THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM HORRY COUNTY
Court of Common Pleas

The Honorable Cynthia Graham Howe
Master-in-Equity, Fifteenth Judicial Circuit

Case No.: 2009-CP-26-620
Appellate Case No.: 2016-001075

Ellis E. Smith, individually and on behalf of A&E Constructors and Consultants, Inc., a South Carolina Corporation .....Plaintiffs,

vs.

Arthur Wayne Vereen, Park Place Properties of Myrtle Beach, LLC, Parkway Offices, LLC, Arthur Vereen Construction, Inc., Linda C. Vereen, Arthur W. Vereen, as Trustee of the Arthur W. Vereen Residence Trust, and Linda C. Vereen, as Trustee of the Linda C. Vereen Residence Trust, ... Defendants,

AND

Arthur Wayne Vereen, individually and on behalf of A&E Constructors and Consultants, Inc. and 29th Place Developers, Inc., ... Third-Party Plaintiffs,

vs.

E. Smith and Sons Construction, LLC, EES Construction and Consulting, Inc. and Ellis E. Smith, individually, ...Third-Party Defendants.

OF WHOM Arthur Wayne Vereen, individually and on behalf of A&E Constructors and Consultants, Inc., Park Place Properties of Myrtle Beach, LLC, Parkway Offices, LLC, Arthur Vereen Construction Company, Inc., Linda C. Vereen, Arthur W. Vereen, as Trustee of the Arthur W. Vereen Residence Trust, Linda C. Vereen, as Trustee of the Linda C. Vereen Residence Trust and 29th Place Developers, Inc. are ..... Appellants,

AND

Ellis E. Smith, individually and on behalf of A&E Constructors and Consultants, Inc., a South Carolina Corporation and E. Smith and Sons Construction, LLC, EES Construction and Consulting, Inc. and Ellis E. Smith, individually are ..... Respondents.

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MAKE SURE THAT THEY WERE STILL LICENSED.

Q AT ANY TIME DURING THE TIME THAT A&E HAS BEEN IN BUSINESS AND HAS BEEN CONDUCTING BUSINESS THAT YOU KNEW ABOUT, HAS A&E ALWAYS HAD A QUALIFYING PERSON THAT WAS LICENSED AS A GENERAL CONTRACTOR HAVING THEIR LICENSE WITH A&E?

A YES.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 102.

MR. DURANT: NO OBJECTIONS.

MR. THOMAS: NO OBJECTIONS.

JUDGE HOWE: DEFENDANT'S 102 SO ADMITTED.

VEREEN'S APPLICATION TO LLR MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS PLAINTIFF'S EXHIBIT 102.

MS. COOK: YOUR HONOR, I WOULD NOW LIKE TO ASK THAT WE LOOK AT MRS. BRADY'S PLAINTIFF'S EXHIBIT 4, WHICH IS MRS. BRADY'S REPORT FOR THE YEAR 2004... I'M SORRY, 2007, EXCUSE ME. IN EXHIBIT 4 THE 2007 BRADY REPORT, I WANT TO DIRECT YOUR ATTENTION TO HER TAB 29. AT THE FRONT OF...

Q AT THE FRONT OF HER REPORT BEFORE YOU GET TO TAB 29, WHICH IS WHERE WE ARE GOING TO GO, SHE HAS AN INDEX AT THE BEGINNING OF HER REPORT, IS THAT CORRECT?

A YES.

Q SHE DOES NOT HAVE ITEM 29 LISTED ON HER INDEX. I MAY NOT HAVE GONE FAR ENOUGH BACK. IN HER JOURNAL ENTRIES SHE DOESN'T HAVE A SPECIFIC LINE ITEM FOR 29, DOES SHE?

A I DON'T SEE ONE.

Q BUT SHE HAS A TAB 29 IN HER BOOK, CORRECT?

A YES.

Q AND BEHIND TAB 29, WHAT'S THE DESCRIPTION SHE HAS LISTED?

A SHE HAS IN 2004 SOME DRAFTS OF CHANGES THAT WE'VE ADDED OR DELETED AND THAT'S REVIEW OF THE SAME STATEMENTS, SOME DRAFTS THAT INDICATED JUNE TO SEPTEMBER TO POTENTIAL --

Q LET ME JUST DIRECT YOUR ATTENTION... BEHIND TAB 29, DOES SHE HAVE AN INDEX AND SOME VERIFICATION AND SOME BACK UP FOR CERTAIN ADJUSTMENTS SHE'S MAKING IN THE YEAR 2004, 2005, 2006 AND 2007?

A IT LOOKS LIKE SHE HAS MADE SOME ADJUSTMENTS ON THE POTENTIAL FOR 2004.

Q IS THAT WHAT THE INDEX ADDRESSES?

A YES.

Q I WANT TO DRAW YOUR ATTENTION TO WHAT SHE HAS IN TERMS OF ADJUSTMENTS FOR 2006. DOES SHE HAVE AN ADJUSTMENT ON HER INDEX FOR 2006?

A I WOULD THINK THAT THE DARK PART IS THE ADJUSTMENT.

Q LET ME WORD IT THIS WAY: DOES SHE HAVE A ENTRY FOR 2006?

A YES. CHECK NUMBER 4977, JANUARY 6TH, 2006 FOR PYRAMID ENGINEERING FOR LOT 60.

Q AND LET ME DIRECT YOUR ATTENTION TO, IF YOU COULD LOCATE WHAT SHE HAS UP AS THE BACK UP FOR THAT CHARGE?

A SAYS IT'S A DIGITIZED SURVEY OF TILGHMAN ESTATES, $650.00.

Q DO YOU RECALL ANYTHING ABOUT HAVING A&E OR YOURSELF HAVING A SURVEY DONE FOR TILGHMAN ESTATES?

A I HAVEN'T HAD ANYTHING DONE AT TILGHMAN ESTATES.

Q AS A&E WAS DOING JOBS, WERE YOU ALSO TRYING TO GET NEW JOBS IN THE DOOR?

A YES.

Q IN ORDER FOR A CONTRACTOR SUCH AS A&E TO GET NEW JOBS IN THE DOOR, DO YOU HAVE TO DO WORK AHEAD OF TIME TO TRY TO GET THAT WORK IN?

A YES.

Q ARE THERE COSTS ASSOCIATED FROM TIME TO TIME WITH THOSE ACTIVITIES IN TRYING TO GET NEW BUSINESS?

A THERE ARE ALWAYS COSTS INVOLVED ON THE FRONT SIDE. HOPEFULLY, THOSE COSTS MATERIALIZE AND WE COULD RECOUP THAT MONEY.

Q AND IF THE JOB DOES MATERIALIZE, WHAT IS THAT CHARGE?

A THE PRICE OF DOING BUSINESS.

Q BEFORE ELLIS WENT ON VACATION AND DIDN'T COME BACK, WERE YOU WORKING ON ADDITIONAL BUSINESS TO TRY TO BRING INTO A&E?

A YES.

Q AND TO YOUR KNOWLEDGE WAS ELLIS TRYING TO BRING BUSINESS IN?

A NOT TO MY KNOWLEDGE.

Q LET ME SHOW YOU WHAT I HAVE PRE-MARKED AS DEFENDANT'S EXHIBIT 113. TAKE A LOOK AT THAT AND SEE IF YOU CAN IDENTIFY IT?

A THIS WAS A SURVEY THAT THE BRIGHAM COMPANY... THEY ARE ENGINEERS, I BELIEVE, IT'S IN AYNOR. THIS IS A TRACK THAT WE WERE LOOKING AT TO --

Q WHO IS "WE"?

A MYSELF, ELLIS SMITH AND HARRY WILLOUGHBY. WE

WERE LOOKING TO PURCHASE IN AYNOR, SOUTH CAROLINA FROM THE SCHOOL SUPERINTENDENT THAT TEACHES OUT AT COASTAL, WILL GARRETT. PURCHASED FOR HIM TO PUT HOUSES UP. ELLIS SAID HE WOULD GO WALK THE PROPERTY. HE CAME BACK AND SAID IT WAS A VALUABLE PIECE OF PROPERTY AND IT WOULD BE A GOOD DEAL FOR US TO ENTER INTO A CONTRACT TO PURCHASE THAT PROPERTY AND DEVELOP IT. I VISITED THE SITE ONE DAY AND I GOT UNCOMFORTABLE AND I TOLD ELLIS THAT HE NEEDED TO GET IN TOUCH WITH THE BRIGHAM COMPANY AND ASK THEM TO DO A SURVEY FOR US AND WHEN THAT PROPERTY CAME BACK, THE MAJORITY OF THE PROPERTY WAS WET AND WE DIDN'T BUY IT. WE JUST BACKED OFF OF IT.

Q WAS THAT A VENTURE THAT A&E WAS LOOKING TO BUILD A DEVELOPMENT OR DO A DEAL ON?

A YES.

Q WHO ORDERED THE WETLAND SURVEY?

A ELLIS DID. I ASKED HIM TO DO THAT.

Q IS THERE A DATE AS TO AUTHORIZING THAT STUDY TO GO FORWARD?

A THAT WAS ON NOVEMBER THE 21ST, 2006.

Q WHO SIGNED THAT STATEMENT OF AUTHORIZATION?

A IT WAS SIGNED BY ELLIS SMITH.

Q DO YOU THINK THAT ELLIS SMITH OWES A&E THAT

MONEY?

A NO. IT'S AN A&E EXPENSE.

Q HAS THE PLAINTIFF SOUGHT TO HAVE YOU REIMBURSE A&E FOR THE EXPENSE?

A I DON'T HAVE THAT IN FRONT OF ME, BUT I WOULD VENTURE TO SAY YES.

MS. COOK: YOUR HONOR, I DON'T KNOW IF WE WANT TO KEEP GOING. I'M ABOUT TO CHANGE GEARS. IS THIS A GOOD PLACE --

JUDGE HOWE: THIS IS A GOOD TIME TO BREAK.

(**LUNCH RECESS**).

Q MR. VEREEN, I KNOW WE WERE TALKING ABOUT THE BRIGHAM RECEIPT WHEN WE BROKE HAVING TO DO SOME PERSPECTIVE JOBS THAT A&E WAS LOOKING AT, BUT DIDN'T TAKE ON. I'M GOING TO GO BACK TO A COUPLE OF THINGS ON THAT IN JUST A MINUTE. BUT WHILE WE WERE LOOKING AT MRS. BRADY'S REPORT, EXHIBIT 40, I WANT TO DIRECT YOUR ATTENTION TO HER 2004 REVISIONS AND UNDER HER LINE ITEM 14, THE ACTUAL LINE ITEM THAT I'M GOING TO DIRECT YOUR ATTENTION TO DOESN'T HAVE A NUMBER, BUT IT'S RIGHT UNDER 14. IT SAYS, "CAROLINA FIRST, WAYNE'S PROPERTY TAX." SO, I'M DIRECTING YOU TO THE LINE IMMEDIATELY BELOW THAT THAT HAS NO

ANNOTATION TO DESCRIBE IT. DO YOU SEE THAT?

A YES. IT'S CONSTRUCTION COSTS.

Q AND WHAT'S THE AMOUNT ACCORDING TO MRS. BRADY'S REPORT UNDER ITEM 14 THAT SHE'S GOT AS AN AMOUNT OWED BY YOU TO A&E?

A $17,426.80.

Q THERE'S NO ADJUSTMENT IN THAT REPORT AS FAR AS YOU CONCEDING OF YOU OWING THAT MONEY TO A&E, IS THAT RIGHT?

A THAT'S CORRECT.

Q NOW, LET ME SHOW YOU WHAT WAS MARKED EARLIER IN I BELIEVE MR. SMITH'S DEPOSITION AS DEFENDANT'S EXHIBIT 4. IT'S A CHECK FROM CAROLINA FIRST... IT'S A CHECK FROM A&E TO CAROLINA FIRST FOR $17,000 AND BEHIND THAT IS A CERTIFIED CHECK FROM CAROLINA FIRST FOR THE SAME AMOUNT OF MONEY MADE PAYABLE TO WOKFORD MANUFACTURING AND THEN A DELIVERY INVOICE FROM WOKFORD MANUFACTURING. TAKE A LOOK AT THAT DEFENDANT'S EXHIBIT 4 AND SEE IF YOU RECOGNIZE IT?

A I DO.

Q THE AMOUNT THAT MRS. BRADY HAS SAID IS AN ACCOUNTS RECEIVABLE IN HER 2004 REPORT IS THAT AMOUNT EXACTLY THE AMOUNT OF THAT CERTIFIED CHECK?

A IT IS.

Q WHAT IS THE CHECK, A&E CHECK, WRITTEN TO CAROLINA FIRST, WHAT WAS THAT FOR?

A IT WAS FOR A PRE-ENGINEERED METAL BUILDING THAT WAS ORDERED FOR THE JACK FROST JOB.

Q WAS THE JACK FROST JOB AN A&E JOB?

A IT WAS.

Q WHY DID A&E WRITE A CERTIFIED CHECK... WHY DID A&E WRITE A CHECK TO CAROLINA FIRST FOR 17,000 SOME ODD DOLLARS?

A IT WAS TO GET A CERTIFIED ONE, WHEN THE BUILDING WAS DELIVERED. WE ALREADY HAD A DEPOSIT DOWN. THE BALANCE OWED WAS 17,426.80 ONCE IT WAS DELIVERED.

Q IS THAT AN A&E EXPENSE?

A YES.

Q ACCORDING TO THIS REPORT OF MRS. BRADY SHE HAS SOUGHT THAT BACK ON MR. SMITH'S BEHALF TO BE PAID BY YOU TO A&E, IS THAT CORRECT?

A THAT'S CORRECT.

JUDGE HOWE: DEFENDANT'S EXHIBIT 4 HAS ALREADY BEEN ADMITTED.

MR. DURANT: THIS IS ALREADY IN EVIDENCE?

MS. COOK: YES.

Q OKAY. MR. VEREEN, I WANT TO DRAW YOUR ATTENTION TO WHAT HAS ALREADY BEEN INTRODUCED AS DEFENDANT'S EXHIBIT 80. IT IS A BOOK OF PARK PLACE PROPERTIES EXPENSES REPRESENTING ACCOUNTS RECEIVABLE DUE TO PARK PLACE PROPERTIES FROM A&E FROM 2003 TO 2009. I AM GOING TO DIRECT YOU WITHIN DEFENDANT'S EXHIBIT 80 BEHIND 2007, WHICH IS THE RECEIPTS AND PAYMENTS IN 2007 AND I WANT TO DIRECT YOUR ATTENTION TO TAB... I'M SORRY, 2006 NOT 2007, TO TAB 16. IF YOU WOULD TELL THE COURT WHAT IS BEHIND TAB 16.

MR. DURANT: JUST A SECOND, YOUR HONOR.

Q WHAT IS THE CHECK THAT'S BEHIND TAB 16?

A IT'S A CHECK WRITTEN FROM CULLER LAND SURVEYING COMPANY OCTOBER OF 2006 FOR $4000.

Q WHAT ENTITY WROTE THAT CHECK AND PAID THAT BILL?

A IT WAS PROPERTY DEVELOPMENT.

Q DO YOU KNOW WHAT THAT $4,000 WAS FOR?

A IT WAS A CHARGE FOR A LAND SURVEY FOR THE PROPERTY ON LOW KEY ON LITTLE RIVER ROAD WHICH WAS ONE OF THE PROPERTIES THAT WE WERE ENTERTAINING ABOUT DOING DEVELOPING.

Q IS THAT THE SAME PROPERTY THAT YOU TALKED ABOUT ELLIS WALKING AND YOU BECOMING CONCERNED AND ORDERING THE BRIGHAM WETLAND STUDY?

A NO. IT'S A DIFFERENT ONE.

Q BUT IT WAS AROUND THE SAME TIME YOU WERE LOOKING AT NEW BUSINESS FOR A&E?

A ABSOLUTELY.

Q WAS THAT A VENTURE THAT YOU WERE LOOKING AT THAT YOU HAD THE PROPERTY SURVEYED?

MR. DURANT: YOUR HONOR, WE HAVE AN OBJECTION TO THE CLAIM. THE OBJECTION TO THE CLAIM IS THAT PARK PLACE PROPERTIES HAS NOT MADE A COMPLAINT A&E IN THIS CASE. SO, WE OBJECT TO ANY EVIDENCE COMING IN THAT A&E OWES PARK PLACE PROPERTIES ANY MONEY. SECONDLY, THEY DID NOT COMPLY WITH THE REQUEST BY DECEMBER 1ST IN YOUR ORDER IN THAT THE BILL OF THE INVOICE WAS CERTAINLY NOT SUBMITTED TO US IN A TIMELY FASHION. THE ONLY THING THAT IS IN THIS SHEET IS A CHECK FOR PARK PLACE PROPERTIES PAID TO CULLER LAND SURVEYING, $4,000 FOR THE INVOICE THAT'S ATTACHED TO IT AND IS SOMETHING THAT THEY PROVIDED LATER. SO, WE WOULD OBJECT THAT THERE IS NO CLAIM MADE IN THE COUNTERCLAIM AGAINST A&E BY PARK PLACE PROPERTIES. THEY MADE NO

SUCH COMPLAINT.

JUDGE HOWE: I THOUGHT THIS EXHIBIT WAS ALREADY IN?

MS. COOK: YOUR HONOR, IT IS.

MR. DURANT: FOR IDENTIFICATION PURPOSES ONLY.

JUDGE HOWE: OKAY. EXHIBIT 80 IS ONLY IN FOR IDENTIFICATION PURPOSES ONLY?

MS. COOK: NO, MA'AM. ALL THE EXHIBITS SO FAR EXCEPT FOR A VERY FEW THAT HAVE BEEN PROFFERED ARE IN EVIDENCE. THEY HAVE BEEN INTRODUCED INTO EVIDENCE AND WERE INTRODUCED DURING THE SECOND TIME THAT WE WERE ALL TOGETHER, WHENEVER THAT WAS. THEY'RE IN EVIDENCE. THE DIFFERENCE BETWEEN... EXCEPT FOR, IF YOU WILL NOTE, THE PAGES IN YOUR NOTEBOOK AND IN ALL OF OUR NOTEBOOKS THERE ARE THE WHITE SHEETS. THERE ARE BLUE SHEET. THE DIFFERENCE IS... IF YOU WILL REMEMBER, YOUR HONOR, ORDERED THAT CERTAIN DOCUMENTS BE PRODUCED BY A DATE. THE BACK UP DOCUMENTS BE PRODUCED BY A CERTAIN DATE. I BELIEVE IT WAS 12/1 OR 12/30 OR SOMETHING. THE BLUE SHEETS, WE

DID NOT HAVE THAT PRODUCED... WE DIDN'T HAVE THAT RECEIPT PRODUCED BY THAT TIME. IT WAS PRODUCED IN JANUARY WHEN WE MET WITH THE PLAINTIFF AND THEIR EXPERT AT MRS. BRADY'S OFFICE. SO, ANYTHING THAT'S MARKED IN BLUE OR IS ON A BLUE SHEET WAS PROVIDED PRIOR TO TRIAL, BUT NOT WITHIN THE TIMEFRAME OF YOUR ORDER, YOUR HONOR. SO, THE BLUE SHEETS WERE PROFFERED. THE REST OF THE EXHIBITS THOUGH HAVE BEEN INTRODUCED INTO EVIDENCE. THE BLUE SHEETS ARE BACK UP AND I UNDERSTAND, YOUR HONOR'S ORDER THAT THE BACK UP HAD TO BE PRODUCED BY A CERTAIN TIME, BUT I DID NOT UNDERSTAND YOUR ORDER TO MEAN THAT IF BACK UP WAS NOT PRODUCED THAT THE ACTUAL EXPENDITURE, THE CHECK THAT'S ON THE WHITE SHEET OF PAPER THAT WAS PRODUCED COULD NOT BE ENTERED INTO EVIDENCE AND THAT THE WITNESS CAN'T TESTIFY ABOUT IT. NOW, THE WEIGHT THAT, YOUR HONOR, WANTS TO AFFORD THAT IN MAKING YOUR HONOR'S DECISION, OF COURSE, IS UP TO YOU. BUT THE BLUE SHEETS HAVE BEEN PROFFERED.

THE REST OF THE DOCUMENTS HAVE BEEN INTRODUCED INTO EVIDENCE. WITH REGARD TO MR. DURANT'S COMMENT THERE IS NO CLAIM... THERE IS NO COUNTERCLAIM... NO. THERE IS NO THIRD-PARTY CLAIM BY PARK PLACE PROPERTIES AGAINST A&E, BUT THERE IS A CLAIM BY A&E, THE A&E THAT IS MR. VEREEN'S... THE PART OF THE BUSINESS THAT IS MR. VEREEN'S ASKING FOR A FULL ACCOUNTING AS WELL, YOUR HONOR. THAT ACCOUNTING WOULD INCORPORATE NOT ONLY THE THINGS THAT MR. SMITH ALLEGES ON BEHALF OF A&E ARE OWED TO A&E, BUT ALSO THINGS THAT A&E MAY OWE OTHERS, SUCH AS PARK PLACE PROPERTIES AND ANY ENTITIES THAT ARE MR. VEREEN'S THAT WERE CAPITAL CONTRIBUTIONS, THAT WERE CONTRIBUTIONS OVER AND ABOVE TO RUN THE BUSINESS. THAT'S WHAT WE'VE BEEN TALKING ABOUT PART OF THE TIME. AND THAT'S WHAT ONE OF THOSE IS. IS EVIDENCE OF MR. VEREEN'S TESTIMONY, AN EXPENSE OF A&E THAT WAS FUNDED BY PARK PLACE PROPERTIES AND AS AN EXPENSE OF PARK PLACE PROPERTIES THAT IN DOING A PROPER AND

FULL ACCOUNTING AS TO WHAT THE LEGITIMATE EXPENSES ARE, WHAT ARE PERSONAL EXPENSES. SO, WHAT THE PROFIT SHOULD BE AT THE END OF THE DAY OR WAS LOST TO BE SPLIT BETWEEN THESE TWO PARTNERS. YOU HAVE GOT TO CONSIDER BOTH SIDES OF THE EQUATION, YOUR HONOR.

MR. DURANT: YOUR HONOR, WE MET IN DECEMBER. WE HAVE A CHECK FROM PARK PLACE PROPERTIES AND THERE WAS NOTHING TO TALK ABOUT OR DISCUSS BECAUSE THERE WAS NO WAY YOU COULD LOOK AT THE CHECKS AND DETERMINE WHAT IT WAS FOR. NOW, SHE COMES UP WITH AN INVOICE AFTER THE FACT, WHICH SHE ADMITS AND IT SAYS IT'S A BILL FROM A THIRD... SOMEBODY PARTNERS NOT A&E. IT'S IMPROPER UNDER OUR ORDER. IT'S IMPROPER BEFORE THE COURT BECAUSE THERE IS NOT CLAIM BY PARK PLACE PROPERTIES AGAINST A&E. THIS IS NOT AN A&E BILL. WE OBJECT ON THOSE REASONS AND FOR NOT COMPLYING WITH THE ORDER. WE WILL BE HERE FOREVER IF SHE JUST TAKES CHECKS AND AFTER THE FACT, COME IN AND TRY TO SUBMIT A BILL FOR IT. YOUR

ORDER WAS CLEAR AND WE WERE CLEAR WHEN WE WERE OVER HERE WITH MR. VEREEN. I HAVE INVOICES TO SUPPORT EVERYTHING I CLAIM AND HE DIDN'T. NOW, WE ARE TRYING TO DO IT TODAY AND WE CANNOT, IT'S IMPROPER.

MS. COOK: YOUR HONOR, YOU CAN CERTAINLY... THAT'S WHY THOSE PAGES ARE IN BLUE.

JUDGE HOWE: IT'S NOT ADMITTED.

MS. COOK: THE BLUE PAGES ARE NOT ADMITTED, BUT --

JUDGE HOWE: HE CAN TESTIFY TO IT, BUT IT'S NOT ADMITTED.

MS. COOK: I UNDERSTAND. AND I'M SURE MR. DURANT MISSPOKE WHEN HE SAID THAT WE MET IN DECEMBER. WE MET IN DECEMBER, BUT WE MET TWO TIMES IN JANUARY AS WELL IN MRS. BRADY'S OFFICE AND WENT OVER... AND THAT IS WHEN THOSE BLUE SHEETS WERE PRESENTED. I UNDERSTAND THAT THE INVOICE ARE NOT IN THAT WEREN'T PRODUCED BEFOREHAND. I UNDERSTAND THAT. I DON'T HAVE A PROBLEM WITH THAT, YOUR HONOR. THAT IS WHAT YOUR HONOR'S ORDER WAS.

BUT WE MET IN JANUARY OF 2011 AS YOUR HONOR ORDERED AND WENT OVER THESE MATTERS. WE WENT OVER... AND THOSE INVOICES WERE PRESENTED AT THAT TIME. I DON'T HAVE ANY PROBLEM WITH THEM NOT BEING IN, BUT I THINK TO MISLEAD THE COURT AND SAY THEY WERE PRESENTED AFTER THE FACT AND WE ARE JUST PUTTING THEM IN NOW, THAT'S NOT CORRECT. I MEAN, THEY HAVE KNOWN SINCE JANUARY THAT WE DID HAVE AN INVOICE. WE TALKED ABOUT WHAT THE VOICE WAS FOR. I UNDERSTAND THEIR POSITION THAT YOU'RE NOT GOING TO CONSIDER THE INVOICE, BUT THERE'S NOTHING TO SAY THAT YOU CAN'T CONSIDER THE TESTIMONY OF MY CLIENT. HE CAN BE CROSS-EXAMINED ABOUT IT, ABOUT WHAT THAT PAYMENT WAS FOR. AND THEY ARE NOT SURPRISED BY THAT BECAUSE WHY I DO UNDERSTAND YOUR HONOR TO SAY THAT THE ACTUAL DOCUMENT CAN'T COME IN, THEY WERE PROVIDED THE REASONING THAT WAS GOING TO BACK UP THE TESTIMONY AS TO WHAT THAT CHANGE WAS.

MR. DURANT: YOUR HONOR, WITHOUT... WE

ARE NOW IN 2012, SO IN JANUARY OF 2011 WE HAD A MEETING THAT WAS DIRECTED BY THE COURT. DOCUMENTS WERE PRODUCED. SO, WE MET AGAIN IN JANUARY AND A NEW SET OF BOOKS COME IN, WHICH THE PLAINTIFFS IN THIS CASE, INCLUDING MR. THOMAS, WE WILL REFUSE TO LOOK AT ANY DOCUMENTS THAT DID NOT COMPLY WITH THE ORDER BECAUSE WE ALREADY HAD, I DON'T KNOW HOW MANY BOOKS, MORE THAN 10 I THINK. SO, WE ARE NOT GOING TO GO DO IT. THE FACT, THAT WE HAD IT... IF WE HAD IT, WE WOULDN'T KNOW WHAT WE HAD. WE DID COMPLY WITH THE ORDER. WHAT ARE WE DOING TO DO IF YOU SAY YES, IT GOES IN NOW?

JUDGE HOWE: IT'S NOT GOING IN.

