn to Page**
9 **12 of the -- of Exhibit Number 1, 12 of the**
10 **complaint. I'm looking at Paragraph 53 where you**
11 **have alleged, lead counsel, Paul H. Hulsey, is**
12 **experienced in complex racketeering and class**
13 **litigation, including several trials to verdict.**
14 **Is that what you alleged?**
15 A. That's what I alleged.
16 **Q. And is that a true, factual statement?**
17 A. I've had more than 50 complex trials
18 that have gone to verdict.
19 **Q. Okay. My question is when you made the**
20 **statement or the allegation that lead counsel, Paul**
21 **H. Hulsey, is experienced in complex racketeering**
22 **and class litigation, including several trials to**
23 **verdict --**
24 A. Yes.
25 **Q. -- is that a true and accurate**

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1 **statement?**
2 A. Sure is.
3 **Q. Okay. So have you handled class action**
4 **litigation to verdict in at least several trials?**
5 A. This paragraph is true.
6 **Q. Okay. That's my question.**
7 A. You've taken one piece of it out.
8 **Q. Well, I'm trying --**
9 A. I have -- well, I have -- it says,
10 plaintiffs are represented by counsel who are
11 experienced and competent in the prosecution of
12 complex litigation cases, including class actions.
13 Lead counsel, Paul H. Hulsey, is experienced in
14 complex racketeering and class action, including
15 several trials to verdict. That's all true.
16 **Q. Okay. I'm not -- I'm not fussing with**
17 **you and I'm not picking on you. I'm just trying**
18 **to --**
19 A. I don't mind if you pick on me. I'm
20 answering the question.
21 **Q. I understand. What class action**
22 **litigation did you act as lead counsel on that were**
23 **tried -- was tried to a verdict?**
24 A. The Volvo case was one. The American
25 Home Products case was settled right before the

1 jury went out so... Several -- there are several
2 others.
3 **Q. What others?**
4 A. I can't think of them right now.
5 **Q. Okay. And the Volvo case was reversed**
6 **on appeal you said?**
7 A. Yes, on a -- on a technicality we went
8 back, settled it.
9 **Q. Okay. And in the Volvo case, did --**
10 **did the court approve attorney's fees?**
11 A. The court trebled the award, trebled
12 damages.
13 **Q. My question is did the court in the**
14 **Volvo case award attorney's fees based upon the**
15 **settlement?**
16 A. I'm not sure whether he simply trebled
17 the damages or also entered an award of attorney
18 fees, I can't recall now.
19 **Q. Well, did -- did you receive attorney's**
20 **fees from the class action litigation involving the**
21 **Volvo case?**
22 A. When we settled it we did.
23 **Q. Okay.**
24 A. It went up on appeal first.
25 **Q. Okay. But when you settled it, you**

1 **received attorney's fees, correct?**
2 A. Yes. Yes.
3 **Q. And is that what you told me you**
4 **received a third of the settlement?**
5 A. No. No. That's -- that's a -- that
6 was a different -- that was the American Home
7 Products case. The Volvo -- the Volvo case I don't
8 recall -- I wasn't involved in negotiating the fees
9 after it came back.
10 **Q. Okay. So you don't recall the fees but**
11 **there were fees?**
12 A. There were fees, I just don't recall
13 what they were.
14 **Q. Okay. And the American Home Products**
15 **case that you were involved with that settled prior**
16 **to trial --**
17 A. Right.
18 **Q. -- that's where the court awarded you**
19 **one-third of the fees or the settlement, correct?**
20 A. Yes, the Court ordered a -- a third.
21 **Q. Okay. Then I would ask you to look at**
22 **Page 33 of Exhibit 1, which is the complaint that**
23 **your firm filed on behalf of plaintiffs in Federal**
24 **Court. Does Page 33 contain the prayer for relief?**
25 A. It does, yes.

1 **Q. Okay. And did you seek on behalf of**
2 **the plaintiffs an award of actual and punitive**
3 **damages?**
4 A. Yes.
5 **Q. Okay. And ultimately the case was**
6 **settled so there was no award made of actual and**
7 **punitive damages, is that correct?**
8 A. Our prayer for relief was for
9 everything the law -- class action law allowed you
10 to ask for.
11 **Q. Okay. My question was --**
12 A. No, punitives were not involved in the
13 settlement as far as I know.
14 **Q. Okay. And then you asked for an award**
15 **of injunctive relief prohibiting defendants -- or**
16 **defendant from continuing to engage in the illegal**
17 **practices described herein, is that correct?**
18 A. That's what we asked for.
19 **Q. Okay. Was there any injunctive relief**
20 **given?**
21 A. I think there was de facto injunctive
22 relief. I think they quit doing all those things.
23 **Q. Okay. De facto injunctive relief.**
24 **Okay. And you say, they quit doing all those**
25 **things.**

1 A. Yes, sir.
2 **Q. Okay. What are you referring to?**
3 A. The allegations in the complaint.
4 **Q. Like what?**
5 A. All of them. I mean, I can go through.
6 They quit -- they quit the housing issues, they
7 quit the -- the double pay issues, they quit using
8 two companies to pay -- to keep from paying workers
9 overtime, the -- the things listed in the
10 complaint, I can go through those.
11 **Q. What other issues besides housing**
12 **issues that they quit --**
13 A. Everything we --
14 **Q. -- and the double pay?**
15 A. Everything we allege I think they -- I
16 think they quit doing business. When it became
17 known they were dealing with illegal aliens, I
18 think they quit doing business. So they quit
19 dealing with these immigrant workers so there
20 wouldn't have been any injunctive relief to get at
21 the end of the case.
22 **Q. Well, if somebody is doing something**
23 **wrong in your opinion, they could -- they could**
24 **quit and start back, couldn't they?**
25 A. Yeah, as a general question, sure.

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1 Q. Okay. So -- but you didn't get any
2 injunctive relief in any event, correct?
3 A. That wasn't part of the settlement, no.
4 Q. Okay. And then you sought award of
5 reasonable attorney's fees, is that correct?
6 A. Sure.
7 Q. Did you get an award of attorney's
8 fees?
9 A. I didn't ask for an award of attorney
10 fees.
11 Q. Well, you asked for it in the
12 complaint, didn't you?
13 A. I did ask for it in the complaint.
14 Yes, I did in the complaint.
15 Q. Okay. Then you asked for an
16 accounting. Did you get an accounting?
17 A. In the settlement of the case?
18 Q. Yes.
19 A. No.
20 Q. Did you ever get an accounting?
21 A. Well, we had -- we had a majority of
22 their documents. We were able to look and see the
23 documents and see the information that we needed
24 but no, they never gave us a formal accounting.
25 Q. Okay. And then you asked that they --

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1 they be disgorged of all profits illegally
2 obtained, is that correct?
3 A. That's a standard thing asked for in a
4 case like this, yes.
5 Q. Okay. Did you figure out what profits
6 the defendants illegally obtained?
7 A. No. We didn't settle it based on -- on
8 the prayer for relief.
9 Q. Well, were you able to establish any
10 profits that were illegally obtained by the
11 defendants?
12 A. I don't recall. I know that we had
13 their -- their accounting records. I'm sure some
14 analysis of that was done but I don't recall what
15 it was.
16 (PLF. EXH. 2, Stipulation of Dismissal,
17 was marked for identification.)
18 BY MR. CISA:
19 Q. All right. I want to show you what I
20 now have marked as Plaintiff's Exhibit Number 2,
21 which is titled Stipulation of Dismissal in the
22 same lawsuit I was just asking you about. It was
23 filed on behalf of Maximina Flores and five other
24 plaintiffs against Lawton Limehouse, Sr., Lawton
25 Limehouse, Jr., L&L Services, LLC and WLL, LLC in

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1 the United States District Court for the Charleston
2 division. Are you familiar with Exhibit Number 2?
3 A. Yes, I am.
4 Q. Okay. Can you tell me what Exhibit
5 Number 2 is.
6 A. It's what it says, a stipulation of
7 dismissal. It shows the Federal Court that the
8 case has been dismissed.
9 Q. Okay. So was the case dismissed with
10 prejudice?
11 A. Sure. I'm sure it was.
12 Q. That means you couldn't bring it again?
13 A. Yes.
14 Q. Okay. And was it filed with the United
15 States District Court on November 2nd, 2006? You
16 see it up at the top?
17 A. Yeah, if that's what that means, yes.
18 Q. Well, do you see where it says
19 2:04-CV-01295-CWH?
20 A. Yes, I see that.
21 Q. Do you understand that that's the case
22 number?
23 A. Yeah, that's the case number.
24 Q. And you understand the CWH stands for
25 C. Weston Houck?

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1 A. Yes.
2 Q. And he was the judge -- the Federal
3 United States District Court that this case was
4 assigned to?
5 A. Sure was.
6 Q. All right. So does it appear that the
7 stipulation of dismissal was filed on November 2nd,
8 2006?
9 A. That's what this general entry says.
10 Q. Okay.
11 A. Yes.
12 Q. So this document, the stipulation of
13 dismissal, ended the class action complaint that
14 was filed on April 23rd, 2004 by you and your law
15 firm, is that correct?
16 A. It ended it, yes.
17 Q. Okay.
18 (PLF. EXH. 3, Full And Complete
19 Release, was marked for identification.)
20 BY MR. CISA:
21 Q. I want to show you a document that I
22 have now marked as Plaintiff's Exhibit Number 3
23 which is titled Full and Complete Release. Can you
24 identify this document for me?
25 A. Yes, it's a full and complete release,

1 Maximino Flores and Isaias Flores Lagunes, which
2 was the other gentleman I couldn't remember.
3 **Q. Okay. And Maximino Flores and Lagunes**
4 **Flores (sic), were they plaintiffs in the class**
5 **action lawsuit that you and your firm filed?**
6 A. Yes.
7 **Q. Okay. And why were they signing a full**
8 **and complete release?**
9 A. Because they were receiving settlement
10 funds in the case.
11 **Q. All right. Why were the other four**
12 **plaintiffs not signing a full and complete release?**
13 A. The other -- I can't recall whether
14 they had -- I can't remember what the circumstances
15 were right now, what my communications were with
16 them.
17 **Q. Were you able to find the four other**
18 **plaintiffs --**
19 A. I --
20 **Q. -- to sign the release?**
21 A. I don't recall now.
22 **Q. You don't recall if you could find them**
23 **or not find them?**
24 A. I can't recall the circumstances that
25 resulted in the -- the three being the last three

1 standing.
2 **Q. Well, is it the last three or the last**
3 **two?**
4 A. There should be -- well, I -- Maximina
5 Flores also settled her case so...
6 **Q. As you sit here today do you know why**
7 **the other four plaintiffs in your class action**
8 **lawsuit did not sign a full --**
9 A. I don't --
10 **Q. -- and complete release?**
11 A. I don't --
12 **MR. HOOD:** And you -- it would not be
13 proper for him to answer a question that the
14 clients would have told him --
15 **BY MR. CISA:**
16 **Q. I'm not asking you what your clients**
17 **told you. I asked you if you knew why.**
18 A. I don't recall. I don't.
19 **Q. Were -- were you able to find them?**
20 A. I don't recall why, that's what I'm
21 saying.
22 **Q. Okay. During the course of the class**
23 **action litigation did you and the Hulsey Litigation**
24 **Group make a demand for settlement?**
25 A. I'm sure we did.

1 **Q. Okay. To the defendants Lawton**
2 **Limehouse, Sr., Lawton Limehouse, Jr. and L&L**
3 **Services, LLC and WLL, LLC?**
4 A. I'm sure we did.
5 **Q. Do you recall what the demand for --**
6 A. No, I don't.
7 **Q. -- settlement was?**
8 A. I don't.
9 **Q. You have no recollection at all of any**
10 **demands for settlement?**
11 A. Demands for settlement are like dust on
12 the wind, you just set a number and start at the
13 beginning of the case.
14 **Q. Okay. Did you --**
15 A. It was for a class action so I don't
16 recall how much the -- I mean, I'm sure you have it
17 somewhere and I'll discuss it, but I was making a
18 general demand at the beginning of the case for
19 could be as many as 5 or 600 people in a class
20 action.
21 **Q. You don't recall in this particular**
22 **case what you demanded for settlement?**
23 A. I don't recall right now, huh-uh.
24 **Q. Okay. Was this class action case**
25 **settled for 20,000 dollars?**

1 A. Yes, it was.
2 **Q. Okay. And what happened to the 20,000**
3 **dollars?**
4 A. It was distributed among three
5 plaintiffs and the expert was paid out of that and
6 I ate 24,000 in expenses.
7 **Q. Okay. All right. So you had 24,000**
8 **dollars in expenses relative to the class action**
9 **lawsuit that I have marked as Plaintiff's Exhibit**
10 **1?**
11 A. About 31 or 32,000 but the plaintiffs
12 paid the expert out of their settlement and I
13 agreed to eat the rest of the expenses.
14 **Q. How much was the expert paid?**
15 A. 7700 dollars.
16 **Q. Who was the expert?**
17 A. It was Dr. Blakey, Professor Blakey.
18 **Q. Where does Professor Blakey work?**
19 A. He was at -- he was a professor
20 emeritus at Notre Dame. I don't believe he's there
21 anymore.
22 **Q. Okay. So out of the 20,000 dollars the**
23 **plaintiffs I guess -- the two or three**
24 **plaintiffs --**
25 A. Three.

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1 Q. -- three plaintiffs paid Dr. Blakely
2 (sic) 7,700 dollars, correct?
3 A. Yes. Yes, sir.
4 Q. All right.
5 MS. DURAND: Blakey.
6 THE WITNESS: Blakey, yeah.
7 BY MR. CISA:
8 Q. Blakey, I'm sorry.
9 A. Yeah.
10 Q. Spell that for me. B-L-A-K-E-Y?
11 A. That's right.
12 Q. Okay. So that would have left -- after
13 you paid the 7700 dollars, that would have left
14 12,300 dollars?
15 A. I believe they got 4100 dollars apiece.
16 Q. Okay. So the three plaintiffs that, I
17 guess, were left in your class action lawsuit that
18 I've marked as Plaintiff's Exhibit 1, each received
19 4,100 dollars?
20 A. Yes, sir.
21 Q. Okay. And Dr. Blakey received 7,700
22 dollars?
23 A. Yes..
24 Q. And then you say you ate --
25 A. I had another 24,000 expenses in the

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1 case.
2 Q. Okay. Would you describe that as a
3 good result or a bad result or a poor result?
4 A. It was a great result for my clients.
5 Q. Okay. Why was it a great result?
6 A. First of all, it was a lot of money.
7 It was almost 700 hours worth of work, what they
8 were compensated for at six dollars an hour. It
9 was a lot of money to them.
10 Q. Okay. So it was a great result because
11 they -- each of your clients received -- each of
12 your three clients received 4,100 dollars, correct?
13 A. It was a great result for them. They
14 were very happy with it.
15 Q. Okay. Did you have a fee arrangement
16 with these clients?
17 A. I was handling the case for free.
18 Q. That wasn't my question. Did you have
19 a fee arrangement?
20 A. I was handling it pro bono.
21 Q. Did you have an agreement --
22 A. I had a retainer agreement with them
23 but I was handling it pro bono.
24 Q. Okay. What type of retainer agreement
25 did you have, did it specify -- what were the terms

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1 and conditions?
2 A. I don't recall now.
3 MR. HOOD: And that's not something
4 that's appropriate. That's a communication between
5 attorneys and his client.
6 MR. CISA: Well, I disagree with that.
7 This is a --
8 MR. HOOD: Okay. Well --
9 MR. CISA: This -- this is a discovery
10 deposition. You may prevail before a judge but
11 I'm --
12 MR. HOOD: Have you produced your
13 retainer agreements with your clients?
14 MR. CISA: It depends.
15 MR. HOOD: I haven't seen them.
16 MR. CISA: Well, in this particular
17 case what Mr. Hulsey's telling me is he did it pro
18 bono, okay? Now, I think when he says that I'm
19 entitled to explore that. If he's got a retainer
20 agreement, I want to know what the terms are. He
21 can't tell me it's pro bono when he's got a written
22 agreement. He's already told me what the agreement
23 is. I'm entitled to explore it in discovery.
24 MR. HOOD: I don't think you're
25 entitled to --

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1 MR. CISA: Goes to credibility.
2 MR. HOOD: -- obtain an agreement
3 between -- whether it's relevant or not is totally
4 different. It has nothing to do with relevance, it
5 has to do with whether it's protected.
6 MR. CISA: Well, he just told me he did
7 it pro bono. I'm entitled to explore that. And if
8 you can get it excluded before a judge, that's
9 fine.
10 MR. HOOD: This is not an issue of
11 admissibility or exclusion, it's an issue of
12 privilege.
13 MR. CISA: He's already told me what
14 his agreement was, he said it was pro bono. Now,
15 I'm entitled to explore that with him is all I'm
16 suggesting to you.
17 MR. HOOD: I think he can describe for
18 you in general what the terms are, which he's done,
19 but in --
20 MR. CISA: Okay.
21 MR. HOOD: -- terms of specifics which
22 you're asking, he's not permitted to disclose that
23 without the consent of the client. It's not his to
24 give you at this point.
25 BY MR. CISA:

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1 Q. Well, my question is do you -- what
2 were the terms and conditions of your retainer
3 agreement with your clients?
4 A. And I don't -- I don't recall that.
5 It's been ten years ago.
6 Q. Do you have a written retainer
7 agreement?
8 A. I'm sure I did.
9 Q. Do you still have it?
10 A. I don't think so. I may have. I
11 don't -- I just don't know. I haven't looked.
12 Q. Well, do you -- did you maintain your
13 files relative to this class action lawsuit?
14 A. Sure I did. Of course I did.
15 Q. Okay. And your files would -- would --
16 if you maintained your files, the files would
17 include a retainer agreement, correct?
18 MR. HOOD: Not for something from 2006.
19 THE WITNESS: I just don't know -- I
20 just don't --
21 MR. CISA: Jamie, I object to you
22 answering questions for him. You can make the
23 arguments before a judge or a jury but to tell
24 him -- suggest an answer to him is improper.
25 MR. HOOD: Well, no, I'm not

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1 suggesting --
2 MS. DURAND: You weren't suggesting
3 anything.
4 MR. HOOD: We can have this
5 conversation --
6 MR. CISA: Wait a minute.
7 MR. HOOD: -- with him outside the room
8 if we need to but the point is --
9 MR. CISA: Well, let's -- let's do that
10 then, you know.
11 MR. HOOD: Okay.
12 MR. CISA: I think it's improper for
13 you to --
14 MR. HOOD: That's fine.
15 MR. CISA: -- to suggest an answer.
16 That's exactly what you did. You said, it's been
17 ten years, how could he know it? I don't -- I
18 think that's improper. You're not allowed to do
19 that under the rules and you're --
20 THE WITNESS: I think I said it's been
21 ten years.
22 MR. CISA: So let me just continue on.
23 If you've got an objection, you can make it but
24 don't -- please don't suggest answers to your
25 client. It's not allowed anymore since they

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1 changed the deposition rule and I'm -- I'm, you
2 know --
3 MR. HOOD: I'm aware what the rules
4 are. If you have any questions, ask the questions.
5 I'm not going to sit here and listen to you give me
6 a lecture. Let's move on.
7 MR. CISA: I'm not giving you a
8 lecture.
9 MR. HOOD: Yes, you are.
10 MR. CISA: I'm asking you to comply
11 with the rules.
12 MR. HOOD: I've heard you say that.
13 I'm complying with the rules. If you say something
14 to which I object and I think my client has a
15 privilege that I need to assert --
16 MR. CISA: Well --
17 MR. HOOD: -- then I have to assert it.
18 MR. CISA: -- my objection is is when
19 you suggest an answer to your client, that's a
20 violation of the rules.
21 MS. DURAND: No one has suggested
22 anything.
23 MR. HOOD: I --
24 MS. DURAND: Let's move forward.
25 MR. HOOD: I've heard -- I know. I've

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1 heard you say that four times now.
2 MR. CISA: And I'm not lecturing you.
3 I'm just -- I'm having a civil conversation --
4 MS. DURAND: Mr. Hulsey himself stated
5 that this was ten years ago. The fact is we can
6 look on the documents and prove when this occurred.
7 No one -- that is not an issue that's in dispute.
8 Let's move forward.
9 MR. CISA: Ma'am, I'm the one that's
10 conducting the deposition, not you.
11 MS. DURAND: And we don't have to
12 listen to your lectures when the issue --
13 MR. CISA: I'm not --
14 MS. DURAND: -- is not occurring that
15 you are complaining of, Mr. Cisa.
16 MR. CISA: Ma'am, I'm not lecturing
17 anybody.
18 MS. DURAND: Yes, you are.
19 MR. CISA: All I'm doing is trying to
20 point out that it's -- I'm not saying it's an
21 intentional violation of the rule but that's the
22 way the rule works.
23 MR. HOOD: Yeah, and --
24 MR. CISA: And I'm not lecturing --
25 MS. DURAND: Your interpretation of the

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1 rule --

2 **MR. HOOD:** That's fine. He's --

3 **MS. DURAND:** -- is not accurate.

4 **MR. HOOD:** He's said his piece. The

5 record's clear on how --

6 **MR. CISA:** Ma'am, would you like me to

7 get --

8 **MS. DURAND:** Let's move forward.

9 **MR. CISA:** Would you like me to get the

10 rule and read it to you?

11 **MS. DURAND:** Oh, yes, I really need you

12 to educate me on the rules, Mr. Cisa.

13 **MR. CISA:** You do?

14 **MS. DURAND:** I don't -- I don't need

15 you to do that. If that's the way you want to

16 spend your time today, go right ahead.

