RECORD ON APPEAL

THE STATE OF SOUTH CAROLINA
In The Court of

RECEIVED
SEP 28 2016
SC Court of Appeals

Appeals Case No:

2014-002029

APPEAL FROM RICHLAND COUNTY

Court of Common Pleas

The Honorable Judge Doyet A. Early, III, Jr.,

Circuit Court Judge

John R. Rakowsky, *Respondent*

v.

Law Offices of Adrian L. Falgione, LLC, James Spencer, Estate of Doris Holt, Nick Williamson, on behalf of RSC, Irene Santacroce, Rodney Keith Lail, Marguerite Stephens and Ricky Stephens, Michael Hartness, Horry County, S.C:, Eugene Chewing, and Glenn W. Harrison, Defendants,

Of whom James Spencer, Irene Santacroce, Rodney Keith Lail, and the Estate of Doris Holt, *Appellants.*

JOINT AMENDED RECORD ON APPEAL

VOLUME I OF II

Michael G. Sribnick, M.D., J.D.,
LLC 3 Kenilworth Avenue
Charleston, SC 29403
(843) 789-8907
Attorney for Appellants Irene Santacroce, Rodney Lail, and Estate of Doris Holt

James B. Spencer, *Pro Se*
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

Desa Ballard, Esquire
Ballard and Watson, Attorneys at
Law PO Box 6338
West Columbia, SC 29171
Attorney for Respondent

Index

Court Orders	**Pg. #**
Court Order Judge Seals, filed August 4, 2011, executed July 25, 2011	1-4
Court Order, Judge Barber, October 18, 2011	5-6
Court Order – Denying Motion to Compel Judge Couch, July 19, 2012	7-10
Form 4 Order Signed by Judge Manning, December 17, 2013	11
Form 4 Order Signed by Judge Early September 10, 2014	12
Court Order, Judge Early, January 10, 2014	13-14
Supplemental Order, Judge Early, dated September 9, 2014	15
Partial Relief Order, Judge Early, June 27, 2014	16-27
Final Order, Judge Early, December 23, 2014	28-41
Pleadings	
Complaint for Interpleader Desa Ballard, September 12, 2008	42-50
Motion for Immediate Release of Litigation Funds, October 20, 2008 With Exhibits: • Exhibit A: pg. 56, • Exhibit B: pg. 57, • Exhibit C: pg. 60.	51-62
Defendant's Motion to Amend Answer, August 30, 2011	63-68
Response & Counter Claims, Second Amended Complaint, August 29, 2011 With Exhibits: • Exhibit A: pg. 85, • Exhibit B: pg. 88, • Exhibit C: pg. 90.	69-94
Plaintiff's Response/Consent and Judges Order Re: Defendant's Amended Counter Claim, May 7, 2012 Transcript, pg. 100, lines, 20-25	95-100

Objections to Plaintiff Rakowsky's Claim to Interpleader Funds, January 30, 2014 101-122
With Exhibits:
- Exhibit A: pg. 104,
- Exhibit B: pg. 115,
- Exhibit C: pg. 119.

Defendants' Expedited Motion for Sanctions with Exhibits, December 20, 2011 123-220
With Exhibits & Attachments:
- Exhibit A: pg. 154,
- Exhibit B: pg. 156,
- Exhibit C: pg. 157
- Attachment A: pg. 162,
- Attachment B: pg. 163,
- Attachment C: pg. 166,
- Attachment D: pg. 169,
- Attachment E: pg. 181,
- Attachment F: pg. 184,
- Attachment G: pg. 186,
- Attachment H: pg. 194,
- Attachment I: pg. 196,
- Attachment J: pg. 199,
- Attachment K: pg. 215,
- Attachment M: pg. 217,
- Attachment N: pg. 219,
- Attachment O: pg. 220.

Email from Court, February 27, 2014 221-224

Affidavit from Mara Ballard executed April 17, 2014, submitted May 28, 2014 225-370
With Exhibits:
- Exhibit A: pg. 227,
- Exhibit B: pg. 349,
- Exhibit C: pg. 352,
- Exhibit 13: pg. 354,
- Exhibit 14: pg. 355,
- Exhibit D: pg. 368.

Omnibus Motions and Motion to Compel, July 29, 2014 371-450
With Exhibits & Attachments:
- Exhibit A: pg. 390,
- Exhibit B: pg. 395,
- Exhibit C: pg. 400,
- Exhibit D: pg. 401,
- Exhibit E: pg. 402,
- Exhibit F: pg. 403,

- Exhibit: G pg. 407,
    - Attachment A: of Exhibit G: pg. 415.

Rakowsky & Falgione Engagement Contracts 451-460

Certain Defendant's Response to Second Amended Complaint, January 18, 2011 461-468

Plaintiff's Reply to Response to Second Amended Complaint for Interpleader, February 18, 2011 469-472

Claim Against Interplead Funds, December 11, 2013 473-487
- Exhibit A: pg. 475.

Motion for Equitable Indemnification, July 24, 2014 488-502

Affidavit of John Rakowsky & Mara Ballard, May 16, 2014 503-525
With Exhibits:
- Exhibit A: pg. 507,
- Exhibit B: pg. 508,
- Exhibit 13: pg. 510,
- Exhibit 14: pg. 511,
- Exhibit C: pg. 519.

Email from Judge Early, September 12, 2014 526

Email from Judge Early, October 4, 2014 527-528

Email to A. Bores, October 21, 2014 529-530

Letter from Desa Ballard to Judge Early, October 23, 2014 531-532

Email Michael Sribnick to Judge Early, October 24, 2014 533-534

Desa Ballard's Letter and Check Copy to Escrow Account dated August 8, 2014 535-536

Transmittal Letter – February 20, 2011 537

Transcripts

Transcript: August 20, 2014 Hearing 538-565

Transcript: May 7, 2012 Hearing 566-636

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	)	IN THE COURT OF COMMON PLEAS FIFTH JUDICIAL CIRCUIT CASE NO. 2008-CP-40-6656
John R. Rakowsky, Plaintiffs, vs. Adrian L. Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens and Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene G. Chewing, and Glenn W. Harrison, Defendants.	)	ORDER

RICHLAND COUNTY
FILED
2011 AUG -3 PM 4:17
JEANETTE W. McBRIDE
C.C.P. & G.S.

This matter came before me on July 11, 2011, for hearing on several motions. Present were the Plaintiff and his counsel, Stephanie Weissenstein, Andrew Linderman as counsel for Horry County, defendant Adrian Falgione, *pro se*, and Defendants James Spencer and Rodney Lail, who are *pro se*, but for whom attorney Tom Mosley made a limited appearance. The relevant motions before the Court were as follows: Plaintiff's Motion to Quash Subpoena, Plaintiff's Motion to Strike and to File Under Seal and Defendant Falgione's Motion to Quash Subpoena.

Regarding the motions to Quash Subpoena, I find that the materials requested by the Subpoenas issued by *pro se* Defendant James Spencer on February 10, 2011 are privileged financial records belonging to Plaintiff or his counsel, and the request is overly broad, unduly burdensome and is not likely to lead to admissible evidence. Furthermore, there is no question of fact that the Plaintiff possesses sixty-two thousand, six hundred and ninety-one dollars and seventy-eight cents ($62,691.78) that is related to the litigation by and/or between the parties

SCANNED

hereto in which Plaintiff served as legal counsel for certain of these defendants, including James Spencer. Furthermore, I find that the materials sought from Defendant Falgione, which are not in his custody, are also confidential in nature and that the request is overly broad and not likely to lead to admissible evidence.

Therefore, IT IS HEREBY ORDERED THAT the Subpoenas issued by *pro se* Defendant James Spencer on February 10, 2011 is quashed for the reasons stated above.

Plaintiff moves to strike the Answer and Counterclaim Complaint which was filed by Defendants James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens and Ricky Stephens, and Michael Hartness on or around January 18, 2011. Plaintiff asserts that these defendants have alleged facts and submitted documents containing confidential and inflammatory information that could cause substantial harm to the Plaintiff and which do not have any bearing on this lawsuit. After *in camera* review of certain documentation presented by Plaintiff and of the pleadings in this record, I conclude that these matters are defamatory in nature, unnecessary to ensure a fair trial, and have been addressed and disposed of in another forum in favor of Plaintiff.

Therefore, IT IS HEREBY ORDERED THAT any and all pleadings filed by *pro se* defendants James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens and Ricky Stephens, and Michael Hartness in response to Complaints regarding this matter or in which allegations are made either against Plaintiff or related to his prior professional relationship with these defendants are hereby stricken. Specifically, IT IS HEREBY ORDERED THAT all the allegations highlighted in Exhibit A of Plaintiff's Motion to Strike shall be redacted from the Response to Second Amended Complaint.

Plaintiff has requested that the pleadings in this matter be filed under seal pursuant to Rule 41.1(b), SCRCP. That motion is DENIED.

IT IS SO ORDERED.

William H. Seals, Jr.
Judge for the 5th Judicial Circuit

July 25, 2011
Richland County

Form 4

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO: 2008CP4006656

2011 AUG -4 A 9:29
RICHLAND COUNTY FILED
JEANETTE W. McBRIDE C.C.P. & G.S.

John R Rakowsky vs. **Southern Holdings Inc**

Plaintiff Defendant

CHECK ONE:

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ **ACTION DISMISSED** (*CHECK REASON*): ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other:

☐ **ACTION STRICKEN** (*CHECK REASON*): ☐ Rule 40(j) SCRCP; ☐ Bankruptcy:

☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award;
☐ Other: _____

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT** (*CHECK APPLICABLE BOX*):
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other
NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

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

Dated at Columbia, South Carolina, this _____ day of _____, 2011.

_____
PRESIDING JUDGE

This judgment was entered on the _____ day of _____, 2011, and a copy mailed first class this 4 August 2011, to attorneys of record or to parties (when appearing pro se) as follows:

Desa Ballard

ATTORNEY(S) FOR THE PLAINTIFF(S)

Ernest H Morton Jr Linda Williamson Lawrence
Andrew F. Lindemann Adrian Lee Falgione

ATTORNEY(S) FOR THE DEFENDANT(S)

Jeanette W. McBride

Clerk of Court

SCRCP APP 24/FORM 4

SCANNED

5

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FIFTH JUDICIAL CIRCUIT
CASE NO.: 2008-CP-40-6656

RICHLAND COUNTY FILED
2011 OCT 18 PM 4:19
CLERK OF C.P. & G.S.
KATHIE K. McBRIDE

John R. Rakowsky,

Plaintiff,

vs.

Adrian L Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens, Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene G. Chewing and Glenn W. Harrison,

Defendants.

ORDER DENYING MOTION TO COMPEL, SUBSTITUTING PARTIES, RELEASE OF LITIGATION FUNDS, AND AMENDING COMPLAINT ACCORDINGLY

This matter came before me on September 15, 2011, for hearing on Defendant James Spencer's "*EXPEDITED MOTION TO COMPEL DEFENDANTS REQUEST FOR PRODUCTION OF DOCUMENTS AND REQUEST TO COMPEL PLAINTIFF TO ANSWER DEFENDANTS FIRST ROUND OF INTEROGATORIES AND REQUEST FOR A JURY TRIAL ON ALL MATTERS RELATED TO 2008-CP-40-6656*". Present were the Plaintiff and his Counsel, Stephanie Weissenstein, Defendant, Adrian Falgione, *pro se*, and Defendants James Spencer and Rodney Lail, who are *pro se*.

This case was before the Honorable William H. Seals, Jr. for a hearing on July 11, 2011, for a hearing on several motions, including Plaintiff's motion to quash a subpoena issued against him at the behest of Defendant James Spencer. The subpoena which was the subject of that hearing and the requests for production which Mr. Spencer seeks to compel includes several of the same documents.

SCANNED

There is a long-standing rule in this State that one judge of the same court cannot overrule another. *Tisdale v. Amer. Life Ins. Co.*, 216 S.C. 10, 56 S.E.2d 580 (1950); *Dinkins v. Robbins*, 203 S.C. 199, 26 S.E.2d 689 (1943). Therefore, IT IS HEREBY ORDERED THAT Mr. Spencer's motion to compel the production of documents included in the subpoena is **Denied**[1].

The Court understands that Defendant Doris Holt is now deceased. Plaintiff Rakowsky, Defendant Falgione, Defendant Spencer and Defendant Lail consent to Doris Holt's estate being substituted as the real party at interest. The substitution of the estate is **Granted**.

IT IS SO ORDERED.

James R. Barber, III
Judge for the 5th Judicial Circuit

October 18, 2011
Richland County

[1] By the same written motion, Mr. Spencer also requested a jury trial. That issue was not addressed at the hearing.

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FIFTH JUDICIAL CIRCUIT
CASE NO.: 2008-CP-40-6656

John R. Rakowsky,

Plaintiff,

vs.

Adrian L. Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens, Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene G. Chewing and Glenn W. Harrison,

Defendants.

ORDER DENYING MOTION TO COMPEL

RICHLAND COUNTY
FILED
2012 JUL 19 PM 4:36
JEANETTE W. McBRIDE
C.C.P. & G.S.

This matter came before me on July 19, 2012 at 9:30 AM, for hearing on *pro se* Defendant Irene Santacroce's "*Motion to Compel of Defendant Irene Santacroce*". Present were the Plaintiff's counsel, Stephanie Weissenstein and Desa Ballard. At the Court's instruction, the Bailiff, in the main hallway, called for Ms. Santacroce and other interested parties. None appeared.

Counsel for Plaintiff introduced into the record two prior orders of this Court addressing discovery. First, the order of Honorable William H. Seals, Jr., filed on August 3, 2011, quashed a subpoena for records in this matter. Judge Seals found that the materials requested by the subpoenas issued by *pro se* Defendant James Spencer on February 10, 2011 "are privileged financial records belonging to Plaintiff or his counsel, and the request is overly broad, unduly burdensome and is not likely to lead to admissible evidence" and there is no question of fact warranting discovery of these materials. Also, by Order dated October 18, 2011, Judge James Barber ruled that "there is a long-standing

rule in this State that one judge of the same court cannot overrule another," and he denied Mr. Spencer's motion to compel answers to Interrogatories and Requests for Production.

By her motion, Ms. Santacroce, the co-defendant of Mr. Spencer herein, seeks to compel answers to discovery seeking similar documents and answers similar to that which have already been denied by this Court.

Ms. Santacroce's Motion to Compel is hereby DENIED.

IT IS SO ORDERED.

Roger L. Couch
South Carolina Circuit Court Judge

July 19, 2012
Richland County

FORM 4

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

JUDGMENT IN A CIVIL CASE

CASE NO: 2008 CP-40-6656

John R. Rakowksy

PLAINTIFF(S)

Adrian Falgioine, James Spencer, Irene Sanstacroce, et al

DEFENDANT(S)

Submitted by: Stephanie Weissenstein

Attorney for : ☒ Plaintiff ☐ Defendant or ☐ Self-Represented Litigant

RICHLAND COUNTY FILED
2008 JUL 19 PM 4:36
JEANETTE WAMBRIDGE C.C.P. & G.S.

DISPOSITION TYPE (CHECK ONE)

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☒ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ **ACTION DISMISSED** *(CHECK REASON)*: ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other

☐ **ACTION STRICKEN** *(CHECK REASON)*: ☐ Rule 40(j), SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT** *(CHECK APPLICABLE BOX)*: ☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other

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

IT IS ORDERED AND ADJUDGED: ☒ See attached order (formal order to follow) ☐ Statement of Judgment by the Court: Motion to compel DENIED.

ORDER INFORMATION

This order ☐ ends ☒ does not end the case.
Additional Information for the Clerk:

INFORMATION FOR THE JUDGMENT INDEX

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

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

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

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

Circuit Court Judge | 2135 Judge Code | 7/19/16 Date

For Clerk of Court Office Use Only

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

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

CLERK OF COURT

Court Reporter:

FORM 4

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

JUDGMENT IN A CIVIL CASE

CASE NUMBER: 2008-CP-40-6656

John R. Rakowsky

PLAINTIFF(S)

Southern Holdings Inc., defendant, et al

DEFENDANT(S)

Submitted by: _____ | **Attorney for :** ☐ Plaintiff ☐ Defendant or ☐ Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ **ACTION DISMISSED** (*CHECK REASON*): ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other _____

☐ **ACTION STRICKEN** (*CHECK REASON*): ☐ Rule 40(j), SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other _____

☐ ***DISPOSITION OF APPEAL TO THE CIRCUIT COURT*** (*CHECK APPLICABLE BOX*): ☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other _____

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

IT IS ORDERED AND ADJUDGED: ☐ See attached order (formal order to follow) ☒ Statement of Judgment by the Court:

That this case be assigned to the Honorable Doyet A. Early, III to hear and handle all pre-trial motions and other matters pertaining to this case.

RICHLAND COUNTY FILED DEC 17 PM 1:38 JEANETTE W. GRIDER, C.P. & G.S.

ORDER INFORMATION

This order ☐ ends ☒ does not end the case.
Additional Information for the Clerk : _____

INFORMATION FOR THE JUDGMENT INDEX

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

Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled
		$
		$
		$

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

Circuit Court Judge _____ **Judge Code** 2061 **Date** 12/17/13

For Clerk of Court Office Use Only

This judgment was entered on the ____ day of _____, 20 ____ and a copy mailed first class or placed in the appropriate attorney's box on this 30 day of Dec, 20 13 to attorneys of record or to parties (when appearing pro se) as follows:

ATTORNEY(S) FOR THE PLAINTIFF(S)

Court Reporter

ATTORNEY(S) FOR THE DEFENDANT(S)

Clerk of Court Jeanette W. Grider

SCANNED

FORM 4

STATE OF SOUTH CAROL A
COUNTY OF RICHLAND
IN THE COURT OF COMMON PLEAS

JUDGMENT A CIVIL CASE

CASE NO. 2008 CP-40-6656

John Rakowsky

PLAINTIFF(S)

Adrian Falgione, James Spencer, et al.

DEFENDANT(S)

Submitted by:	Attorney for : ☐ Plaintiff ☐ Defendant or ☐ Self-Represented Litigant

DISPOSITION TYPE (CHECK ONE)

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The *issues* have been tried and a verdict rendered.

☑ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered. ☐ See Page 2 for additional information.

☐ **ACTION DISMISSED** (*CHECK REASON*): ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other

☐ **ACTION STRICKEN** (*CHECK REASON*): ☐ Rule 40(j), SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT** (*CHECK APPLICABLE BOX*): ☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other

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

RICHLAND COUNTY FILED 2014 SEP 11 PM 12:01 JEANETTE W. McBRIDE C.C.P. U.S.

IT IS ORDERED AND ADJUDGED: ☐ See attached order (formal order to follow) ☒ Statement of Judgment by the Court: Defendant's Omnibus Emergency Motions including Motion to Compel Dated July 29, 2014 and heard on August 20, 2014, is DENIED.

ORDER INFORMATION

This order ☐ ends ☐ does not end the case.
Additional Information for the Clerk :

INFORMATION FOR THE JUDGMENT *INDEX*

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

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

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

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

Circuit Court Judge

0136
Judge Code

9/10/14
Date

SCRCP Form 4C (03/2013)

SCANNED

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FIFTH JUDICIAL CIRCUIT
CASE NO.: 2008-CP-40-6656

John R. Rakowsky,

Plaintiff,

vs.

Adrian L Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens, Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene G. Chewing and Glenn W. Harrison,

Defendants.

ORDER

RICHLAND COUNTY FILED
2014 JAN 10 PM 2:12
JEANETTE W. McBRIDE C.C.P. & G.S.

This case has been assigned to me by Chief Administrative Judge Manning for final disposition. The case was on the non-jury docket for the week beginning December 16, 2013. A pretrial conference was held before me on December 17, 2013. Present for the Plaintiff John Rakowsky was Desa Ballard. Michael Sribnick appeared for defendants Irene Satacroce and Rodney Lail. Defendant James Spencer was present *pro se*, with his assistant Robert Wadley. No other parties appeared. Defendant Spencer advised the court he was also appearing on behalf of the Estate of Doris Holt, for which he is the duly-appointed personal representative. I find that Mr. Spencer is not permitted to appear in this action on behalf of the Estate of Doris Holt, or on behalf of any party other than himself individually.

Mr. Sribnick has only recently appeared as counsel for Ms. Santacroce and he moved for a continuance of the trial for a period of sixty-days to enable him to become familiar with the case. Over Plaintiff's objection, the motion is granted.

Defendant James Spencer indicated there are motions pending which must be resolved prior to trial. Within 15 days of service of this order upon him by either the Clerk of Court or Ms. Ballard, Mr. Spencer shall provide to the undersigned, and serve on all counsel of record and all non-defaulting parties, a list identifying all motions he contends are unresolved, along with file-stamped copies of each motion. No later than January 25, 2014, Mr. Spencer shall file with the court and serve all parties a memorandum in support of the motions he contents remain outstanding. Any party may thereafter file a memorandum in opposition to Mr. Spencer's within ten (10) days after service upon him/her of Mr. Spencer's memorandum.

The court will determine whether oral argument is necessary to decide any pending motions and will issue its order accordingly. Since the undersigned is not assigned to Richland County on a consistent basis, counsel and the parties agreed that any hearing may be held wherever the undersigned is holding court, or at such other location as the court may designate. The court may determine that no hearing is necessary on the motions and may therefore decide the motions without oral argument.

Trial of this matter shall be concluded no later than the end of March, 2014 at such location as the undersigned shall designate.

IT IS SO ORDERED.

December 17, 2013
Richland County

Honorable Doyet Early
Judge for the 5th Judicial Circuit

STATE OF SOUTH CAROLINA	COURT OF COMMON PLEAS
COUNTY OF RICHLAND	FIFTH JUDICIAL CIRCUIT
John Rakowsky,	Case No.: 2008-CP-40-6656
Plaintiff,	
Vs.	**SUPPLEMENTAL ORDER**
Adrian Falgione, James Spencer, et al.,	
Defendant.	

2014 SEP 11 PM 12:01
JEANNETTE W. McBRIDE
C.C.P. & G.S.
RICHLAND COUNTY
FILED

I signed an order on June 23, 2014 ruling on certain matters before me. All parties did not receive a copy of the proposed order. By e-mail dated July 10, 2014, I gave everyone an opportunity to submit a proposed order.

I have reviewed the proposed order from pro se defendant James Spencer. I stand by my original order.

SO ORDERED.

The Honorable Doyet A. Early, III
Presiding Judge of the Fifth Judicial Circuit

Barnwell SC
Date: Sept 9, 2014

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

IN THE COURT OF COMMON PLEAS
Case No. 2008-CP-40-6656

John R. Rakowsky

Plaintiff,

vs.

Law Offices of Adrian L. Falgione, LLC, James Spencer, Estate of Doris Holt, Nick Williamson, on behalf of RSC, Irene Santacroce, Rodney Keith Lail, Marguerite Stephens and Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene Chewing, and Glenn W. Harrison,

Defendants,

RECEIVED
MAY 04 2015
SC Court of Appeals

ORDER GRANTING PARTIAL RELIEF

RICHLAND COUNTY FILED
2015 JUN 27 PM 2:30
JEANNETTE W. McBRIDE C.C.P. & G.S.

Plaintiff seeks an order directing the distribution of advanced litigation funds that remained in his possession after his representation of certain parties in a prior matter ended. The pleadings also seek an interpleader regarding settlement proceeds from the prior matter, but that matter is not ripe for determination, as explained below. This order addresses only that part of the action that seeks a determination as to the proper distribution of remaining litigation funds.

This case was assigned to me for all purposes by order of the Chief Administrative Judge, L. Casey Manning filed on December 17, 2013. Following a status conference on that date, I issued an order dated January 10, 2014 outlining the procedure to be followed by the parties in preparing to adjudicate all remaining matters. Defendant Spencer, who is *pro se*, complied with the directives of the January 10, 2014 order by filing and serving a memorandum which was clocked on January 27, 2014. Plaintiff filed a responsive memorandum.

A hearing convened on all motions on February 25, 2014. Based on the memoranda submitted to me in advance of the hearing, it appeared that one aspect of this matter is premature. The interpleader sought to interplead two categories of funds: settlement funds from the

settlement of an earlier civil matter, and remaining funds which had been advanced for the use of the plaintiffs in that earlier civil litigation. At that time, the Court ruled that the lack of finality as to settlement funds prevented that issue from being addressed at this time.

SOUTHERN HOLDINGS LITIGATION

The earlier civil action, Southern Holdings Inc. *et al.* v. Horry County *et al.*, Civil Action No. 4:02-cv-1859-RBH (hereafter "the Southern Holdings case"), was filed in the United States District Court for the District of South Carolina by a number of plaintiffs, some of whom are defendants in this case. The Southern Holdings case was resolved when a settlement agreement was stated on the record before United States District Court Judge R. Bryan Harwell on May 9, 2007. (Doc. 475). Plaintiff John Rakowsky (hereafter "Rakowsky") and attorney Adrian Falgione, who practices law under the corporate entity defendant The Law offices of Adrian L. Falgione, LLC, were counsel of record in the Southern Holdings case at the time of settlement.

Since that time, numerous motions have been filed in the District Court (and at the Fourth Circuit Court of Appeals) by one or more of the then-plaintiffs attempting to set aside the settlement. The most recent motion challenging the settlement was filed on January 6, 2014 (Doc. 775) and remains pending. For that reason, the portion of the matter pending before this Court with reference to the proceedings from the settlement in the Southern Holdings case is premature.

ISSUES TO BE ADDRESSED

The issues regarding the settlement funds are framed by the Second Amended Complaint filed December 3, 2010[1]. The defendants who have responded to the Second Amended Complaint and are active parties to the matter at this time are The Law Offices of Adrian L.

[1] Earlier proceedings involved multiple other defendants, who either defaulted or were dismissed from the action.

Falgione, LLC (see order filed December 2, 2011[2]), Horry County (Answer dated December 29, 2010), James Spencer (hereafter "Spencer"), Estate of Doris Holt[3] (hereafter "Holt") Nick Williamson on behalf of RSC (hereafter "RSC"), Rodney Keith Lail (hereafter "Lail"), Irene Santacroce (hereafter "Santacroce"), Marguerite Stephens (hereafter "M. Stephens") and Ricky Stephens (hereafter "R. Stephens").

Spencer, Holt, RSC, Lail, Santacroce, M. Stephens, and R. Stephens filed a *pro se* answer which was clocked in on January 18, 2011[4]. In their *pro se* answer those defendants asked that the Court deny the interpleader. The *pro se* answer also asserted that the remaining litigation funds "were solely advanced by 'RSC,' under the written condition that such funds were to be expended only under the specific direction of Defendant Spencer. *Id.* @ ¶ 10. Those "defendants seek the release of the entire amount of litigation funds. . ." *Id.* ¶ 16. Their prayer for relief also demanded an accounting of litigation funds and further demanded that all money in the possession of Rakowsky (both the settlement funds and the remaining litigation funds) "be transferred forthwith into the trust account of the captioned Defendants' self designated legal counsel." *Id.* @ p. 6 of 8. The "self designated legal counsel" was not identified in the *pro se* answer filed by Spencer, Holt, Williamson[5], Lail, Santacroce, Sanders and Stephens. A Notice of Appearance on behalf of Holt, Lail and Santacroce was later filed by attorney Michael G.

---

2 This order substituted the defendant originally named, Adrian L. Falgione, for his law firm, The Law Offices of Adrian L. Falgione, LLC.

3 Doris Holt was originally named as a defendant. She died during this litigation. By order dated October 18, 2011, Judge James R. Barber III substituted the Estate of Doris Holt as a party in place of Doris Holt.

4 Portions of the *pro se* answer were stricken by order of Judge Seals dated July 25, 2011.

5 Spencer, Holt and Williamson had earlier requested that the remaining litigation funds be released by "certified check" to "the trust fund of Singleton, Burroughs, and Young P.A. to be credited in the name of Irene Santacroce and James Spencer for use as directed by James Spencer." Motion for Court to Order Immediate Release of Funds, filed October 20, 2008). The file does not reflect the consent of any other defendants. The 2011 answer to second amended complaint requested the release of the remaining funds to Spencer, Holt, RSC, Lail, Santacroce, M. Stephens, and R. Stephens.

DAE
#3

Sribnick on December 9, 2013. Sribnick filed an "objection" to the interpleader dated January 26, 2014.

At the motion hearing on February 25, 2014, the Court heard argument from counsel for Rakowsky, Falgione, Horry County, Holt, Lail and Santacroce, and from Spencer, who continues to appear *pro se*. The Court also had the benefit of detailed filings by Spencer and Rakowsky. The Court took the following matters under advisement:

A. Motion to Release Uncontested Litigation Funds, filed October 20, 2008

B. Motion for Jury Trial, filed July 14, 2011

C. Motion to Amend Answer and Counterclaim, filed August 29/30, 2011

D. Motion for Sanctions (against attorney Stephanie Weissenstein) filed December 20, 2011.

Spencer and Sribnick also argued they should be entitled to discovery, although no formal motion for that relief had been filed. That request was denied, without prejudice, and the issue may be raised again when and if the Southern Holdings case is concluded, unless the request to interpleader funds is mooted by the District Court's ruling. However, the Court directed Rakowsky and Falgione to provide affidavits and evidence detailing the receipt and disbursement of all litigation funds that were advanced for the Southern Holdings litigation so the Court could rule on the pending Motion to Release Uncontested Litigation Funds filed October 20, 2008.

By email to the counsel and Spencer on February 27, 2014, the Court required "affidavits and evidence of all monies paid to Plaintiff's counsel in the original lawsuit for litigation expenses be provided to the Court no later than 10 days prior to hearing."

DAE #4

The hearing on the Motion for Release of Uncontested Litigation Funds was originally scheduled to be held on April 28, 2014. However, Spencer notified the Court he had been served with a subpoena requiring his presence in federal court at a time that would conflict with the April 28, 2014 hearing. The hearing was postponed to June 4, 2014.

After receiving the submissions from Rakowsky and Falgione, the Court notified counsel and Spencer that the June 4, 2014 hearing was not necessary and an order would be issued releasing the balance of litigation funds to Mr. Spencer.

This Court's mandate to the parties to provide an accounting of litigation funds provided to Rakowsky and/or Falgione lies in equity. In ruling upon the Motion for Release Uncontested Litigation Funds, filed October 20, 2008, the Court makes the following findings and conclusions.

FINDINGS OF FACT[6]

I make the following findings of fact by the preponderance of the evidence.

1. In his capacity as one of the Plaintiff's counsel in the Southern Holdings case, Rakowsky received the proceeds of loans from two (2) different entities for use as litigation funds on behalf of the plaintiffs.
2. Rakowsky received the sum of forty-two thousand, five-hundred dollars ($42,500.00) from LFC 101, LLC a/k/a LitFunding. (Affidavit of Mara Ballard, Exhibit A, pp. 5-9; p. 28). These funds were deposited into Rakowsky's law firm IOLTA account at Security Federal Bank on June 21, 2005 *Id.* @ pp. 7-9.
3. These funds were paid to Rakowsky following his execution of a "Contingent

[6] These findings of fact are made from the submissions provided by Adrian Falgione dated April 11, 2014, of John Rakowsky and Mara Ballard filed May 28, 2014 and the Declaration of Spencer dated May 24, 2014. The Court also had the benefit of the entire file of this litigation.

DAE #5

Advance and Security Agreement" signed by him on June 20, 2005. The loan agreement contains a "Client Consent Form" signed by James Spencer authorizing the payment to Rakowsky. *Id.* @ p. 18.

4. The Security Agreement identifies the loan proceeds for use of "plaintiff's" costs in "the lawsuit." The lawsuit is defined in the agreement, by name and case number, as the Southern Holdings litigation. *Id.* @ p. 11 The agreement identifies the plaintiff in the lawsuit as "James Spencer, et al." *Id.*

5. The Security Agreement indicated the loan from LitFunding was in the amount of $50,000.00, although Rakowsky received only $42,500.00. Spencer[7] requested by letter to LitFunding dated June 16, 2005 that $7,500.00 of the loan proceeds be paid to "1st Choice Funding" and "send to my attorney the remaining balance of $42,500.00." *Id.* @ p. 27.

6. Section 3 of the Security Agreement gave LitFunding a "first priority lien" on the loan proceeds. *Id.* @ 12.

7. Rakowsky received another $25,000.00 in litigation funding from Resolution Settlement Corporation (hereafter "RSC"), also in June, 2005 *Id.* @ pp. 29-32. These proceeds were generated as a result of a loan agreement between RSC and "Southern Holdings; James Spencer et al.". Rakowsky was listed as the mailing address for Spencer. *Id.* @ p. 33.

8. Paragraph 6 of the RSC agreement provides that the borrowers' attorney (Rakowsky) is aware of the agreement, but assumes no liability for complying with it. "[Borrower]'s attorney is solely and merely following [borrower]'s

[7] The letter of instruction from Spencer to LitFunding is from "Brian Spencer." Rakowsky represents, and Spencer does not dispute, that he is the same person as Brian Spencer

DAE
#6

instructions . . . attorney is making neither representation no guarantee, inferred, expressed or implied, concerning either merits or value of the claim. . . attorney assumes no affirmative duties herein other than ministerial obligations of disbursement, and conveying information contained herein." *Id.* @ p. 35, ¶ 7. Rakowsky therefore had no duty to RSC.

9. The check from RSC was made payable to "John Rakowsky and J. B. Spencer" and was endorsed for deposit by "John Rakowsky and James Brian Spencer." *Id.* @ p. 31. The full $25,000.00 was deposited into Rakowsky's IOLTA account at Security Federal on June 29, 2005. *Id.* @ pp. 29-32.

10. Rakowsky received no other funds from any other source for the expenses of the Southern Holdings case. The total litigation funding received by Rakowsky was $67,500.00. Rakowsky received no advanced litigation funds from LawMax.

11. The Law Max funds were paid either to James Spencer or to his former attorney, Ronald N. Serota. Rakowsky signed a document confirming his knowledge of the loan, but he did not receive any of the funds.

12. Falgione received no advanced litigation funds from any source for the Southern Holdings case. He was reimbursed for legitimate case expenses for costs incurred for the Southern Holdings case on two occasions by Rakowsky from the advanced litigation funds held in Rakowsky's IOLTA account. (Affidavit of Adrian Falgione, ¶ 14).

13. Rakowsky used the advanced litigation funds to make payments for litigation costs in the Southern Holdings case in the amount of $57,644.14. (Affidavit of Mara Ballard, p 4; Affidavit of John Rakowsky) Copies of the checks issued

DAE #7

from Rakowsky's IOLTA account for the expenditures made from the Southern Holdings funds have been presented to and reviewed by the Court. (Affidavit of Mara Ballard, pp. 42-43; pp. 50-53; pp. 55-57; p. 59; p. 61; p. 68-70; p. 72; pp. 74-76; pp. 78-79; pp. 85-93; p. 96; pp. 99-105; p. 107; p. 109; pp, 111-112; pp. 114-116; pp. 118-119). Rakowsky's submission also contains copies of invoices and receipts for expenditures made from the advanced litigation funds.

14. As stated above, the Southern Holdings case was settled on the record before United States District Judge R. Bryan Harwell on May 7, 2005. However, the settlement may not be final because of multiple post-settlement filings by Spencer and others.

15. In light of his former clients' rejection of the settlement, Rakowsky retained attorney Desa Ballard to assist him with handing both the settlement proceeds and the remaining litigation funds. The remaining litigation funds in the amount of $9,855.55 were paid into Ms. Ballard's trust account, as were the $55,000.00 settlement proceeds paid by the defendants in the Southern Holdings case. *Id.* P. 124. An effort to interplead the funds into the United States District Court was denied.

16. This interpleader action was filed on September 12, 2008. Among the defendants named and served, who later defaulted, was Law Max Legal Finance and Litfunding USA. Law Max and Litfunding defaulted[8]. The complaint was amended several times, to delete defendants and add others, with the last and operative complaint being the Second Amended Complaint filed on December 3,

[8] Order of Default Judgment filed July 12, 2011. Also held in default by that order were defendants Southern Holdings Inc., Ronald Serota, David Smith, Harold Hartness, Eugene Chewning Jr., Glenn Harrison and Michael Hartness. *Id.*

DAE #8

2010.

17. RSC was not named as a defendant in the original or any of the amended complaints. However, RSC appeared in this action by filing an answer (in conjunction with Spencer and other *pro se* parties) clocked on January 18, 2011. No objection was raised to RSC's participation in this case.

18. Rakowsky has properly documented the disbursements of the $67,500.00 he received as advanced litigation funds for the Southern Holdings case. At the time his former clients repudiated the settlement, Rakowsky still held $9,855.55 of the advanced litigation funds. The funds were not sequested, however, so it is unknown whether the remaining litigation funds came from the RSC loan, or from the LitFunding loan.

19. In accordance with his obligations under Rule 1.15 of the Rules of Professional conduct, Rakowsky's obligation, when holding funds to which multiple claims are made, was to file this interpleader action.

20. After the litigation was filed, an additional litigation expense was brought to Rakowsky's attention. Ms. Ballard confirmed this was a legitimate expense of the litigation and on December 18, 2008, Ms. Ballard paid from the remaining litigation an invoice from Eugene G. Chewning., Jr., PhD. After the payment to Chewning, the balance of the litigation funds which remain are $7,691.78.

21. Spencer has claimed these funds are "undisputed" and should come to him, but the file does not reflect any affirmative claim by him to these funds[9] other than in

[9] As indicated, the answer to the second amended complaint asked that the remaining litigation funds be paid to "the captioned Defendants *(sic)* self *(sic)* appointed lawyers trust." The identity of that person does not appear from any pleadings. The earlier 2008 motion requested release of the funds to Spencer, Holt and Williamson. *See* footnote 5, *supra*.

DAE
#19

concert with other defendants. Spencer relies on discussions that occurred at one or more status conferences with Judge James Barber. However, the earlier claims for distribution of the remaining litigation funds make conflicting requests as to whom the funds should be released.

CONCLUSIONS OF LAW

22. Rakowsky properly filed this interpleader seeking the court's direction as to the proper distribution of the remaining advanced litigation funds.

23. James B. Spencer moves to have the remaining litigation funds released to him. While the pleadings make conflicting claims as to whom the funds should be released, it appears the loans which generated the proceeds that were advanced to Rakowsky were initiated by James B. Spencer and he may have some residual obligations on those loans. That matter is not before me.

24. Rakowsky disbursed litigation funds from the $67,500.00 received by him via loans from litigation companies for expenses related to the Southern Holdings litigation. The issues before the Court did not require an accounting of those funds, but at the request of the Court, Rakowsky submitted an accounting that fully supports the disbursements made.

25. The remaining litigation funds in the amount of $7,691.78 may be released to James B. Spencer and Rakowsky is relieved and discharged of any obligation to hold the remaining litigation funds or to account therefore.

26. Such disbursement shall be made after time for appeal of this order shall have passed. Should an appeal be filed, the funds shall not be released until final order of the appellate court.

DAE
#10

27. By taking possession of these funds, James B. Spencer shall indemnify and hold harmless all other parties to this action as well as their attorneys, agents, assigns, successors, heirs, representatives and insurers from any and all claims, demands, causes of actions, payments, bills, charges, expenses or subrogated interests as may be asserted in against any funds which were advanced to Rakowsky as litigation funds for the Southern Holdings litigation.

28. The Court reserves ruling on the Motion for Jury Trial, filed July 14, 2011, Motion to Amend Answer and Counterclaim, filed August 29/30, 2011, and Motion for Sanctions (against attorney Stephanie Weissenstein) filed December 20, 2011.

THEREFORE, IT IS ORDERED:

A. Plaintiff is authorized and directed to release to James B. Spencer the balance of litigation funds in the amount of $7, 691.78 as set forth herein.

B. Such disbursement shall not occur until the time for appeal of this order has expired, and this order becomes final.

C. Upon receipt of the remaining litigation funds, James B. Spencer shall be obligated to indemnify and hold harmless all other parties to this action as well as their attorneys, agents, assigns, successors, heirs, representatives and insurers from any and all claims, demands, causes of actions, payments, bills, charges, expenses or subrogated interests as may be asserted in against any funds which were advanced to Rakowsky as litigation funds for the Southern Holdings litigation.

D. Rakowsky is released from all responsibility for the remaining litigation funds or

DAE #11

any claims thereto.

E. The undersigned retains jurisdiction of the remaining portion of this action which seeks an interpleader as to the settlement funds from the Southern Holdings case once the federal court action is final.

IT IS SO ORDERED.

Doyet A. Early III
Circuit Court Judge

June 13, 2014

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

IN THE COURT OF COMMON PLEAS
Case No. 2008-CP-40-6656

John R. Rakowsky

Plaintiff,

vs.

Law Offices of Adrian L. Falgione, LLC, James Spencer, Estate of Doris Holt, Nick Williamson, on behalf of RSC, Irene Santacroce, Rodney Keith Lail, Marguerite Stephens and Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene Chewing, and Glenn W. Harrison,

Defendants.

RECEIVED
MAY 04 2015
SC Court of Appeals

JEANNETTE W. McBRIDE
C.C.P. & G.S.
2014 DEC 23 AM 9:58
RICHLAND COUNTY
FILED

FINAL ORDER GRANTING INTERPLEADER AND RELATED RELIEF
(Concludes case)

This order addresses all remaining issues pending before the Court in this matter. Plaintiff Rakowsky's request for interpleader and equitable distribution are granted as set forth herein.

By prior order dated June 23, 2014, filed June 27, 2014, this Court directed the distribution of remaining litigation funds, which concluded one aspect of the litigation presented by this interpleader action. Certain parties objected to the order and by email dated July 10, 2014, I gave everyone an opportunity to submit a proposed order[1]. Defendant James Spencer ("Spencer") submitted a proposed order. By order dated September 9, 2014, I declined to vacate the June 23, 2014 order.

Plaintiff Rakowsky (hereafter "Rakowsky") complied with the order and issued a check to James Spencer for the remaining litigation funds. Spencer acknowledges receipt of the check. Certain defendants represented by attorney Michael Sribnick have appealed that order to the South

[1] No motions were filed pursuant to Rule 59 or Rule 60, but because the June 23, 2014 Order had not been copied to all parties prior to its issuance, I gave everyone an opportunity to submit proposed orders on the issues addressed by the June 23, 2014 order.

SCANNED

Carolina Court of Appeals. The appeal does not divest this Court of jurisdiction to address the remaining issues, which are unaffected by the appeal. Rule 205, SCACR.

The remaining issue before the Court relates to the Rakowsky's request to interplead settlement funds received by him, in his capacity as co-counsel for the then-plaintiffs, in a prior matter pending in the United States District Court for the District of South Carolina. He has also requested equitable indemnification for his fees and costs in bringing and pursuing this action.

By order dated July 9, 2014, this Court required that Rakowsky submit his brief on the remaining issues no later than July 25, 2014. He did so. No other party filed brief in response to the scheduling order. Instead, certain defendants filed "Omnibus Motions" which were heard by the Court on August 20, 2014 and denied by Form 4 order dated September 10, 2014.

By email dated September 12, 2014, my law clerk notified all parties to submit proposed orders no later than October 1, 2014. Rakowsky's counsel requested an extension until October 6, 2014 because she was in trial, and that request was granted. Sribnick requested another delay, claiming he did not understand what proposed orders were being requested. My law clerk responded to Sribnick by email dated October 4, 2014, again advising on the topic of the request for proposed orders. Since that time, I have received numerous letters, emails and filings by either Sribnick or Spencer arguing various positions, none of which have merit. Spencer has attacked the integrity of the Court and the judicial process and, while not expressly saying so, seems intent on provoking the undersigned into recusing himself from the case.

This court has no bias against Spencer or any of the parties, including those who previously represented themselves as *pro se* and who are now represented by Sribnick. Spencer's apparent belief that this court's prior rulings, which disagree with his position, somehow evidence prejudice by this court, are simply wrong. Silvester v. Spring Valley Country Club, 344 S.C. 280, 543 S.E.2d

TMBE
#2

563 (Ct.App. 2001). This court has carefully considered all arguments made by all parties and has addressed all matters presented based solely on the evidence and the law. This Court has permitted procedural leniency for Spencer based on his *pro se* status, and has construed every reasonable inference in his favor. The record in this case reflects that every judge who has heard anything in this matter has given Spencer (and the other *pro se* litigants) every benefit of every doubt and listened most carefully to all arguments. Pollard v. United States, 352 U.S. 354 (1957)(*Pro se* litigants are held to less stringent standards than pleadings drafted by lawyers.) *See also* Erickson v. Pardus, 551 U.S. 89 (2007). This Court has done the same.

I gave all parties until October 26, 2014 to submit proposed orders on the remaining issues, which are Rakowsky's request for interpleader and his motion for equitable indemnification, seeking attorney fees for the pursuit of this action. This order rules upon the last remaining issues arising from Spencer's 14 years of litigation following his 2000 arrest in Horry County, South Carolina.

History

In a prior action in United States District Court for the District of South Carolina, Rakowsky and Falgione served as counsel for Southern Holdings Inc., Spencer, Rodney Keith Lail, Irene Santacroce, Ricky Stephens, Marguerite Stephens, and Doris Holt (hereafter referred to as "the Southern Holdings plaintiffs"). That case, Southern Holdings Inc. *et al.* v. Horry County *et al.*, Civil Action No. 4:02-cv-1859-RBH (hereafter "the Southern Holdings case"), was resolved when a settlement agreement was stated on the record before United States District Court Judge R. Bryan Harwell on May 9, 2007. (Doc. 475).

Since that time, numerous motions have been filed in the District Court (and at the Fourth Circuit Court of Appeals) by one or more of the Southern Holdings plaintiffs attempting to set

TMC
#3

aside the settlement. United States District Judge Bryan Harwell has issued numerous orders confirming that the settlement is final, the latest of which was filed on June 11, 2014 (Doc. 788). While an appeal has been filed with the United States Court of Appeals for the Fourth Circuit (Spencer v. Horry County, No. 14-1666), no stay has been requested or issued. Fed. R. App. P. 8(a)(1). The finality of the 2007 settlement is clear, as a matter of law, and no stay is in effect.

During the litigation of this proceeding, certain of the defendants, primarily James B. Spencer (Spencer) and other defendants now represented by Michael Sribnick, Esquire, have attempted to collaterally challenge the settlement in the Southern Holdings case, attempting to engage in discovery to try to prove the settlement was not authorized or is not enforceable. The finality of the settlement is not before the Court. To the extent that it is raised (and will continue to be raised), the finality of the settlement cannot be challenged in this proceeding. Spencer and Sribnick are collaterally estopped from challenging the finality of the settlement in this proceeding. Nelson v. QHG of South Carolina Inc., 354 S.C. 290, 580 S.E.2d 171 (Ct. App. 2003).

Additionally, Spencer, *et al.* also sued Rakowsky and Falgione for legal malpractice, alleging that their consent to the settlement of the Southern Holdings case was "coerced." Spencer *et al.* v. Rakowsky *et al.*, Case No. 2011-CP-40-5384 (Richland County Court of Common Pleas, Complaint dated August 15, 2012, ¶ 43)[2]. That action was dismissed pursuant to Rule 12(b)(6) by order of the Circuit Court filed August 23, 2013. The finality of that case also operates as collateral estoppel, and prevents this Court from considering the repeated arguments that the Southern Holdings case was not settled or was not authorized to be settled. The significance of the legal malpractice lawsuit, however, is that Spencer and certain of his associates acknowledged the

[2] The legal malpractice action was transferred to Lexington County, where it was assigned Case No. 2012-CP-32-03428. Inquiry to C-Track indicates that the appeal in that case has been dismissed numerous times but at present has been reinstated.

TMB
4

settlement occurred; they claimed their consent to the settlement was "coerced." *Id.* They, therefore, acknowledge the settlement occurred.

Lastly, the United States District Court for the District of Columbia has noted the finality of the settlement in the Southern Holdings case. While Rakowsky and Falgione were not parties to that action, Spencer was a plaintiff, as were Sribnick's clients. Lail, et al. v. U.S. Gov't, 771 F.Supp.2d 49 (D.D.C. 2011).

Interpleader Generally

The United States District Court for the District of South Carolina has held that the jurisdiction in an interpleader action can extend only to the funds sought to be deposited in court and "cannot embrace . . . issues of liability that go beyond the fund." Preferred Risk Mutual Insurance Co., v. Greer, 289 F.Supp. 261 (D.S.C. 1968). Thus, the multiple efforts by Spencer and others to introduce collateral issues is barred by procedural precedent, even if collateral estoppel did not prevent the attempts to litigate issues related to the settlement itself.

The only issue which remains for determination is Rakowsky's request that the settlement funds in the amount of $55,000.00 be paid into the Court. Only one claim has been filed in this action against the funds, that being Rakowsky's claim (to be shared with Falgione) for $22,000.00, which constitutes a forty-percent (40 %) attorneys' fee from the settlement proceeds. Rakowsky also seeks an award of equitable indemnification to recover from the net settlement funds (after payment of the $22,000.00 attorney fees due to him and his co-counsel Falgione from the original settlement) his attorney fees in bringing this action and pursuing it to conclusion.

Notably, neither Spencer nor any other defendant has filed any claim to the $55,000.00 settlement proceeds.

MBC
#5

Motions Which Remain Pending

At a motion hearing on February 25, 2014, the Court heard argument from counsel for Rakowsky, Falgione, Horry County, Holt, Lail and Santacroce, and from Spencer. The Court also had the benefit of detailed filings by Spencer and Rakowsky. The Court took the following matters under advisement[3]:

A. Motion for Jury Trial, filed July 14, 2011;

B. Motion to Amend Answer and Counterclaim, filed August 29/30, 2011; and

C. Motion for Sanctions (against attorney Stephanie Weissenstein) filed December 20, 2011.

In addition, Rakowsky filed a Motion for Equitable Indemnification dated July 24, 2014. That motion has not been argued and no response to that motion has yet been filed. Rakowsky reserves the right to reply to any responses that may be filed to that motion, by supplemental memorandum.

A. Motion for Jury Trial, filed July 14, 2011

A request for jury trial must be made "not later than 10 days after the service of the last pleading directed to such issue." Rule 38(b), SCRCP. The last operative pleading is the "Certain Defendants' Response to John Rakowsky Second Amended Complaint for Interpleader" filed January 18, 2011[4]. No request for jury trial was made in that filing, and none had been made previously. The request filed July 14, 2011 was untimely and is denied. Shaw v. Atlantic Coast Life Insurance Co., 322 S.C. 139, 470 S.E.2d 382 (Ct. App. 1996).

---

3. The motion regarding the "uncontested" litigation funds was resolved by this Court's order dated June 23, 2014.

4. The counterclaims and other material were stricken from this pleading by order of Judge Seals dated July 25, 2011.

B. Motion to Amend Answer and Counterclaim, filed August 29/30, 2011

By motion dated August 30, 2011, certain defendants[5] (Spencer, Estate of Doris Holt, Irene Santacroce, Ricky Stephens, Marguerite Stephens, and Rodney Lail) moved to amend their Answer to Second Amended Complaint for Interpleader. The argument made in the Motion to Amend falls into three (3) categories:

1. Arguments about alleged wrongs done to Doris Holt prior to her death;
2. A desire to add counterclaims based on discovery of "evidence (after July 12, 2011) supporting counter claims *(sic)* against the Plaintiff. . .", and
3. Counterclaims aimed at vacating Judge Seal's order dated July 25, 2011.

1. Alleged wrongs done to Doris Holt

With reference to the alleged wrongs done to Doris Holt prior to her death, Spencer has already litigated these claims against other parties in his lawsuit in the District of Columbia, and lost them when the District Court issued its ruling on March 24, 2011. *See* Lail v. United States Government, *supra*.[6] Collateral estoppel prevents the assertion of any claims on behalf of the Estate of Doris Holt for her alleged mistreatment in connection with her treatment while in the custody of the Department of Social Services. Nelson v. QHG of South Carolina Inc., *supra*.

2. Counterclaims based on discovery of "evidence (after July 12, 2011) supporting counter claims *(sic)* against the Plaintiff. . ."

At the time of the motion to amend, Spencer and the Estate of Doris Holt had recently filed (on August 15, 2011) an entirely separate lawsuit against Rakowsky and Falgione asserting legal

---

[5] The original Answer to Second Amended Complaint was also filed by Nick Williamson on behalf of RSC. He was not listed as a moving party in the motion to amend.

[6] While the decision in Lail v. United States Government lists only Rodney Lail as the plaintiff in that action, the PACER record reflects that the "*et al.*" plaintiffs included Spencer and The Estate of Doris Holt. The District Court's order of March 24, 2011 denies "plaintiff's motion for leave to file a third amended complaint." *Id.*

#7

malpractice in Richland County (Case No. 2011-CP-40-5384), to which no responsive pleadings had yet been filed[7]. Spencer and the Estate had the opportunity to amend that action as a matter of right to assert any claims they wanted to against Rakowsky pursuant to Rule 15, SCRCP. It is completely illogical to seek to amend an answer, where the precise counterclaims had already been stricken, when a brand new action had only been filed days earlier and the claims could have been asserted there as a matter of right. The motion is denied.