MR. DURANT: NO. THIS CLAIMED EXPENSE. HOW ARE WE GOING TO WRITE IT OFF IF IN 2012. HE LET US KNOW, WELL, THIS WAS FOR SOMETHING THAT ELLIS HAD SOMETHING TO DO WITH IT. CERTAINLY WASN'T A&E BUSINESS. THERE'S NO WAY TO WRITE IT OFF OF TAXES. THAT'S THE PROBLEM WITH A LOT OF THESE INVOICES AND IT'S THEIR

PROBLEM BECAUSE THEY DIDN'T PAY IT THE WAY IT'S SUPPOSED TO BE DONE ACCORDING TO THE LAW. OUR OBJECTION WILL CONTINUE THROUGH ALL OF THESE DOCUMENTS BEING PRESENTED BECAUSE EVEN IF WE HAVE THIS DEDUCTION THAT YOU CALL IT, WE CAN'T EVEN USE IT. SHE DIDN'T COMPLY WITH THE ORDER... I DON'T SAY MS. COOK, I SAY THE DEFENDANT, PARK PLACE, WHO IS NOT MAKING A CLAIM DIDN'T COMPLY WITH THE ORDER.

MS. COOK: YOUR HONOR, I UNDERSTAND YOUR RULING. I THINK ONE OF THE FUNDAMENTAL --

JUDGE HOWE: THE CASE IS A 2009 CASE, IS THAT CORRECT?

MS. COOK: YES, MA'AM. IT IS. I THINK ONE OF THE FUNDAMENTAL PROBLEMS WITH THIS MATTER IS THAT THE PLAINTIFFS ARE TRYING TO TAKE THE POSITION AND BLOW SMOKE THAT WHAT HAS OR HAS NOT BEEN REPORTED FOR INCOME TAX PURPOSES IS SOMEHOW DETERMINATIVE OF WHAT ACTUAL MONEY PROFIT OR LOSS A BUSINESS SUSTAINS AND WHAT THE PLAINTIFF ASKS FOR IN THEIR COMPLAINT WAS AN ACCOUNTING OF THE

EXPENSES AND INCOME OF A&E, WHICH WE LIKEWISE JOINED IN, IN ASKING FOR AN ACCOUNTING OF THE PROFITS, LOSSES, EXPENSES AND INCOME OF A&E. SO, THAT ONCE THAT DETERMINATION OF WHAT AN ACTUAL PROFIT OR LOSS IS IN THE BUSINESS COULD BE UTILIZED IN ORDER TO DISSOLVE THE CORPORATION THAT THEY HAVE ASKED FOR. WE HAVE NOT ASKED TO DISSOLVE THE CORPORATION BECAUSE OF POTENTIAL ONGOING LIABILITY, NOT ONLY WITH TAXES, BUT WITH THE CONSTRUCTION WORK THAT HAS BEEN DONE. AND MAKE AND DIVIDE WHATEVER PROFIT THERE IS IN THE BUSINESS, IF THERE IS ANY, OR DIVIDE WHATEVER LOSS THERE IS IN THE BUSINESS. THAT'S WHAT THE ACCOUNTING IS TO DETERMINE. NOT WHAT HAS BEEN REPORTED FOR TAX PURPOSES OR HASN'T BEEN REPORTED. NOW, THAT OPENS A WHOLE OTHER CAN OF WORMS. I DON'T DISAGREE WITH THAT. BUT WHAT THEY HAVE ASKED FOR IS AN ACCOUNTING WHICH IS FOR THE INCOME AND THE EXPENSES OF THE BUSINESS SO THAT A DISSOLUTION OF THE BUSINESS CAN BE ACCOMPLISHED AND A

DIVISION OF PROFITS OR LOSSES. THAT'S WHAT THEY'VE ASKED FOR. THAT IS WHILE INCOME TAXES AND WHAT HAS BEEN REPORTED OR NOT REPORTED MAY BE EVIDENCE LINKING TO THE CREDIBILITY OR WEIGHT OF A LEGITIMATE EXPENSE OR A LEGITIMATE INCOME. IT'S NOT DETERMINATIVE OF THE BOTTOM LINE MATTER AN ISSUE. AND ADDITIONALLY, AS I KNOW THE COURT IS AWARE, THE 2004 TAXES HAD BEEN FILED. THE 2005 TAXES HAD BEEN FILED. NO TAXES FOR THIS CORPORATION HAVE BEEN FILED FOR '06, '07, '08, '09, 2001, 2011 OR 2012. THERE HAVE BEEN NO TAXES FILED FOR THOSE YEARS. THAT IN AND OF ITSELF MAY PRESENT AN ISSUE, BUT IT'S NOT DETERMINATIVE OF WHAT THE COURT HAS BEEN ASKED TO ULTIMATELY DECIDE IN THIS ACCOUNTING. AND TO DO A PROPER ACCOUNTING OF INCOME, EXPENSES, PROFITS AND LOSS IN THIS BUSINESS YOU HAVE TO TAKE INTO CONSIDERATION WHAT WERE THE LEGITIMATE DEBTS? HOW WERE THEY PAID? WHAT WERE THE LEGITIMATE JOBS? WHAT, IF ANY, PROFIT WAS MADE? WHAT IS ANY LOSS

THAT WAS MADE? SO, THAT, YOUR HONOR, CAN GET TO THE BOTTOM NUMBER AND DETERMINATION OF WHAT THE PROFIT AND LOSS IN THIS COMPANY BETWEEN THESE TWO GENTLEMEN IS. I'M NOT SAYING THAT THAT'S AN EASY TASK, YOUR HONOR.

JUDGE HOWE: I UNDERSTAND THAT. THE OTHER PROBLEM IS APPARENTLY THE ENTITIES IN CASE FOR SOME REASON WERE BLURRED. I MEAN, THEY DIDN'T --

MS. COOK: YOUR HONOR, I THINK ONE REASON THE ENTITIES WERE BLURRED WAS BECAUSE A&E WAS ON ITS ON, AT ANY PARTICULAR GIVEN POINT IN TIME. WITH THE OVERHEAD IT WAS RUNNING, IT DIDN'T HAVE SUFFICIENT INCOME TO KEEP GOING.

JUDGE HOWE: THEN IT DOES JUST LIKE ANY OTHER BUSINESS, IT BORROWS MONEY. INSTEAD OF BORROWING MONEY FROM A BANK, IT BORROWED MONEY FROM ANOTHER ENTITY AND THEY DIDN'T KEEP VERY GOOD RECORDS.

MS. COOK: AND... AND... AND I'M NOT GOING TO DISAGREE WITH THAT THE RECORDS WE HAVE ARE THE RECORDS WE HAVE, BUT ONE THING THAT A&E DID BENEFIT BY HAVING

SOMEONE IT COULD BORROW THE MONEY FROM IS THAT IT WASN'T CHARGED ANY INTEREST AND DIDN'T HAVE TO VERIFY ANY CREDIT INFORMATION IN ORDER TO BORROW THE MONEY BECAUSE IT COULDN'T HAVE. IF MR. VEREEN, THE 50% PARTNER WHO WAS PUTTING ALL THE MONEY IN TO KEEP THIS BUSINESS RUNNING HADN'T DONE THAT, WELL, MR. SMITH WOULD BE SITTING RIGHT HERE TRYING TO GET, ACCORDING TO HIS EXPERT, $3 MILLION.

JUDGE HOWE: I AM NOT SAYING THAT'S GOOD OR BAD.

MS. COOK: IT IS WHAT IT IS, YOUR HONOR. IT'S NOT THE WAY YOU AND I WOULD RUN A BUSINESS, BUT IT WAS CERTAINLY THE WAY THESE TWO GENTLEMAN RAN A BUSINESS, AND MR. SMITH KNEW IT FROM DAY ONE WHEN HE WALKED IN THE DOOR BECAUSE HE DIDN'T PUT A PENNY OF MONEY IN THIS BUSINESS.

MR. DURANT: YOUR HONOR, THAT'S A MISSTATEMENT OF FACTS. MR. SMITH DID NOT KNOW WHAT MR. VEREEN WAS DOING WITH THE CHECKBOOK. THERE'S NO TESTIMONY... THERE IS TESTIMONY FROM MR. VEREEN THAT

HE DID NOT KNOW ABOUT ALL THESE FINANCIAL TRANSACTIONS SO WE WOULD --

MS. COOK: DID HE THINK THE TOOTH FAIRY WAS FUNDING THE BUSINESS?

MR. DURANT: YOUR HONOR, WE HAVE ASKED FOR AN ACCOUNTING OF A&E. WE DIDN'T GO INTO PARK PLACE PROPERTIES BOOKS. ALL I'M ASKING YOU TODAY IS, THEY DID NOT COMPLY WITH THE ORDER AND THERE IS NO JOB LEDGER FOR WHATEVER THIS IS THAT HE PAID NOR ANY WAY TO CHECK BECAUSE CERTAINLY IF THERE WAS A JOB LEDGER SOMEBODY WOULD BE CHARGED FOR IT. NOW, THEY ARE TAKING THE --

JUDGE HOWE: WELL, THE DOCUMENT IS NOT COMING IN. WHETHER HE CAN TESTIFY AS TO THE DOCUMENT IS ANOTHER MATTER BECAUSE WE'VE GOT THE BEST EVIDENCE. I ASSUME, IF HE STARTS TESTIFYING AS TO THIS DOCUMENT THAT IS NOT COMING IN. MR. THOMAS OR MR. DURANT ARE GOING TO STAND UP AND OBJECT ON THE GROUNDS OF THE BEST EVIDENCE RULE. SO, HAVE AT IT WITH THE EVIDENCE RULES THAT YOU HAVE.

Q MR. VEREEN, DO YOU KNOW WHAT THE $4,000 CHECK

FROM PARK PLACE PROPERTIES WAS WRITTEN FOR?

A YES.

Q IT WAS WRITTEN FOR A PAYMENT TO CULLER LAND SURVEYING?

MR. THOMAS: THE BEST EVIDENCE WOULD BE THE INVOICE OF PAYMENT NOT WHAT HE SAYS IT WAS.

MS. COOK: THE CHECK SAYS IT'S WRITTEN TO CULLER LAND SURVEYING.

JUDGE HOWE: YES, IT DOES. I WILL ALLOW IT.

MR. DURANT: YOUR HONOR, ARE YOU GOING TO ALLOW HIM TO GO FURTHER THAN SAYING WHAT THE CHECK WAS FOR?

MS. COOK: I HAVEN'T ASKED ANOTHER QUESTION YET, FRANK.

MR. DURANT: I WAS TALKING TO THE COURT, KIF.

Q LET ME ASK YOU IF YOU WOULD TURN IN THE SAME PARK PLACE PROPERTIES EXHIBIT 80 TO TAB 21. WOULD YOU TELL THE COURT WHAT THAT CHECK IS?

MR. DURANT: YOUR HONOR, SAME OBJECTION FOR THE DEFENDANT'S --

MS. COOK: YOU DON'T HAVE ANY OBJECTION TO MAKE YET. I'VE ASKED WHAT THE

QUESTION IS. I MEAN, I'VE ASKED WHAT THE CHECK IS. DO YOU OBJECT TO ME ASKING WHAT THE CHECK IS?

MR. DURANT: YOUR HONOR, I WOULD LIKE TO MAKE MY OBJECTION TO THE COURT.

JUDGE HOWE: YES, SIR.

MR. DURANT: THE OBJECTION IS JUST AS THE PREVIOUS OBJECTION. THE INVOICE THAT SUPPORTS THE CHECK WAS NOT DELIVERED WITHIN THE TIMEFRAME BY THE --

JUDGE HOWE: I UNDERSTAND.

MS. COOK: I HAVEN'T SOUGHT TO INTRODUCE THAT. IT'S MY... I UNDERSTAND YOUR HONOR'S RULING. I AM NOT DENSE BELIEVE IT OR NOT.

Q MR. VEREEN, WHAT IS THAT CHECK? WHO IS IT TO?

A CHECK WAS MADE TO HORRY COUNTY PLANNING DEPARTMENT.

Q WHAT IS THE DATE OF THE CHECK?

A 9/26/06.

Q WAS A&E IN BUSINESS AT THAT TIME?

A WE WERE.

Q DOES THE FOR LINE INDICATE WHAT THE CHECK WHAT FOR?

A IT WAS PRODUCED FOR THE AYNOR PROPERTY THAT I

TESTIFIED ABOUT EARLIER TODAY THAT ELLIS HAD PHYSICALLY WALKED.

Q THAT WAS THE PIECE OF PROPERTY THAT DEALT WITH THE BRIGHAM WETLANDS STUDY?

A IT WAS.

Q THANK YOU. NOW, LET ME ASK YOU IF YOU CAN IDENTIFY WHAT WAS MARKED IN MR. SMITH'S DEPOSITION... NOT DEPOSITION. EXCUSE ME. MR. SMITH CROSS-EXAMINATION AS DEFENDANT'S EXHIBIT 5?

A IT IS A COPY OF A CHECK WRITTEN TO ASI IN MARCH OF '04.

Q HOW MUCH WAS THAT FOR?

A $15,180.

Q NOW, IS THERE... LET ME SHOW YOU WHAT WAS MARKED IN MR. SMITH'S CROSS-EXAMINATION AS EXHIBIT 5-A.

A THAT'S A COPY OF A STATEMENT FROM ASI ENGINEERS FOR THE WILLOUGHBY PROPERTY.

Q WHAT IS THE TOTAL OF THAT INVOICE FROM CSI FOR THE WORK THEY DID ON WILLOUGHBY?

A THE TOTAL THAT WAS DUE AT THAT TIME, THERE HAD BEEN TWO PREVIOUS STATEMENTS, WAS $15,180.

Q HOW MUCH WAS THAT CHECK FROM YOU FOR?

A $15,180.

Q DID THIS CHECK PAY THAT INVOICE?

A IT DID.

Q MR. VEREEN, LET ME SHOW YOU WHAT WAS MARKED AS DEFENDANT'S EXHIBIT 29. WHEN I WAS CROSS-EXAMINING MR. SMITH, TAKE A MINUTE AND LOOK THROUGH THOSE AND TELL ME IF YOU CAN IDENTIFY THOSE DOCUMENTS?

A THOSE WERE CHECKS THAT WERE WRITTEN TO TURNER PADGET.

Q WHO WROTE THE CHECKS AND WHAT WERE THE CHECKS FOR?

A THE CHECKS WERE WRITTEN BY PARK PLACE PROPERTIES ON BEHALF OF A&E ON A LAWSUIT THAT A&E WAS BEING INVOLVED IN ON COPYRIGHT INFRINGEMENT.

Q FROM EARLIER IN THE TRIAL OF THIS MATTER THAT HAD TO DO WITH SOMEBODY FROM OUT OF TOWN SUING A&E AND THE OWNER AT WILLOUGHBY FOR COPYRIGHT INFRINGEMENTS FOR THE PLANS ON THAT DEVELOPMENT?

A THAT'S CORRECT.

Q NOW, DURING THAT TIME THAT A&E WAS A DEFENDANT IN THAT CASE, WERE TWO DIFFERENT LAW FIRMS USED TO DEFEND A&E?

A YES. ONE WAS TURNER PADGET AND THE OTHER ONE WAS --

Q WAS IT THE LAND LAW FIRM OUT OF MARION?

A I'M NOT --

Q LAND, PARKER, WELCH OUT OF THE MONK'S CORNER AREA?

A YES.

Q SENATOR LAND'S LAW FIRM?

A (NO RESPONSE).

Q DID THOSE EXPENSES FOR DEFENDING A&E TAKE PLACE IN 2006 AND 2007?

A IT LOOKS LIKE THE MAJORITY OF THEM WERE 2007.

Q NOW, WHY DIDN'T... WAS THAT LAWSUIT ULTIMATELY SETTLED?

A YES.

Q AND AS PART OF THE SETTLEMENT, DID A&E AGREED TO PAY A CERTAIN AMOUNT OF MONEY TO SETTLE THE CASE?

A YES.

Q DO YOU KNOW HOW MUCH?

A $70,000.

Q AS I UNDERSTAND THERE WERE TWO OTHER PARTIES IN THE CASE AND THEY PAID SOME AS WELL?

A ACTUALLY THERE WERE THREE PARTIES; MR. WILLOUGHBY OF WILLOUGHBY FAMILY INVESTMENTS AND THERE WAS THE ARCHITECT AS WELL AS A DRAFTSMAN.

Q BUT OF THOSE PARTIES A&E AGREED TO PAY $70,000?

A WE DID.

Q WHO PAID THAT $70,000 FOR A&E?

A PARK PLACE PROPERTIES.

Q WITHIN EXHIBIT 29 ARE THE BILLS FROM A LAW FIRM AND THE PAYMENTS MADE TO PAY THE FIRM AND TO PAY THE SETTLEMENT?

A THEY ARE.

Q WITHIN EXHIBIT 29 IS THERE A... IS THE LAST PAGE THE SETTLEMENT CHECK FOR THE LEGAL FEES?

A YES.

Q NOT FOR THE LEGAL FEES. I'M SORRY. FOR THE SETTLEMENT FUNDS?

A YES.

Q NOW, IF YOU LOOK AT MRS. BRADY'S EXHIBIT NUMBER 40, WHICH IS HER REPORT WITH THE ADJUSTMENTS THAT SHE MADE AND YOU LOOK AT EXHIBIT 49 BEHIND TAB 25, WHICH IS HER REVISIONS FOR THE YEAR 2005. I'M SORRY. 2006. EXCUSE ME. I'M SORRY. LET ME DIRECT YOUR ATTENTION... IN HER REPORT EXHIBIT 40, WHERE SHE MAKES SOME REVISIONS. I AM GOING TO TURN YOU TO THE TAB THAT'S MARKED PPP FOR PARK PLACE PROPERTIES AND ASK YOU TO LOOK AT THE PAGE THAT'S ENTITLED, "AGREED UPON EXPENSES BY MR. SMITH." DOES MRS. BRADY REPORT INDICATE THAT MR. SMITH AGREES... KIND OF MIDWAY DOWN THE PAGE, THAT A $19,000 PAYMENT TO TURNER PADGET WAS AGREED BY MR. SMITH

TO BE AN A&E EXPENSE?

A YES.

Q IF YOU LOOK AT ALL THE EXPENSES THAT ARE ADDED UP ON THAT PAGE IT COMES TO 55 AND CHANGE, CORRECT?

A CORRECT.

Q IF YOU LOOK BACK AT HER REVISIONS... IN MRS. BRADY'S REPORT FOR PARK PLACE PROPERTIES AS ADJUSTMENTS TO HER NUMBERS, SHE INDICATES A TOTAL OF $55,921.70 AS BEING DUE AS AGREED TO BY MR. SMITH BACK TO PARK PLACE PROPERTIES, CORRECT?

A YES.

Q OF THAT 55,000 MR. SMITH ACCORDING TO HER DOCUMENT HAS APPROVED 19,000 OF THE TOTAL MONEY THAT YOU PAID FOR THE WILLOUGHBY LAWSUIT, CORRECT?

A YES.

Q IF YOU LOOK BACK AT THE SUMMARY SHEETS AT THE FRONT OF HER EXHIBIT 40, YOU LOOK DOWN AT THE SECOND SHEET WHERE SHE SAYS, "FOR INFORMATIONAL PURPOSES ONLY" YOU SEE THE SECOND LINE ITEM AS BEING THAT SAME 55,921.70 FOR PARK PLACE PROPERTIES WHICH INCLUDES THE $19,000, CORRECT?

A YES.

Q DO HER NUMBERS... HAVE YOU SEEN ANYWHERE IN HER NUMBERS THAT IT REFLECTS THE BALANCE OF THE $70,000 THAT WAS PAID FOR SETTLEMENT AND THE ADDITIONAL ATTORNEY'S FEES OTHER THAN THAT $19,000 AS BEING AN A&E LEGITIMATE EXPENSE?

A NO.

Q DID MR. SMITH COME TO THE MEDIATION OR THE SETTLEMENT DISCUSSIONS Y'ALL HAD?

A NO. ON THAT DAY, WE WERE SUPPOSED TO MEET AT THE OFFICE AND LEAVE AT 6 O'CLOCK IN MORNING, I WAITED UNTIL 6:30 AND HE NEVER SHOWED UP. OUR MEETING WAS IN FLORENCE.

MR. DURANT: DO THE COURT RECORDS SHOW THAT THESE BILLS HAVE BEEN INTRODUCED INTO EVIDENCE? I THINK THEY ARE JUST MARKED.

JUDGE HOWE: I DO KNOW THAT DEFENDANT'S 5 AND 5-A WERE MARKED FOR IDENTIFICATION.

MR. DURANT: YOUR HONOR, THE ISSUE FOR PURPOSES OF THE RECORD, THE REASON THAT THERE WASN'T AN AGREEMENT CONCERNING EXPENSES OF THE LEGAL LAWSUIT IS WE WERE NEVER GIVEN THE CREDITS THAT WERE PAID BACK TO PARK PLACE PROPERTIES AND MR.

VEREEN MADE BY MR. WILLOUGHBY AND THE INSURANCE CARRIER.

JUDGE HOWE: I'VE GOT A LETTER THAT'S DEFENDANT'S 87 WHERE SOME OF THIS WAS PAID BACK BY INSURANCE.

MS. COOK: THAT'S CORRECT.

MR. DURANT: WE WERE NOT GIVEN THAT INFORMATION SO WE COULDN'T AGREE ON WHAT THE PROPER BALANCE WAS. BETH SAID SHE WAS HANDLING THAT WHEN WE WERE MEETING. APPARENTLY SHE WAS THE POINT PERSON FOR THOSE ITEMS AND WE DIDN'T HAVE THOSE EXPENSES. THE REFUND CHECKS WERE NOT PUT INTO A&E.

JUDGE HOWE: ACCORDING TO DEFENDANT'S 87, BUILDERS MUTUAL PAID A TOTAL OF $39,465.08.

MS. COOK: YES, MA'AM. THAT WAS PUT INTO EVIDENCE THROUGH I THINK MRS. SESSION.

MR. DURANT: THERE WERE NO QUESTIONS ASKED OF MRS. SESSION ABOUT THE LEGAL FEES IF MY RECOLLECTION IS CORRECT.

MS. COOK: I WILL HAVE TO GO BACK AND LOOK AT MY NOTES, BUT YOUR HONOR, I

DON'T HAVE ANY PROBLEM WITH HIM CROSS-EXAMINING MY CLIENT ABOUT THAT.

JUDGE HOWE: IT'S A DEFENDANT'S EXHIBIT?

MR. DURANT: CORRECT. I UNDERSTOOD THAT THIS WITNESS DIDN'T HAVE THE KNOWLEDGE THAT BETH DOES. I UNDERSTAND YOU WANT TO GET YOUR EXHIBIT IN, BUT THE ISSUE WAS THE CREDIT AND THE PROPER AMOUNT THAT WAS DUE. NOT WHETHER OR NOT HE PAID THE $70,000.

Q NOW, MR. VEREEN, IN DEFENDING THE WILLOUGHBY LAWSUIT, WAS THERE A POINT IN TIME WHEN A&E WAS DEFENDED BY A FIRM THAT A&E OR SOMEONE ON BEHALF OF A&E WAS HAVING TO PAY AS OPPOSED TO AN INSURANCE COMPANY STEPPING IN AND ASSUMING THE DEFENSE?

A YES.

Q WHICH FIRM WAS IT THAT A&E WAS USING THAT WAS NOT AN INSURANCE COMPANY LAWYER THAT WAS ON A&E'S TICKET?

A TURNER PADGET.

Q DO YOU RECALL A&E HAVING ANY TYPE OF CLAIM AGAINST YOUR INSURANCE CARRIER IN DEALING WITH THE WILLOUGHBY LAWSUIT?

A I'M NOT SO SURE IT'S A CLAIM, BUT I KNOW THAT WE

TURNED IT OVER AND FILED IT WITH A COPY OF THAT COMPLAINT WITH OUR INSURANCE CARRIER. AND THEY PAID ATTORNEY FEES UP TO A POINT AND STOPPED.

Q WHEN THEY STOPPED AND IN YOUR SETTLEMENT, IN ADDITION TO PAYING $70,000, DID A&E GIVE OVER ANY OTHER RIGHTS THAT MAY... ANYONE TOWARDS THE SETTLEMENT OF THAT CASE?

A WE DID. WE HAD TO ASSIGN ANY MONIES THAT MAY BE COLLECTED FROM ANYONE ASSOCIATED WITH THAT LAWSUIT OUTSIDE OF... IN OTHER WORDS, IF THEY GOT MONEY BACK FROM THE INSURANCE COMPANY, IF THEY GOT MONEY BACK FROM WHATEVER ENTITY THAT HAD SOMETHING TO DO WITH WILLOUGHBY PLACE, OTHER THAN A&E AND THAT WOULD AFFECT WILLOUGHBY FAMILY INVESTMENTS. IF ANY MONEY WAS RECOUPED, IF WE GOT THE MONEY, WE HAD TO REIMBURSE IT OR REFUND THAT MONEY TO THE ENTITY THAT SUED US.

Q AND THE PLAINTIFF IN THE CASE?

A YES.

Q IN ADDITION TO THE $70,000, DID A&E ASSIGN ANY RIGHTS THEY MAY HAVE AGAINST IT'S INSURANCE COMPANY?

A WE DID.

Q MR. VEREEN, LET ME SHOW YOU WHAT WAS MARKED AS DEFENDANT'S 87. IT WAS MARKED ON OCTOBER 12TH

2011. I THINK THAT MIGHT HAVE BEEN THE TIME THAT BETH WAS TESTIFYING, BUT I COULDN'T SWEAR TO IT. LET ME SHOW YOU DEFENDANT'S EXHIBIT 87, WHICH WAS THE LETTER FROM TURNER PADGET THAT THE COURT WAS JUST REFERRING TO. TAKE A MINUTE AND READ THAT. DID YOU HAVE A CHANCE TO READ THAT?

A YES.

Q TO YOUR KNOWLEDGE, DO YOU RECALL EVER RECEIVING ANY MONEY FROM BUILDERS MUTUAL?

A NO.

Q TO YOUR KNOWLEDGE, DID BUILDERS MUTUAL PAY PART OF A&E'S ATTORNEYS FEES TO TURNER PADGET?

A I HAVEN'T SEEN THE CHECKS, BUT ACCORDING TO THIS LATER THEY DID PAY $39,465.80.

Q THAT WAS A BALANCE THAT WAS OWED TO A&E OR SOMEONE ON A&E'S BEHALF THAT HAD NOT YET PAID TURNER PADGET, IS THAT CORRECT?

A THAT WAS A PORTION OF THE OUTSTANDING BALANCE, YES.

Q MR. VEREEN, I'M GOING TO SHOW YOU WHAT'S BEEN INTRODUCED AS DEFENDANT'S EXHIBIT 77. WAS IT YOUR KNOWLEDGE THAT THE BLUE SHEETS WERE NOT IN EVIDENCE?

A (NO RESPONSE.)

Q IT IS ENTITLED THE "ARTHUR W. VEREEN ACCOUNTS

RECEIVABLE DUE FROM A&E `03 TO 2009." DID YOU HELP IN PREPARING THIS EXHIBIT?

A I DID.

Q WOULD YOU JUST GENERALLY EXPLAIN TO THE COURT THE SETUP OF THIS EXHIBIT AND WHAT IT REFLECTS IN GENERAL TERMS?

A WELL, I'M NOT SURE WHAT THE WORD, "SETUP" MEANS, BUT...

Q WHAT IT'S COMPOSED OF?

A IT'S COMPOSED OF COPIES OF CHECKS AND INVOICES THAT WERE WRITTEN BY ARTHUR W. VEREEN.

Q THAT'S YOU PERSONALLY?

A ME PERSONALLY. TO SUPPLIERS, SUB-CONTRACTORS ON BEHALF OF A&E FOR YEARS OF 2003 THROUGH 2009.