17 **MR. CISA:** Well, I'm just asking you.

18 Do you want me to get the rule and read it to you?

19 **MS. DURAND:** Are you suggesting I don't

20 understand the rules, is that what you're doing?

21 **MR. CISA:** Well, do you understand that

22 the rule provides that you cannot make an objection

23 that suggests an answer to a witness?

24 **MS. DURAND:** And I'm saying that that

25 did not occur and you are alleging that because

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1 you're trying to lay a foundation for something --

2 **MR. CISA:** Well, let's --

3 **MS. DURAND:** -- that is not occurring

4 here today.

5 **MR. CISA:** Let's -- let's just go on

6 for a few minutes.

7 **BY MR. CISA:**

8 **Q. Okay, back to the retainer agreement.**

9 **Did you have a retainer agreement with the -- with**

10 **the plaintiffs?**

11 A. I believe I did.

12 **Q. Okay. And you think you probably still**

13 **have a file that would have that retainer**

14 **agreement?**

15 A. I don't know if I do or not. That's

16 what I told you the first time.

17 **Q. Well, I thought you told me a minute**

18 **ago that, yeah, I've got my file.**

19 A. I have my files. I don't know if I

20 have a file that contains that.

21 **Q. Okay. Well, when did you strike this**

22 **deal about pro bono with these plaintiffs?**

23 A. I indicated I was handling it for free

24 from -- from the beginning. It was obvious to them

25 with the money that was being spent and the way in

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1 which it was -- was going through -- my

2 understanding when I came is they wanted help. I

3 said, I'll see what I can do for you and I will

4 take the case, I'll help you.

5 **Q. Okay.**

6 A. And that's how I took it.

7 **Q. But you were seeking a lot of money on**

8 **behalf of your plaintiffs, correct?**

9 A. Well, on behalf of a class, absolutely.

10 **Q. Yeah, and you -- and you at least**

11 **allege in the complaint that you were going to sue**

12 **not only the Limehouses and their companies but**

13 **also all these unknown businesses, is that correct?**

14 A. I didn't intend to sue any businesses

15 that had been doing the work legally and I didn't

16 really believe there were a lot of them. If there

17 was one, I had to state it like that so that when I

18 brought -- filed a motion to bring that company in,

19 it would relate back to the day that it was filed.

20 **Q. Okay. What --**

21 A. In fact, I thought that most -- most of

22 the businesses and the restaurants and the golf

23 courses and everything else here in Charleston were

24 actually -- probably didn't know that illegal

25 laborers were brought in.

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1 **Q. So you didn't intend to sue any of**

2 **these other unknown businesses but you put it in**

3 **your complaint?**

4 A. I intended to follow the Rules of Civil

5 Procedure, which means that I have to state a broad

6 paragraph like that in order that an amendment can

7 be made later and rate -- relate back, and that was

8 the purpose for it and it's done all the time.

9 **Q. Okay. Well, in any event, you settled**

10 **the case for 20,000 dollars and you had 31,000**

11 **dollars out in cost so there was no way for you to**

12 **get your costs back, correct?**

13 A. Well, mathematically that's right. I

14 didn't negotiate it to get my cost back.

15 **Q. Okay. And you don't recall why the**

16 **other plaintiffs --**

17 A. I don't recall.

18 **Q. -- failed to sign the full and final**

19 **release?**

20 A. I don't -- no, sir, I don't recall.

21 **Q. Okay.**

22 (PLF. EXH. 4, The Post and Courier

23 headline page dated 4/24/04, was marked for

24 identification.)

25 **BY MR. CISA:**

Page 74 1 Q. Let me ask you a couple of questions 2 before I go on to Plaintiff's Exhibit 4. You 3 mentioned a minute ago that the defendants, I guess 4 meaning Lawton Limehouse, Sr., Lawton Limehouse, 5 Jr. and their two companies, stopped doing the 6 activity that you complained about such as housing 7 issues, is that correct? 8 A. I believe that's correct. 9 Q. Okay. What housing issues are you 10 referring to? 11 A. The housing issues that were covered in 12 the articles that The Post and Courier wrote about 13 the information that the city building inspectors 14 gave them, generally overcrowding, inadequate 15 housing, issues like that. 16 Q. Okay. 17 A. I'm giving you a general answer. I can 18 go through each one of the articles and tell you 19 but -- 20 Q. And those -- those housing issues were 21 resolved? 22 A. I assume they were resolved when 23 they -- they quit providing these employees to the 24 folks in Charleston. 25 Q. What do you mean quit providing the	Page 76 1 A. No, I don't. 2 Q. You don't? 3 A. No, I don't. 4 Q. Okay. You didn't -- you didn't check 5 with them or follow up to see if they had adequate 6 housing somewhere else or any of that? 7 A. No. 8 Q. Okay. Then you said that there was a 9 problem about -- you said double pay. Are you 10 talking about overtime pay? 11 A. Both. 12 Q. Okay. Tell me what double pay is. 13 A. Well, one of the -- one of the things 14 they did was they used the -- L&L used W&L (sic) so 15 that if a worker worked 16 hours they'd write a 16 check -- one check from L&L and they'd write 17 another check from W&L to avoid the -- paying them 18 overtime and avoid -- avoid the law, federal law 19 which requires you to pay overtime. It also would 20 appear to the client that each employee had only 21 worked eight hours in a particular place. 22 Q. Okay. And how did you learn about 23 that? 24 A. I learned about that from not only the 25 articles that were written but talking with my
Page 75 1 individuals -- 2 A. Well, I understand they quit -- they 3 quit doing business so... 4 Q. Okay. Do you know -- 5 A. Maybe that's a wrong conclusion. Maybe 6 they continued to provide them somewhere else. 7 Q. Okay. Do you know if -- do you know, 8 in fact, if the housing issues were resolved before 9 that time, before the business was shut down? 10 A. I know there was various official 11 action taken and fines paid and -- and things like 12 that so -- from a -- from a temporal standpoint I 13 don't know exactly where in time it -- it fell. 14 Q. And were these people that were in 15 these houses that were being maintained by Lawton 16 Limehouse, Sr., Lawton Limehouse, Jr. and their 17 company, were those people that were -- were going 18 to be the subject of your class action complaint 19 lawsuit? 20 A. They would have been covered in the 21 definition of the class. 22 Q. Okay. And once the Limehouses' 23 businesses, L&L Services and, I guess, WLL, shut 24 down, do you know where all these people went to 25 live?	Page 77 1 clients in general. 2 Q. Okay. And that was resolved, is that 3 correct? 4 A. Well, what do you mean resolved? 5 Q. The issue concerning overtime pay, 6 wasn't it resolved by Lawton Limehouse, Sr. and 7 Lawton Limehouse, Jr.? 8 A. It was resolved by the authorities. 9 They told them to quit doing it. 10 Q. Um-hum. And did you understand that 11 the Limehouses and their company paid all of -- any 12 and all overtime that was due? 13 A. I don't know whether they did or not. 14 Q. You didn't learn that through the 15 course of the -- the federal class action lawsuit? 16 A. I learned that there were some fines 17 that the Department of Labor issued. I don't know 18 whether that -- I don't think they paid everybody. 19 I think they maybe paid people that they found. 20 Q. What fines? I'm not aware of any 21 fines. Tell me about the fines the Department of 22 Labor -- 23 A. The back wages. 24 Q. Well, did the -- is it your 25 understanding that the Limehouses or L&L Services

1 or WLL were actually fined or were they simply
2 required to pay overtime wage?

3 A. Well --

4 **MR. HOOD:** Object to the form of the
5 question:

6 **THE WITNESS:** -- they were -- whatever
7 action the Department of Labor took and however
8 they calculated it or whatever they called it, they
9 were required to pay -- pay a significant sum to
10 the laborers that they hadn't been paid otherwise.

11 **BY MR. CISA:**

12 **Q. Okay. So do you really know whether**
13 **the -- the Limehouses were fined or not fined?**

14 A. I'm not sure what you would call it.

15 **Q. Okay. So you don't know, is that**
16 **correct?**

17 A. I'm not -- I don't know what you would
18 call it. I know the -- I know the effect of it.

19 **Q. What was the effect of it?**

20 A. The effect that they had to pay 66,000
21 dollars that they had not paid their workers.

22 **Q. Okay. So we talked about --**

23 A. Like 11,000 hours.

24 **Q. Okay. So we talked about housing**
25 **issues and we talked about the overtime issue.**

1 **Q. All right. Well, let's talk about the**
2 **issues.**

3 A. Well, I'm trying to give you a general
4 answer. If you want specific, everything in the
5 complaint was resolved through the settlement. The
6 issues -- any issues between these parties were
7 resolved.

8 **Q. I understand that. Your clients signed**
9 **a release and you signed a --**

10 A. That's exactly right.

11 **Q. -- stipulation of dismissal, correct?**

12 A. Right. So it resolved whatever this
13 complaint says. And I don't have it on the top of
14 my head is what I'm trying to tell you.

15 **MS. DURAND:** Refer to the complaint.

16 **BY MR. CISA:**

17 **Q. Okay. What issues? Go ahead and refer**
18 **to the complaint. Take your time.**

19 **MS. DURAND:** Can we go off the record
20 for a moment because I need to use the restroom.

21 **MR. CISA:** Sure. Let's take a short
22 break and, Mr. Hulsey, you can --

23 **THE WITNESS:** All right.

24 **MR. CISA:** -- read or you can --
25 whatever you need to do.

1 **What other issues do you say went away so you**
2 **didn't need injunctive relief?**

3 A. Well, that's not -- that's not what
4 I -- that was your question 20 minutes ago and you
5 were asking me about specific -- specific things.
6 What went away when we resolved the lawsuit is
7 these issues because we settled them all.

8 **Q. That's what I'm trying to find out,**
9 **what issues? You mentioned the issues to be --**

10 A. The issues that I filed in my complaint
11 were all resolved by a settlement between the
12 parties. Any issue in there was resolved. It's
13 over.

14 **Q. Okay.**

15 A. The litigation is done with.

16 **Q. And my question to you is -- I'm asking**
17 **you if you recall -- what specific issues are you**
18 **referring to? I understand you're saying**
19 **everything in the complaint.**

20 A. The issues in the complaint -- yes,
21 sir. All the issues in the complaint were resolved
22 by the settlement.

23 **Q. Okay. What other than the --**

24 A. I'll read the complaint to you if you
25 want to know which issues.

1 (A recess transpired.)

2 **THE WITNESS:** I've gone through the --

3 **MR. CISA:** Go back on the record.

4 **THE WITNESS:** Yeah. I've gone through
5 the complaint and the complaint alleges the causes
6 of action that we've talked about and describes the
7 conduct -- conduct of an enterprise, talks about
8 what the predicate acts were and the base facts
9 that form the basis of the lawsuit.

10 **BY MR. CISA:**

11 **Q. Okay.**

12 A. And the -- the settlement of course
13 resolved all of those issues as we were talking
14 about.

15 **Q. Okay. And my question was -- when I**
16 **gave you an opportunity to read the class action**
17 **complaint marked as Exhibit Number 1, my question**
18 **was -- in response to your answer that all issues**
19 **were resolved in the lawsuit, I asked you what**
20 **issues are you talking about and you told me**
21 **housing issues and overtime pay issues and I asked**
22 **you what other issues and you said you would take a**
23 **look at the complaint. What other issues were**
24 **resolved other than the housing issue and the**
25 **overtime pay issue?**

1 A. The -- the issue of the -- the Social
2 Security fraud was resolved in the settlement.
3 That's discussed in the complaint and was
4 essentially was when the Social Security department
5 would send a no-match letter to the company, the
6 company would change one number in the Social
7 Security number and then send it back to the
8 department at the latest time period possible.
9 They'd get another communication from Social
10 Security saying -- in a no-match letter that says
11 this -- this Social Security number doesn't match
12 and they'd change one number in the Social Security
13 and then send it back again.

14 **Q. What other issues?**

15 A. Let's see. From time to time they
16 withheld or failed to pay overtime. For example,
17 if an employee worked 48 hours a week, they on some
18 occasions would pay them 40 and not explain why the
19 other time was withheld. That would have stopped
20 because of the settlement. As I said, the --
21 they'd failed to -- to compensate them for one and
22 a half times the regular rate when they worked for
23 over 40 hours a week.

24 **Q. That's the overtime issue, correct?**

25 A. That's -- that's one of them, yes.

1 with respect to the -- the employment of temporary
2 laborers, typically Latin -- from Latin American
3 companies who were held in indentured servitude by
4 a scheme of forced housing, transportation threats
5 and retaliation and coercion. That was -- that was
6 resolved.

7 The issues with respect to the -- them
8 concealing from labor, insurance and taxing
9 authorities the full nature of the existence of the
10 employment scheme was also resolved. The issue of
11 falsifying government documents and reports,
12 including the Social Security numbers issues, was
13 resolved. The issues of the Workmen's Compensation
14 insurance were resolved. The issues of mail and
15 wire fraud were resolved and that's set forth in
16 Paragraph 75(a).

17 If I didn't mention it, the issues of
18 extortion were resolved, using threats of violence
19 or retaliation to government authorities to ensure
20 the workers were compelled to remain and work where
21 they were taken to and under the circumstances they
22 had to work. The issues on Paragraph 3, Page 22
23 and following concerning the summary of the 1964
24 racketeering allegations were -- were all resolved
25 with the settlement of the lawsuit. I think that

1 **Q. Okay. And that was resolved?**

2 A. With the lawsuit. They also stopped --
3 what was resolved by the lawsuit would be paying
4 them out of two different companies to avoid paying
5 overtime at all. That was where I mentioned they'd
6 pay somebody 40 hours a week under WL&L (sic) and
7 somebody 40 hours a week under -- the same person
8 40 hours under L&L.

9 The issues of the -- making of the
10 false identification cards was resolved with the
11 lawsuit, the false Social Security documents and ID
12 cards. The issues of intimidation in the workplace
13 and threatening with reporting them to the
14 government was resolved with the lawsuit. The
15 issues of taking them from one job to the other
16 directing where they worked and -- and how they did
17 it was resolved in the lawsuit. The issue of
18 soliciting these immigrant laborers from around and
19 bringing them into the Charleston labor -- labor
20 market then providing them papers so that they
21 could work was resolved by the lawsuit. The issues
22 in Paragraph 65 of the complaint were resolved with
23 respect to the temporary staffing enterprise.

24 **Q. You say Paragraph 65?**

25 A. Yeah. Yeah, those issues were resolved

1 in -- in general covers it.

2 **Q. Let me ask you a general question first**
3 **and then we'll talk about the specifics. Under the**
4 **settlement the only thing that happened as I**
5 **understand it was -- is that the defendants, Lawton**
6 **Limehouse, Sr., Lawton Limehouse, Jr. and L&L**
7 **Services, paid 20,000 dollars cash, is that**
8 **correct?**

9 A. Did you say the only thing that
10 happened?

11 **Q. Yeah, as far as the settlement.**

12 A. Well, no, but they did pay 25,000 (sic)
13 to settle the case.

14 **Q. Okay. In exchange for that they got an**
15 **order of dismissal that you signed where the case**
16 **was dismissed with prejudice and couldn't be filed**
17 **again, correct?**

18 A. That's true, yes, sir.

19 **Q. And they got a release at least from**
20 **two of the plaintiffs, a full and final release,**
21 **correct?**

22 A. Yes.

23 **Q. Okay. Well, how are all these other**
24 **things resolved? Was there anything in the**
25 **settlement documents that said, we'll agree to pay**

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1 overtime, we'll -- we won't extort anybody, we
2 won't engage in mail or wire fraud, we won't engage
3 in racketeering, was any of that part of the
4 settlement documents?
5 A. That wasn't part of the settlement
6 documents, no.
7 Q. Well, then how were they resolved
8 incident to the settlement of the lawsuit?
9 A. They resolved in that the issues
10 between the parties were over with.
11 Q. It was no longer an issue but you say
12 resolved. What do you mean resolved? The issue
13 over extortion and wire fraud and racketeering, how
14 were they resolved incident to the settlement of
15 this lawsuit when the defendants paid 20,000
16 dollars and got a -- got a stipulation of dismissal
17 with prejudice and got a release from the two
18 plaintiffs that were left?
19 A. They were resolved as far as I was
20 concerned representing my clients.
21 Q. Okay.
22 A. The issues were over.
23 Q. Okay.
24 A. And whether they continued to do it, I
25 don't know. I don't think so.

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1 Q. Okay. Well -- okay. We talked about
2 housing issues. We talked about double -- we
3 talked about overtime pay and then you mentioned
4 that the issue concerning Social Security fraud was
5 resolved. What Social Security fraud?
6 A. They -- in general they would get
7 no-match letters from the Social Security
8 department, basically a communication that says
9 that this employee -- the name and Social Security
10 number doesn't match and then they would -- they
11 would communicate back with the Social Security
12 department and give them an answer and basically
13 they would change one number in that Social
14 Security number and send it back to them.
15 Q. Okay. Do you know who gave the
16 Limehouses and L&L Services the Social Security
17 numbers to start with?
18 A. L&L Services gave them the Social
19 Security numbers.
20 Q. Now, how do you know that?
21 A. That's what our investigation -- at
22 least some -- at least some of them.
23 Q. All right. What investigation?
24 A. Investigation, talking with witnesses,
25 talking with workers.

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1 Q. Who talked with the witness, who talked
2 with the workers?
3 A. I talked with witnesses. Cherie talked
4 with witnesses.
5 Q. Did you talk with the six plaintiffs,
6 talk to some --
7 A. Yeah, sure.
8 Q. Okay. Anybody else?
9 A. Various witnesses. I don't recall the
10 names now.
11 Q. Okay. And you were told what?
12 A. Told that -- that the L&L Services and
13 W&L -- actually, they didn't know it was two
14 companies but that the company -- the company made
15 them identification cards. They paid for it.
16 Q. Who told you that?
17 A. My clients told me that and then I
18 talked to some of the witnesses and I got the rest
19 of the information from the -- the investigation
20 that Mr. Scott had done.
21 Q. Okay. So you learned that from reading
22 a newspaper?
23 A. Some of it and talking to Mr. Scott.
24 Q. Okay. What conversations did you have
25 with Mr. Scott?

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1 A. I had a conversation about a week
2 before I filed the lawsuit or so basically, you
3 know, asking him whether he stood behind everything
4 that he wrote and he said he did and there was no
5 question in his mind about it and basically that
6 the information was accurate and the investigation
7 that he was done -- he had done was accurate.
8 Q. Okay. Well, the U.S. Attorney's Office
9 investigated this matter too, is that correct?
10 A. I don't know if they did or not. I
11 think they looked into it.
12 Q. Did you ever talk to the U.S. Attorney?
13 A. No.
14 Q. You ever correspond with the
15 U.S. Attorney?
16 A. I think they requested documents from
17 me. If they did, I gave it to them.
18 Q. Okay. So you're saying that some
19 people you can't identify told you that the
20 Limehouses were giving them Social Security
21 numbers?
22 A. They didn't give them to them, they
23 sold them to them.
24 Q. Sold them to them?
25 A. Yes.

1 Q. And what individuals were sold Social
2 Security numbers?
3 A. I know that Maximina was and several
4 others. I can't really remember now.
5 Q. And how was that resolved by the -- by
6 the settlement of the lawsuit?
7 A. Well, it went away.
8 Q. What do you mean it went away?
9 A. The lawsuit was over. I know we're --
10 we're mincing words but I'm going to keep answering
11 the questions this way.
12 Q. Well, you're the one that said it was
13 resolved --
14 A. I said the --
15 Q. -- by the lawsuit.
16 A. -- the issues were resolved meaning
17 they went away. They were of no more interest to
18 me, I represented my clients, I got a resolution to
19 the case.
20 Q. Your resolution was -- is it not
21 correct to say that your resolution was the receipt
22 of 20,000 dollars cash?
23 A. My guess is that the lawsuit resolved
24 most of those issues because I doubt very seriously
25 whether they continued doing those things after the

1 lawsuit.
2 Q. Okay. Do you know how it works when
3 you have someone come seek employment? Do you
4 understand the procedure that an employer goes
5 through when somebody comes in their office such as
6 your class action plaintiffs, how it works?
7 A. No.
8 Q. You don't have any idea how it works?
9 A. No, I don't.
10 Q. Do you understand that when employees
11 came into L&L services that they were asked for a
12 Social Security card?
13 A. I understand that when they came in
14 there that they -- they -- the forms were filled
15 out for them and the numbers were written down for
16 them.
17 Q. Well --
18 A. If they had a Social Security number,
19 that number was written down. If not, they were
20 given one.
21 Q. Well, what is the procedure that the
22 government requires an employer like L&L Services
23 to go through in order to verify Social Security
24 numbers for prospective employees?
25 A. I don't know.

1 Q. What's the procedure?
2 A. I don't know.
3 Q. You don't know?
4 A. No, I don't.
5 Q. Well, if you don't know what the
6 procedure is, how do you know whether or not L&L
7 Services was following the procedure properly or
8 not?
9 A. All I know is what my investigation
10 showed, what my clients told me --
11 Q. Yeah, your invest --
12 A. -- and -- and that most of their Social
13 Security numbers didn't match and they knew it
14 didn't match.
15 Q. Well, why would your clients not give
16 L&L Services correct Social Security numbers?
17 A. Probably didn't have one.
18 Q. Well, did they have them or not, do you
19 know?
20 A. You asked me the question. I said they
21 probably didn't have them. Some did, some didn't.
22 Q. Well, why would somebody that had a
23 Social Security card not give that Social Security
24 card to their employer?
25 A. They would.