3. **Counterclaims aimed at vacating Judge Seal's order dated July 25, 2011.**

Judge Seals' order could have been appealed pursuant to S.C. Code Ann. Section 14-3-330(2)(c). It was not. The striking of the counterclaims, and the procedure which led up to that (which is apparently the basis for Spencer's claims of *ex parte* contact: Judge Seals' review of documents *in camera*) is the law of the case. Spencer is apparently seeking to add counterclaims that somehow challenge Judge Seals' order or the methodology by which he arrived at his decision to strike certain matter from the Answer (to Second Amended Complaint) dated January 18, 2011. Judge Seals' order is final. Nothing can be added to this litigation to change that. This motion is denied.

4. **Motion for Sanctions against Attorney Stephanie Weissenstein**

The gist of this motion is that Weissenstein, who formerly represented Rakowsky in this action, refused to release "uncontested" litigation funds. As more fully explained in this Court's order dated June 23, 2014, there were never any "uncontested" litigation funds. There were funds that Spencer demanded, but the pleadings and orders in this case establish clearly that he had no

[7] Rakowsky's Motion to Dismiss that lawsuit was not filed until November 3, 2011. Rule 15, SCRCP, permitted Spencer and the Estate to assert whatever claims they wanted to against Rakowsky in the newly-filed legal malpractice action.

right to receive the funds until this court's order of June 23, 2014 was issued. This motion is denied.

Settlement Funds

The issues regarding the settlement funds are framed by the Second Amended Complaint filed December 3, 2010[8]. Horry County has filed an answer to this action, consenting to the interpleader and requesting the execution of a release. The Law Offices of Adrian L. Falgione LLC has also filed an answer consenting to the relief requested.

The other defendants who have responded to the Second Amended Complaint and are parties to the matter at this time are: James Spencer (hereafter "Spencer"), Estate of Doris Holt[9] (hereafter "Holt"), Nick Williamson on behalf of RSC[10] (hereafter "RSC"), Rodney Keith Lail (hereafter "Lail"), Irene Santacroce (hereafter "Santacroce"), Marguerite Stephens (hereafter "M. Stephens"), and Ricky Stephens (hereafter "R. Stephens") (Answer dated January 18, 2011). They oppose "Plaintiff's request to disperse funds in accordance with Plaintiff Rakowsky's Complaint for Interpleader." *Id.* The gist of their position is, as stated above, there was no settlement. That issue has long been determined; the settlement is as final as final can be[11]. None of these parties has filed any claim to the settlement funds.

---

8 Earlier proceedings involved multiple other defendants, who either defaulted or were dismissed from the action.

9 Doris Holt was originally named as a defendant. She died during this litigation. By order dated October 18, 2011, Judge James R. Barber III substituted the Estate of Doris Holt as a party in place of Doris Holt.

10 According to PACER, Williamson was dismissed as a plaintiff in the Southern Holdings litigation in 2004, so he was not a settling party in 2007 when the litigation was settled.

11 Rakowsky doesn't mean to suggest that Spencer and others will not continue litigation, into its 15th year and beyond, but the finality of the settlement in the Southern Holdings case will not change.

TME #9

Rakowsky holds a total of $55,000.00 in settlement proceeds for settlement on behalf of seven plaintiffs from the Southern Holdings litigation. He seeks an order of this Court permitting the clerk of court to accept those funds under Rule 22, SCRCP and to release him for liability as to those funds.

Rakowsky also requests that $22,000.00 of the settlement funds be paid to him as attorneys' fees in accordance with his fee contract with his former clients. In his motion filed December 12, 2013, Rakowsky introduced the applicable fee agreements, which support his claim for $22,000.00 in attorney fees. The only opposition to Rakowsky's claim comes from defendants Santacroce and Lail (Objection dated January 26, 2014). Their objection incorporates their argument that there was no settlement, but also argues various other grounds by which Rakowsky's fees should be denied. Primarily, it contains a "Declaration" by Spencer that he drafted the "Addendum" to the fee agreement, and that he didn't intend Rakowsky or Falgione to be paid unless certain circumstances were present. Spencer's declaration cannot be used to vary the terms of the fee agreement.

The fee agreement provides for a 40% contingency fee after trial begins. As repeatedly noted by District Judge Bryan Harwell, when the settlement was placed on the record and in subsequent written orders, the jury had already been impaneled and trial was ready to begin. The addendum to the fee agreement reaffirms the original fee agreement (which included Mark Hardee, who formerly represented the Southern Holdings plaintiffs). The closing paragraph of the original fee agreement provides that Rakowsky will be paid via *quantum meruit* if he is discharged. He has never been discharged as counsel, and Judge Harwell denied his request to be relieved.

Interpleader

Interpleader is an equitable remedy available to a third party when he holds money and it is unclear to whom the money should be paid. Symmes v. Graham, 167 S.C. 290, 166 S.E. 269 (1932). Interpleader provisions should be liberally construed as to best effectuate their purposes. First Union National Bank of South Carolina v. FCVS Communications, 321 S.C. 496, 469 S.E.2d 613 (Ct. App. 1996), *reversed in part* 328 S.C. 290, 494 S.E.2d 429. As long as there is a potential for multiple claims against the funds in question, interpleader is appropriate. *Id.*

Spencer, Holt, RSC, Lail, Santacroce, M. Stephens, and R. Stephens oppose the interpleader on the grounds that there was no settlement. There was a settlement; that much is clearly established. Notwithstanding any allegations to the contrary, and setting aside the collateral estoppel effect of the prior rulings of this and other courts, the Southern Holdings plaintiffs are bound by the settlement that was placed on the record by their attorneys. Arnold v. Yarborough, 281 S.C.570, 316 S.E.2d 416 (Ct. App. 1984).

Rakowsky's motion to interplead the $55,000.00 in settlement proceeds was made necessary by the refusal by his former clients to consummate the settlement; Judge Harwell's orders detail the proceedings following the settlement in glaring detail. The settlement is final. Horry County and the settling defendants in the Southern Holdings action are entitled to its release for payment of settlement funds. Rakowsky is entitled to be relieved of his duty to hold the settlement funds and should be permitted to pay them into court as pleaded in this action, less the $22,000.00 attorney fee to which he is entitled.

Rakowsky's claim for equitable indemnification seeks an award of attorney's fees and costs against Spencer, Estate of Doris Holt, Nick Williamson on behalf of RSC, Irene Santacroce, Rodney Keith Lail, Marguerite Stephens and Ricky Stephens, to the extent the balance of the interpleaded funds is not sufficient to indemnify Rakowsky. He asserts that the

wrongful efforts of these parties to refute the settlement in the Southern Holdings case made the bringing of this action necessary. There can be little doubt that is true. The orders of Judge Harwell in the District Court case make that abundantly clear. What should have been a simple interpleader action has been made into dramatic, complex, and tortured litigation by Spencer and other defendants. Rakowsky is entitled to his fees and costs for bringing this action to conclusion. Byrd v. Livingston, 398 S.C. 237, 727 S.E.2d 620 (Ct. App. 2012).

Rakowsky has requested reimbursement for attorney's fees in the amount of $_66,172.35 (through the date of filing the motion). Having held Rakowsky is entitled to recover his attorney's fees and costs, this Court must examine that request in light of the factors set forth in *Jackson v. Speed*, 326 S.C. 289, 486 S.E.2d 750 (1997). The billings for time Rakowky's counsel worked on this case are reasonable (and excludes all billing prior to April, 2011) and are in fact modest in light of the work that has been required.

This case was filed in 2008 after Rakowsky attempted to pay the interpleader funds into Federal Court. Since filing this case, Plaintiff's counsel has necessarily filed and defended numerous motions and attended numerous hearings. After nearly six years, the Court's file on this case became so cumbersome, and the procedural history of the case so complex, that the case was assigned to a single judge, the undersigned. Nevertheless, the Court finds the total amount of fees requested should be reduced under the circumstances of this case. While Rakowsky is entitled to an award of attorney's fees and costs, that amount should not exceed the amount of the interpleader funds. I therefore find an award of $33,000.00 is appropriate for Rakowksy's attorney's fees and costs.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED as follows::

A. Rakowsky's Request for Interpleader is granted;

B. Rakowsky shall be paid $22,000.00 in attorney fees from the settlement proceeds for his representation of the Southern Holdings plaintiffs in the Southern Holding litigation. These funds are to be shared with Falgione in whatever division they have agreed upon. Allocation of these funds between Rakowsky and Falgione is not before this Court;

C. Rakowsky's request for equitable indemnification is granted in part. In addition to the award above, Rakowsky shall receive the amount of $33,000.00 as reimbursement toward his reasonable attorney fees and costs incurred by him in bringing and prosecuting this matter to conclusion;

D. Rakowsky's request for judgment for the balance of attorney fees and costs against Spencer and other defendants which are not paid from the $55,000.00 is denied;

E. Rakowsky is discharged from any further obligations regarding the settlement proceeds he received in his capacity as counsel for the Southern Holdings plaintiffs. Any and all claims which might have been made by any persons who are now or have been parties to this action against those funds are extinguished.

F. The Clerk of Court is directed to execute a general release in favor of Horry County and the settling defendants in the Southern Holdings action on behalf of the Southern Holdings plaintiffs, to be prepared by counsel for Horry County. The general release shall release those defendants from claims that were brought or could have been brought in the Southern Holdings litigation.

G. This order concludes this action in its entirety.

IT IS SO ORDERED.

VTAE

Doyet A. Early III
Presiding Judge, Fifth Judicial Circuit

~~October~~ Dec 18, 2014

STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
)	
COUNTY OF RICHLAND)	
)	
John R. Rakowsky)	
)	Case No. _____
Plaintiff,)	
vs.)	
)	
Southern Holdings, Inc.,)	**COMPLAINT FOR INTERPLEADER**
Adrian L. Falgione, Law Max Legal Finance,)	(Non-Jury)
Litfunding USA, James Spencer, Doris Holt,)	
Rodney Keith Lail, Linda Williamson)	
Lawrence, Ernest H. Morton, Jr., Irene)	
Santacroce, Ronald N. Serota, David Smith,)	
Marguerite Stephens and Ricky Stephens,)	
Michael Steven Hartness, Harold Steve)	
Hartness, and Horry County, South Carolina,)	
)	
Defendants.)	
)	

Plaintiff John Rakowsky, pursuant to Rule 22 of the *South Carolina Rules of Civil Procedure*, herein prays unto this Honorable Court for an order allowing him to pay certain funds in the amount of sixty-four thousand, eight hundred fifty-five dollars and eighty-five cents ($64,855.85) into court and to make a determination of the owners of said funds which are hereby tendered to the Court. In support of the relief sought, plaintiff Rakowsky would show:

1. The Plaintiff John R. Rakowsky (hereafter "Rakowsky") is an attorney in good standing in the state and federal courts of South Carolina.
2. On information and belief, Defendants, Adrian L. Falgione is a citizen and resident of the County of Lexington, State of South Carolina.
3. On information and belief, Doris Holt and James Spencer are citizens and residents of Richland County, South Carolina.
4. On information and belief, Defendants Marguerite Stephens, Ricky Stephens,

Rodney Keith Lail and Irene Santacroce are citizens and residents of Horry County.

5. On information and belief, defendants Linda Williamson Lawrence and Ernest H. Morton are citizens and residents of Albemarle, North Carolina.

6. On information and belief, Defendant Ronald N. Serota is a citizen and resident of Las Vegas, NV.

7. Upon information and belief, Defendant Southern Holdings, Inc. is a corporation organized and existing under the laws of South Carolina.

8. Upon information and belief, Defendant Law Max Legal Finance LLC is a legal entity organized and existing under the laws of a state other than South Carolina.

9. Upon information and belief, Defendant Litfunding USA is a corporation organized and existing under the law of a state other than South Carolina.

10. Upon information and belief, Defendants Michael Steven Hartness and Harold Steven Hartness are citizens and residents of Charlotte, North Carolina. Upon information and belief, Defendant Horry County, South Carolina is a municipality organized and existing under the laws of the State of South Carolina.

11. Previously, Defendants Southern Holdings, Inc., Linda Williamson Lawrence, Ernest H. Morton, Marguerite Stephens, Ricky Stephens, Rodney Keith Lail, Irene Santacroce, Doris Holt and James Spencer (hereafter jointly referred to as "the federal court plaintiffs") were the plaintiffs in an action pending in the United States District Court for the District of South Carolina, entitled Southern Holdings, Inc., et al. v. Horry County, South Carolina, et al., and bearing Case No. 4:02-CV-01859-RBH (hereafter referred to as "the federal court action.").

The federal court plaintiffs had numerous successive counsel, but the most recent counsel to represent them were defendant Falgione (hereafter "Falgione") and plaintiff Rakowsky.

12. Defendants Michael Steven Hartness, Harold Steven Hartness and Horry County, South Carolina were defendants in the federal court action, and collectively paid settlement funds to settle the federal court claim.

13. In connection with the litigation of the federal court action, one or more of the federal court plaintiffs advanced funds for costs to be incurred in the federal court litigation. The balance of these funds was eventually held by Rakowsky in trust. At the time of the events described herein, Rakowsky held in trust the sum of nine-thousand eight hundred and fifty-five dollars ($9.855.00) which had not been expended toward litigation costs.

14. In or about May 2007, the federal court plaintiffs authorized Rakowsky and Falgione to enter into a settlement in the federal court action which would provide, *inter alia*, for payment to them of a settlement in the amount of fifty five thousand dollars ($55,000.00). Rakowsky and Falgione communicated the acceptance of settlement to counsel for defendants in the federal court action. Defendants Michael Steven Hartness, Harold Steven Hartness and Horry County, South Carolina paid the sum of fifty-five thousand dollars ($55,000.00) to the federal court plaintiffs to consummate the settlement.

15. Falgione and Rakowsky and are entitled to receive a portion of the funds in question as attorneys fees for their services in the federal court action. Defendant John R. Rakowsky, acting as legal counsel for the plaintiffs, now defendants

named above, received the fifty-five thousand dollar ($55,000.00) settlement proceeds in trust from defendants Michael Steven Hartness, Harold Steven Hartness and Horry County, South Carolina as agents for the plaintiffs.

16. On information and belief, one or more of the plaintiffs in the federal court action thereafter repudiated the settlement and sought various avenues of relief through the federal court action, all of which were denied.

17. During that time, it became known that Defendants Serota, Law Max Legal Finance LLC and Litfunding USA Inc. claimed an interest in the settlement proceeds. On information and belief, Law Max Legal Finance LLC and/or Litfunding USA Inc. (hereafter referred to jointly as "the creditor defendants") may have loaned litigation funds to one or more of the federal court plaintiffs for use in the litigation, but Rakowsky has no knowledge of whether any of the funds held by him (of the nine-thousand eight hundred and fifty-five dollars ($9,855.00) were actually advanced by the creditor defendants.

18. On information and belief, Defendant Serota claims to have provided legal services to one or more of the plaintiffs and further claims to be entitled to some attorney fees from the funds held by Rakowsky. On or about February 21, 2008, Defendant John R. Rakowsky filed a Motion for Deposit of Funds with the United States District Court, Florence Division, which was ultimately denied.

19. On information and belief, the federal court action is concluded, but the federal court plaintiffs repudiated the settlement and the settlement was never consummated. No determination of the ownership of the funds has been made. Rakowsky remains in possession of the sum of sixty-four thousand, eight hundred

fifty-five dollars and eighty-five cents ($64,855.85), which is composed of fifty-five thousand dollars ($55,000.00) in settlement proceeds and nine-thousand eight hundred and fifty-five dollars ($9.855.00) in costs advanced by one or more of the federal court plaintiffs.

20. Rakowsky is informed and believes that the ownership of the funds is in dispute and that one or more of the defendants claims entitlement to all or a portion of the funds currently held by him.

21. Because there exist claims of one or more of the Defendants to the settlement monies in the amount of fifty-five thousand dollars ($55,000.00) as well as claims to the funds for advanced costs in the amount of nine-thousand eight hundred and fifty-five dollars ($9.855.00) being held in trust by the Plaintiff, Plaintiff hereby tenders funds in the amount of sixty-four thousand, eight hundred fifty-five dollars and eighty-five cents ($64,855.85), to the Court for determination and distribution as deemed to be appropriate.

Wherefore, Plaintiff prays for an order permitting the clerk of court to receive the sum of sixty-four thousand, eight hundred fifty-five dollars and eighty-five cents ($64,855.85), until further order of this Court.

Respectfully submitted,

Hailey Powers

Desa Ballard
Hailey Powers
Law Offices of Desa Ballard
226 State Street
West Columbia, South Carolina 29169

Telephone: 803.796.9299
Facsimile: 803.796.1066
E-mail: desab@desaballard.com
hailey@desaballard.com

ATTORNEYS FOR PLAINTIFF

September 12, 2008.

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS
John R. Rakowsky, Plaintiff, -vs.-	Case No.: 2008-CP-40- **SUMMONS** (non-jury)
Southern Holdings, Inc., Adrian L.Falgione, Law Max Legal Finance, Litfunding USA, James Spencer, Doris Holt, Rodney Keith Lail, Linda Williamson Lawrence, Ernest H. Morton, Jr., Irene Santacroce, Ronald N. Serota, David Smith, Marguerite Stephens and Ricky Stephens, Michael Steven Hartness, Harold Steve Hartness, and Horry County, South Carolina, Defendants.	

TO: **DEFENDANTS NAMED ABOVE:**

YOU ARE HEREBY SUMMONED and required to answer the complaint herein, a copy of which is herewith served upon you, and to serve a copy of your answer to said complaint upon the subscriber, at 226 State Street, West Columbia, South Carolina 29169, within thirty (30) days after the service hereof, exclusive of the day of such service, and if you fail to answer the complaint within the time aforesaid, plaintiff will apply to the Court for the relief demanded in the complaint, by judgment by default.

Hailey Powers

Desa Ballard
Hailey Powers
Law Offices of Desa Ballard
226 State Street
West Columbia, South Carolina 29169
Telephone: 803-796-9299
Facsimile: 803-796-1066
E-mail: desab@desaballard.com
hailey@desaballard.com
ATTORNEYS FOR PLAINTIFF

September 12, 2008

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

IN THE COURT OF COMMON PLEAS

CIVIL ACTION COVERSHEET

2008-CP -40- 0056

John R. Rakowsky

Plaintiff

vs.

Southern Holdings, Inc., Adrian L. Falgione, Law Max Legal Finance, Litfunding USA, James Spencer, Doris Holt, Rodney Keith Lail, Linda Williamson Lawrence, Ernest H. Morton, Jr., Irene Santacroce, Ronald N. Serota, David Smith, Marguerite Stephens and Ricky Stephens, Michael Steven Hartness, Harold Steve Hartness, and Horry County, South Carolina,

Defendants

(Please Print)
Submitted By: Hailey Powers
Address: 226 State Street, West Columbia, SC 29169

SC Bar #: 76365
Telephone #: 803.796.9299
Fax #: 803.796.1066
Other:
E-mail: hailey@desaballard.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this cover sheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (*Check all that apply*)

**If Action is Judgment/Settlement do not complete*

- ☐ JURY TRIAL demanded in complaint. ☒ NON-JURY TRIAL demanded in complaint.
- ☐ This case is subject to ARBITRATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
- ☐ This case is subject to MEDIATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
- ☐ This case is exempt from ADR. (Proof of ADR/Exemption Attached)

NATURE OF ACTION (*Check One Box Below*)

Contracts
- ☐ Constructions (100)
- ☐ Debt Collection (110)
- ☐ Employment (120)
- ☐ General (130)
- ☐ Breach of Contract (140)
- ☐ Other (199)

Torts - Professional Malpractice
- ☐ Dental Malpractice (200)
- ☐ Legal Malpractice (210)
- ☐ Medical Malpractice (220)
- ☐ Notice/ File Med Mal (230)
- ☐ Other (299)

Torts - Personal Injury
- ☐ Assault/Slander/Libel (300)
- ☐ Conversion (310)
- ☐ Motor Vehicle Accident (320)
- ☐ Premises Liability (330)
- ☐ Products Liability (340)
- ☐ Personal Injury (350)
- ☐ Wrongful Death (360)
- ☐ Other (399)

Civil Conspiracy; Tortious Interference with Contract and Potential Contracts

Real Property
- ☐ Claim & Delivery (400)
- ☐ Condemnation (410)
- ☐ Foreclosure (420)
- ☐ Mechanic's Lien (430)
- ☐ Partition (440)
- ☐ Possession (450)
- ☐ Building Code Violation (460)
- ☐ Other (499)

Inmate Petitions
- ☐ PCR (500)
- ☐ Mandamus (520)
- ☐ Habeas Corpus (530)
- ☐ Other (599)

Judgments/Settlements
- ☐ Death Settlement (700)
- ☐ Foreign Judgment (710)
- ☐ Magistrate's Judgment (720)
- ☐ Minor Settlement (730)
- ☐ Transcript Judgment (740)
- ☐ Lis Pendens (750)
- ☐ Other (799)

Declaratory Judgment

Administrative Law/Relief
- ☐ Reinstate Driver's License (800)
- ☐ Judicial Review (810)
- ☐ Relief (820)
- ☐ Permanent Injunction (830)
- ☐ Forfeiture-Petition (840)
- ☐ Forfeiture—Consent Order (850)
- ☐ Other (899)

Appeals
- ☐ Arbitration (900)
- ☐ Magistrate-Civil (910)
- ☐ Magistrate-Criminal (920)
- ☐ Municipal (930)
- ☐ Probate Court (940)
- ☐ SCDOT (950)
- ☐ Worker's Comp (960)
- ☐ Zoning Board (970)
- ☐ Administrative Law Judge (980)
- ☐ Public Service Commission (990)
- ☐ Employment Security Comm (991)
- ☐ Other (999)

Special/Complex /Other
- ☐ Environmental (600)
- ☐ Automobile Arb. (610)
- ☐ Medical (620)
- ☒ Other (699)
- ☐ Pharmaceuticals (630)
- ☐ Unfair Trade Practices (640)
- ☐ Out-of State Depositions (650)
- ☐ Sexual Predator (510)

Submitting Party Signature: Hailey Powers Date: September 12, 2008

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRCP, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. §15-36-10 et. seq.

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND

John R. Rakowsky, Plaintiff, v. Southern Holdings, Inc., Adrian L. Falgione Law Max Legal Finance, Lit Funding USA James Spencer, Doris Holt, Rodney Keith Lail, Linda Williamson Lawrence, Ernest H. Morton, Jr., Irene Santacroce, Ronald N. Serota, David Smith, Marguerite Stephens, and Ricky Stephens, Michael S. Hartness, Harold Steve Hartness and Horry County, South Carolina, Defendants.	2008-CP-40-6656

CERTAIN DEFENDANTS' MOTION FOR COURT TO ORDER THE IMMEDIATE RELEASE OF "LITIGATION" FUNDS AS INSTRUCTED BY ALL DEFENDANT CONTRIBUTORS AS IDENTIFIED BY PLAINTIFF JOHN RAKOWSKY's COMPLAINT FOR INTERPLEADER (2008-CP-40-6656)

NOW COME CERTAIN DEFENDANTS[1] and move the Court to Order Plaintiff John Rakowsky to transfer the residual "litigation" funds into the trust fund of Singleton, Burroughs and Young, PA, to be credited in the name of Irene Santacroce and James Spencer for use as directed by James Spencer. The check should be certified and it

[1] Nicholas Williamson, Doris Holt, Ricky Stephens, Marguerite Stephens, Irene Santacroce, James Spencer, and Rodney Lail.

should immediately be mailed to the above named law firm to the attention of Ms. Patty Davis. The address of the firm is 1303 3rd Ave. Conway, SC 29526.

INTRODUCTION

1. Paragraph 13, found on page 3 of John Rakowsky's Complaint for Interpleader clearly identifies residual funds totaling nine-thousand- eight-hundred- fifty-five dollars ($9,855.00) were deposited by various Plaintiffs into Rakowsky's trust account for costs incurred in the Southern Holdings, et al. v Horry County, et al., case litigation **(See attachment "A").**
2. John Rakowsky has refused numerous requests to provide the signatory Defendants the remaining funds for ongoing litigation purposes in this matter.
3. John Rakowsky has refused numerous requests by the signatory Defendants to identify any conflicting claims to the remaining funds slated for litigation purposes.
4. John Rakowsky has identified individuals as his clients who were not listed as parties to the Southern Holdings, et al., v Horry County, et al., litigation, persons who include Linda Williamson Lawrence and Ernest Morton. John Rakowsky for the first time revealed in his Complaint for Interpleader that he represented the interests of Linda Williamson Lawrence and Ernest Morton in the Southern Holdings, et al., v Horry County, et al. case. Such representation, heretofore unknown by the Plaintiffs in the Southern Holdings, et al., v Horry County, et al., case created a clear conflict of interest with the parties John Rakowsky and Adrian Falgione openly represented in that Federal District Court case.

5. The parties John Rakowsky openly represented in Federal District Court are Southern Holdings, Inc., Rodney Lail, Irene Santacroce, Ricky Stephens, Marguerite Stephens, Doris Holt, James Spencer and Nicholas C. Williamson. **(See caption attachment "B").**

6. All Defendants associated with the remaining litigation funds as identified by John Rakowsky on page 3, paragraph 13 of the Rakowsky's Interpleader complaint, have executed this Motion to transfer the remaining litigation funds to a designated trust account and/or likewise have instructed John Rakowsky to do so in attached correspondence **(See attachment "C").**

DISCUSSION

There is no disagreement among the Defendants who have an interest in the "litigation funds" (Defendants identified by John Rakowsky in paragraph 13 of page 3 of John Rakowsky's Complaint for Interpleader) regarding their unanimous request to transfer the remaining litigation funds to the trust fund of Singleton, Burroughs and Young, PA. The multiple requests for the transfer of the litigation funds have been repeatedly ignored by John Rakowsky despite the fact John Rakowsky does not represent the interests of his former clients. All Defendants John Rakowsky openly represented who were parties to the case **(See attachment "B")** and which are identified in the caption of the case, have requested John Rakowsky to transfer remaining "litigation funds" to the trust fund of Singleton, Burroughs and Young, PA, to be credited in the name of Irene Santacroce and James Spencer for use as directed by James Spencer. The check should be certified and it should immediately be mailed to the above named law

firm to the attention of Ms. Patty Davis. The address of the firm is 1303 3rd Ave. Conway, SC 29526.

CONCLUSION

All the contributors/claimants to the "litigation funds" identified by Plaintiff John Rakowsky in his Complaint for Interpleader are in unanimous agreement about the disposition of the "litigation funds" ($9,855.00) and how the use of the funds is to be directed. Therefore, the Defendants pray the Court Order such funds be immediately transferred to the trust account identified herein for the funds intended use as directed by James Spencer for matters concerning the Appellants and related to the ongoing lawsuit currently in the United States Court of Appeals for the Fourth Circuit.

RESPECTFULLY SUBMITTED
This 17th day of October, 2008.

By:

Doris E. Holt, *Pro Se*
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

James Spencer, *Pro Se*
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

Nicholas C. Williamson, PhD
8005 White Ash Court
Oak Ridge, NC 27310

Rodney K. Lail, Plaintiff, *Pro Se*
PO Box 2753
Myrtle Beach, SC 29578
(843) 626-3229

Irene Santacroce, Plaintiff, *Pro Se*
205 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 455-0891

Ricky Stephens, Plaintiff, *Pro Se*
207 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 283-6751

Marguerite Stephens, Plaintiff, *Pro Se*
207 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 283-6751

ATTACHMENT A

PAGE 1 OF 1

The federal court plaintiffs had numerous successive counsel, but the most recent counsel to represent them were defendant Falgione (hereafter "Falgione") and plaintiff Rakowsky.

12. Defendants Michael Steven Hartness, Harold Steven Hartness and Horry County, South Carolina were defendants in the federal court action, and collectively paid settlement funds to settle the federal court claim.

13. In connection with the litigation of the federal court action, one or more of the federal court plaintiffs advanced funds for costs to be incurred in the federal court litigation. The balance of these funds was eventually held by Rakowsky in trust. At the time of the events described herein, Rakowsky held in trust the sum of nine-thousand eight hundred and fifty-five dollars ($9.855.00) which had not been expended toward litigation costs.

14. In or about May 2007, the federal court plaintiffs authorized Rakowsky and Falgione to enter into a settlement in the federal court action which would provide, *inter alia*, for payment to them of a settlement in the amount of fifty five thousand dollars ($55,000.00). Rakowsky and Falgione communicated the acceptance of settlement to counsel for defendants in the federal court action. Defendants Michael Steven Hartness, Harold Steven Hartness and Horry County, South Carolina paid the sum of fifty-five thousand dollars ($55,000.00) to the federal court plaintiffs to consummate the settlement.

15. Falgione and Rakowsky and are entitled to receive a portion of the funds in question as attorneys fees for their services in the federal court action. Defendant John R. Rakowsky, acting as legal counsel for the plaintiffs, now defendants

ATTACHMENT B

PAGE 1 OF 3

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
FLORENCE DIVISION
CIVIL ACTION NO: 4:02-CV-01859-RBH

SOUTHERN HOLDINGS, INC.; JAMES SPENCER; RODNEY KEITH LAIL; IRENE SANTACROCE; RICKY STEPHENS; MARGUERITE STEPHENS; DORIS HOLT; and NICHOLAS C. WILLIAMSON,
Plaintiff,

-VS-

HORRY COUNTY, SOUTH CAROLINA, HORRY COUNTY SHERIFF'S DEPARTMENT; HORRY COUNTY POLICE DEPARTMENT; JAMES ALBERT ALLEN, JR., Individually and in his official capacity as an officr with the Horry County Sheriff's Department; SIDNEY RICK THOMPSON, Individually and in his official capacity as an officer with the Horry County Sheriff's Department; JEFFREY S. CALDWELL, Individually and in his official capacity as an officer with the Horry County Sheriff's Department; CHARLES MCCLENDON, Individually and in his official capacity as an officer with the Horry County Police Department; JAY BRANTLEY, Individually and in his official capacity as an officer with the Horry County Police Department; ANDY CHRISTENSEN, Individually and in his official capacity as an officer with the Horry County Police Department; MICHAEL STEVEN HARTNESS; ANCIL B. GARVIN, III; DAVID SMITH; and JOHN DOES,
Defendants.

THE DEPOSITION OF NOEL HERROLD,

taken on behalf of the Defendant, on May 7, 2007, commencing at 10:03 a.m., at the Law Offices of Senn, McDonald & Leinbach, 3 Wesley Drive, Charleston, South Carolina, 29464.

ORIGINAL

Douglas K. Liperote

Court Reporter

ATTACHMENT B
PAGE 2 OF 3

A P P E A R A N C E S

FOR THE PLAINTIFF:

JOHN R. RAKOWSKY, Esq., Esq.
Attorney at Law
900 12th Street
Columbia, SC 29169
(803) 791-8830

ADRIAN L. FALCIONE, Esq.
Attorney at Law
113 East Main Street
Lexington, SC 29072
(803) 957-6543

THE DEFENDANTS:

SANDRA J. SENN, Esq.
Senn, McDonald & Leinbach
3 Wesley Drive
Charleston, SC 29407
(843) 556-4045

E. GLENN ELLIOTT, Esq.
Aiken Bridges
181 East Evans Street, Suite 409
Florence, SC 29503
(843) 669-8787

JAY SALEEBY, Esq.
Aiken Bridges
181 East Evans Street, Suite 409
Florence, SC 29503
(843) 669-8787

ATTACHMENT B
PAGE 3 OF 34 3

CERTIFICATE OF REPORTER

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

I, Douglas K. Liperote, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Date 6/27/07

Douglas K. Liperote
Notary Public in and for the
County of Charleston
State of South Carolina

My commission expires August 15, 2015.

ATTACHMENT C

PAGE 1 OF 1

Nicholas C. Williamson, PhD
President
Southern Holdings, Inc.
6170 West Lake Mead Blvd.
Suite 311
Las Vegas, Nevada 89108

October 7, 2008

John Rakowsky, Attorney at Law
900 West 12th Street
West Columbia, SC 29169

Re: Litigation Funds Remaining and accounting for expended funds.

Dear Mr. Rakowsky:

In regard to any and all remaining residual funding that you believe may have come from Southern Holdings, Inc., please consider this formal notice that any such funds are to be transferred to the trust account named below for the use of the Plaintiffs in the ongoing litigation as directed by James B. Spencer and Southern Holdings Corporate Secretary Irene Santacroce.

In that regard, as you have been previously and repeatedly requested to do, transfer the remaining litigation funds to the trust fund of Singleton, Burroughs and Young, PA, to be credited in the name of Irene Santacroce and James Spencer. The check should be certified and it should immediately be mailed to the above named law firm to the attention of Patty. The address of the firm is 1303 3rd Ave. Conway, SC 29526.

If you believe that I personally contributed any funds as a Plaintiff that are part of the residual litigation funds, then please consider my authorization and request to immediately transfer the remaining litigation funds to the trust fund of Singleton, Burroughs and Young, PA to be credited in the name of Irene Santacroce and James Spencer. The check should be certified and it should immediately be mailed to the above named law firm to the attention of Patty. The address of the firm is 1303 3rd Ave. Conway, SC 29526.

If you have any questions please call me directly. Thanks you for your prompt attention to this matter.

Sincerely,

Nicholas C. Williamson, PhD
Personally and as President of
Southern Holdings, Inc.

Cc: Individual Members of the Board of Directors

CERTIFICATE OF SERVICE

I, James Spencer, *Pro Se*, do hereby certify that the foregoing **CERTAIN DEFENDANTS' MOTION FOR COURT TO ORDER THE IMMEDIATE RELEASE OF "LITIGATION" FUNDS AS INSTRUCTED BY ALL DEFENDANT CONTRIBUTORS AS IDENTIFIED BY PLAINTIFF JOHN RAKOWSKY's COMPLAINT FOR INTERPLEADER (2008-CP-40-6656)** has this day been served on the following person(s) by either mail, fax or electronic transfer a true and correct copy, as follows:

Adrian Falgione
P. O. Box 277
Lexington, SC 29071

Law Max Legal Finance
459 Columbus Avenue, Suite 299
New York, New York 10024-5129

Litfunding USA
6375 S. Pecos Rd
Las Vegas, NV 89120-3264

Linda Williamson Lawrence
105 Yadkin Street, Suite 203
Albemarle, NC 28001

Ernest H Morton
P. O. Box 519
Albemarle, NC 28002

Ronald N Serota, Esquire
Corporate Law Office
2620 Regatta Drive, NV 89128

David Smith
1006 N. Holden Road
Greensboro, NC 27410

Michael Steven Hartness
3032 Nance Cove Rd
Charlotte, NC 28214-9470

Harold Steven Hartness
3032 Nance Cove Rd
Charlotte, NC 28214-9470

Horry County, South Carolina
Danny Knight
Government & Justice Center
1301 Second Avenue
Conway, SC 29526

This 17th day of October, 2008.

By: _____
James Spencer, *Pro Se*
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND

John R. Rakowsky,

Plaintiff,

v.

Adrian L. Falgione, James Spencer, Estate of Doris Holt, Rodney Lail, Irene Santacroce, Marguerite Stephens, Ricky Stephens, Horry County, South Carolina

Defendants.

Case No. 2008-CP-40-6656

RICHLAND COUNTY
FILED
2011 AUG 30 PM 2:33
JEANNIE W. HOBRIDE
C.C.P. & G.S.

CORRECTED MOTION TO AMEND ANSWER

NOTICE IS HEREBY GIVEN THAT Certain Defendants[1] ("Defendants") moves this Honorable Court, pursuant to SCRCP Rule 15, for an order permitting Defendants to amend Defendants' Answer to the Plaintiff's Second Complaint in accordance with: (1) Defendants' Second Amended Complaint, (2) the Plaintiff's Motion to Strike and File Under Seal, (3) the Death of Defendant Doris Holt, (4) the May 5, 2011 SC Probate Court's appointment of an Administrator for the Doris Holt Estate, (5) Plaintiff's May 16, 2011 Motion

[1] The "Defendants" as a group are composed of, the Estate of Doris Holt, Irene Santacroce, Ricky Stephens, Marguerite Stephens, Rodney Lail and James Spencer.

and Affidavit of Default, (6) the Motions hearing held on July 11, 2011, (7) the defining actions taken by Plaintiff's counsel, Defendant Adrian Falgione, Defendant Horry County's counsel Andrew Lindemann in concert, and (8) the Court Order received by the Defendants on August 11, 2011.

The grounds for this motion are that based on: (1) Prior to the establishment of her estate, Doris Holt was wrongfully held in isolation and in alleged violation of a Court Order in another legal proceeding for over nine months and wrongfully restrained in alleged violation of SC State law as of July 29, 2009 until her death from executing documents herself or having documents executed by her duly appointed durable power of attorney in this matter, (2) the substitution as a Defendant the Estate of Doris Holt for Defendant Doris Holt, (3) discovery of evidence (after July 12, 2011) supporting counter claims against the Plaintiff by the Defendants, and (4) the discovery on and after July 11, 2011, of documentation of Plaintiff, Plaintiff's counsel, Defendant Adrian Falgione and Defendant Horry County's counsel, Andrew Lindemann, allegedly participated in unethical ex parte communications with the Court. In support of this motion, Defendants respectfully submit the following:

1. This matter is before the Court on Plaintiff's request to interplead certain funds related to protracted litigation and appeals in a separate matter.

2. Defendants are informed and believe that Plaintiff wrongfully has inserted, withdrawn and/or omitted various parties, which led to the multiple versions of the Plaintiff's Interpleader Complaint.[2]

3. Defendants are informed and believe that Plaintiff knew or should have known at the time of his insertion, withdrawal and omission of various parties, that such action was wrongful.

4. Defendants are informed and believe that Plaintiff misused this Court to circumvent Plaintiff's obligations under the South Carolina Rules of Professional Conduct 1.16 and Rule 417, SCACR.

5. SCRCP Rule 15(a) permits amendments of pleadings before trial, with leave of Court, or by the opposing parties' written consent. In this case, the Defendants seek to amend pleadings based on the documentation recently discovered by the Defendants and the Plaintiffs refusal to provide documentation despite repeated requests for production that have gone unanswered. "Pleadings may be amended by leave of Court, which 'shall be freely given when justice so requires and [it] does not prejudice any other party.'" *Griffith v. Griffith*, 332 S.C. 630, 506 SE2d 526, 529 (Ct. App. 1998).

[2] First Interpleader Complaint dated September 12, 2008, the 1st Amended Interpleader Complaint dated November 14, 2008, the 2nd Amended Interpleader Complaint (Version 1) dated July 28, 2010, and the 2nd Amended Interpleader Complaint (Version 2) dated December 3, 2010.

6. Rule 20(a) permits joinder of parties (the Estate of Doris Holt) who are interested in claims that arise out of the same transaction or occurrence, and who share in common at least one question of law or fact. *Ellis v. Oliver*, 307 SC 365, 367, 415 SE2d 400, 401 (1992). Upon information and belief, the amended pleading will finally ensure all interested parties are allowed to be heard in this matter.

Wherefore, having fully set forth the grounds for the relief requested, Defendants move for an order granting Defendants permission to file and serve their proposed Amended Answer to Plaintiff's Second Amended Complaint **(attached hereto)**.

RESPECTFULLY SUBMITTED
This 30th day of August, 2011, By:

James Brian Spencer, Plaintiff, *Pro Se*
Suite 183
7001 Saint Andrews Road
Columbia, SC 29212

Doris E. Holt, (Deceased), Plaintiff, *Pro Se*
Suite 183 by Administrator of the Estate
7001 Saint Andrews Road,
Columbia, SC 29212

Rodney K. Lail, Plaintiff, *Pro Se*
Suite 183
7001 Saint Andrews Road
Columbia, SC 29212
(843) 626-3229

Arene Santacroce, Plaintiff, *Pro Se*
1836 Tall Pines Circle
Columbia, SC 29205
(843) 455-0891

Ricky Stephens, Plaintiff *Pro Se*
207 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 283-6751

Marguerite Stephens, Plaintiff, *Pro Se*
207 Deer Trace Circle
Myrtle Beach, SC 29588

CERTIFICATE OF SERVICE

I, James Spencer, ***Pro Se***, do hereby certify that the foregoing **CORRECTED MOTION TO AMEND ANSWER** has this day been served on the following person(s) by either mail, fax or electronic transfer a true and correct copy, as follows:

Stephanie Weissenstein, Esquire
Ballard Watson Weissenstein
PO Box 6338
West Columbia, SC 29171

Defendant Adrian Lee Falgione, *Pro Se*
Law Offices of Adrian Lee Falgione, LLC
P O Box 277
Lexington, SC 29071

Andrew F. Lindemann
Davidson & Lindemann, P.A.
for Defendant Horry County, SC
PO Box 8568
Columbia, SC 29202

RICHLAND COUNTY
FILED
2011 AUG 30 PM 2:33
JEANETTE W. McBRIDE
C.C.P. & G.S.

This 30th day of August, 2011

By: James Spencer, *Pro Se*
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND

John R. Rakowsky,

Plaintiff,

v.

Adrian L. Falgione, James Spencer individually and as Administrator of the estate of Doris Holt, Rodney Lail, Irene Santacroce, Marguerite Stephens, Ricky Stephens, and Horry County, South Carolina,

Defendants.

(2008-CP-40-6656)

FILED
2011 AUG 29 AM 10:59
JEANETTE W. McBRIDE
C.C.P. & G.S.

CERTAIN DEFENDANTS' AMENDED RESPONSE AND COUNTER CLAIMS IN RESPONSE TO JOHN RAKOWSKY'S SECOND AMENDED COMPLAINT FOR INTERPLEADER

NOW COME CERTAIN DEFENDANTS[1] **(hereinafter known as the "Defendants")** and move the Court to Deny Plaintiff's request to disperse funds in accordance with Plaintiff Rakowsky's Complaint for Interpleader captioned above.

Defendants deny each and every allegation not hereinafter specifically admitted, modified or qualified.

1. Admitted.

2. Admitted.

[1]James Spencer, individually and as Administrator for the Estate of Doris Holt, Ricky Stephens, Marguerite Stephens, Irene Santacroce, and Rodney Lail.

3. Admitted in part and denied in part as Doris Holt is now deceased.
4. Admitted.
5. Admitted.
6. Admitted in part and denied in part. Based on information and belief Eugene Chewning is not a resident of South Carolina and Eugene Chewning's work is not completed.
7. Admitted in part and denied in part. Based on the information and belief that Glen Harrison is not a resident of Seminole County, Florida.
8. Admitted in part and denied in part. Plaintiff Rakowsky *was not one* of the most recent counsels added to that case as the Court Docket evidences, he was in fact one of the earliest counsels who made an appearance in the case. Mr. Rakowsky in fact became a member of the legal team shortly after the filing of the Complaint in Federal District Court of Case No: 4:02-CV-01859-RBH, entitled Southern Holdings, Inc., et al. vs. Horry County, et al. on May 29, 2002. Plaintiff Rakowsky did not file his Motion for Appearance until December 3, 2002 (Dkt.#57), months after he already had been working on the case. Plaintiff Rakowsky assumed control of the legal team and initiated the firing of legal counsels he determined needed to be dismissed, and the hiring of legal counsels he handpicked including the hiring of the two most recent Counsels in that case. The two most recent Counsels were Ron Serota (admitted July 6, 2005, Dkt.#146) and Defendant Adrian Falgione (admitted November 15, 2006, Dkt.#287). Additionally, former Defendants' Counsel in that action, Charles Cooper, died

while the case was pending and James Cooper, Charles Cooper's brother and law partner, became ill and had to withdraw from that case for health reasons.

9. Admitted.

10. Denied. All funds held by the Plaintiff Rakowsky were advanced by Defendant Spencer and Plaintiff Rakowsky knows, or was/is required to know, the source and amount of those litigation funds advanced as Plaintiff Rakowsky was required to keep records of any such funds he held for such purposes under both South Carolina Rules of Professional Conduct, ("SCRPC") Rule 1.15(a) and under agreement with Defendant Spencer to provide such records and return such property on demand of former client Spencer under SCRPC 1.15(d) and 1.16. Furthermore, under Rule 417 of the South Carolina Judicial Department, Plaintiff Rakowsky was required to keep records showing the specific amount of funds provided by a client and any disbursement from said funds and the balance of funds provided by each client. Therefore, Plaintiff Rakowsky knew the litigation funds were provided by James Spencer and no other Defendant. The funds advanced by Lit Funding, Resolution Settlement Corporation and LawMax Legal Funding on behalf of James Spencer were non-recourse funds where all three organizations gave up any and all claims against any and all funds advanced for the litigation and/or personal expenses of Defendant Spencer to be used as determined by Defendant Spencer.

The purported balance of the litigation funds reported by Plaintiff Rakowsky was nine thousand, eight hundred and fifty five dollars ($9,855.00) which was an amount fully advanced by Defendant James Spencer and there were

no other claims to this $9,855.00 in litigation funds and Plaintiff Rakowsky knew it from July 2007 to date.

The Defendants cannot rely on Plaintiff Rakowsky's claim as to the balance. Mr. Rakowsky and his counsel Desa Ballard have refused numerous requests and discovery requests by the Defendants to provide a complete accounting of the funds provided for that lawsuit regarding that litigation required under the SCRPC 1.16, Rule 417 of the SCACR and under contract with RSC and Defendant James Spencer.[2]

11. Denied. Mr. Rakowsky claimed on May 8th, 9th, and 10th of 2007 to the Defendants, except for Defendant Doris Holt, that no agreement could be legally binding until each and every individual Defendant that Plaintiff Rakowsky represented in Southern Holdings, Inc., et al. vs. Horry County, et al. had formally signed off on a final written settlement agreement. The Defendants never gave Plaintiff Rakowsky and co-counsel Defendant Falgione authorization to settle that case hence the dispute over the $55,000.00 in "settlement funds". Defendant Doris Holt was not aware of any proposed settlement agreement and was not present in Court in May 2007, under the specific instructions of Plaintiff John Rakowsky. Doris Holt was never consulted with by either Plaintiff Rakowsky or co-counsel Defendant Adrian Falgione in that case directly, and/or indirectly, about the pseudo settlement of May 2007 at any time before, after and/or during May 2007. Defendant Doris Holt's position was steadfast from the date the

[2] Plaintiff John Rakowsky executed a notarized signature on a contract with RSC obligating Mr. Rakowsky to, "Transferor [Defendant James Spencer] hereby authorizes his attorney [John Rakowsky] to release to Transferee [RSC] any information, files, records, documents regarding the Litigation requested by Transferee [RSC] who agrees to treat such information as privileged...". – from the RSC funding agreement, executed on June 22, 2005, by Plaintiff John Rakowsky and Defendant James Spencer.

lawsuit was filed that she wanted the individuals who physically and financially injured her brought to justice solely under terms decided by a jury. Defendant Doris Holt never agreed to a settlement **at any time**. A malpractice action is now pending against Plaintiff John Rakowsky and his co-counsel Defendant Adrian Falgione in a Court with proper venue.

12. Denied. A malpractice action is pending against Plaintiff John Rakowsky and his co-counsel Defendant Adrian Falgione in that matter in a Court with proper venue.

13. Denied. Defendants cannot repudiate something they have never agreed to and the Defendants never agreed to the pseudo settlement agreement proffered by Plaintiff Rakowsky, Defendant Falgione, Defendant Horry County and its legal counsel Defendant Andrew Lindemann. Further, Plaintiff Rakowsky lacks sufficient information to make or infer such despite his defacto refusal to end the attorney client relationship between the Defendants and Plaintiff Rakowsky by refusing to release the Plaintiff admitted remaining litigation funds of $9,855.00 to the Defendants.

14. Defendants lack sufficient knowledge to admit or deny the allegations contained in paragraph 14.

15. Admitted.

16. Denied. Plaintiff Rakowsky purportedly has taken action as if he represents Defendants and as if he had not filed this Interpleader action by wrongfully reducing the amount of Plaintiff reported remaining litigation funds by making a payment to a named Defendant in this Interpleader action from the reported

$9,855.00 of Interplead litigation funds, reducing the reported funds to $7,690.93 without authorization and without consent of either Defendant Spencer and/or the Court.[3] Plaintiff Rakowsky for years wrongfully withheld the remaining litigation funds. Plaintiff Rakowsky is wrongfully misusing this Court to both control and purportedly disperse the Defendant's remaining litigation funds, supposedly protected in trust, without the Defendant's review, approval and consent; purportedly on behalf of the Defendants effectively retaining his representation of the Defendants. Additionally, any such payment out of litigation funds was not to be made by Plaintiff Rakowsky without the explicit consent of Defendant James Spencer under Defendant's agreement with Plaintiff Rakowsky. Withdrawing $2,164.07 and expending such funds on behalf of the Defendants constituted a breach of ethics under SCRPC Sections, 1.15 & 1.16, a breach of fiduciary duty to Defendant Spencer and a breach of contract with the contractual rights held by Defendant Spencer and contradictory to the supposed reason Plaintiff Rakowsky filed the Interpleader Action.

[3] Plaintiff Rakowsky knows full well that the $2,164.07 reduction is not a legitimate legal expense but were costs related to personal travel unrelated to the case by a potential witness visiting friends and family in Columbia, SC including his rental car expenses and flight expense (i.e. frolic & detour). Rakowsky maintained understood his clients position regarding the non-payment of these personal expenses when the expenses were invoiced in mid May 2007. Plaintiff Rakowsky further acknowledged and maintained Defendants had already advanced funds that covered any pretrial preparation time contained in that invoice by the Defendant who received the $2,164.07. The Defendants refused to authorize the release of any funds to pay the $2,164.07 invoice. Further, Plaintiff Rakowsky acknowledged this as his Interpleader Complaint filed on September 12, 2008 and his first Amended Interpleader Complaint filed on November 14, 2008 were without any claims on the litigation funds. (Note: The two Complaints were filed after Plaintiff Rakowsky received invoices for $2,164.07 in May 2007, on or about August 20, 2008 and a hand delivered invoice was received by Rakowsky on October 14, 2008 a mere month before Rakowsky filed his first Amended Interpleader Complaint on November 14, 2008.) Further, under the terms of the Contract of Representation, dated May 27, 2005, with James Spencer it is clear no money is to be paid for legal expenses without the Defendant Spencer's explicit authorization, "amounts paid and or owed as authorized by client [James Spencer whose funds make up 100% of the litigation funds] of case related costs and expenses" (see page one of the contract of representation, lines 13, 14 and 15). This $2,164.07 has never appeared on any accounting presented to the Defendant Spencer and any funds released to a named Defendant or a third party would have to both be approved by the client [James Spencer] and the Richland County Court where the Interpleader was filed by Plaintiff, neither of which occurred.

17. Admitted in part, denied in part as Plaintiff Rakowsky knows the originally purported $9,855.00 in remaining litigation funds belongs to Defendant Spencer

18. Denied. The amount of $55,000.00, relates to the disputed settlement and the amount of the originally purported remaining litigation funds of $9,855.00 belongs to the Defendant Spencer for expenses authorized by Defendant Spencer.

Wherefore, the Defendants humbly pray this Honorable Court for an Order that the funds currently and wrongfully being controlled by John Rakowsky and Desa Ballard, in the sums of sixty-four thousand, eight hundred fifty-five dollars ($64,855.00), to be transferred forthwith into the trust account of the Defendants' designated legal counsel, Jim Young, Esquire of Singleton, Burroughs and Young, PA., located at 1303 3rd Avenue, Conway, SC, 29526. The funds are to be transferred by certified check in the amount of sixty four thousand, eight hundred fifty-five dollars ($64,855.00) which is to be mailed to the attention of Ms. Patty Davis, assistant to Jim Young, Esquire of Singleton, Burroughs and Young, PA, with the litigation funds component to be further disbursed from that account as directed solely by Defendant Spencer. The Plaintiff has fully demonstrated through his actions that he has/and continues to wrongfully use this Honorable Court to attempt to dissipate the litigation funds reportedly held in trust pending this litigation. Of the funds transferred, $55,000.00 will be held in trust until the rights of ownership of the funds are established through the pending malpractice litigation against Plaintiff Rakowsky and Defendant Falgione and the anticipated litigation concerning the disputed settlement of the underlying case, Case No: 4:02-CV-01859-RBH, are both litigated to conclusion.