Q WE ARE NOT GOING TO GO THROUGH EVERY ONE OF THE LEDGERS, ALL OF THESE TABS.

MR. DURANT: ARE YOU ON THE CONSTRUCTION COMPANY OR HIM PERSONALLY?

MS. COOK: I'M ON DEFENDANT'S EXHIBIT 77, ARTHUR W. VEREEN PERSONALLY.

Q IF I UNDERSTAND YOUR TESTIMONY CORRECTLY, WHAT'S CONTAINED IN THIS NOTEBOOK WOULD BE ALL BILLS PAID BY YOU PERSONALLY FOR A&E EXPENSES AND ANY CHECKS WRITTEN BY YOU PERSONALLY DEPOSITED INTO A&E, IS THAT CORRECT?

A THAT'S CORRECT.

Q DID YOU DO THIS TYPE OF NOTEBOOK NOT ONLY FOR YOURSELF PERSONALLY, BUT DID YOU DO ONE FOR ARTHUR WAYNE VEREEN CONSTRUCTION COMPANY, EXHIBIT 78?

A ARTHUR VEREEN CONSTRUCTION COMPANY, YES.

Q IT WOULD CONTAIN CHECKS AND INVOICES OR BILLS FOR MATERIALS, SUPPLIERS THAT WERE TO BE PAID FOR BY ARTHUR VEREEN CONSTRUCTION COMPANY ON BEHALF OF A&E AND THEN DEPOSITS MADE DIRECTLY BY ARTHUR VEREEN CONSTRUCTION COMPANY, IF ANY, INTO A&E, IS THAT CORRECT?

A YES.

Q DID YOU DO THE SAME THING FOR PARKWAY OFFICES, EXHIBIT NUMBER 79?

A I DID.

Q AND DID YOU DO THE SAME THING FOR PARK PLACE PROPERTIES, EXHIBIT 80?

A I DID.

Q AND WE DO UNDERSTAND THAT ANY BLUE DOCUMENTS ARE NOT IN EVIDENCE, THEY WERE PROFFERED, BUT NOT IN EVIDENCE? NOW, AS I SAID, WE ARE NOT GOING THROUGH EVERY ONE OF THOSE BOOKS AND EVERY TAB, BUT WE ARE GOING TO GO THROUGH SOME. IN DEFENDANT'S EXHIBIT 77, ARE PAYMENTS MADE BY YOU

TO EITHER A&E OR OTHERS ON BEHALF OF A&E? AT THE BEGINNING OF THE BOOK, DO YOU HAVE WHAT I CALL A SUMMARY SHEET FOR EACH YEAR 2003 THROUGH 2009?

A I DO.

Q OKAY. JUST TRYING TO ORIENT THE COURT ABOUT HOW YOU HAVE THIS SET UP. IN THE FIRST COLUMN THAT SAYS, "ALLEGED" WHO ALLEGES THAT? THAT AMOUNT OF MONEY WAS PAID BY ARTHUR WAYNE VEREEN?

A I DO.

Q IN THE COLUMN THAT'S GOT "AGREED" WHAT DO THOSE NUMBERS REPRESENT? WHO DO YOU BELIEVE AGREES TO NUMBERS THAT YOU HAVE ON THOSE COLUMNS?

A I'M SORRY. I'M LOOKING AT ANOTHER VERSION.

MS. COOK: YOUR HONOR, THE VERSION THAT YOU'RE LOOKING AT ONLY HAS EXPENSE AMOUNT. IGNORE MY SUMMARY SHEET STATEMENT, OKAY? IT STARTS WITH THE ACTUAL YEAR. I'M SORRY. I'M LOOKING AT THE SUMMARY SHEET THAT I HAVE.

Q THE WAGES BOOK IS DIVIDED UP BY YEAR, CORRECT?

A THAT'S CORRECT.

Q WITHIN EACH YEAR THERE ARE TABS REPRESENTING THOSE CAPITAL CONTRIBUTIONS OR LOANS, HOWEVER YOU WANT TO PHASE IT TO A&E?

A THAT'S CORRECT.

Q BEHIND 2003 IS THERE A... WHAT I CALL A TABLE OF CONTENTS FOR THE YEAR 2003 SHOWING TABS 1 THROUGH 4?

A YES.

Q TABS 1 THROUGH 4 WOULD CONTAIN THE INFORMATION, THE CHAPTERS WITHIN THE BOOK SO TO SPEAK, RIGHT?

A THAT'S CORRECT.

Q LET'S LOOK FIRST BEHIND TAB 1 FOR 2003. WHAT IS BEHIND TAB 1?

A IT'S A CHECK WRITTEN TO CHICK WILKINS.

Q WHAT IS THAT CHECK FOR?

A IT'S A $150.00. CHICK WAS THE DESIGNER ON THE WILLOUGHBY PLACE.

Q YOU TESTIFIED SOME YESTERDAY ABOUT THE FACT THAT YOU HAVE TO DO SOME PRELIMINARY WORK BEFORE YOU EVEN GET THE JOB TO GET THE JOB, CORRECT?

A YES. I TESTIFIED EARLIER THAT WE ACTUALLY STARTED ON THE WILLOUGHBY PLACE BACK IN 2002.

Q AND THIS CHECK IS A CHECK DATED... IT'S FROM YOU TO CHICK DATED 2003, CORRECT?

A THAT'S CORRECT.

Q DID A&E EVENTUALLY GET THE WILLOUGHBY JOB?

A IT DID.

Q AND WAS THIS ONE OF THOSE EXPENSES THAT WAS

REIMBURSED OR SHOULD BE REIMBURSED AT COST? NOT WITH ANY PROFIT OR OVERHEAD, BUT JUST AT COST? JUST THE STRAIGHT $150 TO YOU PERSONALLY?

A YES.

MR. DURANT: YOUR HONOR, ARE WE SUPPOSED TO OBJECT NOW?

JUDGE HOWE: DO YOU HAVE AN OBJECTION?

MR. DURANT: THE OBJECTION I BELIEVE TO MR. WILKINS EXPENSE IS THERE IS NO INVOICE. IT WAS JUST A CHECKING ACCOUNT STATEMENT WITH A CHECK WRITTEN TO MR. WILKINS. THERE IS NO INVOICE ATTACHED WITH IT AS REQUIRED BY YOUR ORDER.

MS. COOK: I UNDERSTAND HIS CONTINUING OBJECTION THAT THERE'S NOT AN INVOICE, BUT I DON'T READ YOUR ORDER TO SAY THAT IF WE DON'T HAVE AN INVOICE THAT YOU ARE RULING AT THAT TIME THAT IT'S NOT AN EXPENSE. I UNDERSTAND IT GOES TO THE WEIGHT. I UNDERSTAND THAT IT GOES TO YOUR HONOR'S DECISION AND I DON'T KNOW THAT THAT ISN'T... IF IT'S AN OBJECTION I UNDERSTAND IT. I DON'T BELIEVE IT'S PROPER. IT'S CERTAINLY SOMETHING THAT CAN BE DEALT WITH ON CROSS-EXAMINATION.

IT SEEMS TO ME THAT IT WOULD BE FOR A CROSS-EXAMINATION QUESTION. UNLESS YOUR HONOR IS RULING AT THIS TIME THAT'S IF THERE'S NOT A RECEIPT THEN YOUR HONOR IS NOT GOING TO CONSIDER THE EXPENSE?

MR. DURANT: YOUR HONOR, THIS PARTICULAR REQUEST IS BASED UPON A CHECK THAT WAS WRITTEN. IT JUST SAYS, "CHICK WILKINS". IT DOESN'T IDENTIFY WHAT IT'S FOR, WHEN IT'S FOR. I THOUGHT AT THE TIME WE CAME TO COURT, YOU PRODUCED THE INVOICE TO SHOW WHAT IT'S FOR AND THE CHECK OF PAYMENT. WHAT THEY DID IS PRODUCE THE CHECKING ACCOUNT WITH NOTHING ELSE. WE THINK THAT IT DOES NOT COMPLY WITH THE ORDER.

JUDGE HOWE: I'M GOING TO ALLOW IT NOW AND YOU CAN TAKE THAT UP ON CROSS-EXAMINATION.

Q MR. VEREEN, IF YOU WILL LOOK AT TAB 2 BEHIND 2003, WHAT IS THAT?

A A CHECK I WROTE TO ME TO MCGEE/CAD.

Q WHO ARE THEY?

A THEY ARE ACTUALLY BLUEPRINTS.

Q ONE CHECK IS IN FEBRUARY OF '03 AND ANOTHER ONE

IN OCTOBER '03, CORRECT?

A THAT'S CORRECT.

Q DO YOU KNOW WHAT THESE CHECKS WERE WRITTEN FOR MCGEE/CAD FOR?

A FOR THE WILLOUGHBY PLACE.

MR THOMAS: YOUR HONOR, BEST EVIDENCE IS THE INVOICE.

MS. COOK: YOUR HONOR, LET ME --

MR. DURANT: SAME CONTINUING OBJECTION FROM THE PLAINTIFF.

MR. THOMAS: YOUR HONOR, THESE ARE NOT A&E RECORDS. THESE ARE HIS PERSONAL CHECKING ACCOUNT RECORDS. THERE IS NO SIGN OF THEM ON THE A&E RECORDS. HE COULD SAY ANYTHING. HE CAN SAY ANYTHING HE WANTS TO SAY.

MS. COOK: HE CAN AND IT GOES TO CREDIBILITY AND THE JUDGE CAN MAKE A DECISION ON IT.

JUDGE HOWE: LET ME TAKE ABOUT FIVE MINUTES AND RE-READ THIS ORDER.

(OFF THE RECORD).

JUDGE HOWE: I'M GOING RE-READ MY ORDER. THIS GOES TO THE DEFENDANT'S CLAIMS FOR SET-OFF OR REIMBURSEMENT. AND MY ORDER

SAYS THAT THE DEFENDANTS SHALL PRESENT EVIDENCE OF ACTUAL INVOICES OR BILLS FOR SERVICES OR LABOR RENDERED WITH A CANCELED CHECK FOR PAYMENT MADE PURSUANT SUCH INVOICE. IF THE INFORMATION IS NOT DELIVERED TO THE PLAINTIFF WITHIN THE DEADLINE AND THE DEADLINE WAS DECEMBER THE 1ST 2010. IT IS ORDERED THAT SUCH ACCOUNTING RECORDS AND INFORMATION SHALL BE PRESENTED IN THE TRIAL OF THE CASE BY THE DEFENDANTS. BASED ON THAT, I THINK I NEED TO REVERSE MY PRIOR RULING CONCERNING... I HATE TO SAY IT, MR. VEREEN, BUT I CAN'T READ YOUR WRITING. I THINK IT'S CHECK 3719.

MS. COOK: WHAT EXHIBIT AND WHAT TAB NUMBER, YOUR HONOR?

JUDGE HOWE: BEHIND TAB 2, IN 2003 IN EXHIBIT 77.

MS. COOK: I'M SORRY, YOUR HONOR. I NEED TO LOOK AT THE EXHIBIT.

JUDGE HOWE: ACTUALLY I THINK THAT'S OKAY.

MS. COOK: AM I CORRECT? THE WAY I INTERPRETED THIS AND MAYBE I INTERPRETED

IT WRONG BUT THOSE ITEMS THAT WE DO HAVE IN BLUE THAT WERE NOT DELIVERED BY DECEMBER 1ST, THEY CANNOT BE OFFERED INTO EVIDENCE. THAT'S HOW I UNDERSTAND YOUR RULING AND I DO UNDERSTAND THAT.

JUDGE HOWE: THAT'S CORRECT.

MS. COOK: IF IT WILL MAKE IT EASIER I CAN EVEN TAKE THE BLUE PAGES OUT?

MR. DURANT: THAT'S OKAY, YOUR PROFFERING THAT, IS THAT CORRECT?

MS. COOK: YES, MA'AM. AND WHAT I UNDERSTOOD THIS PARAGRAPH 9 TO ENCOMPASS WAS IF WE DIDN'T GIVE IT TO THEM BY DECEMBER 1ST, WE COULD NOT ENTER IT INTO EVIDENCE.

JUDGE HOWE: THAT'S RIGHT.

MS. COOK: BUT IT DID NOT SAY WE WERE PRECLUDED FROM INTRODUCING TESTIMONY OR DOCUMENTS THAT WE DID TENDER BY THE DECEMBER 1ST DEADLINE.

JUDGE HOWE: IT DOES NOT EXCLUDE YOU FROM INTRODUCING DOCUMENTS THAT WERE PRODUCED BY DECEMBER 1ST, 2010.

MS. COOK: AND TESTIMONY RELATING TO THOSE DOCUMENTS IF IT IS OTHERWISE

ADMISSIBLE.

JUDGE HOWE: THAT'S CORRECT.

MR. DURANT: YOUR HONOR, JUST TO BE CLEAR. I THOUGHT THE ORDER SAID IF THEY DID NOT GIVE THE INVOICE AND THE CHECK WITHIN THE DEADLINE, IT'S ORDERED THAT SUCH ACCOUNTING RECORDS AND INFORMATION SHALL NOT BE PRESENTED IN THE TRIAL OF THE CASE. SO, SHE COULDN'T PRESENT THE CHECKS UNLESS SHE HAD AN INVOICE. THAT WAS THE WHOLE PURPOSE OF HAVING THE INVOICE. SO WE CAN SEE WHAT WAS PAID AND YOU COULDN'T HAVE THE BILL IF YOU DIDN'T HAVE THE CHECK.

JUDGE HOWE: WELL, IT DOESN'T HELP THEM ANY IF THEY HAVE A CHECK BECAUSE I DON'T KNOW WHAT THE CHECK IS FOR.

MR. DURANT: CORRECT. SO, I READ THE ORDER AS TO PRECLUDE HIM FROM MAKING A CLAIM FOR THAT REINFORCEMENT THE WAY I UNDERSTAND YOUR ORDER.

JUDGE HOWE: EVERY TIME ANYONE... NOW, WE HAVE MR. VEREEN ON THE STAND. ANY TIME MR. VEREEN STARTS TO TESTIFY AS TO WHAT THE CHECK IS FOR SOMEONE, I ASSUME,

IS GOING TO JUMP UP AND OBJECT ON THE GROUNDS OF THE BEST EVIDENCE. SO FAR WE'VE HAD THAT.

MR. DURANT: YOUR HONOR, CAN WE HAVE A CONTINUING OBJECTION SO WE DON'T HAVE TO STAND UP EVERY TIME? WE OBJECT EVERY TIME THAT HE DIDN'T COMPLY WITH THE ORDER. THERE WILL BE NO BETTER EVIDENCE THAN THE DOCUMENT IF HE DIDN'T PRODUCE IT THEN IT'S EXCLUDED.

JUDGE HOWE: I DON'T HAVE A PROBLEM WITH THAT, BUT MS. COOK MAY.

MS. COOK: YES, MA'AM. I DO BECAUSE THERE ARE SOME THINGS THAT ACTUALLY THERE MAY BE OTHER WRITTEN EVIDENCE OF THAT'S ALREADY IN EVIDENCE.

JUDGE HOWE: ALRIGHT. THEN YOU WILL NEED TO OBJECT EVERY TIME.

MS. COOK: YOUR HONOR, I ALSO WANT TO STATE SOMETHING FOR THE RECORD. YOUR HONOR MAY OR MAY NOT RECALL I WAS SUBSTITUTED IN A COUNSEL --

JUDGE HOWE: I UNDERSTAND.

MS. COOK: -- IN THIS MATTER.

JUDGE HOWE: THAT'S IN THE RECORD.

MS. COOK: LISTEN, I KNOW. FOR WHATEVER REASON IN ALL MY PREPARATIONS, I DID NOT DO MAYBE THE VERY MOST BASIC THING THAT YOU DO WHEN YOU PREPARE FOR A CASE IS RE-READ THE PLEADING, RE-READ THE ANSWER, ESPECIALLY GIVEN THE FACT THAT I DIDN'T DRAFT IT THEN. I MISSPOKE EARLIER TODAY BECAUSE THERE IS A COUNTERCLAIM OR THERE ARE COUNTERCLAIMS IN THIS CASE BY NAMED PARTIES; MR. VEREEN INDIVIDUALLY, PARK PLACE PROPERTIES, PARKWAY OFFICES AND ARTHUR VEREEN CONSTRUCTION COMPANY. THANK YOU, DANNY MACDONALD. SO, THEY ARE NAMED PARTIES IN THIS CASE. THERE ARE COUNTERCLAIMS AND IN THE COUNTERCLAIMS THEY SPECIFICALLY SEEK SET-OFFS. THEY SEEK AN ACCOUNTING ON BEHALF OF THEMSELVES AND ON BEHALF OF A&E FOR THESE VERY THINGS WE ARE GOING OVER. THE ORDER DOES STATE THAT WE BOTH ASK FOR A JUDICIAL DISSOLUTION OF THIS ENTITY. THE DEFENDANTS DID NOT... THEY SPECIFICALLY DENIED THAT AND THEY ASKED THAT IT NOT BE DISSOLVED.

JUDGE HOWE: OKAY.

Q MR. VEREEN, LET'S TURN TO 2004 IN THE BOOK ACCLAIMED BY YOU PERSONALLY. LET ME ASK YOU IF YOU WOULD TO LOOK BEHIND TAB 19. IT'S A CHECK FROM 2004 FROM ARTHUR VEREEN TO SEAPORT ELECTRIC, CHECK 31204. HOW MUCH WAS THAT CHECK WRITTEN FOR?

A $7,500.

Q WHAT DID YOU... DID A&E EVER USE SEAPORT ELECTRIC AS A SUB-CONTRACTOR?

A YES.

Q ON WHAT JOBS?

A THEY STARTED OFF AT THE BEACH DUNES, WILLOUGHBY PLACE.

Q AND IN FEBRUARY OF 2004, WERE YOU OR ANY OF YOUR ENTITIES CONDUCTING BUSINESS THAT YOU OR ANY OF YOUR ENTITIES OTHER THAN A&E, WOULD HAVE USED SEAPORT ELECTRIC AS A SUB-CONTRACTOR ON?

A NO.

Q CAN I ASK YOU IF YOU WOULD PLEASE TURN TO TAB 38 IN 2004. PAYMENTS MADE BY ARTHUR VEREEN. THE DATE OF THE CHECK BEING 12/17/2004 PAYABLE TO F&F ENTERPRISES. IT'S $1,250. MR. VEREEN, WHAT, IF ANY, WORK DID F&F ENTERPRISES DO FOR A&E IN 2004?

A THEY DID SITING WORK AT THE WILLOUGHBY PLACE, ROOFING WORK AT THE WILLOUGHBY PLACE AND DID SOME PAINTING.

Q AND THE CHECK THAT YOU WROTE IN DECEMBER OF 2004, DOES IT INDICATE ON THE CHECK WHAT THAT WAS WRITTEN FOR?

A IT WAS WRITTEN FOR WILLOUGHBY PLACE.

MR. DURANT: YOUR HONOR, SAME OBJECTION. BEST EVIDENCE WOULD BE THE INVOICE FOR THE SERVICES RENDERED BY THE DEFENDANT, NOT THE CHECK. IT'S PURSUANT TO THE ORDER THAT YOU PREVIOUSLY ISSUED.

JUDGE HOWE: THE INVOICE NOT THE TESTIMONY?

MR. DURANT: THE INVOICE ITSELF.

Q IF I COULD ASK YOU TO LOOK BEHIND TAB 47. THAT'S A $75,000 CHECK FROM ARTHUR VEREEN TO A&E DATED OCTOBER 26TH 2004?

MR. DURANT: WE HAVE NO OBJECTION TO THAT GOING IN THE RECORD.

MS. COOK: IT'S ALREADY IN THE RECORD.

Q MR. VEREEN, THIS CHECK WAS WRITTEN TO A&E. WHY WAS IT WRITTEN TO A&E?

A IT WAS DEPOSITED FUNDS THAT NEEDED TO BE DEPOSITED INTO A&E.

Q DID MR. ELLIS SMITH DEPOSIT $75,000 AT THE SAME TIME TO CONTRIBUTE AS A CAPITAL CONTRIBUTION?

A NO.

Q WAS THERE AN INVOICE WRITTEN TO YOU TO SIGNIFY THAT $75,000?

A NO.

Q DID MR. SMITH SAY, "DON'T CONTRIBUTE ANY MONEY TO KEEP A&E RUNNING."?

A NO.

Q AT THAT TIME COULD A&E HAVE PAID IT'S BILLS IF YOU HAD NOT CONTRIBUTED MONEY?

A NO.

Q NOW, COULD I ASK YOU TO LOOK BEHIND TAB 48 FOR THAT YEAR. THAT'S FOR THE YEAR 2004?

A YES.

Q DOES THAT SHOW A CHECK WRITTEN FROM A&E TO YOU DATED MARCH 12TH 2004 FOR $26,000?

A IT DOES.

Q DID A&E PAY YOU THAT MONEY?

A THEY DID.

Q HAVE YOU CREDITED THEM AND GIVEN THEM CREDIT FOR HAVING REIMBURSED YOU THAT MONEY?

A YES.

Q BEHIND THAT, IS THAT THE DEPOSIT SLIP SHOWING WHERE YOU DEPOSITED THAT INTO YOUR ACCOUNT?

A YES.

Q BEHIND THAT CHECK IS THERE ANOTHER CHECK WRITTEN TO YOU FROM A&E ON MARCH 31ST 2004 FOR $7,500?

A THERE IS.

Q WHAT WAS THAT CHECK WRITTEN TO YOU FOR?

A LOOKS LIKE ON THE DEPOSIT SLIP THAT HAS BEEN CROSSED OFF.

Q WELL, I THINK MAYBE WHAT YOU'RE LOOKING AT BECAUSE ON MY COPY IT'S HIGHLIGHTED AND WHEN YOU RUN IT THROUGH A COPIER IT MIGHT HAVE COME OUT DARK.

MR. THOMAS: I THINK HE'S ANSWERED THAT HE DOES KNOW.

MS. COOK: WELL, IF HE CAN ANSWER THAT WAY THAT'S FINE.

Q IS IT CROSSED OUT OR DO YOU KNOW IF YOU DEPOSITED THAT CHECK?

A YES, I DID.

Q WAS THIS FOR ANY PARTICULAR THING THAT YOU'RE AWARE OF?

A CAN'T ANSWER THAT.

Q JUST AS SOME OF THE DOCUMENTS IN THIS EXHIBIT HAVE SHOWN WHEN YOU NEEDED TO FUND... WHEN FUNDS WERE NEEDED BY A&E, DID YOU DEPOSIT THOSE FUNDS FROM ONE OF YOUR SOURCES?

A I DID.

Q AND DID A&E EVER REIMBURSE YOU FROM TIME TO TIME FOR MONEY THAT YOU CONTRIBUTED?

A THEY DID.

Q LIKE IF YOU CONTRIBUTED $75,000, THEY DIDN'T DOLLAR FOR DOLLAR WRITE YOU A CHECK BACK EXACTLY FOR $75,000, DID THEY?

A NOT AT ALL TIMES.

MR. DURANT: YES, THEY DID. IT'S RIGHT HERE.

MS. COOK: I'M NOT TALKING ABOUT THAT PARTICULAR SHEET YET. I WILL GO OVER THAT ONE, FRANK.

Q WERE THERE TIMES WHEN YOU LENT CERTAIN AMOUNTS OF MONEY THAT A&E THEN REIMBURSED YOU NOT DOLLAR FOR DOLLAR?

A YES.

Q WHY WOULD A&E MAKE A DECISION ABOUT WHEN AND WHAT AMOUNT YOU WOULD BE REIMBURSED?

A DEPENDS ON OUR BANK ACCOUNT AND HOW THE MONEY CAME IN.

Q SO, IF YOU HAD LENT $32,000 OR CONTRIBUTED IT AS A CAPITAL CONTRIBUTION, DID A&E WAIT UNTIL THEY HAD EXACTLY $32,000 TO REIMBURSE YOU TO CLEAR THAT CREDIT AND DEBT?

A NO.

Q NOW, WERE THERE TIMES WHEN THERE WERE REIMBURSEMENTS AND PERHAPS YOU LET... OR CONTRIBUTED AN AMOUNT OF MONEY AND WHEN THE MONEY CAME IN THAT EXACT SAME AMOUNT OF MONEY WAS REIMBURSED TO YOU?

A YES.

Q IF YOU LOOK BEHIND TAB 47 THAT WE JUST WENT OVER. IN OCTOBER YOU CONTRIBUTED $75,000 TO A&E, CORRECT?

A YES.

Q IF YOU LOOK BEHIND TAB 48, IS THERE A CHECK FROM A&E ON OCTOBER 29TH FOR $75,000 FROM A&E TO YOU?

A YES.

Q IS THAT ONE SUCH EXAMPLE WHEN THERE WAS SUFFICIENT MONEY AND YOU LENT MONEY FOR A COUPLE DAYS AND THEY PAID YOU RIGHT BACK?

A YES.

Q WERE THERE OTHER TIMES THAT YOU CONTRIBUTED MONEY WHEN A&E DID NOT HAVE THE FUNDS TO PAY YOU RIGHT BACK?

A YES.

Q WERE THERE TIMES WHEN YOU LENT THEM MONEY OR CONTRIBUTED MONEY AND THEY DIDN'T HAVE ENOUGH MONEY IN THE BANK TO PAY YOU IN FULL?

A YES.

Q AND IN THIS BOOK EXHIBIT 77, WHICH ARE THE PAYMENTS MADE BY ARTHUR VEREEN PERSONALLY, HAVE YOU GOT ALL THE INFORMATION THAT YOU COULD LOCATE WITH REGARD TO PAYMENTS YOU PERSONALLY MADE TO OTHERS ON BEHALF OF A&E AND PAYMENTS YOU CONTRIBUTED INTO A&E?

A YES.

Q HAVE YOU PROVIDED IT AND DO YOU HAVE ALL THE DOCUMENTS YOU CAN LOCATE THAT SHOW ANY REPAYMENTS OR REIMBURSEMENTS TO YOU FOR THOSE CONTRIBUTIONS MADE EITHER IN MONEY DIRECTLY PAID OR IN PAYMENTS TO OTHERS ON BEHALF OF A&E?

A YES.

Q HAVE YOU GONE THROUGH AND TOTALED UP WHAT THE OUTSTANDING BALANCE MAY BE DUE TO YOU PERSONALLY FROM MAKING THOSE CONTRIBUTIONS TO A&E ON BEHALF OF A&E OR WHAT YOU MAY HAVE BEEN OVER REIMBURSED?

A YES.

Q AND HAVE YOU DONE THE SAME THING FOR EACH OF YOUR ENTITIES AS REFLECTED IN EXHIBIT 78, 79 AND 80?

A YES.

Q COULD I DIRECT YOUR ATTENTION TO TAB 66, WHICH

IS ALSO IN THE YEAR 2005, JUNE 29, 2005. THE FIRST THING IS A DEPOSIT SLIP INTO A&E'S ACCOUNT. BEHIND TAB 66, WOULD YOU TELL THE COURT WHAT THOSE DOCUMENTS REFLECT? I THINK YOU MAYBE TALKED ABOUT THIS SOME YESTERDAY.

A THERE IS A DEPOSIT SLIP AND A COPY OF TWO CHECKS TOTALING $165,000 AND ONE FOR $40,000 AND $125,000.