1 Q. Okay. And you're saying that the ones
2 that didn't have Social Security cards -- what
3 would they do?
4 A. They would -- they would be given a
5 number.
6 Q. And who gave them the number?
7 A. Somebody in the office.
8 Q. Do you know who in the office?
9 A. I don't know who exactly.
10 Q. And do you know -- do you know which
11 employees were given Social Security numbers?
12 A. No, I just know that the majority of
13 them didn't match.
14 Q. Well, how do you know that?
15 A. Just from looking at the records that
16 we got.
17 Q. What records are you referring to?
18 A. We got records of the employees, we got
19 records of their Social Security numbers, we got
20 records of the no-match letters and if -- if you
21 had 400 employees, the majority of them didn't have
22 valid Social Security numbers. Our investigation
23 reflected that they would be given Social Security
24 numbers right there at the office if they didn't
25 have one.

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1 **Q. Okay. What records do you have in your**
2 **possession that would indicate that the employees**
3 **were given Social Security numbers by L&L Services**
4 **or Lawton Limehouse, Sr. or Lawton Limehouse, Jr.,**
5 **what records do you have? Tell me what they are.**
6 A. I have the -- the records reflect the
7 numbers. I have the anecdotal reports of that's
8 how it was done and then you have the records which
9 none of the Social Security the numbers match.
10 Some of them are 12345678 and the -- the company,
11 either W&L or L&L, would get a request from the
12 government and it would say, this number, 12345678,
13 doesn't match. They would send out a report --
14 they would send a response back, change one of the
15 numbers, 1234589, and send it back to the
16 government so they knew very well that those
17 numbers didn't match.
18 **Q. Well -- well, tell me this. If one of**
19 **your class action plaintiffs sent or signed a form**
20 **where an incorrect Social Security number was sent**
21 **into the government, how does that harm your**
22 **plaintiff?**
23 A. That's a different question.
24 **Q. That's the question that's on the table**
25 **now. Want me to ask it again?**

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1 A. How does that harm -- no, you don't
2 have to ask it again, I heard you the first time.
3 **Q. Well, how does that harm your**
4 **plaintiff? If -- if an -- if an employee of L&L**
5 **Services signed a document whereby they sent in an**
6 **incorrect Social Security number --**
7 A. Right.
8 **Q. -- or made one up, how does that harm**
9 **your plaintiff employees?**
10 A. I didn't say they were damaged that
11 way. That was part of a racketeering scheme.
12 **Q. Okay. So your plaintiffs weren't**
13 **damaged by submitting false Social Security**
14 **numbers, is that correct?**
15 A. Well, they were damaged in a way that
16 the Social Security wages were deducted from them
17 and sent to the government that they could never
18 benefit from.
19 **Q. Well, tell me what the proper procedure**
20 **that Lawton Limehouse, Sr., Lawton Limehouse, Jr.**
21 **and L&L Services should have followed incident to**
22 **obtaining Social Security numbers from your**
23 **plaintiff clients.**
24 A. I assume they verify if they're good or
25 not.

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1 **Q. Well, tell me the procedure they were**
2 **supposed to follow.**
3 A. I don't know. You asked me if I knew
4 what the law is. I don't. I know that most of
5 them didn't match and they weren't valid.
6 **Q. All right. So you don't know what**
7 **actions Lawton Limehouse, Jr. or Lawton Limehouse,**
8 **Sr. or L&L Services should have taken incident to**
9 **obtaining Social Security numbers from your**
10 **plaintiffs in your class action lawsuit --**
11 A. I don't know --
12 **Q. -- is that correct?**
13 A. -- what the law requires.
14 **Q. Okay.**
15 A. I don't.
16 **Q. All right. You said that the other**
17 **thing that the lawsuit resolved was the false ID**
18 **cards. Now, tell me about how you know -- tell me**
19 **what a false ID card is.**
20 A. Well, they made -- they made up cards
21 that were like identification cards or a driver's
22 license. They took their pictures, they laminated
23 them and gave them an identification card that
24 appeared to be an official ID for the worker.
25 **Q. All right. Who made identification**

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1 **cards for the workers?**
2 A. They were made in the office.
3 **Q. All right. And how were they false?**
4 A. They didn't -- they didn't have a
5 correct Social Security number or in some cases it
6 wasn't a correct Social Security card they were
7 given or in some cases it wasn't a correct license
8 they were given.
9 **Q. Well, if L&L Services or Lawton**
10 **Limehouse, Sr. or Lawton Limehouse, Jr. did not get**
11 **a correct Social Security card from your clients,**
12 **how were they doing anything wrong? They were**
13 **given a false Social Security card.**
14 A. Um-hum.
15 **Q. How were they doing anything wrong?**
16 A. They were making up false
17 identification. They were making up Social
18 Security cards.
19 **Q. What evidence do you have that L&L**
20 **Services or Lawton Limehouse, Sr. --**
21 A. We saw several of them.
22 **Q. -- or Lawton Limehouse, Jr.**
23 **manufactured fake Social Security cards?**
24 A. We saw several of them.
25 **Q. You saw fake cards?**

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1 A. We saw fake identification cards, yes.
2 Q. Yeah. And how do you know who
3 manufactured them?
4 A. Clients told us who did.
5 Q. How many clients?
6 A. Several.
7 Q. Well, you only had six.
8 A. Several clients told me that.
9 Q. Okay. And how did that harm your
10 clients?
11 A. I didn't say it harmed my clients, it
12 was part of a racketeering scheme to defraud.
13 Q. Okay.
14 A. And it is.
15 Q. Okay. You said that Lawton Limehouse,
16 Sr. and Lawton Limehouse, Jr. and L&L Services were
17 falsifying documents and that was resolved as a
18 result of the lawsuit, is that correct?
19 A. That's what I said, yes.
20 Q. Okay. What documents were Lawton
21 Limehouse, Sr., Lawton Limehouse, Jr. or L&L
22 Services falsifying?
23 A. They were falsifying the identification
24 cards, they were falsifying some Social Security
25 cards, they were falsifying the no-match letters

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1 when they sent them back to -- to the Social
2 Security department.
3 Q. And the falsification of the ID cards
4 was that they had what false information on them?
5 A. Well, they either put -- they either --
6 gave them a Social Security number to put on there.
7 Q. So you're saying the ID cards contained
8 Social Security numbers?
9 A. Some did, yes.
10 Q. Some did and some didn't?
11 A. They were different kinds of cards.
12 Q. Okay. And do you know where they --
13 L&L Services or the Limehouses got the information
14 to put on the ID cards?
15 A. They either got them from the employee
16 or they made them up themselves.
17 Q. One or the other?
18 A. Yes.
19 Q. So if they got them from the employee,
20 that has nothing to do with the Limehouses or L&L
21 Services?
22 A. Well, if they gave them a Social
23 Security card it does.
24 Q. Okay. And you said they gave them
25 Social Security cards, correct?

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1 A. Yep. Yep.
2 Q. And you contend that the Limehouses
3 were manufacturing Social Security cards?
4 A. They were doing that and they were
5 manufacturing ID cards in connection with the
6 Social Security cards.
7 Q. Okay. What evidence do you have that
8 would indicate that the Limehouses or L&L Services
9 were actually manufacturing Social Security cards?
10 A. We looked at several -- several of them
11 and then we -- we also relied on the information
12 that was in the article in The Post and Courier.
13 Q. Did you find any evidence that they had
14 any kind of equipment or machine or computer
15 program or anything of that nature that would
16 indicate they had the ability to manufacture false
17 Social Security cards?
18 A. I think they had a lamination machine
19 in the office and -- and something else, I don't
20 really recall right now.
21 Q. All right. Well, a lamination machine
22 was used to produce the ID cards, isn't that
23 correct?
24 A. In part, yes.
25 Q. All right. Can you make a Social

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1 Security card from a laminating machine?
2 A. You can make Social Security cards. I
3 didn't say they made them from the lamination. I
4 said they at least had that. I don't know what
5 else they had.
6 Q. Well, my question was -- is what
7 evidence did your investigation find that would
8 indicate that the Limehouses or L&L Services had
9 either equipment, machinery, software, paper
10 products or anything that would indicate that they
11 were manufacturing Social Security cards, what
12 tangible doc --
13 A. We -- we had --
14 Q. -- things did you find?
15 A. We had some of the cards where when you
16 unlaminated them, they were on L&L paper.
17 Q. Okay. You still have those?
18 A. I don't know if we do or not. I don't
19 know if we do or not.
20 Q. How many of those did you have?
21 A. I don't -- I don't recall. I know
22 Mr. Scott had a bunch of them and they took
23 pictures of them in the paper.
24 Q. Um-hum. Did you base this class action
25 lawsuit in large part upon what you read in the

1 newspaper as far as articles that James Scott
2 wrote?

3 A. It was a product of -- of many things.
4 It was -- there were -- there were the articles and
5 then we would -- we checked records of the city
6 inspector and police department, things like that.
7 There -- we interviewed witnesses. We tried to
8 interview some of the people that Mr. Scott talked
9 to and based upon that, based upon talking with
10 witnesses, based upon looking at whatever documents
11 we could have, we -- we filed the lawsuit.

12 Q. Okay. You mentioned that all Workmen
13 Comp issues were resolved as a result of the
14 lawsuit. What do you mean by that?

15 A. Well, the Work Comp basically was an
16 issue of whether they should or shouldn't have had
17 Workmen's Compensation insurance and they -- they
18 didn't have proper Workmen's Compensation
19 insurance.

20 Q. Who didn't?

21 A. One of the companies. They used two
22 companies.

23 Q. Which company didn't have proper --

24 A. I don't recall right now.

25 Q. -- Workers' Comp?

1 A. I don't recall right now.

2 Q. What damages did your client incur as a
3 result of not having proper Workmen's Comp
4 insurance?

5 A. They might be damaged with respect to
6 injuries or -- or benefits you might get if you
7 were partially or permanently disabled.

8 Q. Well, I'm not asking you about what
9 might have happened. I'm asking you what damages
10 any of your class action plaintiffs incurred as a
11 result of the failure of one or more of these
12 companies to have proper Workmen's Comp insurance.

13 A. Well, that wouldn't be a damage item.
14 It would be part of the racketeering enterprise
15 where you didn't correctly record how many
16 employees you had and what your -- your -- your
17 working situation was in the Charleston market.

18 Q. Well, do you have -- what evidence do
19 you have that they didn't properly record how many
20 employees they had?

21 A. I think they -- they didn't -- didn't
22 have the right number of employees for one of the
23 companies. I don't recall now, it's been about ten
24 years.

25 Q. What was improper about the number of

1 employees that they --

2 A. Well, I think they had 400 employees
3 and they said they had six or seven.

4 Q. Which company was that?

5 A. I don't recall now.

6 Q. Where did you find that they said six
7 or seven employees when they had 400?

8 A. I don't recall now.

9 Q. Is it your understanding that the
10 Limehouses were employing 400 people for their
11 temporary staffing agency?

12 A. I think over a period of time they had
13 that many, yeah.

14 Q. 400 people?

15 A. I think Mr. Limehouse said that in the
16 newspaper.

17 Q. Do you know what happened to those 400
18 people when the business was shut down?

19 A. I don't know.

20 Q. You said it resolved -- the lawsuit
21 resolved mail and wire fraud issues. What mail and
22 wire fraud issues were resolved?

23 A. Primarily the communication with the
24 Social Security people and the tax people.

25 Q. Okay. What communications with the

1 Social Security people?

2 A. Well, the -- the consistent reporting
3 of the no-match letters.

4 Q. Okay. Tell me how that works.

5 A. The government -- the government gets
6 information from you. You've taken Social Security
7 taxes out of these workers. They then match the
8 Social Security number and if it doesn't match they
9 send the employer what's called a no-match letter
10 asking the employer to comment on it or straighten
11 it out or whatever they want, I'm not sure exact
12 what -- actually what information they want, and
13 then the employer sends a response back.

14 Q. Um-hum.

15 A. So...

16 Q. So what's wrong with that?

17 A. Well, what's wrong with that is
18 consistently just simply changing one of the
19 numbers in the -- in the Social Security and
20 sending it back to them. There's like a six or
21 seven or eight-month lag between the communication
22 so you essentially can keep churning these letters
23 back through, which we found dozens and dozens of
24 them, and avoid the government -- government ever
25 knowing that you have someone that isn't a proper

1 worker.
2 **Q. Well, do you -- do you know what steps**
3 **an employer can take to verify whether or not the**
4 **employee is giving them an accurate Social Security**
5 **number when they're hired?**
6 A. I don't know that, no.
7 **Q. Don't know that. Well, let me ask you**
8 **this. If L&L Services received one of these**
9 **no-match letters and they called the employee in**
10 **and said, we've got a no-match letter, what's the**
11 **problem and the employee said, well, you wrote down**
12 **the wrong number, you need to change it and send it**
13 **back in and then L&L Services did that, they**
14 **changed it and sent it back in, what -- what is L&L**
15 **Services doing wrong?**
16 A. That's a hypothetical question. I
17 don't --
18 **Q. Well, isn't that what you said is**
19 **happening, they would -- they would get a no-match**
20 **letter, they would change the number --**
21 A. No, that isn't what I said happened.
22 **Q. -- then send it back in?**
23 A. Yeah, they'd change the number. They
24 didn't talk to the employee. They just --
25 **Q. How do you know that?**

1 A. They just changed the number.
2 **Q. How do you know they didn't talk to the**
3 **employee?**
4 A. Well, because if they looked at the
5 Social Security number they -- they would know
6 there's no reason to change one number and send it
7 back.
8 **Q. How do you know that L&L Services did**
9 **not talk with an employee when a Social Security**
10 **card bounced back with a no-match letter? How do**
11 **you know that?**
12 A. I don't know that they did or didn't.
13 I know -- I know what they did, they sent a return
14 back where one of the -- one of the numbers would
15 be changed.
16 **Q. Well, what would be logical if you're**
17 **an employer? You get a no-match letter back,**
18 **wouldn't you have contacted the employee to find**
19 **out what the problem is?**
20 A. I don't know what I --
21 **Q. Isn't that appropriate?**
22 A. Doesn't matter what I would do.
23 Doesn't matter at all what I would do.
24 **Q. Well, you drafted the complaint.**
25 A. I drafted --

1 **Q. You're complaining --**
2 A. -- the complaint. It wasn't about me.
3 **Q. Well, you're complaining about the**
4 **activity.**
5 A. I am.
6 **Q. Tell me what's wrong with the activity.**
7 A. What's wrong with the activity is they
8 changed one of the numbers and sent it back to the
9 government. It provides no information whatsoever.
10 Then they're going to get a no-match letter again
11 in another six months. By the time they get one,
12 the employee is gone and they say, no longer here,
13 that issue's over with.
14 **Q. So what -- what you would have**
15 **preferred as the lawyer representing the class**
16 **action plaintiffs is for L&L Services just to have**
17 **terminated that employee on the spot, is that**
18 **correct?**
19 A. It wasn't a question of what I
20 preferred at all. I was reporting in my lawsuit
21 part of a racketeering scheme. It's not a question
22 whether I preferred, what I preferred.
23 **Q. Well, what was best for your client?**
24 A. That isn't the issue. The best -- what
25 was best for my client is for him to work any way

1 he could and be treated -- treated fairly and be
2 treated like an individual. That's what was best
3 for my client.
4 **Q. Well --**
5 A. And that's what I tried to assure in
6 this lawsuit. We can debate whether it did or
7 didn't but that's what I tried to do.
8 **Q. Did you understand that the housing**
9 **that was provided was provided free of charge to**
10 **the employees of L&L Services?**
11 A. That's what Mr. Limehouse said.
12 **Q. You have reason to dispute that?**
13 A. I don't have any reason one way or the
14 other.
15 **Q. Okay. Did you also understand that the**
16 **employees weren't -- weren't required to live in**
17 **the houses?**
18 A. The employees were required to be
19 somewhere where he -- they could pick them up in
20 the morning and take them to the job.
21 **Q. Well, they could also drive to the job,**
22 **couldn't they?**
23 A. No, they couldn't drive to the job.
24 **Q. Why not?**
25 A. They were required to be in the bus and

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1 go to the job.
2 **Q. Okay. Well, did you understand that if**
3 **an employee didn't want to stay in one of these**
4 **rental homes or facilities that were provided for**
5 **free by L&L that they didn't have to?**
6 A. Well, I'm sure they didn't have to stay
7 30 or 40 in one house but unfortunately you're
8 talking about poor immigrant laborers that don't
9 have that choice.
10 **Q. Well, let me ask you, you seem to be --**
11 **you -- you're versed in Spanish, correct?**
12 A. I know Spanish.
13 **Q. Okay. Have you spent time in Mexico?**
14 A. I've spent time in some Latin American
15 countries, yes.
16 **Q. Okay. Well, tell me about the culture**
17 **of these people. Do they generally like to live**
18 **with other family members?**
19 A. These people?
20 **Q. Yeah, these people, these --**
21 A. You're using the term these people?
22 **Q. These people --**
23 A. They're American -- they're human
24 beings just like everybody else, Mr. Cisa. They
25 like the respect, they like to have cleanliness and

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1 they like -- they like to have peace.
2 **Q. Okay.**
3 A. And no, they don't like to live 30
4 people in a house, they don't like to live under
5 the crawl spaces, they don't like to live over the
6 garage.
7 **Q. Where do they --**
8 A. Do they want to work? Yes. They will
9 live anywhere they have to to work and that's what
10 happened to them.
11 **Q. So you -- you're not familiar with the**
12 **culture with Hispanic people where they like to**
13 **live with other people for protective reasons,**
14 **things like that?**
15 A. None of them like to live like these --
16 **MS. DURAND:** Object to form.
17 **THE WITNESS:** Well, none of these --
18 I -- I don't accept your racist generalization, but
19 I can tell you that they don't like to live under
20 the conditions that they lived in with
21 Mr. Limehouse and they had no choice because they
22 had to work and they were happy to have the work.
23 **BY MR. CISA:**
24 **Q. Well, they weren't required to stay in**
25 **those homes, is that correct?**

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1 A. They were required to be somewhere
2 where he could pick them up in the bus.
3 **Q. How do you know that?**
4 A. Because that's what I understood from
5 the investigation, that's what I understood from
6 workers, that's what I understood from the
7 newspaper articles.
8 **Q. Who told you that?**
9 A. Some of my clients and some of the
10 witnesses that we talked about, the newspaper
11 articles wrote about it, they confirmed it.
12 **Q. Okay. You also said that the -- the**
13 **issues dealing with extortion and threats of**
14 **retaliation were also dealt with in the lawsuit or**
15 **resolved by the lawsuit, correct?**
16 A. Yes.
17 **Q. Okay. What -- what extortion are you**
18 **talking about?**
19 A. They were -- they were told repeatedly
20 by people from L&L that -- that they -- they
21 should -- they can't complain and they have to stay
22 peaceful and under control or that they would turn
23 them in to the government. From time to time
24 Mr. Limehouse, Jr. went out to some of those houses
25 where they were. One time he pulled a gun on them.

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1 They were repeatedly told that they'd lose their --
2 their jobs if they complained about anything.
3 **Q. Now, who told you that?**
4 A. My clients told me that for sure.
5 **Q. How many clients, all six?**
6 A. I think -- I think most of them told
7 me -- told me that in general.
8 **Q. How many out of the six clients that**
9 **you had told you that?**
10 A. I don't recall now, sir.
11 **Q. Do you have any personal knowledge that**
12 **there was any extortion being done by any members**
13 **or any employees of L&L Services or the Limehouses?**
14 A. I have personal knowledge from clients
15 and witnesses but other than that, no.
16 **Q. Well, that's not personal knowledge, is**
17 **it?**
18 A. Oh, did I see it? No.
19 **Q. Right.**
20 A. Of course not.
21 **Q. And you didn't hear it?**
22 A. Not if I didn't see it.
23 **Q. What you're relating to me is what one**
24 **or more of your six plaintiffs told you, correct?**
25 A. Oh, yes, um-hum.

1 Q. Okay. And you say that the lawsuit
2 resolved all the racketeering allegations. What
3 racketeering allegations are you talking about?
4 A. The ones in the complaint. I'll read
5 the whole thing to you if you want me to. The
6 racketeering allegations in the complaint, the
7 maintenance of an enterprise, the commission of the
8 predicate acts, basically that.
9 Q. Do you recall how much money the
10 Limehouses or L&L Services were paying to these
11 temporary workers that you were representing?
12 A. I think it was six dollars an hour
13 straight time.
14 Q. Okay. Do you recall -- and this is
15 back in when, '04?
16 A. Yes, sir.
17 Q. Okay. Do you recall what minimum wage
18 was in 2004?
19 A. No.
20 Q. Do you know whether or not L&L Services
21 was paying their temporary -- or their employees
22 for their temporary staffing business an amount in
23 excess of minimum wage?
24 A. I just don't know.
25 Q. Do you know whether or not L&L Services

1 was providing healthcare and dental care for their
2 employees?
3 A. I don't know.
4 Q. Never ask anybody about that?
5 A. All I know is Mr. Limehouse said
6 something one time but other than that I don't know
7 whether they were or not.
8 Q. That wasn't of interest to you?
9 A. That wasn't the question. Do I know?
10 Sure. Their entire welfare was of interest to me.
11 What was of interest to me was what I could do
12 anything about. At the time they came to me I
13 couldn't have done anything about that one way or
14 the other.
15 Q. Well, you say you couldn't have done
16 anything about it. You were trying to do something
17 about housing, correct?
18 A. Sure.
19 Q. And the resolution that you brought
20 about was to eliminate all housing for all of these
21 employees of L&L Services, isn't that correct?
22 MR. HOOD: Object to the form.
23 THE WITNESS: The resolution of the
24 lawsuit settled the claims of the plaintiffs that
25 were left.