The residual litigation funds of $9,855.00 or any portion thereof is to be utilized as directed by the Defendant Spencer as maintained in Defendants October 20, 2008, motion which is still pending before this Court. In addition, the Defendants pray that the Court impute an interest rate of eight and three-fourths percent (8.75%) per annum[4] to be used to compute interest on the litigation funds the $9,855.00 plus any litigation funds wrongfully expended by Plaintiff Rakowsky (litigation funds expended without the express written permission of Defendant James Spencer in violation of Plaintiff's agreement with Defendant Spencer). This interest rate is to be computed from the date of July 14, 2007[5], to the date the remaining $9.855.00 in litigation funds, or applicable funds thereof, are deposited into the trust account designated by the Defendants in their pending motion of October 20, 2008, still pending before this Court.

COUNTER CLAIMS BY DEFENDANTS

Facts

19. The Defendants learned on July 12, 2011, that a representative of Resolution Settlement Corporation ("RSC") had contacted Plaintiff John Rakowsky prior to filing this Interpleader Action and his legal counsel, Desa Ballard, and provided documentation to each regarding claims RSC had against any settlement funds in Case No: 4:02-CV-01859-RBH. It was also learned by the Defendants that RSC requested documentation from Plaintiff Rakowsky and Desa Ballard on the use of

[4] S.C. Code Ann. § 34-31-20. Legal rate of interest. "In all cases of accounts stated and in all cases wherein any sum or sums of money shall be ascertained and, being due, shall draw interest according to law, the legal interest shall be at the rate of eight and three-fourths percent per annum."

[5] July 14, 2007, was the day after Plaintiff Rakowsky unilaterally resigned from the case.

litigation funds as this was documentation required to be provided under contract between RSC, Plaintiff Rakowsky and Defendant James Spencer.

20. All such lawful requests for accounting of funds by RSC went unanswered

21. Lit Funding and LawMax Legal Funding provided the same litigation funding service as RSC to Defendant Spencer also with the participation of Plaintiff Rakowsky in the same Case No: 4:02-CV-01859-RBH. Plaintiff John Rakowsky, in his initial Interpleader Complaint before this Court, named Lit Funding and LawMax as Defendants. Nevertheless, each successive version of the Interpleader Complaint thereafter did not name any of the three funding companies used by Defendant Spencer as Defendants in this action.[6] Importantly, upon information and belief, Lit Funding never contacted Plaintiff Rakowsky nor his legal counsel Desa Ballard like RSC did, yet RSC was excluded by Plaintiff Rakowsky throughout the entire process as recognition of RSC would have revealed additional litigation funds unaccounted for by Plaintiff Rakowsky.

22. Additionally, the Defendants also first learned on July 12, 2010, that representatives of RSC contacted the Honorable Judge Lee and notified Judge Lee on, or about, January 21, 2010, of the failure of Plaintiff Rakowsky to name RSC as having an interest in the settlement proceeds of $55,000.00.

23. On July 11, 2011, at a hearing before this Court, Plaintiff John Rakowsky's counsel, Stephanie Weissenstein, falsely claimed to the Court that Plaintiff John Rakowsky had produced the required documentation on "four separate occasions" that pertained to the receipt of funds and disbursement of all the litigation funds

[6] First Interpleader Complaint dated September 12, 2008, the 1st Amended Interpleader Complaint dated November 14, 2008, the 2nd Amended Interpleader Complaint (Version 1) dated July 28, 2010, and the 2nd Amended Interpleader Complaint (Version 2) dated December 3, 2010

which would be due former clients by Plaintiff John Rakowsky, Defendant James Spencer, RSC, Lit Funding and LawMax. However, Stephanie Weissenstein only produced documentation that showed deposits of $67,500.00. The RSC agreements alone were for sixty thousand dollars ($60,000.00) by themselves in litigation funds and living expenses for Defendants advanced by RSC to Plaintiff Rakowsky for Defendant James Spencer executed under terms and agreement also both acknowledged, agreed to and executed by Plaintiff John Rakowsky.

24. On July 12, 2011, the captioned Defendants learned that Plaintiff John Rakowsky and his legal counsel, Stephanie Weissenstein, had failed to respond to repeated requests by RSC for documentation that Plaintiff John Rakowsky is contractually obligated to provide to RSC.[7]

25. Additionally, as a result of: (1) the untruthful statements given to the Court during the July 11, 2011, hearing by the Plaintiff's counsel, Stephanie Weissenstein, on and for the behalf of Plaintiff Rakowsky and Defendant Falgione, (2) the *ex parte* communications conducted with the Court including *ex parte* evidence presented to the Court and sealed by the Court, upon information and belief only shared with Defendant Falgione and Defendant Horry County's legal counsel Andrew Lindemann and (3) the Court Order issued on August 3, 2011, making the information confidential due under contract to Defendant James Spencer and RSC regarding the use and authorization by Defendant James Spencer of the litigation

[7] Plaintiff John Rakowsky executed a notarized signature on a contract with RSC obligating Mr. Rakowsky to, "Transferor [Defendant James Spencer] hereby authorizes his attorney [John Rakowsky] to release to Transferee [RSC] any information, files, records, documents regarding the Litigation requested by Transferee [RSC] who agrees to treat such information as privileged...". – from the RSC funding agreement, executed on June 22, 2005, by Plaintiff John Rakowsky and Defendant James Spencer.

funds provided by RSC, it is clear that Plaintiff John Rakowsky misused this court to breach his fiduciary duty to Defendant Spencer and RSC.

26. Additionally, the Court Order issued on August 3, 2011, appears to make confidential and thus unavailable to the Defendants, pertinent information the Defendants are entitled to under the South Carolina Rules of Professional Conduct Section 1.16 and Rule 417, SCACR.

27. Plaintiff Rakowsky has, therefore, breached his fiduciary duty regarding the care of the $60,000.00 entrusted and advanced by Defendants obtained from RSC by Plaintiff John Rakowsky for use as directed by Defendant James Spencer.

28. Plaintiff Rakowsky has conducted *ex parte* communications with the Court and provided *ex parte* evidence to the Court which the Court has sealed in violation of Rule 3, CJC, Rule 501, SCACR, Canon 3(B) (5) which states, "judge shall not initiate, permit, or consider *ex parte* communications, or consider other communications made to the judge concerning a pending proceeding or consider other communications made to the judge outside the presence of the parties concerning a pending proceeding".[8]

29. Plaintiff Rakowsky unlawfully used this Court to conceal expenditures from the claimed $60,000.00 in litigation funds provided by Spencer through RSC.

30. Plaintiff Rakowsky wrongfully withheld (by and through the misuse of this Interpleader action and this Court) the reported remaining $9,855.00 in litigation funds. Further, Plaintiff Rakowsky claims to have expended additional amounts

[8] The *ex parte* communications excluding the Defendants (as defined herein), by Plaintiff John Rakowsky and/or his Counsel with the Court occurred, but are not limited to, on or before May 21, 2010, on or about February 22, 2011, on or about June 24, 2011, on or about July 11, 2011, and on or about the end of July 2011.

of litigation funds after filing the Interpleader without required authorization by Defendant Spencer after it had previously mutually agreed the $2,167.04 invoice (see footnote 3 herein) was not proper by both Plaintiff Rakowsky and Defendant Spencer when received. Any such payment is a breach of fiduciary duty by Plaintiff Rakowsky due Defendant Spencer and a clear demonstration of the lack of legal basis initiating this baseless Interpleader action regarding litigation funds.

31. Plaintiff Rakowsky presented what he claimed to the court was a full accounting of monies he received from LawMax and Lit Funding, the two funding companies he named as Defendants in the Interpleader ***(See Exhibit A, an accounting from Plaintiff's counsel Stephanie Weissenstein documenting total receipts as $67,500.00 into the Rakowsky account from Lit Funding and LawMax).*** Exhibit B ***(See Exhibit B, attached hereto),*** documents that Rakowsky acknowledged receipt through his signed record provided to the court by Rakowsky he received $50,000 from Lit Funding, $25,000[9] from RSC and $35,000 from LawMax, for a total of $110,000.00 into litigation funds that went to Rakowsky for litigation and living expenses as needed as determined by Defendant Spencer. Therefore, Rakowsky clearly is concealing at least $42,500.00 (forty two thousand, five hundred dollars) of litigation funds an amount untruthfully had been verified by Stephanie Weissenstein on the Court record as having been properly accounted for under Rule 417 a summary of which was presented to the Defendants by Plaintiff's counsels ***(See Exhibit A).*** Stephanie Weissenstein claimed that a complete accounting was kept which she

[9] See Check from RSC deposited into Rakowsky's account documenting $25,000 (of the $60,000 funded by RSC) that Rakowsky did not account for as received funds in his Interpleader ***(Attached hereto Exhibit C).***

reviewed and confirmed under the South Carolina Rules of Professional Conduct Section 1.16 and Rule 417, SCACR, however, the former Defendants were not entitled to see such records under the rules, a statement she has repeatedly made on the court record. Weissenstein, Ballard and Rakowsky therefore, knew or would have known both who the remaining litigation funds belonged to, which means there never was a basis for the remaining litigation funds to have been Interplead and also the fact the remaining litigation funds accounted for by Plaintiff Rakowsky and his legal counsels were understated by $42,500.00 due to the record requirements of Section 1.16 and Rule 417 of the SCACR which were claimed to have been complied with by the Plaintiff and Plaintiff's counsels.[10]

32. Upon information and belief, Plaintiff Rakowsky has breached his contract with Defendant Spencer and Defendant Spencer seeks a full refund of the $42,500.00 and the $9,855.00 for a total of $52,385.00 plus interest of 8.75% compounded annually from the date July 14, 2007, to the date of payment in full of this amount plus interest as directed by Defendant Spencer.

33. The Defendants allege Plaintiff John Rakowsky withheld the remaining litigation funds, living expenses and the records regarding the litigation funds due Defendants under contract and/or as required by the South Carolina Rules of Professional Conduct Section 1.16 and Rule 417, SCACR, to prevent the use of

[10] Despite Desa Ballard and Stephanie Weissenstein's claims to the contrary, they cannot have it both ways. They have stated on the record all accounting records were maintained as required under the SCRPC Section 1.16 and Rule 417 of the SCACR by Plaintiff Rakowsky as verified by them. If that were true than there would be no confusion as to who the remaining litigation funds belonged to, however, if there was truly a confusion as to who the remaining litigation funds belonged to by Plaintiff Rakowsky he committed legal malpractice because the rules required each clients funds receipts and disbursements be segregated and accounted for. The Plaintiff's legal counsels and Plaintiff are being untruthful to the tribunal.

the litigation funds by indigent and disabled Defendants to financially undermine any malpractice action against Plaintiff Rakowsky and Defendant and Falgione.

Jurisdiction

34. This Court has jurisdiction to hear Counter Claims under SCRCP Rule 22(a).

35. South Carolina courts have considered breaches of fiduciary duty as the basis for contractual and tort actions. See e.g., Corley v. Ott, 326 S.C. 89, 485 S.E.2d 97 (1997). Restatement 2nd Torts § 874 cmt. (C) (1979) Hendricks v. Clemson Univ., 339 S.C. 552, 561 (S.C. Ct. App. 2000)

36. Competing claims regarding the funds involved in the Interpleader action include, but are not limited to, a claim that Plaintiff John Rakowsky breached his fiduciary duty regarding $52,385 in litigation funds advanced by Defendant Spencer.

37. The Defendants allege this Court has been misused by Plaintiff Rakowsky to circumvent his fiduciary duty and to circumvent his requirements under the South Carolina Rules of Professional Conduct Section 1.16 and Rule 417, SCACR, regarding the litigation funds for the sole purpose of financially undermining Defendants' efforts to bring a Legal Malpractice action against Plaintiff Rakowsky and his co-counsel Defendant Falgione.

> "One who uses a legal [**256] process, whether criminal or civil, against another primarily [***16] to accomplish a purpose for which it is not designed, is subject to liability to the other for harm caused by the abuse of process." Restatement (Second) of Torts § 682 (1977) (emphasis added). As noted in the Restatement comment, "the significance of ['primarily'] is that there is no action for abuse of process when the process is used for the purpose for which it is intended, but there is an incidental motive of spite or an ulterior purpose of benefit to the Defendant." Restatement (Second) of Torts § 682 cmt. b. at 475 (1977). Accordingly, liability exists not because a party merely seeks to gain a collateral advantage by using some legal process,

> but because the collateral objective was its sole or paramount reason for acting. See id.; Harper, supra, § 4.9 at 4:84-85 HN37("The process must be used 'primarily' to accomplish the ulterior end."
> Food Lion, Inc. v. United Food & Commer. Workers Int'l Union, 351 S.C. 65, 75 (S.C. Ct. App. 2002)

38. The Defendants seek a jury trial for all causes of action related to this Interpleader Complaint and Counter Claims still outstanding after the Court rules on the Defendant's motion to release the remaining litigation funds per the pending October 20, 2008, Defendant's motion plus any and all accrued interest on said funds.

COUNTER CLAIM RELIEF SOUGHT BY DEFENDANTS

WHEREAS the Defendants seek:

39. The remaining litigation funds clearly documented as provided by James Spencer from RSC, Lit Funding and LawMax ($52,385.00) to Plaintiff Rakowsky. The $52,385.00 is to be reduced by the remaining litigation funds, purportedly $9,855.00, or any portion thereof held by Plaintiff John Rakowsky, that are turned over forthwith to the Defendants herein named attorney's trust account as Defendants pray are Ordered by the Court in regard to Defendants' pending motion of October 20, 2008.
40. Plaintiff Rakowsky place the disputed $55,000.00 of settlement money in an interest earning trust account of Defendants herein named attorney for safekeeping for release only as directed by Court Order so said funds can be earning interest.
41. Punitive damages of an amount to be determined by a jury for the misuse of judicial process in these matters to be assessed against Plaintiff Rakowsky.

42. The Court impute an interest rate of eight and three-fourths percent (8.75%) per annum[11] to be used to compute interest on remaining litigation funds (the $9,855.00 and the $42,500.00. This interest is to be computed from the date of July 14, 2007, to the date the $52,385.00 in litigation funds are deposited into an account designated by Defendant Spencer.

43. Defendants seek an amount for their bills for legal research and costs owed for consulting fees incurred by the Defendants for Plaintiff Rakowsky bringing this baseless Interpleader action regarding the litigation funds. An amount that totals in excess of $8,400.00 as of the date of this filing to be increased for costs that continue to be incurred and owed from the date of this filing.

44. Defendants reserve the right to amend this complaint if and when Plaintiff allows a proper discovery which all efforts to date have been unsuccessful.

45. Any other amount the Jury finds proper in order to deter such action from occurring in the future by members of the South Carolina Bar.

46. The Court impute an interest rate of eight and three-fourths percent (8.75%) per annum[12] to be used to compute lost interest on the settlement funds ($55,000.00) from the date of deposit into Desa Ballard's account until the date the funds are deposited into an interest bearing account by order of this Honorable Court.

47. Any and all costs of counsel(s) and counsel's legal fees if counsel(s) can be found to represent the indigent Defendants in this action.

---

[11] S.C. Code Ann. § 34-31-20. Legal rate of interest. "In all cases of accounts stated and in all cases wherein any sum or sums of money shall be ascertained and, being due, shall draw interest according to law, the legal interest shall be at the rate of eight and three-fourths percent per annum."

[12] Ibid

Deposits.....$ 67500.00

Expenses: Thru 8/01/06

S. Smith..... 1250.00

postage..... 23.65

Forensic Analysis (S.Cain)..... 11000.00

R. Serota (Expenses).....1050.00

Equipment.....613.00

Copies.....28.50

Copies/Ikon.....315.15

M. Hardee.....150.00

Garber Reporting.....379.45

Garber Reporting.....508.80

Copies/Ikon.....418.49

Copies/Ikon.....69.63

Copies/Ikon.....50.65

Copies/Ikon.....73.22

J. Spencer (Personal Advance).....2500.00

Kim Sellers.....1980.00

Clerk of Court./ Jury Info Misc.....175.00

Ct. Of Appeals.....170.00

Long Distance.....78.53

Marybeth Coller.....2055.00

Eugene Chewning.....6306.25

Glenn Harrison.....2646.18

Federal Court.....175.00

Postage 37.00

Glenn Harrison.....6094.00

J. Spencer (Personal Advance).....5000.00

Long Distance.....170.55

Misc Supplies.....128.28

Copies/Ikon.....365.30

Long Distance..... 374.50

Gibson Moore Appellate Services.....361.28

Sub Total Expenses Thru 8/01/06.....$44547.41

8/01/06 Balance..... $22,952.59

Allen Geoghgan.....500.00

Misc. Supplies..... 97.50

J. Spencer (Personal Advance).....1500.00

Long Distance.....76.73

John O'Leary.....3000.00

Forensic Tape Analysis..Steve Cain.....900.00

Long Distance.....37.38

J. Spencer 1200.00

Adrian Falgione..Copies.....600.00

John Rakowsky...Travel Costs.....697.50

M & M Document Center.....117.13

Supplies, Binders, Copies.....315.00

Al Cannon.....800.00

Adrian Falgione..Long Distance.....650.00

Southern Reporting.....283.40

Spectrum Reporting.....100.00

Rose Reporting.....291.20

Creel Reporting.....100.00

Spectrum Reporting.....445.00

Williams Reporting.....144.00

Spectrum Reporting	135.50
John O'Leary	1106.40
Sub Total Expenses Thru 9/01/07	$13,096.74

Balance on Account for James Spencer..... $9,855.85

DISCLOSURE STATEMENT

1. **Principal Amount to be advanced by Buyer to Seller under this Agreement:** $35,000.00

2. **Minimum annual rate of return for the first year:** 2.2 x Investment Amount

3. **Total amount to be paid by Seller to Buyer (the "LawMax Ownership Stake"):**

On or before September 09, 2007	$63,000.00
After September 09, 2007 but on or before March 09, 2008	$77,000.00
After March 09, 2008 but on or before September 09, 2008	$91,000.00
After September 09, 2008 but on or before March 09, 2009	$105,000.00
After March 09, 2009 but on or before September 09, 2009	$122,500.00
After September 09, 2009 but on or before March 09, 2010	$140,000.00
After March 09, 2010	$157,500.00

***** CONSUMER'S RIGHT TO CANCELLATION: YOU MAY CANCEL THIS AGREEMENT WITHOUT PENALTY OR FURTHER OBLIGATION WITHIN FIVE BUSINESS DAYS FROM THE DATE YOU RECEIVE FUNDING FROM BUYER. In order for the cancellation to be effective, you must either: (i) return the full amount of disbursed funds to Buyer by delivering Buyer's uncashed check to Buyer's office in person, within 5 business days of the disbursement of funds, or (ii) mail a notice of cancellation and include in that mailing a return of the full amount of disbursed funds (in the form of Buyer's check, or a registered or certified check or money order), by insured, registered or certified United States mail, postmarked within five business days of receiving funds from Buyer, at the following address: 459 Columbus Ave., Suite 299, New York, NY 10024.*****

CLIENT'S INITIALS

LawMax tel. 212-480-3707 fax 212-480-3674

89

2. Any controversy or claim arising out of or relating to this Attorney Acknowledgement, including without limitation the interpretation, validity, enforceability or breach thereof, shall be settled by final, binding arbitration administered by the American Arbitration Association (hereinafter referred to as "AAA") in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be a practicing attorney or a retired judge licensed to practice in the State of New York. The parties also agree that the AAA Optional Rules for Emergency Measures of Protection shall apply to the proceedings. The arbitrator shall award to the prevailing party, if any, as determined by the arbitrator, all of its costs and fees. "Costs and fees" mean all pre-award expenses of the arbitration, including the arbitrator's fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees, and attorneys' fees. The award shall be in writing, shall be signed by the arbitrator, and shall include a statement regarding the reasons for the disposition of any claim.

13. To the best of the undersigned's information, knowledge and belief, Seller is of sound mind and memory at the time of reading and signing this Agreement, and is mentally and psychologically capable of fully understanding the nature, meaning and terms of this Agreement.

14. The undersigned shall not negotiate Buyer's lien with anyone other than Buyer. All reductions of Buyer's lien are void unless they are expressly authorized in writing by Buyer.

15. The undersigned hereby acknowledges that Seller unconditionally and irrevocably granted, assigned, transferred and conveyed the LawMax Ownership Stake set forth in Article 2 of the Agreement to Buyer. Said LawMax Ownership Stake is the exclusive property of Buyer, shall be held in trust by the undersigned for the benefit of Buyer, and shall not be subject to any liens, assignments, transfers, conveyances, deductions or setoffs of any kind whatsoever. The undersigned hereby further acknowledges that he has not been given any notice of liens, assignments, transfers or conveyances of any portion of the Proceeds of the Claim except as set forth herein.

Please list all known liens below. If none, so state. This section must be completed by the client's attorney only.

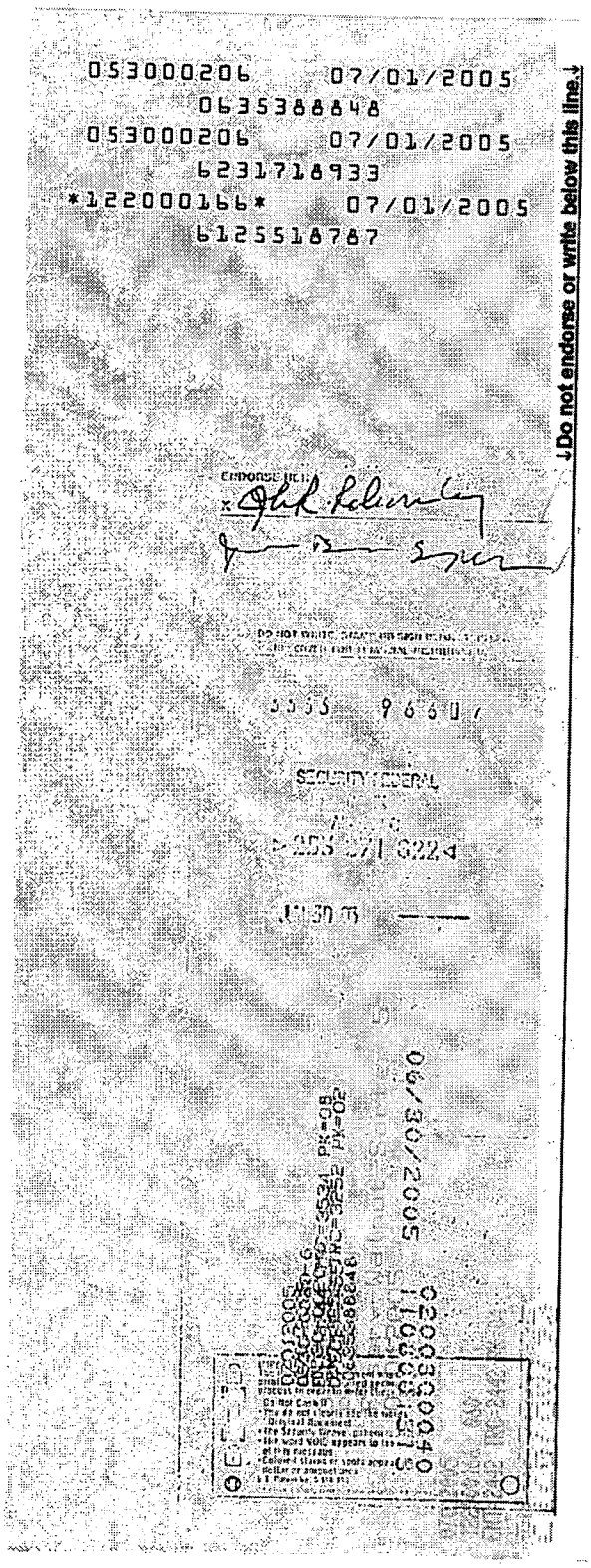
NAME	AMOUNT	DATE
L.I.T Funding USA	50,000 Prin.	150,000 INT (AT 3/07)
Resolution Settlement Corp.	25,000 Prin.	100,000 INT

Law Office of John R. Rakowsky

BY: John R. Rakowsky Date: 3/15/07

John R. Rakowsky, Esq.

LawMax tel. 212-480-3707 fax 212-480-3674


053000206 07/01/2005
0635388648
053000206 07/01/2005
6231718933
122000166 07/01/2005
6125518787
↓Do not endorse or write below this line.↓
06/30/2005

122000166
07/01/2005
6125518787

This is a LEGAL COPY of your check. You can use it the same way you would use the original check

T 05300206 07/01/2005 6353888648

RESOLUTION SETTLEMENT CORP
9360 W FLAMINGO RD SUITE 110-527
LAS VEGAS, NV 89147

127

DATE Jun 30 05

PAY TO THE ORDER OF John Rakowsky and J G [illegible] $ 25,000.00

Twenty five thousand and no/100 DOLLARS

COLONIAL BANK
Las Vegas, Nevada
24 Hr Colonial Connection 1-877-500-2265

FOR

⑈000127⑈ ⑆122401781⑆ 8035935199⑈ ⑈0002500000⑈

⑈000127⑈ ⑆122401781⑆ 8035935199⑈ ⑈0002500000⑈

COLONIAL BANK

Questions about your account, call Colonial Connection: 877-502-2265

www.colonialbank.com

Business Edge Checking

00010 E00

ACCOUNT NUMBER 8035935199

STATEMENT PERIOD July 1, 2005 – July 31, 2005

Colonial Bank appreciates your business. Thank you for being our Customer.

RESOLUTION SETTLEMENT CORPORATION
9360 W FLAMINGO RD SUITE 110-527
LAS VEGAS NV 89147

Account Summary

Previous Balance	$ 54,790.73	Average Collected Balance	$ 18,812.91
Total Credit(s)	+ 54,000.00		
Total Debit(s)	– 44,907.30		
Service Charge	– 0.00		
Ending Balance	**$ 63,883.43**		

Account Details

Deposits and Other Credits

DATE	DESCRIPTION	AMOUNT
7/8	DEPOSIT	7,500.00
7/28	DEPOSIT	46,500.00

Checks Paid

▲ *indicates check missing in sequence*

CHECK	DATE	AMOUNT
127	7/1	25,000.00
129 ▲	7/11	1,000.00
130	7/8	500.00
131	7/7	478.02
132	7/7	216.00
134 ▲	7/7	17,000.00
135	7/21	45.00
136	7/27	43.28
137	7/18	425.00
138	7/21	200.00

Daily Balance Summary

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
6/30	54,790.73	7/8	19,096.71	7/21	17,426.71
7/1	29,790.73	7/11	18,096.71	7/27	17,383.43
7/7	12,096.71	7/18	17,671.71	7/28	63,883.43

RESPECTFULLY SUBMITTED
This 29th day of August, 2011. By:

James Brian Spencer, Plaintiff, ***Pro Se***
Suite 183
7001 Saint Andrews Road
Columbia, SC 29212

Doris E. Holt, (Deceased), Plaintiff, ***Pro Se***
Suite 183 by Administrator of Estate
7001 Saint Andrews Road
Columbia, SC 29212

Rodney K. Lail, Plaintiff, ***Pro Se***
Suite 183
7001 Saint Andrews Road
Columbia, SC 29212
(843) 626-3229

Irene Santacroce, Plaintiff, ***Pro Se***
1836 Tall Pines Circle
Columbia, SC 29205
(843) 455-0891

Ricky Stephens, Plaintiff ***Pro Se***
207 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 283-6751

Marguerite Stephens, Plaintiff, ***Pro Se***
207 Deer Trace Circle
Myrtle Beach, SC 29588

CERTIFICATE OF SERVICE

I, James Spencer, ***Pro Se***, do hereby certify that the foregoing **CERTAIN DEFENDANTS' AMENDED RESPONSE AND COUNTER CLAIMS IN RESPONSE TO JOHN RAKOWSKY'S SECOND AMENDED COMPLAINT FOR INTERPLEADER** has this day been served on the following person(s) by either mail, fax or electronic transfer a true and correct copy, as follows:

Stephanie Weissenstein, Esquire
Ballard Watson Weissenstein
PO Box 6338
West Columbia, SC 29171

Defendant Adrian Lee Falgione, *Pro Se*
Law Offices of Adrian Lee Falgione, LLC
P O Box 277
Lexington, SC 29071

Andrew F. Lindemann
Davidson & Lindemann, P.A.
for Defendant Horry County, SC
PO Box 8568
Columbia, SC 29202

FILED
2011 AUG 29 AM 10:59
JEANETTE W. [illegible]
C.C.P. & G.S.

This 29th day of August, 2011

By: _____
James Spencer, *Pro Se*
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

STATE OF SOUTH CAROLINA)	
)	COURT OF Common Pleas
County of Richland)	2008-CP-40-6656
)	
)	
John R. Rakowsky,)	
)	
Plaintiff)	
)	
vs.)	TRANSCRIPT OF RECORD
)	
Adrian L. Falgione,)	
and The Law Offices of)	
Adrian Falgione, LLC,)	
James Spencer, Estate)	
of Doris Holt, Rodney)	
Lail, Irene Santacroce,)	
Marguerite Stephens,)	
Ricky Stephens.)	
)	
Defendants)	
STATE OF SOUTH CAROLINA)	
)	COURT OF Common Pleas
County of Richland)	2011-CP-40-5384
)	
)	
James Spencer,)	
Individually, on behalf)	
of the Estate of Doris)	
Holt and on behalf of)	
Southern Holdings, and)	
Irene Santacroce,)	
)	
Plaintiffs)	
)	
vs.)	TRANSCRIPT OF RECORD FOR
)	BOTH CASES HEARD JOINTLY
John R. Rakowsky,)	
Adrian L. Falgione,)	
and The Law Offices of)	
Adrian Falgione, LLC)	
Defendants.)	

May 7, 2012
Columbia, South Carolina

BEFORE:

The Honorable James Barber, III, Judge

APPEARANCES:

Stephanie Weissenstein, Esq.

Amanda Dudgeon, Esq.

Adrian Falgione, Esq.

Benjamin Bruner, Esq.

James Spencer, Appearing Pro Se

KAREN AMBROZIAK
Official Court Reporter

CONTENTS:

WITNESSES:

(There were no witnesses called.)

EXHIBITS:

(There were no exhibits introduced.)

CERTIFICATE OF REPORTER 70

not supposed to be interpleaded and for ---

THE COURT: Well, and that won't be dealt with prior to trial.

MR. SPENCER: Okay.

THE COURT: Because that won't be --- what you will probably have to do is seek some sort of frivolous action if, in fact, they're not there.

MR. SPENCER: That's part of our counterclaim.

THE COURT: All right. Well, that will have to be decided in the whole picture.

MR. SPENCER: We have a motion to amend our answer for a counterclaim and for a jury trial.

THE COURT: Well, I don't think it's for a jury trial.

MR. SPENCER: All right. Our counterclaim ---

THE COURT: It's an equitable action.

And you have a proposed counterclaim?

MR. SPENCER: Yes, sir.

THE COURT: On the amended complaint?

MR. SPENCER: We have had an amended complaint and counterclaim since August of 2011.

THE COURT: Have you seen the amended complaint?

MS. WEISSENSTEIN: Your Honor, I couldn't understand what he just said.

THE COURT: He said that since August of 2011, he

had filed a motion to amend the answer and the counterclaim and when he did that, he submitted a proposed answer and counterclaim, which is what you're required to do. Are you going to fighting him on the amendment? You're going to lose. Do you want to fight him?

MS. WEISSENSTEIN: Your Honor, I believe that an order of August 3rd, 2011 addressed that motion.

THE COURT: Let me see it.

MS. WEISSENSTEIN: I'm sorry?

THE COURT: Let me see it.

MS. WEISSENSTEIN: I don't have that with me today, Your Honor.

THE COURT: Why wasn't it filed?

MS. WEISSENSTEIN: Because, Your Honor, I believed that we were here to schedule the outstanding motions and not litigate the issues.

THE COURT: We're here to determine the status of the thing. I'm not litigating it, but you know as well as I do, the rules liberally allows for amended pleas, so you're probably going lose that.

What I'm trying to figure out is the if he amends, when can they do the depositions and let's go ahead and schedule the hearing on the merits of the interpleader action.

MS. WEISSENSTEIN: Your Honor, if the --- this action has been pending since 2008. He could have moved for the depositions a long time ago, and we would object to any further discovery at this point. It's an interpleader action.

THE COURT: I don't care. We're going to give him an opportunity to do it. We are going to give everybody an opportunity to do what they need to do before we go to a hearing, but we're going to schedule a hearing. If they don't do it before we go to the hearing, then they're going to give up their right to do it. I want to get the issues framed so that everybody knows what it is we're talking about when we go to a hearing.

What you need to do is consent to his amending the answer and the counterclaim, let's get on with that. Find out when it is he can take these depositions, let's get on with that and schedule a hearing.

MS. WEISSENSTEIN: All right, Your Honor. We'll consent to him filing his amended.

THE COURT: All right, they're consenting to allow you to amend your answer and counterclaim, so get them filed and get them served.

MR. SPENCER: Yes, sir.

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND Case No. **2008-CP-40-6656**

John R. Rakowsky,

Plaintiff,

v.

Adrian L Falgione, James Spencer, The Estate of Doris Holt, Rodney Lail, Irene Santacroce, Marguerite Stephens, Ricky Stephens, Horry County, South Carolina.

Defendants.

2014 JUN 30 PM 1:31

OBJECTIONS TO PLAINTIFF RAKOWSKY'S CLAIM AGAINST INTERPLED FUNDS

NOW COMES THE UNDERSIGNED, as counsel for defendants Irene Santacroce, and Rodney Lail **(hereinafter the "defendants")** and hereby objects to the claim made by plaintiff John Rakowsky as to funds he is owed out of the $55,000.00 of "pseudo" settlement funds[1] which are a subject of this litigation. In support of their objection the defendants respond to the plaintiff's claim as follows:

[1] Under South Carolina law this case has not been settled and the Plaintiff knows this is case has not been settled. Decisively, there was no ***required written authorization*** received from the seven diverse plaintiff/clients authorizing the negotiation of a settlement by their attorneys. This is a prerequisite before an aggregate settlement can be finalized under applicable substantive law, South Carolina Court Rule 407, **1.8 (g). The lack of the existence of the *required written authorization* is definitive *prima facie* evidence that there could be no legally binding settlement under *any set of circumstances*, *emphasis added*, in the present case. Unless plaintiff Rakowsky can produce such a document, there simply is no settlement under the law and therefore he has no claim. Plaintiff's acceptance of funds to impose**

1. Admitted.

2. Denied.

3. Denied as to both the amount of litigation funds remaining that are in dispute and also the fact that the underlying case has not been settled under the law.

4. Denied. Mr. Rakowsky is not entitled to receive a portion of the funds proffered for the Interpleader in this matter for attorneys' fees for his service in the federal court action. Pursuant to the fee agreement ***(Plaintiffs Exhibit "A"*** attached hereto), neither Mr. Rakowsky nor any other attorney has met any of the terms and conditions necessary for payment of fees for services.

First, Mr. Rakowsky's claim of 40% of the $55,000.00[2] is a contingency percentage that is applicable only if the trial is commenced ***(See Exhibit A, lines 9 and 10 on page one).*** This case has not gone to trial and the trial never was commenced. Therefore, Mr. Rakowsky at most could claim 33%. However, the only possible way the 33% contingency fee is applicable is if the total dollars of recovery from the litigation exceeds the costs incurred since April 1, 2005, ***(See Exhibit A, page one, lines 6, 7 and 8).*** However, Plaintiff Rakowsky's own accounting he presented to the court documents that costs were in excess of $57,000.00, therefore, Mr. Rakowsky is entitled to nothing under the terms of the representation agreement ***(See Exhibit B, attached hereto.)***

Consequently, Mr. Rakowsky under the terms of the Contract of Representation executed by plaintiff Rakowsky, ***Exhibit A,*** is not entitled to any

---

a wrongful settlement necessitates the funds be removed from plaintiff's control and placed with the Court forthwith to earn interest, an action long sought by the undersigned defendants.

[2] The $55,000 is used here for illustrative purposes only by the defendants. The defendants are in no way claiming there was a settlement of the case but are responding to plaintiff Rakowsky's baseless claim of being owed money from the $55,000 imposed, pseudo settlement.

fees under the terms and conditions mutually agreed to. Forty percent of nothing or thirty-three percent of nothing is still nothing. This is clearly his entitlement under the agreement.

Further, John Rakowsky unilaterally resigned from the case. This entitles him to ***nothing (Emphasis added)*** in terms of remuneration under the agreement ***(Exhibit A).***

The Contract of Representation and Addendum were drafted by defendant James Spencer. As the drafter of the agreement he is in a unique position to identify and define the "clear intent" of the terms of the agreements. He knows what he intended to draft. His interpretation of the meaning and intent of the agreement must be given great weight. Please see attached sworn declaration by James Spencer (***See Exhibit C***).

RESPECTFULLY SUBMITTED
This 26th day of January, 2014.
By:

Michael G. Sribnick, M.D., J.D., LLC
3 Kenilworth Avenue
Charleston, S.C. 29403
Phone: (843) 789-3504
Fax: (843) 720-8907
michael.g.sribnickmdjdllc@gmail.com

MARK W. HARDEE
Attorney at Law
1426 RICHLAND STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 799-0905
FAX: (803) 799-0470
E-MAIL: MWHARDEE@BELLSOUTH.NET

STATE OF SOUTH CAROLINA)
) CONTRACT OF REPRESENTATION
COUNTY OF RICHLAND) (CONTINGENCY FEE AGREEMENT)

James Spencer formerly known as Robert Holt ("Client") hereby employs and retains Mark W. Hardee, John R. Rakowsky, and Ron Serota, Attorneys at Law ("Law Firm") to represent his interests in connection with the aforesaid matter, and in connection with all damages and/or injuries related thereto.

Client agrees to pay to the Law Firm a contingency fee. The Law Firm's contingency fee shall equal one-third of any and all monies received by way of settlement after deducting an amount equivalent to direct case and litigation expenses incurred and or paid from April 1, 2005, regardless of whether such settlement occurs before or after suit is brought and filed in this case. The contingency fee component of the aforementioned equation herein increases from one third to 40 percent of total judgment once the trial is commenced. Client understands that the aforesaid attorneys' fees will be deducted from the gross recovery less direct case related expenses paid and/or incurred from April 1, 2005, and that the said case expenses associated with this matter will be paid after attorneys' contingency fees have been paid in full. The remainder, after attorney contingency fees are taken out, will be further reduced by the repayments of amounts paid and/or owed as authorized by Client of case related costs and expenses paid and will be deducted after attorney contingency fees and prior to any personal recovery to Client.

EXHIBIT
A

After each individual Law Firm member as defined herein receives one hundred thousand dollars in compensation from this case in sum total from all Clients in this case, the residual base that will be used to multiply the contingency fee component to determine remaining Law Firm compensation, will be reduced by all case related expenses incurred and paid prior to April 1, 2005.

If settlement of this case is made by a structured settlement, attorneys' fees will be computed based on one third of the total present day value of the settlement after an amount equivalent to expenses incurred is deducted from the formula accounting for expenses in the same manner as applicable as defined above. The contingency amounts of the attorneys' fees shall be paid out of the initial cash payment.

Client empowers the aforesaid Law Firm to take all steps in this matter deemed by Law Firm to be advisable.

Client specifically acknowledges that the Law Firm has made no guarantee regarding the successful completion of the aforesaid claim and that all expressions relative thereto are matters of opinion only.

It is agreed and understood between the parties that Client will be responsible for all reasonable non-overhead related direct costs and expenses in addition to the agreed legal fee and will pay such reasonable non-overhead related direct costs and expenses as are required by law and additional costs as shall be agreed to by Client as part of the necessary non-overhead related direct expenses and costs with reference to the above described matter. Client agrees to escrow with the Law Firm the sum of -0-.

Client agrees that a full time law clerk dedicated to this case will be hired and compensated by Client as a cost of this litigation as defined herein.

Law Firm is to keep accurate hourly records due to nature of the case and that if any representation fees are awarded using hours worked, the hourly fees generated will offset the

contingency fees up to the 40% level as computed herein above. Law Firm agrees to structure any hours incurred in this case by Gene Waas and Jimmy Cooper in such a manner to be eligible for such a court awarded formula that would not impact financial proceeds to either Law Firm or Client.

If any such hours are used in this case and are not reimbursed by the court for the work of Gene Waas and Jimmy Cooper, these hours will be paid by the Law Firm and Client out of the funds received from the settlement or court ruling at the applicable rate of one third or forty percent by the Law Firm and two thirds or sixty percent by the Client. If Gene Waas and Jimmy Coopers' contingency hourly fees are not awarded by the court and Client does not prevail to an extend that covers the contingent legal fees due Gene Waas and Jimmy Cooper, then no fees of any kind will be due to Gene Waas and Jimmy Cooper by either Law Firm or Client.

Should suit be filed, Client understands that in the event that an adverse result occurs, Client may be responsible for costs incurred by opposing party(ies) and in some cases, attorney fees.

The parties hereto further agree that Law Firm is not obligated to represent Client in any appeal if Client does not prevail. If Client prevails Law Firm agrees to represent Client in first round of appeals under the terms of this agreement if award to Client is in excess of one million dollars or potentially could be valued in excess of one million dollars.

Client agrees that Law Firm will have a lien on any funds received by way of settlement or judgment to the extent of its contingency fees and mutually agreed upon reasonable direct costs not paid by client.

Client agrees to assist and cooperate with the Law Firm to the extent it is requested to do so by the Law Firm. Client further acknowledges that should Client fail to so assist and cooperate with the Law Firm, the Law Firm shall have the right to cancel this agreement.

Client understands that there are some types of cases in which attorneys' fees may be awarded by a court to a party. Should Client's case be one of those types of cases, and should a court

award attorneys' fees in Client's behalf, then Client acknowledges and understands that they will be responsible for the difference, if any, between the attorneys' fees established by this Agreement and such attorneys' fees as may be awarded and recovered in this matter.

Law Firm is hired to represent Client in the aforesaid matter only. Law Firm does not undertake to represent Client on other matters, or to represent any related interest or parties. Law Firm may represent Client with adverse interests in unrelated matters.

This agreement does not include the Law Firm providing any tax advice to Client, and Client may not rely on the Law Firm for tax advice on any aspect of Client's case, including, but not limited to: (1) tax implications of settlement proceeds or verdict proceeds; (2) deductibility of attorneys' fees or costs. Client should consult with a tax advisor on all such issues.

Each party to this contact agrees to be solely responsible for any and all taxes from any entity assessed on the amount of the individual proceeds the party individually receives under this agreement.

This is the entire agreement between Law Firm and Client and can be amended by signed writing only.

In the event the Law Firm is dismissed by Client, Law Firm shall be paid per *quantum meruit*.

WITNESS our hands and seals this 27th day of May, 2005.

James B. Spencer

John R. Rakowsky
Attorney at Law

Mark W. Hardee
Attorney At Law

Ron Serota
Attorney at Law

Addendum to
Contract of Representation
(Contingency Fee Agreement)
Executed on or about May 27, 2005
Between "Law Firm" and "Clients"
Regarding case Number 02-1859
As listed on the Docket of the Florence Division
of the South Carolina Federal District Court

This addendum is necessitated by the withdrawal of Mark Hardee from the Law Firm (Law Firm as defined within the Contract of Representation) and Mark Hardee's release of any and all claims against any potential recovery in this case.

Adrian L. Falgione, Attorney at Law, has replaced Mark Hardee and as such under the terms of his retention, Mr. Falgione shall be entitled to the specific funds Mark Hardee would have received under the terms of the Contract of Representation executed between Clients and Law Firm and assumes the associated responsibilities formerly performed by Mark Hardee under the terms and conditions of the Contract of Representation as of November 15, 2006, the date the Motion for the Substitution of Counsel was filed with the Court.

This Addendum has no effect on any and all terms and conditions of the Contract of Representation executed on or about May 27, 2005, between the Law Firm and the Clients. This Addendum is a confirmation of the agreement to retain Adrian Falgione as counsel and compensate Mr. Falgione with the funds that would have gone to Mark Hardee under the terms of the Contract of Representation whom Mr. Falgione replaced.

This Addendum is mutually agreed to by the Law Firm, James B. Spencer and Adrian Falgione.

This 1st day of February, 2007

John R. Rakowsky as
Lead counsel, for the
Law Firm

James B. Spencer

Notary
My Commission Expires February 5, 2007

Adrian Falgione
Attorney at Law

This Addendum is mutually agreed to by the Law Firm, Irene Santacroce and Adrian Falgione.

This 1st day of February, 2007

John R. Rakowsky as
Lead counsel, for the
Law Firm

Irene Santacroce

Adrian Falgione
Attorney at Law

Marguerite S Stephens
My Commission Expires
February 6, 2012

This Addendum is mutually agreed to by the Law Firm, Ricky Stephens and Adrian Falgione.

This 1st day of February, 2007

John R. Rakowsky as
Lead counsel, for the
Law Firm

Ricky Stephens

Adrian Falgione
Attorney at Law

Marguerite S. Stephens
My Commission Expires
February 8, 2012

This Addendum is mutually agreed to by the Law Firm, Marguerite Stephens and Adrian Falgione.

This 1st day of February, 2007

John R. Rakowsky as
Lead counsel, for the
Law Firm

Marguerite Stephens

Adrian Falgione
Attorney at Law

This Addendum is mutually agreed to by the Law Firm, Doris Holt and Adrian Falgione.

This 1st day of February, 2007

John R. Rakowsky as
Lead counsel, for the
Law Firm

Doris Holt

Adrian Falgione
Attorney at Law

This Addendum is mutually agreed to by the Law Firm, Southern Holdings, Inc., Nicholas C. Williamson for Southern Holdings, Inc., Nicholas C. Williamson individually and Adrian Falgione.

This 1st day of February, 2007

John R. Rakowsky as
Lead counsel, for the
Law Firm

Nicholas C. Williamson
as CEO and Chairman of
of Southern Holdings, Inc.

Adrian Falgione
Attorney at Law

Nicholas C. Williamson
Individually

Irene Santacroce
Corporate Secretary

Marguerite L. Stephens
My Commission Expires
February 8, 2012

Dan R. Gatz, Notary
My Commission Expires February 8, 2007

EXHIBIT "B"
Page 1 of 4

Ballard
Watson Weissenstein
PERSISTENT. UNWAVERING.

Desa Ballard
Harvey M. Watson III
Stephanie Weissenstein
Attorneys at Law

Post Office Box 6838 | West Columbia, SC 29171
226 State Street | West Columbia, SC 29169 | ph 803.796.9299 | fx. 803.796.1066 | desaballard.com

Thursday, September 15, 2011

Via U.S. Mail and Email
James Spencer
7001 Saint Andrews Road
Box 183
Columbia, SC 29212

Re: *John Rakowsky vs. Adrianne Falgione, et al*
Case No: 2008-CP-40-6656

Dear Mr. Spencer:

In response to the multiple copies of your letter dated September 11, I assure you that snide remarks and attempts to harass counsel will not bear fruit. Our position as to your discovery requests has been made clear to you, on several occasions. Nevertheless, attached hereto is another copy of the accounting of the funds in trust.

Sincerely yours,

Stephanie Weissenstein

Stephanie Weissenstein
stephanie@desaballard.com

c. John Rakowsky
Adrian Falgtione

(ATTACHMENT)

EXHIBIT "B"
Page 2 of 4

Deposits.....$ 67500.00

Expenses: Thru 8/01/06

S. Smith..... 1250.00

postage..... 23.65

Forensic Analysis (S.Cain)..... 11000.00

R. Serota (Expenses).....1050.00

Equipment.....613.00

Copies.....28.50

Copies/Ikon.....315.15

M. Hardee.....150.00

Garber Reporting.....379.45

Garber Reporting.....508.80

Copies/Ikon.....418.49

Copies/Ikon.....69.63

Copies/Ikon.....50.65

Copies/Ikon.....73.22

J. Spencer (Personal Advance).....2500.00

Kim Sellers.....1980.00

Clerk of Court./ Jury Info Misc.....175.00

Ct. Of Appeals.....170.00

Long Distance.....78.53

Marybeth Coller.....2055.00

Eugene Chewning.....6306.25

Glenn Harrison.....2646.18

Federal Court.....175.00

Postage 37.00

Glenn Harrison.....6094.00

J. Spencer (Personal Advance).....5000.00

Long Distance.....170.55

Misc Supplies.....128.28

Copies/Ikon.....365.30

Long Distance..... 374.50

Gibson Moore Appellate Services.....361.28

Sub Total Expenses Thru 8/01/06.....$44547.41

8/01/06 Balance..... $22,952.59

Allen Geoghgan.....500.00

Misc. Supplies..... .97.50

J. Spencer (Personal Advance).....1500.00

Long Distance.....76.73

John O'Leary.....3000.00

Forensic Tape Analysis..Steve Cain.....900.00

Long Distance.....37.38

J. Spencer 1200.00

Adrian Falgione..Copies.....600.00

John Rakowsky...Travel Costs.....697.50

M & M Document Center.....117.13

Supplies, Binders, Copies.....315.00

Al Cannon.....800.00

Adrian Falgione..Long Distance.....650.00

Southern Reporting.....283.40

Spectrum Reporting.....100.00

Rose Reporting.....291.20

Creel Reporting.....100.00

Spectrum Reporting.....445.00

Williams Reporting.....144.00

Spectrum Reporting.....135.50

John O'Leary.....1106.40

Sub Total Expenses Thru 9/01/07.....$13,096.74

Balance on Account for James Spencer.....$9,855.85

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND Case No. **2008-CP-40-6656**

John R. Rakowsky,

Plaintiff,

v.

Adrian L Falgione, James Spencer, The Estate of Doris Holt, Rodney Lail, Irene Santacroce, Marguerite Stephens, Ricky Stephens, Horry County, South Carolina.

Defendants.

EXHIBIT "C"

Declaration

1. The information in this declaration is based on my personal knowledge.

2. I drafted the attached representation agreement and addendum at both John Rakowsky's and Adrian Falgione's respective requests.

3. I was present when John Rakowsky executed the representation agreement and Adrian Falgione executed the representation addendum.

4. When John Rakowsky and Adrian Falgione executed the representation agreement and addendum respectively they each indicated that they understood and agreed to the terms of the representation agreement.

5. It was my intent in drafting the agreement and all signatories understood that John Rakowsky and any other attorney who represented the plaintiffs in the underlying case were not to receive any compensation if the direct costs of litigation exceeded the recovery from the defendants in the underlying case.

6. It was my intent as the drafter of the representation agreement that John Rakowsky and any attorney who unilaterally resigned from representing the plaintiffs was not entitled to receive any compensation under the terms of the agreement that is executed and attached to this declaration. This was understood by all the attorneys at the time of their execution of the representation agreement and/or addendum.

Affiant further sayeth naught.

I affirm that the above is true to the best of my knowledge and recollection under penalty of perjury.

This January 24, 2014.

By:

James Spencer
Suite 183
7001 Saint Andrews Rd.
Columbia, SC 29212

CERTIFICATE OF SERVICE

I, Michael Sribnick hereby certify that the foregoing **OBJECTION TO PLAINTIFF RAKOWSKY'S CLAIM AGAINST INTERPLED FUNDS** has this day been served on the following person(s) by either mail, fax or electronic transfer a true and correct copy, as follows:

Stephanie Weissenstein, Esquire
Ballard Watson Weissenstein
PO Box 6338
West Columbia, SC 29171

Adrian Lee Falgione
Law Offices of Adrian Lee Falgione, LLC
P O Box 277
Lexington, SC 29071

Andrew F. Lindemann
Davidson & Lindemann, P.A.
PO Box 8568
Columbia, SC 29202

Estate of Doris Holt
Suite 183
7001 Saint Andrews Road
Columbia, SC 29212

Marguerite Stephens
207 Deer Trace Circle
Myrtle Beach, SC 29588

Ricky Stephens
207 Deer Trace Circle
Myrtle Beach, SC 29212

James Spencer, *Pro Se* Defendant
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

2014 JAN 30 PM 1:31

This 26th day of January, 2014.

Michael G. Sribnick, M.D., J.D., LLC
3 Kenilworth Avenue
Charleston, S.C. 29403
Phone: (843) 789-3504
Fax: (843) 720-8907
michael.g.sribnickmdjdllc@gmail.com

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND Case No. **2008-CP-40-6656**

John R. Rakowsky,	
Plaintiff,	
v.	
Adrian L. Falgione, James Spencer, Estate of Doris Holt, Rodney Lail, Irene Santacroce, Marguerite Stephens, Ricky Stephens, Horry County, South Carolina,	
Defendants.	

2011 DEC 20 PM 4:25

CERTAIN DEFENDANTS'[1] EXPEDITED MOTION FOR SANCTIONS PURSUANT TO RULE 11(a) OF THE SOUTH CAROLINA RULES OF CIVIL PROCEDURE

COME NOW Certain Defendants, and move for sanctions under Rule 11(a) of the South Carolina Rules of Civil Procedure against Stephanie Weissenstein, Esquire (hereinafter referred to as "Weissenstein") and/or Plaintiff John Rakowsky.