Q AND ARE THOSE THE CHECKS THAT YOU TALKED... YOU TALKED YESTERDAY ABOUT ELLIS' KNOWLEDGE THAT YOU WERE FUNDING THE OPERATIONS OF A&E. ARE THESE TWO CHECKS THAT YOU WERE TALKING ABOUT WHERE YOU HAD MADE ONE DEPOSIT AND CAME BACK IN AND CARRIE SAID WE NEED MORE MONEY?

A YES.

Q GO TO JUNE 28TH. THE CHECKS WERE WRITTEN TO A&E AND DEPOSITED ON THE 29TH?

A YES.

MS. COOK: YOUR HONOR, DOES YOUR TAB 66 REFLECT A DEPOSIT SLIP FOR $125,000 AND ONE FOR $40,000?

JUDGE HOWE: YES.

MS. COOK: THE $40,000 WAS THE ARTHUR WAYNE VEREEN TO A&E FOR $40,000? THE SECOND CHECK WAS $125,000 FROM PARK

PLACE PROPERTIES.

JUDGE HOWE: YES.

MS. COOK: AND THE DEPOSIT SLIP FOR EACH OF THE CHECKS JOINTLY FOR THE 29TH OF JUNE FOR A TOTAL OF $165,000 CONTRIBUTED TO A&E.

Q NOW, DID A&E PAY YOU BACK $165,000 DOLLAR FOR DOLLAR TO MATCH EACH OF THOSE PAYMENTS OR WERE YOU PAID OVER TIME AS THE BUSINESS HAD ENOUGH FUNDS TO PAY YOU BACK OR PARK PLACE PROPERTIES BACK?

A PAID OVER TIME.

JUDGE HOWE: ONE OF THEM WAS FOR PARK PLACE.

MS. COOK: NO, MA'AM.

JUDGE HOWE: THE $125,000 WAS A CHECK FROM PARK PLACE PROPERTIES?

MS. COOK: A&E.

JUDGE HOWE: YEAH. SO, A&E SHOULD HAVE PAID THAT BACK TO PARK PLACE PROPERTIES NOT ARTHUR VEREEN.

Q WERE YOU OR PARK PLACE PROPERTIES EVER PAID BACK... WERE YOU PAID BACK $40.000 DOLLAR FOR DOLLAR TO MATCH THIS CHECK?

A NO.

Q WAS PARK PLACE PROPERTIES PAID DOLLAR FOR DOLLAR $125,000 AT ONE SPECIFIC TIME TO PAY THIS BACK?

A NO.

MR. DURANT: YOUR HONOR, I KNOW 40,000 OF THESE CHECKS WENT IN. THEY WERE NOT ON THIS LIST BECAUSE THE ACCOUNT I WAS PROVIDED... THE ACCOUNTING RENDERED IS DIFFERENT THAN THE ONE SHE HAS ON MR. VEREEN'S ACCOUNT. I DON'T DISPUTE IT, BUT IT'S NOT A $40,000 CHECK IF IT'S FROM ANOTHER ACCOUNT WHICH I HAVE FORGIVEN. I DON'T DISPUTE THAT HE PUT THE MONEY IN THE ACCOUNT BECAUSE HE HAS RECORDS OF EVERY DIME HE HAS PUT IN.

MS. COOK: YOUR HONOR, I CAN'T... ALL I CAN TELL YOU IS THAT WE GAVE TO MR. DURANT A COPY OF EACH OF THESE EXHIBITS 77,78,79 AND 80 AND THIS IS IT. SET UP EXACTLY LIKE THE COURT'S IS LIKE THE EXHIBIT IS AND LIKE OURS IS. WHAT MR. DURANT'S DONE WITH IT, I CAN'T HELP HIM WITH. I WILL TELL YOU THAT HE CAME TO MY OFFICE AND...

MR. DURANT: YOUR HONOR, I DON'T DISPUTE THAT HE PUT THE CHECK IN THE CHECKING

ACCOUNT. I'M JUST SAYING THAT I DIDN'T HAVE THIS OTHER ACCOUNT OF MR. VEREEN'S IN THE RECORDS GIVEN TO ME 12/1.

JUDGE HOWE: PARK PLACE PROPERTIES YOU MEAN?

MS. COOK: NO. WAYNE AND LINDA VEREEN, A $40,000 CHECK, YOUR HONOR, IS WHAT HE'S SAYING.

MR. DURANT: I DON'T DISPUTE IT'S IN THE RECORD.

MS. COOK: I DISPUTE THAT.

MR. DURANT: I'M NOT OBJECTING TO IT.

MS. COOK: I DISPUTE THAT.

JUDGE HOWE: IT LOOKS AS IF IT IS A BRAND NEW ACCOUNT OR A COUNTER CHECK.

A NO, MA'AM. THAT ACCOUNT WAS A B.K.L. WHICH STANDS FOR "BETH, KATHERINE, LINDSEY", MY THREE DAUGHTERS. THAT WAS AN ACCOUNT THAT WE SET UP FOR THEM TO GO TO COLLEGE. WE DIDN'T USE THAT ACCOUNT VERY OFTEN AND WE REALLY DIDN'T HAVE ANYTHING PRINTED ON IT. WE WOULD WRITE CHECKS BACK WHEN THEY WERE IN COLLEGE. THAT'S WHY THAT CHECK WAS WRITTEN LIKE THAT.

JUDGE HOWE: YOU DIDN'T HAVE PRINTED CHECKS?

A NO, MA'AM. WE HAD THAT ACCOUNT WHEN ACHOR BANK WAS IN BUSINESS AND IT ROLLED OVER TO CAROLINA FIRST AND IT'S BEEN THERE SINCE BETH BEGAN COLLEGE IN 1990 AND WENT ALL THE WAY THROUGH KATHERINE AND MY DAUGHTER LINDSEY WENT TO COLLEGE. THAT'S WHAT THAT WAS FOR.

Q MR. VEREEN, COULD I ASK YOU TO LOOK BEHIND TAB 53 FOR THE YEAR 2005. IT IS A CHECK WRITTEN ON MARCH 25TH 2005 FROM YOU TO EES? THE AMOUNT OF THAT CHECK IS $5,328. YOU GOT THAT MR. VEREEN?

A I DO.

Q DID YOU WRITE A CHECK TO EES FOR $5,328?

A I DID.

Q WAS EES WORKING ON ANY JOBS OTHER THAN A&E JOBS THAT YOU WOULD HAVE MADE A PAYMENT TO EES FOR?

A IN MARCH OF '05?

Q YES, SIR.

A NO, MA'AM.

Q IS THERE AN INVOICE BACK BEHIND THAT?

A NO, MA'AM.

Q WOULD YOU ABLE TO FIND ANY INVOICE FOR THAT?

A NO, MA'AM.

MR. DURANT: SAME OBJECTION, YOUR HONOR, TO BEST EVIDENCE. AS WE STATED BEFORE, THERE IS NO CLAIM MADE BY ARTHUR WAYNE

VEREEN AGAINST EES IN THIS LAWSUIT.

MS. COOK: WE ARE NOT SEEKING THE MONEY FOR EES. WE ARE SAYING THAT MR. VEREEN... THE MONEY IS SOUGHT AS A REIMBURSEMENT FOR A LEGITIMATE A&E EXPENSE OF A&E. WHERE A&E WAS USING MR. SMITH'S COMPANY TO PERFORM WORK FROM A&E. WE ARE NOT SEEKING ANY MONEY FROM EES. MR. VEREEN IS SEEKING FROM A&E CREDITOR OR REIMBURSEMENT OR SET OFF FOR MONEY THAT HE PERSONALLY OR HIS COMPANIES ADVANCED OR CONTRIBUTED OR LOANED TO PAY THE OPERATING EXPENSES OF A&E.

MR. DURANT: SAME OBJECTION, YOUR HONOR, THE BEST EVIDENCE WOULD BE THE INVOICE SHOWING WHERE IT WAS AND THEY HAVEN'T PRODUCED IT.

MS. COOK: THE BEST INVOICE WOULD BE MR. SMITH NOW SITTING RIGHT HERE IN THIS COURTROOM.

MR. DURANT: YOUR HONOR, I DON'T HAVE THAT ON MY LIST AND I DON'T DISPUTE PERSONAL INTEGRITY. I DON'T HAVE THIS BEING IN HERE. I DID NOT LOOK AT THE

STUFF THAT SHE GAVE ME AFTER DECEMBER 1ST BECAUSE I THOUGHT IT WAS IMPROPER. I LOOKED AT THE STUFF SHE GAVE ME ON DECEMBER 1ST AND I SEE NO CHECK WRITTEN IN FOR THIS AMOUNT TO EES. I SEE CHECKS FOR ZERO. I SEE 65, 36, 5.

MS COOK: AGAIN, I DON'T THINK MR. DURANT WOULD BE INTENTIONALLY DOING THAT. WHAT HE HAS KEPT TRACK OF AND WHAT HE HASN'T I CAN'T TELL, YOUR HONOR. BUT I WILL, YOUR HONOR, KNOW THAT MR. DURANT DID LOOK AT INVOICES PRODUCED AFTER YOUR CUT OFF DATE BECAUSE I WAS WITH HIM IN MRS. BRADY'S. I UNDERSTAND YOUR ORDER, BUT FOR HIM TO REPRESENT TO THE COURT THAT HE DID NOT LOOK AT THEM, HE MAY NOT HAVE CONSIDERED THEM. HE MAY NOT HAVE INCORPORATED THEM INTO HIS AND HIS EXPERT'S WORK, BUT FOR HIM TO REPRESENT TO THE COURT THAT HE DIDN'T LOOK AT THEM, HE DID. BECAUSE AS WE SAT IN MRS. BRADY'S OFFICE IF WE WOULD GET ONE OF THOSE HE WOULD SAY, "WELL, I'M NOT CONSIDERING THAT BECAUSE IT WASN'T PRODUCED BY THE DATE." BUT HE DID LOOK

AT THEM, YOUR HONOR. HE DID.

JUDGE HOWE: BUT HE DIDN'T CONSIDER THEM. I UNDERSTAND THAT.

MR. DURANT: IT'S THE SAME OBJECTION.

JUDGE HOWE: YES, SIR.

Q YOU DID THE SAME THING YOURSELF ARTHUR WAYNE VEREEN IN EXHIBIT 77 FOR ALL THE YEARS THROUGH 2009?

A YES.

Q LET'S LOOK AT THE... MR. VEREEN, THAT'S ALL WE ARE GOING TO LOOK AT FROM YOUR EXHIBIT 77, WHICH IS YOUR PERSONAL NOTEBOOK. MR. VEREEN, I'M GOING TO ASK YOU TO LOOK AT THE PARK PLACE PROPERTIES ACCOUNTS RECEIVABLE DUE FROM A&E NOTEBOOK 2003 TO 2009 EXHIBIT 80, DEFENDANT'S 80. AND I'M GOING TO ASK YOU TO LOOK IN THE YEAR 2004 BEHIND TAB 1 WHICH IS A CHECK DATED NOVEMBER 4TH -- 2004. BEHIND TAB 1 IS A CHECK WRITTEN FROM PARK PLACE PROPERTIES TO THE BELLAMY LAW FIRM IN THE AMOUNT OF $6,990. NOW, MR. VEREEN, WOULD YOU TAKE A LOOK AT THAT CHECK? IT'S A CHECK FROM NOVEMBER OF 2004. DO YOU KNOW WHY THAT CHECK WAS WRITTEN TO THE BELLAMY LAW FIRM?

MR. DURANT: YOUR HONOR, PLAINTIFFS

WOULD OBJECT BECAUSE THERE WAS NO INVOICE GIVEN AND NO DOCUMENTS TO SUPPORT THE CHECK.

MS. COOK: YOUR HONOR, IT'S ALREADY BEEN INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 38. IT WAS INTRODUCED ON JUNE 15TH 2011. THAT'S A COPY OF A CHECK IN THAT AMOUNT BEING REFUNDED FROM THE BELLAMY LAW FIRM ABOUT A YEAR LATER NOVEMBER 9TH 2005. MADE PAYABLE TO A&E ENDORSED BY MR. SMITH. AND THEN MR. SMITH, THEN... THAT CHECK OR A CHECK IN THAT SAME AMOUNT IN MAY OF 2006 BEING DEPOSITED INTO A COASTAL FEDERAL ACCOUNT. THAT'S ALREADY BEEN INTRODUCED INTO EVIDENCE AND IT WAS INTRODUCED AT THE PART OF THIS TRIAL THAT WAS HELD JUNE 2011 AND IF MEMORY SERVES ME, WHICH COULD BE RIGHT OR WRONG, WELL, I KNOW IT WAS BECAUSE THAT'S WHEN I GOT SICK. I HAD BEEN QUESTIONING ELLIS. IT WAS PUT IN THROUGH MR. SMITH. AND I THINK MR. SMITH TESTIFIED THAT A&E HAD PUT A DEPOSIT DOWN ON A CYPRESS RIVER WALK AND THEY DECIDED NOT TO BUY THAT AND BELLAMY

LAW FIRM THEN REFUNDED THAT, WHICH IS THE CHECK... THE THIRD PAGE OF DEFENDANT'S 38. THAT AMOUNT WAS REFUNDED, BUT IT WAS PAID TO A&E. IT WAS NOT PAID TO PARK PLACE PROPERTIES. I BELIVE THAT WAS IN HIS TESTIMONY AND I THINK THAT HAS BEEN TRANSCRIBED.

MR. DURANT: YOUR HONOR, MY BOOK DOESN'T HAVE ANYTHING UNDER TAB 1. MINE WAS A COPY.

JUDGE HOWE: I DON'T THINK IT'S IN THE BOOK.

MS. COOK: YES, MA'AM. THE ACTUAL CHECK WAS WRITTEN FOR THE 6,000 IS IN THERE.

JUDGE HOWE: DEFENDANT'S 38 IS NOT IN THERE, IS IT?

MS. COOK: NOT IN THERE, YOUR HONOR. THE CHECK WRITTEN FROM PARK PLACE PROPERTIES IN 2004, TO PUT THE DEPOSIT ON THE CYPRESS RIVER LOT IS IN DEFENDANT'S 80 AND THE CHECK REFUNDED THAT MONEY NOT TO PARK PLACE PROPERTIES, BUT TO A&E AND ENDORSED BY MR. SMITH AS IN DEFENDANT'S 68.

JUDGE HOWE: 38.

MS. COOK: I'M SORRY, 38. THANK YOU. THAT'S ALREADY BEEN INTRODUCED INTO EVIDENCE. AND MR. SMITH DID NOT DENY THAT CHECK WAS THE REFUND THAT WAS MADE TO A&E AND THAT HE IN FACT, HAD ENDORSED THE CHECK.

MR. DURANT: YOUR HONOR, I THINK THAT'S CORRECT. THE CHECK WAS ENDORSED BACK INTO A&E. WHAT I DIDN'T HAVE WAS I DON'T HAVE A COPY OF THE CHECK PAID BY PARK PLACE PROPERTIES.

MS. COOK: YOUR HONOR, ALL I CAN TELL YOU IS THAT MR. DURANT PICKED UP THESE EXHIBITS FROM MY OFFICE AND TOOK THEM TO MCGEE/CAD AND HAD THEM RUN OFF.

Q NOW, THAT CHECK THAT WAS MADE PAYABLE TO A&E FROM THE BELLAMY LAW FIRM IT WAS ENDORSED BY YOURSELF AND MR. SMITH, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND HAVE YOU FOUND ANYWHERE IN THE RECORDS OF A&E OR IN THE RECORDS OF ANY OF YOUR COMPANIES WHERE THAT $6,990 WAS DEPOSITED INTO A&E?

A I HAVE NOT.

Q DO YOU KNOW IF THE CHECK WAS GIVEN TO MR. SMITH?

A YES.

Q TO YOUR KNOWLEDGE HAS PARK PLACE PROPERTIES BEEN REFUNDED DOLLAR FOR DOLLAR THAT $6,990?

A NO.

MR. THOMAS: OBJECT TO THE FORM. WHAT'S DOLLAR FOR DOLLAR MEAN? I DON'T UNDERSTAND THE FORM OF THAT QUESTION.

MS. COOK: THAT MEANS, AS MR. DURANT HAS INSISTED, THAT IF WE LOANED $6,990 TO REPAY IT, IT SHOULD HAVE BEEN PAID BACK IN THE CHECK IN THE AMOUNT OF $6,990.

MR. THOMAS: OKAY. I WITHDRAW MY OBJECTION.

Q WOULD YOU HAVE USED THAT AMOUNT AS PART OF YOUR CALCULATIONS IN COMING UP WITH WHATEVER NET AMOUNT MIGHT BE OWED TO PARK PLACE PROPERTIES OR WHATEVER NET AMOUNT PARK PLACE PROPERTIES MIGHT OWE A&E?

A YES.

Q AND HOW, MR. VEREEN? I AM NOT GOING TO GO THROUGH EACH OF THOSE NOTEBOOKS AND YOU HAVE TESTIFIED THAT THE METHODOLOGY WAS THE SAME?

A YES.

Q HAVE YOU LOOKED AT AND CONSIDERED WHAT CREDITS OR AMOUNTS MR. SMITH AND HIS EXPERT HAVE LOOKED AT AND SAID, "OKAY. THAT IS A LEGITIMATE

EXPENSE OR WE DO NOT BELIEVE THAT'S A LEGITIMATE EXPENSE?"

A YES.

Q AND HAVE YOU AGREED AND CONCEDED THAT SOME ITEMS THEY HAVE RAISED ARE PERSONAL EXPENSES AND ARE NOT A&E EXPENSES THAT YOU OR YOUR COMPANY MAY OWE TO A&E?

A YES.

Q WHEN MR. SMITH STOPPED COMING TO WORK IN JULY 2007, HE THEREAFTER, LEFT A DEMAND LETTER WITH YOU ASKING YOU TO PAY HIM SOME MONEY, DIDN'T HE?

A YES.

Q WHAT I WOULD LIKE TO GO THROUGH RIGHT NOW IS PLAINTIFF'S EXHIBIT 9. IT WAS INTRODUCED WHEN I WAS CROSS-EXAMINING MR. SMITH. DO YOU RECOGNIZE... DO YOU RECOGNIZE THE FIRST SIX PAGES IS A HANDWRITTEN DOCUMENT ENTITLED, "WAYNE." DO YOU RECOGNIZE THAT DOCUMENT?

A I DO.

Q WHAT IS THAT MR. VEREEN?

A THAT WAS THE FIRST LETTER THAT ELLIS WROTE ME TO DISSOLVE THE COMPANY, TO DETERMINE WHAT PROFITS WERE IN THE COMPANY AND WHAT HE WAS ASKING FOR. ACCORDING TO HIS ACCOUNTING AND WHAT HE FELT LIKE HE WAS DUE.

Q DO YOU RECALL ABOUT... FIRST OF ALL, DO YOU RECALL HOW YOU GOT THIS LETTER?

A IT WAS LEFT ON MY DESK.

Q HE DIDN'T COME SIT DOWN AND TALK TO YOU OR HAND IT TO YOU? HE JUST LEFT IT ON YOUR DESK?

A YES. ACTUALLY I WAS OUT OF TOWN. HE MIGHT HAVE LEFT IT ON THE CHAIR.

Q ACCORDING TO MR. SMITH'S FIRST LETTER, DID HE INDICATE AN AMOUNT THAT HE SAID WAS DUE FOR RENT?

A HE SAID FOR THE PAST 4 MONTHS THE RENT DUE WAS $48,000. SO, 4 MONTHS WOULD BE $1,600 A MONTH.

Q YOU HAD TESTIFIED YESTERDAY THAT WHEN Y'ALL MOVED TO THE SMALLER OFFICE FROM THE BIGGER OFFICE THE RENT WENT DOWN FROM $3,200 TO $1,600, RIGHT?

A YES.

Q DOES MR. SMITH INDICATE IN HIS LETTER TO YOU HOW MUCH HE SAID HE'S ALREADY RECEIVED FROM A&E?

A HE SAID HE RECEIVED 117,235.31.

Q AND WAS IT THAT AMOUNT THAT WAS MADE UP ACCORDING TO HIM?

A REPORTED MONEY THAT HE RECEIVED FROM A&E FROM OCEAN BLUE.

Q DID YOU KNOW HE GOT ANY MONEY FROM OCEAN BLUE?

A NO.

Q WAS THAT MONEY... WAS OCEAN BLUE AN A&E JOB?

A YES.

Q WAS THAT MONEY THAT WAS DUE TO A&E?

A YES.

Q DID YOU AUTHORIZE HIM TO KEEP ANY MONEY FROM OCEAN BLUE AND NOT PASS IT THROUGH A&E?

A NO.

Q THE FIFTH PAGE, WHAT DID YOU UNDERSTAND THE ITEMS AND THE NUMBERS AND THE TOTAL ON THE FIFTH PAGE TO REPRESENT ACCORDING TO MR. SMITH?

A ACCORDING TO --

MR. DURANT: YOUR HONOR, THE PLAINTIFF WOULD OBJECT TO ANY DISCUSSION AS TO SETTLEMENT DEMAND BECAUSE IT'S NOT EVIDENCE OF ANYTHING.

MS. COOK: IT'S A SETTLEMENT DEMAND, YOUR HONOR.

MR. DURANT: DEMANDED UPON HIM BEFORE HE FILED SUIT AS TO HE WANTS AN ACCOUNTING AND THESE ARE THE THINGS HE THINKS ARE DUE. IT'S NOT EVIDENCE OF ANYTHING ELSE.

MS. COOK: YOUR HONOR, THIS HAS ALREADY BEEN INTRODUCED INTO EVIDENCE AND

CROSS-EXAMINED TO MR. SMITH ON.

MR. DURANT: IT IS A REQUIREMENT BEFORE BRINGING A SHAREHOLDER'S DERIVATIVE ACTION THAT DEMANDS BE MADE ON THE OTHER SHAREHOLDERS BEFORE SUIT CAN BE BROUGHT UNDER THE CIRCUIT COURT RULES. SO, THAT WAS THE REASON THAT THE DEMAND WAS PLEAD AND PUT INTO EVIDENCE BECAUSE IT'S A REQUIREMENT.

JUDGE HOWE: HOW CAN YOU OBJECT TO THIS LETTER NOW?

MR. DURANT: I DON'T OBJECT, BUT I THINK SHE'S ASKING HIM WHAT THIS LETTER SAYS AND THE LETTER IS IN EVIDENCE.

MS. COOK: I ASKED HIM WHAT HIS UNDERSTANDING OF THESE NUMBERS WAS.

MR. DURANT: YOUR HONOR, THE LETTER IS IN EVIDENCE. IT IS WHAT HE SAYS IT IS AND IT WAS DEMANDED UPON HIM. I DON'T KNOW THAT MR. VEREEN CAN STATE ANY MORE THAN THE LETTERS SAYS.

JUDGE HOWE: I'M GOING TO ALLOW IT.

Q WHAT DID YOU UNDERSTAND THESE NUMBERS TO MEAN, MR. VEREEN?

A WELL, MY CONVERSATION WITH ELLIS WAS A LIST OF

ITEMS THAT HE SAYS THAT I OWED TO A&E THAT I HAD RECEIVED.

Q THE TOTAL HE HAD DOWN WAS HOW MUCH?

A $279,412.25.

Q AND YOU AGREED THAT YOU OWED SOME OF THESE AMOUNTS, HAVEN'T YOU?

A I HAVE.

Q AND YOU AGREED AT THE TIME THAT YOU OWED SOME OF THESE AMOUNTS, DIDN'T YOU?

A I DID.

Q THIS NEXT PAGE, IS THIS A SEPARATE LETTER OR DO YOU KNOW IF THIS WAS PART OF THIS FIRST LETTER YOU GOT?

A THAT'S THE SECOND LETTER.

Q ACCORDING TO THE SEPARATE LETTER THAT STARTS, "WAYNE", IT'S GOT CHECKS AND DEPOSITS AND A BALANCE OF $52,000. WHAT DID YOU UNDERSTAND THIS LETTER FROM ELLIS TO MEAN?

A THAT HE REVISED WHAT HE FELT LIKE I OWED A&E.

Q WHEN YOU GOT THESE LETTERS, DID YOU RESPOND BACK TO MR. SMITH?

A I DID.

Q YOU CAN TELL THE HANDWRITING CHANGES. THE 13 PAGES IN IS KIND OF BLOCK WRITING. IS THIS YOUR HANDWRITING?

A IT IS.

Q MR. VEREEN, WOULD YOU TELL ME WHAT THESE TWO PAGES ARE IN YOUR HANDWRITING?

A WELL, I LOOKED AT WHAT HE HAD SAID ABOUT THE RENT ON THE OFFICE AND WHAT WAS DUE. I WENT BACK AND FIGURED UP THE TIME AND THE MONTHS THAT WE ACTUALLY OCCUPIED THOSE SPACES AND THAT WAS ONE ITEM.

Q AND WHICH ITEM IS THAT?

A THE FIRST ITEM OF THE COMPANY.

Q HOW MUCH?

A $394,380.

Q IT WAS YOUR POSITION THAT THAT AMOUNT WAS OWED FROM WHOM TO WHOM?

A THAT WAS OWED FROM A&E BACK TO ME OR ONE OF MY ENTITIES PERSONALLY.

Q DID THAT TAKE INTO ACCOUNT SOME AMOUNT OF RENT THAT HAD BEEN PAID BY A&E?

A YES. THEN THE RECLASSIFICATION OF THE MONEY THAT WAS DEPOSITED INTO THE PLANTATION LAKES, WHICH I WASN'T GIVEN CREDIT FOR.

Q THAT'S THE MONEY THAT WE TALKED ABOUT YESTERDAY ON THE PLANTATION LAKES JOB WHERE RICHARD CRUMPLER HAD LISTED IT ON THE TAX RETURN AS AN AMOUNT DUE TO YOU, THAT WAS OWED TO YOU? BUT IN

THIS LETTER TO ELLIS, WHAT WERE YOU REPRESENTING?

A I WAS REPRESENTING THAT MONEY SHOULD HAVE GONE INTO THAT A&E ACCOUNT AND I NEED THE CREDIT FOR IT.

Q IN FACT, WAS THAT $102,000 FROM THE CLOSING OF THE HOUSE TO THE WHITLEY'S DEPOSITED INTO A&E?

A IT WAS.

Q AND YOU WERE EXPECTING THAT BACK, IS THAT CORRECT?

A THAT'S CORRECT.

Q WHAT THE NEXT LINE ITEM?

A THE PLANTATION POINTE WAS HIS HOUSE THAT... ONE OF THE REASONS THAT WE DID A&E WAS TO BE REIMBURSED FOR THE MONEY THAT HE OWED ME FOR ALL THOSE YEARS. I TOOK THAT BALANCE AND APPLIED IT TO THE INTEREST RATE WHICH WAS USED AT THAT POINT IN TIME AND APPROVED IT OVER THE YEARS.

Q THAT'S THE AMOUNT THAT RELATES BACK TO THE PLANTATION LAKES HOUSE THAT HAD TO DO WITH THE BANKRUPTCY THAT HE FILED IN 1991 AND THAT YOU SUBMITTED A PROOF OF CLAIM, BUT NEVER --

MR. DURANT: YOUR HONOR, I OBJECT TO HER LEADING.

MS. COOK: I'M TRYING... I'M TRYING TO

REFRESH THE COURT'S MEMORY. THAT'S FINE. I WITHDRAW THAT, YOUR HONOR.

Q WHAT IS THE NEXT LINE ITEM?

A NEXT LINE ITEM IS THE MONEY THAT WE HAVE SHOWN THAT WAS LEFT OWED ON 29TH PLACE ON THE PROPERTY. THAT WAS THE GOING INTEREST RATE AT THAT TIME.