1 BY MR. CISA:
2 Q. Well, what did it do --
3 A. It was not -- it wasn't certified as a
4 class action.
5 Q. What did it do as to the housing for --
6 all of these employees, these 200 or 400 people,
7 what did your lawsuit do -- do concerning their
8 housing, didn't it put them on the street?
9 A. I don't think so.
10 Q. Oh, what happened to them?
11 A. I think they all found other jobs or
12 moved on and found other jobs. There's plenty of
13 work for them.
14 Q. How do you know that?
15 A. If there wasn't plenty of work for
16 them, he wouldn't have been having a temporary
17 service -- staffing agency like he had.
18 Q. Well, do you actually have any personal
19 knowledge as to what happened --
20 A. No, you were just asking me what I
21 think. That's what I think.
22 Q. Okay. So you don't know?
23 A. I -- I don't know, no.
24 Q. Okay. But you do know that the housing
25 was eliminated for at least the employees of L&L

1 Services, is that correct?
2 A. I'm sure it was.
3 Q. Okay. You mentioned that you talked
4 with James Scott before you filed the lawsuit on
5 April 23rd, 2004, is that correct?
6 A. Yeah, I spoke with him before that day,
7 yes.
8 Q. Do you recall how many times you spoke
9 with James Scott?
10 A. Once.
11 Q. Okay. And do you remember when you
12 talked to him?
13 A. A couple of weeks before we filed the
14 lawsuit, a week maybe, something like that. Within
15 a month of filing the lawsuit, I'm sure.
16 Q. All right. And what was the substance
17 of the conversation you had with James Scott a
18 month --
19 A. This --
20 Q. -- before you filed the lawsuit?
21 A. This -- it was fairly simple. The
22 substance was to -- to basically go over the -- the
23 articles and -- and discuss them with him and that
24 he stood by his investigation and the facts that he
25 wrote and basically that -- whether they were

1 reliable. And he said they were and he'd had no
2 complaints about them or anything, that he -- he
3 communicated with the Limehouses whenever they
4 wanted to say something about it and that he had
5 talked to numerous people to support anything that
6 he said, including the housing people and the
7 city -- North Charleston police people and things
8 like that.

9 **Q. You're talking about the article**
10 **dealing with the housing?**

11 A. All of the articles. There's what, 12,
12 15 of them.

13 **Q. Dealing with what?**

14 A. We can go read them all. They -- the
15 things they dealt with. They dealt with -- they
16 dealt with ID cards, they dealt with housing, they
17 dealt with -- with -- with what they were -- wages
18 they were paid, they dealt with lots of issues like
19 that.

20 **Q. Okay.**

21 A. Whatever was in those articles we -- we
22 discussed.

23 **Q. All right. I want to show you what**
24 **I've now had marked Plaintiff's Exhibit Number 4.**
25 **You've got it right under your notebook.**

1 A. Okay.

2 **Q. This is an article out of The Post and**
3 **Courier dated Saturday, April 24th, 2004 titled**
4 **Lawsuit Targets Staffing Agency. Are you familiar**
5 **with that?**

6 A. Yes, I am.

7 **Q. Okay. Is this an article that was**
8 **published in The Post and Courier on Saturday,**
9 **April 24th, 2004?**

10 A. Yes, it was.

11 **Q. All right. Now, prior to this article**
12 **being published on April 24th, 2004, did you have a**
13 **conversation with James Scott?**

14 A. I just told you I did.

15 **Q. Well, you told me about a**
16 **conversation --**

17 A. That's the only --

18 **Q. -- you had with him --**

19 A. That's the only conversation I ever had
20 with him.

21 **Q. How many -- you've only had one**
22 **conversation with James Scott?**

23 A. He called me -- he called me to talk
24 about it, to talk about the lawsuit.

25 **Q. 30 days before the lawsuit was filed?**

1 A. No, I met with him before the lawsuit
2 was filed.

3 **Q. All right. That was 30 days before the**
4 **lawsuit?**

5 A. Some -- somewhere in there. And then
6 he called me -- he called me to comment on the
7 lawsuit that I had filed.

8 **Q. Okay. Where did you meet with Jim**
9 **Scott -- James Scott?**

10 A. I think I met him at Blossom's
11 Restaurant.

12 **Q. And that was approximately -- and I**
13 **know you don't know exactly -- approximately 30**
14 **days before the lawsuit was filed, correct?**

15 A. Something -- within that timeframe,
16 yeah.

17 **Q. And how much time did you spend with**
18 **Mr. James Scott during that meeting?**

19 A. An hour maybe.

20 **Q. All right. And then you indicated that**
21 **you talked with James Scott a second time, is that**
22 **correct?**

23 A. James Scott called me to comment on the
24 lawsuit when it was filed.

25 **Q. Okay. And when did he call you to**

1 **comment on the lawsuit that was filed?**

2 A. I think -- I think -- on a Friday
3 afternoon, I think, before he wrote the article.

4 **Q. That would have been Friday, April**
5 **23rd, 2004?**

6 A. It probably would -- the lawsuit had
7 been on file so he called me to -- to -- to talk
8 about it.

9 **Q. Well, the lawsuit was filed -- if you**
10 **look at Plaintiff's 1, was the lawsuit filed on**
11 **April 23rd, 2004?**

12 A. Okay, that would be a Friday, right?

13 **Q. Yes.**

14 A. Okay. Well, he called me after the
15 lawsuit was filed.

16 **Q. Okay. So to your best knowledge and**
17 **belief, James Scott called you on Friday, April**
18 **23rd, 2004 to discuss the lawsuit that you had**
19 **filed on behalf of the plaintiffs and unknown class**
20 **participants --**

21 A. Yes, he did.

22 **Q. -- correct?**

23 A. Yes.

24 **Q. Okay. And you had a conversation with**
25 **him?**

1 A. Yes.
2 Q. All right. How long did the
3 conversation last?
4 A. I don't recall now. It was basically
5 to discuss the -- the RICO law and what it was.
6 Q. Okay. Is it fair to say that at the
7 time you had this conversation with James Scott on
8 Friday, April 23rd, 2004 you were aware that he had
9 written a number of articles concerning Lawton
10 Limehouse, Sr., Lawton Limehouse, Jr. and L&L
11 Services that were published in The Post and
12 Courier?
13 A. Yes, yes, I knew that.
14 Q. Okay. And I want you to look at
15 Exhibit Number 4, which is the article that was
16 published in The Post and Courier on Saturday,
17 April 24th, 2004. The first sentence in the
18 article says, six laborers filed a class action
19 lawsuit, is that correct?
20 A. That's what it says.
21 Q. Okay. Is that accurate?
22 A. Yeah.
23 Q. Okay. Then if you come down to the
24 third paragraph, the article says, the suit also
25 listed as defendants yet to be named Low Country

1 golf courses, construction companies and
2 restaurant -- restaurants? My question is is that
3 an accurate statement written by James Scott?
4 A. That's a statement written by James
5 Scott. I think it's his interpretation of what the
6 caption says.
7 Q. Is it accurate?
8 A. Yet to be named, they could be named,
9 they could not be named. If you mean accurate are
10 they all going to be named, no. I've explained to
11 you the legal significance of that and why I filed
12 it. If his con -- whatever his connotation was --
13 Q. My ques --
14 A. It's accurate -- it's accurate that the
15 paragraph says that, yes. If you're saying did I
16 say that, no.
17 Q. I'm not asking if you said it. I'm
18 asking you whether or not the statement that I just
19 read twice --
20 A. And I explained to you twice yet to be
21 named suggests they would or wouldn't be named. I
22 didn't have an opinion one way or the other when I
23 did it. I did it for legal reasons.
24 Q. I'm not asking about what you did or
25 what you didn't do. My question's very simple.

1 businesses that may have used L&L Services with the
2 knowledge that workers were being exploited. It is
3 a list that could include area golf courses,
4 construction companies and restaurants. Is that
5 accurate?
6 A. He's referring to the defendants and
7 it -- it listed -- it listed defendants who could
8 be named, yes.
9 Q. My question is is that statement
10 accurate?
11 A. Well, yet to -- if you mean yet to be
12 named meaning I was going to name them, no, that's
13 not right. I've told you they're named so that
14 if -- if discovery shows that someone else was
15 involved in it, they can be named and it will
16 relate back to the time that the class action was
17 filed.
18 Q. All right. Let me ask the question
19 again, make sure I get an answer. Does James
20 Scott's article -- it was published in The Post and
21 Courier on Saturday, April 24th, 2004 -- say, the
22 suit also list as defendants yet to be named Low
23 Country businesses that may have used L&L Services
24 with the knowledge that the workers were being
25 exploited. It is a list that could include area

1 Was this an accurate statement written and
2 published in The Post and Courier by James Scott?
3 MR. HOOD: Object to the form of the
4 question, asked and answered.
5 THE WITNESS: I don't -- I don't
6 understand your question. Yet to be --
7 BY MR. CISA:
8 Q. Do you understand the word accurate?
9 A. Yet to be -- I understand it exactly.
10 Q. Okay. Well, let me ask it again.
11 A. I'm answering -- you asked me yet to be
12 named. If you mean they are -- are going to be
13 named but haven't been -- see it's -- it's open to
14 connotation.
15 Q. I'm asking you whether or not --
16 A. They could be named or they might not
17 be named so what does yet to be named -- we can
18 argue about that word all you want. The only way I
19 can answer it is it's accurate in that those
20 defendants -- somebody could be named as a
21 defendant and so I'm explaining what I understand
22 that to say and if that's what it says, yes,
23 there's additional people who could be named.
24 If you -- if the interpretation is
25 there are additional defendants that would be

1 named, that's not necessarily accurate because we
2 had to go through discovery to find that out.
3 That's why they're listed as A, B, C, D. So that's
4 the only way I can answer your question. It's not
5 black or white or yes or no. I -- I say yes, it
6 did say that. If you want -- if you ask me what
7 does it mean, that's a whole different question.
8 **Q. I'm not asking you what it means. I'm**
9 **asking you whether that statement is accurate and**
10 **if you say no, it's not, then I'm going to ask you**
11 **what isn't accurate, what do you say is not**
12 **accurate about it? So let's start --**
13 **A. I don't think it's accurate or**
14 **inaccurate to tell you the truth. Yet to be named,**
15 **they could be named and they could not be named.**
16 **Q. Well, isn't that what you put in your**
17 **lawsuit, that -- that you -- you named as**
18 **defendants unknown businesses, including but not**
19 **limited to --**
20 **A. Sure.**
21 **Q. -- restaurants --**
22 **A. Absolutely.**
23 **Q. -- golf courses, et cetera?**
24 **A. Absolutely.**
25 **Q. All right. Isn't that what you said in**

1 **community back 150 years?**
2 **A. Well, because my understanding from --**
3 **from my clients is basically that -- that they were**
4 **in indentured servitude, they were held in houses,**
5 **they were taken to and from the job with no --**
6 **discretion on where they were -- where they went,**
7 **they were subject to the whim of whether they were**
8 **paid for all their wages or not, they were subject**
9 **to having two companies that juggled their names**
10 **back and forth to avoid paying them any overtime,**
11 **avoid -- avoid the wage and hour laws and that**
12 **they -- they were subject to threats and fears if**
13 **they said anything or complained about it that they**
14 **would be turned in to the government, that what I**
15 **understood from my clients and in general from**
16 **looking at those articles is that -- basically what**
17 **I've said.**
18 **Q. Okay. And what's the significance --**
19 **significance of the 150 years? This sets the**
20 **community back 150 years, what's the significance**
21 **of that?**
22 **A. I was just talking about indentured**
23 **servitude.**
24 **Q. Okay. What is indentured servitude?**
25 **A. It's when you're being paid for -- paid**

1 **your lawsuit?**
2 **A. Exactly what I said and that's what the**
3 **law requires me to do in order to relate an**
4 **amendment back.**
5 **Q. Okay.**
6 **A. I didn't name any of them nor did I**
7 **intend to name any of them.**
8 **Q. You see the next statement that says,**
9 **this suit -- this sets the community back 150**
10 **years, is that what you told James Scott?**
11 **A. I think in general. I'm not sure I**
12 **said it exactly like that but in general, yes.**
13 **Q. Okay. Well, when you read this article**
14 **after it was published on Saturday, April 24th,**
15 **2004, did you call James Scott and say, I didn't**
16 **tell you that this --**
17 **A. No, I didn't say that.**
18 **Q. -- this sets the community back 150**
19 **years?**
20 **A. No, no, I didn't -- I didn't say that.**
21 **Q. So you think -- you feel reasonably**
22 **certain that you told James Scott that this sets**
23 **the community back 150 years?**
24 **A. I think in general I did.**
25 **Q. Okay. Why did you say that it set the**

1 **for a job but you're -- you're required to stay in**
2 **a certain place or under certain circumstances.**
3 **Q. You're being paid for a job but you're**
4 **required to what?**
5 **A. You're being paid for a job but you're**
6 **basically -- you're -- you're indentured. You're**
7 **basically -- have to stay there, you have to live**
8 **there, you have to do -- do whatever the job is.**
9 **Q. And you're saying that the Limehouses**
10 **were -- were engaging in indentured servitude?**
11 **MR. HOOD: Object to the form.**
12 **BY MR. CISA:**
13 **Q. Is that what you're saying?**
14 **A. That's not what I said.**
15 **Q. Well, didn't you say --**
16 **A. It was an example of the way in which**
17 **the work practices looked to my clients.**
18 **Q. Well, you said that you made the**
19 **statement that this sets the community back 150**
20 **years because you felt that your plaintiffs in this**
21 **class action lawsuit and I guess the other**
22 **individuals who were similarly situated were --**
23 **were in indentured servitude, is that correct?**
24 **MR. HOOD: Object to the form of the**
25 **question.**

1 **THE WITNESS:** In general those were the
2 conditions in which they worked, that they -- they
3 were told where to go, what to do and under what
4 circumstances to do it.

5 **BY MR. CISA:**

6 **Q. Okay. That you felt that they were**
7 **subject to indentured servitude, correct?**

8 A. I felt they were kept in a place in
9 order that they could be provided to these other
10 folks to work and those were the circumstances of
11 their employment. They had no choice over it
12 except to go and come as they were told to do.

13 **Q. Well, did you think that this was a**
14 **classic case of indentured servitude?**

15 A. I just explained the answer to you and
16 I'll say the same thing, I felt it was a situation
17 where their conditions of employment were such that
18 they were kept in houses, they were picked up, they
19 were taken to the job, they were picked up from
20 another job and taken to another one, then they
21 were picked up and they were taken home and it was
22 a cycle that went on with all of them and during
23 the time they were -- they were paid either fairly
24 or not fairly depending on the whim of the company,
25 they were -- they were denied overtime, they worked

1 double time, the company would take them to one job
2 and then take them to another job. I -- all of
3 this I thought was a situation where -- where their
4 entire livelihood was controlled by the company
5 that paid them so that's what I was referring to.

6 **Q. And you've referred to that as**
7 **indentured servitude?**

8 A. That's what I referred to that as.

9 **Q. Okay. And what -- tell me again the**
10 **significance of 150 years.**

11 A. I don't know that there is one.

12 **Q. Why did you say it?**

13 A. I don't even know, just trying to --
14 sets us way back from the normal wage and hour laws
15 we have now and everything else.

16 **Q. Okay. So you said that you felt there**
17 **was indentured servitude because even though they**
18 **were paid, they were required to stay in certain**
19 **places and they had to do whatever the job was, is**
20 **that correct?**

21 **MS. DURAND:** Object to the form.

22 **THE WITNESS:** Whatever my answer was,
23 I'll -- I'd endorse it again.

24 **BY MR. CISA:**

25 **Q. Is that what you said?**

1 A. I said -- I said a lot of things. I
2 didn't say the bullet note you have right there. I
3 said they were required to stay in places, they
4 were jammed into places in -- in horrible living
5 circumstances, they were picked up from the job,
6 they were taken to the job, they were -- they were
7 taken there so that there wouldn't be any frolic or
8 they wouldn't go somewhere else, they were taken
9 from one job to the other, they sometimes were
10 taken from a -- a golf course to a restaurant,
11 they'd work eight hours for the golf course, work
12 eight hours for a restaurant, paid by one company
13 then paid by the other. They had -- they -- they
14 had their jobs, they were taken -- their entire
15 existence was controlled by the temporary staffing
16 agency and I was talking with Mr. Scott and I said,
17 that's -- looks like indentured servitude to me.

18 **Q. Okay. You say that the employees of**
19 **L&L Services were required to stay in places?**

20 A. Yes. Right. Right.

21 **Q. You're saying that --**

22 A. He -- they were required to stay
23 somewhere where -- where the temporary service
24 company could pick them up every morning in the bus
25 and deliver them to the place that they had

1 guaranteed they'd deliver them to.

2 **Q. Well, how else could it -- could it**
3 **work? If they -- if they want to work and they**
4 **want to earn a living, what do you -- what do you**
5 **suggest that they should have been doing?**

6 **MR. HOOD:** Object to the form.

7 **THE WITNESS:** I don't suggest anything.
8 You asked me what I was referring to in that and
9 I'm telling you what I'm referring to.

10 **BY MR. CISA:**

11 **Q. Yeah, and I'm talk --**

12 A. You can make whatever arguments that
13 you don't like what I said or what should they be
14 doing. I'm saying this is what I understood from
15 talking to these people and -- and looking at
16 the -- the situation with the -- the building
17 inspectors and looking at all of these things,
18 looking at the way in which this company worked.
19 It was a sham company that had two companies so
20 they could avoid -- avoid the law, hide from the
21 law, not pay them their wages. They -- they --
22 they took these people to the -- to the job, they
23 took them to another job, they -- they were
24 required to -- to show up, to be there at the bus
25 and to go and they kept complete control of them in

1 order for this to work.
2 **Q. Okay. Were these employees of the**
3 **Limehouses and L&L Services, were they required to**
4 **stay in properties that were provided by the**
5 **Limehouses?**
6 A. Yeah, I believe so, for the most part.
7 **Q. Okay. Why do you say that?**
8 A. Well, because my investigation
9 reflected that that's how the -- the system worked.
10 To the extent that they weren't required -- or to
11 the extent they did live somewhere else they had to
12 be -- be there when the bus picked them up but --
13 but I'm talking about those that were -- those that
14 were required to stay in the housing, those that
15 were picked up every day on the bus, taken to the
16 jobs and then taken back and I said under those
17 circumstances it's a classic case of indentured
18 servitude.
19 **Q. Okay. Do you acknowledge that these**
20 **employees of L&L Services wanted to work and earn**
21 **money?**
22 A. Of course they did.
23 **Q. Sure they did.**
24 A. Absolutely.
25 **Q. They were earning more money than they**

1 **ever earned in Mexico, isn't that correct?**
2 A. That's why they were here.
3 **MR. HOOD: Object to the form.**
4 **BY MR. CISA:**
5 **Q. Okay. Well, in order to earn money,**
6 **they had to be transported to the job site to work,**
7 **is that correct?**
8 A. Well, sure.
9 **Q. Well, how are they going to get to the**
10 **job site if L&L Services and the Limehouses didn't**
11 **provide transportation?**
12 A. I don't have any idea. I'm just
13 telling you how I understood from my investigation
14 the situation worked and that is the way the
15 situation worked.
16 **Q. Yeah. And my question is is how were**
17 **your clients and other employees of L&L Services**
18 **and the Limehouses, how are they going to get to a**
19 **job site if the Limehouses didn't provide**
20 **transportation to get them to the job site?**
21 A. If the Limehouses didn't provide
22 transportation the Limehouses wouldn't have -- have
23 a business. The Limehouses started the business --
24 **Q. And then your clients wouldn't have --**
25 **your clients wouldn't have a job --**

1 A. That's --
2 **Q. -- isn't that correct?**
3 A. That's true.
4 **Q. And they wouldn't be earning the money**
5 **that they came here to earn, isn't that correct?**
6 A. That doesn't justify anything. It --
7 they -- they wouldn't be earning the money living
8 30 people to a house either but it doesn't --
9 doesn't justify the practices.
10 **Q. So what -- what do you think should**
11 **have happened, all these folks that came here to**
12 **try to earn some money to better themselves and**
13 **help their families, they should have just been**
14 **terminated?**
15 A. I think they should have been
16 treated -- treated like human beings and they
17 should have been treated with respect and they
18 should have been treated fairly and I don't think
19 they were and I think the investigation showed they
20 weren't and I think the scheme did not pay them. I
21 think if you're going to treat them fairly, you'll
22 pay them fairly. Clearly they didn't. Clearly
23 they had a scheme not to pay them, to hide not
24 paying them. That's what I think.
25 **Q. Well, they were provided free housing,**

1 **correct?**
2 A. Yeah.
3 **Q. They weren't required to stay there if**
4 **they didn't want to?**
5 A. They were required to stay there.
6 **Q. Well, who told you they were required**
7 **to stay there, Mr. Hulsey?**
8 A. The people told me they were required
9 to stay in that housing so that they could be found
10 every morning and put on the bus and taken to the
11 job site.
12 **Q. Well, did they tell you they had guards**
13 **there to check them in to make sure they were there**
14 **in the houses?**
15 A. They were afraid of the bus drivers,
16 that's for sure.
17 **Q. Do you know of any instances where any**
18 **of your clients or any of the folks that were**
19 **supposed to be in this class action lawsuit called**
20 **the police or reported anybody?**
21 A. I think they may have called -- a
22 couple of them may have called the police but it
23 would be odd because they're scared to death of
24 being caught.
25 **Q. Okay. But in any event, you told James**