[1] Ricky Stephens, *Pro Se*, Irene Santacroce, *Pro Se*, Marguerite Stephens, *Pro Se*, James Spencer, *Pro Se*, Rodney Lail, *Pro Se and* the Estate of Doris Holt, *Pro Se* hereinafter referred to as the "stigmatized defendants".

POINTS AND AUTHORITIES

Discussion

I. INTRODUCTION

In **July of 2007**, Plaintiff John Rakowsky unilaterally resigned from representing the "stigmatized defendants", and Southern Holdings, Inc., (hereinafter "former clients") which comprise all the known clients of Plaintiff John Rakowsky and Defendant Adrian Falgione in the litigation of *Southern Holdings, Inc., et al. vs. Horry County*, et al. **Case No: 02-CV-01859-RBH ("Southern Holdings")**. The former clients in the Southern Holdings case jointly requested in writing a return of any and all the remaining litigation funds[2] in a manner to be determined and directed by Defendant James Spencer (hereinafter "Spencer").[3] The remaining litigation funds is the subject of this Rule 11(a) Motion for Sanctions.

Additionally, the former clients requested a "full accounting" of all the litigation funds provided to Plaintiff John Rakowsky. Such a "full accounting" is required under

[2] Rakowsky interpled funds composed of $55,000.00 of disputed pseudo settlement funds and $9,855.00 of **undisputed remaining litigation funds**. The **undisputed $9,855.00 of remaining litigation funds** have been jointly sought by all the former clients including the "stigmatized defendants" without a scintilla of dispute amongst them since Rakowsky unilaterally resigned from representation of the former clients in July 2007.

[3] Furthermore, the three non party providers of funds to the former clients (LawMax, Lit Funding and Resolution Settlement Corporation had **unconditionally and contractually** released any claims on any remaining litigation funds that they had advanced in accordance with the terms of their contacts to advance the funds. All three contracts respectively were initiated and executed by Plaintiff John Rakowsky.

Rules 1.15(e) and/or 1.16(d) of the South Carolina Rules of Professional Conduct. [4] No funds or accounting were ever received.

In **August of 2007,** the former clients again jointly requested in writing the return of the remaining litigation fees to be handled as directed by Spencer and a "full accounting" of all the litigation funds provided to Plaintiff John Rakowsky and Defendant Adrian Falgione for the litigation of the Southern Holdings case. No funds or accounting were received.

In **January of 2008**, Defendants Spencer and Doris Holt once again requested in writing the return of the remaining litigation fees and a "full accounting" [5] of all the litigation funds provided to Plaintiff John Rakowsky and Defendant Adrian Falgione for the litigation of the Southern Holdings case, as required under Rules 1.15(e) and/or 1.16(d) of the South Carolina Rules of Professional ethics. No funds or accounting were received.

On **February 21, 2008**, in response to Defendants' requests for return of the remaining litigation funds and an accounting of funds provided to Plaintiff Rakowsky and Defendant Falgione, Weissenstein's law firm filed an *ex-parte* motion to interplead the remaining litigation funds in South Carolina Federal District Court in the case captioned *Southern Holdings, Inc., et al. vs. Horry County, et al.* Case No: 02-CV-01859-RBH **(See Docket #596).** Weissenstein's law firm wrongfully claimed that Plaintiff Rakowsky did not

[4] The scope of former clients' rights for a "full accounting" is defined under Rule 417 of the South Carolina Judicial Department **(See Exhibit "A").**

[5] Ibid.

know which client that he represented in the Southern Holdings case was to be paid the remaining $9,855.00 of litigation funds.

On **February 22, 2008**, unaware of the *ex-parte* filing, Defendant Spencer requested for a fourth time in writing the return (a carbon copy sent to Bruce Benson, the CEO of Resolution Settlement Corporation) of the residual litigation funds provided by RSC and an accounting of all the funds provided to Plaintiff John Rakowsky and Defendant Adrian Falgione for the litigation of the Southern Holdings case. **(See Exhibit "B".)**

On **August 12, 2008**, the South Carolina Federal District Court denied Weissenstein's firm's *ex-parte* motion related to the interpleading of the remaining litigation funds (**See Docket #666**). After learning of the denial by the Federal District Court, each and every one of the "stigmatized defendants" called Plaintiff Rakowsky's office to request a return of the $9,855.00 in remaining litigation funds per their previous written instructions and to request an accounting of the disposition of all the litigation funds. Plaintiff Rakowsky, who answers his own telephone, refused to talk to each and every former client and hung up on each of them without comment when he was informed who was calling.

On **August 22, 2008,** attorney Weissenstein and/or her firm informed Defendant Spencer by mail that she had taken control of the remaining litigation funds and informed Defendant Spencer that he and the other former clients of John Rakowsky and Adrian Falgione in the Southern Holdings case were not to have any contact with their former attorney, John Rakowsky, and that if Spencer and the other former clients wanted access to

the remaining litigation funds and the financial records, Defendant Spencer and the other former clients of John Rakowsky and Defendant Adrian Falgione[6] would have to bring a lawsuit against John Rakowsky.

On **August 27, 2008**, attorney Weissenstein and/or her firm sent a second letter to Defendant Spencer and Bruce Benson, President of Resolution Settlement Corporation ("RSC"), a provider of litigation funds for Defendant Spencer, stating that RSC, Defendant Spencer and all other former clients in the Southern Holdings case would not be provided an accounting of the litigation funds and to refer to the contents of Weissenstein firm's August 22, 2008, letter referenced herein immediately above.[7]

On **September 12, 2008,** Weissenstein's firm on behalf of Plaintiff Rakowsky filed another Interpleader Complaint, this time in the South Carolina Court of Common Pleas in Richland County, South Carolina, and again wrongfully attempted to interplead the $9,855.00 in remaining uncontested litigation funds. In paragraphs 13 and 19 of the September 12, 2008, Interpleader Complaint, Plaintiff Rakowsky once again **knowingly and baselessly** claimed there were conflicting claims among his former clients in the Southern Holdings case as to who was owed the remaining litigation funds as the basis for interpleading the remaining litigation funds (purported to be $9,855.00 by Plaintiff

[6] Defendant Adrian Falgione has cut off any communication with his former clients in the Southern Holdings case since July 2007.

[7] The former clients of John Rakowsky in the Southern Holdings maintain such an accounting is due under Rules 1.15(e) and/or 1.16(d) of the South Carolina Rules of Professional Conduct and Rule 417 of the South Carolina Judicial Code.

Rakowsky) and, therefore, Plaintiff Rakowsky did not know to which former client(s) those remaining litigation funds should be refunded.[8]

II. PROCEDURAL HISTORY

On or about **October 20, 2008**, all the former clients of Plaintiff John Rakowsky in the Southern Holdings case, jointly filed documents with this Court, stating once again that there were no conflicting claims regarding the disposition of the remaining $9,855.00 in remaining litigation funds. Further, and the former clients again requested the financial documentation related to the disposition of all the litigation funds in the Southern Holdings case provided to John Rakowsky. Despite this notarized documentation being submitted to the Court and to Weissenstein and additionally testimony on the Court record by the former clients during the first hearing on these matters, attended by Weissenstein and Rakowsky, testimony which confirmed that there was no conflict as to the disbursement of the litigation funds[9], Weissenstein and her firm wrongfully continued to refuse to release the $9,855.00 in remaining litigation funds and duly amend Plaintiff Rakowsky's Interpleader Complaint to reflect the fact that there was in fact no conflict regarding the $9,855.00 in litigation funds. **(See Exhibit "C".)**

[8] This is untruthful as all the former clients had consistently directed Plaintiff Rakowsky numerous times regarding what to do with the remaining litigation funds, see previous paragraphs above.

[9] Weissenstein, Rakowsky and the Court were also presented a check for $25,000.00 during this initial hearing which was endorsed by John Rakowsky and deposited into his account from RSC and a copy of the signed notarized contract executed by John Rakowsky with RSC **(See Exhibit D, Pg. 9)** regarding the $25,000.00. John Rakowsky and Weissenstein continue to deny receiving monies from RSC and refuse to provide a full accounting of the litigation monies received and/or answer any discovery whatsoever. **(See Exhibit "D".)**

Over the ensuing years Weissenstein and/or her firm asked for several continuances to amend Plaintiff Rakowsky's Interpleader Complaint. The Interpleader Complaint revisions were needed as the "stigmatized defendants" answers to each successive version of the Interpleader Complaint left Plaintiff Rakowsky with no viable response, so his only alternative was to amend the Interpleader Complaint. [10] As just one example of why such amendments were necessary, John Rakowsky in the first version of his Interpleader Complaint, filed on September 12, 2008, acknowledged that he also represented Linda Williamson Lawrence and Ernest H. Morton in the same Southern Holdings litigation (which was a conflict of interest) and that they also had contributed part of the residual $9,855.00 in litigation funds. Linda Williamson Lawrence and Ernest H. Morton, realizing this would have been a conflict of interest, petitioned the Court and a Court Order was issued dismissing them out as Defendants in John Rakowsky's Interpleader Complaint on October 20, 2008.

On **December 1, 2009**, Defendant Spencer submitted his first request for production and his first round of interrogatories to Weissenstein to be answered by Plaintiff Rakowsky. Weissenstein failed to respond to the request for production and the interrogatories.

[10] Weissenstein amended the Interpleader Complaint on November 17, 2008, July 28, 2010, and again on December 3, 2010.

On **January 4, 2010,** Defendant Spencer's elderly mother, *Pro Se* Defendant Doris Holt, disappeared from a nursing home. It took 10 months to locate her even with the help of Governor Mark Sanford's Office.

On **July 10, 2010**, Bruce Benson, the CEO of RSC sent a notarized letter to Weissenstein, Spencer and the Court regarding Weissenstein and Rakowsky's refusal to acknowledge and account for the funding provided by RSC in the Southern Holdings case. **(See Exhibit "E".)**

On **January 7, 2011**, Defendant Spencer again submitted both his first request for production and his first round of interrogatories to Plaintiff Rakowsky as Weissenstein stated she never received the first requests for production and interrogatories from Spencer.

On or about **February 10, 2011**, *Pro Se* Defendant Spencer learned from Weissenstein that Plaintiff Rakowsky was not going to respond to the "stigmatized defendants" requests for production and interrogatories. The requests for production were only for documentation concerning the disposition of funds provided by the "stigmatized defendants" who were all former clients of Plaintiff John Rakowsky and Defendant Adrian Falgione. The requested documentation is required to be maintained and made available to clients and/or former clients under Rule 417 of the South Carolina Judicial Code in

conjunction with Rule 1.15(e) and/or 1.16(d) of the South Carolina Code of Professional Conduct.[11]

On **February 10, 2011**, *Pro Se* Defendant Spencer issued a subpoena in error, instead of a motion to compel, for the documents Weissenstein refused to produce despite the repeated requests for production that Weissenstein ignored.

On **February 13, 2011**, *Pro Se* Defendant Spencer had his mother *Pro Se* Defendant Doris Holt admitted to the hospital. Doris Holt subsequently died on February 19, 2011. Defendant Spencer was appointed Administrator of the Estate of Defendant Doris Holt on May 5, 2011.

On **May 11, 2011**, a roster hearing was held before the Honorable Judge George C. James, Jr.[12] In attendance were the "stigmatized defendants", many of whom live over five hours away.

On **June 24, 2011**, Plaintiff John Rakowsky's legal counsel, Weissenstein, filed an *ex-parte* motion for a "date certain" with the Honorable Judge Alison Renee Lee only notifying certain "handpicked" Defendants of the motion. Weissenstein notified only Plaintiff John Rakowsky, Defendant Adrian Falgione, Esquire and Defendant Horry County Counsel, Andrew Lindemann (collectively hereinafter known as the "chosen

[11] The documentation requested including copies of records of disbursements on the former clients behalf, bank statements, and records of deposits and withdrawals of the funds provided for by the "stigmatized defendants" for the litigation of the Southern Holdings case.

[12] Weissenstein, on behalf of Plaintiff John Rakowsky, arose first and requested a continuance as Plaintiff Rakowsky had a conflict in his schedule. The motion for continuance was granted.

handpicked parties").[13] Not notified of the **June 24, 2011** Weissenstein request/motion for a "date certain" were the "stigmatized Defendants".[14] **(See Exhibit "F".)**

On Thursday afternoon at approximately 5:00 PM on **July 7, 2011,** a letter was received by Spencer from Weissenstein's office notifying Defendant Spencer of a Docket Hearing and Trial scheduled for Monday, July 11, 2011, set by the Honorable Judge Lee. Weissenstein's notice was mailed the day before and effectively gave less than three days (only one working day) before the hearing, which effectively prevented Defendant Spencer from properly preparing himself or obtaining a legal counsel for a motions hearing and trial on July 11, 2011. Weissenstein's office's letter further instructed Defendant Spencer that he was charged with notifying the other "stigmatized defendants" of the hearing and trial on July 11, 2011. **(See Exhibit "G".)**

On **July 11, 2011**, despite the "stigmatized defendants" not receiving the required ten days notice,[15] the hearing was held. When Defendant Spencer, Defendant Lail and their lawyer requested a continuance based on the fact they were given inadequate notice and were not prepared and that the other defendants ["stigmatized defendants"] were not

[13] Not coincidently, the "chosen handpicked parties" are comprised of Plaintiff Rakowsky, Esquire and Defendant Falgione, Esquire, who represented the "stigmatized Defendants" in litigation and Andrew Lindemann, Esquire, who represented Defendant Horry County in that very litigation that gave rise to this Interpleader action before this Court case captioned above. **See cc listing on Exhibit "F".**

[14] Weissenstein blatantly lied in her June 24, 2011, ex-parte request for a date certain claiming that Defendant Spencer had requested the continuance on May 11, 2011, because, "some of the defendants would not be available to attend and he requested a continuance."

[15] According to Rule 6 of the South Carolina Rules of Civil Procedures, "A written motion other than one which may be heard ex parte, and notice of the hearing thereof, shall be served not later than ten days before the time specified for the hearing."

even properly notified of the hearing, their request for a continuance was denied by Judge Lee. [16]

On **July 12, 2011**, Defendant Spencer was notified that his subpoenas for records were quashed at the hearing held on July 11, 2011. Obviously, the "stigmatized defendants" were not prepared for the hearing, given the short notice by Weissenstein's office. Additionally, the unwitting "stigmatized defendants" **total lack of knowledge** of the existence of the *ex-parte* motion for a date certain filed by Weissenstein prevented the "stigmatized defendants" from responding to the untruthful and misleading contents of the motion for a date certain submitted to the Honorable Judge Lee by Weissenstein.

On **July 24, 2011**, Defendant Spencer filed a motion to compel the production of a proper accounting that is due to former clients, as specified in Rule 1.15(e) and/or 1.16(d) of the South Carolina Professional Code of Conduct and in Rule 417 of the South Carolina Judicial Code.

On **August 3, 2011**, Judge Seals signed an Order drafted by Weissenstein that claimed that the financial information sought by Defendant Spencer was confidential and was, therefore, not discoverable. However, the financial records Defendant Spencer sought were *solely* related to the litigation funding provided by the former clients to Rakowsky for the litigation of the Southern Holdings case.

[16] Ibid. Judge Lee stated to the unwitting "stigmatized defendants" present she would not allow the defendants ["stigmatized defendants"] to delay this case again. Judge Lee's baseless preconceived notion was apparently due to the untruthful claims by Weissenstein in the *ex-parte motion* for a date certain as the "stigmatized defendants" had never asked for a continuance from the Court of this case at any time.

On **August 22, 2011**, Defendant Spencer filed a Rule 59(e) Motion to amend Judge Seal's order to be in compliance with Rule 1.15 and 1.16 of the South Carolina Rules of Professional Conduct and Rule 417 of the South Carolina Judicial Code, and to both acknowledge and take into account the fact that the *ex-parte* filings were *wrongfully submitted* by Weissenstein both during the hearing and prior to the hearing. The *contents of both ex-parte submissions remain unknown to this date* to the "stigmatized defendants". **(See Exhibit "H".)**

On **September 10, 2011**, Defendant Spencer again resubmitted his first set of interrogatories to Weissenstein as Weissenstein claimed she had not received the previous submissions.

On **September 15, 2011**, a hearing was held before the Honorable Judge Barber on the motion to compel production filed on July 24, 2011. Judge Barber ruled he could not compel production of the financial records as Judge Seals had ruled they were confidential.

During the hearing Plaintiff Rakowsky admitted on the Court record **(See September 15, 2011, transcript, Pg. 22, lines 10 to 19, Pg. 23, lines 8 to 14, Pg. 24, lines 12 to 15)** there were no conflicting claims to the $9,855.00 of residual litigation funds, and Plaintiff Rakowsky further stated on the Court record **(See September 15, 2011, transcript, Pg. 21, lines 1 to 10)** that he had no objection, ***emphasis added,*** to

refunding the [wrongly] interplead $9,855.00 in remaining litigation funds to the Defendants ["stigmatized defendants"]. **(See Exhibit "I")**

On **October 12, 2011**, Plaintiff Rakowsky submitted responses to Spencer's interrogatories. Plaintiff Rakowsky refused to answer each and every question as Plaintiff Rakowsky baselessly claimed that Judge Barber had orally ruled against discovery being conducted in this litigation. In that regard, Weissenstein also had deliberately drafted a proposed Order for Judge Barber to sign regarding the September 15, 2011, hearing that *wrongfully included a ruling against discovery, a ruling that Judge Barber never issued. The topic of not allowing discovery was not even discussed by any participant during the hearing.* **(See Exhibit "J".)**[17]

On **October 18, 2011**, Judge Barber issued his Order regarding the September 15, 2011 hearing. The Order *did not include Weissenstein's wrongful statement that Judge Barber had ruled against discovery in this case.* Weissenstein previously used this wrongful claim as the rationale for not answering the interrogatories (See October 12, 2011, herein). **(See Exhibit "K".)**

On **November 1, 2011,** Defendant Spencer received Judge Barber's Order. Defendant Spencer subsequently emailed Weissenstein and respectfully asked her to amend her answers to the interrogatories. Weissenstein refused to amend any answer,

[17] Weissenstein's document in response is both addressed to the wrong Defendant and is filled with typographic and other errors made by Weissenstein that make the questions asked by Defendant difficult to understand in some instances. The typographical and other errors were not in the interrogatories submitted by Spencer to Weissenstein.

including ones that had to do solely with the background and experience of Plaintiff Rakowsky, claiming *she, Weissenstein, was standing by her responses irrespective of Judge Barber's **executed** Order.* Ignoring Judge Barber's Order, Weissenstein refused to amend her refusal to answer every interrogatory question based upon Weissenstein's manifestly wrongful claim that Judge Barber had ruled against discovery in this case.

Additionally, on November 1st Defendant Spencer again respectfully asked Weissenstein to release the undisputed $9,855.00 in litigation funds that she was wrongfully trying to interplead and had wrongfully been withheld by Plaintiff John Rakowsky since July of 2007. Plaintiff Rakowsky, Weissenstein's client, agreed to return the $9,855.00 in undisputed litigation funds on the Court Record on September 15, 2011 **(See Exhibit "I")**. Defendant Spencer pointed out to Weissenstein her refusal to return the uncontested litigation funds ***emphasis added*** was in clear violation of Rule 22 of the South Carolina Rules of Civil Procedure and that if she did not comply, sanctions would be appropriate.

Weissenstein responded that she would not release the undisputed litigation funds of $9,855.00 without a Court Order despite the admission on the Court record by all parties, including her client, that these funds were not in dispute. Weissenstein further stated she was cutting off all communication with Defendant Spencer as she would no longer "dignify Defendant Spencer's requests by a response." **(See Exhibit "M".)**

On **November 4, 2011**, Defendant Spencer was notified that Judge Seals had ruled against his 59(e) motion. On November 22, 2011, Defendant Spencer filed a notice of appeal on the merits of the denial of the 59 (e) motion with the South Carolina Appellate Court.

III. STANDARD OF REVIEW

Pursuant to Rule 11(a) of the South Carolina Rules of Civil Procedure, an attorney filing a written motion warrants that the factual representations have evidentiary support and the motion is not submitted for an improper motive.

> "The signature of an attorney or party constitutes a certificate by him that he has read the pleading, motion or other paper; that to the best of his knowledge, information and belief there is good ground to support it; and that it is not interposed for delay. . . . If a pleading, motion, or other paper is signed in violation of this Rule, the court, upon motion or upon its own initiative, may impose upon the person who signed it, a represented party, or both, an appropriate sanction, which may include an order to pay to the other party or parties the amount of the reasonable expenses incurred because of the filing of the pleading, motion or other paper, including a reasonable attorney's fee." *Southeastern Site Prep, LLC v. Atl. Coast Builders & Contrs., LLC*, 394 S.C. 97, 108 (S.C. Ct. App. 2011).

The counsel has a duty, prior to filing a document, to conduct an examination of the facts alleged in that document.

> "Any person who takes part in the procurement, initiation, continuation, or defense of civil proceedings must be considered to have acted to secure a proper purpose as stated in item (1) of Section 15-36-10 if he reasonably believes in the existence of the facts upon which his claim is based and (1) reasonably believes that under those facts his claim may be valid under the existing or developing law; or . . .(3) believes, as an attorney of record, in good faith that his procurement, initiation, continuation, or defense of a civil cause is

> not intended to merely harass or injure the other party. See *Southeastern Site Prep, LLC v. Atl. Coast Builders & Contrs., LLC*, 394 S.C. 97, 108 (S.C. Ct. App. 2011).

Further, The South Carolina Federal District Court maintains that,[18]

> "In order to determine 'improper motive' under Rule 11, a court must judge the attorney's conduct under an objective standard of reasonableness rather than assessing subjective intent."
> *Fahrenz v.Meadow Farm I''ship*, 850 F.2d 207, 210 (4th Cir. 1988).

IV. DISCUSSION

The "stigmatized defendants" contend that Weissenstein, Counsel for Plaintiff Rakowsky, failed to determine if there were true conflicts between the "stigmatized defendants" as to who paid in the litigation funds and how the funds were to be refunded to the "stigmatized defendants", causing Plaintiff Rakowsky to wrongfully continue to withhold the funds since he unilaterally resigned from the Southern Holdings case in July of 2007. The funds and an accounting of which should have been tendered on or about the date of his resignation in July 2007, neither of which Plaintiff Rakowsky has provided to date. Weissenstein continues to wrongfully attempt to interplead the remaining litigation funds despite the fact that Plaintiff Rakowsky had already put on the Court record that there was no conflict regarding the disbursement of the $9,855.00 and that he had no objection to refunding the $9,855.00 to the defendants ["stigmatized defendants"].

[18] Plaintiff Rakowsky tried unsuccessfully to first interplead the litigation funds in South Carolina Federal District Court.

Moreover, Weissenstein stated on the Court record during the September 15, 2011, hearing that, "the account records as required by Rule 417 and Rule 1.15 have been created"[19] ***emphasis added***. If such was the case, *then there would have been no dispute as to the disposition of the $9,855.00 in remaining litigation funds* as the required records under Rule 417 would clearly identify the contributor of the funds and the directions as to how the remaining litigation funds of $9,855.00 were to be distributed. Therefore, either the records were not kept according to Rule 417, which is a violation of the Judicial Code by Weissenstein's client, Rakowsky, or the records would reveal both the documentation of agreement of the disbursement of the remaining $9,855.00 of litigation funds and also the disposition of the $60,000.00 in funds that have not been accounted for by Plaintiff Rakowsky. Under either alternative, and there appears to be no other legitimate explanation, the $9,855.00 in litigation funds was wrongfully interpled by Weissenstein, in a clear violation of Rule 11(a).

This wrongful action is further compounded by Plaintiff Rakowsky's refusing to produce, since July 2007, what should otherwise be benign financial records on the disposition of the litigation funds in the Southern Holdings case. The interpleading of the remaining litigation funds was not accomplished by Plaintiff Rakowsky and Weissenstein because there is a legitimate dispute as to the disposition of the remaining litigation funds, but rather, apparently, to wrongfully delay and withhold needed litigation funds

[19] See September 15, 2011 hearing transcript, Pg. 11, lines 14 and 15. **(See Exhibit "N".)**

that put a financial litigation roadblock in the path of the indigent "stigmatized defendants." This unjustified roadblock by Rakowsky and Weissenstein furthers their effort to keep the truth from being known about the disposition of the alleged missing $60,000.00 and/or the lack of proper record keeping under Rule 1.15(e) and 1.16(d) as defined by Rule 417 by Plaintiff Rakowsky.

Even when taken in the most favorable light to Weissenstein, Weissenstein failed to establish the validity of the representations she made to the Court by conducting a reasonable investigation as to whether there was, in fact, a dispute among the former clients as to the disposition of the residual litigation funds. A proper review of the records (Rule 417)[20] by Weissenstein would have revealed that all of the former clients of Plaintiff John Rakowsky in the Southern Holdings case had made it known there was no dispute as to the disposition of the litigation funds of $9,855.00. Without reviewing the records, Weissenstein and/or her firm filed the Interpleader action in South Carolina Federal District Court wrongfully including the $9,855.00 in 2008. Weissenstein's deliberately wrongful actions regarding the litigation funds are violations of Rule 11(a) of the South Carolina Rules of Civil Procedure and the *ex-parte* attempt to interplead the undisputed $9,855.00 in litigation funds in South Carolina Federal District Court was a violation of Rule 11 of the Federal Rules of Civil Procedure. Weissenstein, to further her cause of keeping the litigation funds and the related financial records out of the hands of

[20] Ibid.

the "stigmatized defendants", also took the following unethical actions to further illegitimately tie up the $9,855.00[21] of remaining litigation funds: **(1)** presented *ex-parte* evidence with Judge Lee and Judge Seals, respectively, the contents of which have been sealed by the Court and the contents of which are unknown to the "stigmatized defendants" to this date, **(2)** filed an *ex-parte* motion for a date certain containing untruthful claims about the "stigmatized defendants" delaying the case, **(3)** gave the "stigmatized defendants" notification of effectively less than three days, (including two weekend days), for a hearing set up by Weissenstein's wrongful filing of what is essentially an *ex-parte* motion for a date certain, **(4)** during the hearing on July 11, 2011, a hearing that resulted from the *ex-parte* filing for a date certain, Weissenstein wrongfully submitted *ex-parte* evidence to Judge Seals, resulting in Judge Seals ruling that an accounting of funds required to be given to clients and/or former clients under Rule 1.15 and/or Rule 1.16 of the South Carolina Rules of Professional Conduct and Rule 417 of the South Carolina Judicial Code was going to be denied to "the stigmatized defendants", **(5)** based on that unethically obtained ruling, Weissenstein unilaterally expanded the scope of Judge Seal's Order and refused to participate in any discovery of any nature with the "stigmatized defendants" despite multiple requests for production and interrogatories that had been submitted years prior to and after the July 11, 2011 hearing; **(6)** During the September 15, 2011 hearing, Weissenstein for the first time, produced a document she

[21] A figure claimed to be accurate by Weissenstein and Plaintiff Rakowsky again on the Court record as of September 15, 2011, but which both the Court and the "stigmatized defendants" are left to accept on face value.

claimed was the only accounting of the litigation funds due to the "stigmatized defendants." This so called "accounting" had no supporting original documents and was at best inadequate by any accounting standard. Further, the total monetary figure that Weissenstein produced regarding the litigation funding Rakowsky received differed by approximately $60,000.00 from the total that one calculates when using independent third party records in the hands of the "stigmatized defendants."

Weissenstein claims she had assembled all the records required under Rule 1.15 and Rule 417 under the South Carolina Judicial Code. However, without citing any legal basis, Weissenstein claimed that such records were not required to be turned over to clients or former clients of an attorney. Weissenstein clearly did not research the law as required under Rule 11(a) and Weissenstein's lack of research has been repetitive over the years as evidenced by her continued presentation of legally unsupported positions. Weissenstein's legally unsupported refusal to produce the financial records including countless motions she signed denying access to the financial records over the years is, taken in the best light for Weissenstein, *prima facie* evidence of a lack of research of the applicable law, research which is required under Rule 11(a).

Subsequent to the September 15, 2011, hearing, Weissenstein refused to allow her client to answer interrogatories submitted by *Pro Se* Defendant Spencer, untruthfully claiming that Judge Barber had ruled against discovery in this Interpleader case. Additionally, Weissenstein untruthfully claimed that Judge Seals had ruled the

information asked for in the interrogatories was confidential financial information. However, the interrogatory questions were reasonable and appropriate under Judge Seals's order since they on their face did not pertain to confidential financial information. In fact, the questions merely requested that Plaintiff Rakowsky divulge standard background, legal experience and other related factual information.

The Honorable Judge Barber's subsequent issuance of his Order clearly documenting that he did not rule against discovery in this case on September 15, 2011, was stridently ignored by Weissenstein as she, apparently unaffected by the Order, refused to amend her non-answers to the interrogatory questions based on her wrongfully invoking an Order Judge Barber never issued. Her only overt response to Judge Barber's Order was Weissenstein's cutting off all communications with *Pro Se* Defendant Spencer, claiming she would no longer dignify any of Spencer's contacts with a response which is clearly exhibited by Weissenstein's refusal to clarify her position to date as requested by Spencer on November 1, 2011. **(See Exhibit "M".)** The "stigmatized defendants" maintain that Weissenstein's unilateral cutting off of communications primarily reflects the notion that would be evident to the objective observer that Weissenstein is symbolically throwing her hands up and acknowledging that she is in a legally untenable situation that is of her own making.

Weissenstein unwittingly documented her own glaring violation of Rule 11(a) during the September 15, 2011 hearing. Weissenstein stated on the Court record she did

not know that the ["stigmatized defendants"] (the only parties with claims on the $9,855.00) had all concurred that there was no dispute among them as to the disposition of the $9,855.00 and that the funds were to be sent to the trust account of attorney James Young. Weissenstein untruthfully stated on the Court record, *"This is the first we heard of it your honor."*[22]

However, on October 20, 2008, the "stigmatized defendants" filed a document with the Court and with Weissenstein where the document had the exact same information Weissenstein claimed she never heard of, **(See Exhibit "C")**. Weissenstein also had no justifiable answer for interpleading the undisputed litigation funds of $9,855.00 during the ensuing motions hearing on the "stigmatized defendants" motion filed October 20, 2008. This hearing was attended both Plaintiff Rakowsky and Weissenstein.

Despite Weissenstein being present at the September 15, 2011 hearing, when all parties admitted on the Court record there was no dispute over the litigation funds, Weissenstein wrongfully continues to this date to refuse to release the $9,855.00. It has been over four years since the "stigmatized defendants" first requested the release of the remaining litigation funds from Plaintiff John Rakowsky (July 2007) and the former clients should have received the remaining litigation funds forthwith at that time. The requests and releases showing there was no dispute regarding the remaining ligation funds are the same information and releases that Ms. Weissenstein and Plaintiff

[22] Transcript of September 15, 2011 hearing, Pg. 23, lines 11 and 12. **(See Exhibit "I".)**

Rakowsky have refused to acknowledge numerous times both during and since July of 2007 even though her client has put on the Court record he has no objection to the return of the $9,855.00 of litigation funds. In 2008 Plaintiff Rakowsky contrived a conflict among his former clients for not releasing the remaining litigation funds and Weissenstein facilitated the contrivance by the aforementioned wrongful actions of twice interpleading the remaining litigation funds. However, Weissenstein's lies, or taken in the best light, her lack of reading the documentation clearly showing there was no dispute regarding the disposition of the $9,855.00 in remaining litigation funds finally, by Weissenstein's own admission on the Court record, caught up with her during the September 15, 2011 hearing when she stated, *"This is the first we heard of it your honor."*[23]

Given the aforementioned actions by Weissenstein, the "stigmatized defendants" have been left with no choice but to file this Rule 11(a) motion for sanctions for the unethical acts, misuse of judicial process, knowingly filing untruthful pleadings and outright lying on the Court record by Weissenstein regarding the remaining litigation funds and the damages incurred by the "stigmatized defendants" in their attempts to regain possession of the ($9,855.00) in remaining undisputed litigation funds. The $9,855.00 should have immediately been turned over to the "stigmatized defendants" along with a proper accounting of the litigation funds (in accordance with Judicial Rule

[23] Ibid.

417) when Plaintiff John Rakowsky unilaterally resigned from the Southern Holdings case in July 2007 under Rule 1.16(d) of the South Carolina Rules of Professional Conduct.

V. LEGAL BASIS FOR RULE 11(a) SANCTIONS

The Supreme Court of South Carolina has long established an attorney's responsibility to produce financial documents to a client and/or former client under Rule 1.15(d), in conjunction with Rule 417. *In re Mayer*, 391 S.C. 621, 625 (S.C. 2011), the Court found:

> "...in a lawyer's possession in connection with a representation separate from the lawyer's own property; funds shall be kept in a separate account; complete records of such account funds and other property shall be kept by the lawyer and the lawyer shall comply with the financial recordkeeping requirements of Rule 417, SCACR); Rule 1.15(d) upon receiving funds or other property in which a client or third person has an interest, a lawyer shall promptly notify the client or third person, except as stated in Rule 1.15 or otherwise permitted by law or by agreement with the client, promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive and, upon request by the client or third person, promptly render a full accounting regarding such property);"

Weissenstein's wrongful refusal to participate in discovery by refusing to produce documents and answer interrogatories has prevented Plaintiff Rakowsky's former clients the ("stigmatized defendants") from obtaining information relevant to actions taken by their former counsels Plaintiff John Rakowsky and Defendant Adrian Falgione in the Southern Holdings case.

Weissenstein did not investigate the baseless claims by Plaintiff Rakowsky concerning there being a dispute over who deposited the litigation funds and a related dispute existing over who should receive the remaining $9,855.00 in litigation funds. Even a casual review by Weissenstein would have proven that the "stigmatized defendants" produced documents showing there were no conflicting claims on the $9,855.00 in litigation funds among the former clients. Furthermore, the fact that there were no conflicts over the $9.855.00 among the "stigmatized defendants", the only parties who could have legitimate claims on the litigation funds, was put on the Court record by all parties including Weissenstein's client, Plaintiff Rakowsky, making it clear Weissenstein that misused the judicial process by using the Interpleader lawsuits to wrongfully withhold the remaining undisputed litigation funds. This misuse of the Courts by Weissenstein must be addressed by Rule 11(a) Sanctions.

In *Runyon v. Wright*, 322 S.C. 15, 17-18 (S.C. 1996), the South Carolina Supreme Court heard the case of the judicial misuse of an Interpleader action, the South Carolina Supreme Court found:

> "Under S.C. R. Civ. P. 11(a), a party and/or the party's attorney may be sanctioned for filing a frivolous pleading, motion, or other paper, or for making frivolous arguments. The party and/or attorney may also be sanctioned for filing a pleading, motion, or other paper in bad faith (i.e., to cause unnecessary delay) whether or not there is good ground to support it. The sanction may include an order to pay the reasonable costs and attorney's fees incurred by the party or parties defending against the frivolous action or action brought in bad faith, a reasonable fine to be paid to the court, or a directive of a nonmonetary nature designed to deter the

> party or the party's attorney from bringing any future frivolous action or action in bad faith. Further, if appropriate under the facts of the case, the court may order a party and/or the party's attorney to pay a reasonable monetary penalty to the party or parties defending against the frivolous action or action brought in bad faith. Rule 11(a)."
>
> *Runyon v. Wright,* 322 S.C. 15 (S.C. 1996).

In viewing this matter in a light most favorable to Plaintiff's Counsel, Weissenstein neglected to review the relevant documents or research the applicable law and took unethical actions including, but not limited to, the submission of *ex-parte* evidence and knowingly both filing untruthful statements with the Court and also making untruthful statements on the Court record. This failure is particularly egregious given that the *Pro Se* "stigmatized defendants" are disabled and indigent. This misuse of the law and abuse of the legal process is at the very least unconscionable and is meant to harm the right of the "stigmatized defendants" to find out the truth regarding the actions of Plaintiff Rakowsky and Defendant Falgione, in the Southern Holdings case, including, but not limited to, what happened to the unaccounted for estimated $60,000.00 in litigation funds in that case. Weissenstein's interpleading of $9,855.00 that Plaintiff Rakowsky claims remains of the litigation funds is clearly an action a reasonable attorney would not have taken. The stated rationale of there being a dispute among the former clients for including the litigation funds in the Interpleader actions was and is baseless.

What is not baseless is the fact that Plaintiff Rakowsky and Weissenstein knew by their own statements on the Court record that they excluded the RSC funding of the

Southern Holdings lawsuit in their accounting reconciliation. Plaintiff Rakowsky's and Weissenstein's refusal to provide what should have been benign accounting records as to the disposition of the litigation funds can only be motivated by the fact that they knew that the funds were either mishandled and/or misappropriated. At the very least there has been a misuse of the judicial process by Rakowsky and Weissenstein by their prevarication to the Court that all the companies that advanced funds were named, a lie they both maintained despite being presented with irrefutable evidence to the contrary, evidence consisting of an executed and notarized funding contract signed by Plaintiff Rakowsky with RSC and a check from RSC deposited in John Rakowsky's bank account endorsed by Plaintiff Rakowsky himself. **(See Exhibits "D" and "E".)**

On, September 15, 2011, Plaintiff Rakowsky stated on the Court record, *"So that's why we* [Weissenstein and Rakowsky] *named them all* [the lending companies]. *There were a couple of funding organizations that Mr. Spencer contacted that they paid money in to help fund the procedure of the case or the forwarding of the case."* [24] The only lending companies ever named in this Interpleader action by Weissenstein and Rakowsky were LawMax and Lit Funding. Nevertheless Weissenstein stated on the Court record on September 15, 2011, that the Rule 417 accounting requirements had been met. If that were true, the fact that Weissenstein had already been presented both the contract Rakowsky signed with RSC and also a copy of the check from RSC that Rakowsky

[24] September 15, 2011, hearing transcript, Pg. 16, lines 3 - 12. **(See Exhibit "O".)**

deposited into his account, provides *prima facie* evidence that Weissenstein is arrogantly misusing the judicial process to either cover up the diversion of an estimated $60,000.00 of litigation funds for Rakowsky's personal use, and/or is misusing the judicial process to cover up the lack of required record keeping by John Rakowsky or some combination of both. Weissenstein's deliberately unethical actions and misuse of judicial process demonstrate that Weissenstein rightly or wrongly believes she is invulnerable to any repercussions by the Court in this case, ***emphasis added***.

VI. CONCLUSION

For the reasons set forth above, DEFENDANTS humbly request that their Motion for Sanctions, Pursuant to Rule 11(a) of the South Carolina Rules of Civil Procedure, be granted including (1) the return forthwith of $9,855.00 with interest compounded at the rate of 12.25%[25] annually from July 30, 2007 to November 30, 2011, for a total of $16,548.26 plus the additional compounded interest due at 12.25% until payment is made in the manner requested by the "stigmatized defendants" in Exhibit "A" above, (2) the repayment of Court costs including, but not limited to, depositions and filing fees of $1,200.00 paid in that same manner, (3) the repayment of the direct cost of legal research during this period incurred by the "stigmatized defendants" of $10,800.00 to be paid as requested by the "stigmatized defendants" in Exhibit "A" above, (4) striking with prejudice

[25] The Wall Street Journal prime interest rate cited for January 2, 2007, the first edition after January 1, 2007, listed the prime rate as 8.25%. Therefore, for the period January 15, 2007, through January 14, 2008, the legal rate of interest for judgments and money decrees is 12.25% compounded annually. *S.C. Code Ann. § 34-31-20*.

any and all of Plaintiffs' objections to the "stigmatized defendants" future discovery requests, regarding Plaintiff Rakowsky's Interpleader action captioned above and any such other actions the Court deems appropriate to deter such misuse of judicial process and the related unethical acts in the future.

This 19th day of December, 2011,

Respectfully submitted by,

Estate of Doris Holt,
Defendant, *Pro Se*
Suite 183
7001 Saint Andrews Road
Columbia, SC 29212

Marguerite Stephens,
Defendant, *Pro Se*
207 Deer Trace Circle
Myrtle Beach, SC 29588

Ricky Stephens, Defendant,
Pro Se
207 Deer Trace Circle
Myrtle Beach, SC 29212

Irene Santacroce, Defendant,
Pro Se
205 Deer Trace Circle
Myrtle Beach, SC 29588

Rodney Keith Lail, Defendant,
Pro Se
PO Box 2753
Myrtle Beach, SC 29588

James B. Spencer
7001 St. Andrews Road
Suite 183
Columbia, SC 29212
803-414-0889

CERTIFICATE OF SERVICE

I, James Spencer, *Pro Se*, defendant do hereby certify that the foregoing **CERTAIN DEFENDANTS' EXPEDITED MOTION FOR SANCTIONS PURSUANT TO RULE 11(a) OF THE SOUTH CAROLINA RULES OF CIVIL PROCEDURE** has this day been served on the following person(s) by either mail, fax or electronic transfer a true and correct copy, as follows:

RICHLAND COUNTY
FILED
2011 DEC 20 PM 4:25
JEANETTE W. McBRIDE
C.C.P. & G.S.

Stephen Weissenstein, Esquire
for Kristin Rakowsky, Plaintiff
Post Office Watson Weissenstein
P.O. Box 6338
West Columbia, SC 29171

Adrian Lee Falgione, Defendant, *Pro Se*
Law Offices of Adrian Lee Falgione, LLC
P O Box 277
Lexington, SC 29071

Andrew F. Lindemann, Esquire
for Defendant Horry County
Davidson & Lindemann, P.A.
PO Box 8568
Columbia, SC 29202

This 19th day of December, 2011.

By: _____
James Spencer, *Pro Se* Defendant
Box 183
7001 Saint Andrews Road
Columbia, SC 29212
(803) 414-0889

Exhibit "A"

RULE 417
FINANCIAL RECORDKEEPING

(a) A lawyer who practices in this state shall maintain current financial records as provided in this rule, and shall retain the following records for a period of six (6) years after termination of the representation:

(1) receipt and disbursement journals containing a record of deposits to and withdrawals from bank accounts which concern or affect the lawyer's practice of law, specifically identifying the date, source, and description of each item deposited, as well as the date, payee and purpose of each disbursement;

(2) ledger records for all trust accounts required by Rule 1.15 of the Rules of Professional Conduct, showing, for each separate trust client or beneficiary, the source of all funds deposited, the names of all persons for whom the funds are or were held, the amount of such funds, the descriptions and amounts of charges or withdrawals, and the names of all persons to whom such funds were disbursed;

(3) copies of retainer and compensation agreements with clients as required by Rule 1.5 of the Rules of Professional Conduct;

(4) copies of accountings to clients or third persons showing the disbursement of funds to them or on their behalf;

(5) copies of bills for legal fees and expenses rendered to clients;

(6) copies of records showing disbursements on behalf of clients;

(7) checkbook registers or check stubs, bank statements, records of deposit, and prenumbered canceled checks or their equivalent;

(8) copies of monthly reconciliations of the lawyer's trust accounts with the statements received from the financial institutions; and

(9) copies of those portions of clients' files that are reasonably necessary for a complete understanding of the financial transactions pertaining to them.

(b) With respect to trust accounts required by Rule 1.15 of the Rules of Professional Conduct:

(1) receipts shall be deposited intact and records of deposit should be sufficiently detailed to identify each item; and

(2) withdrawals shall be made only by check payable to a named payee and not to cash, or by authorized bank transfer.

(c) Records required by this rule may be maintained by electronic, photographic, computer or other media provided that they otherwise comply with this rule and provided further that printed copies can be produced. These records shall be located at the lawyer's principal office in the state or in a readily accessible location.

(d) Upon dissolution of any partnership or limited liability company of lawyers or of any legal

professional corporation, the partners, members or shareholders shall make appropriate arrangements for the maintenance of the records specified in paragraph (a) of this rule.

(e) Upon the transfer or discontinuance of a law practice, the lawyer shall make appropriate arrangements for the maintenance of the records specified in paragraph (a) of this rule.

Exhibit "B"

James Spencer
Suite 183
7001 Saint Andrews Road
Columbia, SC 29212

February 22, 2008

John Rakowsky, Attorney at Law
PO Box 3593
West Columbia, SC 29171
On this date sent via fax (803) 794-2788, email and US Mail

Dear John:

It has come to my attention that there are funds remaining that were advanced to you under my name. In that regard, please forward to me immediately the remaining funds at the above address. This should have been done the moment you no longer were looking after my interests in the lawsuit as at that point I represented my own interests. As you know, the monies were advanced to move forward my interests in the ongoing litigation or for my specific personal use as in the case of Resolution Settlement Corporation.

Additionally, I again request a specific accounting of all the funds that you received. You need not wait to forward the remaining funds to me for this accounting, but please follow up with the accounting as soon as possible.

Sincerely,

James Spencer

Cc: Bruce Benson

Exhibit "C"

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND

John R. Rakowsky, Plaintiff, v. Southern Holdings, Inc., Adrian L Falgione, Law Max Legal Finance, Lit Funding USA, James Spencer, Doris Holt, Rodney Keith Lail, Linda Williamson Lawrence, Ernest H. Morton, Jr., Irene Santacroce, Ronald N. Serota, David Smith, Marguerite Stephens, and Ricky Stephens, Michael S. Hartness, Harold Steve Hartness and Horry County, South Carolina, Defendants.	2008-CP-40-6656

2008 OCT 20 PM 3:40

CERTAIN DEFENDANTS' MOTION FOR COURT TO ORDER THE IMMEDIATE RELEASE OF "LITIGATION" FUNDS AS INSTRUCTED BY ALL DEFENDANT CONTRIBUTORS AS IDENTIFIED BY PLAINTIFF JOHN RAKOWSKY's COMPLAINT FOR INTERPLEADER (2008-CP-40-6656)

NOW COME CERTAIN DEFENDANTS[1] and move the Court to Order Plaintiff John Rakowsky to transfer the residual "litigation" funds into the trust fund of Singleton, Burroughs and Young, PA, to be credited in the name of Irene Santacroce and James Spencer for use as directed by James Spencer. The check should be certified and it

[1] Nicholas Williamson, Doris Holt, Ricky Stephens, Marguerite Stephens, Irene Santacroce, James Spencer, and Rodney Lail.

should immediately be mailed to the above named law firm to the attention of Ms. Patty Davis. The address of the firm is 1303 3rd Ave. Conway, SC 29526.

INTRODUCTION

1. Paragraph 13, found on page 3 of John Rakowsky's Complaint for Interpleader clearly identifies residual funds totaling nine-thousand- eight-hundred- fifty-five dollars ($9,855.00) were deposited by various Plaintiffs into Rakowsky's trust account for costs incurred in the Southern Holdings, et al. v Horry County, et al., case litigation **(See attachment "A").**
2. John Rakowsky has refused numerous requests to provide the signatory Defendants the remaining funds for ongoing litigation purposes in this matter.
3. John Rakowsky has refused numerous requests by the signatory Defendants to identify any conflicting claims to the remaining funds slated for litigation purposes.
4. John Rakowsky has identified individuals as his clients who were not listed as parties to the Southern Holdings, et al., v Horry County, et al., litigation, persons who include Linda Williamson Lawrence and Ernest Morton. John Rakowsky for the first time revealed in his Complaint for Interpleader that he represented the interests of Linda Williamson Lawrence and Ernest Morton in the Southern Holdings, et al., v Horry County, et al. case. Such representation, heretofore unknown by the Plaintiffs in the Southern Holdings, et al., v Horry County, et al., case created a clear conflict of interest with the parties John Rakowsky and Adrian Falgione openly represented in that Federal District Court case.

5. The parties John Rakowsky openly represented in Federal District Court are Southern Holdings, Inc., Rodney Lail, Irene Santacroce, Ricky Stephens, Marguerite Stephens, Doris Holt, James Spencer and Nicholas C. Williamson. **(See caption attachment "B").**

6. All Defendants associated with the remaining litigation funds as identified by John Rakowsky on page 3, paragraph 13 of the Rakowsky's Interpleader complaint, have executed this Motion to transfer the remaining litigation funds to a designated trust account and/or likewise have instructed John Rakowsky to do so in attached correspondence **(See attachment "C").**

DISCUSSION

There is no disagreement among the Defendants who have an interest in the "litigation funds" (Defendants identified by John Rakowsky in paragraph 13 of page 3 of John Rakowsky's Complaint for Interpleader) regarding their unanimous request to transfer the remaining litigation funds to the trust fund of Singleton, Burroughs and Young, PA. The multiple requests for the transfer of the litigation funds have been repeatedly ignored by John Rakowsky despite the fact John Rakowsky does not represent the interests of his former clients. All Defendants John Rakowsky openly represented who were parties to the case **(See attachment "B")** and which are identified in the caption of the case, have requested John Rakowsky to transfer remaining "litigation funds" to the trust fund of Singleton, Burroughs and Young, PA, to be credited in the name of Irene Santacroce and James Spencer for use as directed by James Spencer. The check should be certified and it should immediately be mailed to the above named law

firm to the attention of Ms. Patty Davis. The address of the firm is 1303 3rd Ave. Conway, SC 29526.

CONCLUSION

All the contributors/claimants to the "litigation funds" identified by Plaintiff John Rakowsky in his Complaint for Interpleader are in unanimous agreement about the disposition of the "litigation funds" ($9,855.00) and how the use of the funds is to be directed. Therefore, the Defendants pray the Court Order such funds be immediately transferred to the trust account identified herein for the funds intended use as directed by James Spencer for matters concerning the Appellants and related to the ongoing lawsuit currently in the United States Court of Appeals for the Fourth Circuit.

RESPECTFULLY SUBMITTED
This 17th day of October, 2008.

By:

Doris E. Holt, *Pro Se*
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

James Spencer, *Pro Se*
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

Nicholas C. Williamson, PhD
8005 White Ash Court
Oak Ridge, NC 27310

Rodney K. Lail, Plaintiff, *Pro Se*
PO Box 2753
Myrtle Beach, SC 29578
(843) 626-3229

Irene Santacroce, Plaintiff, *Pro Se*
205 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 455-0891

Ricky Stephens, Plaintiff, *Pro Se*
207 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 283-6751

Marguerite Stephens, Plaintiff, *Pro Se*
207 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 283-6751

ATTACHMENT A

PAGE 1 OF 1

The federal court plaintiffs had numerous successive counsel, but the most recent counsel to represent them were defendant Falgione (hereafter "Falgione") and plaintiff Rakowsky.

12. Defendants Michael Steven Hartness, Harold Steven Hartness and Horry County, South Carolina were defendants in the federal court action, and collectively paid settlement funds to settle the federal court claim.

13. In connection with the litigation of the federal court action, one or more of the federal court plaintiffs advanced funds for costs to be incurred in the federal court litigation. The balance of these funds was eventually held by Rakowsky in trust. At the time of the events described herein, Rakowsky held in trust the sum of nine-thousand eight hundred and fifty-five dollars ($9.855.00) which had not been expended toward litigation costs.

14. In or about May 2007, the federal court plaintiffs authorized Rakowsky and Falgione to enter into a settlement in the federal court action which would provide, *inter alia*, for payment to them of a settlement in the amount of fifty five thousand dollars ($55,000.00). Rakowsky and Falgione communicated the acceptance of settlement to counsel for defendants in the federal court action. Defendants Michael Steven Hartness, Harold Steven Hartness and Horry County, South Carolina paid the sum of fifty-five thousand dollars ($55,000.00) to the federal court plaintiffs to consummate the settlement.

15. Falgione and Rakowsky and are entitled to receive a portion of the funds in question as attorneys fees for their services in the federal court action. Defendant John R. Rakowsky, acting as legal counsel for the plaintiffs, now defendants

ATTACHMENT B

PAGE 1 OF 3

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
FLORENCE DIVISION
CIVIL ACTION NO: 4:02-CV-01859-RBH

SOUTHERN HOLDINGS, INC.; JAMES SPENCER; RODNEY KEITH LAIL; IRENE SANTACROCE; RICKY STEPHENS; MARGUERITE STEPHENS; DORIS HOLT; and NICHOLAS C. WILLIAMSON,
Plaintiff.

-vs-

HORRY COUNTY, SOUTH CAROLINA, HORRY COUNTY SHERIFF'S DEPARTMENT; HORRY COUNTY POLICE DEPARTMENT; JAMES ALBERT ALLEN, JR., Individually and in his official capacity as an officr with the Horry County Sheriff's Department; SIDNEY RICK THOMPSON, Individually and in his official capacity as an cfficer with the Horry County Sheriff's Department; JEFFREY S. CALDWELL, Individually and in his official capacity as an officer with the Horry County Sheriff's Department; CHARLES MCCLENDON, Individually and in his official capacity as an officer with the Horry County Police Department; JAY BRANTLEY, Individually and in his official capacity as an officer with the Horry County Police Department; ANDY CHRISTENSEN, Individually and in his official capacity as an officer with the Horry County Police Department; MICHAEL STEVEN HARTNESS; ANCIL B. GARVIN, III; DAVID SMITH; and JOHN DOES,
Defendants.