Q WHAT IS THE NEXT LINE ITEM?

A NEXT ITEM IS WHERE WE LEARNED THAT ELLIS HAD ACTUALLY USED MY CONSTRUCTION COMPANY'S LICENSE TO DO CAROLINA KEYES.

Q A&E'S LICENSE?

A NO. USED ARTHUR VEREEN CONSTRUCTION COMPANY. AFTER I HAD INITIALLY AGREED TO HELP HIM BASED ON CERTAIN CONDITIONS. I WAS LATER INFORMED BY HIM I WASN'T NEEDED. HE AND THE DEVELOPER HAD FOUND SOMEONE ELSE TO HELP. HE WAS SUPPOSED TO REIMBURSE ME WITH 10% OF WHATEVER THE COST OF THE CONSTRUCTION WAS.

Q DID YOU KNOW THAT HE HAD UTILIZED YOUR LICENSE, ARTHUR VEREEN CONSTRUCTION COMPANY LICENSE TO PULL THOSE PERMITS?

A I DID NOT.

Q HOW DID YOU LEARN THAT HE HAD?

A BECAUSE WE PULLED A LICENSE AFTER WE... WE

ACQUIRED BASED ON WHAT I TESTIFIED YESTERDAY, IT MIGHT HAVE BEEN TODAY, I CAN'T KEEP UP WITH THE TIME. THE RELATIONSHIP TO US FINDING OUT THROUGH SANTEE COOPER. ACTUALLY WE ALSO FOUND OUT THROUGH A COMPANY TRYING TO DELIVER A FORKLIFT FOR THE JOB SITE. IT WAS ASKING US EXACTLY WHERE THE LOCATION WAS? THEY CALLED BACK LATER AND SAID THE GATE WAS LOCKED AND THEY COULDN'T GET IN. SO, WE INQUIRED TO THE CITY OF NORTH MYRTLE BEACH TO FIND... ACTUALLY ANOTHER JOB BEING BUILT RIGHT IN NORTH MYRTLE BEACH AT THAT TIME. MARTIN BROWN WAS ACTUALLY ON THE PERMIT. I WAS TOLD IT WAS NOT AN A&E JOB.

Q IN THE POINT OF TIME... WHEN DID YOU FIND OUT THAT MR. SMITH HAD UTILIZED ARTHUR VEREEN CONSTRUCTION'S LICENSE AT CAROLINA KEYES WAS IT BEFORE OR AFTER THIS DISPUTE AROSE WITH MR. SMITH?

A NO. I FOUND OUT AFTERWARDS. WHENEVER WE INQUIRED ABOUT... ONE OF THE THINGS THAT REALLY STARTED THIS WAS WE RECEIVED A PHONE CALL FROM AN INDIVIDUAL THAT HAD BOUGHT A HOME THAT WAS OWED BY BRIAN DAVIS WITH A CONSTRUCTION PROBLEM AND WE WERE CALLED IN REFERENCE TO THAT JOB.

MR. THOMAS: OBJECTION, HEARSAY.

A WELL, I SPOKE WITH SOMEONE. OKAY. WELL, I LEARNED TO SAY THAT MORE OFTEN MR. THOMAS, BUT I LEARNED --

MR. THOMAS: WE STILL OBJECT. HE'S GETTING READY TO TELL US WHAT SOMEBODY TOLD HIM. THAT'S HEARSAY.

MS. COOK: YOUR HONOR, BOTH OF Y'ALL STOP.

Q LET'S STICK TO CAROLINA KEYES. AS A RESULT OF THE PHONE CALL, DID THAT LEAD YOU TO GO DO SOMETHING AT THE CITY OF NORTH MYRTLE BEACH?

A YES. WE INQUIRED ABOUT... IN NORTH MYRTLE BEACH.

MR. DURANT: YOUR HONOR, WE OBJECT. THE ANSWER WOULD BE WHAT HE DID, NOT WHAT SOMEONE ELSE DID. HE CAN ONLY TESTIFY AS TO WHAT HE DID.

JUDGE HOWE: YES, SIR.

A I'M GOING TO ANSWER THAT QUESTION FOR HIM. "WE" I'M PART OF WE. WE INQUIRED TO --

MR. DURANT: YOUR HONOR --

MS. COOK: JUST WAIT. JUST WAIT. DID YOU THROUGH THE RESULT OF SOME ACTIVITY... WERE YOU PROVIDED COPIES OF PERMITS FOR CAROLINA KEYES?

A I WAS.

Q OKAY. AND YOU GOT THOSE PERMITS AFTER THIS DISPUTE WITH MR. SMITH AROSE AND HE HAD LEFT A&E, IS THAT CORRECT?

A THAT'S CORRECT.

Q LET ME ASK YOU TO LOOK AT THIS GROUP OF DOCUMENTS AND TELL ME WHAT THAT IS?

MS. COOK: YOUR HONOR, THIS WILL BE 114.

Q MR. VEREEN, HAVE YOU LOOKED THROUGH EXHIBIT 114?

A YES, MA'AM.

Q WHAT IS EXHIBIT 114?

A IT'S A NUMBER OF PERMITS PULLED AS... IT DOES SAY ARTHUR VEREEN CONSTRUCTION COMPANY. IT SAYS ARTHUR VEREEN AS THE CONTRACTOR.

Q ON WHAT PROJECT?

A CAROLINA KEYES.

Q WHO ARE THOSE APPLICATION PERMITS SIGNED BY?

A THERE IS SOME SIGNED BY... THEY ARE ALL SIGNED BY ELLIS OR ROBERT GRIFFIN.

Q AND AT THAT TIME, WHEN THOSE PERMITS WERE PULLED, DID YOU KNOW THOSE PERMITS WERE BEING PULLED USING YOUR LICENSE?

A NO, I DID NOT.

Q DID YOU GIVE MR. SMITH PERMISSION TO PULL THOSE PERMITS?

A UNDER THE CONDITIONS THAT WE HAD DISCUSSED. WE WERE PLANNING ON BEING INVOLVED, BUT AS I SAID, THEY INFORMED ME THAT I WAS NOT NEEDED.

Q SO, YOU GIVE HIM --

A NO, I DID NOT.

Q YOU DID NOT LEARN UNTIL AFTER THE FACT AND AFTER THESE ISSUES WITH MR. SMITH AROSE THAT, IN FACT --

MR. THOMAS: YOUR HONOR, WE OBJECT TO HER LEADING. THE PERMITS ARE COMING IN FOR WHATEVER THEY ARE WORTH.

MS. COOK: THAT'S FINE.

Q ALRIGHT. AS A RESULT OF GETTING THOSE PERMITS, DID YOU FEEL YOU WERE DUE ANY MONEY FROM MR. SMITH?

A I FELT LIKE I WAS DUE WHAT WE HAD ORIGINALLY CONSIDERED.

Q AND WHAT WAS THAT?

A IT WAS 10%. MY GENERAL LIABILITY WAS A MINIMUM OF 4% TO 5%.

Q DID YOU INCLUDE ANY AMOUNT RELATED TO CAROLINA KEYES ON THIS RESPONSE THAT YOU GAVE BACK THAT'S IN EVIDENCE AS PLAINTIFF'S EXHIBIT 9 TO MR. SMITH?

A I DID.

Q WHAT POSITION DID YOU TAKE YOU WERE OWED RELATED TO CAROLINA KEYES?

A WELL, I DID IT BASED ON 5.8 MILLION DOLLARS WORTH OF PERMITS.

Q WAS THAT FROM ADDING UP WHAT WAS ON THOSE APPLICATIONS IN TERMS OF --

A YES.

Q -- THE WORK APPLIED FOR? AND DID YOU FROM THAT ANALYSIS RESPOND BACK TO MR. SMITH AS TO AN AMOUNT YOU FELT HE OWED YOU OR YOUR COMPANIES?

A YES, I DID. I PUT IT IN EXCESS OF $956,000.

Q ON THE SECOND PAGE, WHAT DOES THIS INFORMATION... DID YOU GIVE THE SECOND PAGE TO MR. SMITH AS WELL?

A I DID.

Q AND WHAT DOES IT REPRESENT?

A I DID PROJECTS... I HAD ATTRIBUTED TO A&E PROJECTS BY AWV THAT I HAD PUT INTO A&E. THE TOTAL OF IT WAS ABOUT $15 MILLION. AND THIS WAS ACTUAL PROJECTS THAT ELLIS HAD BROUGHT IN TOO.

Q WAS THAT BY WAY OF DEMANDING ANYTHING FROM HIM?

A NO. JUST FOR REFERENCE TO SHOW I WAS WORKING TO KEEP A&E UP. I HAD TO PRODUCE THE MAJORITY OF THE WORK OR 3/4 OF THE WORK.

Q IN ADDITION, THE NEXT FOUR PAGES... WELL, SIX

PAGES OF PLAINTIFF'S EXHIBIT 9, DO YOU RECOGNIZE THOSE DOCUMENTS?

A YES. THOSE ARE DOCUMENTS THAT I ACTUALLY PULLED UP THAT... OF MONEY THAT HAD BEEN GIVEN TO ELLIS, NUMBER ONE. WE BOUGHT HIS HOUSE AND SOME PROPERTY TAXES THAT HE NEEDED AN ADVANCE ON. THE LAST MONEY HE INDICATED THAT HE GOT FROM OCEAN BLUE, THE DUPLEX, AND EMPLOYEE ADVANCES THAT WE HAD RECEIVED, THOSE KIND OF ITEMS.

Q WHAT'S THE SECOND CATEGORY?

A THE SECOND ONE WAS IT'S POTENTIAL LIABILITY THAT HE PUT ON A&E BY NOT NOTIFYING OUR INSURANCE COMPANY THAT THIS WORK HAD BEEN DONE WITH THESE PARTICULAR JOBS WITHOUT ANY INFORMATION.

Q THESE JOBS YOU HAVE LISTED CARI ANN DAVIS, SEALEY OVER HERE, ARE THESE JOBS THAT WERE DONE WHILE MR. SMITH WAS STILL WITH A&E?

A YES. WELL, LET'S BACK UP. THE CONDOLUX OFFICE WAS NOT. HE HAD LEFT AT THAT TIME.

Q WERE THEY ALL JOBS IN WHICH A&E'S PERMIT WAS USED?

A YEAH.

Q THE SECOND PAGE, WHAT IN GENERAL TERMS DO THESE NUMBERS REFLECT?

A THAT WAS OUR ATTEMPT AND METHOD TO TRY TO SHOW

THE COST OF EACH JOB, THE EXPENSES RELATED TO EACH JOB, THE PROFIT, WHAT THE OVERHEAD WAS AND WHAT OUR NET PROFIT WAS.

Q IN POINT OF TIME, WHEN YOU GOT THE FIRST AND SECOND DEMAND LETTERS FROM MR. SMITH, HIM NOT COMING BACK TO WORK AFTER JULY 2007, CAN YOU TELL ME ABOUT WHEN YOU GOT THOSE DEMANDS?

A I BELIEVE THE FIRST DEMAND THAT I RECEIVED WAS SOMETIME LATE JUNE.

Q OF '07?

A '07. I BELIEVE THE LAST ONE WAS SOMETIME BEFORE THE END OF '07, I BELIEVE.

Q AND THESE RESPONSES THAT YOU GAVE BACK TO MR. SMITH, THEY ARE IN EXHIBIT 9, ABOUT HOW MUCH TIME ELAPSED WHEN MR. SMITH MADE HIS DEMAND AND YOU RESPONDED BACK TO HIM?

A NOT VERY LONG. I COULD ACTUALLY LOOK IN MY LETTER. I BELIEVE I HAVE A COPY IN MY FILE, MY FOLDER. BASICALLY OUTLINING THIS AND ASKING HIM TO COME UP HIMSELF SO WE COULD GET THIS STRAIGHTENED OUT.

Q DID HE EVER COME AND SIT DOWN WITH YOU --

A NO.

Q FROM YOUR CALCULATIONS AND THE RESEARCH THAT YOU DID AND PROVIDED TO MR. SMITH, WHAT DID YOU

ESTIMATE AS BEING THE GROSS... THE NET PROFIT OR LOSS FOR A&E?

A IT WAS A NET PROFIT OF AROUND $75,000.

Q AND WHAT TIME PERIOD DID YOU ESTIMATE AT THIS TIME... WHAT TIME PERIOD DID THAT COVER WHEN YOU DID THIS SCHEDULE?

A '07.

Q AND ACCORDING TO YOUR CALCULATIONS AT THE TIME, HOW MUCH WOULD BE DUE EACH OF YOU?

A 37,000.

Q NOW, SINCE THIS LAWSUIT STARTED AND YOU HAVE COMPILED THESE BOOKS DEALING WITH WHAT YOU BELIEVE YOUR COMPANY IS OWED OR YOUR COMPANIES OWE A&E, DID YOU ALSO LOOK AT WHAT MR. SMITH MAY OWE A&E OR YOUR COMPANIES?

A I DID.

Q DID YOU PREPARE SIMILAR DOCUMENTS THAT LIKE YOURS OUTLINED HIS ACCOUNTS RECEIVABLE OR WHAT HE MIGHT BE DUE?

A I DID.

Q MR. VEREEN, I'M GOING TO SHOW YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 81. TAKE A MOMENT AND LOOK AT THAT. I AM GOING TO ASK YOU WHAT THAT NOTEBOOK REFLECTS?

A OKAY.

Q NOW, MR. VEREEN, IF YOU WOULD EXPLAIN GENERALLY HOW YOU GOT WHAT'S CONTAINED IN THIS NOTEBOOK AND HOW YOU HAVE IT SET UP. "THIS" DEFENDANT'S EXHIBIT 81?

A ALRIGHT. WE HAVE IT AS... I'M LOOKING AT IT WHERE ELLIS IS REQUIRING ME... WELL, I'M NOT ENTITLED TO SUPERVISORY FEES.

Q LET'S TALK GENERALLY ABOUT WHAT'S IN THIS NOTEBOOK AND HOW YOU HAVE IT SET UP BEFORE WE GET INTO ANY SPECIFIC?

A I'M NOT SURE WHAT YOU ARE ASKING ME.

Q HAVE YOU SET IT UP SIMILARLY TO HOW YOU SET UP YOUR NOTEBOOKS BY YEAR?

A YES.

Q TABBED BY YEAR?

A TABBED YEAR BY INVOICE AND BY PAYMENTS.

Q THESE ARE AMOUNTS THAT YOU ALLEGE ARE DUE BY WHOM TO WHOM?

A THESE ARE AMOUNTS OWED BY EES OR ELLIS SMITH BACK TO A&E.

MR. DURANT: YOUR HONOR, HE'S GOING TO HAVE TO BREAK OUT WHAT CLAIM HE HAS AGAINST... THESE ARE ALL SEPARATE LEGAL ENTITIES. THE CLAIMS ARE GOING TO HAVE TO BE SEPARATELY STATED.

MS. COOK: AND WE'RE GOING TO DO THAT. I'M TRYING TO LAY AN OVERVIEW.

JUDGE HOWE: OKAY.

Q NOW, IF YOU WOULD AND I AM NOT GOING TO GO LINE ITEM BY LINE ITEM THROUGH THIS BOOK EITHER, BUT IN PUTTING THIS BACK UP TOGETHER, HAVE YOU COME UP WITH A TOTAL AMOUNT THAT YOU BELIEVE IS DUE BY ELLIS SMITH AND A TOTAL AMOUNT THAT YOU BELIEVE IS DUE BY EES?

MR. DURANT: YOUR HONOR, WE OBJECT TO HIM GIVING ANY TESTIMONY AS TO WHAT THE TOTAL IS. THERE IS NO FOUNDATION.

MS. COOK: I HAVEN'T... I HAVE ASKED IF HE CAME UP WITH A NUMBER. I DIDN'T ASK WHAT THE NUMBER WAS YET.

MR. THOMAS: THIS IS NOT HIS WORK ANYWAY ACCORDING TO THE EXHIBIT. THIS IS HIS DAUGHTER'S WORK.

Q MR. VEREEN, IT'S ALREADY BEEN INTRODUCED INTO EVIDENCE. DID YOU, WITH THE ASSISTANCE OF YOUR DAUGHTER, COMPILE THIS INFORMATION AND HAVE YOU LOOKED AT EVERY DOCUMENT AND GONE THROUGH EVERY DOCUMENT IN THIS NOTEBOOK?

A YES. I HELPED PULL THE INVOICES TO VERIFY THAT THOSE INVOICES WERE ACCURATE. NOW, DID I

ACTUALLY TYPE THEM ON A PIECE OF PAPER, NO.

Q YOU HAD SOMEBODY ELSE PERFORM THAT AMINISTERIAL DUTY?

A THAT'S CORRECT.

Q AND TO YOUR KNOWLEDGE, ARE ALL OF THESE DOCUMENTS THAT ARE CONTAINED IN TERMS OF ORIGINAL INVOICES, NOT SCHEDULES, THAT MAY HAVE BEEN PREPARED TO BE A TABLE OF CONTENTS OR AN INDEX, BUT THE ACTUAL DOCUMENTS ARE THEY KEPT IN THE NORMAL COURSE OF BUSINESS OF A&E?

A YES.

Q ARE THEY KEPT IN THE A&E OFFICES?

A YES.

Q TO YOUR KNOWLEDGE, WERE EACH OF THE DOCUMENTS MADE CONTEMPORANEOUSLY WITH THE MATTER SET FORTH IN THE DOCUMENT?

A YES.

Q DO YOU CONSIDER THESE BUSINESS RECORDS OF A&E?

A I DO.

MR. THOMAS: YOUR HONOR, I CERTAINLY DON'T THINK THEY ARE BUSINESS RECORDS. YOUR HONOR, HALF OF THEM ARE RECORDS OF PARK PLACE PROPERTIES. SOME OF THEM ARE AND SOME OF THEM AREN'T. TO SAY THAT THEY ARE BUSINESS RECORDS IS SIMPLY NOT

ACCURATE. IF THEY --

MS. COOK: YOUR HONOR, THEY ARE --

MR. THOMAS: THEY ARE SOMEBODY'S RECORDS, BUT THEY ARE NOT BUSINESS RECORDS OF A&E AND THEY NOT MAINTAINED IN AN ORDINARILY COURSE OF BUSINESS. THEY WERE COMPLIED BY HIS DAUGHTER AS HIS DEFENSE IN THIS LAWSUIT. NOW, THEY ARE IN EVIDENCE SO...

MR. DURANT: I DON'T THINK THEY'RE IN EVIDENCE. I THINK THEY WERE LABELED AS AN EXHIBIT BY BETH BECAUSE YOU WOULD NOT ALLOW HER TO TESTIFY CONCERNING THEM. I DIDN'T HAVE ANY PROBLEM WITH HER LABELING THEM AS AN EXHIBIT, BUT MR. VEREEN HAD TO VERIFY WHAT WAS IN THERE AND TESTIFY TO SUPPORT IT. THERE WAS NO BASIS TO PUT IT IN EVIDENCE AT THE TIME.

MS. COOK: YOUR HONOR, OUR RECORDS REFLECT THAT THEY ARE IN EVIDENCE. ADDITIONALLY, YOUR HONOR --

JUDGE HOWE: MS. COURT REPORTER, WHAT IS MARKED AS DEFENDANT'S 81? IS IT INTRODUCED INTO EVIDENCE?

COURT REPORTER: IT IS INTRODUCED INTO

EVIDENCE AS I HAVE IT ON MY TRANSCRIPT.

MS. COOK: YES, MA'AM. THAT'S WHAT MY RECORDS REFLECT AS WELL, YOUR HONOR. I DON'T KNOW EXACTLY WHERE WE ARE, YOUR HONOR, BECAUSE IT SEEMS LIKE THEIR OBJECTS SHOULD BE ON CROSS-EXAMINATION, BUT I'M GOING TO MOVE FORWARD.

MR. THOMAS: IF IT'S IN EVIDENCE, WE'RE NOT OBJECTING OTHER THAN THE CHARACTERIZATION OF THE BUSINESSES ORDINARY COURSE OF BUSINESS, WHICH IT IS NOT.

JUDGE HOWE: YES, SIR. ORDINARY COURSE OF BUSINESS FOR THE LAWSUIT.

MR. THOMAS: OF THE LAWSUIT.

JUDGE HOWE: WHICH HAS KIND OF TAKEN ON A BUSINESS.

Q NOW, MR. VEREEN, CAN I ASK YOU TO LOOK BEHIND TABS 2, AND I BELIEVE THAT IS FOR THE YEAR 2004. I DON'T NEED YOU TO GO ITEM BY ITEM, BUT WOULD YOU EXPLAIN TO THE COURT WHAT IS CONTAINED BEHIND TAB 2 IN GENERAL TERMS?

A WELL, IN GENERAL TERMS IT'S JOB COSTS ON JOBS THAT A&E HAD IN PROGRESS IN 2004. THAT IS BROKEN DOWN INTO A SUPERVISOR AMOUNT, A LABOR

AMOUNT, AND THE OTHER COULD BE SUB-CONTRACTOR OR MATERIALS AND IT HAS A JOB THAT'S ASSOCIATED WITH IT.

Q NOW, WAS THIS AT THE TIME WHEN A&E STARTED INTO BUSINESS, BUT AS YOU TESTIFIED YESTERDAY THAT MR. SMITH WASN'T WORKING DIRECTLY ON THE PAYROLL OF A&E, BUT WAS WORKING THROUGH EES AS A SUB-CONTRACTOR?

A THAT'S CORRECT.

Q AND FOR EXAMPLE, LET ME FIND... FOR EXAMPLE, IF WE CAN FLIP... IF WE GO BEHIND TAB 2. FOUR INVOICES AND CHECKS IN SO THAT WE ARE AT THE CHECK THAT IS A&E CONSTRUCTORS DATED APRIL 3RD OF 2004 IN THE AMOUNT OF $2,950 TO EES. IT'S CHECK NUMBER 1063 AND THERE'S AN EES INVOICE BEHIND IT.

JUDGE HOWE: BEHIND TAB 2?

MS. COOK: YES, MA'AM.

JUDGE HOWE: OKAY.

Q THIS PARTICULAR PAYMENT BY A&E IS TO WHO?

A EES CONSTRUCTION.

Q IS THERE AN INVOICE FROM EES?

A YES.

Q NOW, DID EES GIVE YOU ANY BACK UP SHOWING --

MR. THOMAS: YOUR HONOR, TO THE EXTENT

THAT THEY ARE NOW ATTEMPTING TO GO BACK AND CLAIM THAT AMOUNTS THAT THIS GENTLEMAN SIGNED A CHECK FOR IN 2004, WHAT THEY'RE TRYING TO DO NOW AND PROBABLY MOST OF THIS WHOLE BOOK IS GO BACK AND SAY WE SHOULDN'T HAVE PAID IT BECAUSE WE DID NOT HAVE PROPER BACK UP FOR WHAT WE SIGNED THE CHECK FOR. NOW, THERE IS NOT ALLEGED FRAUD AND THE LAW IS VERY CLEAR WHEN YOU PAY SOMETHING WITH FULL KNOWLEDGE OF WHAT YOU'RE PAYING. YOU CAN'T GO BACK AND MAKE THE CLAIM TO GET YOUR MONEY BACK AND THAT'S EXACTLY WHAT THEY'RE TRYING TO DO. WE CITE FOR THE COURT SHOCKLEY VERSUS WHITE CASE. WE CITE THE BANK OF COMMERCE CHARLOTTE VERSUS WATER CASE. THEY CAN'T PAY AND THEN GO BACK ANY TIME LATER IN GENERAL, BUT FIVE YEARS IN PARTICULAR AND CLAIM THAT THEY SHOULDN'T HAVE PAID AND I WANT MY MONEY BACK.

JUDGE HOWE: SURELY. THAT'S NOT WHAT YOU'RE DOING, IS IT?

MS. COOK: NO, MA'AM. WHAT WE'RE... EES BY AND THROUGH MY CLIENT HAS ASKED

FOR AN ACCOUNTING AS WELL, AND THE STANDARD TO WHICH ONE 50% MEMBER OF EES IS TRYING TO HOLD MR. VEREEN TO IS THAT HE MUST HAVE BACK UP, INDEPENDENT BACK UP FROM A THIRD PARTY FOR ANY BILLS OR INVOICES TO PROVE IT'S A LEGITIMATE EES EXPENSE. PART OF WHAT WE UNDERSTAND THE PLAINTIFF'S CLAIMED TO BE AS AN AMOUNT OWED BACK TO EES FROM MR. VEREEN OR HIS ENTITIES ARE SUPERVISOR FEES THAT WERE PAID TO MR. VEREEN BY A&E BECAUSE THEY ARE SAYING THERE IS NOT INDEPENDENT THIRD PARTY DOCUMENTATION. AND WHAT SOME OF THESE DOCUMENTS... SOME OF THESE TABS... THERE ARE OTHER TABS THAT CONSIDER THINGS OTHER THAN BILLING BY EES TO A&E, BUT THIS PARTICULAR TAB SHOWS IN ADDITION TO MATERIALS AND SUPPLIES THAT EES SOUGHT PAYMENT FOR SOME OF WHICH THERE IS A BACK UP INVOICE FROM THAT THIRD PARTY THAT WAS SUBMITTED BY EES TO THE BOOKKEEPER FOR PAYMENT. BUT SOME OF WHICH ARE ON THE EES INVOICES FOR WHICH THERE IS NO BACK UP. ADDITIONALLY, YOUR HONOR, THIS ALSO

SHOWS AND GOES TO THE CREDIBILITY OF WHAT MR. VEREEN SAID THE AGREEMENT WAS ABOUT; HOW MUCH WAS TO BE PAID IN TERMS OF SALARY OR COMPENSATION TO MR. SMITH AND TO HIMSELF. MR. VEREEN HAVING TESTIFIED THAT THEIR COMPENSATION WAS TO BE A THOUSAND DOLLARS A WEEK AND IN HIS TESTIMONY THEN BEING THAT NONETHELESS, MR. SMITH SUBMITTED INVOICES THAT DIDN'T EQUAL $1,000 A WEEK, BUT EQUALED TWO THOUSAND DOLLARS A WEEK. AND THIS IS SHOWING THAT IN AN ACCOUNTING WHICH IS A MATTER OF EQUITY THAT IF ONE PERSON IS TO BE HELD TO A CERTAIN STANDARD THAT THE OTHER PERSON SHOULD BE HELD TO THE SAME STANDARD. THAT IF YOU'RE 50/50 PARTNERS, ALTHOUGH ONE PARTNER WASN'T HELPING FUND THE OPERATIONS OF THE BUSINESS IN ANY WAY. THAT YOU SHOULD BE TREATED ALIKE. YOU SHOULD BE TREATED EQUALLY. AND IN DETERMINING THE NET PROFIT OR THE NET LOSS TO EES AND WHAT THAT MAY MEAN IN TERMS OF DISSOLUTION AND PAYMENTS THAT SHOULD BE DISBURSED TO EITHER MEMBER OF THE COMPANY THAT YOU

MUST LOOK AT WHAT WAS SUBMITTED FOR THOSE COSTS TO DETERMINE IF THEY WERE... WE DON'T DENY THEY WERE PAID, BUT AGAIN, WERE THEY LEGITIMATE BUSINESS EXPENSES ACCORDING TO THE AGREEMENT OF THE PARTIES AS TO WHAT WOULD BE PAID FOR. THERE HAS BEEN A COUNTERCLAIM PLED SEEKING AN ACCOUNTING JUST AS MUCH FROM THIS 50% MEMBER OR PARTNER OF THIS BUSINESS AS THERE HAS BEEN FROM THIS 50% PARTNER OF THE BUSINESS.