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1 Scott on April 23rd, 2004 that this sets the
2 community back 150 years, right?
3 A. Sure. Yes, I did.
4 Q. Okay. And you acknowledge that that
5 statement is detrimental to the reputation of the
6 Limehouses and L&L Services?
7 A. I don't think it's detrimental to the
8 relationship (sic). I think it's a -- it's an
9 observation of what the -- the lawsuit shows.
10 Q. You don't think saying that somebody's
11 conduct sets the community back 150 years is
12 detrimental to their reputation?
13 A. I don't -- I don't think it's
14 detrimental to their reputation. It was -- it was
15 said with regard to a 30-page complaint that
16 outlined all the reasons that that was said. It
17 wasn't taken in a vacuum and it was said to a
18 reporter who has -- who had written dozens of
19 articles investigating the situation. And if you
20 look at the complaint it talks about indentured
21 servitude and it talks about the way in which the
22 operation worked.
23 Q. Yeah, but you understood that -- when
24 you made this statement to James Scott on April
25 23rd --

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1 A. Um-hum.
2 Q. -- 2004, you knew it was going to be
3 published in The Post and Courier, didn't you?
4 MR. HOOD: Object to the form.
5 THE WITNESS: I don't know what he was
6 going to do with it. We were talking in general
7 about the RICO law.
8 BY MR. CISA:
9 Q. Didn't you know that it was reasonably
10 probable --
11 A. Yes, sure.
12 Q. -- that James Scott was going to
13 publish your statement, your quote --
14 A. Yes.
15 Q. -- in The Post and Courier --
16 A. I did.
17 Q. -- in an article?
18 A. I did.
19 Q. Okay. And the people reading this
20 article didn't have the complaint, did they?
21 A. The complaint was public knowledge.
22 It's already on file. That's what I'm referring
23 to.
24 Q. And you believe that the -- that the
25 members of the public who read The Post and Courier

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1 are going to go to the Federal Court Web site and
2 read the complaint, is that what you really
3 believe?
4 A. I think if -- I think -- I think if
5 they go and read the lawsuit, they won't be
6 concerned about anything I said in the newspaper.
7 Q. And you think that everybody that read
8 the newspaper were going to read the lawsuit?
9 A. I think anybody that cared about it
10 would look at the lawsuit.
11 Q. And you don't think making a statement
12 that the conduct of the Limehouses set the
13 community back 150 years is detrimental to their
14 reputation or business?
15 A. I was --
16 MR. HOOD: Object to the form of the
17 question.
18 MS. DURAND: Object to the form.
19 THE WITNESS: I was talking about a
20 temporary service agency and I don't think it's
21 depriment -- detrimental to them. That's the way
22 in which they ran the company.
23 BY MR. CISA:
24 Q. Okay. You understood that Lawton
25 Limehouse, Sr. and Lawton Limehouse, Jr. were

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1 running L&L Services and WLL --
2 A. No. I never mentioned their name and I
3 never intended to mention them individually.
4 Q. Well, Mr. Hulsey, you knew that --
5 didn't you know that Lawton Limehouse, Sr. and
6 Lawton Limehouse, Jr. were the owners and they were
7 running L&L Services --
8 A. Yes, I did.
9 Q. -- and WL -- yeah, you --
10 A. And I never knew them -- I never used
11 their name in that article.
12 Q. You used --
13 A. I never used their name in the article.
14 I knew because they were in the caption that I was
15 talking about a temporary service agency, a company
16 and how it did business and that's very clear.
17 Q. They -- they were in the caption of the
18 federal --
19 A. Yes, they were.
20 Q. -- class action suit --
21 A. Sure.
22 Q. -- and Lawton Limehouse, Sr. was named
23 as the first defendant --
24 A. Sure, absolutely.
25 Q. -- and Lawton Limehouse, Jr. was named

1 as the second defendant?

2 A. That's very true, sure.

3 Q. Isn't that correct?

4 A. Absolutely.

5 Q. And this was their staff -- temporary
6 staffing agency, isn't that correct?

7 A. They had an LLC. They had businesses.
8 They -- they didn't run this personally. Both
9 those companies were LLC's and that's what I was
10 talking about.

11 Q. Didn't you --

12 A. Business operation of a temporary
13 staffing agency. I wasn't talking about either of
14 those gentlemen personally and it's very clear.

15 Q. Okay. Did you know that at the time
16 you made these statements to James Scott on
17 April -- on Friday, April 23rd, 2014 that L&L
18 Services, LLC and WL, LLC (sic) were two
19 businesses -- temporary staffing businesses that
20 were owned by Lawton Limehouse, Sr. and Lawton
21 Limehouse, Jr.?

22 A. Oh, yeah, sure.

23 Q. Okay.

24 A. Sure.

25 Q. Okay.

1 Q. Second column, first -- first

2 paragraph. The article says, this is a blatant
3 case of indentured servitude, said Hulsey, formerly
4 of the Ness Motley law firm. You see that?

5 A. I do see that, yes.

6 Q. Did you tell James Scott when you had
7 that telephone conversation with him on April 23rd
8 that this is a blatant case of indentured
9 servitude?

10 A. I don't know if I used that exact
11 words, but we were talking about indentured
12 servitude as I was talking to you earlier today
13 about.

14 Q. Okay.

15 A. So I -- I did -- we did talk in terms
16 of indentured servitude, yes, sir.

17 Q. Okay. You see where he put it in
18 quotes?

19 A. I -- I do see that.

20 Q. Okay. Do you think you said that?

21 A. I probably did, yes, sir.

22 Q. Okay. And then it goes on and it says,
23 L&L Services took advantage of the complexity of
24 the system. They have created a perfect
25 racketeering enterprise just like Tony Soprano. Is

1 MR. CISA: Why don't we take a break
2 for lunch and then come back and try to finish up.

3 THE WITNESS: Okay.

4 (A luncheon recess transpired.)

5 BY MR. CISA:

6 Q. Mr. Hulsey, during lunch did you
7 discuss your -- the substance of your deposition
8 testimony with anyone?

9 A. Nope.

10 Q. Okay, thanks. I was asking you some
11 questions about the newspaper article that was
12 written by James Scott --

13 A. Yes, sir.

14 Q. -- that was published in The Post and
15 Courier on Saturday, April 24th, 2004 and I've got
16 a few more questions about it.

17 A. All right.

18 Q. If you would look at the article that
19 I've marked as Plaintiff's Exhibit Number 4.

20 A. Sure.

21 Q. And I want you to turn to the second
22 page and it's the second column of the second page
23 of the article. Tell me when you get there.

24 A. Here it is. It's right in front of me.

25 Excuse me, sir, second column?

1 that statement -- was that statement made by you to
2 James Scott on April 23rd, 2004?

3 A. No.

4 Q. It was not?

5 A. Not in those -- not like that it
6 wasn't.

7 Q. Well, you see where it's in quotes?

8 A. I see it in quotes. It wasn't made
9 like that.

10 Q. Okay. Well, what statement did you
11 make to James Scott concerning Tony Soprano?

12 A. I recall as a background, Mr. Cisa,
13 that he called me and had several questions about
14 RICO, what it was and how it worked and what an
15 enterprise was, and in the context of those --
16 those discussions I do recall referring to L&L
17 Services. We had discussed -- we were -- we were
18 discussing the operation of the -- what I had
19 called a temporary employment agency as the
20 enterprise.

21 But anyway, we -- we were talking about
22 L&L Services and I do recall telling him that they
23 took advantage of the complexity of the -- of the
24 system as alleged in the -- excuse me, in the
25 complaint and that in general but not specific

1 was -- was sending the things back and forth to
2 Social Security and the -- the no-match letters and
3 using two -- two companies to write two separate
4 checks and -- and I don't mean to be exclusive --
5 inclusive in this answer but -- but that was what I
6 was saying, took -- took advantage of the
7 complexity of the system and I said, they created a
8 perfect racketeering enterprise.

9 And I remember he -- he stopped me
10 there and he said, let's talk about what an
11 enterprise is and I said, all right. I said,
12 first, I said, it's when you operate what appears
13 to be a legitimate business in a way such that it
14 violates the law and we talked a little bit about
15 that and he said, well, what do you mean violates
16 the law?

17 We talked about the predicate acts that
18 are required to be stated in a RICO complaint and
19 in general we talked about the -- the wage and hour
20 issues, we talked about the Social Security number
21 and identification issues in -- in general. Excuse
22 me. We talked about those in general and so I
23 said, basically they -- they operated a temporary
24 employment service agent as a -- agency as a
25 perfect RICO enterprise.

1 He says, well, can you give me an
2 example of that? And I said, well -- well, yeah,
3 like -- like Tony Soprano, that -- that fictional
4 guy on TV, he's got a legitimate business, he --
5 he's got a nightclub, but he also used that
6 nightclub to -- to run his gambling money through.
7 And I said, so it's an example of an enterprise
8 as -- as an example and I said, so their operations
9 as I disclosed it to you were perfect racketeering.
10 I think he shortened the quote to get it -- to get
11 it that way.

12 Q. Okay. Well, you got -- did you read
13 the April 24th --

14 A. Yes.

15 Q. -- 2004 article --

16 A. Yes, I see that.

17 Q. -- that Saturday?

18 A. Yeah.

19 Q. Did you contact James Scott to tell him
20 that he misquoted you?

21 A. No, I didn't.

22 Q. Okay. But you acknowledge that you did
23 talk to him about Tony Soprano?

24 A. Yeah, I used it -- I used it as an
25 example of the operation of a RICO enterprise.

1 Q. Okay. Would you agree with me that the
2 statement this is a blatant case of indentured
3 servitude is damaging to the reputation of the
4 Limehouses?

5 A. I don't think so and I didn't say it
6 about the Limehouses, I said it about L&L Services.

7 Q. Okay. You understood L&L Services was
8 owned by --

9 A. I said it about L&L Services.

10 Q. -- Lawton, Sr. --

11 A. You're complaining about what was
12 written in the newspaper and that's what I'd said.

13 Q. Right. And you understood at the time
14 you made that statement that L&L Services --

15 A. When I made that statement it had
16 nothing to do with Mr. Limehouse or his son. It
17 had only to do with the operation of a business as
18 I outlined it to the reporter and as we stated the
19 operation, which was a racketeering enterprise, in
20 the complaint.

21 Q. And who was operating the business of
22 L&L Services at the time you made this statement
23 that this is a blatant case of indentured
24 servitude?

25 A. Well, one doesn't lead to the other.

1 Q. My question was --

2 A. I know who was running it. That isn't
3 who I was talking about. I wasn't talking about
4 any individual doing anything because an individual
5 can't do that. I was talking about two LLC's that
6 combined together to run a temporary staffing
7 agency and they ran the business. The business was
8 operated like a racketeering and I was talking
9 about the business, not the individuals, and it's
10 very clear that I was.

11 Q. Okay. Who did you understand operated
12 L&L Services, LLC at the time you told James Scott
13 on April 23rd, 2004 that this is a blatant case of
14 indentured servitude?

15 A. I was not even thinking about the
16 individuals. I was thinking about the company as I
17 had defined it in the -- the complaint and he
18 understood who I was talking about because
19 Mr. Scott was the one that had written all of these
20 articles. And I was talking about a temporary
21 staffing or temporary employment agent -- agency
22 enterprise made up of two companies and I was
23 talking about an enterprise being run as a certain
24 way, not individuals conducting themselves in any
25 certain way because the enterprise has to be a

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1 corporation and I was talking about the
2 corporations.
3 **Q. Mr. Hulsey, who did you understand**
4 **owned and operated L&L Services, LLC at the time**
5 **that you told James Scott on April 23rd, 2004 that**
6 **this is a blatant case of indentured servitude?**
7 A. On -- on April 24th, 2004 the complaint
8 said that Mr. Limehouse and his son owned the
9 corporations.
10 **Q. So you understood that they owned and**
11 **operated L&L Services, LLC at the time that you**
12 **made this statement to James Scott on April 23rd,**
13 **2004 that this is a blatant case of indentured**
14 **servitude, isn't that correct, sir?**
15 A. I was not referring to them.
16 **Q. I didn't ask that.**
17 A. But I've already answered your
18 question. I know who ran it and it's not who I was
19 talking about.
20 **Q. Mr. Hulsey --**
21 A. I'll answer it one more time. I put
22 them in the complaint and yes, I knew that at the
23 time I said it.
24 **Q. Okay. So you did know at the time you**
25 **made the statement to James Scott that this is a**

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1 **blatant case of indentured servitude on April 23rd,**
2 **'04 that Lawton Limehouse, Sr. and Lawton**
3 **Limehouse, Jr. owned and operated L&L Services,**
4 **LLC, correct?**
5 A. I knew that two -- two companies, L&L
6 Services and WL&L, had combined together in a RICO
7 enterprise to run the business in a way which is --
8 which was whatever it says, a blatant case of
9 indentured servitude. I didn't refer to the two.
10 I knew that at the time. If I was going to refer
11 to the two, I would have referred to the two and I
12 didn't. I was talking about the corporations and
13 how they had worked together to run this RICO
14 enterprise.
15 **Q. Mr. Hulsey, I'm going to continue to**
16 **ask the question --**
17 A. I -- I've already answered your
18 question.
19 **Q. I'm going to continue to ask the**
20 **question until you give me an answer.**
21 **MR. CISA:** And Jamie, I would ask that
22 you instruct your client to answer the question.
23 **MR. HOOD:** I thought --
24 **BY MR. CISA:**
25 **Q. My question is --**

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1 **MR. HOOD:** -- I'm not allowed to --
2 **MR. CISA:** Pardon me?
3 **MR. HOOD:** -- do anything to suggest an
4 answer to the client.
5 **MS. DURAND:** Why doesn't she read
6 back --
7 **MR. CISA:** I want you to --
8 **MS. DURAND:** -- what he answered?
9 **MR. CISA:** -- tell him to answer the
10 question.
11 **THE WITNESS:** I said -- I said -- just
12 so we can go on and you're not wasting my time, I
13 said at the time I filed the lawsuit and the time I
14 talked to this reporter I understood because I put
15 it in the complaint the two individuals were
16 also -- also involved in this scheme. So yes, I
17 did. That is not what I was referring to in the
18 newspaper and your question to me infers that so
19 I'm answering the best way I can.
20 **BY MR. CISA:**
21 **Q. Well, how about a yes or no answer?**
22 A. I'm not going to give you a yes or no
23 answer.
24 **MR. HOOD:** Wait -- wait a second.
25 **MR. CISA:** You want me to ask the

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1 question again? Did you make an objection?
2 **MR. HOOD:** Well, I mean, if you want
3 to -- you asked me to instruct him to answer the
4 question and if you want me to instruct him, I will
5 but I'm only going to do so if you ask me to so
6 I'll --
7 **MR. CISA:** I want you to tell him to
8 answer the question. That's all I want you to tell
9 him. You've got a duty to tell him to answer the
10 question under the rules.
11 **MS. DURAND:** Let's listen to the answer
12 read back that he did give because I think he did
13 answer the question. Why don't you read it back,
14 Court Reporter, please?
15 **MR. CISA:** Ma'am, this is my
16 deposition. This is not her deposition. Let me
17 ask the question again and we'll see if we get a
18 yes or no answer, okay? Let me ask the question
19 again.
20 **MR. HOOD:** Well, wait a second.
21 You're -- you're presuming no matter what question
22 you ask that you're entitled to a yes or no and a
23 witness is entitled to answer the question that you
24 posed. You're not entitled to whatever answer you
25 want.

1 **MR. CISA:** I'm not -- I'm not telling
2 him how to answer the question, I just want an
3 answer. You don't understand that?
4 **MR. HOOD:** I do understand that but I
5 believe that you've asked the question multiple
6 times and he's given you the same answer each time
7 and it's -- it's permissible for a witness to
8 explain his or her answer.
9 **MR. CISA:** I don't mind him explaining.
10 I want a -- I want a yes or no answer, then he can
11 explain all he wants.
12 **MS. DURAND:** He's answered it.
13 **MR. HOOD:** But not all questions are
14 susceptible --
15 **MR. CISA:** Let me --
16 **MR. HOOD:** -- to yes or no answers.
17 **MR. CISA:** Okay. We'll take it up with
18 the court.
19 **BY MR. CISA:**
20 **Q.** Let me ask the question again and if
21 you don't answer it we'll take it up with the
22 judge.
23 **Mr. Hulsey, did you understand at the**
24 **time that you made this statement to James Scott of**
25 **The Post and Courier on April 23rd, 2004 that**

1 **Lawton Limehouse, Sr. and Lawton Limehouse, Jr.**
2 **were the owners and operators of L&L Services, LLC**
3 **when you said, this is a blatant case of indentured**
4 **servitude, yes or no?**
5 **A.** I'm not going to answer it yes or no.
6 I'm going to answer it the way -- because you
7 include the quote within your question. At the
8 time the lawsuit was filed I included Mr. Limehouse
9 and his son as people that our research showed had
10 something to do with the temporary services
11 companies of LLC (sic) and W&L, but you're putting
12 the quote into your question and I'm telling you at
13 the time I gave that quote I was thinking of
14 specifically a business operation, two businesses,
15 two businesspeople, and I'm trying to explain that
16 to you.
17 **If you want to know when this was**
18 **written did I know that, I've said I knew -- knew**
19 **they had something to do with the companies but**
20 **when I gave the statement, I was not thinking about**
21 **them, I had no intention to name them, I didn't**
22 **name them. I was explaining something to a**
23 **reporter about two companies that he was very**
24 **familiar with and how they -- how they conducted**
25 **themselves as a case of indentured servitude and a**

1 RICO enterprise.
2 **Q.** At the time you gave the quote to James
3 Scott where you said, this is a blatant case of
4 indentured servitude, did you have an understanding
5 that L&L Services, LLC was owned and operated by
6 Lawton Limehouse, Sr. and Lawton Limehouse, Jr.?
7 **MS. DURAND:** Objection, asked and
8 answered.
9 **BY MR. CISA:**
10 **Q.** Did you?
11 **A.** I've already answered you about six
12 times.
13 **Q.** Well, why don't you answer one more
14 time, yes or no?
15 **A.** I'm not going to answer one more time
16 yes or no.
17 **Q.** So you refuse to answer the question?
18 **A.** I have answered your question and I've
19 answered it three or four times.
20 **Q.** Did you under --
21 **A.** And I told you at the time I talked to
22 this reporter exactly what was on my mind, exactly
23 what he and I talked about and exactly who I was
24 referring to.
25 **Q.** Mr. Hulsey, sir, with all due respect,

1 you may be answering a question that you want to
2 ask, but I'm asking the questions and I want -- I'd
3 like a response and if you don't give me a
4 response, we'll take it up with the judge and we'll
5 reconvene.
6 **MS. DURAND:** He's responded, Mr. Cisa.
7 **MR. CISA:** Ma'am, I don't -- I'm not
8 arguing with you. I'm -- I'm trying to get an
9 answer to my question.
10 **BY MR. CISA:**
11 **Q.** And you're refusing to answer the
12 question, sir?
13 **MS. DURAND:** He has answered the
14 question.
15 **MR. CISA:** And I would appreciate you
16 not butting in and not telling the client how to
17 answer my question.
18 **THE WITNESS:** I haven't been told --
19 **MS. DURAND:** I am not telling --
20 **THE WITNESS:** -- how to answer,
21 Mr. Cisa.
22 **MS. DURAND:** I didn't tell him
23 anything.
24 **MR. CISA:** You are. You're telling --
25 your objection is is that he's answered the

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1 question so as a result of you telling him that, he
2 answers that I've -- I've answered the question.
3 **THE WITNESS:** Wait a second.
4 **MR. CISA:** You are -- you are -- you
5 are coaching the witness.
6 **MS. DURAND:** He already said that. I
7 am not coaching --
8 **THE WITNESS:** I already said I answered
9 it before she ever said that. If you want to make
10 this record, I'll stay here all day and do this.
11 I've answered your question as truthfully as I can.
12 I have answered what I knew about the corporations
13 at the time this article was --
14 **BY MR. CISA:**
15 **Q. Well, let me ask you this --**
16 **A. --** was written and I have and you got
17 the answer and you know you have.
18 **Q. -- on April 23rd, 2004, did you**
19 **understand that Lawton Limehouse, Sr. and Lawton**
20 **Limehouse, Jr. were the owners and operators of L&L**
21 **Services, LLC?**
22 **A. Yes.** That's what I've said 16 times
23 but you wanted to preface it with something else.
24 **Q. Well, all I prefaced it with, you --**
25 **haven't you admitted that you said to James Scott**

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1 on April 23rd, 2004 that, in quotes, this is a
2 blatant case of indentured servitude?
3 **A.** And I explained the context in which I
4 said it.
5 **Q. But you admit you said that --**
6 **A. I --**
7 **Q. -- to James Scott?**
8 **A.** Of course I did, I said that to James
9 Scott.
10 **Q. Okay. All I was asking is at the time**
11 **you said that, did you have an understanding that**
12 **Lawton Limehouse, Sr. and --**
13 **MR. HOOD:** There --
14 **BY MR. CISA:**
15 **Q. -- Lawton Limehouse, Jr. were the**
16 **owners and operators of L&L Services, isn't that**
17 **correct?**
18 **A.** The record is whatever it is.
19 **MS. DURAND:** He answered that,
20 Mr. Cisa.
21 **MR. CISA:** Ma'am, who do you represent
22 in this case?
23 **MS. DURAND:** I represent Mr. Hulsey.
24 **MR. CISA:** Okay. Who does Mr. Hood
25 represent?