THE DEPOSITION OF NOEL HERROLD,

taken on behalf of the Defendant, on May 7, 2007, commencing at 10:03 a.m., at the Law Offices of Senn, McDonald & Leinbach, 3 Wesley Drive, Charleston, South Carolina, 29464.

ORIGINAL

Douglas K. Liperote

Court Reporter

ATTACHMENT B

PAGE 2 OF 3

A P P E A R A N C E S

FOR THE PLAINTIFF:

JOHN R. RAKOWSKY, Esq., Esq.
Attorney at Law
900 12th Street
Columbia, SC 29169
(803) 791-8830

ADRIAN L. FALGIONE, Esq.
Attorney at Law
113 East Main Street
Lexington, SC 29072
(803) 957-6543

THE DEFENDANTS:

SANDRA J. SENN, Esq.
Senn, McDonald & Leinbach
3 Wesley Drive
Charleston, SC 29407
(843) 556-4045

E. GLENN ELLIOTT, Esq.
Aiken Bridges
181 East Evans Street, Suite 409
Florence, SC 29503
(843) 669-8787

JAY SALEEBY, Esq.
Aiken Bridges
181 East Evans Street, Suite 409
Florence, SC 29503
(843) 669-8787

ATTACHMENT B
PAGE 3 OF 34

CERTIFICATE OF REPORTER

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

I, Douglas K. Liperote, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Date 6/27/07

Douglas K. Liperote
Notary Public in and for the
County of Charleston
State of South Carolina

My commission expires August 15, 2015.

ATTACHMENT C

PAGE 1 OF 1

Nicholas C. Williamson, PhD
President
Southern Holdings, Inc.
6170 West Lake Mead Blvd.
Suite 311
Las Vegas, Nevada 89108

October 7, 2008

John Rakowsky, Attorney at Law
900 West 12th Street
West Columbia, SC 29169

Re: Litigation Funds Remaining and accounting for expended funds.

Dear Mr. Rakowsky:

In regard to any and all remaining residual funding that you believe may have come from Southern Holdings, Inc., please consider this formal notice that any such funds are to be transferred to the trust account named below for the use of the Plaintiffs in the ongoing litigation as directed by James B. Spencer and Southern Holdings Corporate Secretary Irene Santacroce.

In that regard, as you have been previously and repeatedly requested to do, transfer the remaining litigation funds to the trust fund of Singleton, Burroughs and Young, PA, to be credited in the name of Irene Santacroce and James Spencer. The check should be certified and it should immediately be mailed to the above named law firm to the attention of Patty. The address of the firm is 1303 3rd Ave. Conway, SC 29526.

If you believe that I personally contributed any funds as a Plaintiff that are part of the residual litigation funds, then please consider my authorization and request to immediately transfer the remaining litigation funds to the trust fund of Singleton, Burroughs and Young, PA to be credited in the name of Irene Santacroce and James Spencer. The check should be certified and it should immediately be mailed to the above named law firm to the attention of Patty. The address of the firm is 1303 3rd Ave. Conway, SC 29526.

If you have any questions please call me directly. Thanks you for your prompt attention to this matter.

Sincerely,

Nicholas C. Williamson, PhD
Personally and as President of
Southern Holdings, Inc.

Cc: Individual Members of the Board of Directors

CERTIFICATE OF SERVICE

I, James Spencer, ***Pro Se***, do hereby certify that the foregoing **CERTAIN DEFENDANTS' MOTION FOR COURT TO ORDER THE IMMEDIATE RELEASE OF "LITIGATION" FUNDS AS INSTRUCTED BY ALL DEFENDANT CONTRIBUTORS AS IDENTIFIED BY PLAINTIFF JOHN RAKOWSKY's COMPLAINT FOR INTERPLEADER (2008-CP-40-6656)** has this day been served on the following person(s) by either mail, fax or electronic transfer a true and correct copy, as follows:

Adrian Falgione
P. O. Box 277
Lexington, SC 29071

Law Max Legal Finance
459 Columbus Avenue, Suite 299
New York, New York 10024-5129

Litfunding USA
6375 S. Pecos Rd
Las Vegas, NV 89120-3264

Linda Williamson Lawrence
105 Yadkin Street, Suite 203
Albemarle, NC 28001

Ernest H Morton
P. O. Box 519
Albemarle, NC 28002

Ronald N Serota, Esquire
Corporate Law Office
2620 Regatta Drive, NV 89128

David Smith
1006 N. Holden Road
Greensboro, NC 27410

Michael Steven Hartness
3032 Nance Cove Rd
Charlotte, NC 28214-9470

Harold Steven Hartness
3032 Nance Cove Rd
Charlotte, NC 28214-9470

Horry County, South Carolina
Danny Knight
Government & Justice Center
1301 Second Avenue
Conway, SC 29526

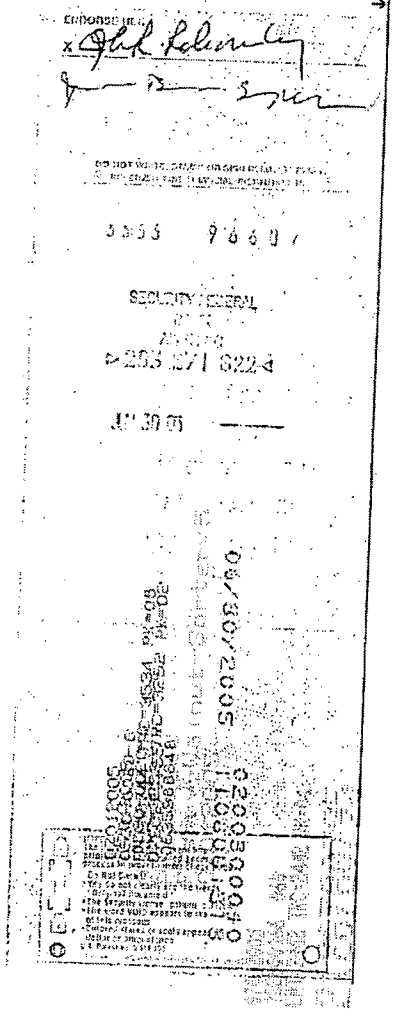
This 17th day of October, 2008.

By: _____
James Spencer, *Pro Se*
Box 183
7001 Saint Andrews Road
Columbia, SC 29212

Exhibit "D"

053000206 07/01/2005
0635388848
053000206 07/01/2005
6231718933
1220001666 07/01/2005
6125518787

↓Do not endorse or write below this line.↓



122000166
07/01/2005
6125518787

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

⑆053000206⑆ 07/01/2005 6353688848

RESOLUTION SETTLEMENT CORP
9360 W FLAMINGO RD SUITE 110-527
LAS VEGAS, NV 89147

127

DATE Jan 30 05

PAY TO THE ORDER OF John Rakowsky and J.G. [illegible] $ 20,000.00

Twenty four thousand and No/100 DOLLARS

COLONIAL BANK, N.A.
Las Vegas, Nevada
2415 Colonial Connection 1-877-502-2265

FOR

⑈000127⑈ ⑆122401781⑆ 8035935199⑈ ⑈0002500000⑈

⑈000127⑈ ⑆122401781⑆ 8035935199⑈ ⑈0002500000⑈

COLONIAL BANK

Questions about your account, call Colonial Connection: 877-502-2265

www.colonialbank.com

Business Edge Checking

ACCOUNT NUMBER **8035935199**

STATEMENT PERIOD **July 1, 2005 – July 31, 2005**

0010 E90

Colonial Bank appreciates your business. Thank you for being our Customer.

RESOLUTION SETTLEMENT CORPORATION
9360 W FLAMINGO RD SUITE 110-527
LAS VEGAS NV 89147

Account Summary

Previous Balance	$ 54,790.73	Average Collected Balance	$ 18,812.91
Total Credit(s)	+ 54,000.00		
Total Debit(s)	- 44,907.30		
Service Charge	- 0.00		
Ending Balance	**$ 63,883.43**		

Account Details

Deposits and Other Credits

DATE	DESCRIPTION	AMOUNT
7/8	DEPOSIT	7,500.00
7/28	DEPOSIT	46,500.00

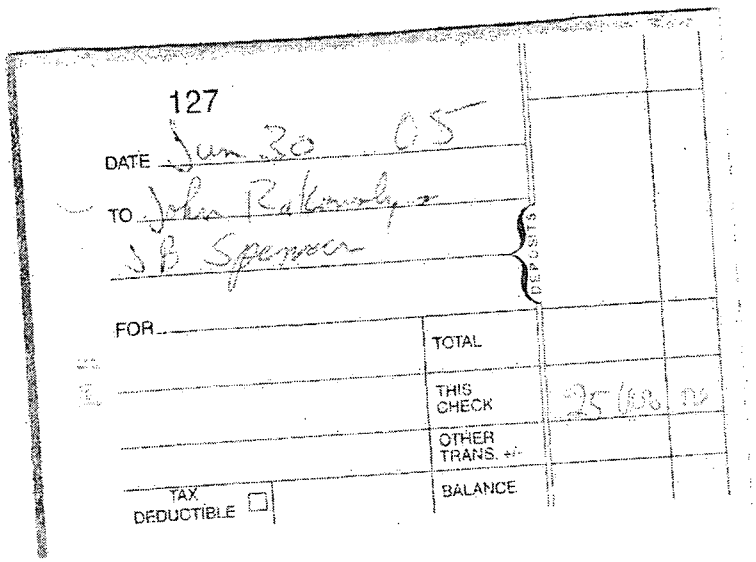
Checks Paid

▲ *indicates check missing in sequence*

CHECK	DATE	AMOUNT
127	7/1	25,000.00
129 ▲	7/11	1,000.00
130	7/8	500.00
131	7/7	478.02
132	7/7	216.00
134 ▲	7/7	17,000.00
135	7/21	45.00
136	7/27	43.28
137	7/18	425.00
138	7/21	200.00

Daily Balance Summary

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
6/30	54,790.73	7/8	19,096.71	7/21	17,426.71
7/1	29,790.73	7/11	18,096.71	7/27	17,383.43
7/7	12,096.71	7/18	17,671.71	7/28	63,883.43



127

DATE Jun 30 05

TO John Rakowski
JB Spencer

FOR

TOTAL	
THIS CHECK	25 00
OTHER TRANS. +/-	
BALANCE	

TAX DEDUCTIBLE ☐

TRANSFER AND CONVEYANCE OF PROCEEDS AND SECURITY AGREEMENT

THIS TRANSFER AND CONVEYANCE OF PROCEEDS AND SECURITY AGREEMENT (the "Agreement") is made this 5th day of June, 2005, by and between RESOLUTION SETTLEMENT CORPORATION ("Transferee"), a Nevada Corporation, and SOUTHERN HOLDINGS; JAMES SPENCER ET AL ("Transferor"), whose address is: C/O John Rakowsky Esq. Attorney of Record; PO Box 3593 West Columbia, SC 29171 Tel: 803 331-2788.

RECITALS

WHEREAS, Transferor has a claim against and/or is a plaintiff in an action or suit (whether a claim, action or suit, the "Litigation") now pending before the United States District Court; district of South Carolina (Civil Action 4 02 1859 12;(the "Defendant"), whose various insurance carriers are defending such Litigation, arising out of an act of negligence, accident or other incident occurring on or about June 1, 2000 in which the Defendants damaged the Transferor with false arrest, personal injury and other torts. A brief description of the Litigation is attached and identified as Schedule C.

WHEREAS, Transferor does not have sufficient funds to proceed with the Litigation, has no asset against which to borrow, and has sought funds from other sources but has been unable to find any.

WHEREAS, an undetermined amount of time will be required for Transferor to seek compensation from the Defendant(s) through continued legal action and/or negotiations to otherwise persuade or prevail upon the Defendant(s) to pay the Transferor an amount appropriate and necessary to compensate Transferor for the injuries incurred and/or damages suffered; and

WHEREAS, in order to afford Transferor sufficient funds to proceed with the Litigation, Transferee has agreed to accept certain proceeds which may arise from settlement or verdict resulting from the Litigation.

WHEREAS, Transferor desires to pursue the Litigation to such time that a fair and favorable settlement or judgment can be obtained.

WHEREAS, Transferee has made its own determination to make this advance and has not relied on any advice from Transferor's counsel regarding the merits, value, risk, or legitimacy of the Litigation.

NOW THEREFORE, for and in consideration of the sum of Ten Dollars ($10.00), cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Transferee and Transferor do hereby agree as follows:

Corporate Office
702-736-8863 Phone
702-736-8621 Fax

Transferor's Initials _____

1. Transferor unconditionally and irrevocably transfers and conveys to Transferee all of Transferor's control, A RIGHT OF PROCEEDS which includes the right, title and interest in the first TWENTY FIVE THOUSAND DOLLARS ($25,000.00) paid to Transferor from the Proceeds, as hereinafter defined, or other recovery derived from the Litigation. Said amount shall, by agreement, increase by FOUR THOUSAND FIVE HUNDRED ($4,500.00) PER MONTH beginning on the first day of the month following the date of execution of this agreement, pursuant to the schedule attached hereto as Schedule A. The first months interest will accrue upon signing this agreement for purposes of an early settlement payment, however the second month will begin on August 1, 2005 and increase as stated the first of each month thereafter.. For purposes of this Agreement, "Proceeds" shall be defined as the gross amount of the recovery from the Litigation, less Transferor's attorney's fees of approx. 40 % of any recovery, the actual costs of the Litigation advanced by Transferor's legal counsel on Transferor's behalf, and any other prior superior assignments, liens, encumbrances or security interests of any kind or nature in or relating to the Proceeds as provided for in Schedule B hereto, if any.

2. Transferor hereby grants to Transferee a security interest in the Proceeds of the Litigation in the sum of TWENTY FIVE THOUSAND DOLLARS ($25,000.00) plus any and all increases pursuant to Schedule A hereto, in order to secure the conveyance, subject to the terms and conditions of this Agreement.

3. This agreement is expressly intended to transfer, convey and relinquish control over only a specified portion of the Proceeds that may flow from, and as a result of the Litigation referred to above. This agreement is not an assignment, nor a purchase of any right, chose in action, cause of action, or claim which Transferor may have or possess as against any responsible party, respondent or defendant referred to herein. Transferee contemplates no control, input, influence, right or involvement of any kind regarding any claim, right, or interest of Transferor in the Litigation.

4. This agreement, and the obligation to pay over the Proceeds specified herein is totally contingent, speculative and without recourse on the part of Transferee, except for the security interest in the Litigation, and any successor claim(s) and/or litigation(s) arising out of the same facts, or arising out of the conduct of the Litigation. If there is no recovery of Proceeds by Transferor as specified herein, then Transferee shall receive NOTHING.

5. Transferor hereby authorizes Transferee to send to the applicable insurance company a "Notice of Lien", so that Transferor may perfect its lien against the subject claim. (An example is attached hereto as Schedule "E"). Transferor represents that the applicable insurance company(ies) is (are) as follows:

_____

6. Transferor shall, and does hereby require and direct his/her attorney(s) to execute this Agreement. By execution hereof, Transferor's attorney(s) acknowledges receipt of, and actual notice of this Agreement and agrees to disburse the Proceeds as set forth herein above.

Corporate Office
702-736-8863 Phone
702-736-8621 Fax

Transferor's Initials _____

7. All parties to this agreement acknowledge that by execution hereof, Transferor's attorney is solely and merely following Transferor's instructions. Transferor's attorney is making neither representation nor guarantee, inferred, expressed or implied; concerning either merits or value of the claim(s) or litigation matter(s) referred to herein to ANY PARTY. Further, all parties to this agreement acknowledge that Transferor's attorney assumes no affirmative duties herein other than the ministerial obligations of disbursement, and conveying information contained herein.

8. If Transferor changes his/her attorney(s) after signing this Agreement, Transferor and Transferor's attorney each shall give immediate written notice, by certified mail return receipt requested, to Transferee at **9360 W. Flamingo Rd. Suite 110-527, Las Vegas, NV 89147**, of the identity, address and phone numbers of Transferor's new attorney(s). Transferor further agrees to require and to direct any new attorney(s) to execute and acknowledge this Agreement.

9. Transferor hereby authorizes his attorney(s) to release to Transferee any information, files, records, documents regarding the Litigation requested by Transferee, who agrees to treat such information as privileged and who shall receive and review these materials solely in the limited capacity necessary for this Agreement.

10. This Agreement constitutes the entire agreement between the parties and there are no representations, warranties, covenants or obligations except as set forth herein. This Agreement supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, written or oral, of the parties hereto, relating to any transaction contemplated by this Agreement. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns. In the event any one or more of the covenants, terms and conditions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity, liability or enforceability of any other covenant, term or condition in this Agreement.

11. Transferor represents and warrants unto Transferee that as of the date of this Agreement that (a) Transferor believes the Litigation to be meritorious and filed in good faith; (b) Transferor has complete right, title and interest in and to the Litigation and full power and authority to make and execute this Agreement; (c) Transferor has not and will not assign or encumber the Proceeds from the Litigation, except as otherwise provided herein; and (d) there is no other assignment, lien, encumbrance or security interest of any kind or nature in or relating to the Proceeds other than is provided for in Schedule B hereto, if any.

12. Transferor intends this agreement to be fully valid and binding as to and upon all heirs, trustees, executors, or any other successor-in-interest who may obtain or assert control over the Litigation by reason of Transferor's death, disability, or decline in health such that someone other than Transferor is, or becomes entitled to make decisions concerning the disposition of the Litigation, or any of the proceeds thereof. Further, by executing this agreement, Transferor intends to exercise any Power of Appointment with which Transferor is empowered to the extent necessary to complete the Transfer that is the subject of this agreement.

13. This Agreement shall be construed and interpreted in accordance with the laws of Nevada and venue for any dispute arising hereunder (including any interpleader action) shall lie in the 8th Judicial District Court for Clark County, Nevada. Transferor agrees that any and all Federal

lawsuits related to or arising from this agreement shall be filed and maintained in the Federal Courthouse located in Las Vegas, Nevada. Transferor understands that the "choice of laws", "forum", and "venue" clauses contained herein are critical in nature, and are essential to this Contract, and that they have not been placed in this contract as mere "form" insertions and recitals.

14. If a dispute between the parties to this Agreement arises, the parties agree and acknowledge that all funds in dispute shall be interplead into the Nevada courts until such time said dispute is resolved.

15. Transferor has been advised to have not only his/her counsel, but also outside counsel, review this agreement prior to Transferor's signing it.

16. Transferor has been advised that Transferee is a provider of funds of **last resort** and that other sources may have more favorable rates and payment schedules.

17. Transferee has answered all of Transferor's questions.

18. Transferor acknowledges that Transferee will, in the event that Transferor should make a recovery, make a substantial profit from this advance.

19. Transferor acknowledges that this contract has been drafted by both Transferor and Transferee, and is made a part of this entire transaction.

20. Transferor understands that the attached Schedule A, Schedule B, Schedule C, Schedule D, and Schedule E are each hereby made a part of this agreement.

21. Transferor acknowledges that the Transferee advised Transferor to **take no fewer than three (3) days** to consider the terms contained in this agreement before signing it. Transferor acknowledges that he/she signed this agreement after taking 5 days to consider the terms contained herein.

WITNESS the following signatures and seals:

TRANSFEROR:

I, James Brian Spencer, the undersigned person (Transferor), agree to the foregoing *Transfer and Conveyance of Proceeds and Security Agreement.*

x James B. Spencer — 6/22/05
Transferor — Date

State of South Carolina
County of Lexington

This instrument was acknowledged before me on June 24, 2005 *(date) by* James B Spencer *(Transferor).*

(Notary Stamp)

John Rakowsky
(Signature of notarial officer)

My Commission expires: 7/22/14

ATTORNEY FOR TRANSFEROR:

I, John Rakowsky, ("Attorney") attorneys for Transferor, have read this agreement in its entirety, understand it, and agree to abide by the directives of my client as contained therein. In the event a dispute arises between the parties pertaining to the funds at issue herein, I agree to interplead said funds to the applicable court until said dispute is resolved. I agree to distribute any Proceeds of the Litigation in accordance with the terms of the Agreement. In the event that I cease representing the Transferor at any time, I will immediately give written notice via certified mail, return receipt requested, to Transferee at 9360 W. Flamingo Rd. Suite 110-527, Las Vegas, NV 89147. By execution hereof, I am only following the instructions of Transferor. I make no statement, render no opinion, and proffer no guarantee as pertains to the possibility of recovery of some or any Proceeds as a result of the Litigation. By the execution hereof, I assume no duties or obligations to Transferee other than the ministerial duties of disbursement and of furnishing requested information as specifically outlined herein. Any and all proceeds from the Litigation will be paid into my trust account for disbursement per this agreement.

x John Rakowsky — 6/23/05
Attorney — Date

TRANSFEREE:

I, Robert Goldberg, an authorized representative ("Representative") of the Transferee, agree to the foregoing *Transfer and Conveyance of Proceeds and Security Agreement* on behalf of the Transferee.

James Spencer — 6/22/05
Representative — Date

Corporate Office
702-736-8863 Phone
702-736-8621 Fax

Transferor's Initials JBS

SCHEDULE A

Schedule of Increases to Amount of Transferred Proceeds

The amount owed will increase by FOUR THOUSAND FIVE HUNDRED ($4,500.00) on the first day of every month, with a minimum payment at signing of a one month fee. Examples of the monthly payoffs are as follows:

At signing 2005	$29,500.00
Aug. 2005	$34,000.00
Sept. 2005	$38,500.00
Oct. 2005	$43,000.00
Nov. 2005	$47,500.00
Dec. 2005	$52,000.00
ETC	

This Schedule shows the monthly payoffs for the first twelve months of the advance. The payoff will continue to increase by FOUR THOUSAND FIVE HUNDRED DOLLARS ($4,500.00) on the first day of every month until paid, based on the terms of this contract.

SCHEDULE B

Liens

Transferor's Attorney:	John Rakowsky Esq.
Address:	PO Box 3593
Telephone:	West Columbia, SC 29171 803 791-8830
Fax	803 794-2788
Attorney's Fee	40%

Holders of Medical Liens N/A _____ Amount $ _____

_____ _____

_____ _____

_____ _____

Holders of Other Superior Liens or Encumbrances: N/A _____ Amount $ _____

_____ _____

_____ _____

_____ _____

I know of no other liens, claims or encumbrances upon the Litigation other than those listed on this page.

_____ _____, 20 05

Attorney for Transferor **Date**

Corporate Office
702-736-8863 Phone
702-736-8621 Fax

Transferor's Initials _____

JUN 22 2005

SCHEDULE C

Litigation Description

A brief description of the Litigation follows:

- After years of delays by the defendants, the case pending in SC Federal District Court is locked in to be heard this July 19, 2005.
- There are five Plaintiff attorneys on a contingency basis on the case.
- The medical costs due to traumatic injuries to dates are in excess of $120,000, and there are have increasing lifetime health complications from the personal injuries.
- I lost a valuable long-term employment contact valued in excess of $300,000 annually due to the malicious actions of the defendants. ***Please note the attached economic expert's report concerning damages and links below to the experts' credentials.***
- The defendants have deep pockets and are able to pay the damages. The case involves individuals being paid off to forge a Judges signature on arrest papers in addition to the pay off of individuals to make entries on the NCIC system for what has been determined by two individual Judges in two State Courts to be unfounded, contrived and baseless charges. The two hearings that lasted a combined total of less then fifteen minutes.
- The defendants were captured on videotape torturing me after a Fifteenth Circuit Court Judge had issued an Order a month concerning the baseless charges. The perpetrators knew about and deliberately ignored the Judge's Order as validated by conclusive police audiotape evidence. Please note ***attached overview to this e-mail concerning the case.***

In summation, please remember we have two judges who made decisions in our favor including a decision that there was no probable cause to stop and arrest me for any reason on August 6, 2000. There is not even a dispute over the forged Judges signature that initiated the phony warrant and the impossibility of the charges that has been acknowledged by the defendants.

Therefore, the case is going to center on damages and the defendants missed the deadline for naming experts. The defendants will have no experts for trial based on their inaction while we have been able to secure a team of the most creditable experts available with both outstanding credentials and reputations for honesty.

Corporate Office
702-736-8863 Phone
702-736-8621 Fax

Transferor's Initials

Exhibit "E"

Bruce Benson
CEO and President
Resolution Settlement Corporation
(702) 524-9006

January 21, 2010

Honorable Judge Alison R. Lee
P O Box 192
1701 Main St., Room 324
Columbia, SC 29202-0192
Sent by Facsimile: (803) 576-1768
Sent by: U.S. Mail

Re: **Case Number 2008-CP-4006656**
John R. Rakowsky vs. Southern Holdings, Inc., et al

Dear Judge Lee:

It is my understanding a hearing was held regarding funds that should have included funds advanced for litigation expense in 2005, to John Rakowsky and Adrian Falgione. Both Rakowsky and Falgione flew to Nevada and met with me, regarding the advance of funds to the case involving James Spencer.

I am now aware despite my repeated notice to John Rakowsky and despite his agreement as evidenced in a certified written agreement, that he has not named RSC nor myself as Defendants. The monies were advanced to be used by Plaintiffs for expenses approved by James Spencer. I have not received an accounting for such funds that were provided to Rakowsky after he had claimed he had exhausted the fund provided by the two other companies Rakowsky named as defendants in the Interpleader action, Law Max Legal Finance and Litfunding, USA.

Litfunding was also located in Las Vegas, Nevada. It is my understanding based on personal knowledge that John Rakowsky also personally obtained funding for the litigation. I have personally requested John Rakowsky for an accounting of the funds he now denies knowledge of yet were deposited into his account. I felt it necessary to inform the Court of the lack of standing and notice by Plaintiff and Plaintiff's counsel. If I had been notified I would have been present at trial as it is

also my personal knowledge that the case related expenses were paid for years ago. Additionally, I am fully aware that Rakowsky is withholding litigation funds advanced to James Spencer to assist in litigation in these matters and withholding such funds prevents Spencer from funding expenses necessary for expenses and advice from counsel.

I am submitting this ex-parte communication as a third party as I was not given standing in the case due to deliberate action by Plaintiff and Plaintiff's counsel.

I affirm under oath that the above statements are based on my personal knowledge and are true. I submit this certified statement after being notified that a hearing was held on a matter that I understood is currently being litigated in the 4th Circuit Court of appeals. Defendants with standing notified me that a hearing in fact took place and it took place with our deliberate exclusion. The bottom line is we advanced money that has now disappeared and as such never reached the intended goal of assisting in the ongoing litigation.

I will be happy to answer any questions the Court may have under oath at your convenience.

Sincerely,

Bruce Benson
CEO
Resolution Settlement Corporation

Jurat

State of Nevada
County of Clark

Signed and sworn to (or affirmed) before me on Jan...
(date) 29, 10 by Brian Testerman (name(s) of person(s) making statement).....

(Notary Stamp)

STEPHANIE RENNIE
Notary Public, State of Nevada
Appointment No. 06-103094-1
My Appt. Expires Jan 11, 2014

(Signature of notarial officer)

1 of 2 SAR

EXHIBIT "F"

Ballard
Watson Weissenstein
PERSISTENT. UNWAVERING.

Desa Ballard
Harvey M. Watson III
Stephanie Weissenstein
Attorneys at Law

Post Office Box 6338 | West Columbia, SC 29171
226 State Street | West Columbia, SC 29169 | ph 803.796.9299 | fx 803.796.1066 | desaballard.com

June 24, 2011

RECEIVED
JUN 27 2011
BY:

Via U.S. Mail
Honorable Alison Renee Lee
Richland County Judicial Center
1701 Main Street, Room 324
Post Office Box 192
Columbia, South Carolina 29202-0192

Re: *John Rakowsky vs. Adriann Falgione, et al.*
Case No: 2008-CP-40-6656

Dear Judge Lee:

Although date-certain scheduling is not the common or preferred method in South Carolina, I hereby request that in this circumstance, you please consider issuing such a scheduling order.

On behalf of the Plaintiff, attorney John Rakowsky, we filed the original complaint seeking to interplead funds on September 12, 2008 and served it on the Defendants. On October 20, 2008, some of the Defendants filed a motion demanding the immediate release of the funds. An Amended Complaint was filed on November 17, 2008, and this matter was called for hearing on January 19, 2010. The Court received notice from several individuals that additional claims would be made against the disputed funds, so the Court issued its judgment on May 21, 2010, denying Defendants' motion to release funds and requesting that the new parties be added to the action as defendants.

Plaintiff filed a motion pursuant to Rule 15, SCRCP, requesting an order permitting him to join new parties whose existence and involvement have been revealed through this matter and to delete claims against those who were not proper parties or who are no longer involved in the matter. Present at the hearing on Plaintiff's motion were the undersigned, Defendant Adrian L. Falgione; and counsel for Defendant Horry County. I affirmed that notice of the motion and hearing were served upon all defendants, pursuant to Rule 5, SCRCP, but none had appeared.

The case was placed on the roster for August 9, 2010, but the hearing could not be scheduled until November 1, 2010. As a result, a Second Amended Summons and Complaint were filed and served. The amended complaint included defendant John Doe, who was served by publication pursuant to South Carolina Code § 15-67-40 (1976, as amended).

2 of 2 pgs

The case was called again for trial and the undersigned appeared at the roster meeting on May 11, 2011. Defendant Spencer announced to the Court that due to the last minute nature of the pending trial, some of the defendants would not be available to attend and he requested a continuance.

Your Honor, this case has been pending since 2008, and we feel the substantive issues are relatively simple: there is money held in trust and multiple parties claim to be owed a portion or all of it. Because this case has many *pro se* defendants who are antagonistic to plaintiff, the case continues to be delayed. We believe that a Date Certain Trial will give to all the parties enough notice that further delays and continuances will not be allowed, and this matter can finally be resolved. I consulted with counsel for Horry County and with Defendant Adrian Falgione, Esquire, regarding this request and they consent.

Please call me if you have any questions regarding this request for scheduling. Thank you for your consideration.

With warm personal regards, I am,

Sincerely yours,

Stephanie Weissenstein

Stephanie Weissenstein
stephanie@desaballard.com

cc: John R. Rakowsky, Esquire *(via U.S. mail)*
Adrian Falgione *(via U.S. mail)*
Andrew F. Lindemann, Esquire *(via U.S. mail)*

22 JUL 2011
CERTIFIED TRUE COPY
OF ORIGINAL FILED,
C.C.C.P.&G.S.
RICHLAND COUNTY
SOUTH CAROLINA

Exhibit G
Page 1 of 8

STATE OF
SOUTH CAROLINA

NOTICE OF CASE SCHEDULING

June 30, 2011

Case 2008CP4006656 - John R Rakowsky vs Southern Holdings Inc , defendant, et al has been added to the following Court Roster:

Roster ID: 146 - NON-JURY TRIAL ROSTER JULY 11, 2011
ROSTER MEETING 10 AM COURTROOM 2-C

A roster meeting will be held on Monday, July 11, 2011 at 10:00 AM before Judge Alison R. Lee in Courtroom 2-C. ALL cases on this Roster are subject to trial. ATTENDANCE AT THE ROSTER MEETING IS MANDATORY. PLEASE NOTIFY THE COURT IN WRITING IF YOUR CASE IS SETTLED. Failure to appear or send a representative on your behalf may result in dismissal of the case. PLEASE BE PREPARED TO GO FOWARD IMMEDIATELY FOLLOWING THE ROSTER MEETING. THIS INCLUDES NOTIFYING ALL WITNESSES NECCESSARY FOR TRIAL.

Any request for a continuance is considered a motion and requires a $25.00 Motion fee, which must be paid at the time of the request.

Mail Notice To:	Court Info:
Desa Ballard Law Offices Of Desa Ballard, P A 226 State St. W. Columbia, SC 29169	Richland County Common Pleas Richland County Judicial Center 1701 Main Street Columbia, SC 29201-9201

Judge Alison R. Lee
Chief Administrative Judge
Fifth Judicial Circuit

Exhibit G
Page 2 of 8

LAW OFFICES OF DESA BALLARD
226 STATE STREET
WEST COLUMBIA, SOUTH CAROLINA 29169

COLUMBIA SC 292
05 JUL 2011 PM 1 L

James Spencer
7001 Saint Andrews Road
Box183
Columbia, South Carolina 29212

2321241137 C091

DECLARATION OF MARGUERITE SANTACROCE

I, Marguerite Stephens, declare under penalty of perjury:

1. I am over eighteen years old and am qualified to testify.

2. The information in this declaration is based on my personal knowledge.

3. I never received answers to questions (interrogatories) I submitted to John Rakowsky through his attorney in the matter captioned 2008CP4006656, John R. Rakowsky vs. Adrian Falgione, et al.

4. These questions were submitted after the second amended complaint by Rakowsky was issued (July, 2010) as his complaint was adjusted based upon responses to each issuance of the previous versions of the complaint.

5. I never received an answer to the interrogatory questions I submitted in August 2010.

6. I never received accounting of the funds received by Rakowsky despite multiple requests of production submitted.

7. I understand that there was to be a motions hearing on obtaining the information we have been seeking as required to be provided by John Rakowsky under Rule 1.15 of South Rules of Legal Ethics.

8. I did not receive word of the docketing hearing held today July 11, 2011, until Friday July 8, 2011 when Irene Santacroce called me about a letter she just received from Desa Ballard.

9. I never received any correspondence from Desa Ballard to date on this hearing.

10. I knew nothing about the motion for a request for a date certain that was submitted to the Court until I talked to Irene Santacroce on July 8, 2011.

11. My father just passed away on May 14, 2011, as he was fighting cancer. I have been taking turns with my sister Irene Santacroce (another defendant in this matter) taking care of my 90 year old mother who is also fighting cancer

and dealing with the death of my father. As such without proper notice I could not attend today's docket hearing.

12. I respectfully ask the Court to compel discovery to proceed in this matter by compelling production and having Rakowsky answer the interpleader questions previously submitted and compel Desa Ballard to give proper notice and work out details regarding motions for hearings to me as a Pro Se litigant.

Affiant further sayeth naught.

I DO SOLEMLY SWEAR AND AFFIRM UNDER THE PENALITIES OF PERJURY THAT THE ABOVE FOREGOING STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY PERSONAL KNOWLEDGE.

This 11th day of July, 2011.

By:

Marguerite Stephens
207 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 283-6751

DECLARATION OF RICKY STEPHENS

I, Ricky Stephens, declare under penalty of perjury:

1. I am over eighteen years old and am qualified to testify.

2. The information in this declaration is based on my personal knowledge.

3. I never received answers to questions (interrogatories) I submitted to John Rakowsky through his attorney in the matter captioned 2008CP4006656, John R. Rakowsky vs. Adrian Falgione, et al.

4. These questions were submitted after the second amended complaint by Rakowsky was issued (July, 2010) as his complaint was adjusted based upon responses to each issuance of the previous versions of the complaint.

5. I never received an answer to the interrogatory questions I submitted in August 2010.

6. I never received accounting of the funds received by Rakowsky despite multiple requests of production submitted.

7. I understand that there was to be a motions hearing on obtaining the information we have been seeking as required to be provided by John Rakowsky under Rule 1.15 of South Rules of Legal Ethics.

8. I did not receive word of the docketing hearing held today July 11, 2011, until Friday July 8, 2011 when Irene Santacroce called me about a letter she just received from Desa Ballard.

9. I never received any correspondence from Desa Ballard to date on this hearing.

10. I knew nothing about the motion for a request for a date certain that was submitted to the Court until I talked to Irene Santacroce on July 8, 2011.

11. As I am 100% disabled I was not able to arrange transportation to the docket hearing on such short notice.

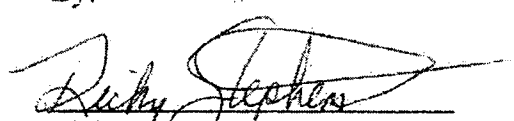
12. I respectfully ask the Court to compel discovery to proceed in this matter by compelling production and having Rakowsky answer the interpleader questions previously submitted and compel Desa Ballard to give proper notice and work out details regarding motions for hearings to me as a Pro Se litigant.

Affiant further sayeth naught.

I DO SOLEMLY SWEAR AND AFFIRM UNDER THE PENALITIES OF PERJURY THAT THE ABOVE FOREGOING STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY PERSONAL KNOWLEDGE.

This 11th day of July, 2011.

By:



Ricky Stephens
207 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 283-6751

DECLARATION OF IRENE SANTACROCE

I, Irene Santacroce, declare under penalty of perjury:

1. I am over eighteen years old and am qualified to testify.

2. The information in this declaration is based on my personal knowledge.

3. I never received answers to questions (interrogatories) I submitted to John Rakowsky through his attorney in the matter captioned 2008CP4006656, John R. Rakowsky vs. Adrian Falgione, et al.

4. These questions were submitted after the second amended complaint by Rakowsky was issued (July, 2010) as his complaint was adjusted based upon responses to each issuance of the previous versions of the complaint.

5. I never received an answer to the interrogatory questions I submitted in August 2010.

6. I never received accounting of the funds received by Rakowsky of the funds despite multiple requests of production submitted.

7. I understand that there was to be a motions hearing on obtaining the information we have been seeking as required to be provided by John Rakowsky under Rule 1.15 of South Rules of Legal Ethics.

8. I did not receive word of the docketing hearing held today July 11, 2011, until Friday July 8, 201, when I received a letter from Desa Ballard. I knew nothing about the motion for a request for a date certain that was submitted to the Court until I talked to James Spencer on July 8, 2011.

9. My father just passed away on May 14, 2011, as he was fighting cancer. I have been taking turns with my sister Marguerite Stephens (another defendant in this matter) taking care of my 90 year old mother who is also fighting cancer and dealing with the death of my father. As such without proper notice I could not attend today's docket hearing.

10. I respectfully ask the Court to compel discovery to proceed in this matter by compelling production and having Rakowsky answer the interpleader questions previously submitted and compel Desa Ballard to give proper

notice and work out details regarding motions for hearings to me as a Pro Se litigant.

Affiant further sayeth naught.

I DO SOLEMLY SWEAR AND AFFIRM UNDER THE PENALITIES OF PERJURY THAT THE ABOVE FOREGOING STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY PERSONAL KNOWLEDGE.

This 11th day of July, 2011.

By:

Irene Santacroce
205 Deer Trace Circle
Myrtle Beach, SC 29588
(843) 455-0891

Exhibit "H"
Page 1 of 2

Ballard
Watson Weissenstein
PERSISTENT. UNWAVERING.

Desa Ballard
Harvey M. Watson III
Stephanie Weissenstein
Attorneys at Law

Post Office Box 6338 | West Columbia, SC 29171
226 State Street | West Columbia, SC 29169 | ph 803.796.9299 | fx 803.796.1066 | desaballard.com

Tuesday, February 22, 2011

RECEIVED
FEB 23 2011
BY:

Via U.S. Mail
Honorable Alison Renee Lee
Richland County Judicial Center
1701 Main Street, Room 324
Post Office Box 192
Columbia, South Carolina 29202-0192

Re: *John Rakowsky vs. Adriann Falgione, et al.*
Case No: 2008-CP-40-6656

Dear Judge Lee:

Enclosed is a full copy the Motion to Strike and to File under seal in the above referenced matter that was sent to the Clerk of Court today for filing. Unlike the filed copy, this copy includes the confidential exhibits for the court's consideration *in camera*. These exhibits were likewise not provided to the opposing parties.

Thank you for your time in this matter. If you have any questions please do not hesitate to contact me, or Stephanie Weissenstein.

With warm personal regards, I am,

Sincerely yours,

Brooks Schumacher
Paralegal
brooks@desaballard.com

c: John Rakowsky, Esquire (Via E-mail)

22 JUL 2011
CERTIFIED TRUE COPY
OF ORIGINAL FILED
C.C.C.P.&G.S.
RICHLAND COUNTY
SOUTH CAROLINA

2 of 2 pgs

Exhibit "H"
Page 2 of 2

Documents under seal — for review by the Court only

22 JUL 2011
CERTIFIED TRUE COPY
OF ORIGINAL FILED,
Jeanette W. Walker
C.C.C.P.&G.S.
RICHLAND COUNTY
SOUTH CAROLINA

Exhibit "I"

THE COURT: Which is 9,000-some-odd dollars.

MR. RAKOWSKY: Our understanding was the agency that actually paid in.

THE COURT: He just said --

MR. RAKOWSKY: Nobody's ever notified Ms. Weissenstein --

THE COURT: Whoa! He just said the only people claiming any of that have all agreed that those funds should be paid into some lawyer's trust account.

MR. RAKOWSKY: We wouldn't object to that.

THE COURT: Unfortunately, you got an interpleader action. So what's probably going to have to happen is get that, funds paid into the Court and then you get this thing heard. If everybody is agreeable that the $9,000 ought to be paid to Mr. Young, then it will be paid to Mr. Young.

MR. SPENCER: We haven't been delaying putting this into --

THE COURT: I'm not blaming anybody. I'm just telling you, this case was filed, when was it, 2008?

MR. SPENCER: Yes, sir.

THE COURT: That's too long for everybody.

MR. SPENCER: Right. I agree. Mr. Rakowsky just made an offer that he will gladly submit the funds that aren't in dispute.

THE COURT: He can't. He's got an interpleader action now of which those are funds that are pled in the interpleader.

MR. SPENCER: Okay.

THE COURT: So you better get a hearing and get it resolved quickly. It sounds to me like y'all are fighting each other over something that you shouldn't be fighting at this stage. Pay the $9,000 to Mr. Young. Put the 55,000 in the Court. Then I don't know what you're going to have -- if y'all people dispute how the $9,000 should be divided up.

MR. SPENCER: No dispute.

THE COURT: Well then get it paid to whoever you agree should get it. He doesn't care. Then the $55,000 would be in the Court which is good. It's going to draw some interest. It's good as being in a trust account better, because if the lawyer absconds with the money you'll have to go find her. If the County absconds with it, you know where we are. So, draw me an order. I'm denying this order -- I mean, this motion. I don't have the authority to go behind Judge Seals' order. Judge Seals' already determined that they're not entitled to that information. What else?

MS. WEISSENSTEIN: Your Honor, would you like to make an order that the funds that could be inter pleaded into

the Court today?

THE COURT: Well, I can't do that. Nobody's been given notice of the hearing for that purpose. I can't do that. Seems to me if y'all can agree on that --

MS. WEISSENSTEIN: Your Honor, we have no pending --

THE COURT: If everybody can agree on it, let's take the $65,000 and pay it into the Court and acknowledge that the only people that are entitled to the $9,800 or so are these folks. Y'all agree that it would be paid to Mr. Young. I don't know why y'all would care about that.

MS. WEISSENSTEIN: This is the first we've heard of it, Your Honor.

THE COURT: And then sign a consent order paying that out.

MR. SPENCER: Your Honor --

THE COURT: Look, I don't care.

MR. SPENCER: Yeah.

THE COURT: But I do care about this. Come January 1 when I'm in charge of this roster, this case ain't going to stay here very long. It's an '08 case.

MR. SPENCER: Sounds good to me.

THE COURT: But y'all ought to be able to resolve it before then.

MR. SPENCER: I agree.

THE COURT: Sounds to me like you agree on it. You

Exhibit "J"

Ballard
Watson Weissenstein
PERSISTENT. UNWAVERING.

Desa Ballard
Harvey M. Watson III
Stephanie Weissenstein
Attorneys at Law

Post Office Box 6338 | West Columbia, SC 29171
726 State Street | West Columbia, SC 29169 | ph 803.796.9299 | fx 803.796.1666 | desaballard.com

October 12, 2011

Via U.S. Mail

Irene Santacroce
205 Deer Trace Circle
Myrtle Beach, South Carolina 29588

Re: *Response to Interrogatories*
Case No: 2008-CP-40-6656

Dear Ms. Santacroce:

Please find enclosed your service copy of Plaintiff's Responses to Interrogatories. Let our office know if you have any questions.

With warm personal regards. I am.

Sincerely yours,

Christy Ransone, Sr. Paralegal
christy@desaballard.com

Enclosure

c: Andrew F. Lindemann, Esquire
Adrian L. Falgione, Esquire
James Spencer
Marguerite Stephens
Ricky Stephens
Rodney K. Lail

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FIFTH JUDICIAL CIRCUIT
John R. Rakowsky Plaintiff, vs. Adrian L. Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens and Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene G. Chewing, and Glenn W. Harrison Defendants.	Case No. 2008-CP-40-6656 **PLAINTIFF'S RESPONSE TO DEFENDANT IRENE SANTACROCE'S INTERROGATORIES**

TO IRENE SANTACROCE, *PRO SE*:

Pursuant to Rules 33 and 34, SCRCP, Plaintiff, through his counsel, answers Defendant Irene Santacroce's First Set of Interrogatories as follows, reserving the right to amend and/or supplement these responses:

GENERAL RESPONSES AND OBJECTIONS

1. Plaintiff objects to each Request to the extent that it seeks information and documents that are protected from disclosure by the attorney-client privilege, the work product rule, and any other applicable privilege law or rule.
2. Plaintiff objects to each Request to the extent that it seeks information for an unspecified time period. Such Requests are overly broad in time and scope and seek information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence and would be unduly burdensome to respond to such request.
3. Plaintiff objects to each Request to the extent it seeks to require answers, information, identification of documents or persons or things, or to impose any obligations beyond

what is permitted by the applicable South Carolina Rules of Civil Procedure or which are not relevant to this matter.

4. Plaintiff objects to each Request to the extent that it seeks disclosure of information, documents, things, facts, opinions, or any other matter prepared in anticipation of litigation or for trial which is outside the scope of discovery permitted by Rule 26(b)(3) of the South Carolina Rules of Civil Procedure.

5. Plaintiff incorporates his General Objections by reference as though fully set forth into its specific response to each and every Request served by Defendant Spencer.

6. Plaintiff reserves the right to supplement their responses to Defendant's discovery requests as additional information or documents become known.

RESPONSES TO INTERROGATORIES

1. Within thirty-three days after service hereof, you are requested to produce in writing under oath to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, listing what cases: Prior to undertaking Defendant Spencer's case captions Southern Holdings, Inc., et al. vs. Horry County, et al. Case No: 20-CV-01859-RBH, any and all cases, bit it civil or criminal, Plaintiff litigated in any United States Federal District Court and/or in any United States Federal Appellate Court. List each such case by name, date, citation and caption so that Defendant and/or any third party could easily locate documentation on such case.

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

2. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question: What has Plaintiff refused to list Resolution Settlement Corporation as a defendant in Case No. **2008-CP-40-6656** with a claim on the $55,000 of the "pseudo" settlement funds?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

3. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question: Did you provide your personal ECF pass code(s) to Defendant so Defendant could enter motions and answer to motions into the South Carolina Federal District Court's Electronic filing system?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

4. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question: Why did Plaintiff object to Dan Ivey, Esquire joining the legal team in the case captioned Southern Holdings, In. (sic), et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH**?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant

Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

5. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): Has the Plaintiff ever been sued by Resolution Settlement Corporation ("RSC"), Lit Funding and/or LawMax and /or an agent for any of the above companies regarding the funding of the case captioned Southern Holdings, In. (sic), et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH**? Which entity sued Plaintiff? What are the dates of litigation? What was the resolution and the date of resolution of the proceeding? What documents does the Plaintiff have access to regarding such litigation and what is the identity of anyone the Plaintiff knows that has documents regarding any such litigation? Will Plaintiff provide all such documents to Defendant and if not on what legal basis would you not provide such documents?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

6. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): did Plaintiff purchase an electronic copier combination fax, etc., with the money advanced by Defendant or on behalf of the Defendant or Defendants in the case captioned Southern Holdings, In. (sic), et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH**? If such a purchase was made, what was the amount of the money so expended on the purchase?

Vegas, Nevada to select and attorney or attorneys to be on Plaintiff's legal team in the case of Southern Holdings, Inc. et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH**, while in Las Vegas, Nevada?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

10. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question: Did Plaintiff interview Ron Serota, Esquire to join Plaintiff's Legal team in the case of Southern Holdings, Inc. et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH**, while in Las Vegas, Nevada?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

11. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question: Did Plaintiff meet with Mr. Gene Waas, Esquire in Las Vegas, Nevada? Did Mr. Gene Waas do legal research on the case of Southern Holdings, Inc. et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH** for the Plaintiff?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

12. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): Did Plaintiff obtain the permission of Doris Holt to accept the proposed settlement t any time before and/or after May 9, 2007? When and where did Doris Hold give permission to settle the case on May 9, 2007?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

13. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): Did Doris Holt attempt to talk to Plaintiff subsequent to May 9, 2007? Did Plaintiff talk to Doris Holt subsequent to May 9, 2007? When and where did Plaintiff talk to Doris Holt from May, 2007, to date?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

14. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): What are the names of the attorneys who made an appearance and/or withdrew from the case while Plaintiff was a local counsel in the case of Southern Holdings, Inc. et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH**? What was the date Plaintiff first became involved in the case of Southern Holdings, Inc. et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH**?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

15. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): What experience did Plaintiff have in litigation involving any claims under the Racketeering Influenced and Corrupt Organizations Act- 18 U.S.C § 1961 ("RICO") prior to undertaking the case of Southern Holdings, Inc. et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH** (List complete citations, including captions and case numbers)?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

16. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): did Plaintiff personally recruit Adrian Falgione, Esquire to be co-counsel with Plaintiff in Southern Holdings, Inc. et al. vs. Horry County, et al. **Case No: 02-CV-01859-RBH**?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

17. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): What experience did Plaintiff understand that Adrian

Falgione have in litigating any claims under the Racketeering Influenced and Corrupt Organizations Act - 18 U.S.C § 1961 ("RICO") prior to undertaking the case of Southern Holdings, Inc. et al. vs. Horry County, et al. Case No: 02-CV-01859-RBH (List complete citations, including captions and case numbers)?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

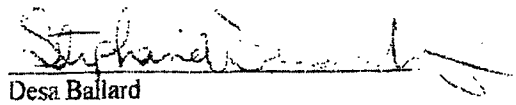
18. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): Did Plaintiff execute an agreement with RSC whereby Plaintiff agreed that any and all interpleader actions involving the case of Southern Holdings, Inc. et al. vs. Horry County, et al. Case No: 02-CV-01859-RBH, would be litigated in Nevada?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

19. Within thirty-three days after service hereof, you are requested to produce in writing under oath the answer to defendant at Suite 183, 7001 Saint Andrews Road, Columbia, SC 29212, to the following question(s): What is Plaintiff's interpretation of Rule 1.15(a), (d) and (e) of the South Carolina Rules of Professional Conduct?

ANSWER: Plaintiff objects to this interrogatory on the basis that the information sought is irrelevant and not likely to lead to admissible evidence. Plaintiff further objects to this interrogatory on the basis that Judge Seals quashed the subpoena issued by Defendant Spencer which requested substantially similar information and pursuant to the oral ruling of Judge Barber that such discovery is not appropriate in this action.

Answers and Objections to Santacroce's Discovery submitted by



Desa Ballard
Stephanie Weissenstein
BALLARD WATSON WEISSENSTEIN
Post Office Box 6338
West Columbia, South Carolina 29178
Telephone: 803.796.9299
Facsimile: 803.796.1066
E-mail: desab@desaballard.com
E-mail: Stephanie@desaballard.com
ATTORNEYS FOR PLAINTIFF

October 12, 2011

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND John R. Rakowsky Plaintiff, vs. Adrian L. Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens and Ricky Stephens, and Horry County, S.C., Defendants.	IN THE COURT OF COMMON PLEAS Case No. 2008-CP-40-6656 **CERTIFICATE OF SERVICE**

I, James S. Johnson, an employee with the Law Offices of Ballard Watson Weissenstein, do hereby certify that I served a copy of the **Plaintiff's Response to Defendant Irene Santacroce's Interrogatories** in the above-captioned case on the following individuals by United States Mail, with sufficient first-class postage affixed, addressed as follows:

Andrew F. Lindemann
Davidson & Lindemann, P.A.
Post Office Box 8568
Columbia South Carolina 29202-8568
[Attorney for Horry County, South Carolina]

James Spencer
7001 Saint Andrews Road
Box 183
Columbia, South Carolina 29212

Adrian Lee Falgione
Law Offices of Adrian Lee Falgione, LLC
113 E. Main Street, Suite A
Lexington, South Carolina 29072

Marguerite Stephens
207 Deer Trace Circle
Myrtle Beach, South Carolina 29588

Ricky Stephens
207 Deer Trace Circle
Myrtle Beach, South Carolina 29588

Irene Santacroce
205 Deer Trace Circle
Myrtle Beach, South Carolina 29588

Rodney K. Lail
Post Office Box 2753
Myrtle Beach, South Carolina 29578

Christy Ransone, Sr. Paralegal

October 12, 2011
West Columbia, South Carolina

Ballard
Watson Weissenstein
PERSISTENT. UNWAVERING.