MR. THOMAS: I THINK SHE HAS JUST CONFIRMED MY POINT. THEY PAID IT AND THEY ARE SORRY THEY PAID IT AND THEY WANT TO GO BACK AND CHARGE IT BACK AGAIN. THEY CAN'T DO THAT. THE DISTINCTION IS THEY HAD THE CHECKBOOK, THEY SIGNED THE CHECKS. THEY REQUIRED WHATEVER THEY REQUIRED TO GIVE US PAYMENT IN THE FIRST PLACE AND THEY CAN'T CHANGE THAT NOW. SO, WE MOVE THAT ALL OF THESE BE STRICKEN BECAUSE THEY SIMPLY CAN'T DO IT. THEY CAN'T MAKE THAT CLAIM.

MS. COOK: YOUR HONOR, I BELIEVE IT'S

FOR YOU TO MAKE A DETERMINATION ABOUT WHAT CLAIM CAN AND CAN'T BE MADE OR WHAT CLAIMS CAN AND CAN'T PREVAIL. WE HAVE CLEARLY PLED ASKING FOR AN ACCOUNTING AND ALL WE ARE DOING IS INTRODUCING THE EVIDENCE TO SHOW WHETHER OR NOT PROPER AND LEGITIMATE PAYMENTS HAVE BEEN MADE AND WHETHER OR NOT THAT SHOULD BE TAKEN INTO CONSIDERATION OR BOTH PARTIES SHOULD BE TREATED THE SAME OR DIFFERENTLY BY THE COURT WHEN YOU COME UP WITH YOUR DETERMINATION AS TO WHAT EXPENSES WILL BE ALLOWED, WHAT CREDITS WILL BE ALLOWED AND THE LIKE.

JUDGE HOWE: WELL, LET ME ASK YOU SOMETHING. IT IS A FACT THAT MR. VEREEN OR HIS BOOKKEEPER HAD CONTROL OF THE CHECKBOOK, IS THAT CORRECT?

MS. COOK: IT IS CORRECT THAT THE ONLY SIGNATORY ON THE CHECKBOOK WAS MR. VEREEN. HE DID SIGN EVERY CHECK AND THAT WAS AT THE REQUEST OF MR. SMITH WHO DID NOT WANT TO BE ON ANY CHECKBOOK.

JUDGE HOWE: SO, BEFORE MR. VEREEN WOULD SIGN A CHECK, MR. VEREEN COULD HAVE

REQUESTED WHATEVER HE PLEASED BEFORE HE SIGNED THE CHECK?

MS. COOK: YES, MA'AM.

JUDGE HOWE: SO, ISN'T IT A LITTLE LATE TO COME UP 8 YEARS LATER AND SAY THAT REALLY WASN'T ENOUGH. I SHOULD HAVE ASKED FOR MORE DOCUMENTATION BEFORE A SIGNED THAT CHECK?

MS. COOK: WELL, FIRST OF ALL, YOUR HONOR, I WOULD SUBMIT TO YOU IT'S NOT YEARS, 4 YEARS LATER.

JUDGE HOWE: IT'S 8 YEARS LATER, YEAH.

MS. COOK: NO, MA'AM. THIS CASE WAS FILED IN JANUARY 2009.

JUDGE HOWE: BUT IT IS. THIS CHECK WAS WRITTEN APRIL THE 30TH 2004.

MS. COOK: YES, MA'AM. AND I WILL POINT OUT TO THE COURT THAT MR. SMITH WAS AWARE THAT HE WAS SUBMITTING PAYMENTS... HE WAS SUBMITTING THESE BILLS FOR REIMBURSEMENT AND THAT HIS AGREEMENT WITH MR. VEREEN WAS THAT HE WOULD BE PAID A THOUSAND DOLLARS A WEEK, NOT WHAT AMOUNTS TO TWO THOUSAND DOLLARS A WEEK. AND THAT IN 2005 HE AND HIS ACCOUNTANT

TESTIFIED THAT SHE STARTED INQUIRING OF HIM ABOUT IRREGULARITIES SHE THOUGHT SHE SAW IN THE ACCOUNTING RECORDS BECAUSE SHE WAS THE ACCOUNTANT FOR A&E AND MR. SMITH. I THINK HER TESTIMONY SHOWS. AND I CROSS-EXAMINED MR. SMITH ABOUT THIS TOO. MR. SMITH TOLD HER HE WAS GOING TO GET WITH WAYNE, GET WITH WAYNE AND HE DIDN'T. BUT WHAT HE DID DO WAS HE WAITED UNTIL THE BEGINNING OF 2007 WHILE HIS TRUCK WAS BEING PAID FOR, WHILE HIS INSURANCE ON HIS TRUCK WAS BEING PAID FOR, WHILE HIS TAXES ON HIS TRUCK WAS BEING PAID --

JUDGE HOWE: WELL, YOU DON'T NEED TO MAKE A CLOSING --

MS. COOK: NO, MA'AM. BUT I NEED TO MAKE A RECORD. I NEED TO MAKE A RECORD.

JUDGE HOWE: YOU DO NEED TO MAKE A RECORD, BUT MY POINT IS THAT WE ARE KIND OF GETTING INTO TWO DIFFERENT THINGS. THE DISCOVERY WAS THE ISSUE WITH THE ORDER AND THE CUT OFF DATE.

MS. COOK: YES, MA'AM. AND I --

JUDGE HOWE: WE ARE KIND OF CONFUSING

THAT WITH WHAT YOU'RE NOW SAYING. WHAT'S GOOD FOR THE GOOSE IS GOOD FOR THE GANDER. THAT'S KIND OF TWO DIFFERENT THINGS.

MS. COOK: I AGREE AND NEITHER ONE IS RELATED TO THE OTHER. I TOTALLY AGREE WITH YOU, YOUR HONOR. I WOULD POINT OUT TO YOUR HONOR THAT IT WAS NOT UNTIL I LOOKED LAST NIGHT. IT WAS NOT UNTIL NOVEMBER OF 2010 AND I MAY BE MISTAKEN BECAUSE IT MAY HAVE BEEN OCTOBER 19TH 2010, I ACTUALLY PULLED THE LETTER FROM MR. DURANT THAT WE GOT MRS. BRADY'S 2007 BOOK COMPLETED WITH HER FIRST SERIES OF ADJUSTMENTS. IT WAS WHEN SHE WAS ON THE STAND IN JUNE OF 2011. WHEN WE HAD TO STOP BECAUSE I BECAME ILL. THAT SHE HANDED NEW PAPERWORK UP AND IT WAS NOT UNTIL... ACTUALLY, I GUESS, WE STARTED GETTING THOSE REPORTS OF HERS 2004 THROUGH 2007 IN THE SUMMER TO FALL OF 2010. IT WAS NOT UNTIL THAT TIME THAT WE WERE AWARE... WE WERE SHOCKED! WE WERE HURT! WE WERE -- WHAT WAS THE OTHER THING BETH THAT WE WERE? THAT

THEY WOULD SEEK BACK AS ACCOUNTS RECEIVABLE OR PAYMENTS FROM MR. VEREEN FOR SUPERVISORY FEES THAT HE BEGAN CHARGING TO BRING HIS AMOUNT UP TO WHAT HIS PARTNER WAS GETTING. AND OUR PLEADINGS CLEARLY ASKED FOR AN ACCOUNTING JUST AS MUCH ON BEHALF OF A&E AS MR. SMITH ASK FOR AN ACCOUNTING OF A&E.

JUDGE HOWE: I DON'T THINK THERE'S ANY QUESTION AS TO THAT.

MS. COOK: NOW, WHAT YOUR HONOR ULTIMATELY DETERMINES AND ALL WE'RE DOING IS MAKING OUR RECORD AND PRESENTING THE EVIDENCE AS TO, IF YOU GOOSED AND GANDERED IT AND TREATED THEM EQUALLY WHAT THE NUMBER WOULD BE. I UNDERSTAND THEIR CROSS-EXAMINATION WILL GO TOWARD. WELL, DIDN'T YOU SIGN THE CHECK? I UNDERSTAND THAT. BUT THIS IS A COURT OF EQUITY, YOUR HONOR, AND IT'S SUPPOSED TO LOOK AT FAIRNESS AND... ADDITIONALLY, THESE DOCUMENTS WERE PRESENTED WITHIN THE TIMEFRAME, YOUR HONOR. WHILE I DON'T THINK YOUR ORDER

WOULD... I DON'T THINK THAT'S WHERE WE ARE GOING WITH THIS, BUT YOUR ORDER WOULDN'T PRECLUDE THIS IN ANY WAY BECAUSE THIS WAS PROVIDED WELL IN ADVANCE OF YOUR DISCOVERY DEADLINE. THEY ARE NOT SURPRISED BY THIS. I CAN UNDERSTAND WHY THEY ARE FIGHTING HARD.

JUDGE HOWE: NO. I DON'T THINK THAT'S THE BASIS OF THEIR OBJECTION.

MR. THOMAS: IT'S NOT. WE ARE NOT, YOU KNOW... IF HE WANTS TO SAY WHATEVER HE WANTS TO SAY ABOUT LEGITIMIZING OR JUSTIFYING HIS SUPERVISORY FEES HE CAN. OUR OBJECTION IS SIMPLY THEY CAN'T GO BACK AFTER THE FACT, AFTER THEY HAVE HAD THE OPPORTUNITY TO MAKE WHATEVER INVESTIGATION THEY HAD TO REQUIRE WHATEVER THEY NEEDED TO REQUIRE FOR PAYMENT, PAY IT AND COME BACK AND SAY WE MADE A MISTAKE. WE WANT TO BRING AN AFFIRMATIVE CLAIM AGAINST YOU TO PAY THAT MONEY BACK.

JUDGE HOWE: RIGHT. WE PAID THESE CLAIMS AND NOW WE SHOULDN'T HAVE PAID THEM.

MR. THOMAS: WHAT WE ARE SAYING IS IT'S A MATTER OF LAW AND WE DON'T THINK THEY CAN DO THAT.

MS. COOK: WELL, THEY CAN MAKE THE APPROPRIATE MOTION AT THE APPROPRIATE TIME AND THEY CERTAINLY COULD HAVE FILED A MOTION FOR SUMMARY JUDGMENT AND THEY DIDN'T DO THAT, YOUR HONOR. BUT LIKEWISE... I UNDERSTAND THAT THEY MAY HAVE ANOTHER ARGUMENT AND ANOTHER THEORY AS TO WHY, YOUR HONOR, SHOULD THEY NOT TREAT THESE TWO GENTLEMEN THE SAME WITH REGARD TO SUPERVISORY FEES AND WAGES OR SALARIES THAT THEY GOT. BUT I BELIEVE I AM ENTITLED TO PUT BEFORE YOU --

JUDGE HOWE: MS. COOK, THEY'RE NOT TALKING ABOUT SUPERVISORY FEES. RIGHT NOW WE ARE TALKING ABOUT PAYING A CHECK TO EES CONSTRUCTION FOR BEACH DUNES.

MS. COOK: YES, MA'AM. AND PERHAPS I PULLED OUT AN INCORRECT EXAMPLE WITHIN TAB 2 TO ADDRESS THAT PARTICULAR ISSUE. BUT ALSO THE ONE THAT WE ARE TALKING ABOUT RIGHT NOW, THE INVOICE THAT WAS SUBMITTED BY EES AND THE CHECK THAT WAS

WRITTEN TO VERIFY THE PAYMENT, IT SHOWS WHAT WAS OR WAS NOT MR. SMITH'S COURSE OF CONDUCT IN BUSINESS IN SUBMITTING FOR REIMBURSEMENT OR PAYMENT OF EXPENSES. JUST LIKE WHAT MR. VEREEN SUBMITTED OR DID NOT SUBMIT FOR PAYMENT FOR EXPENSES OR OTHER REIMBURSEMENTS TO A&E.

JUDGE HOWE: I THOUGHT HE TESTIFIED THAT THIS IS WHEN EES WAS WORKING AS AN INDEPENDENT CONTRACTOR BEFORE EES CAME ON TO WORK AS A FULL TIME EMPLOYEE.

MS. COOK: HE TESTIFIED THAT THIS WAS DURING THE TIME THAT INSTEAD OF ELLIS WORKING FOR A&E DIRECTLY HE WAS WORKING THROUGH EES AND BEING PAID HIS SALARY OR HIS SUPERVISORY FEES THIS WAY INSTEAD OF BEING PAID DIRECTLY BY THE COMPANY AT A $52,000 A YEAR LEVEL SALARY THAT MR. VEREEN WAS GETTING PAID.

MR. THOMAS: I DON'T ARGUE WITH TESTIMONY. WE RECALL HE TESTIFIED THE COMPANY WAS PAYING MR. SMITH A THOUSAND DOLLARS AND MR. SMITH WAS GETTING HIS ADDITIONAL COMPENSATION THAT HE SHOULD NOT BE GETTING UNDER SUBCONTRACTOR.

MS. COOK: YOU CAN CROSS-EXAM HIM ON THAT AND MAYBE I WILL CLARIFY THAT I DIDN'T REALIZE THAT WAS NOT CLEAR FROM THE TESTIMONY AND I WILL GO BACK INTO THAT.

JUDGE HOWE: IT WILL SPEAK FOR ITSELF.

MR. THOMAS: REGARDING THAT'S NOT REALLY OUR POINT.

JUDGE HOWE: I UNDERSTAND YOUR POINT. I WILL LET HIM TESTIFY AND YOU CAN CROSS-EXAM BECAUSE IT TAKES TOO LONG TO FUSS ABOUT IT.

MS. COOK: YES, MA'AM. IS IT 5:30 P.M.?

JUDGE HOWE: 5:30. CAN WE GET TO A PRETTY GOOD STOPPING POINT?

MS. COOK: MAYBE WE SHOULD STOP HERE.

(RECESS TAKEN UNTIL ON AUGUST 29, 2012.)

(THIS IS THE BEGINNING OF AUGUST 30, 2012).

JUDGE HOWE: MR. VEREEN, YOU ARE STILL ON THE STAND AND YOU ARE STILL UNDER OATH.

CONTINUE RE-RE-CROSS EXAMINATION BY MS. COOK:

A YES, MA'AM.

Q MR. VEREEN, WHEN WE BROKE YESTERDAY WE HAD KIND OF GONE OVER A BROAD OVERVIEW OF SOME CATEGORIES

OF HOW THINGS WERE HANDLED WITH A&E BETWEEN YOU AND MR. SMITH. ONE OF THE THINGS THAT WE TALKED ABOUT WERE SOME JOBS THAT ELLIS WAS ENDEAVORING TO GET AND YOUR UNDERSTANDING IS THAT THEY WERE GOING TO BE ROLLED INTO A&E AS YOU WERE DOING THE SAME THING. YOU MENTIONED THAT ONE OF THOSE MATTERS CONCERNED SOME WORK AT GRANDE DUNES AND A FENCE AND SOME WORK AT A MARINA AT THE GRANDE DUNES MARINA. I'M GOING TO HAND YOU WHAT I'VE PRE-MARKED FOR ID AS DEFENDANT'S EXHIBIT 106. TAKE A MINUTE AN LOOK AT THAT. TELL ME WHAT THAT DOCUMENT IS AND IF YOU ARE FAMILIAR WITH IT?

A YES, MA'AM. I AM FAMILIAR WITH IT.

Q AND IS THIS DEALING WITH THE GRANDE DUNES FENCE AND MATTERS YOU AND BETH ON BEHALF OF A&E WERE CONTINUING TO DEAL WITH EVEN AFTER THE MAIN JOBS OF A&E HAD ENDED IN 2007?

A YES.

Q AS A RESULT OF A&E BEING CONTACTED BY THE CITY OF MYRTLE BEACH CONCERNING THE GRANDE DUNES FENCES JOB, DID YOU INSTRUCT YOUR DAUGHTER TO WRITE A LETTER TO MR. DURANT?

MR. DURANT: YOUR HONOR.

MR. THOMAS: YOUR HONOR, WE REALIZE THAT

WE DON'T HAVE A JURY, BUT WE OBJECT TO CONTINUANCE LEADING OF THE WITNESS AND SHE IS JUST LEADING HIM TOO MUCH. A LITTLE BIT WOULD BE ALRIGHT. WE OBJECT.

Q WHAT IS THIS MR. VEREEN?

A WELL, ACTUALLY JUST TO CORRECT A STATEMENT THAT YOU MADE. WE WERE CONTACTED BY WACCAMAW MANAGEMENT NOT THE CITY OF MYRTLE BEACH AND THAT'S WHEN I INQUIRED WITH WACCAMAW MANAGEMENT EXACTLY WHAT THEY WERE MAKING REFERENCE TO AND SHE INDICATED --

Q DON'T TELL ME WHAT SHE SAID --

A I LEARNED... I LEARNED THAT THERE WAS A PROBLEM WITH THIS FENCE AND EXPLAINED TO HER THAT A&E OR MYSELF HAD NO INVOLVEMENT IN BUILDING THIS FENCE.

Q AS A RESULT OF THAT CONTRACT, DID YOU HAVE THE BUILDING PERMIT PULLED FOR THE PROJECT?

A YES, I DID.

Q AND IS IT ATTACHED ALSO TO WHAT I HAVE PRE-MARKED AS DEFENDANT'S 106?

A YES.

Q BEHIND THAT ARE SOME DOCUMENTS THAT YOU DID DEALING WITH THE PERMIT AT THE CITY OF MYRTLE BEACH. DID YOU GET THIS BACKUP DOCUMENTATION

FROM THE CITY?

A YES.

MS. COOK: YOUR HONOR, I WOULD LIKE TO INTRODUCE DEFENDANT'S 106 INTO THE RECORD.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: I HAVE NOT HAD THE OPPORTUNITY TO LOOK AT IT YET, YOUR HONOR.

MR. THOMAS: I NEED TO VERIFY IT.

MS. COOK: FOR THE RECORD, I WOULD LIKE TO NOTE THAT THIS WAS A LETTER SENT TO MR. DURANT BECAUSE LITIGATION HAD ALREADY STARTED AND MRS. SISSON IS NOT... IS AN ATTORNEY. SHE DID NOT WANT TO CONTACT ELLIS DIRECTLY.

MR. THOMAS: I DON'T HAVE ANY OBJECTIONS.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: OKAY. DEFENDANT'S 106 SO ADMITTED WITHOUT OBJECTION.

GRANDE DUNES FENCE MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 106.

Q NOW, I WANT TO DIRECT YOUR ATTENTION TO THE ACTUAL COPY OF THE BUILDING PERMIT APPLICATION AND I ACTUALLY HAVE MARKED A BIGGER COPY THAT I PULLED FROM MR. SMITH'S FILES THAT I REVIEWED AND GOT DOCUMENTS FROM IN MR. DURANT'S OFFICE. I WOULD LIKE TO INTRODUCE A MORE LEGIBLE COPY AS DEFENDANT'S EXHIBIT 107. THEY'RE EXACTLY THE SAME.

MR. DURANT: NO OBJECTIONS.

MR. THOMAS: NONE.

MS. COOK: SO, 107 IS ADMITTED?

JUDGE HOWE: DEFENDANT'S 107 ADMITTED WITHOUT OBJECTION. APPLICATION MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 107.

Q ACCORDING TO THAT APPLICATION, I NOTE THAT THERE DOESN'T HAVE A DATE THAT MR. SMITH APPLIED FOR THE BUILDING PERMIT APPLICATION, BUT DOES IT INDICATE WHETHER THE CITY ISSUED A PERMIT?

A IT WAS ISSUED ON JANUARY 16TH OF '04.

Q ALRIGHT. THE VALUE OF THE WORK BEING DONE, WHAT'S INDICATED ON THE APPLICATION?

A 125,000.

Q FROM YOUR EXPERIENCE IN APPLYING FOR AND GETTING BUILDING PERMITS FROM THE CITY OF MYRTLE BEACH, WHO MAKES THE DETERMINATION OF THE VALUE OF THE WORK THAT'S PUT ON AN APPLICATION?

A THE CONTRACTOR.

Q ALRIGHT. THEN IS A FEE CHARGED BY THE CITY OR WHATEVER MUNICIPALITY IS ISSUING THE PERMIT BASED ON A PERCENTAGE OF THAT VALUATION OF WORK?

A LET ME BACK UP FROM A STATEMENT THAT I JUST MADE. IN SOME INSTANCES THE CITY OR THE COUNTY OR WHOEVER THE MUNICIPALITY IS PERMITTING, THEY HAVE A STANDARD RULE ON A SQUARE FOOT BASIS AND THAT USUALLY PERTAINS TO CONSTRUCTION OF BUILDINGS, HOUSES, BUILDINGS AND STRUCTURES. ON AN ITEM LIKE A POOL OR A FENCE, THOSE ARE BASED ON WHAT THE CONTRACTOR NORMALLY WOULD PROVIDE THE ACTUAL COST OF THAT.

Q ALRIGHT. AND IN JANUARY OF '04, Y'ALL HAD ALREADY STARTED WORKING AS A&E, CORRECT?

A THAT'S CORRECT.

Q DID MR. SMITH EVER ROLL THIS JOB INTO A&E?

A NO.

Q LET ME SHOW YOU WHAT I HAVE MARKED AS DEFENDANT'S 108. IT'S ENTITLED, "APPLICATION FOR PAYMENT TO GRANDE DUNES, LLC" SHOWING THE

ORIGINAL CONTRACT AMOUNT AS $290,000. WERE YOU AWARE OR HAVE YOU BECOME AWARE THAT THE ACTUAL CONTRACT PRICE THAT MR. SMITH ASSIGNED WITH GRANDE DUNES TO BUILD THAT FENCE WAS $290,000 AS OPPOSED TO THE 125 THAT'S ON THE APPLICATION?

A YES.

Q AND WAS THIS PRESENTED TO YOU AFTER A REVIEW OF MR. SMITH'S DOCUMENTS?

A YES.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE EXHIBIT 108 INTO EVIDENCE. THAT DID COME FROM MR. SMITH'S DOCUMENTS.

MR. THOMAS: WE DON'T HAVE ANY OBJECTIONS. IT'S DATED MARCH OF '03.

MS. COOK: I BELIEVE THERE ARE SEVERAL APPLICATIONS THAT THE MAKE UP DEFENDANT'S 108.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: DEFENDANT'S 108 SO ADMITTED.

APPLICATION FOR PAYMENT TO GRANDE DUNES MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S

EXHIBIT 108.

Q FOR THE RECORD, MR. THOMAS JUST STATED THAT IT WAS DATED MARCH OF '03. THERE ON THE PROBATE, WHAT'S THE DATE?

A MARCH OF '03.

Q WOULD YOU LOOK AT EACH OF THESE APPLICATIONS THAT MAKE UP EXHIBIT 108 AND STATE WHAT THE DATE ON THE ACTUAL APPLICATION SUBMITTED BY MR. SMITH IS?

A MARCH OF '04, APRIL OF '04, JULY OF '04, AND AUGUST OF '04.

Q DID A&E RECEIVE ANY FUNDS FOR THE PERFORMANCE OF ANY WORK ON THE GRANDE DUNES FENCE PROJECT?

A NO.

Q ALSO YESTERDAY WE TALKED ABOUT THE INSURANCE AND WHAT INSURANCE A&E HAD IN PLACE. WHAT INSURANCE EES HAD IN PLACE DURING THE TIMEFRAME THAT THEY WERE DOING WORK FOR A&E. LET ME HAND YOU WHAT I HAVE MARKED AS DEFENDANT'S 105 AND ASK IF YOU CAN IDENTIFY THAT DOCUMENT? IT IS A CERTIFICATE OF INSURANCE?

A THIS IS A CERTIFICATE OF INSURANCE FROM PEOPLE'S UNDERWRITERS.

Q FROM WHAT COMPANY?

A FOR EES CONSTRUCTION.

Q ACCORDING TO --

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 105.

MR. THOMAS: WE HAVE NO OBJECTIONS.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: DEFENDANT'S 105 SO ADMITTED.

CERTIFICATE OF INSURANCE
MARKED FOR IDENTIFICATION AND
INTRODUCED INTO EVIDENCE AS
DEFENDANT'S EXHIBIT 105.

Q THE FIRST PAGE OF 105, WHAT'S THE TIMEFRAME THAT THIS INDICATES THE GENERAL LIABILITY COVERAGE COVERS?

A THE DATE LOOKS LIKE IT'S OCTOBER THE 22ND 2004.

Q DOWN UNDER THE ACTUAL POLICY, DOES IT GIVE A POLICY TERM? START DATE AND FINISH DATE?

A THE EFFECTIVE DATE WAS OCTOBER THE 20TH 2004 AND THE EXPIRATION DATE WAS OCTOBER THE 20TH 2005.

Q AND IN TERMS OF INSURANCE PREMIUMS, DOES THE CHARGE FOR INSURANCE PREMIUMS AND WORKERS' COMPENSATION PREMIUMS DEPEND ON WHAT KIND OF COMPANY OR WORK WAS BEING INSURED?

A YES.

Q AND ON DEFENDANT'S EXHIBIT 105, WHAT TYPE OF

WORK WAS BEING INSURED FOR EES?

A CONCRETE CONSTRUCTION.

Q OKAY. DID EES CONTINUE --

MR. THOMAS: I OBJECT TO THE FORM. MISCHARACTERIZATION OF WHAT IT COVERS.

Q MR. VEREEN, WHAT DOES THE CERTIFICATE OF INSURANCE INDICATE IS THE DESCRIPTION OF OPERATIONS THAT IS BEING COVERED IN THIS POLICY?

A IT SAYS, "CONCRETE CONSTRUCTION".

Q HAVE YOU EVER KNOWN EES TO DO ANY CONCRETE CONSTRUCTION?

A NOT THAT I'M AWARE OF.

Q THE WORK THAT EES IS DOING FOR A&E IN '04 AND '05, WAS ANY OF THAT WORK CONCRETE CONSTRUCTION?

A NO.

Q LET ME SHOW YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 104. IT'S A CHECK DRAWN ON THE A&E ACCOUNT AND AFLAC BILLING INFORMATION. IT'S BEEN PRE-MARKED FOR IDENTIFICATION AS DEFENDANT'S 104. CAN TELL THE COURT WHAT THAT IS?

A THAT'S A PAYMENT TO AFLAC BASED ON THE INDIVIDUALS THAT WERE LISTED ON THE LAST PAGE.

Q AND WHAT TYPE OF INSURANCE WAS BEING PAID FOR WITH THIS CHECK?

A IT WAS FOR CANCER AND SOME ACCIDENTS COVERAGE.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 104 INTO EVIDENCE.

MR. DURANT: NO OBJECTION.

MR. THOMAS: CAN WE INQUIRE AS TO THE RELEVANCE OF THIS?

MS. COOK: IT'S RELEVANT IN THAT THIS IS A CHARGE THAT MR. THOMAS' EXPERT HAS ALLEGED IS AN ACCOUNTS RECEIVABLE FROM MR. VEREEN OR HIS COMPANIES.

MR. DURANT: THAT'S BECAUSE MRS. VEREEN'S CHARGES WERE ON THERE AND SHE'S NOT AN EMPLOYEE OF THE COMPANY.

MS. COOK: WELL, I NEED TO QUESTION HIM ABOUT IT BECAUSE... I UNDERSTAND THAT, BUT I AM PRESENTING THIS TO THE COURT.

MR. THOMAS: WE DON'T OBJECT.