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1 **MR. HOOD:** I represent his com -- the
2 law firm.
3 **MS. DURAND:** And even though you
4 neglect to ever copy me on anything or have any
5 interaction with me, yes, I do and I've officially
6 filed my appearance with the court.
7 **MR. CISA:** Okay. Well, did you fail to
8 get anything that I've sent?
9 **MS. DURAND:** You don't send me
10 anything, Mr. Cisa. I have to get everything from
11 Mr. Hood.
12 **BY MR. CISA:**
13 **Q. Now, Mr. Hulsey, you acknowledge**
14 **that -- I believe you acknowledge that you told**
15 **James Scott on April 23rd, 2004 that L&L Services**
16 **took advantage of the complexity of the system,**
17 **correct?**
18 **A. Yes.**
19 **Q. Okay. And you acknowledge that you**
20 **also told James Scott that it was like a**
21 **racketeering scheme like Tony Soprano, correct?**
22 **MR. HOOD:** Object to the form.
23 **THE WITNESS:** I didn't say that. I
24 already answered what I told him and how I told
25 him.

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1 **BY MR. CISA:**
2 **Q. You said it was like Tony Soprano?**
3 **A.** I gave a -- no. I gave an example --
4 after I explained what RICO was and we talked about
5 the fact that W&L&L (sic) and L&L had had a
6 racketeering enterprise of a temporary staffing
7 agency -- that was the enterprise and I said
8 they -- they operate what appears to be a
9 legitimate business in a -- in a -- in an unlawful
10 way. We talked about the predicate acts that were
11 unlawful and he says, well, can you give me a -- an
12 example of -- of that? And I said, well, yeah,
13 take Tony Soprano, for example, he has a -- he has
14 a nightclub that he runs but he also has some other
15 businesses like his gambling he runs through that.
16 And I said, so the operations -- not the people,
17 the operations of the company are -- are like a
18 RICO enterprise. I think he shortened the quote --
19 he shortened the quote for purposes of -- of, you
20 know, whatever to that.
21 **Q. Okay. So is it your testimony that**
22 **James Scott misquoted you when he put in quotes,**
23 **they have -- they have created a perfect**
24 **racketeering enterprise just like Tony Soprano?**
25 **A.** Yeah, I didn't say the sentence that

1 way.
2 **Q. Okay. How do you know Tony Soprano?**
3 A. I don't know him. He's a fictional
4 character.
5 **Q. Okay. You watch the show?**
6 A. No.
7 **Q. You've never watched the show?**
8 A. The example was given to me by
9 Professor Blakey in explain -- in explaining a
10 simple way to explain the concept of operating a
11 business as a racketeering enterprise. There's
12 civil and there's criminal RICO.
13 **Q. Yeah.**
14 A. This was civil RICO.
15 **Q. So when you -- when you -- when you**
16 **talked with James Scott about Tony Soprano, you**
17 **didn't even know anything about the show?**
18 A. I knew in general but it didn't have
19 anything to do with the example I was giving.
20 **Q. Well --**
21 A. I'm going to -- will you let me answer
22 my question?
23 **Q. Certainly.**
24 A. Okay. I knew about the show in
25 general. The -- the point was I was giving an

1 example of an enterprise, not a person. I wasn't
2 calling anybody a person or referring to anything
3 the person does. I was talking to an enterprise,
4 which is the operation of a business, and the
5 reference was to he operates one business and then
6 has another business and it was something easy to
7 understand.
8 **Q. Well, let me ask you this. Would you**
9 **agree that when James Scott put in this newspaper**
10 **article that we've marked as Exhibit 4, which is**
11 **the article of April 24th, '04, that they have**
12 **created a perfect racketeering enterprise just like**
13 **Tony Soprano that that has a detrimental and**
14 **negative effect upon Lawton Limehouse, Sr. and**
15 **Lawton Limehouse Jr.'s reputation?**
16 A. No.
17 **Q. You don't think so?**
18 A. No.
19 **Q. Okay. How about a negative and**
20 **detrimental impact as to their business --**
21 A. No.
22 **Q. -- L&L Services?**
23 A. No.
24 **Q. Don't think so?**
25 A. No.

1 **Q. Okay. So you don't believe that**
2 **anybody who read this article and they read that**
3 **they have created a perfect racketeering enterprise**
4 **just like Tony Soprano it wouldn't have any**
5 **detrimental effect as to the reputations of the**
6 **Limehouses or their business, is that correct?**
7 A. Well, first of all, I didn't use their
8 names, you know that, and I referred to a company
9 and I referred to the way they operated business.
10 I don't think anybody seriously thought anything
11 about a fictional TV character. Their -- they
12 understood in the context of these -- these -- this
13 article, the other articles that James read (sic)
14 and a 30-page RICO complaint that that is the
15 issue. I don't think anybody seriously thought
16 Mr. Limehouse, L&L or anybody else was Tony Soprano
17 or anything else.
18 **Q. Well, let me ask you -- ask you this.**
19 **Do you think that Lawton Limehouse, Sr. was**
20 **operating a perfect racketeering enterprise just**
21 **like Tony Soprano?**
22 A. I think he was operating -- he through
23 his company, not him personally and I've never said
24 that, was operating a perfect racketeering
25 enterprise, which -- which is the creation of a

1 legitimate business which violates racketeering
2 laws, is an enterprise and does people damage.
3 Yes, he was doing that. I alleged that. I had an
4 expert tell me that. So yes, I do. Tony Soprano
5 had nothing to do with the case other than it was
6 a -- it's a fictional character in the -- the
7 normal lexicon of our talk that had a -- had one
8 company and ran it a different way.
9 **Q. Okay. Did --**
10 A. And that's all it ever meant and that's
11 all anybody would ever think it meant if they
12 looked at it.
13 **Q. Um-hum. So -- but you understood when**
14 **you were talking to James Scott that he was going**
15 **to write a newspaper article --**
16 A. Sure.
17 **Q. -- about the lawsuit?**
18 A. That's why I was taking the time to
19 explain all this to him.
20 **Q. Um-hum. And you understood that you'd**
21 **be quoted in the article, correct?**
22 A. I might or I might not be but I also
23 made it clear to him I wasn't talking about
24 anything about Tony Soprano other than -- other
25 than just a business which does something else. I

1 spent the time talking about the predicate acts and
2 the things that L&L Services and WL&L did so he
3 understood what I was talking about and he
4 understood the -- the background of the complaint
5 and the articles that he wrote and I was talking
6 about that conduct which people might think wasn't
7 so good.
8 **Q. When you were talking with James Scott**
9 **on April 23rd, 2004 about the lawsuit, were you**
10 **trying to get publicity for the lawsuit --**
11 A. No.
12 **Q. -- get it out there in public?**
13 A. No, not really.
14 **Q. You weren't?**
15 A. No.
16 **Q. That wasn't any of your -- you weren't**
17 **motivated by that at all?**
18 A. No, I was answering some questions
19 about a -- a law that everybody's not familiar
20 with. I wasn't looking for publicity and I had my
21 clients.
22 **Q. Pardon me?**
23 A. I said I wasn't looking for publicity
24 and I had my clients.
25 **Q. Well, I understand but you had six**

1 **clients, right?**
2 A. That's all I needed in a class action.
3 **Q. Okay. Well, let's go to the next**
4 **paragraph. You see where it says, the firm plans**
5 **to take out ads in Spanish language newspapers and**
6 **on radio stations to let other current and former**
7 **employees of the Ashley River Road business know**
8 **this suit exists?**
9 A. I see that, yes, sir.
10 **Q. Is that an accurate statement made by**
11 **James Scott?**
12 A. In general. I'm talking about the
13 publication and notice things that you do in a
14 class action after it's certified.
15 **Q. Okay.**
16 A. And I said -- I've said, yeah, one of
17 the processes is there will be notification and
18 there will be notice and these kind of things.
19 **Q. Okay. And this newspaper article was**
20 **also notification of a class action lawsuit,**
21 **correct?**
22 A. Well, sure.
23 **Q. Okay. And what you intended to do,**
24 **your firm, was to take out in Spanish language**
25 **newspapers and on the radio to let them know about**

1 **this lawsuit, correct?**
2 A. After it was certified as a class
3 action, yes.
4 **Q. Okay. And it never was certified as a**
5 **class action?--**
6 A. No, and I never did that. No, it
7 doesn't -- didn't have to do with getting more
8 client -- individual clients. It -- we were
9 talking about the process of -- of what happens
10 after certification.
11 **Q. Did --**
12 A. Then -- then you do notices, various
13 kinds of notices.
14 **Q. Did you or your firm take out ads in**
15 **Spanish language newspapers and on radio stations**
16 **to let other current and former employees of the**
17 **L&L Services, LLC business know about the existence**
18 **of the suit?**
19 A. No.
20 **Q. Never did that?**
21 A. No.
22 **Q. Okay. But this was an accurate**
23 **statement by James Scott, you just never did it,**
24 **correct?**
25 A. No, it's not an accurate statement by

1 James Scott. James -- James Scott is summarizing
2 what I told him and I told him with respect to the
3 certification process if that came along, then this
4 is what you do and especially when you -- you're
5 talking about -- about potential plaintiffs that
6 don't speak English as you do these notification
7 things. One of the reasons we settled the case,
8 Mr. Massalon and I did, was to avoid the costs and
9 expenses involved in notification. So that's what
10 I was talking about. I wasn't talking about I'm
11 going to immediately go out and hustle clients up.
12 I had -- I had a class action. In fact, the more
13 clients you have, the more trouble it is.
14 **Q. Well, let me ask it this way. Did you**
15 **tell James Scott that your firm planned to take out**
16 **ads in Spanish language newspapers and on radio**
17 **stations to let other current and former employees**
18 **of L&L Services know about the suit?**
19 A. In connection with the certification of
20 a case, that's what we would do when the case was
21 certified and that's what you do, in fact, the
22 court asks you to.
23 **Q. Okay.**
24 A. That's what -- but I'm answering your
25 question. I told him in that context.

1 **Q. Okay. So you did tell --**
2 A. I was not tell -- I was not telling him
3 in the context of, you know, right after this I'm
4 going to do that. That was what will happen as the
5 case goes forward.
6 **Q. So you did tell James Scott that?**
7 A. As the case goes forward -- the way
8 I've answered the question, I said, as the case
9 goes forward when notification happens, after
10 certification then -- then that kind of -- that
11 kind of thing -- those kind of things are done.
12 The court tries to find out the best way to notify
13 a potential class.
14 **Q. Do you know of anybody else with the**
15 **Hulsey Litigation Group that made any statements to**
16 **James Scott?**
17 A. I don't think so.
18 **Q. You were the only one?**
19 A. I think so, yeah.
20 (PLF. EXH. 5, Letter dated 9/1/06 to
21 Lawton Limehouse from Edgar Smith, Jr., with
22 attachments, was marked for identification.)
23 **BY MR. CISA:**
24 **Q. Mr. Hulsey, I want to show you what**
25 **I've had marked as Exhibit Number 5, which is a**

1 letter from the United States Department of Justice
2 to Lawton Limehouse dated September 1st, 2006. Are
3 you familiar with this letter?
4 A. I don't -- I don't recall having seen
5 it before.
6 **Q. You see where Hulsey Litigation Group**
7 **is copied?**
8 A. Yeah, I see that.
9 **Q. Do you see where John Allen Massalon**
10 **was copied?**
11 A. Yeah, I do.
12 **Q. Okay. Do you have any recollection of**
13 **receiving this?**
14 A. I don't have any present recollection
15 of it, no, sir.
16 **Q. Okay. Does it appear to be a copy of**
17 **the United States Postal Inspection Service's**
18 **forensic laboratory examination report?**
19 A. All I can say is what they say it is.
20 **Q. Is that what it appears to be to you?**
21 A. Well, it's what they said it is, yes,
22 sir.
23 **Q. Okay. And do you see where it contains**
24 **that report, that is, the forensic examination**
25 **report?**

1 A. Well, I -- it says what it says. Like
2 I said, I -- I see all that.
3 **Q. Okay. Do you see where they examined**
4 **the computers -- certain computers of Lawton**
5 **Limehouse?**
6 A. That's what it describes.
7 **Q. Of L&L Services and WLL, LLC, do you**
8 **see that?**
9 A. I see that, yes, sir.
10 **Q. Okay. Now, look at the findings, if**
11 **you will, for a second and I'm -- and I'm most**
12 **interested in the last finding. Do you see where**
13 **the United States Postal Service says in the last**
14 **paragraph of their report that the examination**
15 **found no evidence of the counterfeiting of Social**
16 **Security cards, alien registration cards or any**
17 **other identification documents? See that?**
18 A. I see they say that, right.
19 **Q. Now, did you, yourself -- incident to**
20 **your investigation of the allegations of the class**
21 **action complaint that we've marked as Exhibit 1,**
22 **did you hire anybody to do forensic -- a forensic**
23 **investigation to determine whether or not any of**
24 **the computers or records of L&L Services or WLL,**
25 **LLC evidenced any counterfeiting of Social Security**

1 cards, alien registration cards or any other
2 identification documents?
3 A. We had some work done on that and I
4 can't remember exactly, I think we had an expert
5 from the Social -- a former Social Security
6 department person look at the -- look at the
7 records and look at the no-match letters and look
8 at the -- look at the Social Security numbers. We
9 didn't have access to this -- this computer
10 information but that's the best I can answer right
11 now. I don't know that we had somebody that did
12 whatever they did in this piece of paper.
13 **Q. So this report apparently came out or**
14 **was mailed on September 1st, 2006, correct?**
15 A. Yeah, it's apparently an examination of
16 stuff that the company sent to them.
17 **Q. And then the stipulation of dismissal**
18 **that I have marked as Plaintiff's Exhibit 2 was**
19 **executed by you on September 22nd, 2006, correct?**
20 A. I'll -- I'll -- I'll accept that, sure.
21 **Q. Okay. So approximately 21 days after**
22 **this report was issued that I marked Plaintiff's**
23 **Exhibit 5, you on behalf of the plaintiffs signed a**
24 **stipulation of dismissal of the lawsuit with**
25 **prejudice, correct?**

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1 A. We had been negotiating the settlement
2 of this case for a long time before this came in so
3 temporarily -- the answer to your question is one
4 leads after the other, yes.
5 **Q. Okay.**
6 A. Temporally I mean, not temporarily.
7 **Q. Let me go back and ask you a couple of**
8 **questions about Tony Soprano. You say that you**
9 **generally understand who Tony Soprano was, this**
10 **fictitious. -- fic --**
11 A. Fictitious --
12 **Q. -- fictitious character --**
13 A. Fictional character.
14 **Q. -- fictional character, correct?**
15 A. Yeah. Yes.
16 **Q. Do you -- did you understand that he**
17 **was depicted in The Sopranos series as a gangster**
18 **and mobster?**
19 A. No, no, and it -- there was nothing in
20 my mind when I had that discussion with Mr. Scott.
21 **Q. Okay. Did you understand that he was**
22 **depicted as a murderer?**
23 A. No.
24 **Q. Did you understand that he engaged in**
25 **prostitution?**

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1 A. No.
2 **Q. In gambling?**
3 A. I didn't understand anything when I
4 gave that statement when Mr. Scott and I talked
5 because it had nothing to do with him personally.
6 It had something to do with the operation of a
7 business which appears to be legitimate which
8 operates a different way, had nothing to do with
9 Mr. Soprano's characteristics, what he may or may
10 not have done or anything else. It didn't have
11 anything to do with individual people. It was
12 talking about a business operation and I limited
13 that to the -- he has a nightclub and he uses that
14 to do other things.
15 **Q. Okay.**
16 A. So I had nothing else in my head. I
17 don't know that much about him and I didn't intend
18 that to refer to anything about him personally
19 because the quote wasn't about anybody personally.
20 **Q. Okay. So at the time you at least used**
21 **the words Tony Soprano with James Scott you weren't**
22 **aware that Tony Soprano in The Sopranos series was**
23 **depicted as a gangster and mobster, murderer --**
24 A. I wasn't aware of how he was --
25 **Q. -- gambling?**

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1 A. -- at all. I know you've alleged that
2 but I wasn't aware of any of that. I wasn't
3 talking about an individual, I was talking about an
4 operation of a racketeering enterprise. That's
5 exactly what I was talking about and that was
6 exactly what I said, the operation of a nightclub
7 that breaks the law other ways. That's all I
8 talked about. I'm sure Mr. Scott will tell you
9 that too.
10 **Q. Okay. I understand that but my**
11 **question was, so as I understand your testimony, is**
12 **it correct that at the time you used the words Tony**
13 **Soprano with James Scott on April 23rd, 2004 that**
14 **you really weren't aware that he was depicted in**
15 **The Sopranos series as a gangster, mobster,**
16 **murderer, that he engaged in prostitution,**
17 **gambling, extortion, racketeering and extorted**
18 **money through physical violence?**
19 A. That was the --
20 **MS. DURAND:** Object to form.
21 **THE WITNESS:** That was the furthest
22 thing from my mind.
23 **BY MR. CISA:**
24 **Q. So you weren't aware of that?**
25 A. No, I wasn't aware it was characterized

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1 like that.
2 **Q. Okay.**
3 A. I was talking about his business
4 operation.
5 **Q. Okay. You're talking about Tony**
6 **Soprano's business operation?**
7 A. The business operation of a nightclub
8 that's used to -- to take like gambling debts and
9 funnel it through, a racketeering enterprise, the
10 operation of a business.
11 **Q. Now, was there a time when the Hulsey**
12 **Litigation Group had a Web site?**
13 A. Sure.
14 **Q. And when did you first create the Web**
15 **site --**
16 A. I don't recall.
17 **Q. -- of the Hulsey Litigation Group?**
18 A. I don't recall.
19 **Q. Do you recall -- do you still have a**
20 **Web site?**
21 A. No.
22 **Q. Do you recall when you shut down your**
23 **Web site?**
24 A. No, I don't.
25 **Q. Do you recall why you shut down the Web**

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1 site?

2 A. I really don't.

3 Q. Okay. What was the purpose of creating

4 a Web site for Hulsey Litigation Group?

5 A. I think to -- just to educate the

6 general public on the ability of the law firm and

7 the things I do.

8 Q. Okay.

9 (PLF. EXH. 6, Internet document

10 entitled Hulsey Law Group - Approaching Trial

11 Advocacy as an Art Form, Page 12 of 14, was marked

12 for identification.)

13 BY MR. CISA:

14 Q. Mr. Hulsey, I want to show you what

15 I've had marked as Exhibit Number 6, which I'll

16 represent to you is an excerpt from your Web --

17 your Hulsey Litigation Group Web site as of January

18 31st, 2008. Can you identify that as an excerpt of

19 your -- your Web page or your Web site?

20 A. It appears to be.

21 Q. Okay. And you see the second article

22 references a labor case newsletter announcement?

23 Do you see that?

24 A. Sure.

25 Q. Okay. And does it say, on April 23rd,

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1 2004 the Hulsey Law Group, which is now as I

2 understand it known as the Hulsey Litigation Group,

3 filed a class action lawsuit against two temporary

4 staffing agencies, is that correct?

5 A. It says that.

6 Q. Okay. Did you -- did you author this

7 document?

8 A. No, I think our IT person probably did.

9 Q. Okay. Somebody that worked for the

10 Hulsey Litigation Group?

11 A. Yes.

12 Q. Okay. And you see down at the end of

13 the first paragraph it says, click here to view the

14 complete article on Charleston.net?

15 A. Yep, says that.

16 Q. Okay. And is that a link to the April

17 24th, 2004 article that we've previously marked as

18 Exhibit Number -- is it 4?

19 A. Yeah.

20 Q. -- 4?

21 A. Yes, sir, I think so.

22 Q. Okay. Do you know how long this

23 article on labor case newsletter announcement was

24 run on the Hulsey Litigation Group's Web site?

25 A. No.

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1 Q. And you don't know why the Web site was

2 shut down?

3 A. No.

4 Q. Do you see where they quote you in

5 Exhibit Number 6, this is a classic racketeering

6 scheme, Attorney Paul H. Hulsey quoted saying in

7 the Charleston Post and Courier?

8 A. I see that.

9 Q. Okay. And did you say that?

10 A. I said with the -- what I said in the

11 article with the qualifications that I've given

12 you.

13 Q. All right. My question is is did you

14 tell James Scott as set forth in Exhibit 6, which

15 is a page out of your Web site, this is a classic

16 racketeering scheme?

17 A. I said what I said to Mr. Scott as we

18 talked about a half an hour earlier but yes, it was

19 a classic racketeering scheme as I described it to

20 him.

21 Q. Okay. And this is something that

22 somebody from the Hulsey Litigation Group prepared,

23 correct?

24 A. Yeah.

25 Q. Okay. And I think I asked you this and

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1 if I did, I apologize. Do you know how long

2 Exhibit 6 ran on the Hulsey Litigation Group --

3 A. No.

4 Q. -- Web site?

5 A. No, because they changed things all the

6 time. I really don't know.

7 Q. Do you think it was put in on or about

8 April 24th, 2004?

9 A. I really don't. I don't know now.

10 Q. Okay. Do you know of anybody that

11 would know the answer to that?

12 A. I don't think anybody would know now.

13 Q. Who -- who created your Web site or who

14 put things -- articles in and took them out, what

15 was the individual's name?

16 A. Let's see. I think it would have

17 been -- it probably would have been Jeremy -- my

18 cousin Jeremy Hulsey or my nephew.

19 Q. Is Jeremy Hulsey local or is he out of

20 state?