Desa Ballard
Harvey M. Watson III
Stephanie Weissenstein
Attorneys at Law

Post Office Box 6338 | West Columbia, SC 29171
226 State Street | West Columbia, SC 29169 | ph 803.796.9299 | fx 803.796.1066 | desaballard.com

October 14, 2011

Via U.S. Mail
Irene Santacroce
205 Deer Trace Circle
Myrtle Beach, South Carolina 29588

Re: Rakowsky v. Adrian L. Falgione, et al.
Case No. 2008-CP-40-6656

Dear Ms. Santacroce:

This is to inform you and the other defendants in receipt of our correspondence with discovery responses the style of the case on the response is incorrect. The responses should have been titled "Plaintiff's Response to Defendant James Spencer's Re-Request and Supplement of First Set of Interrogatories." Please replace the first page of the responses with the page I have enclosed for that purpose. The responses to your discovery request will be forthcoming.

With warm personal regards, I am,

Sincerely yours,

Christy Ransone, Sr. Paralegal
christy@desaballard.com

Enclosure

c: Andrew F. Lindemann
Adrian Falgione, Esquire
James Spencer
Marguerite Stephens
Ricky Stephens
Rodney K. Lail

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FIFTH JUDICIAL CIRCUIT
COUNTY OF RICHLAND	)	
John R. Rakowsky	)	
	)	Case No. 2008-CP-40-6656
Plaintiff,	)	
vs.	)	
	)	**PLAINTIFF'S RESPONSE TO DEFENDANT**
	)	**JAMES SPENCER'S RE-REQUEST AND**
Adrian L. Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens and Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene G. Chewing, and Glenn W. Harrison	)	**SUPPLEMENT OF FIRST SET OF INTERROGATORIES**
	)	
Defendants.	)	

TO JAMES SPENCER, *PRO SE*:

Pursuant to Rules 33 and 34, SCRCP, Plaintiff, through his counsel, answers Defendant James Spencer's Re-Request and Supplement of First Set of Interrogatories as follows, reserving the right to amend and/or supplement these responses:

GENERAL RESPONSES AND OBJECTIONS

1. Plaintiff objects to each Request to the extent that it seeks information and documents that are protected from disclosure by the attorney-client privilege, the work product rule, and any other applicable privilege law or rule.
2. Plaintiff objects to each Request to the extent that it seeks information for an unspecified time period. Such Requests are overly broad in time and scope and seek information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence and would be unduly burdensome to respond to such request.
3. Plaintiff objects to each Request to the extent it seeks to require answers, information, identification of documents or persons or things, or to impose any obligations beyond

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND John R. Rakowsky Plaintiff, vs. Adrian L. Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens and Ricky Stephens, and Horry County, S.C., Defendants.	IN THE COURT OF COMMON PLEAS Case No. 2008-CP-40-6656 **CERTIFICATE OF SERVICE**

I an employee with the Law Offices of Ballard Watson Weissenstein, do hereby certify that I served a copy of the amended first page of **Plaintiff's Response to Defendant James Spencer's Re-Request and Supplement of First Set of Interrogatories,** to supplement the previously served document with erroneous heading as Plaintiff's Response to Defendant Irene Santacroce's Interrogatories in the above-captioned case on the following individuals by United States Mail, with sufficient first-class postage affixed, addressed as follows:

Andrew F. Lindemann
Davidson & Lindemann, P.A.
Post Office Box 8568
Columbia South Carolina 29202-8568
[Attorney for Horry County, South Carolina]

James Spencer
7001 Saint Andrews Road
Box 183
Columbia, South Carolina 29212

Adrian Lee Falgione
Law Offices of Adrian Lee Falgione, LLC
113 E. Main Street, Suite A
Lexington, South Carolina 29072

Marguerite Stephens
207 Deer Trace Circle
Myrtle Beach, South Carolina 29588

Ricky Stephens
207 Deer Trace Circle
Myrtle Beach, South Carolina 29588

Irene Santacroce
205 Deer Trace Circle
Myrtle Beach, South Carolina 29588

Rodney K. Lail
Post Office Box 2753
Myrtle Beach, South Carolina 29578

Christy Ransone, Sr. Paralegal

October 12, 2011
West Columbia, South Carolina

Exhibit "K"
Page 1 of 2

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FIFTH JUDICIAL CIRCUIT
CASE NO.: 2008-CP-40-6656

RICHLAND COUNTY FILED
2011 OCT 18 PM 4:19
JEANETTE W. McBRIDE C.C.P. & G.S.

John R. Rakowsky,

Plaintiff,

vs.

Adrian L Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens, Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene G. Chewing and Glenn W. Harrison,

Defendants.

ORDER DENYING MOTION TO COMPEL, SUBSTITUTING PARTIES, RELEASE OF LITIGATION FUNDS, AND AMENDING COMPLAINT ACCORDINGLY

This matter came before me on September 15, 2011, for hearing on Defendant James Spencer's "*EXPEDITED MOTION TO COMPEL DEFENDANTS REQUEST FOR PRODUCTION OF DOCUMENTS AND REQUEST TO COMPEL PLAINTIFF TO ANSWER DEFENDANTS FIRST ROUND OF INTEROGATORIES AND REQUEST FOR A JURY TRIAL ON ALL MATTERS RELATED TO 2008-CP-40-6656*". Present were the Plaintiff and his Counsel, Stephanie Weissenstein, Defendant, Adrian Falgione, *pro se*, and Defendants James Spencer and Rodney Lail, who are *pro se*.

This case was before the Honorable William H. Seals, Jr. for a hearing on July 11, 2011, for a hearing on several motions, including Plaintiff's motion to quash a subpoena issued against him at the behest of Defendant James Spencer. The subpoena which was the subject of that hearing and the requests for production which Mr. Spencer seeks to compel includes several of the same documents.

SCANNED

There is a long-standing rule in this State that one judge of the same court cannot overrule another. *Tisdale v. Amer. Life Ins. Co.*, 216 S.C. 10, 56 S.E.2d 580 (1950); *Dinkins v. Robbins*, 203 S.C. 199, 26 S.E.2d 689 (1943). Therefore, IT IS HEREBY ORDERED THAT Mr. Spencer's motion to compel the production of documents included in the subpoena is **Denied**[1].

The Court understands that Defendant Doris Holt is now deceased. Plaintiff Rakowsky, Defendant Falgione, Defendant Spencer and Defendant Lail consent to Doris Holt's estate being substituted as the real party at interest. The substitution of the estate is **Granted.**

IT IS SO ORDERED.

James R. Barber, III
Judge for the 5th Judicial Circuit

October 18, 2011
Richland County

[1] By the same written motion, Mr. Spencer also requested a jury trial. That issue was not addressed at the hearing.

Exhibit "M"

James Spencer

From: "James Spencer" <JamesBSpencer@sc.rr.com>
Date: Tuesday, November 01, 2011 6:14 PM
To: "Stephanie Weissenstein" <stephanie@desaballard.com>
Subject: Re: Judge Barber's Order, Interrogatories, Return of Non-Disputed Funds....

Ms. Weissenstein,

1. Are you telling me that you require a Court Order to release the $9,855.00 of uncontested funds and unless there is a Court Order you are still going to hold on to the $9,855.00 in uncontested funds under Rule 22?

2. Are you telling me that Judge Barber confirming that he never issued an Order against discovery in this case matters not to you and you are going to stand by your position of not providing the answers to the interrogatories despite Judge Barber's Order which clearly documents he did not rule against discovery?

Please confirm, so I know exactly what your position is!!!

Jim Spencer

From: Stephanie Weissenstein
Sent: Tuesday, November 01, 2011 4:49 PM
To: James Spencer ; Desa Ballard ; Christy Ransone
Subject: RE: Judge Barber's Order, Interrogatories, Return of Non-Disputed Funds....

Mr. Spencer,
I have received no court order directing the release of any funds in this matter.
Furthermore, we have responded to your requests for discovery and your motions to compel have been denied.
Your continued threats toward me are not warranted and will not be dignified by further response.

Stephanie Weissenstein, Attorney At Law
BALLARD WATSON WEISSENSTEIN
Post Office Box 6338
West Columbia, South Carolina 29171-6338
803-796-9299 ph
803-796-1066 fax

From: James Spencer [mailto:JamesBSpencer@sc.rr.com]
Sent: Tuesday, November 01, 2011 4:21 PM
To: Stephanie Weissenstein
Subject: Judge Barber's Order, Interrogatories, Return of Non-Disputed Funds....
Importance: High

Dear Ms. Weissenstein:

I just received Judge Barber's Order dated October 18, 2011, entitled "Order Denying Motion to Compel, Substitution of Parties, Release of Litigation Funds, and Amending Complaint Accordingly." In consideration of this Order applying to production of documents, please now fully answer the interrogatories previously submitted to you by me as your stated rationale for refusing to answer now clearly has no legitimate basis. The interrogatory questions are very basic, non-confidential and material in nature. Please submit the answers by noon Friday or I will be forced to seek a motion to compel and sanctions for your blatant refusal to cooperate in discovery in any manner.

On another matter, please indicate when you will have a check prepared in the amount of $9,855.00 as all parties in this action are on the Court record that the money is not in dispute. In that regard, if you continue misuse Rule 22 of the SCRCP to retain the funds you are misusing the Court system and in so doing violating Rule 1.15 of the South Carolina Rules of Professional ethics.

Please have the check for $9,855.00 ready to be picked up by noon on Friday. If you do not plan to comply with turning over the funds by noon on Friday, please so indicate by Wednesday at 6:00 p.m., so I can pursue legal remedies to obtain your compliance with the law.

Thank you very much,

/s/

James Spencer

Cc:
Irene Santacroce
Rodney Lail
Ricky Stephens
Marguerite Stephens
Estate of Doris Holt

The information contained in this message and any attachments is attorney/client privileged, and/or confidential or proprietary information intended only for the use of the individual or entity to which it is addressed. If you have received this message in error, you are prohibited from copying, distributing, or using the information. Please contact the sender immediately by return e-mail and delete the original message.

$67,000, I believe.

THE COURT: Wait. Hang on a minute. (Pause.) And tell me what it is you want.

MR. SPENCER: An accounting of what was done with over $100,000 that Mr. Rakowsky received in accordance with Rule 417.

THE COURT: He shows $67,500.

MR. SPENCER: I just received that this morning and I understand that. It -- we're saying that that number is not correct. We want the records that are due us. That's not the --

THE COURT: Are they any kind of a defendant? This is just a straight interpleader action?

MS. WEISSENSTEIN: Your Honor, the account records as required by Rule 417 and Rule 1.15 have been created. However, there's absolutely nothing in either one of those rules that requires a lawyer to turn over his bank records to his client. The rule merely requires that an accounting of all expenses be provided to the client. This has been provided to Mr. Spencer during the representation of him. It's been provided to other parties and, again, we provided it again today.

We cannot perceive how there's any dispute or question of fact or why that would even be relevant at this juncture. We have the money. We want to inter plead

that's were lending institutions that paid funds into the case prior to the settlement. And our position was that they might or might not have a claim. So that's why we named them all.

THE COURT: Who was that now?

MR. RAKOWSKY: There were a couple funding organizations that Mr. Spencer contacted that they paid money in advance of the trial to help fund the procedure of the case of the forwarding of the case.

THE COURT: All right.

MR. RAKOWSKY: And they're all named in that action, Your Honor.

THE COURT: Here's the deal. I'm going to deny the motion to compel. I can't go behind Judge Seals' order. He's already determined that you're not entitled to this information. I don't have the authority to overturn -- one Circuit Judge can't go and say another Circuit Judge was wrong. I'd spent my whole life doing that because if they disagree with me, they're wrong.

MR. SPENCER: Okay.

THE COURT: So I don't have the authority to do that. I don't know what you all have that might satisfy these people, but you might sit down and try to see if there's some verification that, I don't know, where is that, that you spent $175, $170 with the Court of Appeals. So I

James B. Spencer

From: Desa Ballard [desab@desaballard.com]
Sent: Thursday, February 27, 2014 12:44 PM
To: Early, Doyet A. Law Clerk (Cassie M. Weathersbee)
Cc: Michael Sribnick; James B. Spencer; Stephanie Weissenstein; adrian; Andrew Lindemann; Ben Bruner; Terrie Stafford; Terrie Stafford
Subject: RE: Rakowsky v. Falgione, Case No. 2008-CP-40-6656

Thanks - I appreciate your help.

db

Desa Ballard
Ballard Watson Weissenstein
Telephone 803.796.9299
Facsimile 803.796.1066
E-mail: desab@desaballard.com, copy to terrie@desaballard.com

-----Original Message-----
From: Early, Doyet A. Law Clerk (Cassie M. Weathersbee)
[mailto:dearlylc@sccourts.org]
Sent: Thursday, February 27, 2014 12:30 PM
To: Desa Ballard
Cc: Michael Sribnick; James B. Spencer; Stephanie Weissenstein; adrian; Andrew Lindemann; Ben Bruner; Terrie Stafford
Subject: Re: Rakowsky v. Falgione, Case No. 2008-CP-40-6656

Ms. Ballard:

Judge Early is not issuing an order at this time. He will hold his rulings in abeyance, pending a ruling on the motion in federal court.

Thanks,

Cassie Hall, Esq.
Law Clerk to the Honorable D.A. Early, III The Circuit Court of the 2nd Judicial Circuit PO Box 90 Bamberg, SC 29003
Telephone: 803.245.4004
Fax: 803.245.2983
dearlylc@sccourts.org<mailto:dearlylc@sccourts.org>

On Feb 27, 2014, at 11:47 AM, Desa Ballard <desab@desaballard.com<mailto:desab@desaballard.com>> wrote:

Is Judge Early going to issue an order from this week's hearing?

db

Desa Ballard
Ballard Watson Weissenstein

Telephone 803.796.9299
Facsimile 803.796.1066
E-mail: desab@desaballard.com<mailto:desab@desaballard.com>, copy to terrie@desaballard.com<mailto:terrie@desaballard.com>

-----Original Message-----
From: Early, Doyet A. Law Clerk (Cassie M. Weathersbee) [mailto:dearlylc@sccourts.org<http://sccourts.org>]
Sent: Thursday, February 27, 2014 10:45 AM
To: Desa Ballard; Michael Sribnick; James B. Spencer; Stephanie Weissenstein; adrian
Cc: Andrew Lindemann; Ben Bruner; Terrie Stafford
Subject: Rakowsky v. Falgione, Case No. 2008-CP-40-6656

Regarding the above referenced case, since there is currently a pending motion in federal court as to the validity of the settlement in the original lawsuit, Judge Early will hold this case in abeyance until there has been a ruling on the federal court motion. Judge Early will, however, conduct a hearing to return litigation funds on Monday, April 28th at 1:30 in Bamberg. Please confirm that you will be able to attend the hearing.

Judge Early will require that affidavits and evidence of all monies paid to Plaintiff's counsel in the original lawsuit for litigation expenses be provided to the Court no later than 10 days prior to hearing. Furthermore, affidavits and evidence of expenditures from the litigation funds are required to be provided to the Court no later than 10 days prior to hearing.

Please let me know if you have any questions or concerns.

Thank you,

Cassie Hall, Esq.
Law Clerk to the Honorable D.A. Early, III The Circuit Court of the 2nd Judicial Circuit PO Box 90 Bamberg, SC 29003
Telephone: 803.245.4004
Fax: 803.245.2983
dearlylc@sccourts.org<mailto:dearlylc@sccourts.org><mailto:dearlylc@sccourts.org>

On Feb 24, 2014, at 2:44 PM, Desa Ballard <desab@desaballard.com<mailto:desab@desaballard.com><mailto:desab@desaballard.com>> wrote:

Please take up any issues you have tomorrow on the record.

db

Desa Ballard
Ballard Watson Weissenstein
Telephone 803.796.9299

Facsimile 803.796.1066
E-mail:
desab@desaballard.com<mailto:desab@desaballard.com><mailto:desab@desaballard.com>, copy to
terrie@desaballard.com<mailto:terrie@desaballard.com><mailto:terrie@desaballard.com>

From: Michael Sribnick
[mailto:michael.g.sribnickmdjdllc@gmail.com<http://gmail.com><http://gmail.com>]
Sent: Monday, February 24, 2014 2:39 PM
To: Desa Ballard
Cc:
dearlyj@sccourts.org<mailto:dearlyj@sccourts.org><mailto:dearlyj@sccourts.org>; Stephanie Weissenstein; Adrian Falgione; Andrew Lindemann; James B. Spencer; Early, Doyet A. Law Clerk (Cassie M. Weathersbee)
Subject: Re: Ms. Ballard's email.

Dear Ms. Ballard:
    This is simply not acceptable.
Michael G. Sribnick, M.D., J.D.

On Mon, Feb 24, 2014 at 1:54 PM, Desa Ballard
<desab@desaballard.com<mailto:desab@desaballard.com><mailto:desab@desaballard.com>> wrote:
Ms. Weissenstein will be present tomorrow to address any issues on the record.

db

Desa Ballard
Ballard Watson Weissenstein
Telephone 803.796.9299<tel:803.796.9299> Facsimile
803.796.1066<tel:803.796.1066>
E-mail:
desab@desaballard.com<mailto:desab@desaballard.com><mailto:desab@desaballard.com>, copy to
terrie@desaballard.com<mailto:terrie@desaballard.com><mailto:terrie@desaballard.com>

From: Michael Sribnick
[mailto:michael.g.sribnickmdjdllc@gmail.com<http://gmail.com><mailto:michael.g.sribnickmdj
dllc@gmail.com<mailto:dllc@gmail.com>>]
Sent: Monday, February 24, 2014 1:36 PM
To:
dearlyj@sccourts.org<mailto:dearlyj@sccourts.org><mailto:dearlyj@sccourts.org>; Desa Ballard; Stephanie Weissenstein; Adrian Falgione; Andrew Lindemann; James B.
Spencer; Early, Doyet A. Law Clerk (Cassie M. Weathersbee)
Subject: Ms. Ballard's email.

Dear Judge Early and Ms. Weatherbee, Esq.:
I have received an email stating that Ms. Weissenstein, Esq. will be appearing for Mr. Rakowsky, Esq. I find this unacceptable as I have subpoenaed Mr. Rakowsky, and Mr. Falgione and the production of the settlement agreement from the Southern Holdings case as required under

Rule 407 1.8(g). Furthermore, if Ms. Weissenstein is representing Mr. Rakowsky at tomorrow's hearing, this is a contested is a contested issue, and a violation of Rule 407 3.7(a)(1). If Mr. Rakowski is truly unable to attend the hearing and honor his subpoena, then I ask that his Honor, Judge Early, delay the hearing. I presently have a call into both Ms. Ballard and Ms. Weissenstein, but both are unavailable.
Sincerely,
Michael G. Sribnick

--
Michael G. Sribnick M.D., J.D., LLC
DISCLAIMER:
The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential medical and/or legally privileged material. Any review, retransmission, dissemination or other use of this information, directly or indirectly, by persons or entities other than the intended recipient is prohibited. If you are not the intended recipient please contact the sender and delete the material from all computers in which it resides. Internet communications cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late, incomplete, or contain viruses. Therefore, I do not accept responsibility for any errors or omissions that are present in this message, or any attachments, that have arisen as a result of e-mail transmission. If verification is required, please request a hard-copy version. Any views or opinions represented are solely those of the author.

--
Michael G. Sribnick M.D., J.D., LLC
DISCLAIMER:
The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential medical and/or legally privileged material. Any review, retransmission, dissemination or other use of this information, directly or indirectly, by persons or entities other than the intended recipient is prohibited. If you are not the intended recipient please contact the sender and delete the material from all computers in which it resides. Internet communications cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late, incomplete, or contain viruses. Therefore, I do not accept responsibility for any errors or omissions that are present in this message, or any attachments, that have arisen as a result of e-mail transmission. If verification is required, please request a hard-copy version. Any views or opinions represented are solely those of the author.

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF RICHLAND	)	Case No. 2008-CP-40-6656
	)	
John R. Rakowsky	)	
	)	
Plaintiff,	)	
vs.	)	**AFFIDAVIT OF MARA T. BALLARD, CFE, CMA**
	)	
Adrian L. Falgione, James Spencer, Doris Holt, Rodney Keith Lail, Irene Santacroce, Marguerite Stephens and Ricky Stephens, Michael Hartness, Horry County, S.C., Eugene G. Chewing, and Glenn W. Harrison	)	
	)	
Defendants.	)	

Personally appeared before me, Mara T. Ballard, who being duly sworn, deposes and says that:

1. I am over the age of eighteen years and am competent to state the matters which are set forth herein. I have personal knowledge of the matters stated herein, except as to those matters stated on information and belief, and as to those, I have a good faith belief regarding the accuracy thereof.

2. I am a Certified Fraud Examiner, Forensic Accountant and Certified Management Accountant and have been employed by Desa Ballard, PA d/b/a Ballard & Watson, Attorneys at Law, f/k/a Ballard Watson Weissenstein, f/k/a Law Offices of Desa Ballard since 2000. My *Curriculum Vitae* is provided as Exhibit D. I regularly assist in reviews of lawyer trust accounts as part of the representation to attorneys offered by the firm and provide conclusions based on my expertise and the review of relevant trust account documents.

3. As part of the firm's representation of Mr. Rakowsky, which began in February 2008, when Las Vegas attorney Ron Serota filed a complaint against Mr. Rakowsky with the Office of Disciplinary Counsel, I have reviewed the trust account records of the Plaintiff as they pertain to Mr. Rakowsky's representation of plaintiffs in the underlying matter of Southern Holdings et al. v. Horry County, Case No. 4:02-cv-1859-RBH (hereafter "the civil litigation.").

4. As part of my review, I have reviewed Mr. Rakowsky's file on the civil litigation as well as bank statements and cleared checks for his attorney trust account (account ending in 1313) the period June 2005, to July 2008[1].

[1] Statements for January 2006 and July 2006 were missing and unavailable for review.

MTB 4.17.2014 MTB0001

5. Based on his trust account records and the file, Mr. Rakowsky received a total of $67,500.00 as advanced litigation funds from Lit Funding and Resolution Settlement Corporation for the civil litigation. None of the advanced funds came from James Spencer or Southern Holdings.

6. Attached as Exhibit A is my accounting reconstruction of all transactions for the civil case reflecting the receipt and disbursement of $67,500.00 from Mr. Rakowsky's trust account. When Mr. Rakowsky initially retained our firm, Southern Holdings' (James Spencer) trust ledger indicated an ending balance of $9,855.55 (Exhibit B attached). Those funds were transferred to Ms. Ballard's trust account in May, 2008. Exhibit A also contains copies of the source documents and / or cancelled checks that I have been able to locate which support the expenditures made by Mr. Rakowsky.

7. At Ms. Ballard's instructions, on December 17, 2008, we issued Check No. 1892 from Ms. Ballard's trust account payable to Eugene G. Chewning, Jr., PhD, CPA after confirmation by Mr. Rakowsky this was a legitimate cost in the civil litigation. The current balance of the remaining advanced litigation funds in Ms. Ballard's trust account is $7,691.78.

8. There is no evidence in Mr. Rakowsky's file or his trust account records that he ever received any funds, or specifically, thirty-five thousand dollars ($35,000), from an entity named Law Max. We did locate documents attached as Exhibit C, which evidence the funding of this loan. However, there is no evidence Mr. Rakowsky ever received any funds from Law Max.

Further, deponent sayeth not.

Mara Ballard

Mara T. Ballard, CFE, CMA

April 17, 2014
Lexington County, SC

Sworn to before me this 17th
day of April, 2014

Elizabeth K Copa

Notary public for South Carolina
My Commission expires: 11-1-23

EXHIBIT A

Law Offices of John R. Rakowsky
Client Trust Ledger

Client: Southern Holdings, et. al. (James Spencer)

Deposits:

Date:	Source:	Amount:
6/21/2005	LitFunding	$42,500.00
6/30/2005	RSC	25,000.00
	Total Deposits	$67,500.00

Expenses:

Date:	Payee	CK #	Amount	Notes:
6/23/2005	Corporate Financial Group	157	$ 1,250.00	Reimburse Serota for Payment to Smith Economics Group, LTD
6/30/2005	US Postmaster	158	13.65	Cain
6/30/2005	Forensic Tap Analysis	159	11,000.00	S. Cain - Payment on Account
7/1/2005	Ronald Serota	160	1,050.00	Expenses to Serota
7/1/2005	John R. Rakowsky	161	413.00	Partial Reimbursement for Copier / Printer and Accessories
7/11/2005	IKON	162	305.15	Copies Inv L0705070094
7/11/2005	Mark Hardee	163	150.00	Costs to prior counsel
7/12/2005	Garber Reporting	164	379.45	Invoice 07-05-125
7/12/2005	Garber Reporting	165	508.80	Invoice 07/05/130
7/13/2005	IKON	166	418.49	Copies Inv L0705070133
7/21/2005	IKON	167	69.63	Copies Inv L0705070180
7/19/2005	US Postmaster	168	50.65	Postage / Copies
7/19/2005	Brian Holt	169	2,500.00	Personal Advance
7/27/2005	Kimberly Sellers	170	1,780.00	Paralegal Work
8/11/2005	US Court of Appeals	171	170.00	Filing Fee - Serota Admission
8/24/2005	John R. Rakowsky	172	78.53	ATT Long Distance
9/2/2005	Mary Beth Collier, PHd	173	2,055.00	Consultant Fee
9/2/2005	Eugene G. Chewning	174	6,306.25	Consultant Fee
9/6/2005	Cash for Postage	178	37.00	Postage
9/2/2005	Glenn Harrison	179	6,094.00	Consultant Fee
10/17/2005	James Spencer	186	5,000.00	Personal Advance
2/23/2006	Gibson Moore Appellate	216	361.28	Invoice 280 from Mark Hardee
3/7/2006	John Rakowsky	219	200.00	Costs Advanced
6/5/2006	John Rakowsky	233	1,000.00	Costs Advanced
8/8/2006	John Rakowsky	247	405.97	Costs Advanced
10/9/2006	Allen Geoghgan	261	500.00	Videos
12/6/2006	John Rakowsky	277	500.00	Costs Advanced
12/15/2006	James Spencer	287	750.00	Personal Advance
2/7/2007	James Spencer	307	1,500.00	Personal Advance
2/9/2007	John O'Leary	319	3,000.00	Consultant Fee
3/1/2007	Forensic Tape Analysis	325	900.00	Pre Deposition Preparation Fee

3/9/2007	James Spencer	326	1,600.00	Personal Advance
3/15/2007	James Spencer	329	1,200.00	Personal Advance
4/13/2007	Adrian Falgione	341	600.00	Costs Advanced
4/18/2007	John R. Rakowsky	342	1,000.00	Costs Advanced
5/8/2007	Al Cannon	357	800.00	Consultant Fee
6/12/2007	Adrian Falgione	369	650.00	Costs Advanced
6/25/2007	Southern Reporting	376	283.40	Invoice 280PR1
6/28/2007	Spectrum Reporting	377	100.00	Invoice 3657
6/25/2007	Rose Reporting	378	291.20	Invoice 6727
6/28/2007	Creel Reporting	379	100.00	Invoice 07-606
6/28/2007	Spectum Reporting	380	445.00	Invoice 3579
6/28/2007	Williams Reporting	381	144.00	Invoice 07-127-EL
6/28/2007	Document Technologies	382	108.40	Invoice 20602
10/7/2007	Spectrum Reporting	392	135.50	Invoice 3690
10/16/2007	O'Leary and Assoc.	393	1,106.40	Consultant Fee
12/14/2007	John Rakowsky	400	333.40	Costs Advanced (Partial Ck)
	Total Checks		$57,644.15	
	Remaining Litigation Funds		9,855.85	
	Difference		$ -	

Office Expenses		
	Copying	$ 358.62
	Filing Fees	350.00
	Postage	10.00
	Travel	697.50
	Supplies	425.78
	Telephone LD	659.16
	Common Wealth Ct Reporter	938.31
	Less Cks For Costs (above)	(3,439.37)
Total Office Expenses		$ -

Law Offices of John R. Rakowsky

LitFunding Analysis

Loans:	Amount
LFC 101, LLC Agreement	$ 47,500.00
LFC 104, LLC Agreement	2,500.00
Total Amount of Loans	$ 50,000.00
Less: 1st Choice Payoff	(7,500.00)
Net Amount of Loans	$ 42,500.00

LitFunding Checks Received for Loans	
LFC 101, LLC CK 1006	$ 40,375.00
LFC 104, LLC CK 105	2,125.00
Net Amount of Loans	$ 42,500.00

LFC 101, LLC

1006 **230**

Law Office of John Rakowsky 6/20/2005

40,375.00

Southwest USA	For advance to James Spencer, et.al. v. Horry Cou	TOTAL:	40,375.00

Printed using Amerisseal

LFC 104, LLC

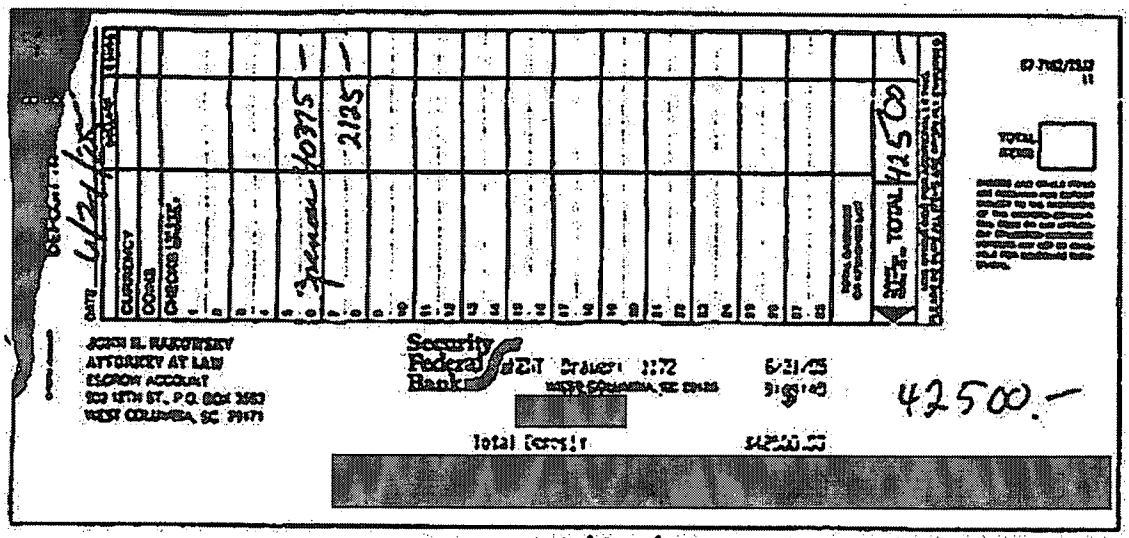
105

Law Office of John Rakowsky 6/20/2005

2,125.00

Southwest USA Bank	For advance to James Spencer, et.al. v. Horry Cou	TOTAL:	2,125.00

Printed using Amerisseal



Date 06/21/05 Amt $42,500.00

Security Federal Bank

RECEIPT Drawer: 1172 6/21/05
Trans#: 17 9:14:40
[redacted]
Total Deposit $42500.00

Form 1801

Certain check deposits may not be available for immediate withdrawal.

MTB0008

Security Federal Bank

P.O. BOX 810 • AIKEN, SOUTH CAROLINA 29802

Date 6/30/05
Primary Account
Enclosures

233

JOHN R RAKOWSKY ATTORNEY AT LAW
IOLTA
PO BOX 3593
WEST COLUMBIA SC 29171

SUMMARY:

ACCOUNT NUMBER	ACCOUNT TITLE	CURRENT BALANCE	ENCLOSURES
[redacted]	PROPRIETORSHIP CKG	66,261.12	2

PROPRIETORSHIP CKG		Number of Enclosures	2
Account Number	[redacted]	Statement Dates 6/01/05 thru	6/30/05
Previous Balance		Days in the statement period	30
3 Deposits/Credits		Average Ledger	[redacted]
3 Checks/Debits		Average Collected	
Service Charge		Interest Earned	
Interest Paid		Annual Percentage Yield Earned	
Current Balance		2005 Interest Paid	

ACTIVITY IN DATE ORDER

DATE	DESCRIPTION	AMOUNT	BALANCE
6/03	Debit [redacted]	[redacted]	[redacted]
6/21	Deposit	42,500.00	42,508.50
6/30	Deposit	25,000.00	67,508.50
6/30	Check 157	1,250.00-	66,258.50

--- CHECKS IN NUMBER ORDER ---

DATE	CHECK NO	AMOUNT
6/30	157	1250.00

* DENOTES MISSING CHECK NUMBERS

INTEREST RATE SUMMARY

DATE	RATE
6/22	0.2500%

MTB0009

LITFUNDING USA
3700 PECOS MCLEOD, SUITE 100
LAS VEGAS, NV 89121
T: (702) 317-1610 · F:(702) 317-1611

September 8, 2005

John Rakowsky, Esq.
LAW OFFICE OF JOHN RAKOWSKY
900 12th Street
Cayce, SC 29033

Dear Mr. Rakowsky:

Enclosed are copies of the fully executed Contingent Advance and Security Agreements for the case of ***James Spencer, et. al. v. Horry County, et. al.***

Please retain these for your records. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Vera Stein
Director of Client Oversight and
Risk Management
LitFunding USA
Phone: (702) 317-1610
Fax: (702) 317-1611

CONTINGENT ADVANCE AND SECURITY AGREEMENT
(NR)

LFC 101, LLC, a Nevada Corporation, and the LAW OFFICE OF JOHN RAKOWSKY and John Rakowski ("Attorney") hereby enter into this Contingent Advance And Security Agreement on this 21st day of June 2005, for good and valuable consideration.

Section One: Definitions

1.1 Advance. As used herein the term "Advance" means the sum of forty seven thousand five hundred dollars ($47,500.00) advanced to Attorney pursuant to this Agreement, less any fees or commissions payable from this sum with the consent of Attorney.

1.2 Agreement. As used herein the term "Agreement" refers to this Contingent Advance And Security Agreement, together with the attached Declaration of Attorney and Client Consent Form.

1.3 Claims. As used herein the term "Claims" refers to any and all causes of action, claims for relief, recovery rights, or rights to payment of any kind stated by the Plaintiff in the Lawsuit, incorporated into the Lawsuit by later amendment, or included in any other lawsuit seeking relief on the same Claims, whether filed by the Plaintiff, or by any assignee, or successor-in-interest to the Plaintiff.

1.4 Fee. As used herein the term "Fee" refers to the applicable amount indicated in the table below:

Payment Time Frame	Fee Amount
A. If the Advance is paid in full on or before July 21, 2005	$7,125.00
B. If the Advance is paid in full after July 21, 2005 but before August 21, 2005	$14,250.00
C. If the Advance is paid in full after August 21, 2005 but before September 21, 2005	$21,375.00
D. If the Advance is paid in full after September 21, 2005 but before October 21, 2005	$28,500.00
E. If the Advance is paid in full after October 21, 2005 but before November 21, 2005	$35,625.00
F. If the Advance is paid in full any time after November 21, 2005 it will continue to increase at the rate of 15% per month.	15% per month

1.5 Lawsuit. As used herein the term "Lawsuit" refers to the action entitled James Spencer, et. al. v. Horry County, et. al., bearing Case No. 402185927, which is pending in the United States District Court, District of South Carolina, Florence Division, inclusive of any future amended, or later filed or re-filed versions of the same.

1.6 Plaintiff. As used herein the term "Plaintiff" refers to James Spencer, et. al.

1.7 Recovery. As used herein the term "Recovery" refers to any payments, or other consideration of any kind, paid to, or for the benefit of, the Plaintiff or Attorney, on account of the Claims, whether obtained through the Lawsuit, or through any later action or proceeding where the

judgment, settlement, or other relief is obtained on account of the Claims, whether by Plaintiff, or any assignee or other holder of the Claims.

1.8 Attorney Recovery. As used herein the term "Attorney Recovery" is **forty percent (40%)** of the Recovery, whether or not these funds are actually paid to the Attorney for services rendered to Plaintiff.

Section Two: Amount And Terms of Advance

2.1 LFC 101, LLC agrees to make an Advance to Attorney in the amount of **forty seven thousand five hundred dollars ($47,500.00)** to fund the costs associated with the pursuit of a Recovery on account of the Claims, subject to the terms and conditions provided for herein. Once LFC 101, LLC has tendered the Advance in good funds, and Attorney has accepted the same, then LFC 101, LLC's obligations under this contract are fully performed.

2.2 Within three (3) business days of the Attorney's receipt of Recovery, Attorney shall pay to LFC 101, LLC a sum equal to the lesser of the following two amounts (the "Payment Obligation"):

A. The Advance plus the accrued Fee; or

B. An amount equal to the Attorney Recovery.

If for any reason no Recovery is generated on the Claims, then Attorney shall have no further liability hereunder except as otherwise provided herein.

2.3 ATTORNEY ACKNOWLEDGES AND AGREES THAT THE TERM "ATTORNEY RECOVERY" AS DEFINED HEREIN IS **FORTY PERCENT** (40%) OF THE RECOVERY ON THE CLAIMS, *WHETHER OR NOT THIS SUM IS ACTUALLY PAID TO ATTORNEY BY PLAINTIFF. STATED OTHERWISE* ATTORNEY RECOGNIZES AND ACKNOWLEDGES THAT ALTHOUGH THE PAYMENT OBLIGATION IS CONTINGENT UPON THE AMOUNT OF THE RECOVERY, IT IS NOT CONTINGENT UPON WHETHER OR NOT ATTORNEY ACTUALLY OBTAINS PAYMENT FROM THE PLAINTIFF FOR HIS FEES AND COSTS. IF A RECOVERY IS OBTAINED ON THE CLAIMS, THEN THE PAYMENT OBLIGATION (the lesser of the Advance plus the accrued Fee, or an amount equal to the Attorney Recovery) MUST BE PAID BY ATTORNEY, NOTWITHSTANDING ANY PAYMENT PROBLEMS THAT ATTORNEY MAY EXPERIENCE WITH PLAINTIFF.

2.4 Attorney and Plaintiff agrees to notify LFC 101, LLC within one (1) day of the payment of any Recovery, and to hold any Recovery in a separate state bar mandated interest bearing trust account for LFC, 101, LLC until the Payment Obligation is paid in full.

Section Three: Lien Rights

3.1 Attorney hereby grants LFC 101, LLC a first priority lien against any and all receivables, contract rights, or payment rights of any kind, now in existence or hereafter arising in favor of Attorney, for legal services provided to Plaintiff, or any successor-in-interest to Plaintiff, relating to the pursuit of the Claims. The lien shall also encumber the proceeds of the foregoing. The foregoing lien shall secure all obligations hereunder, including but not limited to the Payment Obligation. LFC 101, LLC is hereby authorized to file a UCC-1 with the applicable Secretary of State, or to take any other action reasonably necessary to duly perfect this lien.

3.2 Attorney agrees that any lien in favor of Attorney against the Recovery for fees and costs is assigned to LFC 101, LLC as additional collateral.

Section Four: Representations And Warranties

4.1 Attorney represents and warrants that Attorney has investigated other funding alternatives, and has independently determined that the Fee being charged for the Advance is reasonable.

4.2 Attorney represents and warrants that to the best of Attorney's knowledge, in the exercise of reasonable prudence, Plaintiff possesses full, complete and unencumbered rights to the Recovery, and intends to retain such rights during the terms of this Agreement.

4.3 Attorney represents and warrants that Attorney has accurately represented the status of the Lawsuit and further represents that neither the Plaintiff, nor any of the defendants, are currently in bankruptcy, receivership or liquidation.

4.4 Attorney represents and warrants that Attorney fully understands that the Advance made hereunder is not a recourse loan, but a non-recourse financial transaction pursuant to which the funds are materially at risk.

Section Five: Withdrawal/Rescission

5.1 If Attorney is replaced as counsel for Plaintiff in the Lawsuit, for any reason, Attorney must immediately notify LFC 101, LLC of said substitution.

5.2 In the event Attorney is replaced as counsel by Plaintiff, LFC 101, LLC shall have the unilateral right to rescind this Agreement. If LFC 101, LLC chooses rescission, then Attorney shall immediately pay to LFC 101, LLC the amount of the Advance plus ten percent (10%) interest thereon from the date of the Advance. Alternatively, LFC 101, LLC can retain its rights hereunder, including its lien rights.

5.3 If LFC 101, LLC discovers that any of the material information provided by Attorney regarding the Claims or the Lawsuit is not truthful, honest or complete, or that any of the Claims in the Lawsuit are illegal or asserted in bad faith, LFC 101, LLC shall have the right to rescind this Agreement. If LFC 101, LLC chooses rescission on this basis, then Attorney shall immediately pay to LFC 101, LLC the amount of the Advance, plus the Fee.

Section Six: Miscellaneous

6.1 This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and any modifications thereto must be in writing and signed by both parties.

6.2 Attorney has read, understands, and agrees to all of the terms, promises, authorizations and instructions set forth herein and understands, and agrees to all of the terms, promises, authorizations and instructions set forth in this Agreement.

6.3 By executing the Agreement, Attorney acknowledges receipt of the Advance, and LFC 101, LLC's consequent full performance of its obligations hereunder.

6.4 This agreement shall inure to the benefit of and be binding upon and enforceable against the parties hereto and their successors and assigns.

6.5 Each of the parties hereto agrees to execute and deliver, or cause to be executed and delivered, all such instruments, and to take all such actions as the other party may reasonably request which are reasonably necessary to effectuate the intent and purposes of this Agreement, all at the sole expense of the requesting party.

6.6 In the event that LFC 101, LLC is required to take any legal action to interpret or to enforce the terms of this Agreement, then LFC 101, LLC shall be entitled to recover the full amount of any attorneys fees and costs incurred, whether or not a legal action is commenced.

6.7 The parties to this Agreement, and each of them, hereby represent and warrant that they have the full authority to execute this Agreement and to fully bind the respective parties to each and all of the terms and conditions set forth herein.

6.8 This Agreement constitutes a single, integrated written contract, expresses the entire agreement of the parties with respect to the subject matter of this agreement, and supersedes all negotiations, prior discussions, and preliminary agreements.

6.9 This Agreement was jointly prepared through negotiations of the parties, and the provisions of the agreement are not to be strictly or liberally construed for or as against any of the parties.

6.10 The parties agree that this agreement shall be interpreted and construed under the laws of the State of Nevada. All parties agree that in the event any dispute arises over the interpretation or enforcement of this Agreement, jurisdiction over the matter and the parties shall only be appropriate in Clark County, Nevada, unless LFC 101, LLC consents in writing to have such dispute heard in another jurisdiction.

6.11 This Agreement may be executed in counterparts and each counterpart shall be effective as an original.

LFC 101, LLC
a Nevada corporation

By: Morton Reed

Name: Morton Reed

Title: Chief Executive Officer

Date: 6/21/05

LAW OFFICE OF JOHN RAKOWSKY

By: John Rakowsky

Name: John Rakowsky

Date: 6/20/05

Attorney (Initial) JR

6.6 In the event that LFC 101, LLC is required to take any legal action to interpret or to enforce the terms of this Agreement, then LFC 101, LLC shall be entitled to recover the full amount of any attorneys fees and costs incurred, whether or not a legal action is commenced.

6.7 The parties to this Agreement, and each of them, hereby represent and warrant that they have the full authority to execute this Agreement and to fully bind the respective parties to each and all of the terms and conditions set forth herein.

6.8 This Agreement constitutes a single, integrated written contract, expresses the entire agreement of the parties with respect to the subject matter of this agreement, and supersedes all negotiations, prior discussions, and preliminary agreements.

6.9 This Agreement was jointly prepared through negotiations of the parties, and the provisions of the agreement are not to be strictly or liberally construed for or as against any of the parties.

6.10 The parties agree that this agreement shall be interpreted and construed under the laws of the State of Nevada. All parties agree that in the event any dispute arises over the interpretation or enforcement of this Agreement, jurisdiction over the matter and the parties shall only be appropriate in Clark County, Nevada, unless LFC 101, LLC consents in writing to have such dispute heard in another jurisdiction.

6.11 This Agreement may be executed in counterparts and each counterpart shall be effective as an original.

LFC 101, LLC
a Nevada corporation

By: Morton Reed

Name: Morton Reed

Title: Chief Executive Officer

Date: 6/21/05

LAW OFFICE OF JOHN RAKOWSKY

By: _____

Name: John Rakowsky

Date: _____

Attorney _____
(Initial)

Ron Lenth Attorney
for Corporate Law Center
6/17/05

EXHIBIT "A" – DECLARATION

1. I, **John Rakowsky** hereby declare and state as follows:

2. I am an attorney licensed to practice before the courts of the **State of South Carolina.**

3. I am the attorney of record for **James Spencer, et. al.**, the plaintiff (the "Plaintiff") in that certain Lawsuit more fully described **James Spencer, et. al. v. Horry County, et. al., bearing Case No. 402185927, which is pending in the United States District Court, District of South Carolina, Florence Division** (the "Lawsuit").

4. I have considered, and sought out other potential funding options and consider the Advance set forth herein to be reasonable under the circumstances.

5. I fully understand the terms under which the Advance is being provided, all as set forth in the Contingent Advance And Security Agreement (the "Agreement"), and I agree to abide by and comply with the terms of this Agreement.

6. The Plaintiff understands the terms under which the Advance is being provided, all as set forth in the Agreement.

7. The Plaintiff has expressly consented to this contractual arrangement, has consented to the lien being granted LFC 104, LLC herein against all receivables, contract rights, or payment rights of any kind, now in existence or hereafter arising in favor of Attorney, for legal services provided to Plaintiff, or any successor-in-interest to Plaintiff, relating to pursuit of the Claims. This lien shall also encumber the proceeds of the foregoing. The Plaintiff's consent appears in the duly executed *Client Consent Form* attached hereto.

8. I understand that your company will advance monies to me/my firm to use as I see fit to pay the costs associated with the pursuit of the Claims. I also understand that this transaction is not a loan, but an investment that involves substantial risk and repayment is not guaranteed.

I declare under penalty of perjury under the laws of the State of Nevada and the United States that the foregoing is true and correct.

LAW OFFICE OF JOHN RAKOWSKY

By: _____

Name: John Rakowsky

Date: 6/20/05

Attorney _____ (Initial)

EXHIBIT "A" – DECLARATION

1. I, John Rakowsky hereby declare and state as follows:

2. I am an attorney licensed to practice before the courts of the State of South Carolina.

3. I am the attorney of record for James Spencer, et. al., the plaintiff (the "Plaintiff") in that certain Lawsuit more fully described James Spencer, et. al. v. Horry County, et. al., bearing Case No. 4021859217, which is pending in the United States District Court, District of South Carolina, Florence Division (the "Lawsuit").

4. I have considered, and sought out other potential funding options and consider the Advance set forth herein to be reasonable under the circumstances.

5. I fully understand the terms under which the Advance is being provided, all as set forth in the Contingent Advance And Security Agreement (the "Agreement"), and I agree to abide by and comply with the terms of this Agreement.

6. The Plaintiff understands the terms under which the Advance is being provided, all as set forth in the Agreement

7. The Plaintiff has expressly consented to this contractual arrangement, has consented to the lien being granted LFC 101, LLC herein against all receivables, contract rights, or payment rights of any kind, now in existence or hereafter arising in favor of Attorney, for legal services provided to Plaintiff, or any successor-in-interest to Plaintiff, relating to pursuit of the Claims. This lien shall also encumber the proceeds of the foregoing. The Plaintiff's consent appears in the duly executed *Client Consent Form* attached hereto.

8. I understand that your company will advance monies to me/my firm to use as I see fit to pay the costs associated with the pursuit of the Claims. I also understand that this transaction is not a loan, but an investment that involves substantial risk and repayment is not guaranteed.

I declare under penalty of perjury under the laws of the State of Nevada and the United States that the foregoing is true and correct.

LAW OFFICE OF JOHN RAKOWSKY

By: _____

Name: John Rakowsky

Date: _____

Paul Scott Esq for Re Corporate Law Center

Attorney _____ (Initial)

6/17/05

CLIENT CONSENT FORM

I, James Spencer, hereby declare and state that I have reviewed the attached Contingent Advance And Security Agreement (the "Agreement"), or my Attorney has reviewed this agreement and I am prepared to rely upon his review and advice. I hereby authorize my Attorney to enter into this agreement, and I authorize Attorney to grant LFC 104, LLC a first priority lien against all receivables, contract rights, or payment rights of any kind, now in existence or hereafter arising in favor of Attorney, for legal services provided to me, or to my successors-in-interest, relating to the pursuit of the Claims. I further agree that Attorney is authorized to assign any attorneys lien that he holds against the Claim to LFC 104, LLC as security for Attorney's obligations under the Agreement.

By: James Spencer

Name: James Spencer

Date: 06-20-05

CONTINGENT ADVANCE AND SECURITY AGREEMENT
(NR)

LFC 104, LLC, a Nevada Corporation, and the **LAW OFFICE OF JOHN RAKOWSKY and John Rakowski** ("Attorney") hereby enter into this Contingent Advance And Security Agreement on this **21st** day of **June 2005**, for good and valuable consideration.

Section One: Definitions

1.1 Advance. As used herein the term "Advance" means the sum of **two thousand five hundred dollars ($2,500.00)** advanced to Attorney pursuant to this Agreement, less any fees or commissions payable from this sum with the consent of Attorney.

1.2 Agreement. As used herein the term "Agreement" refers to this Contingent Advance And Security Agreement, together with the attached Declaration of Attorney and Client Consent Form.

1.3 Claims. As used herein the term "Claims" refers to any and all causes of action, claims for relief, recovery rights, or rights to payment of any kind stated by the Plaintiff in the Lawsuit, incorporated into the Lawsuit by later amendment, or included in any other lawsuit seeking relief on the same Claims, whether filed by the Plaintiff, or by any assignee, or successor-in-interest to the Plaintiff.

1.4 Fee. As used herein the term "Fee" refers to the applicable amount indicated in the table below:

Payment Time Frame	Fee Amount
A. If the Advance is paid in full on or before **July 21, 2005**	**$375.00**
B. If the Advance is paid in full after **July 21, 2005** but before **August 21, 2005**	**$750.00**
C. If the Advance is paid in full after **August 21, 2005** but before **September 21, 2005**	**$1,125.00**
D. If the Advance is paid in full after **September 21, 2005** but before **October 21, 2005**	**$1,500.00**
E. If the Advance is paid in full after **October 21, 2005** but before **November 21, 2005**	**$1,875.00**
F. If the Advance is paid in full any time after **November 21, 2005** it will continue to increase at the rate of 15% per month.	**15% per month**

1.5 Lawsuit. As used herein the term "Lawsuit" refers to the action entitled **James Spencer, et. al. v. Horry County, et. al.**, bearing Case No. **402185927**, which is pending in the **United States District Court, District of South Carolina, Florence Division**, inclusive of any future amended, or later filed or re-filed versions of the same.

1.6 Plaintiff. As used herein the term "Plaintiff" refers to **James Spencer, et. al.**

1.7 Recovery. As used herein the term "Recovery" refers to any payments, or other consideration of any kind, paid to, or for the benefit of, the Plaintiff or Attorney, on account of the Claims, whether obtained through the Lawsuit, or through any later action or proceeding where the

judgment, settlement, or other relief is obtained on account of the Claims, whether by Plaintiff, or any assignee or other holder of the Claims.

1.8 Attorney Recovery. As used herein the term "Attorney Recovery" is **forty percent** (40%) of the Recovery, whether or not these funds are actually paid to the Attorney for services rendered to Plaintiff.

Section Two: Amount And Terms of Advance

2.1 LFC 104, LLC agrees to make an Advance to Attorney in the amount of **two thousand five hundred dollars ($2,500.00)** to fund the costs associated with the pursuit of a Recovery on account of the Claims, subject to the terms and conditions provided for herein. Once LFC 104, LLC has tendered the Advance in good funds, and Attorney has accepted the same, then LFC 104, LLC's obligations under this contract are fully performed.

2.2 Within three (3) business days of the Attorney's receipt of Recovery, Attorney shall pay to LFC 104, LLC a sum equal to the lesser of the following two amounts (the "Payment Obligation"):

A. The Advance plus the accrued Fee; or

B. An amount equal to the Attorney Recovery.

If for any reason no Recovery is generated on the Claims, then Attorney shall have no further liability hereunder except as otherwise provided herein.