JUDGE HOWE: ALRIGHT. DEFENDANT'S EXHIBIT 104 SO ADMITTED.

CHECK TO AFLAC MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 104.

Q NOW, MR. VEREEN, DID YOU ADMIT THAT THE CHECK

WRITTEN BY A&E WAS TO COVER FOR THE TYPE OF INSURANCE THAT'S SHOWN ON THE LAST PAGE OF 106 FOR ALL THE PEOPLE LISTED?

A YES.

Q WHICH INCLUDES YOUR WIFE?

A YES.

Q AND IN PERFORMING THE WORK AND DOING THE WORK THAT YOU HAVE DONE IN ORDER TO DO AN ACCOUNTING FOR WHAT MIGHT BE OWED A&E BY EITHER YOU OR MR. SMITH OR WHAT EITHER ONE OF YOU MAY BE OWED, HAVE YOU CONSIDERED THIS INVOICE?

A YES.

Q DO YOU AGREE THAT MR. SMITH ALLOCATIONS ARE CORRECT IN TERMS OF A&E NOT PAYING FOR MRS. VEREEN'S INSURANCE, YOUR WIFE'S INSURANCE OR BETH'S INSURANCE OR CHAD SISSON'S INSURANCE?

A I AGREE, YES.

Q BUT WHAT IS YOUR POSITION WITH REGARD TO THE PAYMENT OF THE INSURANCE PREMIUM OF $6 FOR CHASE CAMPBELL?

A NO. HE WAS AN EMPLOYEE OF A&E.

Q AND WHAT HE'S SAYING NOW IS THAT... WAS MR. CAMPBELL DEAD IN FEBRUARY OF '07? THE CHECK HAS BEEN MADE, BUT THE INVOICES ARE DATED FEBRUARY OF '07. EXCUSE ME, JANUARY OF '07. I DID THIS

EXHIBIT WRONG. EXCUSE ME JUST A MINUTE.

MR. THOMAS: CAN WE SPOT HIM 6 BUCKS AND MOVE ON?

MS. COOK: IT'S NOT JUST 6 BUCKS BECAUSE IT'S FOR A NUMBER OF MONTHS. IF Y'ALL SPOT US EVERYTHING WE'VE PICKED UP ON THAT Y'ALL DIDN'T GIVE US CREDIT FOR, WE WILL BE HAPPY TO.

MR. DURANT: YOUR HONOR, THE ONLY OBJECTION I HAVE ABOUT THE EXHIBIT IS THE AFLAC BILL FOR '07 WAS AGREED UPON BY THE PARTIES AS BEING $781.20. THIS IS --

JUDGE HOWE: THAT ONE IS $492.

MR. DURANT: NO. THE TOTAL AMOUNT FOR THE WHOLE YEAR WAS 781 WHICH WAS AGREED UPON ON THE SHEETS THAT SHE PREPARED. WE ACKNOWLEDGE THAT 781 IS THE CORRECT AMOUNT. IT'S ACTUALLY ON THE SUMMARY ANALYSIS AS BEING AN AMOUNT THAT WAS AGREED UPON.

MS. COOK: YOUR HONOR, THE PROBLEM WITH THAT SHEET AND QUITE FRANKLY, THEIR EXPERT SHEET, IS FROM THE MEETING THAT WE HAD TO TRY TO AGREE ON PERHAPS THINGS

THAT THEY HAD MISSED OR PERHAPS THINGS THAT WE HAD MISSED. MRS. BRADY DID INCLUDE SOME THINGS IN TOTALITY THAT WE PRESENTED. THERE ARE SOME THINGS IN MRS. BRADY'S REPORT WHEN SHE MADE HER ADJUSTMENTS THAT WE BELIEVE MR. SMITH AGREED TO, BUT MRS. BRADY DID NOT PUT IN HER ANALYSIS. AND SO WE HAVE A DIFFERENCE AND THAT'S WHY I'M GOING INTO SOME OF THIS IS BECAUSE WHILE MRS. BRADY CAPTURED SOME OF THIS LINE ITEMS THAT WE PRESENTED WITH BACKUP, THEY LOOKED AT IT BUT SHE DID NOT INCLUDE ALL OF THEM.

MR. DURANT: YOUR HONOR, FOR THE POSITION OF THE PLAINTIFFS IN THIS CASE, IS THIS SHEET WAS PREPARED BY THE DEFENDANTS. THEY SAID WE AGREED ON 781 AND THAT IS THE FIGURE WE USED. SO, THERE IS NO DISPUTE. WHAT'S THE POINT?

JUDGE HOWE: NOW, I'M CONFUSED BECAUSE WHAT MS. COOK JUST SHOWED US 492 --

MR. DURANT: YOUR HONOR, THERE'S ONE FOR EVERY MONTH. THERE WAS A MEETING OVER ALL OF THAT AND WE AGREED THAT 781 WAS THE AMOUNT THAT WE WOULD CHARGE THEM FOR

THE YEAR. THIS IS THEIR SHEET THAT THEY PREPARED AND WE AGREED WITH THEM. NO MORE.

MS. COOK: YOUR HONOR --

JUDGE HOWE: OKAY. SO YOU HAVE ALREADY GONE OVER ALL OF IT AND RETRACTED WHAT YOU DISAGREED ON OR THAT YOU SAID SHOULD NOT BE CHARGED--

MR. DURANT: YES. THERE WAS AN AGREEMENT BETWEEN THE PARTIES. THIS SHEET THAT'S PART OF THE RECORD HERE, THAT WAS PREPARED BY THEM. SAID THAT WE AGREED THAT $781 WAS DUE --

JUDGE HOWE: AS TO THE AFLAC BILL?

MR. DURANT: YES. THE AFLAC BILL. THAT HAS BEEN A PERSONAL EXPENSE OF THE VEREEN ENTITIES. THIS IS THEIR SHEET AND NOT OURS. WE DIDN'T FIGHT ANY MORE ABOUT IT. THERE'S 12 OF THOSE THERE.

MS. COOK: YOUR HONOR, FIRST OF ALL, SO THAT I CAN CLEAR THINGS UP. I HAD SEPARATED... THERE WERE SUPPOSED TO BE 12... AND THERE ARE 12 PAYMENTS OF AFLAC BILLS FOR THE YEAR OF 2007 THAT... AND THESE ARE THE CHECKS THAT PAID EACH OF

THOSE BILLS THAT COVERED EMPLOYEES OF A&E THAT THEY CONCEDE WAS A LEGITIMATE EXPENSE AND COVER SOME FAMILY MEMBERS THAT THEY ALLEGE SHOULD NOT BE COVERED AND WE AGREE WITH. WHEN THEY PREPARED THEIR INITIAL REPORTS, MRS. BRADY'S 2004, 2005, 2006 AND 2007 REPORT AND THEN ON INTO EXHIBIT 40, WHICH IS THE FINAL EXHIBIT, PLAINTIFF'S 40, WHICH IS THE FINAL EXHIBIT THAT MRS. BRADY PRESENTED TO THE COURT AS BEING HER FINAL NUMBERS BASED ON ADJUSTMENTS THAT SHE HAD GONE BACK AND MADE, EITHER CREDIT OR DEBIT RESULTING FROM EVERYTHING THAT WE HAD PRESENTED AND RESULTING FROM OUR MEETINGS. THERE ARE ITEMS THAT SHE DID NOT INCLUDE THAT ARE ON THE SHEET THAT WE PREPARED RESPONDING TO THEIR ALLOCATIONS. THAT SHE DID NOT EITHER PROPERLY... IN OUR REVIEW OF HER RECORDS, DIDN'T PROPERLY CREDIT OR DIDN'T PROPERLY LEAVE IN PLACE AS WE AGREED THAT THEY WERE CHARGES FROM MR. VEREEN OR HIS CORPORATIONS. WHAT I INTENDED TO INTRODUCE, BUT I HAVE

SEPARATED THEM BECAUSE I THOUGHT THEY WERE EACH COPIES OF DIFFERENT MONTHS INSTEAD OF THE WHOLE YEAR, WAS THE ENTIRE YEAR AND THAT SPEAKS TO THE FACT THAT THEY INITIALLY ALLEGED THAT THE TOTAL OF THE AMOUNT OF MONEY WAS OWED BACK. THEY DID NOT LOOK AT ANY BACKUP TO MAKE THAT DETERMINATION EXCEPT FOR JUST LOOKED AT THE CHECKS. WE THEN PRESENTED THE BACKUP AND AFTER PRESENTING THE BACKUP, SOMETIMES THEY AGREED WITH IT AND SOMETIMES THEY DID NOT AGREE WITH IT. IT GOES TO THE CREDIBILITY OF THE NUMBER THAT HAS BEEN INTRODUCED IN MRS. BRADY EXHIBIT 40 THAT SHE HAS PUT BEFORE THE COURT AS HER EXPERT OPINION.

JUDGE HOWE: SO, WHAT YOU ARE SAYING IS MRS. BRADY'S FIGURE DOESN'T AGREE WITH THE PARTIES AGREEMENT?

MS. COOK: WITH OUR NUMBER. AND TO SOME EXTENT DOESN'T EVEN AGREE WITH WHAT MR. SMITH, AS A RESULT OF THE MEETING IN MRS. BRADY'S OFFICE, AGREED SHOULD NOT BE CHARGED AGAINST MR. VEREEN. SOME OF

THE THINGS SHE PICKED UP AND AGREES TO AND SOME OF THE THINGS SHE DIDN'T. EVEN THOUGH HER CLIENTS ACKNOWLEDGED THEM.

MR. DURANT: YOUR HONOR, NOT TO ARGUE THE WHOLE CASE, BUT THE REASON THE AFLAC BILLS IS EVEN AN ISSUE IS BECAUSE MR. VEREEN WAS TAKING AND PAYING OUT OF HIS COMPANY FOR PEOPLE WHO DID NOT WORK FOR THE COMPANY. THAT'S THE WHOLE REASON IT'S HERE. WE MET AND AGREED BECAUSE YOU ORDERED US TO AND SHE PREPARED THIS AND WE AGREED THAT 781 --

JUDGE HOWE: WHO IS "SHE"?

MR. DURANT: THE DEFENDANTS. THE DEFENDANTS PREPARED THIS SHEET THAT'S IN THERE THAT WAS 781 AND IT WAS AGREED UPON. AND WE AGREED THAT WAS THE ADJUSTMENT THEY OWED FOR THE YEAR. FOR WHATEVER REASON, IT DOESN'T MATTER. WE DIDN'T WANT TO COME HERE AND HAVE TO TRY AN AFLAC BILL FOR 48 BUCKS.

JUDGE HOWE: I UNDERSTAND.

MR. DURANT: WE REACHED AN AGREEMENT AND WE THINK IT SHOULD NOT BE DISPUTED. WHETHER SHE SAW IT AND HAD IT AT ONE

TIME... WE THINK IT'S PROPER FOR A CPA TO MAKE ADJUSTMENTS WITH INFORMATION THAT'S GIVEN. WE LOOKED AT IT AND SHE MAKES THE ADJUSTMENTS FOR THAT. WE ARE WILLING TO ACCEPT THE 781. WE THINK IT IS IRRELEVANT TO GO INTO WHY.

MS. COOK: YOUR HONOR, I BELIEVE IT IS RELEVANT BECAUSE THE RELEVANCY GOES TO THE DUE DILIGENCE AND THE AMOUNT OF THE REVIEW THAT THE EXPERT DID IN COMING UP WITH THE NUMBERS THAT SHE'S PRESENTED TO THE COURT AS AN EXPERT IN TERMS OF WHAT'S AGREED TO AND WHAT'S NOT AGREED TO. THERE ARE SOME MATTERS THAT MRS. BRADY AND THE PLAINTIFFS IN THIS ACTION HAVE ALLEGED SHOULD BE OWED BACK. WHEN THE EVIDENCE IS CLEAR THAT IT WAS FOR PAYMENT OF LEGITIMATE A&E CHARGES EITHER BY A&E OR BY ONE OF MR. VEREEN'S COMPANIES BECAUSE A&E DIDN'T HAVE THE FUNDS AT THE TIME TO PAY THOSE OBLIGATIONS. AND I AGREE THAT WHEN YOU SINGLE OUT THIS PARTICULAR BILL, THEY AGREED TO REDUCE THE AMOUNT THAT THEY FIRST ALLEGED WAS OWED BY MR. VEREEN

BACK TO A&E. SO THAT THE ONLY AMOUNT THAT THEY ARE ALLEGING BACK TO A&E ARE MRS. VEREEN'S CHARGES. BUT THIS IS BUT ONE EXAMPLE OF THAT MATTER AND IT GOES TO THE CREDIBILITY AND THE WEIGHT THAT YOUR HONOR IS GOING TO GIVE TO THIS EXPERT'S OPINION. WE HAVE SPENT MORE TIME ARGUING ABOUT THIS $6 PER MONTH ISSUE --

JUDGE HOWE: YES, YOU HAVE, BUT IT ALSO MAKES IT VERY CONFUSING BECAUSE MRS. BRADY ISSUED HER REPORT FIRST, IS THAT CORRECT? SHE ISSUED HER REPORT AND THEN YOU CAME TO AN AGREEMENT AND THEN SHE MADE ADJUSTMENTS AFTER THE AGREEMENT, IS THAT CORRECT.

MS. COOK: YES, MA'AM. BUT THE ADJUSTMENTS THAT SHE MADE IN DEFENDANT'S EXHIBIT 40, IN OUR OPINION, DO NOT REFLECT EVERYTHING THAT THE PARTIES AGREED TO. THAT'S THE PROBLEM.

MR. DURANT: YOUR HONOR, THE PROBLEM WAS THAT YOU ORDERED THE PARTIES AND THEIR ACCOUNTANTS TO GET TOGETHER --

JUDGE HOWE: AND THEY HAD NO ACCOUNTANT.

MR. DURANT: AND BETH SHOWED UP WITH MS. COOK AND TRIED TO GO OVER IT WITH OUR ACCOUNTANT.

JUDGE HOWE: AS I RECALL AT THAT MEETING... AT THE CONFERENCE THAT WE HAD IN OUR OFFICE, THE DEFENDANT NOTATED THAT THEY MAY OR MAY NOT HAVE AN EXPERT. I THINK I ORDERED THAT THE DEFENDANTS' EXPERT MEETS WITH THE PLAINTIFFS' EXPERT IF THE DEFENDANTS HAD AN EXPERT. AND AT THAT TIME THE DEFENDANTS WERE NOT SURE IF THEY WERE GOING TO HAVE AN EXPERT.

MR. DURANT: LATER ON THEY DECIDED WITH MR. CRUMPLER IN COURT THAT THEY WERE NOT GOING TO USE HIM. AND THERE WAS --

MS. COOK: NOT AS AN EXPERT. WE SAID WE WERE NOT GOING TO USE MR. CRUMPLER AS AN EXPERT.

MR. DURANT: AS A WITNESS.

MS. COOK: NO, SIR. WHEN SAID WE WERE NOT GOING TO USE HIM AS EXPERT. WE SAID THAT WE RESERVE THE RIGHT TO USE HIM AS A FACT WITNESS.

JUDGE HOWE: BECAUSE HE HAD PREPARED SOME OF THE TAX RETURNS?

MS. COOK: AND HAS REVIEWED... MRS. BRADY TESTIFIED THAT SHE BASED PART OF HER NUMBERS ON MR. CRUMPLER'S NUMBERS. HE CAN'T CRITIQUE... YOU WOULD NOT BE ABLE TO CRITIQUE... HE'S NOT COMING IN AS AN EXPERT TO OFFER HIS OPINION AS TO MRS. BRADY'S REPORT AND WHETHER HER NUMBERS ARE RIGHT OR WRONG, BUT HE WAS THE ACCOUNTANT FOR A&E AS WAS MRS. BRADY FOR A PERIOD OF TIME. AND HE CAN TESTIFY AS A FACT WITNESS AND WE LISTED HIM THAT WAY. WE RESERVED THAT RIGHT.

MR. DURANT: YOUR HONOR, TO MAKE THINGS EASIER, WE WILL WITHDRAW OUR OBJECTION FROM AFLAC. AND DO WHATEVER YOU WANT TO HAVE THE FINAL SAY. PUT THEM ALL IN.

MR. THOMAS: WE WILL AGREE WITH THAT.

MS. COOK: YOUR HONOR, I WOULD LIKE TO MARK THIS AS 104 BECAUSE IT'S BEEN PUT BACK TOGETHER. IT'S THE 12 MONTHS WORTH OF BILLING.

JUDGE HOWE: ALRIGHT.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: THIS IS VERY CONFUSING FOR ME.

Q SOME OF THE FOLKS THAT A&E PAID INSURANCE FOR WERE A&E EMPLOYEES, CORRECT?

A YES, THAT'S CORRECT. I ALSO WOULD LIKE TO NOTE THAT MY NAME DOES NOT APPEAR ON HERE AS RECEIVING ANYTHING FROM AFLAC. I HAD ACTUALLY PURCHASED A POLICY MYSELF FOR MYSELF LIKE 20 YEARS AGO.

Q OKAY. NOW, MR. VEREEN, HAVE YOU REVIEWED EXHIBIT 40, MRS. BRADY'S REPORT?

A YES.

Q I'M GOING TO SHOW YOU WHAT HAS BEEN MARKED AS PLAINTIFF'S EXHIBIT 40 AND UNDER THE TAB FOR MRS. BRADY'S 2005 REVISIONS WHICH WOULD BE THE THIRD TAB BACK. DOES SHE HAVE A LINE ITEM NUMBER 15 FOR CHARGES FROM SIGN WORKS?

A NO. LINE 14.

Q I'M SORRY. AND ACCORDING TO MRS. BRADY'S REPORT, HOW MUCH DID SHE INITIALLY ALLEGE ON BEHALF OF MR. SMITH THAT WAS OWED TO... FROM YOU OR YOUR COMPANIES TO A&E?

A $5,127.50.

Q AND ACCORDING TO HER REPORT, DOES SHE HAVE AN AMOUNT WHICH IS REFLECTED IN COLUMN B), THAT AFTER THE MEETING THAT PLAINTIFFS AGREED TO ADJUST WHAT THEY HAD... AND REDUCE WHAT THEY HAD

INITIALLY ALLEGED?

A YES.

Q WHAT IS REFLECTED AS WHAT IS... INSTEAD OF THE 5,000 WHAT IS BEING CHARGED AGAINST YOU?

A $2,500.

Q OKAY. NOW, I'M SORRY. I MISSPOKE ABOUT WHAT COLUMN B) IS?

A SHOULD'VE GOTTEN THE CREDIT.

Q THAT WE CONSENTED THAT WE OWED?

A YES.

Q THAT THEY SHOULD HAVE GOTTEN A CREDIT FOR?

A YES.

Q OKAY. SO, THAT'S WHAT WE... OF THE 5,000, WE AGREED HOW MUCH IS OWED?

A YES.

Q HOW MUCH DID WE AGREED IS OWED?

A 3,500.

Q OKAY. BUT LET ME SHOW YOU WHAT WE HAVE MARKED AS DEFENDANT'S EXHIBIT 103. IT'S AN INVOICE FOR SIGN WORKS AND ASK IF YOU CAN IDENTIFY THAT INVOICE?

A YES. IT'S AN ENTRANCE SIGN THAT SIGN WORKS PRODUCED FOR WILLOUGHBY PLACE.

MS. COOK: OKAY. YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S

EXHIBIT 103.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: NO, YOUR HONOR. WE HAVE ALREADY AGREED TO IT AND GIVE THEM CREDIT FOR THIS AT THE INITIAL TRIAL.

MS. COOK: YOUR HONOR, THAT'S NOT WHAT'S IN THEIR... THAT'S NOT WHAT'S IN THE REPORT. AND MAYBE I WILL HAVE TO BE HONEST WITH YOU. IF SHE TESTIFIED TO THAT AT HER INITIAL TRIAL, I DON'T REMEMBER WHAT SHE SAID AT HER INITIAL TRIAL. AND I'M BETTING YOU DON'T KNOW WHAT SHE SAID IN HER INITIAL TESTIMONY, BUT WHAT YOU WILL HAVE IS THE DOCUMENT. AND I WOULD LIKE TO INTRODUCE 103 TO SHOW THAT EXHIBIT 40 IS NOT REFLECTIVE AS WE SIT HERE TODAY AS TO WHAT WE BELIEVE IS OWED. I DON'T RECALL HER SAYING AT THE INITIAL TRIAL --

MR. DURANT: YOUR HONOR, THE INITIAL AMOUNT WAS 1.7. THE DEFENDANT AMOUNT WAS 3,500, THE DIFFERENCE IS 16,027.50.

MS. COOK: THAT'S CORRECT. AND WHAT HIS TESTIMONY WILL GO TO 16,027.50 IS WE BELIEVE THAT WE ARE ALSO NOT LIABLE FOR

THAT AMOUNT OF MONEY BECAUSE IT WAS... BUT THEY HAVE STILL ALLEGED THAT WE ARE LIABLE FOR THAT AMOUNT ON THEIR REPORT BECAUSE MRS. BRADY DID NOT TAKE THAT AMOUNT OFF. AND THIS IS TO SHOW THAT IT WAS ASSIGNED FOR WILLOUGHBY PLACE WHICH WAS AN A&E JOB. SO, IT WAS A LEGITIMATE CHARGE TO A&E.

MR. DURANT: YOUR HONOR, WE HAVE AGREED THAT THIS IS A LEGITIMATE CHARGE. I BELIEVE IT WAS NOT GIVEN TO US DURING THE TIME PERIOD BY YOUR ORDER AND WE STILL AGREED TO IT.

MS. COOK: YES, IT WAS, YOUR HONOR.

MR. DURANT: WELL, THE FAX ON IT IS 1/23/11. IT DOESN'T MATTER. JUST PUT IT IN.

JUDGE HOWE: I'M CONFUSED. I THOUGHT THIS DOCUMENT SAID THAT THE AMOUNT CONSENTED TO IS $3,500?

MS. COOK: YOUR HONOR, MAYBE I CAN WALK YOU THROUGH THAT. ON EXHIBIT 40 THE SPREADSHEETS OF MRS. BRADY LINE ITEM BY LINE ITEM FOR YEAR GO THROUGH AS I UNDERSTAND IT. WHAT IS THE PLAINTIFFS'

POSITION WAS OWED OR IS OWNED BY MR. VEREEN BACK TO A&E. THAT'S WHAT THE FIRST... THAT'S WHAT ALL THE COLUMNS THROUGH COLUMN A) WOULD REFLECT. WHEN YOU GET TO COLUMN B) IT IS WHERE MRS. BRADY HAS RECORDED WHAT WE... THE DEFENDANT AGREED OF THE AMOUNT THE PLAINTIFF WAS CHARGING AGAINST THE DEFENDANT. WHAT WE AGREED WAS OWED. AND WHAT THEY HAD AGREED TO ACCEPT. WHAT IS NOT REFLECTED AND WHAT THIS INVOICE GOES TO... THAT FRANK HAS NOW ACKNOWLEDGED, BUT IS NOT FROM THE TESTIMONY AT TRIAL OR FROM HIS CONCEDING IT AT THE FIRST OR THIRD, WHATEVER, THAT I DON'T REMEMBER, BUT HE'S RECONFIRMED IT TODAY IS THAT --

MR. DURANT: YOUR HONOR, THAT PLAINTIFF IS GOING TO TAKE THIS OFF HER FINAL REPORT BECAUSE IT OCCURRED DURING TRIAL. WE WILL AGREE TO REMOVE THAT FROM MRS. BRADY'S REPORT. SHE'S ALREADY GOT IT MARKED ON HERE TO REMOVE.

JUDGE HOWE: WHEN SHE DOES HER REPLY TESTIMONY.

MS. COOK: OKAY. WELL, I HAVE NO WAY OF KNOWING THAT, YOUR HONOR. I WOULD LIKE TO PUT... AND THOSE ARE SOME OF THE ITEMS THAT WE'RE TALKING ABOUT. AND DURING HER REPLY TESTIMONY... I HAVE NO WAY OF KNOWING IF THEY ARE GOING TO UP HER IN REPLY. I GUESS NOW I KNOW THEY ARE GOING TO UP HER IN REPLY. BEFORE THAT I DID NOT KNOW THEY WERE GOING TO PUT HER UP IN REPLY. SO, I WOULD LIKE TO INTRODUCE 103. I THINK THEY DID NOT OBJECT. NOW FRANK HAS CONCEDED THAT ALTHOUGH IT'S NOT REFLECTED ON THIS PURPOSE, THEY WILL AGREED TO REDUCE WHAT THEY ALLEGE MR. VEREEN OWES BY THAT AMOUNT. DO I UNDERSTAND THAT CORRECTLY?

MR. DURANT: THAT IS CORRECT, YOUR HONOR?

JUDGE HOWE: CAN WE TAKE A QUICK BREAK?

(DISCUSSION OFF THE RECORD.)

Q MR. VEREEN, WITHIN EXHIBIT 81 THE ACCOUNTS RECEIVABLE YOU ALLEGE ON BEHALF OF A&E ARE DUE BY ELLIS OR HIS COMPANY, I WOULD LIKE YOU TO LOOK AT A CHECK AND SOME DOCUMENTS THAT ARE STAPLED BEHIND IT THAT WE HAVE MARKED WITHIN

EXHIBIT 81 THAT'S ALREADY BEEN INTRODUCED AS 81-A. COULD YOU LOOK AT THAT CHECK AND THE DOCUMENTS STAPLED TO IT AND TELL THE COURT WHAT THAT IS?

A THE CHECK WAS WRITTEN FROM A&E TO EES CONSTRUCTION WITH ATTACHED INVOICES.

Q HOW MUCH IS THE CHECK FOR?

A $9,215.

Q ON THE TOP PART OF THE CHECK DOES IT INDICATE... IS THAT AMOUNT OF THE CHECK TO PAY OR COVER SEVERAL CHARGES?

A YES.

Q WHAT DOES THE CHECK INDICATE THAT THE TOTAL AMOUNT COVERS?

A IT COVERS $9,215.

Q WHAT BUSINESS OR ACTIVITY WERE YOU PAYING FOR THAT 9,000 WHATEVER DOLLARS?

A IT PERTAINED TO FOUR DIFFERENT JOBS.

Q WHAT JOBS?

A WILLOUGHBY PLACE, TAHITIAN PRINCESS, THE BUCCANEER AND FOR SCOTT LONG'S OFFICE.

Q WERE THOSE JOBS A&E'S JOBS?

A YES.

Q DID YOU HAVE A PERSONAL JOB DOING ANY WORK, YOU PERSONALLY OR ANY OF YOUR COMPANIES; THOSE

BEING, PARK PLACE PROPERTIES, PARKWAY OFFICES OR ARTHUR VEREEN CONSTRUCTION COMPANY DOING WORK FOR WILLOUGHBY, TAHITIAN PRINCESS, BUCCANEER OR SCOTT LONGS OFFICE?

A NO.

Q NOW, WHAT JOB WAS A&E DOING FOR SCOTT LONG?

A AN OFFICE BUILDING FOR HIM.

Q THAT TOTAL SUM THE 9,000 AND CHANGE, WHAT WAS THE VERIFICATION OR THE SUPPORTING DOCUMENTATION THAT WAS PROVIDED... AND YOU DID SIG THAT CHECK, RIGHT?

A I DID.

Q WHAT WAS PROVIDED TO A&E TO SUPPORT THE PAYMENT OF 9,000 AND CHANGE TO EES?