21 A. He works for the United States

22 Government.

23 Q. Where does he live?

24 A. He lives in North Charleston.

25 Q. And you say it's Jeremy?

1 A. Yeah, J-E-R-E-M-Y.
2 Q. Okay. And you said he works for the
3 United States Government?
4 A. Yeah.
5 Q. What -- what does he do for the
6 U.S. Government?
7 A. He does something that's classified
8 with their computers.
9 Q. Okay. He's a computer guy?
10 A. Yes.
11 Q. So did he work full-time for the United
12 States Government and then did kind of this --
13 A. No, he --
14 Q. -- handled your Web site on a part-time
15 basis?
16 A. No, he got that job later.
17 Q. Okay. So he was working full-time --
18 A. Yeah.
19 Q. -- for the Hulsey Litigation Group at
20 the time --
21 A. I believe so --
22 Q. -- of the Web site?
23 A. I believe so, yeah.
24 Q. Okay. Do you -- do you have any
25 records that would evidence or pertain to the

1 Hulsey Litigation Group Web site?
2 A. I don't think so. I don't think so.
3 Q. Do you recall when you last had or when
4 the Hulsey Litigation Group last had a Web site?
5 A. I don't think we've had one up for
6 several years, Mr. Cisa.
7 (PLF. EXH. 7, Confidential Personal
8 Financial Statement/Certification as of 05/17/06,
9 was marked for identification.)
10 BY MR. CISA:
11 Q. Mr. Hulsey, I want to show you what
12 I've marked as Plaintiff's Exhibit Number 7, which
13 appears to be a financial statement prepared by you
14 as of May 17th, 2006. Can you identify Exhibit 7
15 for me?
16 A. Yeah, that's what it looks like.
17 Q. Okay. Did you prepare Exhibit Number 7
18 incident to obtaining some type of loan with Bank
19 of America?
20 A. I probably did. I don't specifically
21 recall now but that's probably why it was -- I
22 recall them telling me how they wanted it sent out
23 so yeah.
24 Q. Okay. And did they give you a form and
25 you just went and completed it or had somebody

1 complete it?
2 A. Both. They gave me a form but they --
3 they told me basically what they wanted me to list
4 and how they wanted me to list it. I said, fine.
5 Q. Okay. -- Do you -- and I see the form has
6 got some typed-in information on it. Do you recall
7 who typed in the information?
8 A. I know I didn't.
9 Q. Yeah, I --
10 A. I'm sure my assistant Lisa did.
11 Q. Okay. And what is Lisa's full name?
12 A. Lisa Duncan.
13 Q. And is she employed by the Hulsey
14 Litigation Group?
15 A. Yes.
16 Q. All right. And what is her position
17 with Hulsey Litigation Group?
18 A. I would say she's -- she's the office
19 manager.
20 Q. How long has she worked for the Hulsey
21 Litigation Group?
22 A. Since its inception.
23 Q. Where does she live?
24 A. She lives in North Charleston.
25 Q. And she's still employed by the Hulsey

1 Litigation Group?
2 A. Yes. Yes.
3 Q. Okay. So you would think that Lisa
4 Duncan would have prepared for you Exhibit --
5 Plaintiff's Exhibit Number 7, is that correct?
6 A. I think so, sure.
7 Q. Okay. Now, I want to ask you some
8 questions about Exhibit Number 7 and what I'm going
9 to try to do is refer -- there's a page number in
10 the upper right-hand corner --
11 A. Okay.
12 Q. -- at least when it starts on Page 2.
13 A. All right.
14 Q. All right. On Page 2, do you see where
15 it says, net worth: Assets less liabilities?
16 A. I see that.
17 Q. Okay. And what were you telling Bank
18 of America at least as of May 17th, 2006 that your
19 net worth was?
20 A. The document says 81,000,556 dollars --
21 no, \$81,556,988.51.
22 MR. HOOD: I mean, just -- your copy
23 may be hard to read. I think that's a 6. You said
24 88. It's -- I think it's 86.
25 MR. CISA: Pardon me?

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1 **MR. HOOD:** I -- he said 988. I think
2 it's 986.
3 **THE WITNESS:** Oh, okay, I'm sorry,
4 yeah.
5 **MR. HOOD:** It's just hard to tell on
6 the copy.
7 **MR. CISA:** Yeah, I think it is 986.
8 **THE WITNESS:** Okay.
9 **BY MR. CISA:**
10 **Q.** So does it show a net worth of
11 \$81,556,986.51?
12 A. That's what it shows then, yes.
13 **Q.** Okay. And when you -- when you signed
14 off on Plaintiff's Exhibit Number 7, were you
15 certifying to the bank that to your best knowledge
16 and belief that this financial statement was true
17 and correct?
18 A. Sure.
19 **Q.** Okay. Do you see -- down at the bottom
20 of Page 2 it asked about annual income. You see
21 that?
22 A. I see that.
23 **Q.** Okay. Well, you see where it says last
24 year, 2005, you had an annual income of 4,090,025
25 dollars, is that correct?

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1 A. Yes.
2 **Q.** And then it says, projected for 2006,
3 correct?
4 A. That's what it says.
5 **Q.** And what did you project for the year
6 2006?
7 A. It's -- projected was 5,500,000.
8 **Q.** Okay. The 2005 income, was that taken
9 from your tax return do you think?
10 A. Probably.
11 **Q.** For 2006, coming down it says, other
12 business income. You projected 1,200,000, is that
13 correct?
14 A. That's what it says.
15 **Q.** What are you referring to there?
16 A. I don't have any idea now.
17 **Q.** You see where it says, other, 500,000
18 projected for 2006?
19 A. Yes.
20 **Q.** Do you recall what that was?
21 A. No, I don't know.
22 **Q.** Okay, let's look at Page 3 for just one
23 second, please.
24 A. 3 did you say, sir?
25 **Q.** Yes.

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1 A. All right.
2 **Q.** Does the financial statement that's
3 been marked as Plaintiff's Exhibit 7 indicate
4 securities of 1,032,837 dollars?
5 A. That's what it says.
6 **Q.** Okay. Do you know -- do you still have
7 those securities --
8 A. No.
9 **Q.** -- and stocks?
10 A. No.
11 **Q.** What happened to them?
12 A. Sold them.
13 **Q.** Okay. What did you do with the money
14 when you sold them?
15 A. I don't recall now.
16 **Q.** You don't know what you did with a
17 million dollars?
18 A. I don't. I don't. Well, sure I know
19 what I did with a million dollars. I don't off the
20 top of my head right now. I sold the securities
21 basically, I think, to pay some taxes and some
22 other things but I just don't recall now. This was
23 eight years ago.
24 **Q.** All right. Then you see where it comes
25 down and it says, master settlement, Ness Motley,

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1 67,150,000 dollars, is that correct?
2 A. I see that.
3 **Q.** Okay. Is that the amount of money that
4 you were to receive from Ness Motley incident to
5 the tobacco litigation settlement?
6 A. That's the way in which they wanted it
7 figured then.
8 **Q.** Who wanted it figured?
9 A. The bank.
10 **Q.** Bank of America?
11 A. Yeah.
12 **Q.** Okay. Who told you that's the way they
13 wanted it figured?
14 A. I don't recall who I dealt with right
15 then. They wanted it all added -- or they
16 wanted -- they wanted it projected out, added it
17 up -- added up and they wanted a number there but
18 the settlement really doesn't work that way, in
19 other words, can be more or less or you might
20 not -- it is contingent. There are some things
21 that could happen that you wouldn't get it, but for
22 the -- for the purposes of -- of -- of this, yeah,
23 that's in general what it should have been over 25
24 years.
25 **Q.** Okay. So -- well, was it over 25 years

1 or was it for the remainder of the 25 years?
2 A. You know, I'm not sure how we did that.
3 Q. Well, the document is dated May 17th,
4 2006 --
5 A. Yes, sir, I know that, but I'm not sure
6 whether he wanted lump sum total or what was left.
7 I'm just not sure right now.
8 Q. Okay. But in any event, that's the
9 number you came up with as far as the master
10 settlement from Ness Motley, correct?
11 A. Right, although you can't liquidate it.
12 Under the -- under the agreement you can't -- you
13 can't get it all at once but that's the process
14 that he wanted me to use.
15 Q. Okay. And you said it's -- it was a
16 25-year payout, is that correct?
17 A. Yes, sir.
18 Q. And it started when?
19 A. '9 -- I think it has about seven years
20 left. '98, I believe -- this is 2014. Something
21 like that. 25 years it started out being.
22 Q. Okay. So started in '98 and we're in
23 2014. That would be 16 years, correct?
24 A. Yes, right.
25 Q. Okay. So maybe nine years left?

1 A. Yeah, eight or nine depending on when
2 it was signed, yeah.
3 Q. Right?
4 A. Yep.
5 Q. Okay. Then Page 4, let me ask you a
6 couple of questions. This Page 4 lists your -- the
7 real estate owned.
8 A. Yes, sir, it seems to, yes.
9 Q. Okay. And then you've got your primary
10 residence that you already told me about, correct,
11 at 61 Ocean Point?
12 A. Yes, sir, uh-huh.
13 Q. And you had -- had it valued at how
14 much?
15 A. Let me see.
16 Q. See market value column?
17 A. I see that. That was before the fall
18 of real estate. Yes, sir, I see that.
19 Q. How much did you have it valued at?
20 A. Here?
21 Q. Yes, sir.
22 A. 8,500,000.
23 Q. Okay. Do you know what the value of it
24 is today?
25 A. Probably about five.

1 Q. Five million?
2 A. Yeah.
3 Q. Okay. Then I want you to if you
4 would -- let's go down and talk about the other
5 wholly-owned real-estate. You've got 20 Pine
6 Meadows Lane, Keystone, Colorado.
7 A. Yes.
8 Q. What is that? Is that a --
9 A. It's a house.
10 Q. Okay. What size house?
11 A. Six bedrooms.
12 Q. Know how many square feet?
13 A. I'm not sure.
14 Q. Is it in a resort community?
15 A. It's in a neighborhood.
16 Q. Okay. And you bought that in 2001?
17 A. Yes, sir.
18 Q. And you've got a value -- market value
19 of 2,250,000?
20 A. Yes.
21 Q. And it was paid for?
22 A. Yes, it's paid for.
23 Q. Okay. Do you know what the value of
24 that is today?
25 A. Probably about one eight.

1 Q. Okay. The next one is 3078 Timbers,
2 Keystone, Colorado. What --
3 A. Don't own -- don't own that anymore.
4 Q. You sold that?
5 A. Yes, sir.
6 Q. When did you sell it?
7 A. Oh, five years ago at least.
8 Q. Okay. Do you remember how much you
9 sold it for?
10 A. I don't think we made a profit on that
11 at all.
12 Q. All right. How about the next
13 property, 3043 Lone Eagle, Keystone, Colorado?
14 A. Sold that too.
15 Q. Do you recall when you sold that?
16 A. About contemporaneous with -- with --
17 with that one. The -- the -- if I can help you,
18 the Timbers, Lone Eagle and the two Red Hawks
19 were -- were put on the market about the same --
20 the same time. The realtor told me he thought the
21 values were about as high as they were going to be
22 for those kind of units.
23 Q. And when was that, do you remember?
24 A. It's got to be about five years ago,
25 six maybe.

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1 Q. So 2009, 2008?
2 A. Maybe. I just can't recall off the top
3 of my head now.
4 Q. Okay. But in any event, let me make
5 sure I've got it straight. You've sold 3078
6 Timbers, right?
7 A. Yes, sir.
8 Q. And 333 Lone Eagle?
9 A. Yes.
10 Q. And 2300 and 2303 Red Hawk?
11 A. Yes.
12 Q. All right. Then you've got 21 Coming
13 Street. What is that, is that an office?
14 A. That's a -- that's a residence. That's
15 a house in Charleston.
16 Q. Do you still own that?
17 A. I do.
18 Q. All right. Is it on the market for
19 sale?
20 A. It is, yes.
21 Q. And what is it listed for?
22 A. Probably about 650.
23 Q. Okay.
24 A. Plus or minus a couple thousand dollars
25 I think.

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1 Q. Do you know what's owed on it?
2 A. Not right now. Probably -- less than
3 415 but -- but I don't know what's owed on it.
4 Q. Then you've got 2 Beachwood East, Isle
5 of Palms.
6 A. Yes, sir.
7 Q. What is that?
8 A. That's a residence in Wild Dunes.
9 Q. All right. Do you still own that?
10 A. I do.
11 Q. All right. Is it on the market for
12 sale?
13 A. I don't think so, no.
14 Q. Do you know what the value of it is
15 today?
16 A. Probably about 1.3 or 4.
17 Q. Okay. What is it used for, do you rent
18 it out?
19 A. Yes, it's on the rental market.
20 Q. Then you got 1978 Trimbleston, Mount
21 Pleasant, South Carolina.
22 A. That's a residence.
23 Q. All right. And --
24 A. And I do -- I still do have that.
25 Q. All right. And do you rent that out?

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1 A. My son rents it from me.
2 Q. Okay. Your son stays there?
3 A. Yes, sir.
4 Q. Okay. Do you know what the value of
5 that is?
6 A. Probably between 2 and 250. I'm
7 just -- I'm not sure.
8 Q. Do you remember what subdivision it's
9 in?
10 A. Just a second and I'll tell you. Just
11 a minute. Long Point.
12 Q. Then you got 2 Wharfside 3, Charleston,
13 South Carolina.
14 A. Office building.
15 Q. Okay. Is that the office building you
16 have under contract now?
17 A. Yes, sir.
18 Q. Okay. And I think you said you had it
19 under contract for 1.1?
20 A. I think it was 1 -- it's 1.1 or 1.125,
21 something like that, pretty close.
22 Q. Okay. As you sit here today, do you
23 own any other real estate that's -- that we haven't
24 talked about on Plaintiff's Exhibit 7?
25 A. No.

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1 Q. Did you borrow anything?
2 A. Yeah, I own 68 Queen Street. That's
3 that white house you and I were talking about
4 earlier.
5 Q. Right.
6 A. We're moving into that. I owned it and
7 it has been rental property, it's been a restaurant
8 and some other things like that.
9 Q. Anything else besides 68 Queen?
10 A. And it -- I -- I bought it for a
11 million dollars and it's probably worth that right
12 now.
13 Q. Okay. Do you owe any money on it?
14 A. Yeah. Yeah. I owe probably 80 percent
15 of it. I probably owe about 800,000 on it.
16 Q. Okay. Any other real estate that you
17 currently own that's not listed besides 68 Queen
18 Street?
19 A. No, huh-uh.
20 Q. Okay. Then if we work -- look to the
21 next sheet --
22 A. Oh, wait a minute, I own -- I own -- I
23 own a house at 45 Hasell. I'm sorry.
24 Q. Okay. And that was purchased after May
25 of 2006?

1 A. Yeah, yeah. I'm just not sure when.
2 **Q. You said 45 Hasell?**
3 A. 45 Hasell. It's on the corner of
4 Hasell and Anson.
5 **Q. Okay.**
6 A. And it's -- it's on the market right
7 now.
8 **Q. And is that a residence?**
9 A. Yeah, it's a house.
10 **Q. Do you rent it out?**
11 A. No, huh-uh.
12 **Q. Do you recall when you purchased it?**
13 A. Probably about six years ago.
14 **Q. Do you recall what you -- what you paid**
15 **for it?**
16 A. I paid 2. -- two and a quarter million
17 dollars and then I put some money into rehab.
18 **Q. How much did you put into rehab?**
19 A. I can't recall now but probably half a
20 million dollars.
21 **Q. Okay. You said it's on the market for**
22 **sale?**
23 A. Yes, sir, it's listed for 3.195.
24 **Q. Do you owe any money on it?**
25 A. Yes, I owe about two million on it.

1 **Q. Okay. Anything else besides the 68**
2 **Queen and the 45 --**
3 A. No. No, sir.
4 **Q. -- Hasell?**
5 A. No.
6 **Q. Okay. If you flip to the next page,**
7 **it's not really a numbered page but on my copy it**
8 **says, deferred compensation.**
9 A. Right.
10 **Q. Okay. And I think we talked about**
11 **this. This is the --**
12 A. We did.
13 **Q. Okay. This is the master settlement**
14 **agreement pursuant to the tobacco litigation, is**
15 **that correct?**
16 A. Yes, sir.
17 **Q. Okay.**
18 A. Yeah.
19 **Q. And then the next page it says,**
20 **original art collection valued at 500,000, is that**
21 **right?**
22 A. That's what it says, sure.
23 **Q. Okay. Do you still have all of the**
24 **artwork listed on --**
25 A. Yes.

1 **Q. You do?**
2 A. Yes, sir.
3 **Q. Have you bought any additional artwork**
4 **since May of 2006 that wouldn't be shown -- shown**
5 **on this?**
6 A. I'm sure I have but -- but I don't -- I
7 wouldn't list them on my financial statement. That
8 means that they weren't anything significant. I'm
9 sure I bought a piece of art or a print or
10 something.
11 **Q. But nothing of any significant value?**
12 A. No. No. I put those on there because
13 the bank asked me to. I normally wouldn't have
14 because it's fairly, I guess, subjective what
15 they're worth. They're worth what a buyer will pay
16 for them, I guess.
17 **Q. Do you see where it says, individual**
18 **title and valuation available on request?**
19 A. Uh-huh, yes, sir.
20 **Q. Do you have these paintings insured?**
21 A. I have -- I have the house -- the
22 contents insured for some amount but -- but that
23 basically meant that I have what I paid for them.
24 I have the sticker for whatever I paid for that
25 article.

1 **Q. Right.**
2 A. That's what that means.
3 **Q. Okay. So you don't think these -- this**
4 **art collection is listed individually on your**
5 **homeowners policy?**
6 A. Oh, I don't think so.
7 **Q. Okay.**
8 A. I don't think so.
9 **Q. Then the next sheet is automobiles. Do**
10 **you still own all of the automobiles shown on the**
11 **sheet that's attached to --**
12 A. No.
13 **Q. -- Plaintiff's Exhibit 7?**
14 A. Nope.
15 **Q. Okay. Which automobiles do you not own**
16 **that's shown on this list?**
17 A. The only two -- the only one I own now
18 is the Lamborghini Gallardo. It's a 2004. I have
19 a 2005 Mercedes SLR instead of 2006. That's the
20 last one, Mr. Cisa. I have one of those. At the
21 time in 2006 it was a new one. I have a used one.
22 **Q. All right. So what happened to the**
23 **1997 Ferrari?**
24 A. It eventually was sold.
25 **Q. You sold it?**

1 A. Yeah.
2 Q. Do you remember when you sold it?
3 A. No. After 2006.
4 Q. What happened to the Landover -- Land
5 Rover? Excuse me.
6 A. I can't remember. I think I sold that
7 to my oldest son.
8 Q. All right. How about a Chevrolet
9 Corvette?
10 A. That's gone.
11 Q. What happened to it?
12 A. It was probably traded in on a
13 different one. That was my youngest son's car at
14 the time.
15 Q. Okay. How about the Ferrari F360 (sic)
16 Spider?
17 A. It's gone.
18 Q. What happened to that Ferrari?
19 A. It was -- I just sold it.
20 Q. Well, do you recall when you sold it?
21 A. Years ago.
22 Q. Then you've got two Aston Martins.
23 A. Yes, sir. They were both sold several
24 years ago.
25 Q. Then you've got a Porsche Cayenne?

1 Q. Okay. And then you told me about the
2 2005 Mercedes SLR --
3 A. Yes.
4 Q. -- that you -- which is not on the
5 list?
6 A. It's not -- no, it's not on the list.
7 Q. Okay. Do you own any other vehicles at
8 the present time other than the Lamborghini, the
9 2004, and the 2005 Mercedes?
10 A. Yes. Yeah.
11 Q. Okay. What vehicles?
12 A. I own a 2007 Ferrari. 599 is the model
13 number.
14 Q. Do you know what the value of that is?
15 A. 150,000 maybe.
16 Q. Okay. Any other vehicles?
17 A. I own a -- let's see, a Ferrari 458
18 that is worth about 200,000.
19 Q. What year, do you recall?
20 A. It should be 2013 or '14. I got it
21 used but it was fairly new.
22 Q. All right. Any other vehicles?
23 A. Let's see. We talked about the
24 Gallardo. We talked about the Mercedes SLR. It's
25 not the same one. The -- the 2006 that you see on

1 A. That was sold.
2 Q. And a Porsche Carrera?
3 A. That was sold too.
4 Q. Okay.
5 A. I guess the -- the Cayenne was
6 totalled, was in a car accident, and the Carrera
7 was sold several years ago.
8 Q. So your testimony is is the only
9 vehicles you own at the present time are the 2004
10 Lamborghini and the 2005 --
11 MS. DURAND: Object to form.
12 THE WITNESS: No, on this list the only
13 ones. I own other cars but you were asking me
14 about this list and so I was going through what I
15 did --
16 BY MR. CISA:
17 Q. I understand. And that answers my
18 question.
19 A. Oh, okay. Right.
20 Q. I wanted to make sure. All right. So
21 as far as this list is concerned that's attached to
22 Exhibit Number 7, as I understand your testimony
23 the only vehicle you own on this list at the
24 present time is the '04 Lamborghini?
25 A. That's -- that's right, yeah.

1 here was what got flood damaged and I didn't
2 replace it back for years but I do have a 2005
3 Mercedes SLR now.
4 Q. Right.
5 A. We have a -- about a 2006 Bentley
6 convertible.
7 Q. What's the value of that?
8 A. Hundred thousand dollars probably.
9 Q. All right.
10 A. And a -- a -- I think about a 2010
11 Porsche Cayenne.
12 Q. What's the value of that?
13 A. 60 more or less. And I'm just giving
14 you my best guesses on all these.
15 Q. Right, I understand. All right,
16 Porsche Cayenne. You say the value is about
17 60,000?
18 A. Yeah, yeah, more or less.
19 Q. Okay. Any other vehicles?
20 A. No, that should be it.
21 Q. Okay. Where do you keep those
22 vehicles?
23 A. In my house.
24 Q. Keep -- you've got a garage area?
25 A. Underneath the garage, yeah.