2.3 ATTORNEY ACKNOWLEDGES AND AGREES THAT THE TERM "ATTORNEY RECOVERY" AS DEFINED HEREIN IS **FORTY PERCENT** (40%) OF THE RECOVERY ON THE CLAIMS, *WHETHER OR NOT THIS SUM IS ACTUALLY PAID TO ATTORNEY BY PLAINTIFF. STATED OTHERWISE* ATTORNEY RECOGNIZES AND ACKNOWLEDGES THAT ALTHOUGH THE PAYMENT OBLIGATION IS CONTINGENT UPON THE AMOUNT OF THE RECOVERY, IT IS NOT CONTINGENT UPON WHETHER OR NOT ATTORNEY ACTUALLY OBTAINS PAYMENT FROM THE PLAINTIFF FOR HIS FEES AND COSTS. IF A RECOVERY IS OBTAINED ON THE CLAIMS, THEN THE PAYMENT OBLIGATION (the lesser of the Advance plus the accrued Fee, or an amount equal to the Attorney Recovery) MUST BE PAID BY ATTORNEY, NOTWITHSTANDING ANY PAYMENT PROBLEMS THAT ATTORNEY MAY EXPERIENCE WITH PLAINTIFF.

2.4 Attorney and Plaintiff agrees to notify LFC 104, LLC within one (1) day of the payment of any Recovery, and to hold any Recovery in a separate state bar mandated interest bearing trust account for LFC, 104, LLC until the Payment Obligation is paid in full.

Section Three: Lien Rights

3.1 Attorney hereby grants LFC 104, LLC a first priority lien against any and all receivables, contract rights, or payment rights of any kind, now in existence or hereafter arising in favor of Attorney, for legal services provided to Plaintiff, or any successor-in-interest to Plaintiff, relating to the pursuit of the Claims. The lien shall also encumber the proceeds of the foregoing. The foregoing lien shall secure all obligations hereunder, including but not limited to the Payment Obligation. LFC 104, LLC is hereby authorized to file a UCC-1 with the applicable Secretary of State, or to take any other action reasonably necessary to duly perfect this lien.

3.2 Attorney agrees that any lien in favor of Attorney against the Recovery for fees and costs is assigned to LFC 104, LLC as additional collateral.

Section Four: Representations And Warranties

4.1 Attorney represents and warrants that Attorney has investigated other funding alternatives, and has independently determined that the Fee being charged for the Advance is reasonable.

4.2 Attorney represents and warrants that to the best of Attorney's knowledge, in the exercise of reasonable prudence, Plaintiff possesses full, complete and unencumbered rights to the Recovery, and intends to retain such rights during the terms of this Agreement.

4.3 Attorney represents and warrants that Attorney has accurately represented the status of the Lawsuit and further represents that neither the Plaintiff, nor any of the defendants, are currently in bankruptcy, receivership or liquidation.

4.4 Attorney represents and warrants that Attorney fully understands that the Advance made hereunder is not a recourse loan, but a non-recourse financial transaction pursuant to which the funds are materially at risk.

Section Five: Withdrawal/Rescission

5.1 If Attorney is replaced as counsel for Plaintiff in the Lawsuit, for any reason, Attorney must immediately notify LFC 104, LLC of said substitution.

5.2 In the event Attorney is replaced as counsel by Plaintiff, LFC 104, LLC shall have the unilateral right to rescind this Agreement. If LFC 104, LLC chooses rescission, then Attorney shall immediately pay to LFC 104, LLC the amount of the Advance plus ten percent (10%) interest thereon from the date of the Advance. Alternatively, LFC 104, LLC can retain its rights hereunder, including its lien rights.

5.3 If LFC 104, LLC discovers that any of the material information provided by Attorney regarding the Claims or the Lawsuit is not truthful, honest or complete, or that any of the Claims in the Lawsuit are illegal or asserted in bad faith, LFC 104, LLC shall have the right to rescind this Agreement. If LFC 104, LLC chooses rescission on this basis, then Attorney shall immediately pay to LFC 104, LLC the amount of the Advance, plus the Fee.

Section Six: Miscellaneous

6.1 This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and any modifications thereto must be in writing and signed by both parties.

6.2 Attorney has read, understands, and agrees to all of the terms, promises, authorizations and instructions set forth herein and understands, and agrees to all of the terms, promises, authorizations and instructions set forth in this Agreement.

6.3 By executing the Agreement, Attorney acknowledges receipt of the Advance, and LFC 104, LLC's consequent full performance of its obligations hereunder.

6.4 This agreement shall inure to the benefit of and be binding upon and enforceable against the parties hereto and their successors and assigns.

6.5 Each of the parties hereto agrees to execute and deliver, or cause to be executed and delivered, all such instruments, and to take all such actions as the other party may reasonably request which are reasonably necessary to effectuate the intent and purposes of this Agreement, all at the sole expense of the requesting party.

6.6 In the event that LFC 104, LLC is required to take any legal action to interpret or to enforce the terms of this Agreement, then LFC 104, LLC shall be entitled to recover the full amount of any attorneys fees and costs incurred, whether or not a legal action is commenced.

6.7 The parties to this Agreement, and each of them, hereby represent and warrant that they have the full authority to execute this Agreement and to fully bind the respective parties to each and all of the terms and conditions set forth herein.

6.8 This Agreement constitutes a single, integrated written contract, expresses the entire agreement of the parties with respect to the subject matter of this agreement, and supersedes all negotiations, prior discussions, and preliminary agreements.

6.9 This Agreement was jointly prepared through negotiations of the parties, and the provisions of the agreement are not to be strictly or liberally construed for or as against any of the parties.

6.10 The parties agree that this agreement shall be interpreted and construed under the laws of the State of Nevada. All parties agree that in the event any dispute arises over the interpretation or enforcement of this Agreement, jurisdiction over the matter and the parties shall only be appropriate in Clark County, Nevada, unless LFC 104, LLC consents in writing to have such dispute heard in another jurisdiction.

6.11 This Agreement may be executed in counterparts and each counterpart shall be effective as an original.

LFC 104, LLC
a Nevada corporation

By: Morton Reed

Name: Morton Reed

Title: Chief Executive Officer

Date: 6/21/05

LAW OFFICE OF JOHN RAKOWSKY

By: John Rakowsky

Name: John Rakowsky

Date: 6/20/05

Attorney (Initial) JR

6.6 In the event that LFC 101, LLC is required to take any legal action to interpret or to enforce the terms of this Agreement, then LFC 101, LLC shall be entitled to recover the full amount of any attorneys fees and costs incurred, whether or not a legal action is commenced.

6.7 The parties to this Agreement, and each of them, hereby represent and warrant that they have the full authority to execute this Agreement and to fully bind the respective parties to each and all of the terms and conditions set forth herein.

6.8 This Agreement constitutes a single, integrated written contract, expresses the entire agreement of the parties with respect to the subject matter of this agreement, and supersedes all negotiations, prior discussions, and preliminary agreements.

6.9 This Agreement was jointly prepared through negotiations of the parties, and the provisions of the agreement are not to be strictly or liberally construed for or as against any of the parties.

6.10 The parties agree that this agreement shall be interpreted and construed under the laws of the State of Nevada. All parties agree that in the event any dispute arises over the interpretation or enforcement of this Agreement, jurisdiction over the matter and the parties shall only be appropriate in Clark County, Nevada, unless LFC 101, LLC consents in writing to have such dispute heard in another jurisdiction.

6.11 This Agreement may be executed in counterparts and each counterpart shall be effective as an original.

LFC 101, LLC
a Nevada corporation

By: Morton Reed

Name: Morton Reed

Title: Chief Executive Officer

Date: 6/21/05

LAW OFFICE OF JOHN RAKOWSKY

By: _____

Name: John Rakowsky

Date: _____

Attorney _____
(Initial)

Ron Leach Attorney for Corporate Law Center 6/17/05

EXHIBIT "A" – DECLARATION

1. I, **John Rakowsky** hereby declare and state as follows:

2. I am an attorney licensed to practice before the courts of the **State of South Carolina.**

3. I am the attorney of record for **James Spencer, et. al.**, the plaintiff (the "Plaintiff") in that certain Lawsuit more fully described **James Spencer, et. al. v. Horry County, et. al.**, bearing Case No. **402185927**, which is pending in the **United States District Court, District of South Carolina, Florence Division** (the "Lawsuit").

4. I have considered, and sought out other potential funding options and consider the Advance set forth herein to be reasonable under the circumstances.

5. I fully understand the terms under which the Advance is being provided, all as set forth in the Contingent Advance And Security Agreement (the "Agreement"), and I agree to abide by and comply with the terms of this Agreement.

6. The Plaintiff understands the terms under which the Advance is being provided, all as set forth in the Agreement

7. The Plaintiff has expressly consented to this contractual arrangement, has consented to the lien being granted LFC 101, LLC herein against all receivables, contract rights, or payment rights of any kind, now in existence or hereafter arising in favor of Attorney, for legal services provided to Plaintiff, or any successor-in-interest to Plaintiff, relating to pursuit of the Claims. This lien shall also encumber the proceeds of the foregoing. The Plaintiff's consent appears in the duly executed *Client Consent Form* attached hereto.

8. I understand that your company will advance monies to me/my firm to use as I see fit to pay the costs associated with the pursuit of the Claims. I also understand that this transaction is not a loan, but an investment that involves substantial risk and repayment is not guaranteed.

I declare under penalty of perjury under the laws of the State of Nevada and the United States that the foregoing is true and correct.

LAW OFFICE OF JOHN RAKOWSKY

By: _____

Name: John Rakowsky

Date: 6/20/05

Attorney _____ (Initial)

EXHIBIT "A" - DECLARATION

1. I, John Rakowsky hereby declare and state as follows:

2. I am an attorney licensed to practice before the courts of the State of South Carolina.

3. I am the attorney of record for James Spencer, et. al., the plaintiff (the "Plaintiff") in that certain Lawsuit more fully described James Spencer, et. al. v. Horry County, et. al., bearing Case No. 4021185927, which is pending in the United States District Court, District of South Carolina, Florence Division (the "Lawsuit").

4. I have considered, and sought out other potential funding options and consider the Advance set forth herein to be reasonable under the circumstances.

5. I fully understand the terms under which the Advance is being provided, all as set forth in the Contingent Advance And Security Agreement (the "Agreement"), and I agree to abide by and comply with the terms of this Agreement.

6. The Plaintiff understands the terms under which the Advance is being provided, all as set forth in the Agreement.

7. The Plaintiff has expressly consented to this contractual arrangement, has consented to the lien being granted LFC 101, LLC herein against all receivables, contract rights, or payment rights of any kind, now in existence or hereafter arising in favor of Attorney, for legal services provided to Plaintiff, or any successor-in-interest to Plaintiff, relating to pursuit of the Claims. This lien shall also encumber the proceeds of the foregoing. The Plaintiff's consent appears in the duly executed *Client Consent Form* attached hereto.

8. I understand that your company will advance monies to me/my firm to use as I see fit to pay the costs associated with the pursuit of the Claims. I also understand that this transaction is not a loan, but an investment that involves substantial risk and repayment is not guaranteed.

I declare under penalty of perjury under the laws of the State of Nevada and the United States that the foregoing is true and correct.

LAW OFFICE OF JOHN RAKOWSKY

By: _____

Name: John Rakowsky

Date: _____

Ray Lewis Esq for
Re Corporate Law Center
6/17/05

Attorney _____ (Initial)

Page 5 of 5

CLIENT CONSENT FORM

I, James Spencer, hereby declare and state that I have reviewed the attached Contingent Advance And Security Agreement (the "Agreement"), or my Attorney has reviewed this agreement and I am prepared to rely upon his review and advice. I hereby authorize my Attorney to enter into this agreement, and I authorize Attorney to grant LFC 101, LLC a first priority lien against all receivables, contract rights, or payment rights of any kind, now in existence or hereafter arising in favor of Attorney, for legal services provided to me, or to my successors-in-interest, relating to the pursuit of the Claims. I further agree that Attorney is authorized to assign any attorneys lien that he holds against the Claim to LFC 101, LLC as security for Attorney's obligations under the Agreement.

By: James Spencer

Name: James Spencer

Date: 06-20-05

251

June 16, 2005

To: Lit Funding

From: Brian Spencer
PMB 183 7001 Saint Andrews Rd.
Columbia, SC 29212
Phone: 803.348.3330, 843.421.2100, 803.781.4580
Fax: 702.736.8621

To Whom It Does Concern:

As the recipient of Presettlement Funding I want to thank you for providing $50,000.00 as an investment in the success of my case.

Prior to my case being presented for funding I agreed to pay 1st Choice Funding 20% of any funding amount I received as payment for the service they provide in securing funding. I am attaching the contractual agreement which outlines the conditions of my agreement. I understand Lit Funding provides as direct compensation 5% of the amount funded to 1st Choice which leaves me with the remaining 15% to be deducted out of my proceeds. I am requesting a balance of $7,500.00 be deducted as payment in full for the service provided and sent direct to 1st Choice Funding and send to my attorney the remaining balance of $42,500.00.

Cordially,

Brian Spenser

a/k/a James Spenser
a/k/a James Spencer
a/k/a Brian Holt

Attorney at Law

LITFUNDING USA
3700 PECOS MCLEOD, SUITE 100
LAS VEGAS, NV 89121
T: (702) 317-1610 · F:(702) 317-1611

June 20, 2005

John Rakowsky, Esq.
Law Office of John Rakowsky
900 12th Street
Cayce, South Carolina 29033

RE: ***James Spencer, et. al. v. Horry County, et. al.***

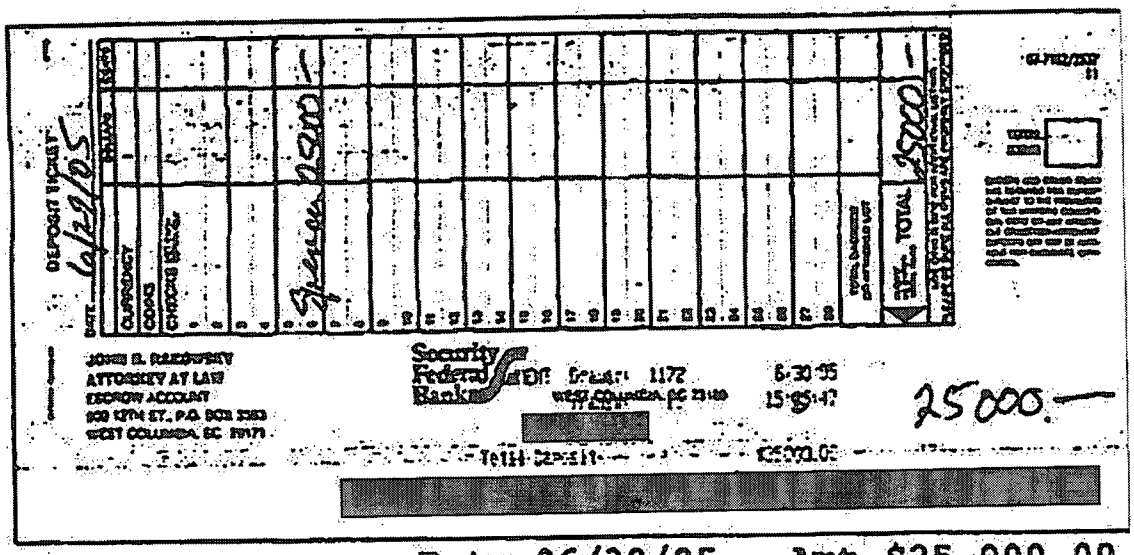
Dear Mr. Rakowsky:

Pursuant to the two Contingent Advance and Security Agreements dated June 21, 2005 for the above referenced case, enclosed are two checks totaling forty two thousand five hundred dollars ($42,500.00). If I can be of further assistance, please do not hesitate to give me a call.

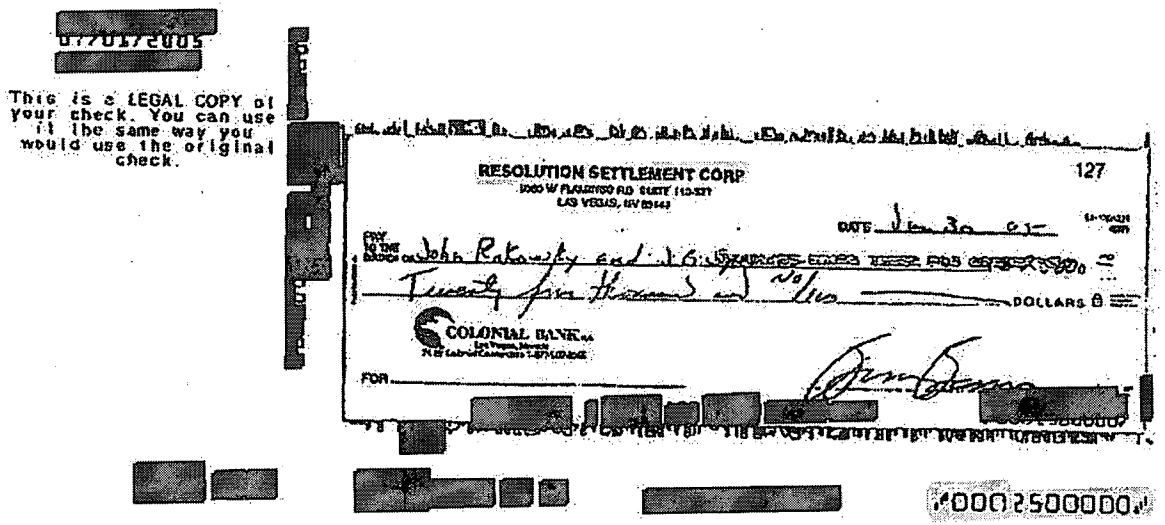
Sincerely,

Vera Stein

Vera Stein
Director of Client Oversight and Risk Management
LitFunding USA



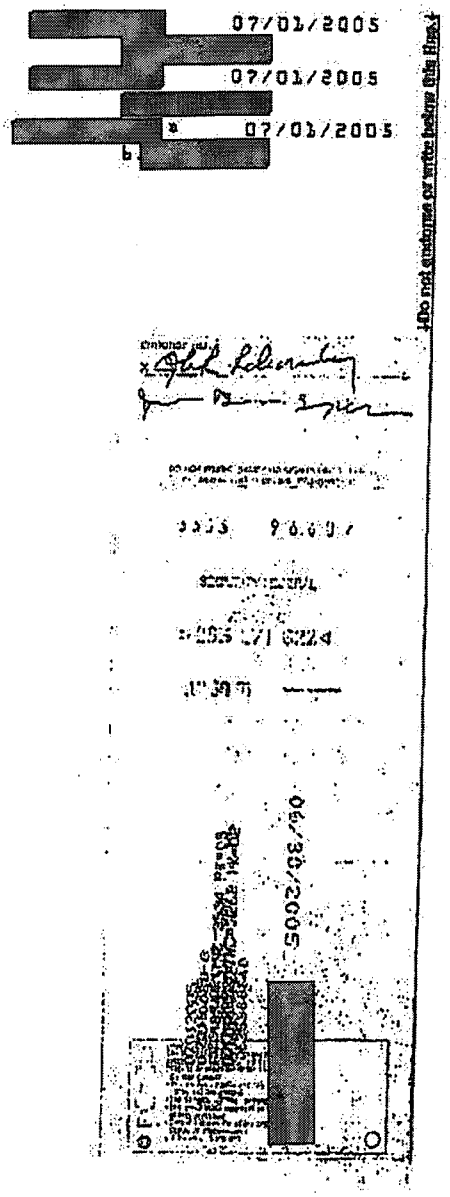
Date 06/30/05 Amt $25,000.00



Attachment "Three"
2 of 3

MTB0030

Attachment "Three"
1 of 3



Security Federal Bank

P.O. BOX 810 • AIKEN, SOUTH CAROLINA 29802

Date 6/30/05
Primary Account
Enclosures

JOHN R RAKOWSKY ATTORNEY AT LAW
IOLTA
PO BOX 3593
WEST COLUMBIA SC 29171

SUMMARY:

ACCOUNT NUMBER	ACCOUNT TITLE	CURRENT BALANCE	ENCLOSURES
[redacted]	PROPRIETORSHIP CKG	66,261.12	2

PROPRIETORSHIP CKG
Account Number
Previous Balance
3 Deposits/Credits
3 Checks/Debits
Service Charge
Interest Paid
Current Balance

[redacted]

Number of Enclosures 2
Statement Dates 6/01/05 thru 6/30/05
Days in the statement period 30
Average Ledger
Average Collected
Interest Earned
Annual Percentage Yield Earned
2005 Interest Paid

[redacted]

ACTIVITY IN DATE ORDER

6/21	WEB Deposit	42,500.00	42,508.50
6/30	Deposit	25,000.00	67,508.50
6/30	Check 157	1,250.00-	66,258.50

--- CHECKS IN NUMBER ORDER ---

DATE	CHECK NO	AMOUNT
6/30	157	1250.00

* DENOTES MISSING CHECK NUMBERS

INTEREST RATE SUMMARY

DATE	RATE
6/22	0.2500%

TRANSFER AND CONVEYANCE OF PROCEEDS AND SECURITY AGREEMENT

THIS TRANSFER AND CONVEYANCE OF PROCEEDS AND SECURITY AGREEMENT (the "Agreement") is made this 5th day of June, 2005, by and between RESOLUTION SETTLEMENT CORPORATION ("Transferee"), a Nevada Corporation, and SOUTHERN HOLDINGS; JAMES SPENCER ET AL ("Transferor"), whose address is: C/O John Rakowsky Esq. Attorney of Record; PO Box 3593 West Columbia, SC 29171 Tel: 803 331-2788.

RECITALS

WHEREAS, Transferor has a claim against and/or is a plaintiff in an action or suit (whether a claim, action or suit, the "Litigation") now pending before the United States District Court; district of South Carolina (Civil Action 4 02 1859 12;(the "Defendant"), whose various insurance carriers are defending such Litigation, arising out of an act of negligence, accident or other incident occurring on or about June 1, 2000 in which the Defendants damaged the Transferor with false arrest, personal injury and other torts. A brief description of the Litigation is attached and identified as Schedule C.

WHEREAS, Transferor does not have sufficient funds to proceed with the Litigation, has no asset against which to borrow, and has sought funds from other sources but has been unable to find any.

WHEREAS, an undetermined amount of time will be required for Transferor to seek compensation from the Defendant(s) through continued legal action and/or negotiations to otherwise persuade or prevail upon the Defendant(s) to pay the Transferor an amount appropriate and necessary to compensate Transferor for the injuries incurred and/or damages suffered; and

WHEREAS, in order to afford Transferor sufficient funds to proceed with the Litigation, Transferee has agreed to accept certain proceeds which may arise from settlement or verdict resulting from the Litigation.

WHEREAS, Transferor desires to pursue the Litigation to such time that a fair and favorable settlement or judgment can be obtained.

WHEREAS, Transferee has made its own determination to make this advance and has not relied on any advice from Transferor's counsel regarding the merits, value, risk, or legitimacy of the Litigation.

NOW THEREFORE, for and in consideration of the sum of Ten Dollars ($10.00), cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Transferee and Transferor do hereby agree as follows:

Corporate Office
702-736-8863 Phone
702-736-8621 Fax

Transferor's Initials _____

1. Transferor unconditionally and irrevocably transfers and conveys to Transferee all of Transferor's control, A RIGHT OF PROCEEDS which includes the right, title and interest in the first TWENTY FIVE THOUSAND DOLLARS ($25,000.00) paid to Transferor from the Proceeds, as hereinafter defined, or other recovery derived from the Litigation. Said amount shall, by agreement, increase by FOUR THOUSAND FIVE HUNDRED ($4,500.00) PER MONTH beginning on the first day of the month following the date of execution of this agreement, pursuant to the schedule attached hereto as Schedule A. The first months interest will accrue upon signing this agreement for purposes of an early settlement payment, however the second month will begin on August 1, 2005 and increase as stated the first of each month thereafter.. For purposes of this Agreement, "Proceeds" shall be defined as the gross amount of the recovery from the Litigation, less Transferor's attorney's fees of approx. 40 % of any recovery, the actual costs of the Litigation advanced by Transferor's legal counsel on Transferor's behalf, and any other prior superior assignments, liens, encumbrances or security interests of any kind or nature in or relating to the Proceeds as provided for in Schedule B hereto, if any.

2. Transferor hereby grants to Transferee a security interest in the Proceeds of the Litigation in the sum of TWENTY FIVE THOUSAND DOLLARS ($25,000.00) plus any and all increases pursuant to Schedule A hereto, in order to secure the conveyance, subject to the terms and conditions of this Agreement.

3. This agreement is expressly intended to transfer, convey and relinquish control over only a specified portion of the Proceeds that may flow from, and as a result of the Litigation referred to above. This agreement is not an assignment, nor a purchase of any right, chose in action, cause of action, or claim which Transferor may have or possess as against any responsible party, respondent or defendant referred to herein. Transferee contemplates no control, input, influence, right or involvement of any kind regarding any claim, right, or interest of Transferor in the Litigation.

4. This agreement, and the obligation to pay over the Proceeds specified herein is totally contingent, speculative and without recourse on the part of Transferee, except for the security interest in the Litigation, and any successor claim(s) and/or litigation(s) arising out of the same facts, or arising out of the conduct of the Litigation. If there is no recovery of Proceeds by Transferor as specified herein, then Transferee shall receive NOTHING.

5. Transferor hereby authorizes Transferee to send to the applicable insurance company a "Notice of Lien", so that Transferor may perfect its lien against the subject claim. (An example is attached hereto as Schedule "E"). Transferor represents that the applicable insurance company(ies) is (are) as follows:

_____

6. Transferor shall, and does hereby require and direct his/her attorney(s) to execute this Agreement. By execution hereof, Transferor's attorney(s) acknowledges receipt of, and actual notice of this Agreement and agrees to disburse the Proceeds as set forth herein above.

Corporate Office
702-736-8863 Phone
702-736-8621 Fax

Transferor's Initials: _____

7. All parties to this agreement acknowledge that by execution hereof, Transferor's attorney is solely and merely following Transferor's instructions. Transferor's attorney is making neither representation nor guarantee, inferred, expressed or implied; concerning either merits or value of the claim(s) or litigation matter(s) referred to herein to ANY PARTY. Further, all parties to this agreement acknowledge that Transferor's attorney assumes no affirmative duties herein other than the ministerial obligations of disbursement, and conveying information contained herein.

8. If Transferor changes his/her attorney(s) after signing this Agreement, Transferor and Transferor's attorney each shall give immediate written notice, by certified mail return receipt requested, to Transferee at **9360 W. Flamingo Rd. Suite 110-527, Las Vegas, NV 89147**, of the identity, address and phone numbers of Transferor's new attorney(s). Transferor further agrees to require and to direct any new attorney(s) to execute and acknowledge this Agreement.

9. Transferor hereby authorizes his attorney(s) to release to Transferee any information, files, records, documents regarding the Litigation requested by Transferee, who agrees to treat such information as privileged and who shall receive and review these materials solely in the limited capacity necessary for this Agreement.

10. This Agreement constitutes the entire agreement between the parties and there are no representations, warranties, covenants or obligations except as set forth herein. This Agreement supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, written or oral, of the parties hereto, relating to any transaction contemplated by this Agreement. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns. In the event any one or more of the covenants, terms and conditions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity, liability or enforceability of any other covenant, term or condition in this Agreement.

11. Transferor represents and warrants unto Transferee that as of the date of this Agreement that (a) Transferor believes the Litigation to be meritorious and filed in good faith; (b) Transferor has complete right, title and interest in and to the Litigation and full power and authority to make and execute this Agreement; (c) Transferor has not and will not assign or encumber the Proceeds from the Litigation, except as otherwise provided herein; and (d) there is no other assignment, lien, encumbrance or security interest of any kind or nature in or relating to the Proceeds other than is provided for in Schedule B hereto, if any.

12. Transferor intends this agreement to be fully valid and binding as to and upon all heirs, trustees, executors, or any other successor-in-interest who may obtain or assert control over the Litigation by reason of Transferor's death, disability, or decline in health such that someone other than Transferor is, or becomes entitled to make decisions concerning the disposition of the Litigation, or any of the proceeds thereof. Further, by executing this agreement, Transferor intends to exercise any Power of Appointment with which Transferor is empowered to the extent necessary to complete the Transfer that is the subject of this agreement.

13. This Agreement shall be construed and interpreted in accordance with the laws of Nevada and venue for any dispute arising hereunder (including any interpleader action) shall lie in the 8th Judicial District Court for Clark County, Nevada. Transferor agrees that any and all Federal

lawsuits related to or arising from this agreement shall be filed and maintained in the Federal Courthouse located in Las Vegas, Nevada. Transferor understands that the "choice of laws", "forum", and "venue" clauses contained herein are critical in nature, and are essential to this Contract, and that they have not been placed in this contract as mere "form" insertions and recitals.

14. If a dispute between the parties to this Agreement arises, the parties agree and acknowledge that all funds in dispute shall be interplead into the Nevada courts until such time said dispute is resolved.

15. Transferor has been advised to have not only his/her counsel, but also outside counsel, review this agreement prior to Transferor's signing it.

16. Transferor has been advised that Transferee is a provider of funds **of last resort** and that other sources may have more favorable rates and payment schedules.

17. Transferee has answered all of Transferor's questions.

18. Transferor acknowledges that Transferee will, in the event that Transferor should make a recovery, make a substantial profit from this advance.

19. Transferor acknowledges that this contract has been drafted by both Transferor and Transferee, and is made a part of this entire transaction.

20. Transferor understands that the attached Schedule A, Schedule B, Schedule C, Schedule D, and Schedule E are each hereby made a part of this agreement.

21. Transferor acknowledges that the Transferee advised Transferor to **take no fewer than three (3) days** to consider the terms contained in this agreement before signing it. Transferor acknowledges that he/she signed this agreement after taking 5 days to consider the terms contained herein.

WITNESS the following signatures and seals:

TRANSFEROR:
I, James Brian Spencer, the undersigned person (Transferor), agree to the foregoing *Transfer and Conveyance of Proceeds and Security Agreement.*

x J. B. Spencer 6/22/05
Transferor Date

State of South Carolina
County of Lexington

This instrument was acknowledged before me on June 22, 2005 *(date) by* James B Spencer *(Transferor).*

(Notary Stamp)

(Signature of notarial officer)

My Commission expires: 7/22/14

ATTORNEY FOR TRANSFEROR:
I, John Rakowsky, ("Attorney") attorneys for Transferor, have read this agreement in its entirety, understand it, and agree to abide by the directives of my client as contained therein. In the event a dispute arises between the parties pertaining to the funds at issue herein, I agree to interplead said funds to the applicable court until said dispute is resolved. I agree to distribute any Proceeds of the Litigation in accordance with the terms of the Agreement. In the event that I cease representing the Transferor at any time, I will immediately give written notice via certified mail, return receipt requested, to Transferee at **9360 W. Flamingo Rd. Suite 110-527, Las Vegas, NV 89147**. By execution hereof, I am only following the instructions of Transferor. I make no statement, render no opinion, and proffer no guarantee as pertains to the possibility of recovery of some or any Proceeds as a result of the Litigation. By the execution hereof, I assume no duties or obligations to Transferee other than the ministerial duties of disbursement and of furnishing requested information as specifically outlined herein. Any and all proceeds from the Litigation will be paid into my trust account for disbursement per this agreement.

x _____ 6/22/05
Attorney Date

TRANSFEREE:
I, _____, an authorized representative ("Representative") of the Transferee, agree to the foregoing *Transfer and Conveyance of Proceeds and Security Agreement* on behalf of the Transferee.

_____ _____
Representative Date

Corporate Office
702-736-8863 Phone
702-736-8621 Fax

Transferor's Initials

SCHEDULE A

Schedule of Increases to Amount of Transferred Proceeds

The amount owed will increase by FOUR THOUSAND FIVE HUNDRED ($4,500.00) on the first day of every month, with a minimum payment at signing of a one month fee. Examples of the monthly payoffs are as follows:

At signing 2005	$29,500.00
Aug. 2005	$34,000.00
Sept. 2005	$38,500.00
Oct. 2005	$43,000.00
Nov. 2005	$47,500.00
Dec. 2005	$52,000.00
ETC	

This Schedule shows the monthly payoffs for the first twelve months of the advance. The payoff will continue to increase by FOUR THOUSAND FIVE HUNDRED DOLLARS ($4,500.00) on the first day of every month until paid, based on the terms of this contract.

SCHEDULE B

Liens

Transferor's Attorney:	John Rakowsky Esq.
Address:	PO Box 3593
Telephone:	West Columbia, SC 29171 803 791-8830
Fax	803 794-2788
Attorney's Fee	40%

Holders of Medical Liens N/A_____ Amount $_____

Holders of Other Superior Liens or Encumbrances: N/A_____ Amount $_____

I know of no other liens, claims or encumbrances upon the Litigation other than those listed on this page.

John R. Rakowsky
Attorney for Transferor

6/22, 20 05
Date

SCHEDULE C

Litigation Description

A brief description of the Litigation follows:

- After years of delays by the defendants, the case pending in SC Federal District Court is locked in to be heard this July 19, 2005.
- There are five Plaintiff attorneys on a contingency basis on the case.
- The medical costs due to traumatic injuries to dates are in excess of $120,000, and there are have increasing lifetime health complications from the personal injuries.
- I lost a valuable long-term employment contact valued in excess of $300,000 annually due to the malicious actions of the defendants. ***Please note the attached economic expert's report concerning damages and links below to the experts' credentials.***
- The defendants have deep pockets and are able to pay the damages. The case involves individuals being paid off to forge a Judges signature on arrest papers in addition to the pay off of individuals to make entries on the NCIC system for what has been determined by two individual Judges in two State Courts to be unfounded, contrived and baseless charges. The two hearings that lasted a combined total of less then fifteen minutes.
- The defendants were captured on videotape torturing me after a Fifteenth Circuit Court Judge had issued an Order a month concerning the baseless charges. The perpetrators knew about and deliberately ignored the Judge's Order as validated by conclusive police audiotape evidence. Please note ***attached overview to this e-mail concerning the case.***

In summation, please remember we have two judges who made decisions in our favor including a decision that there was no probable cause to stop and arrest me for any reason on August 6, 2000. There is not even a dispute over the forged Judges signature that initiated the phony warrant and the impossibility of the charges that has been acknowledged by the defendants.

Therefore, the case is going to center on damages and the defendants missed the deadline for naming experts. ~~The defendants will have no experts for trial~~ based on their inaction while we have been able to secure a team of the most creditable experts available with both outstanding credentials and reputations for honesty.

Corporate Office
702-736-8863 Phone
702-736-8621 Fax

Transferor's Initials

SCHEDULE D

Transferor's Information

Name: J. B. Spencer
PMB 183
7001 Saint Andrews Rd.
Columbia, SC 29212

Telephone Number: (803) 348-3330
Date of Birth: 11-15-, 195C

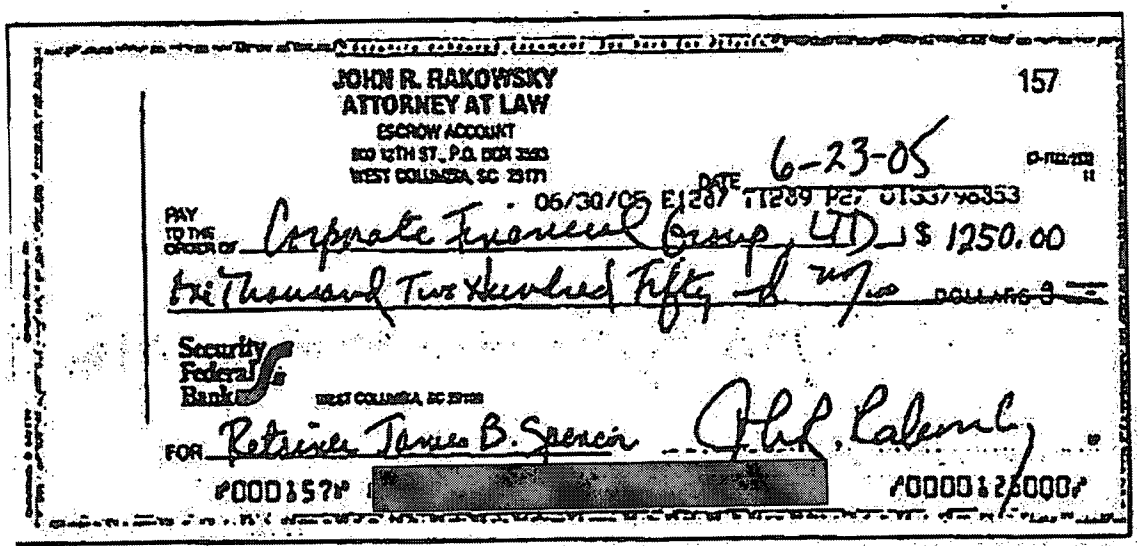
Place of Birth: [illegible]

Mother's Maiden Name: [illegible]

Social Security Number: [illegible]

Drivers License Number: [illegible], State: NV

SCHEDULE E



JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
800 12TH ST., P.O. BOX 2563
WEST COLUMBIA, SC 29171

157

DATE 6-23-05

06/30/05 E1267 T1289 P27 013377x0353

PAY TO THE ORDER OF Corporate Financial Group, LTD $ 1250.00

One Thousand Two Hundred Fifty & no/100 DOLLARS

Security Federal Bank

FOR Retainer Teresa B. Spencer

⑈000157⑈ [redacted] ⑈000125000⑈

Ck# 157 Date 06/30/05 Amt $1,250.00

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
300 12TH ST., P.O. BOX 3210
WEST COLUMBIA, SC 29171

158

DATE 6/30/05

PAY TO THE ORDER OF US Postmaster $ 13.65

Thirteen 65/100 DOLLARS

Security Federal Bank
WEST COLUMBIA SC 29169

FOR Cain

⑈000158⑈ ⑆[redacted]⑆ ⑈000001365⑈

Ck# 158 Date 07/07/05 Amt $13.65

VTB0043

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[illegible] 159

DATE 6/30/05

PAY TO THE ORDER OF Forensic Tape Analysis Inc $ 11,000.00

Eleven Thousand and 00/100 DOLLARS

Security Federal Bank

FOR Est Acct Spencer / Henry Cnty

⑈000159⑈ ⑆[illegible]⑆ ⑈000011000000⑈

Ck# 159 Date 07/07/05 Amt $11,000.00

ITB0044

Forensic Tape Analysis, Inc.

Steve Cain MFS
President/C.E.O.
Forensic Scientist

6242 Jones Rd
C/O Steve Cain
Burlington WI 53105

Michael R Chial, PhD
University of Wisconsin
Board of Directors

LETTER OF AGREEMENT

_____, 2005

Dear Counselor:

Thank your for choosing Forensic Tape Analysis, Inc. ("FTA") as your expert and consultant. FTA is confident you will find our work and professionalism amongst the best available.

You have requested that FTA perform the following tasks: _____
_____. The terms and conditions upon which we have agreed to perform these tasks is set forth in this Letter Agreement ("Agreement").

Due to the high quality of our work product, our services are in considerable demand. Furthermore, the nature of our business frequently requires that we handle matters on an expedited and time intensive basis. For these reasons, FTA requires that you pay an initial, non-refundable, retainer ("Retainer") in the amount of _____ dollars ($_____.00) in order to engage our services to perform the tasks described above.

The high demand for our work product also dictates that we not undertake any work until the initial Retainer is paid, and you have returned a signed copy of this Agreement to us. If you pay the Retainer with certified funds or bank wire transfer, we can begin work immediately. In all other instances, we will need to wait five (5) business days before proceeding.

Our minimum hourly rate(s) and minimum charges for most services are set forth in the Fee Schedule which is attached hereto and incorporated herein by reference as Exhibit A. Reimbursable expenses, include, but are not limited to, airfare, fees for lodging, car rental fees and/or travel expense, copying charges, and expenses associated with obtaining records.

On occasion, the services of other experts are required for us to complete our work. By signing this Agreement, you agree to retain any experts whose assistance we deem necessary, in the exercise of our professional judgment and to pay the fees and expenses due any such expert. This will be discussed prior to our hiring any other needed expert(s). You also agree to indemnify FTA and hold FTA harmless against any claim made by such expert(s) for payment for the performance of their work.

While the Retainer is our best estimate as to the cost to perform the services requested above, it is only an estimate. FTA reserves the right to request an additional Retainer(s). FTA reserves the right to request another Retainer, all work performed thereafter will be billed at the minimum hourly rate applicable to the work performed as set for the in the Fee Schedule, plus expenses.

We will provide you with periodic invoices which will reflect a credit for any Retainer(s) paid. All invoices are due and payable no later than thirty (30) says form the invoice date. In entering into this Agreement, you understand and agree that FTA is entitled to cease work, and that FTA is not obligated to release examination results until all sums outstanding have been paid in full.

Most of FTA's engagements involve an initial analysis, followed by a request for additional services. This usually entails further investigation, analysis, and/or testimony. The terms and conditions of this Agreement apply to any additional services requested. An additional Retainer will likely be required to engage our services for any additional work.

Upon receipt of a request form you for additional work, we will forward an Addendum to this Agreement to you. The Addendum will include a description of the additional services which you are requesting, and a statement as to the additional Retainer, if any, which will be required. Upon receipt of the signed addendum and monies for the additional Retainer, FTA will perform the requested additional services. By execution of this Agreement, you agree that FTA shall have no obligation to perform any services not specifically described herein, unless and until FTA has received the signed Addendum and additional Retainer, if any.

Additional Retainers shall be non-refundable. Notwithstanding this provision, with regard only to additional Retainers paid for anticipated trial testimony, a portion of the additional Retainer may be reimbursed, as follows: If a trial is cancelled or rescheduled and FTA is notified at least seventy-two (72) hours prior to the previously scheduled trial date, a charge equal to the agreed-upon hourly rate multiplied by the hours of time spent in work in trial preparation, plus expenses, will be retained by FTA, and the balance of the Retainer will be refunded to the party who made the payment or credited toward an additional trial Retainer.

FTA is working for you as your expert and consultant. The obligations which you undertake by signing this Agreement are the joint and several obligations of your firm and the client or principal you may represent. Either is authorized to request work under thus Agreement binding the other to the payment obligations provided for in this Agreement. If you are uncomfortable with this arrangement, please advice us immediately, and we will consider signing an agreement strictly with your client or principal; provided, however, that a larger Retainer may be required. The signing of this Agreement indicates you agree and are bound by the Agreement.

Any dispute which arises under this Agreement shall be resolved by binding arbitration in accordance with the Commercial Rules of the American Arbitration

271

Association. All arbitration proceedings will be held in Walworth County, Wisconsin. The award of the arbitrator(s) shall be final and binding upon the parties, and may be entered as a judgment in any state or federal court. The cost of arbitration and suit, including, but not limited to, reasonable attorney fees, shall be interpreted under the laws of the Stat of Wisconsin.

FTA's work is done in accordance with applicable professional standards, but is only as good as information we are given by you, or which we can obtain from other sources. It is imperative that you disclose to us all information or sources which may be relevant to our work, and that you do so in a timely fashion. If you have any doubt regarding the importance of a document or certain information, call us. In order to maintain our high professional standards and reputation, we base our conclusions and opinions solely upon the information and documentation provided to us, and not on any desired or expected result.

Some of our clients are represented by public defender programs, and are therefore subject to fee and expense restrictions imposed by federal or state law. In certain cases, we will serve you at the restructured rates, but only pursuant to a separate written agreement and the following conditions: (1) You must disclose any such restriction to us in writing, in advance; (2) You must provide us with a signed Fee Schedule, along with a signed form from the judge or the public defender authorizing payment; and (3) CJA reimbursement vouchers must be submitted as soon as possible. If approved CJA vouchers are not paid in full within sixty (60) days, the client/law firm is personally responsible for full reimbursement to FTA. Absent a separate written agreement, and your diligent and timely application for approval, the rates for FTA's services are those contained in this Agreement.

This Agreement is binding upon and inures to the benefit of the signatories hereto, their successors and assigns. This Agreement may not be amended except by written agreement signed by both parties hereto.

Thank you for this assignment and FTA looks forward to assisting you.

Sincerely,

FORENSIC TAPE ANALYSIS, INC.

Steve Cain, President

I hereby represent that I have authority to enter into this letter Agreement, which includes the Fee Schedule attached to this Agreement as Exhibit A, and the initial invoice, as well as subsequent invoices, on behalf of my firm. I acknowledge this letter agreement constitutes a binding contract with FTA.

Approved and Accepted by: Signature:_____

Title/Capacity:_____

Company:_____

Address:_____

Phone:_____ Fax_____

I hereby represent that I have authority to enter into this letter agreement, which includes the Fee Schedule attached to this Agreement as Exhibit A, and the initial invoice, as well as subsequent invoices. I acknowledge this Agreement constitutes a binding contract with FTA.

Client Signature:_____

Address:_____

Phone:_____ Fax_____

FEE SCHEDULE-EXHIBIT A

RETAINER REQUIRED

Audio Testing

Authentication (Original)	$3,000-4,000/per tape*
Authentication Copy of Tape	$2,000/per tape*
Voice Identification (verbatim vs. random)	$2,000-3,000/ per conversation
Audiotape Enhancement	$1,000/per side
Recorder Testing	$1,500-2,500
CD ROM Testing	$1,500 per CD

*Additional fees required if specialized examination procedures are required for case completion, including half speed or double sided recordings.

Video Testing

(The retainers listed below are based on a standard 2 hour VHS tape)

Authentication (Original Videotape)	$4,000-5,000/per tape*
Authentication (Videotape Copy)	$2,500/per tape*
Audio Authentication/Enhancement	$2,000/per tape
Authentication (Time-Lapse, 2 Hour) (copy v original)	$3,000-$5,000/per tape*
Recorder	$1,500-2,500

Note: For videotape recorded in extended play (EP) or 6 hour mode, fees are billed at double time. For time lapse video surveillance recordings, the above fees

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
100 12TH ST., P.O. BOX 3550
WEST COLUMBIA, SC 29171

160

DATE 7-1-05

PAY TO THE ORDER OF Lovell Serda $ 1050.00

One Thousand Fifty and 00/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

FOR

⑈000160⑈ [redacted] ⑈000105000⑈

Ck# 160 Date 07/05/05 Amt $1,050.00

TB0050

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]
WEST COLUMBIA, SC 29171

161

DATE 7-1-05

PAY TO THE ORDER OF Jack Labunsky $ 413.00

Four Hundred Thirteen and 00/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

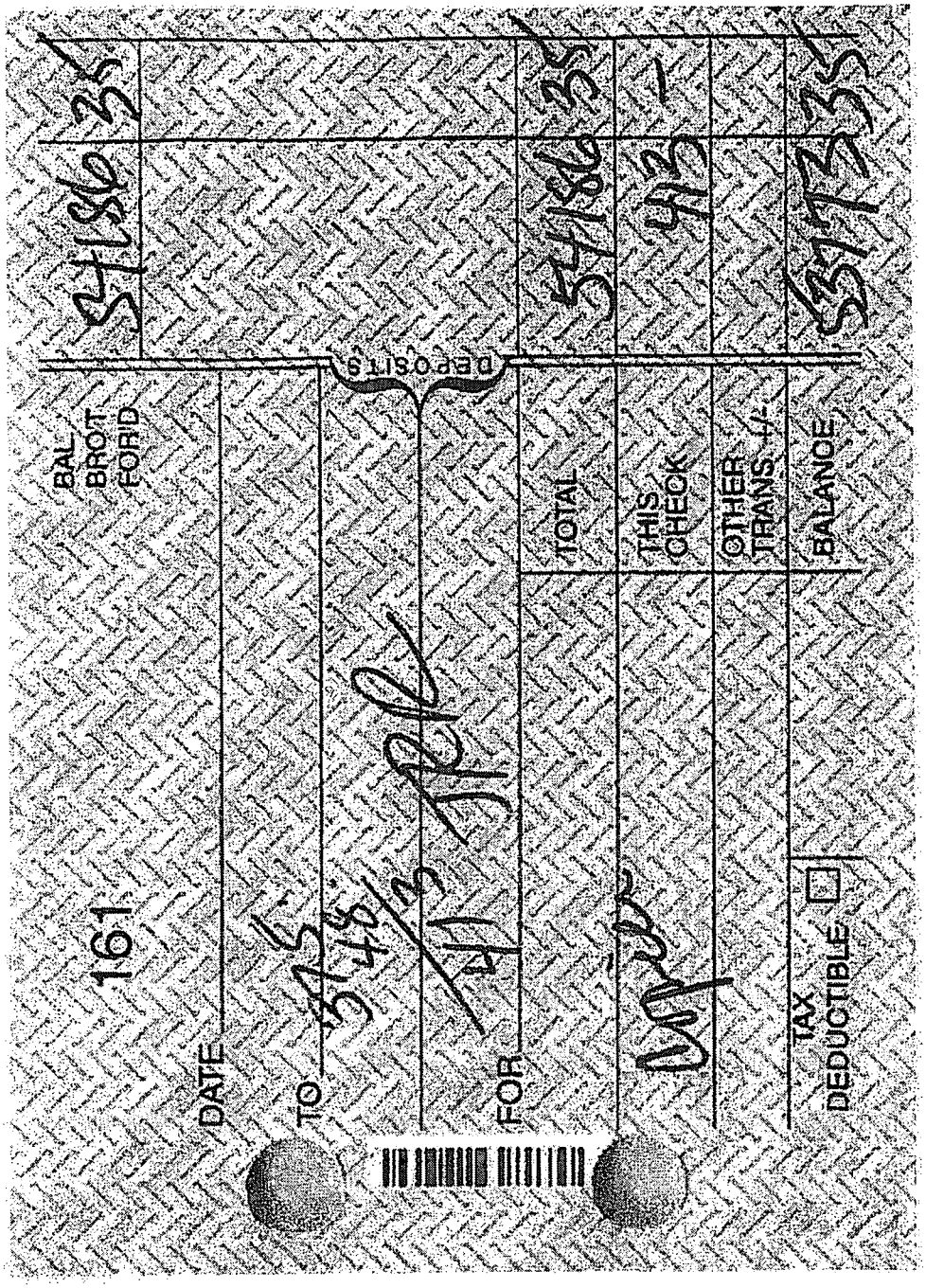
FOR

Jack Labunsky

⑆000161⑈ ⑆[redacted]⑈ ⑆000004130⑈

Ck# 161 Date 07/05/05 Amt $413.00

TB0051


161
DATE
TO
FOR
DEPOSITS
BAL BROT FORD
TOTAL
THIS CHECK
OTHER TRANS. +/-
BALANCE
TAX DEDUCTIBLE

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
300 12TH ST., P.O. BOX 3330
WEST COLUMBIA, SC 29171

162

DATE 7-11-05

PAY TO THE ORDER OF KON BOX 545 $305.15

Three Hundred Five and 15/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

FOR LOT050700 94

⑈000162⑈ [redacted] ⑈000030515⑈

Ck# 162 Date 07/21/05 Amt $305.15

CTB0053

IKON **Document Efficiency** *At Work.*

IKON Office Solutions - Columbia, SC
Phone: (803) 779-9778 Fax:
Federal ID: [redacted]

INVOICE

Invoice #	L0705070094
Invoice Date:	07/11/2005
Due Date:	07/21/2005
Terms:	Net 10 Days
Customer Code:	L07-JOHR
Natl ID:	1

SOLD TO:
John R. Rakowsky
1015 Center Street
West Columbia, SC 29169

SHIP TO:
John R. Rakowsky
1015 Center Street
West Columbia, SC 29169

Attn: John R. Rakowsky

Price using: STANDARD Price

Reference / Case #	Reference 2	Reference 3	Account Manager
Jay Spencer			F. BRYAN HANNA

Salesorder	Order Date	Ordered By	Quantity	Unit Price	Extension
SO-0507-0102	07/11/2005	John R. Rakowsky - John R. Rakowsky B&W Copies D - Heavy Litigation	1,645.00	0.175	287.88

Please Pay From This Invoice

Your signature below is an agreement that the above described work has been authorized and received. The party above assures payment of this invoice within 10 days. Interest at the rate of the lesser 1.5% per month or the maximum legal rate will be charged on invoices not paid in 10 days. Customer agrees to pay legal fees incurred in the collection of past due accounts.

Taxable Sales:	287.88
Sales Tax:	17.27
Non-Taxable:	0.00
Postage:	0.00
Delivery:	0.00
PAY THIS AMOUNT	**305.15**

Received and Approved by: [signature] Date: 7/11/05

Please pay from this copy. The party named on this bill is held responsible for payment.

Payment From:
John R. Rakowsky
1015 Center Street
West Columbia, SC 29169

Amount Enclosed
$

Invoice: L0705070094
Invoice Date: **07/11/2005**
Due Date: **07/21/2005**
Customer Code: **L07-JOHR**
Natl ID: **1**

Please Remit To:
IKON Office Solutions
Southeast District - L07
P O Box 532545
Atlanta, GA 30353-2568

PAY THIS AMOUNT $ 305.15
MTB0054

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]
WEST COLUMBIA, SC [redacted]

163

DATE 7-11-05

PAY TO THE ORDER OF Mark Hardee 07/14/05 21333 T1235 F27 05 $150.00

One Hundred Fifty and 00/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC [redacted]

FOR

John R. Rakowsky

⑈000163⑈ [redacted] ⑆000001500⑆

Ck# 163 Date 07/14/05 Amt $150.00

MTB0055

163

DATE

TO

FOR Medical

DEPOSITS 53468 20

	TOTAL	53468 20
	THIS CHECK	150 —
	OTHER TRANS. +/-	
TAX DEDUCTIBLE ☐	BALANCE	53318 20

MLB0056

280

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]
WEST COLUMBIA, SC [redacted]

164

DATE 7-12-05

PAY TO THE ORDER OF Garber Equities $ 379.45

Three Hundred Seventy Nine and 45/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC [redacted]

FOR 07-05-125

[redacted]

Ck# 164 Date 07/25/05 Amt $379.45

TB0057

Garber Reporting Service
Certified Court Reporters
Post Office Box 12348
Columbia, South Carolina 29211
(803) 256-4300

Invoice No: 07-05-125

Please show invoice number on checks and correspondence

I.D. [redacted]

TO: RONALD SEROTA, ESQUIRE
ATTORNEY AT LAW
CORPORATE LAW CENTER
2620 REGATTA DRIVE, SUITE 102
LAS VEGAS, NEVADA 89128

DATE: July 05, 2005

June 28, 2005 Reporter: PATRICIA BACHAND

IN RE: SOUTHERN HOLDINGS, INC., JAMES SPENCER; RODNEY KEITH LAIL; IRENE SANTACROCE; RICKY STEPHENS; MARGUERITE STEPHENS; DORIS HOLT; & NICHOLAS C. WILLIAMSON VS HORRY CO. SC; HORRY CO. SHERIFF'S

DEPOSITION OF GLENN HARRISON, PH.D.

ONE COPY OF TRANSCRIPT	295.80
COMPRESSED TRANSCRIPT	0.00
EXHIBIT COPIES	83.65

TOTAL DUE 379.45

NOTE: THANK YOU.

PR # 1601

Due & Payable upon receipt in Richland County, Columbia, SC

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
909 12TH ST., P.O. BOX 3351
WEST COLUMBIA, SC 29171

165

DATE 7-12-05

PAY TO THE ORDER OF Barber Reporting $ 508.80

Five Hundred Eight 80/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

FOR 07-05-02

Rick Rakowsky

⑈000165⑈ [redacted] ⑈000050880⑈

Ck# 165 Date 07/25/05 Amt $508.80

TB0059

Garber Reporting Service
Certified Court Reporters
Post Office Box 12348
Columbia, South Carolina 29211
(803) 256-4300

I.D. [redacted]

Invoice No: 07-05-130

Please show invoice number on checks and correspondence

RONALD SEROTA, ESQUIRE
ATTORNEY AT LAW
CORPORATE LAW CENTER
TO: 2620 REGATTA DRIVE, SUITE 102
LAS VEGAS, NEVADA 89128

DATE: July 05, 2005

June 28, 2005 Reporter: PATRICIA BACHAND

IN RE: SOUTHERN HOLDINGS, INC., JAMES SPENCER; RODNEY KEITH LAIL; IRENE SANTACROCE; RICKY STEPHENS; MARGUERITE STEPHENS; DORIS HOLT; & NICHOLAS C. WILLIAMSON VS HORRY CO. SC; HORRY CO. SHERIFF'S

DEPOSITION OF EUGENE CHEWNING, PH.D.	
ONE COPY OF TRANSCRIPT	186.30
COMPRESSED TRANSCRIPT	0.00
EXHIBIT COPIES	62.45
DEPOSITION OF MARIBETH COLLER, PH.D.	
ONE COPY OF TRANSCRIPT	207.90
COMPRESSED TRANSCRIPT	0.00
EXHIBIT COPIES	52.15
TOTAL DUE	508.80

NOTE: THANK YOU.

Pd #165

Due & Payable upon receipt in Richland County, Columbia, SC

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
809 12TH ST., P.O. BOX 3920
WEST COLUMBIA, SC 29171

166

DATE 7-13-05

PAY TO THE ORDER OF IKON BOX 545 $418.49

Four Hundred Eighteen 49/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

FOR LOT# 70553

⑈000166⑈ [redacted] ⑈000041849⑈

Ck# 166 Date 07/21/05 Amt $418.49

MTB0061

IKON Document Efficiency At Work℠

IKON Office Solutions - Columbia, SC
Phone: (803) 779-9778 Fax:
Federal ID: [redacted]

INVOICE

Invoice #	L0705070133
Invoice Date:	07/13/2005
Due Date:	07/23/2005
Terms:	Net 10 Days
Customer Code:	L07-JOHR
Natl ID:	65750

SOLD TO:
John R. Rakowsky
1015 Center Street
West Columbia, SC 29169

SHIP TO:
John R. Rakowsky
1015 Center Street
West Columbia, SC 29169

Attn: John R. Rakowsky

Price using: STANDARD Price

Reference / Case #	Reference 2	Reference 3	Account Manager
Jay Spencer			F. BRYAN HANNA

Salesorder	Order Date	Ordered By	Quantity	Unit Price	Extension
SO-0507-0141	07/12/2005	John R. Rakowsky - John R. Rakowsky Prints w/ Assembly	3,290.00	0.120	394.80

Please Pay From This Invoice

Your signature below is an agreement that the above described work has been authorized and received. The party above assures payment of this invoice within 10 days. Interest at the rate of the lesser 1.5% per month or the maximum legal rate will be charged on invoices not paid in 10 days. Customer agrees to pay legal fees incurred in the collection of past due accounts.

Taxable Sales:	394.80
Sales Tax:	23.69
Non-Taxable:	0.00
Postage:	0.00
Delivery:	0.00
PAY THIS AMOUNT	**418.49**

Received and Approved by: _____ Date: _____

Please pay from this copy. The party named on this bill is held responsible for payment.

Payment From:
John R. Rakowsky
1015 Center Street
West Columbia, SC 29169

Amount Enclosed
$

Invoice: L0705070133
Invoice Date: 07/13/2005
Due Date: 07/23/2005
Customer Code: L07-JOHR
Natl ID: 65750

Please Remit To:
IKON Office Solutions
Southeast District - L07
P O Box 532545
Atlanta, GA 30353-2568

PAY THIS AMOUNT $ 418.49

MTB0062

JOHN R RAKOWSKY ATTORNEY AT LAW
IOLTA
PO BOX 3593
WEST COLUMBIA SC 29171

PROPRIETORSHIP CKG 1108001313 (Continued)

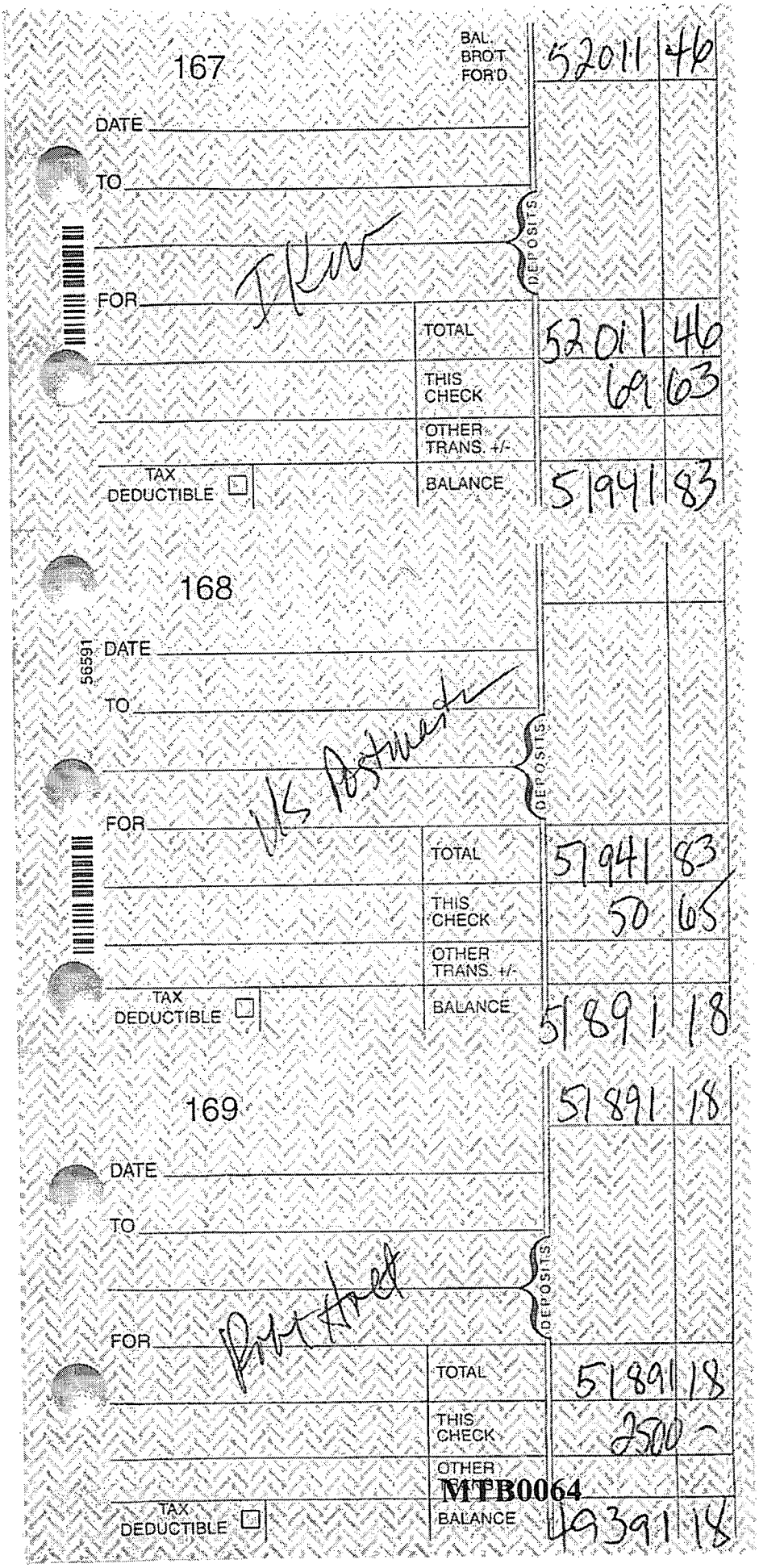
--- CHECKS IN NUMBER ORDER ---

DATE	CHECK NO	AMOUNT	DATE	CHECK NO	AMOUNT	DATE	CHECK NO	AMOUNT
7/05	161	413.00	7/25	165	508.80	7/19	169	2500.00
7/21	162	305.15	7/21	166	418.49	7/27	170	1780.00
7/14	163	150.00	7/21	167	69.63			
7/25	164	379.45	7/19	168	50.65			

* DENOTES MISSING CHECK NUMBERS

INTEREST RATE SUMMARY

DATE	RATE
6/30	0.2500%



167

BAL BROT FOR'D 52011 46

DATE

TO

FOR T Kuo

DEPOSITS

TOTAL 52011 46

THIS CHECK 6963

OTHER TRANS. +/-

TAX DEDUCTIBLE ☐

BALANCE 51941 83

168

56591

DATE

TO

FOR US Postmaster

DEPOSITS

TOTAL 51941 83

THIS CHECK 50 65

OTHER TRANS. +/-

TAX DEDUCTIBLE ☐

BALANCE 51891 18

51891 18

169

DATE

TO

FOR Petty Cash

DEPOSITS

TOTAL 51891 18

THIS CHECK 2500

OTHER

TAX DEDUCTIBLE ☐

BALANCE 49391 18

MTB0064

Document Efficiency At Work™

INVOICE

Invoice #	L0705070180
Invoice Date:	07/14/2005
Due Date:	07/24/2005
Terms:	Net 10 Days
Customer Code:	L07-JOHR
Natl ID:	65750

IKON Office Solutions - Columbia, SC
Phone: (803) 779-9778 Fax:
Federal ID: [redacted]

SOLD TO:
John R. Rakowsky
1015 Center Street
West Columbia, SC 29169

SHIP TO:
John R. Rakowsky
1015 Center Street
West Columbia, SC 29169

Attn: John R. Rakowsky

Price using: STANDARD Price

Reference / Case #	Reference 2	Reference 3	Account Manager
JAY SPENCER			F. BRYAN HANNA

Salesorder	Order Date	Ordered By	Quantity	Unit Price	Extension
SO-0507-0160	07/13/2005	John R. Rakowsky - John R. Rakowsky B&W Copies C - Medium	453.00	0.145	65.69

Please Pay From This Invoice

Your signature below is an agreement that the above described work has been authorized and received. The party above assures payment of this invoice within 10 days. Interest at the rate of the lesser 1.5% per month or the maximum legal rate will be charged on invoices not paid in 10 days. Customer agrees to pay legal fees incurred in the collection of past due accounts.

Taxable Sales:	65.69
Sales Tax:	3.94
Non-Taxable:	0.00
Postage:	0.00
Delivery:	0.00
PAY THIS AMOUNT	**69.63**

Received and Approved by: _____ Date: _____

Please pay from this copy. The party named on this bill is held responsible for payment.

Payment From:
John R. Rakowsky
1015 Center Street
West Columbia, SC 29169

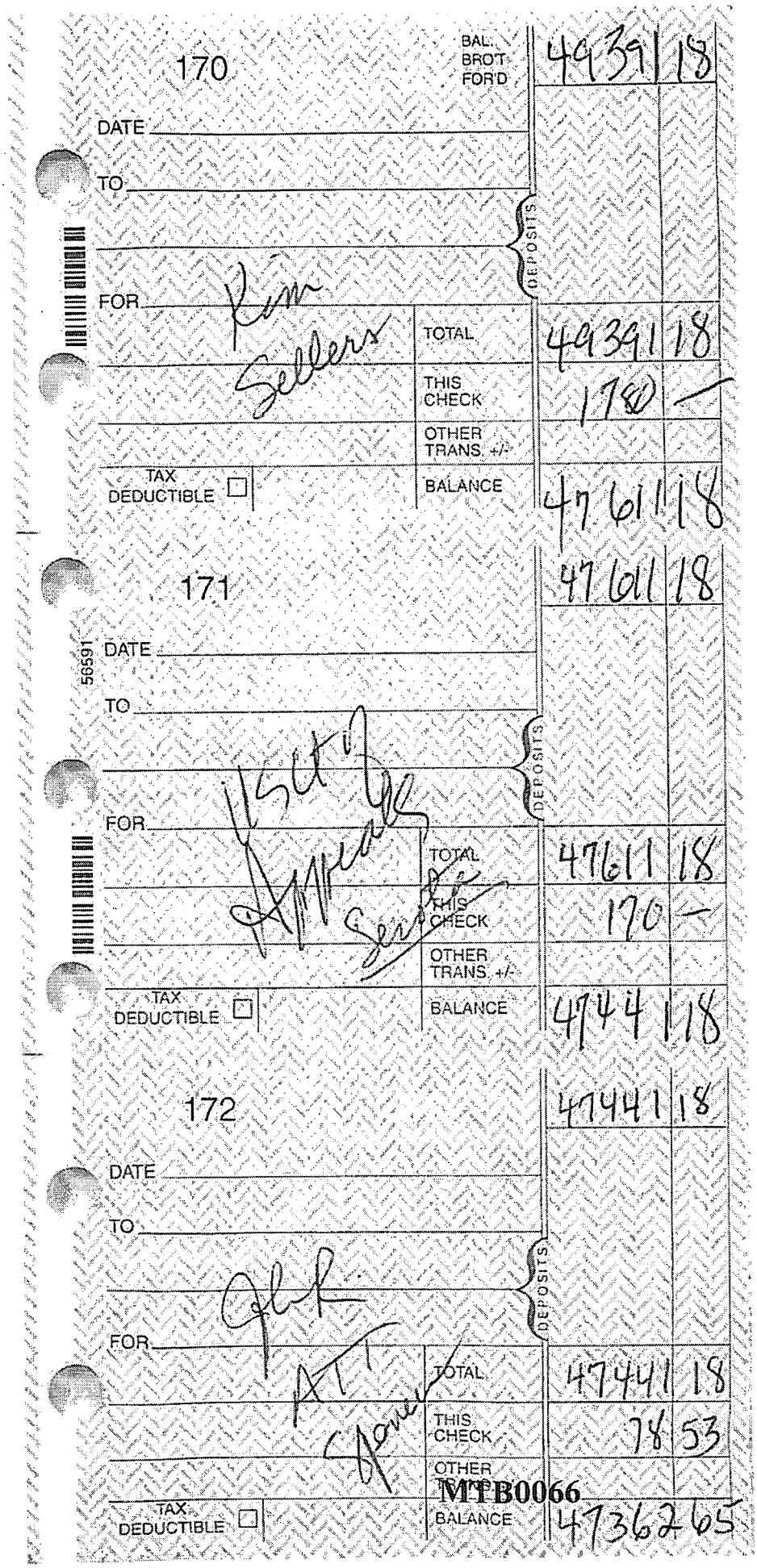
Amount Enclosed
$

Invoice: L0705070180
Invoice Date: 07/14/2005
Due Date: 07/24/2005
Customer Code: L07-JOHR
Natl ID: 65750

Please Remit To:
IKON Office Solutions
Southeast District - L07
P O Box 532545
Atlanta, GA 30353-2568

PAY THIS AMOUNT $ 69.63

MTB0065



170

DATE

TO

FOR Ken Sellers

BAL. BROT FOR'D 4939 18

DEPOSITS

TOTAL 4939 18

THIS CHECK 178 —

OTHER TRANS. +/-

TAX DEDUCTIBLE ☐

BALANCE 4761 18

4761 18

171

DATE

TO

FOR Visit Arkansas

56591

DEPOSITS

TOTAL 4761 18

THIS CHECK 170 —

OTHER TRANS. +/-

TAX DEDUCTIBLE ☐

BALANCE 4744 18

47441 18

172

DATE

TO

FOR ATT Phone

DEPOSITS

TOTAL 47441 18

THIS CHECK 78 53

OTHER TRANS. +/-

TAX DEDUCTIBLE ☐

BALANCE 4736265

MTB0066

Kimberly A. Sellers
Invoice for Independent Paralegal Services

Re: USDC- Florence Division
C/A No.: 4:02-1859-12
Southern Holdings Inc, et al. v. Horry County, South Carolina, et al.

6/27-/05	meeting with Mark Hardee re: case review	1.0
7/9/05	meeting with client and John Rakowsky review materials	2.5
7/10/05	prepare trial exhibits	5.0
7/11/05	prepare trial exhibits and completion of exhibit list	12.25
7/14/05	organize depositions, trial materials, etc.	3.0
7/16/05	summary judgment preparation, trial prep	6.50
7/17/05	trial prep-file organization	2.0
7/18/05	trial prep- file organization	2.0
TOTAL TIME		**34.25 hours**
Hourly Rate:	**$50.00 per hour**	**$ 1,712.50**
Expenses:	**attached**	**$ 67.50**
TOTAL AMOUNT DUE:		**$1,780.00**

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
100 16TH ST., P.O. BOX 3369
WEST COLUMBIA, SC 29171-3369

171

DATE 08/22/05

PAY TO THE ORDER OF Clerk, US Court of Appeals $ 170.00

One Hundred Seventy and 00/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

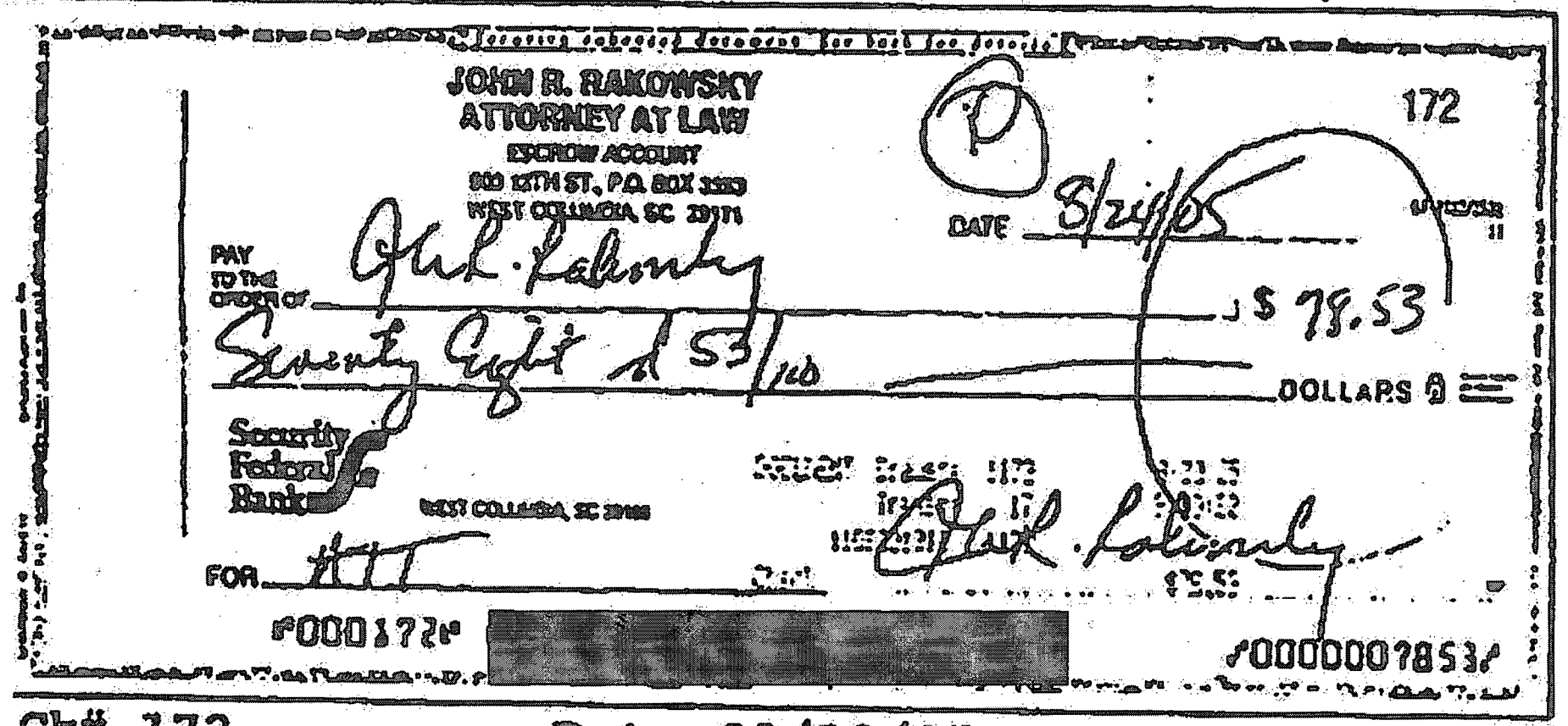
FOR RanSeidel Admission Filing

John R. Rakowsky

⑈000171⑈ [redacted] ⑈000017000⑈

Ck# 171 Date 08/22/05 Amt $170.00

MTB0068



JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]
WEST COLUMBIA, SC [redacted]

172

DATE 8/24/05

PAY TO THE ORDER OF Carl Lakowsky

$ 78.53

Seventy Eight & 53/100 DOLLARS

Security Federal Bank

WEST COLUMBIA, SC [redacted]

FOR Att

Carl Lakowsky

⑈000172⑈ [redacted] ⑈000007853⑈

Ck# 172 Date 08/30/05 Amt $78.53

MTB0069

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
909 12TH ST., P.O. BOX 3310
WEST COLUMBIA, SC 29171

173

DATE 9/2/05

PAY TO THE ORDER OF Mary Beth Collen, PhD $ 2055.00

Two Thousand Fifty-five and no/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

FOR Greene v Horry Cty. John R. Rakowsky

⑈000173⑈ [redacted] ⑈000205500⑈

Ck# 173 Date 09/15/05 Amt $2,055.00

TB0070

Maribeth Coller, Ph.D.

111 Laurel Branch Way Columbia, SC 29212 (803) 730-1218

Invoice for Consulting Services

June 30, 2005

Submitted To:

Mr. Ronald Serota
Law Office of Ronald Serota Esq.
520 South Sixth St.
Las Vegas, NV 89101

Case: Southern Holdings

Hours to date: 21.3 hours @ $350/hour		$ 7,455.00
Less:	Deposition hours billed to *Aiken Bridges* (2 hours @ $200/hour)	(400.00)
	Retainer received on 9/10/03	(5,000.00)
Balance Due		$ 2,055.00

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]
WEST COLUMBIA, SC [redacted]

174

DATE 9/2/05

PAY TO THE ORDER OF Eugene A Chewning $ 6306.25

Six Thousand Three Hundred Six and 25/100 Dollars

Security Federal Bank
WEST COLUMBIA SC [redacted]

FOR Screen & Hang Cty. Clerk Salary

⑈000174⑈ [redacted] ⑈000063062⑈

Ck# 174 Date 09/13/05 Amt $6,306.25

TB0072

Invoice for Services

Eugene G. Chewning, Jr., Ph.D., CPA (NC)
111 Laurel Branch Way
Columbia, SC 29212

Billed To: Mr. Ronald Serota
Law Office of Ronald Serota Esq.
520 South Sixth St.
Las Vegas, NV 89101

Re: Southern Holdings Litigation
Services through June 30, 2005

Time for services rendered (see attached detail):

24.75 hours @ $275/hour	$ 6,806.25
Less: 2.5 hours billed to *Aiken Bridges* @ $200/hour	(500.00)
Balance Due	$ 6,306.25

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
900 12TH ST., P.O. BOX 2300
WEST COLUMBIA, SC 29171

178

DATE 9/6/05

PAY TO THE ORDER OF Carla

$ 37.00

Thirty Seven & 00/100 DOLLARS

Security Federal Bank

WEST COLUMBIA, SC 29169

FOR

⑈000178⑈ [redacted] ⑈000003?00⑈

Ck# 178 Date 09/08/05 Amt $37.00

TB0074

178

DATE

TO

FOR Cash Postage

DEPOSITS

		36180 22
TOTAL		36180 22
THIS CHECK		37 -
OTHER TRANS. +/-		
BALANCE		36143 22

TAX DEDUCTIBLE ☐

MTB0075

299

JOHN R. RAKOWSKY
ATTORNEY AT LAW

179

ESCROW ACCOUNT 09/12/05 E1303 T1311 P27 0A220A9085
109 12TH ST., P.O. BOX 3563
WEST COLUMBIA, SC 29171

DATE 9/12/05

PAY TO THE ORDER OF Harrison & Lutton $ 6094.00

Six Thousand Ninety Four & 00/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

FOR

John R. Rakowsky

⑈000179⑈ [redacted] ⑈000060940⑈

Ck# 179 Date 09/12/05 Amt $6,094.00

TB0076

Glenn Harrison

From: "Glenn Harrison" <gharrison@research.bus.ucf.edu>
To: "John Rakowsky" <johnrakowskylawofc@sc.rr.com>
Cc: "Maribeth Coller" <mbeth@americansunbelt.com>
Sent: Monday, August 29, 2005 4:54 PM
Attach: GWH Southern Holdings Fees -- Plaintiffs Counsel.pdf; GWH Southern Holdings Fees -- Deposition.pdf
Subject: Re: fax

John:

Let me correct the last e-mail. I had two invoices, at the request of plaintiff counsel. One was for my work on the case and expenses prior to the deposition. The other one was directed to both plaintiff and defense counsel just for my depo time. It is the latter that defense counsel has already paid $600 towards -- they agreed to pay at the rate of $200 an hour, and Ron told me that the rest would be covered by plaintiffs. So the net amount owing is $5194 + ($1500 - $600) = $6194. I attach the two invoices.

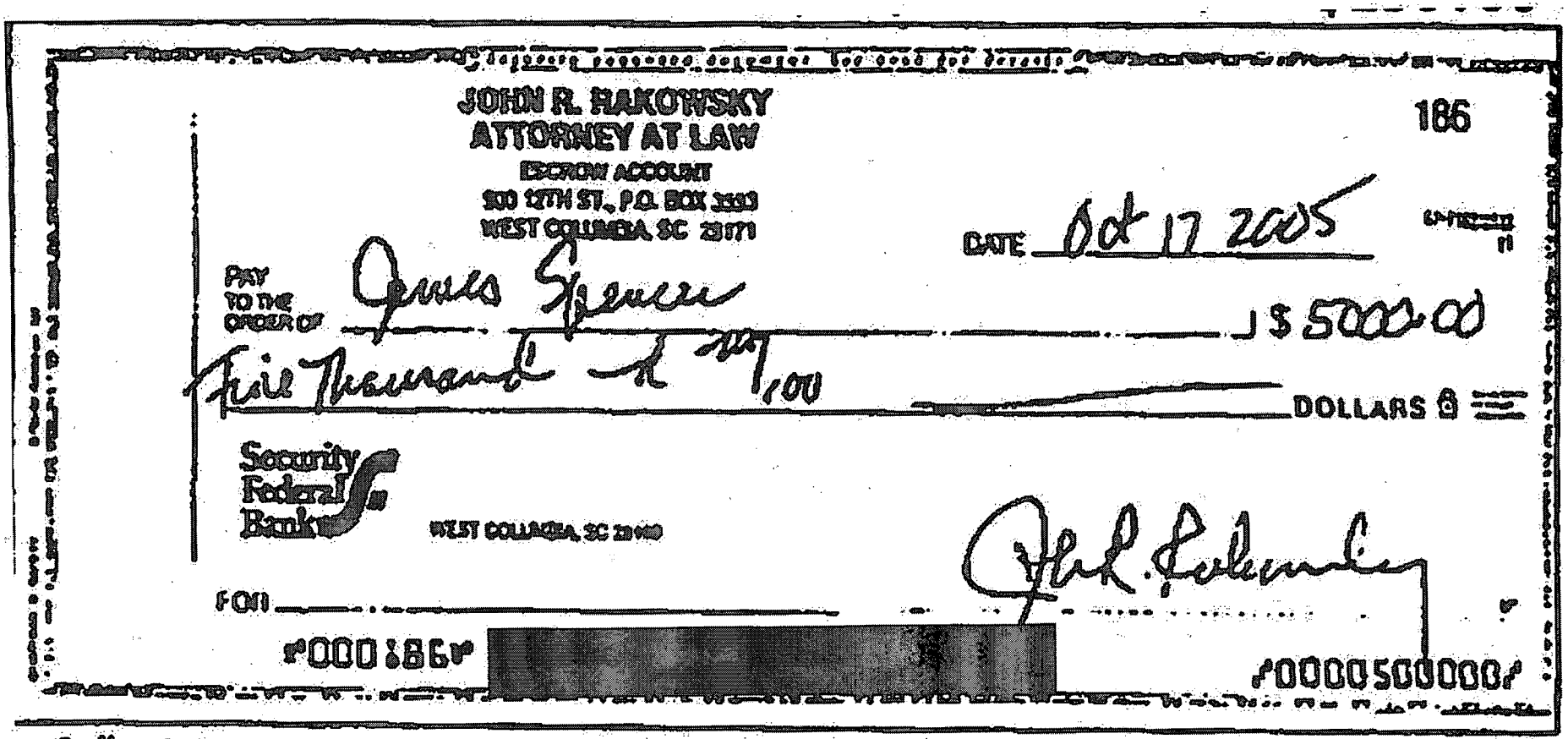
Maribeth will FAX the invoice from Gene Chewing and her to you on Thursday when she is back from some travels.

Glenn

cc. Maribeth

UCF E-mail: gharrison@research.bus.ucf.edu
Private E-mail: glenn@harrison-rutstrom.com
WWW: http://www.bus.ucf.edu/gharrison/
Phone & Messages: (407) 489-3088
Private FAX: (253) 830-7636

> ---- Original Message ----
> **From:** John Rakowsky
> **To:** glenn@harrison-rutstrom.com
> **Sent:** Monday, August 29, 2005 3:26 PM
> **Subject:** fax
>
> Glenn: Please forward invoices for you, marybeth and chewning to 803-794-2788
>
> ty John



JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
300 12TH ST., P.O. BOX 3333
WEST COLUMBIA, SC 29171

186

DATE Oct 17 2005

PAY TO THE ORDER OF James Spencer $ 5000.00

Five Thousand & 00/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

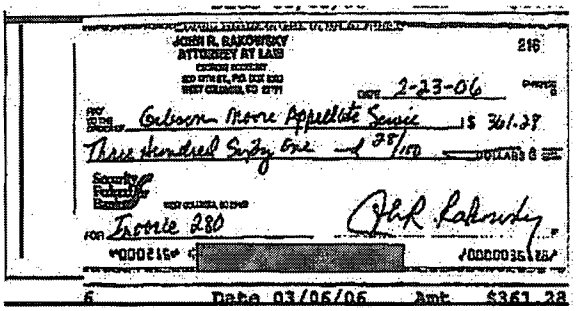
FOR

Jack Rakowsky

⑈000186⑈ [redacted] ⑈000500000⑈

Ck# 186 Date 10/18/05 Amt $5,000.00

CMTB0078



JOHN R. RAKOWSKY
ATTORNEY AT LAW
216

DATE 2-23-06

PAY TO THE ORDER OF Colborn Moore Appellate Servic $ 361.28

Three Hundred Sixty One 28/100 DOLLARS

Security Federal Bank

FOR Ironic 280

⑆000216⑆ ⑆000000361⑆28⑈

6 Date 03/06/06 Amt $361.28

Ck# 216

304

MARK W. HARDEE
ATTORNEY AT LAW
1426 RICHLAND STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 799-0505
FAX: (803) 799-0470
E-MAIL: MWHARDEE@BELLSOUTH.NET

February 8, 2006

VIA FACSIMILE 794-2788
John Robert Rakowsky
PO Box 3593
West Columbia SC 29171

RE: *Southern Holdings, Inc., et al. v. Horry County, South Carolina, et al.*
Civil Action No. 4:02-CV-01859-RBH

Dear Mr. Rakowsky:

On February 8, 2006, I sent a copy the invoice from Gibson Moore Appellate Services, LLC regarding the above-referenced matter to you. Please remit payment to Gibson Moore directly. Thank you for your assistance in this matter.

If you have any questions, please do not hesitate to contact our office.

Sincerely,

MARK W. HARDEE, ATTORNEY AT LAW

Angie Catoe
Paralegal to Mark W. Hardee

/acc

MARK W. HARDEE
ATTORNEY AT LAW
1426 RICHLAND STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 799-0905
FAX: (803) 799-0470
E-MAIL: MWHARDEE@BELLSOUTH.NET

FAX COVER SHEET

To: Debra Hahnenstein
Fax No: 794-8258
From: Angie Catoe, Paralegal to Mark W. Hardee
Date: 2/22, 2006
Re: Subpoena Hahnenstein

Comments:

Total Pages 2 (Including this cover sheet)

* * *CONFIDENTIAL* * *

306

MARK W. HARDEE
ATTORNEY AT LAW
1426 RICHLAND STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 799-0905
FAX: (803) 799-0470
E-MAIL: MWHARDEE@BELLSOUTH.NET

February 8, 2006

VIA FACSIMILE 794-2788
John Robert Rakowsky
PO Box 3593
West Columbia SC 29171

RE: *Southern Holdings, Inc., et al. v. Horry County, South Carolina, et al.*
Civil Action No. 4:02-CV-01859-RBH

Dear Mr. Rakowsky:

Please find enclosed the invoice from Gibson Moore Appellate Services, LLC regarding the above-referenced matter. I apologize for not sending this to you sooner.

If you have any questions, please do not hesitate to contact our office.

Sincerely,

MARK W. HARDEE, ATTORNEY AT LAW

Angela Caroe
Paralegal to Mark W. Hardee

/acc
Enclosure

MARK W. HARDEE
ATTORNEY AT LAW
1426 RICHLAND STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 799-0905
FAX: (803) 799-0470
E-MAIL: MWHARDEE@BELLSOUTH.NET

FAX COVER SHEET

To: [illegible]
Fax No: [illegible]
From: Angie Catoe, Paralegal to Mark W. Hardee
Date: [illegible], 2006
Re: [illegible]

Comments:

Total Pages 1 (Including this cover sheet)

* * *CONFIDENTIAL* * *

MARK W. HARDEE
ATTORNEY AT LAW
1426 RICHLAND STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 799-0905
FAX: (803) 799-0470
E-MAIL: MWHARDEE@BELLSOUTH.NET

February 8, 2006

VIA FACSIMILE 794-2788
John Robert Rakowsky
PO Box 3593
West Columbia SC 29171

RE: *Southern Holdings, Inc., et al. v. Horry County, South Carolina, et al.*
Civil Action No. 4:02-CV-01859-RBH

Dear Mr. Rakowsky:

Please find enclosed the invoice from Gibson Moore Appellate Services, LLC regarding the above-referenced matter. I apologize for not sending this to you sooner.

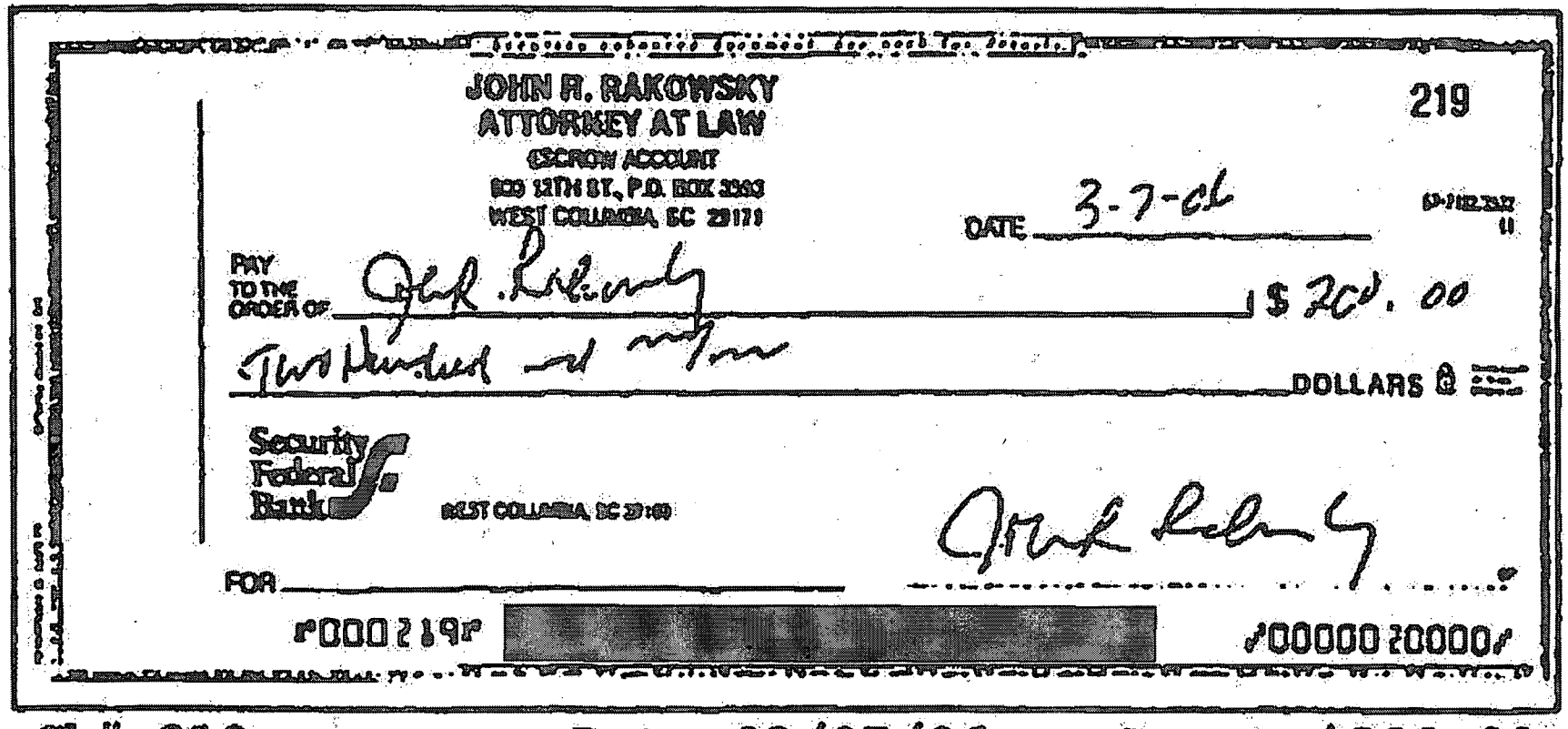
If you have any questions, please do not hesitate to contact our office.

Sincerely,

MARK W. HARDEE, ATTORNEY AT LAW

Angela Catoe
Paralegal to Mark W. Hardee

/acc
Enclosure



JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
809 12TH ST., P.O. BOX 2963
WEST COLUMBIA, SC 29171

219

DATE 3-7-06

PAY TO THE ORDER OF Jack Rakowsky $ 200.00

Two Hundred and no/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC 29169

FOR

Jack Rakowsky

⑈000219⑈ [redacted] ⑈00000 20000⑈

Ck# 219 Date 03/07/06 Amt $200.00

MLB0085

Date 06/02/06 Amt $4.05

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]
WEST COLUMBIA, SC [redacted]

233

DATE 6-5-06

PAY TO THE ORDER OF [illegible] $ 1000.00

[illegible] DOLLARS

Security Federal Bank
WEST COLUMBIA, SC [redacted]

FOR [illegible]

⑈000233⑈ [redacted] ⑆000100000⑆

Ck# 233 Date 06/05/06 Amt $1,000.00

MTB0086

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]
WEST COLUMBIA, SC [redacted]

247

DATE 8-8-06

PAY TO THE ORDER OF John R. Rakowsky $ 405.97

Four Hundred Five 97/100 DOLLARS

Security Federal Bank

WEST COLUMBIA, SC [redacted]

FOR [redacted]

⑈000247⑈ [redacted] ⑆000004059⑆

Ck# 247 Date 08/09/06 Amt $405.97

TB0087

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]
WEST COLUMBIA, SC [redacted]

261

DATE 10-9-06

PAY TO THE ORDER OF Allan Geoghan $ 500.00

Five Hundred & no/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC [redacted]

FOR Entry orders

⑈000261⑈ [redacted] ⑈000050000⑈

Check 261 Amount $500.00 Date 10/11/2006

MTB0088

261

51781

DATE

TO

FOR

TAX DEDUCTIBLE ☐

TOTAL

THIS CHECK

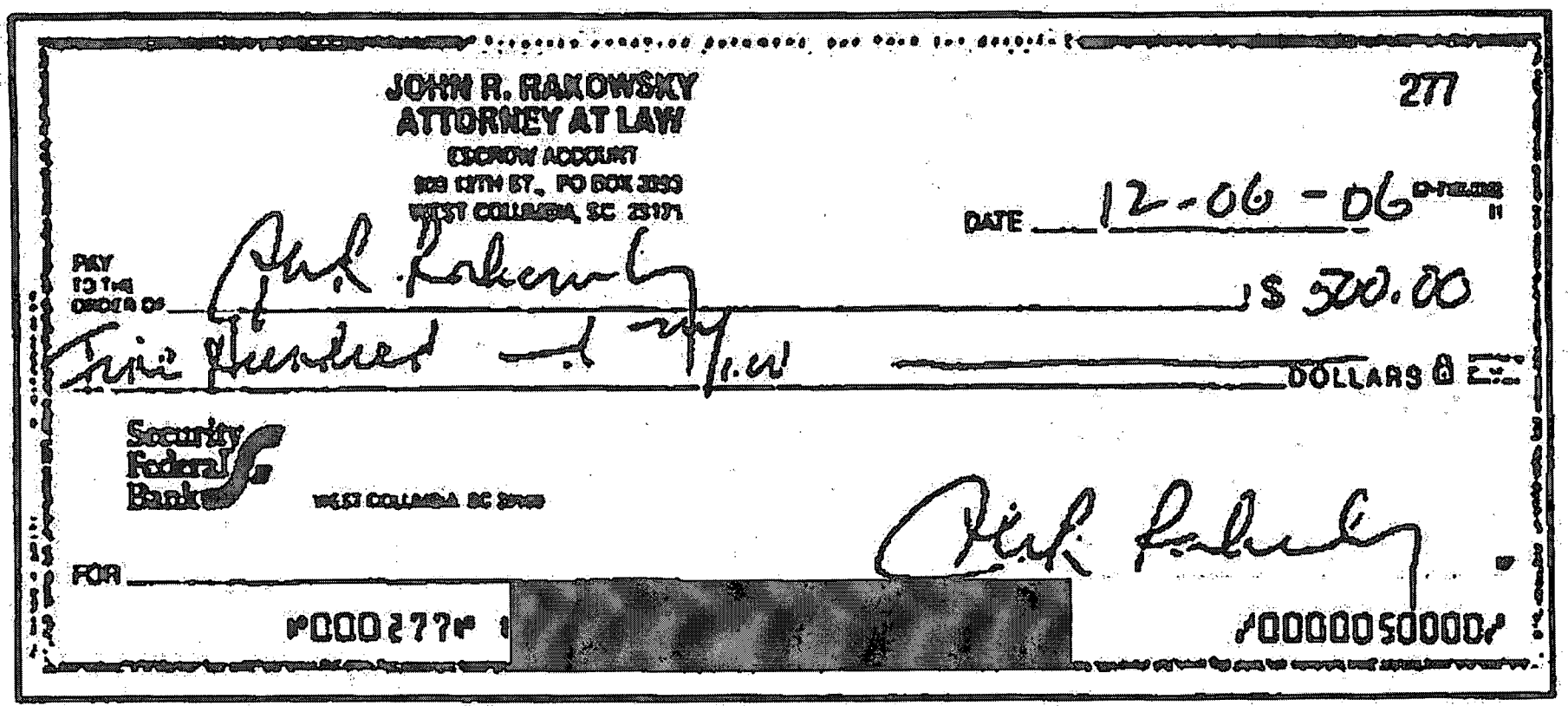
OTHER TRANS. +/-

BALANCE

DEPOSITS

MTB0089

313



JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]

277

DATE 12-06-06

PAY TO THE ORDER OF Dick Rakowsky $ 500.00

Five Hundred and no/100 DOLLARS

Security Federal Bank

FOR

Dick Rakowsky

⑈000277⑈ [redacted] ⑈000050000⑈

Check 277 Amount $500.00 Date 12/6/2006

MTB0090

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]

287

DATE 12-15-06

PAY TO THE ORDER OF James Spencer $ 750.00

Seven Hundred Fifty and 00/100 DOLLARS

Security Federal Bank

[redacted]

FOR

⑈000287⑈ [redacted] ⑆000007500⑆

Check 287 Amount $750.00 Date 12/20/2006

MTB0091

JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]

307

DATE 2-7-07

PAY TO THE ORDER OF James Spencer $1500.00

One Thousand Five Hundred 1 no/ DOLLARS

Security Federal Bank [redacted]

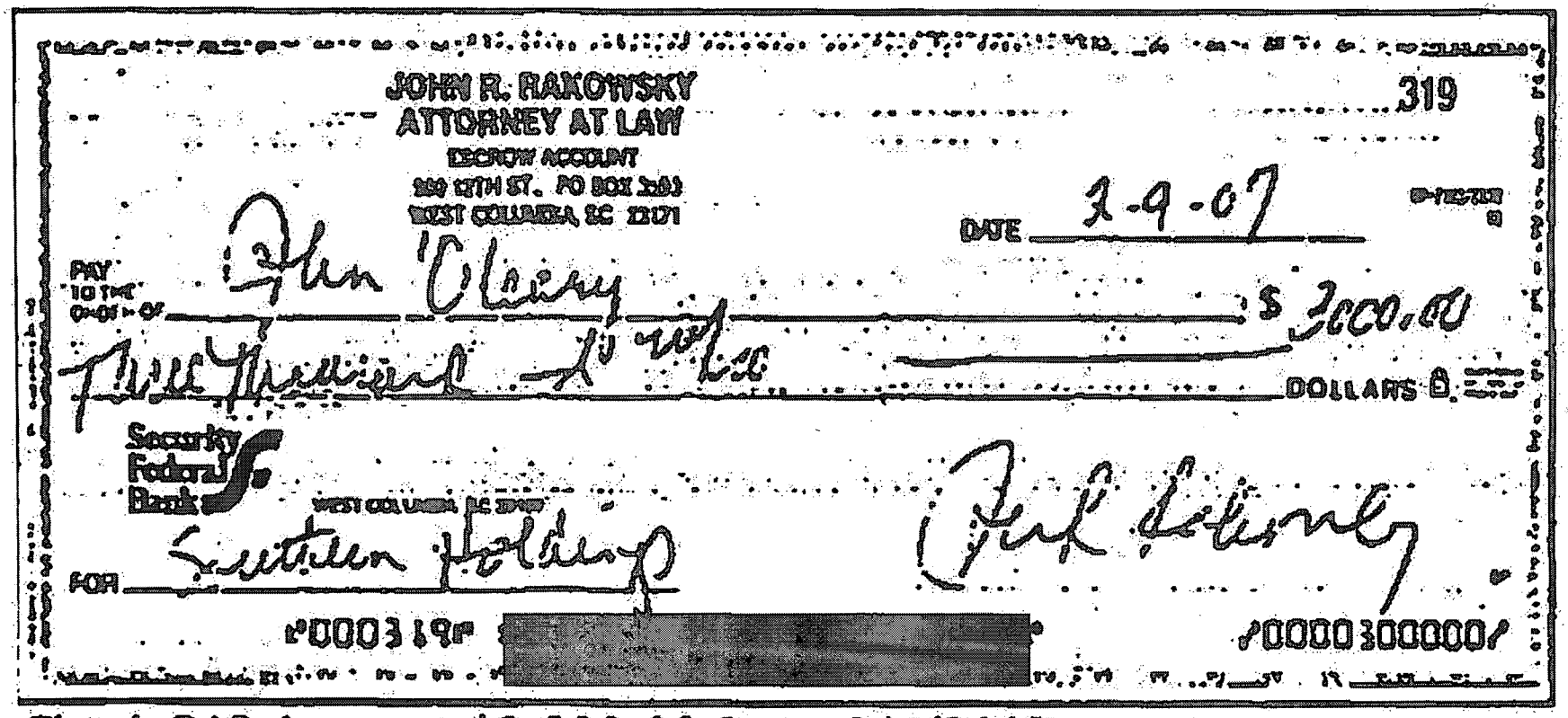
FOR Expenses John Rakowsky

⑈000307⑈ [redacted] ⑈0000$1500⑈

Check 307 Amount $1,500.00 Date 2/9/2007

MTB0092

316


JOHN R. RAKOWSKY
ATTORNEY AT LAW
ESCROW ACCOUNT
[redacted]
WEST COLUMBIA, SC [redacted]

319

DATE 2-9-07

PAY TO THE ORDER OF John O'Leary $ 3000.00

Three Thousand & no/100 DOLLARS

Security Federal Bank
WEST COLUMBIA, SC [redacted]

FOR Escrow Holding

John O'Leary

⑈000319⑈ [redacted] ⑈000030000⑈

Check 319 Amount $3,000.00 Date 3/5/2007

MTB0093

O'LEARY
ASSOCIATES, P.A.

JOHN A. O'LEARY, ATTORNEY

February 15, 2007

John Rakowsky
P.O. Box 3593
W. Columbia, SC 29171

RE: Possible Expert Testimony

Dear Mr. Rakowsky:

Enclosed is Mr. O'Leary's current curriculum vitae. I hope this will be of help to you in determining his qualification for your specific needs.

Also enclosed are two copies of our fee schedule. If you determine you wish assistance in this matter, please sign and return the green copy of the fee schedule along with the $3,000.00 retainer and any further materials for review.

Thank you for the opportunity to be of assistance. If you have any questions or if we may be of any assistance, please do not hesitate to call.

Sincerely,

Cricket Katsos
Legal Assistant

/ck
Enclosures

CERTIFICATE OF COMPLIANCE

The undersigned certifies that on the Joint Amended Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

Submitted this August 30, 2016,

By:

Michael G. Sribnick, M.D., J.D., LLC
3 Kenilworth Avenue
Charleston, S.C. 29403
Phone: (843) 789-3504
Fax: (843) 720-8907
Email: michael.g.sribnickmdjdllc@gmail.com

By:

James B. Spencer, *Pro Se*
Suite 183
7001 Saint Andrews Road
Columbia, SC 29212