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1 **Q. Okay. I think the remainder of it is**
2 **really just evidence of the securities that you say**
3 **you sold and things of that nature, is that fairly**
4 **accurate?**
5 A. Yes, sir, and they may have been --
6 these might be -- when I had the loans for those --
7 those units in Colorado I told you about, they had
8 stock pledged against them so that might be
9 evidence of the stock that was pledged against
10 them.
11 **Q. Okay. Let me ask you this. Do you own**
12 **any interest in any businesses or corporations or**
13 **LLC's other than the Hulsey Litigation Group which**
14 **we've already talked about that you're a hundred**
15 **percent owner?**
16 A. No. Hum-um.
17 **Q. No other --**
18 A. I don't -- no.
19 **Q. No other LLC's or --**
20 A. No, no. I used to have a -- I used to
21 be an owner of a car dealership but it was
22 liquidated a long time ago.
23 **Q. Okay.**
24 **(PLF. EXH. 8, Private Bank Confidential**
25 **Personal Financial Statement/Certification as of**

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1 06/06/2007, CONFIDENTIAL DEFENDANT 0001 to 0012,
2 was marked for identification.)
3 BY MR. CISA:
4 **Q. Mr. Hulsey, I want to show you what**
5 **I've now marked as Exhibit Number 8 and I'll**
6 **represent to you that this is something that was**
7 **given to me in the course of this litigation. It**
8 **appears to be a financial statement that you filled**
9 **out dated June 6 of 2007. Can you identify it for**
10 **me?**
11 A. It says private bank and it's got my
12 signature on it of, yeah, June 6th, '07.
13 **Q. Is Exhibit 8 something that you would**
14 **have filled out for some private bank, I guess?**
15 A. Somebody asked me for it. It looks
16 like -- yeah, let me -- obviously you got it from
17 somewhere but I don't -- I don't -- I can't tell
18 who it's for right now. But yes, sir, I would have
19 filled it out for somebody.
20 **Q. Okay. And as far as you know when you**
21 **signed it on June 6, 2007, it was true and accurate**
22 **to your best knowledge and belief?**
23 A. Sure, yes.
24 **Q. Okay. I've just got a few specific**
25 **questions.**

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1 A. Sure.
2 **Q. First on Page 2, what is the net worth**
3 **that you're showing on Page 2?**
4 A. It says 32,000 -- 32,802,778 -- 76.27.
5 **Q. Okay. Do you know why your net worth**
6 **dropped from 81 million plus to 32 million plus**
7 **between May 17th, 2006 when you filled out**
8 **Exhibit 7 and June 6, 2007 when you filled out**
9 **Exhibit 8?**
10 A. I think because looking at it here, my
11 accountant had to -- had to discount any future --
12 future income to present value, said you
13 couldn't -- couldn't just add things up.
14 **Q. Okay. And is that primarily dealing**
15 **with the --**
16 A. The wages I get from -- from the
17 tobacco, my work on the tobacco stuff.
18 **Q. Okay. I see that. So it dropped from**
19 **some 67 million on Exhibit Number 7 to some 18**
20 **million on Exhibit Number 8 --**
21 A. Yeah.
22 **Q. -- is that correct?**
23 A. The figure dropped I think but for all
24 intents and purposes, if I -- if I live through
25 that and get the last -- the last payment, I will

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1 have collected a gross amount but for the purposes
2 of this my accountant said I had to discount it to
3 present value because you can't -- you can't take
4 that settlement and settle it so it isn't worth the
5 total value. And I'm getting about as smart as I
6 am on what I'm trying to explain to you right now,
7 but since you can't collect it, since you can't
8 call it, then I guess they said on my -- on the
9 income I can't use a gross number. You have to
10 discount it to present value and that's about all I
11 know about it.
12 **Q. Okay. Who is the accountant that**
13 **reduced it to present value?**
14 A. You know, I cannot remember now in
15 2007.
16 **Q. Was it the same accountant that you**
17 **told me about a few minutes ago?**
18 A. I really don't know, Mr. Cisa.
19 **Q. As you sit here today, do you know what**
20 **your current net worth is?**
21 A. No, sir, I don't. I have a few more
22 liabilities from the standpoint of loans than I
23 had -- see if I -- I'll try to answer it for you
24 generally first. I have a little bit more
25 liability as far as loans are concerned. I don't

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1 have the stock account at all anymore. I don't
2 have -- I don't have a -- my retirement income --
3 account anymore. I have the -- the real estate
4 that I've told you so it's -- it's less than --
5 less than what we had before but I -- I mean, I
6 couldn't give you a number other than kind of
7 telling you in general the way things have gone up
8 or gone down.
9 **Q. Okay. But you had indicated that you**
10 **believed that you probably filled out a financial**
11 **statement for CresCom? I think you said CresCom.**
12 A. Yeah, I prob -- prob -- I'm sure I did
13 at least -- least once a year. I mean, that
14 would -- that would -- that's the best evidence of
15 that. I'm trying to help you but I can't guess. I
16 wish I could tell you, I just don't know.
17 **Q. You indicated that some liabilities**
18 **have -- have increased, is that what you said?**
19 A. Yeah, I've -- I have some loans that
20 were higher now -- that are higher now than they
21 were then is what I meant.
22 **Q. Why are loans higher now than they**
23 **were --**
24 A. Well, because of an operating loan for
25 the law firm for one thing and that's -- that's the

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1 main thing, the line of credit.
2 **Q. So the law firm has a line of credit?**
3 A. Right.
4 **Q. Do you know what the outstanding line**
5 **of credit is?**
6 A. It's -- it's -- we don't use it
7 anymore.
8 **Q. So it's zeroed out?**
9 A. Yeah. Well, it's -- the loan was
10 turned into -- the loan was combined with -- with
11 the loan on the 45 Hasell house. It -- it was --
12 before that the line of credit was nonsecured and
13 they wanted it secured so I agreed to give them
14 security when they didn't have it before so...
15 **Q. Okay. So -- so the law firm debt in**
16 **effect was placed on the --**
17 A. Yes, sir.
18 **Q. -- Hasell house when you -- when you**
19 **purchased Hasell?**
20 A. Yes, sir, and hopefully when it's --
21 when it's sold, it will wash -- it will wash the
22 mortgage and that debt out. It should wash it out.
23 **Q. Do you know as you sit here today if**
24 **the Hulsey Litigation Group has any assets?**
25 A. Furniture. Obviously there's no blue

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1 sky in the name. Nothing significant. I mean...
2 We soon won't own the building so...
3 **Q. So -- I'm sorry?**
4 A. I said we soon won't own the building
5 so...
6 **Q. Right.**
7 A. So the law firm really all intents and
8 purposes doesn't have anything.
9 **Q. Doesn't have a bunch of cash or --**
10 A. No. No, sir. And I don't have any
11 deferred fees from the HL -- Hulsey Litigation
12 either, just to clear that up. In other words, we
13 don't have any future income coming in at this
14 point from anything settled or anything else.
15 **Q. Did you formerly own a company called**
16 **Verizon Video Design, Inc.? Remember that company?**
17 A. No, huh-uh.
18 **Q. Well, I've got a sheet from the**
19 **Secretary of State. It just said it was**
20 **incorporated in 2002 and it was dissolved in 2005.**
21 **I was just wondering what kind of --**
22 A. Not me.
23 **Q. -- business it was.**
24 A. Not Verizon Video Design, no.
25 **Q. It lists Paul Hulsey, 28 Bridgeside**

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1 **Boulevard, Mount Pleasant.**
2 A. Hum-um. No.
3 **Q. What -- do you know what the Bridgeside**
4 **Boulevard address is?**
5 A. Yeah, that's the -- the Ness Motley
6 building.
7 **Q. Ness Motley building?**
8 A. Yeah, but I never had a company like
9 that. I had one called Horizon Holdings so maybe
10 they -- maybe they got the Horizon word wrong.
11 **Q. Might have.**
12 A. Yeah. So -- but no, I -- I've never
13 heard of that.
14 **Q. Okay. But you don't have a Horizon**
15 **Holdings anymore?**
16 A. No, huh-uh.
17 **Q. Okay. You mentioned Lisa Duncan when I**
18 **was -- I picked up her name somewhere and there's a**
19 **corporation known as Southern Cross Creations, LLC,**
20 **Lisa Duncan as the registered agent. Do you have**
21 **any ownership interest in a company called Southern**
22 **Cross Creations, LLC?**
23 A. We opened it but we haven't done
24 anything with it.
25 **Q. What was it opened for?**

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1 A. We hope some day to write a book.
2 **Q. Who owns Southern Cross Creations, LLC?**
3 A. I'm not sure who (sic) we did it. I
4 probably do.
5 **Q. Who was going to write the book?**
6 A. We haven't decided yet. My partner and
7 I and Lisa probably.
8 **Q. Who's your partner?**
9 A. Cherie Durand.
10 **Q. Oh, Cherie, okay.**
11 A. Yeah.
12 **Q. Okay. But you haven't written a book**
13 **yet?**
14 A. I don't have anything finished. I --
15 I've been writing for ten years, just stacking it
16 up, stacking my legal pads up, making drafts and
17 things.
18 **Q. Okay. But hadn't finished a book --**
19 A. No.
20 **Q. -- finished a book --**
21 A. No.
22 **Q. -- as of -- as of this time?**
23 A. No, but we opened that so eventually if
24 we do something, we have it.
25 **Q. Mr. Hulsey, did you understand that**

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1 **when James Scott's article of April 24th, 2004 came**
2 **out about the lawsuit that the Limehouses had to**
3 **shut their business down, do you understand that?**
4 A. I don't understand anything. All I
5 know is what Mr. Limehouse has said from time to
6 time.
7 **Q. Okay. So you don't -- you don't know**
8 **that that happened?**
9 A. I don't know what happened. I've heard
10 that it is. I don't have any reason to doubt it
11 but I have no personal knowledge of it.
12 **Q. Do you dislike Lawton Limehouse, Sr.?**
13 A. I never met him before I filed the
14 lawsuit.
15 **Q. So does that mean you don't dislike**
16 **him?**
17 A. I've never met him. I -- you mean
18 right now since we've been through this litigation?
19 That wouldn't have anything to do with anything,
20 would it? I like him fine. He was a businessman,
21 I'm a businessman. I -- when you file a lawsuit
22 for a client, it wasn't personal. I'd never met
23 him before.
24 **Q. Another thing I found when I was going**
25 **around on the Internet is a -- is a newspaper**

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1 **article, looks like it was around 1998. Do you**
2 **know a lady named Yvette Barnes?**
3 A. Yeah, I know who that is.
4 **Q. Okay. And how do you know her?**
5 A. At one time she was a paralegal over in
6 the other firm.
7 **Q. When did you first meet her?**
8 A. Geez, I don't know. Early '90s.
9 **Q. This article seems to indicate that you**
10 **had a -- some type of extramarital affair with**
11 **Yvette Barnes, is that correct?**
12 A. She filed a lawsuit against me, which
13 was dismissed.
14 **Q. Okay. Did you have an extramarital**
15 **affair --**
16 A. Yes.
17 **Q. -- with Yvette Barnes?**
18 A. Yes, um-hum.
19 **Q. Okay.**
20 A. Yeah.
21 **Q. For what period of time?**
22 A. I don't recall now, been a long time.
23 **Q. When is the last time you've seen**
24 **Yvette Barnes?**
25 A. I don't know. I couldn't tell you.

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1 **Q. Well, was it last year, this year, five**
2 **years ago?**
3 A. Several months ago, I'm sure.
4 **Q. Several months ago?**
5 A. Yeah.
6 **Q. So is it -- have you been having an**
7 **extramarital affair with Yvette Barnes since**
8 **1998 --**
9 A. No.
10 **Q. -- until several --**
11 A. No.
12 **Q. -- months ago?**
13 A. No, no, no. I don't know what this has
14 to do with anything anyway.
15 **Q. Where did you see the --**
16 A. The article says the case was
17 dismissed.
18 **Q. Yeah.**
19 A. She made a lot of allegations against
20 me that were not true, sued me in court, they
21 weren't true, it got dismissed.
22 **Q. I understand.**
23 A. Okay.
24 **Q. The article also says, this is**
25 **Judge Duffy being quoted, however -- it says this,**

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1 the court can deal appropriately with broken
2 contracts and broken legs, however, the court
3 cannot give remedy for unrequited love and broken
4 hearts.
5 A. I see that -- I saw that.
6 Q. You saw that?
7 A. Right.
8 Q. And this came out in The Post and
9 Courier also, correct?
10 A. Right.
11 Q. Okay. Which led me to believe that
12 there was some romantic involvement between you and
13 Yvette Barnes. You said you saw her several months
14 ago?
15 A. Yeah.
16 Q. Where did you see her?
17 A. I don't really think I have to discuss
18 any more of this. I've told you about the article.
19 MR. HOOD: Yeah, I agree. I mean, I
20 don't --
21 THE WITNESS: This is subsequent to
22 anything in this case.
23 BY MR. CISA:
24 Q. Pardon me?
25 A. Does this have to do with anything?

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1 Q. Well, I -- I think it does.
2 A. Well --
3 Q. I think it goes to character.
4 MR. HOOD: Okay. Character's not on
5 trial so -- it's a civil case. Character evidence
6 is inadmissible.
7 BY MR. CISA:
8 Q. Have you -- have you had any other
9 extramarital affairs with anybody other than Yvette
10 Barnes?
11 MR. HOOD: Don't answer that question.
12 BY MR. CISA:
13 Q. You're not going to answer the
14 question, Mr. Hulsey?
15 MR. HOOD: I'm instructing him not to
16 answer the question and I'll seek a protective
17 order and we're going to end this deposition if you
18 ask any more questions like that. That's
19 completely unprofessional. It has nothing to do
20 with Mr. Hulsey and the allegations in this
21 lawsuit.
22 MR. CISA: Well, I dis -- I
23 respectfully disagree.
24 MR. HOOD: I appreciate that.
25 MR. CISA: I think it goes to character

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1 and I think it goes to impeachment and that's --
2 that's what I -- that's what I think so I think
3 it's certainly relevant. From my standpoint it is
4 certainly relevant. Mr. Hulsey's testified he's a
5 good husband. I'm entitled to impeach him and
6 that's what I'm attempting to do but you won't
7 allow it, but that's my basis.
8 MR. HOOD: That's correct, I will not
9 allow it.
10 MR. CISA: Okay. All right, let's take
11 a short break. I think I'm about finished. Let me
12 just talk to my client.
13 (A recess transpired.)
14 MR. CISA: I've just got a couple of
15 things.
16 BY MR. CISA:
17 Q. Mr. Hulsey, during the course, I guess,
18 of discovery that took place between you and
19 Mr. Massalon relative to the class action lawsuit
20 that you filed in the United States District Court,
21 do you recall giving Mr. Massalon Social Security
22 cards or other documents that he analyzed through
23 the services of some forensic expert, do you
24 remember that?
25 A. I don't recall right now. I may have.

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1 Q. Pardon me?
2 A. I said I may have, I don't recall it
3 right now.
4 Q. Okay. Do you -- do you recall anything
5 about a former SLED agent or a SLED agent that he
6 had retained to look at Social Security cards --
7 A. I don't recall that.
8 Q. -- and alien registration cards?
9 A. I'm not doubting that happened, I just
10 don't recall.
11 Q. Right. Okay. And do you -- I
12 understand you don't recall it.
13 A. No, sir.
14 Q. You don't recall the outcome of that --
15 A. No.
16 Q. -- that analysis?
17 A. I don't. I don't.
18 Q. Okay. Have you -- do you know if any
19 of the plaintiffs in the -- that were named -- any
20 of these six plaintiffs that were named in the
21 class action complaint you filed on their behalf
22 back in April of 2004, whether any of them are
23 still in the area or local?
24 A. No, sir, I don't. I don't.
25 Q. Have you had any communication with any

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1 of them recently or --
2 A. No. I think we may have communicated
3 with some of them when your -- your case first went
4 to trial but I -- I can't remember anything more
5 than that.
6 Q. Okay. And that was a long time ago --
7 A. Yes, sir.
8 Q. -- 2008 or something.
9 A. Yeah, it was awhile.
10 Q. Okay. So it's fair to say you really
11 hadn't communicated with any --
12 A. No.
13 Q. -- of the plaintiffs in the last, I
14 don't know --
15 A. No, no, if that's the question --
16 Q. -- six, seven, eight years?
17 A. No, sir, I haven't. No.
18 MR. CISA: I don't have anything
19 further. Thank you very much.
20 THE WITNESS: Thank you. I'll read and
21 sign it.
22 MS. DURAND: I have something. I think
23 that I'd like to have some kind of protective
24 agreement about the deposition and the exhibits if
25 we can agree because there's some sensitive

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1 financial information that's attached as exhibits
2 here and I don't want that floating around.
3 MR. CISA: You know, that -- that's --
4 and I don't have any problem with that kind of
5 thing but I can tell you that the -- the two
6 financial statements that I asked Mr. Hulsey about
7 were marked as exhibits in the prior litigation so
8 I think that --
9 MS. DURAND: Over our objection.
10 MR. CISA: I -- I'm not saying it
11 wasn't over your objection. I'm just saying I
12 think that horse is out of the barn so I don't know
13 what good it does you to do a protective order
14 about something that's been floating around since
15 2008. They -- they were all submitted as exhibits.
16 MR. HOOD: Well, it doesn't do any
17 harm.
18 MR. CISA: I mean, you know, I don't --
19 I don't have any problem doing it. If you'll send
20 me something, you know, we'll -- we'll deal with
21 it.
22 (Off-the-record conference.)
23 COURT REPORTER: Do you want me to mark
24 the transcripts and the exhibits as confidential?
25 MS. DURAND: Yes.

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1 COURT REPORTER: Okay.
2 MR. CISA: Well, let's go back on the
3 record for a second. You -- some of the exhibits
4 that I have marked as exhibits to this deposition
5 are not confidential. We've got newspaper
6 articles. I've got a report that's not
7 confidential. You know, I think what they're most
8 concerned about, and you all can correct me if I'm
9 wrong, I think it was Exhibits probably 7 and 8,
10 which were the two financial statements.
11 MS. DURAND: Those are the two
12 financial statements.
13 MR. CISA: Right. I mean, I don't see
14 any reason to mark all the other exhibit as --
15 exhibits as confidential. I -- I understand
16 you're -- you're wanting to enter into some
17 confidentiality order concerning the financial
18 statements and we'll talk about that.
19 MS. DURAND: I would say the financial
20 statements and the testimony that pertain to those
21 financial statements would be confidential.
22 MR. HOOD: Yeah. So what we'll do is
23 we'll -- I think what the standard confidentiality
24 order requires is that within certain number of
25 days from the receipt of the deposition transcript

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1 that we designate the portions of the depositions
2 that would be confidential so there's no clarity.
3 MR. CISA: It --
4 MS. DURAND: And that way the whole
5 thing's not marked which is what --
6 MR. CISA: Yeah, if you -- yeah, and if
7 you'll just send me whatever confidentiality order
8 you want me to look at I'll be glad to do that.
9 MR. HOOD: Okay.
10 MR. CISA: All right.
11 MS. DURAND: And it is 7 and 8.
12 MR. CISA: Yes.
13 (WHEREUPON, the proceedings concluded
14 at 3:10 PM.)
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1 SIGNATURE OF DEPONENT

2 DEPONENT: PAUL H. HULSEY
3 DEPOSITION DATE: September 24, 2014
4 REPORTER: TERRI L. BRUSSEAU, RPR, CRR
5 CASE CAPTION: LAWTON LIMEHOUSE, SR. Vs. PAUL H.
6 HULSEY and THE HULSEY LITIGATION GROUP, LLC

7 (Please return both Signature of Deponent pages)

8 I, the undersigned, PAUL H. HULSEY, do
9 hereby certify that I have read the foregoing
10 deposition and find it to be a true and accurate
11 transcription of my testimony, with the following
12 corrections, if any:

13 PAGE	14 LINE	15 CHANGE	16 REASON
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1 SIGNATURE OF DEPONENT (CONTINUED)

2 DEPOSITION DATE: September 24, 2014
3 REPORTER: TERRI L. BRUSSEAU, RPR, CRR
4 CASE CAPTION: LAWTON LIMEHOUSE, SR. Vs. PAUL H.
5 HULSEY and THE HULSEY LITIGATION GROUP, LLC

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10 I, Terri L. Brusseau, Notary Public for the
11 State of South Carolina at Large, do hereby certify
12 that the deponent was advised of his or her right
13 to read and sign said deposition both verbally and
14 in writing. If the deponent fails to execute and
15 return foregoing Signature of Deponent pages within
16 the thirty (30) days allowed pursuant to the Rules
17 of Civil Procedure, the original transcript may be
18 filed with the court.

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25

Terri L. Brusseau,
Registered Professional Reporter,
Certified Realtime Reporter
My Commission expires
March 24, 2016

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1 CERTIFICATE OF REPORTER

2 I, Terri L. Brusseau, Registered

3 Professional Reporter and Notary Public for the

4 State of South Carolina at Large, do hereby certify

5 that the foregoing transcript is a true, accurate,

6 and complete record.

7 I further certify that I am neither related

8 to nor counsel for any party to the cause pending

9 or interested in the events thereof.

10 Witness my hand, I have hereunto affixed my

11 official seal this 6th day of October, 2014 at

12 Charleston, Charleston County, South Carolina.

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Terri L. Brusseau, RPR, CRR
My Commission expires
March 24, 2016

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12 06/06/2007, CONFIDENTIAL
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THE STATE OF SOUTH CAROLINA
In the Court of Appeal

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SC Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

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

CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

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April 19th, 2016