A THERE'S BEEN A LOT OF REFERENCES FOR ME SIGNING CHECKS AND I DID SIGN THOSE CHECKS. I DID NOT VERIFY INVOICES. THOSE INVOICES WERE VERIFIED BY --

MR. THOMAS: YOUR HONOR, COULD WE NOTE A CONTINUING OBJECTION TO ALL OF THESE, NOT ONLY TO THE EXHIBIT ITSELF, BUT TO TESTIMONY WHERE THE PURPOSE IS TO RECOVER THE MONEY ON THE CHECKS THAT HE SIGNED SO WE DON'T HAVE TO KEEP INTERRUPTING EVERY TIME HE STARTS

TALKING ABOUT IT?

JUDGE HOWE: SURE.

Q GO AHEAD, MR. VEREEN.

A YOU ASKED ME A QUESTION AND I WAS TRYING TO ANSWER IT. ELLIS REVIEWED SUB-CONTRACTORS MATERIAL FOR A&E AND HE WOULD PRESENT THOSE TO CARRIE FOR A CHECK TO BE PROCESSED. CARRIE WOULD LAY THOSE ON MY DESK TO BE SIGNED WITHOUT ANY BACK UP, WITHOUT ANY INVOICES BECAUSE HE'S THE ONE THAT WOULD SAY, "OKAY".

Q NOW, WOULD HE OKAY ALL PAYMENTS TO BE MADE FOR A&E?

A NO, NO. THE ONLY INVOICES THAT I WOULD ACTUALLY REVIEW WERE FOR A&E'S INSURANCE BILLS, UTILITY BILLS AND SUCH.

Q AND ANY OTHER BILLS FOR A&E... WHAT TYPE OF BILLS DID ELLIS REVIEW AND APPROVE FOR PAYMENT AS OPPOSED TO YOU REVIEWING AND APPROVING FOR PAYMENT FOR A&E?

A HE DID MATERIALS FROM SUPPLIERS AS WELL AS SUB-CONTRACTORS.

Q NOW, WHEN THIS PARTICULAR CHECK WAS SUBMITTED TO YOU FOR PAYMENT, WERE YOU SUBMITTED THE BACK UP THAT'S WITH THAT CHECK?

A NO. I JUST STATED EARLIER THE CHECKS WERE

PRESENTED... I MEAN, FOR ME... A STACK OF CHECKS WERE LAYING ON MY DESK WITH THE INVOICES. IT COULD TAKE UP TWO OR THREE TABLES AT TIMES.

Q WOULD YOU LOOK AT THE DOCUMENTS THAT ARE ATTACHED TO THOSE CHECKS AND TELL ME WHAT EACH OF THE BACK UP DOCUMENTATION SHOWS?

A THIS SAYS, "SUPERVISION AND CLEAN UP..." AND I CAN'T READ THAT.

Q TELL THE COURT WHO THE INVOICE IS FROM AND THE DATE OF THE INVOICE?

A IT'S FROM EES ON NOVEMBER THE 2ND 2004 FOR THE WILLOUGHBY PLACE.

Q WHAT'S THE TOTAL AMOUNT OF THE INVOICE?

A $1,250.

Q IS THAT ITEMIZED AS ONE OF THE AMOUNTS... THAT INVOICE IS BEING ONE OF THE AMOUNTS AS BEING PAID IN THIS CHECK NUMBER 2035?

A YES.

Q OKAY. WHO OKAYED THIS INVOICE FOR PAYMENT?

A ELLIS.

Q NOW, DID... TO YOUR KNOWLEDGE, WAS A&E PROVIDED ANY BACK UP FOR THIS SUPERVISION FEE THAT'S SHOWN ON THE INVOICE FOR $1,125?

A I DON'T KNOW. I HAVEN'T SEEN ANY.

Q HAVE YOU LOOKED FOR --

A YES.

Q -- WHETHER THERE WAS ANY BACK UP?

A I HAVE.

Q WHAT TYPE OF BACK UP WOULD YOU HAVE LOOKED FOR THAT TYPE OF FEE?

A I WOULD HAVE LOOKED UP FOR HIS HOURS AND WHAT HE WAS CHARGING.

Q PER HOUR?

A YES.

Q THE NEXT INVOICE THAT'S COVERED IN THE $9,000 CHECK, WHAT DOES IT SHOW? WHO IS IT FROM AND THE DATE?

A IT'S FROM EES ON NOVEMBER THE 2ND OF '04 TO A JOB AT THE TAHITIAN PRINCESS. THE SUPERVISION IS FOR $2,135. LOOKS LIKE CLEAN UP OF... I'M NOT SURE WHAT THAT SAYS.

Q WHAT'S THE TOTAL AMOUNT OF THAT EES INVOICE?

A $2,870. (PHONE RINGING).

(OFF THE RECORD).

Q AND THE NEXT INVOICE THAT IS COVERED BY THAT CHECK PAYMENT?

A CHECK NUMBER --

Q THE CHECK?

A INVOICE FROM EES ON NOVEMBER 2ND 2004 FOR SUPERVISION FOR THE BUCCANEER.

Q WAS THE BUCCANEER AN A&E JOB?

A YES.

Q WHAT DID YOU DO AT THE BUCCANEER?

A IT WAS A TEAR DOWN.

Q DEMOLITION?

A YES.

Q HOW MUCH WAS THAT INVOICE FROM EES?

A $735.

Q WHO APPROVED THAT INVOICE?

A ELLIS.

Q WHAT OFFICE DID ELLIS HOLD WITH THE COMPANY?

A PRESIDENT.

Q WHAT OFFICE DID YOU HOLD?

A I WAS SECRETARY.

Q AND YOU WERE THE ONLY ONE WHO HAD STATUTORY AUTHORITY ON THE CHECKS, CORRECT?

A YES.

Q WHY WAS THAT?

A I WAS THE ONLY ONE WHO WENT TO THE BANK AND SIGNED THE SIGNATURE CARD. HE COULD HAVE PUT HIS NAME ON THERE, BUT HE ELECTED NOT TO.

Q DURING THE TIME A&E WAS IN OPERATION, WHERE DID YOU KEEP THE CHECKING ACCOUNT RECORDS AND THE CHECKBOOK OF A&E?

A INSIDE THE OFFICE.

Q WAS IT AVAILABLE FOR MR. SMITH TO SEE?

A YES.

Q DID HE EVER LOOK AT THE RECORDS, THE FINANCIAL RECORDS, THE CHECKING ACCOUNT TO YOUR KNOWLEDGE?

A I DON'T KNOW.

Q DID HE EVER ASK OR INQUIRE OF YOU ABOUT ANY MATTERS CONCERNING THE FINANCES OF THE COMPANY UNTIL 2007?

A WELL, IN 2005, HE ASKED ME ONE MORNING ABOUT... PRIOR TO 2007 WITH REFERENCE TO MY LAUNDRY BILLS.

Q OKAY?

A THE COMPANY HAD ALWAYS PAID MY LAUNDRY BILLS AND I ALWAYS HAD TO REIMBURSE IT. SO, I EXPECTED TO DO THAT.

Q ALRIGHT. CAN WE FLIP ON OVER BEHIND TAB 2 TO THE NEXT ITEM THAT WE MARKED AS EXHIBIT 81B. WHAT IS THAT CHECK FOR AND WHO WAS IT WRITTEN TO AND THE DATE OF THE CHECK?

A THE DATE IS NOVEMBER THE 18TH 2004 TO EES CONSTRUCTION IN THE AMOUNT OF $8,893 AND IT WAS INVOLVING FOUR JOBS WITH SCOTT LONG, KEMP, WILLOUGHBY PLACE AND TAHITIAN PRINCESS.

Q AND WERE THOSE JOBS ALL A&E JOBS?

A YES.

Q YOU SIGNED THAT CHECK?

A I DID.

Q DID YOU REVIEW ANY BACK UP BEFORE MAKING THAT PAYMENT?

A NO.

Q WHOSE JOB WAS IT FOR A&E TO REVIEW THE BACK UP TO AUTHORIZE PAYMENT?

A ELLIS REVIEWED THE SUB-CONTRACTOR AND THE MATERIALS.

Q AND EES, AT THAT TIME, WAS A SUB-CONTRACTOR?

A YES.

Q WOULD YOU LOOK AT WHAT'S PAPER CLIPPED TOGETHER THERE BEFORE YOU GET TO THE NEXT CHECK. IS THAT THE BACK UP THAT YOU HAVE LOCATED THAT CORRESPONDS TO WHAT IS INDICATED ON THE CHECK AS BEING PAID?

A YES.

Q THE DOCUMENTS... THERE'S AN INDICATION ON SCOTT LONG'S JOB THE CHECK COVERS A CHARGE OF $2,513. WHO WAS THE INVOICE FROM FOR THAT CHARGE?

A SAYS, "EES, TRIM, LABOR AND CLEAN UP."

Q IS THERE A CHARGE REPRESENTED IN THE CHECK OF $5,080 THAT THE CHECK COVERS PAYMENT OF THAT INVOICE AS WELL?

A YES.

Q WHO'S THAT INVOICE FROM?

A IT'S FROM EES ON TAHITIAN PRINCESS.

Q HOW MUCH IS THE TOTAL AMOUNT OF THAT INVOICE?

A $5,080.

Q IS ANY AMOUNT OF THAT ON THE INVOICE REPRESENTED TO BE FOR SUPERVISORY FEES?

A YES.

Q HOW MUCH?

A $2,650.

Q NOW, MR. VEREEN, WHEN WE TALKED EITHER YESTERDAY OR THE DAY BEFORE WHEN YOU AND ELLIS STARTED A&E, WHAT WAS YOUR ARRANGEMENT AS TO HOW EACH OF YOU WAS GOING TO BE COMPENSATED BY A&E? WHEN YOU STARTED THE BUSINESS IN 2004?

A A $1,000 A WEEK.

Q WAS THAT TO BE PAID BY A&E TO EACH OF YOU PERSONALLY?

A YES.

Q DID THAT HAPPEN IN 2004 AND 2005?

A WELL, IT DID HAPPEN IN THE LATE... WELL, MIDDLE OF 2005. BEFORE THAT, 2004 TO THE MIDDLE OF 2005, IT DID NOT.

Q AND HOW WERE YOU COMPENSATED IN 2004 TO THE MIDDLE OF 2005? HOW WERE YOU COMPENSATED?

A $1,000 A WEEK.

Q HOW WAS ELLIS COMPENSATED?

A HE WAS COMPENSATED THROUGH EES AS SUPERVISION.

Q IN GOING BACK AND LOOKING AT ALL THESE DOCUMENTS, HAVE YOU GONE BACK AND LOOKED AT ALL THESE DOCUMENTS AND CALCULATED HOW MUCH YOU BELIEVE ELLIS OR HIS COMPANIES OWE A&E?

A I HAVE.

Q AND IN DOING THAT WORK AND MAKING THOSE CALCULATIONS FROM THE REVIEW OF THE DOCUMENTS, DID YOU LEARN HOW MUCH MR. SMITH WAS BEING PAID IN 2004 TO THE MIDDLE OF 2005 PER WEEK BY BEING PAID HIS SUPERVISION FEE?

A YES.

Q HAVE MUCH?

A $2,000.

Q DID YOU GET $2,000 A WEEK DURING THAT TIMEFRAME?

A NO.

Q WHEN THE MATTER CHANGED, WHEN THE METHOD OF COMPENSATION TO YOU AND MR. SMITH CHANGED IN 2005, HOW DID IT CHANGE?

A WE BOTH WERE RECEIVING THE SAME AMOUNTS.

Q I THINK YOU TESTIFIED EARLIER THAT THAT WAS THE POINT IN TIME WHEN YOU TOLD ELLIS HE HAD TO COME ON TO WORK FOR A&E?

A YES.

Q AND AT THAT POINT IN TIME, WERE SUPERVISORY FEES PAID IN ADDITION TO A SALARY?

A YES.

Q AND AT THAT POINT IN TIME, DID YOU DRAW YOUR SALARY AND YOU WERE LIKEWISE PAID SUPERVISION FEES?

A THAT'S RIGHT.

Q SO, FROM MID-2005 UNTIL WORK STOPPED AT THAT POINT IN TIME, BOTH YOU AND HE WERE PAID SALARIES AND PAID SUPERVISORY FEES FOR THE JOBS THAT YOU WERE WORKING ON, IS THAT CORRECT?

A SUPERVISORY FEES WERE NOT EVERY WEEK BUT WE DID RECEIVE SUPERVISORY FEES.

Q ALRIGHT. DID THERE BECOME A POINT IN TIME THAT YOU SAID $1,000 A WEEK IS WHAT Y'ALL AGREED TO AT THE BEGINNING AND THAT WOULD BE $52,000 A YEAR? WAS THERE A POINT IN TIME, WHEN YOU AND ELLIS ARRANGED WHAT YOUR SALARY PORTION OF COMPENSATION WAS?

A WE DID.

Q ABOUT WHEN WAS THAT?

A I DON'T KNOW. IT WAS PROBABLY IN 2006 MAYBE. I REALLY DON'T KNOW, BUT I THINK WE ARRANGED $1,400 A WEEK.

Q ARE THE RECORDS IN THE EXHIBITS THAT HAVE BEEN

INTRODUCED SHOW THE PAYROLL RECORDS AND SHOW HOW MUCH EACH OF YOU WERE BEING PAID?

A YES.

Q DO YOU HAVE A POSITION AS TO WHAT, IF ANY, MONEY A&E MIGHT BE OWED WITH REGARD TO SUPERVISORY FEES IN THE 2004 TO MID 2005 TIMEFRAME? DO YOU HAVE THE POSITION OF BEHALF OF A&E WITH REGARD TO THAT?

A YES.

Q WHAT'S THAT POSITION?

A SHOULD BE REIMBURSED.

Q SHOULD ALL OF IT BE REIMBURSED?

A ALL OF IT BUT A $1,000.

Q SO, TO THE EXTENT THE SUPERVISORY FEES WERE $1,000 A WEEK, THAT SHOULD BE REIMBURSED TO A&E?

A YES.

Q NOW, IN EXHIBIT 81 LET'S GO TO THE YEAR 2005, AND I WOULD LIKE TO GO TO TAB 6. NOW, MR. VEREEN, BEHIND TAB 6 THERE ARE TWO CHECKS. WHAT IS THE FIRST CHECK? WHO MADE IT? I MEAN, WHO IS IT FROM? WHO IS IT TO AND THE DATE AND THE AMOUNT?

A A&E WROTE A CHECK TO ELLIS SMITH ON JUNE 20TH '05 IN THE AMOUNT OF $51,875.86. CHECK NUMBER 3613.

Q DO YOU KNOW WHAT THAT CHECK WAS FOR?

A YES.

Q WHAT WAS IT FOR?

A IT WAS WHEN HE WAS PURCHASING A HOUSE WHERE HE'S LIVING AT NOW.

Q WAS THAT A CASH ADVANCE OR A DISTRIBUTION TO MR. SMITH?

A YES. IT AN WAS ADVANCE ON THE JOB TO ELLIS.

Q DID YOU LIKEWISE GET AN ADVANCE IN THAT AMOUNT?

A NO.

Q AT THAT TIME, DID YOU GET AN ADVANCE OF ANY AMOUNT?

A NO.

Q BUT YOU AGREED AT ELLIS' REQUEST THAT THE COMPANY WOULD GO AHEAD AND GIVE HIM THAT AMOUNT OF MONEY?

A I DID. I ACTUALLY WROTE THAT CHECK.

Q THAT'S YOUR HANDWRITING?

A THAT'S MY HANDWRITING.

Q NOW, THE CHECKS BEHIND THAT, WHAT'S THE DATE OF THE CHECK, THE AMOUNT, THE CHECK NUMBER, WHO IT'S FROM AND WHO IT'S TO?

A IT'S AN ADVANCE TO ELLIS SMITH ON OCTOBER THE 19TH 2005 FOR $11,466.

Q WHY DID A&E PAY MR. SMITH THAT AMOUNT ON THAT

DAY?

A I DON'T HAVE A COPY OF THE BACK UP. SO, I REALLY DON'T RECALL.

Q DO YOU KNOW IF THAT WAS ANOTHER... DOES THE TOP OF THE CHECK INDICATE WHAT IT IS?

A IT SAYS, "EMPLOYEE ADVANCE".

Q SO, THAT WAS SIMILAR TO WHAT YOU HAD DONE WITH THE $51,000 CHECK?

A YES.

Q THAT WASN'T FOR SALARY OR WORK THAT MR. SMITH HAD DONE FOR A&E? IT WAS AN ADVANCE TO HIM, SOME OF HIS SHARE OF MONEY FROM A&E, CORRECT?

A YES.

Q DID YOU GET AN ADVANCE OF THAT AMOUNT ON THAT DAY?

A NO.

Q DID YOU GET AN ADVANCE OF ANY AMOUNT ON THAT DAY?

A NO.

Q COULD I ASK YOU TO LOOK BEHIND TAB 8 AND GO TO 9 PAGES TO A CHECK NUMBER 2435. IT'S A CHECK FROM A&E TO EES CONSTRUCTION IN THE AMOUNT OF $3,000 DATED JUNE 6TH 2005.

JUDGE HOWE: JANUARY 6TH.

MS. COOK: THANK YOU. I'M SORRY.

Q WHO IS THE CHECK TO AND FOR WHAT AMOUNT?

A IT'S WRITTEN TO EES CONSTRUCTION ON JANUARY THE 6TH 2005 FOR $3,000 FOR DIXIE MOTEL AND AMBASSADOR EAST.

Q WAS THE DIXIE MOTEL AN A&E JOB?

A YES.

Q WAS THE AMBASSADOR EAST AN A&E JOB?

A YES.

Q WHAT DID THOSE JOBS INVOLVE?

A MOSTLY DEMOLITION.

Q WHEN IT SAYS, "42 AND 78 LOADS" LOOK AT THE PAGE BEHIND THAT AND TELL ME WHAT IT REFLECTS AS FAR AS THE AMOUNT OF THE INVOICE FROM EES?

A THE AMOUNT IS 42 LOADS FOR THE DIXIE FOR $1,050 AND 78 TO THE AMBASSADOR EAST FOR $1,950.

Q IS THAT WHAT IS ALSO NOTED WITH THE SAME AMOUNT ON THE TOP OF THE CHECK?

A THAT'S CORRECT.

Q NOW, WAS THIS INVOICE SUBMITTED TO YOU FOR REVIEW AND VERIFICATION?

A NO.

Q WHO WOULD HAVE REVIEWED THIS INVOICE?

A ELLIS.

Q THEN THE CHECK WAS SUBMITTED TO YOU FOR PAYMENT?

A THAT'S CORRECT.

Q TO YOUR KNOWLEDGE, IS THAT THE ONLY EES INVOICE, THE ONLY BACK UP THAT YOU HAVE BEEN ABLE TO LOCATE IN THE RECORDS OF A&E OR ANY OTHER RECORDS OF YOUR COMPANIES THAT YOU HAVE LOOKED AT THAT CORRESPONDED WITH THE DATE AND THE AMOUNT OF THE CHECK?

A THAT'S CORRECT.

Q NOW, CAN I ASK YOU IN EXHIBIT 81 TO LOOK BEHIND TAB 9. I BELIEVE THERE IS A CHECK AND AN INVOICE. THAT'S FOR OPPOSING COUNSEL'S INFORMATION, IS A CHECK FROM A&E TO EES DATED JANUARY 26TH 2005, CHECK NUMBER 2556 IN THE AMOUNT OF $7,160. HAVE YOU LOCATED THAT?

A YES.

Q DID YOU SIGN THIS CHECK?

A I DID.

Q DOES IT INDICATE AN AMOUNT... WHAT'S THE TOTAL AMOUNT OF THAT CHECK?

A $7,160.

Q DOES THE TOP OF THE CHECK INDICATE WHAT THAT AMOUNT IS TO PAY FOR?

A SUPERVISION ON WILLOUGHBY FOR $650, SUPERVISION ON TAHITIAN PRINCESS FOR $5,110 AND TOOLS AT $1,400.

Q AND IF YOU WILL LOOK AT THE NEXT PAGE TAB 6,

WHAT IS THAT?

A IT'S A BILL FROM ELLIS SMITH TO A&E FOR $1,400 FOR TOOLS.

Q DID YOU LOCATE ANY BACK UP DOCUMENTATION, RECEIPTS OR INVOICES FOR WHERE MR. SMITH ACTUALLY PURCHASED $1,400 FOR TOOLS?

A NO.

Q DID YOU LOOK IN YOUR BOOKS AND RECORDS, THE BOOKS AND RECORDS OF YOUR OTHER COMPANIES AS WELL AS A&E'S RECORDS, TO SEE IF THERE WAS ANY BACK UP?

A YES.

Q DID YOU FIND ANY?

A NO.

Q WHO WOULD HAVE APPROVED THE PAYMENTS OF THE AMOUNTS THAT ARE SHOWN ON THIS CHECK FOR 7,000 AND CHANGE?

A ELLIS.

Q WHEN ELLIS STOPPED COMING TO WORK IN JULY OF 2007, DID HE LEAVE THESE TOOLS? THE TOOLS THAT THIS CHECK BOUGHT?

A I AM NOT SURE WHAT TOOLS THOSE REPRESENT. I HAVEN'T GOTTEN ANY NEW TOOLS SO I HAVEN'T SEEN THEM.

Q OKAY. WOULD TOOLS THAT A&E... DO YOU HAVE A

POSITION AS TO WHETHER... WHAT... WHO WOULD OWN TOOLS PURCHASED WITH FUNDS, WHO SHOULD THEY BELONG TO?

A A&E.

Q IF I COULD HAVE YOU TURN TO TAB 13. WE ARE INTO 2006 AT THIS POINT. IF YOU TURN TO TAB 16, I BELIEVE THAT WOULD BE A CHECK FOR A&E TO ELLIS SMITH ON JULY 18TH 2006 FOR $15,000, CHECK NUMBER 6067.

MR. DURANT: NO PROBLEM.

A YES.

Q DID YOU SIGN THAT CHECK?

A I DID.

Q WHAT WAS THAT CHECK GIVEN TO ELLIS FOR?

A IT WAS A DISTRIBUTION AT THAT TIME.

Q DID YOU GET A DISTRIBUTION OF THE SAME AMOUNT?

A I DID.

Q AND TO YOUR KNOWLEDGE, FROM REVIEWING THE REPORT OF MR. SMITH AND THE DOCUMENTS OF MR. SMITH AND MRS. BRADY, HAVE THEY ASKED MR. SMITH TO PAY BACK THIS DISTRIBUTION TO A&E?

A NO.

Q HAVE THEY ASKED YOU TO PAY BACK YOUR DISTRIBUTION OF THE SAME AMOUNT TO A&E?

A THEY HAVE.

Q DO YOU HAVE A POSITION WITH REGARD TO IF YOU'RE REQUIRED TO PAY THE DISTRIBUTION BACK, DO YOU HAVE A POSITION ON BEHALF OF A&E AS TO WHAT SHOULD BE DONE WITH ELLIS' ADVANCE?

A IT SHOULD BE THE SAME.

Q IN MAKING YOUR CALCULATIONS ON BEHALF OF YOUR COMPANY AND ON BEHALF OF A&E AS TO WHAT IS OWED TO A&E OR TO YOUR COMPANIES, HAD YOU IN MAKING THOSE CALCULATIONS PUT BACK IN ANY ADVANCES THAT YOU AND/OR MR. SMITH GOT FROM A&E?

A YES.

Q IN DOING YOUR CALCULATIONS?

A YES.

Q COULD I ASK YOU TO LOOK BEHIND TAB 17. IT INCLUDES A CHECK FOR A&E TO SHERWIN-WILLIAMS DATED NOVEMBER 15TH 2006 FOR $3,470.86. HAVE YOU FOUND THAT CHECK?

A YES.

Q IS THERE AN INVOICE FROM SHERWIN-WILLIAMS BEHIND THAT CHECK IN THE SAME AMOUNT AS THE CHECK WAS MADE PAYABLE FOR?

A YES.

Q DID YOU SIGN THIS CHECK?

A I DID.

Q WHO WOULD HAVE BEEN IN CHARGE OF APPROVING THIS

INVOICE FOR PAYMENT?

A ELLIS.

Q DO YOU KNOW WHAT THIS INVOICE WAS FOR?

A IT WAS FOR PERSONAL CARPET FOR ELLIS.

Q FOR ELLIS?

A YES.

MR. DURANT: YOUR HONOR, WE STIPULATED THAT WE OWED THAT MONEY AT THE FIRST DAY OF THE TRIAL.

MS. COOK: THAT'S FINE. WE NEED TO VERIFY WHERE ALL THESE NUMBERS ARE GOING TO COME FROM ABOUT HIS OPINION.

MR. THOMAS: WHAT?

MS. COOK: WE HAVE GOT TO VERIFY WHERE ALL THE NUMBERS ARE GOING TO COME FROM.

Q DID MR. SMITH TALK TO YOU ABOUT BUYING THE CARPET FOR HIMSELF PERSONALLY AND A&E PAYING FOR IT?

A NO.

Q NOW, LAST, I'M GOING TO ASK YOU TO TURN TO TAB 19. WELL, NOT LAST, BUT LAST FOR THE YEAR 2006. WHAT DOES THAT CHECK... IT'S A CHECK FOR A&E TO ELLIS, DATED DECEMBER 22, 2006 FOR $1,055.78. WHAT IS THAT CHECK FOR?

A IT'S A PAYROLL CHECK, SALARY CHECK.

Q DOES THE TOP OF THAT CHECK SHOW WHAT MR. SMITH'S GROSS SALARY IN 2006 IS REPORTED AS BEING AS OF THE PAYROLL ENDING ON... ACCORDING TO THE CHECK DECEMBER 27TH 2006?

A IT DOES, $70,800.

Q AT THAT TIME WAS THAT WHAT YOUR SALARY WAS AS WELL?

A YES.

Q IN 2006, 2005, 2004 DID YOU COME TO LEARN THAT MR. SMITH WAS DOING JOBS SEPARATE AND APART FROM THE A&E JOBS?

A YES.

Q AND DOES A&E HAVE... DO YOU ON BEHALF OF A&E HAVE A POSITION AS TO WHAT... FROM YOUR REVIEW OF MR. SMITH AND MRS. BRADY'S WORK, HAVE THEY INCLUDED AN AMOUNT THAT MR. SMITH BELIEVES SHOULD BE REIMBURSED TO THE COMPANY OF YOUR SALARY?

A YES.

Q AND DO YOU HAVE A POSITION IF PART OF YOUR SALARY IS ORDERED BY THE COURT TO BE REIMBURSED TO THE COMPANY IF ANY AMOUNT SHOULD BE REIMBURSED TO THE COMPANY FROM ELLIS' SALARY?

A YES.

Q WHAT IS THAT OPINION?

A IT'S THE OPINION THAT IF HE WAS DOING THE SIDE JOBS HE WAS DOING AND NOT WORKING FOR A&E, THE COMPANY SHOULD BE REIMBURSED.

Q AND ON BEHALF OF THE COMPANY, WHAT PERCENTAGE DOES THE COMPANY BELIEVE ELLIS SHOULD REIMBURSE A&E?

A 50%.

Q AND THESE SIDE JOBS, IF YOU WOULD, NAME A COUPLE OF THE SIDE JOBS IN '04, '05 AND '06 THAT YOU LEARNED MR. SMITH WAS DOING?

A I'M NOT SURE ON ALL OF THEM. I THINK I MISSPOKE WHEN I SAID, "SIDE JOBS". IN MY OPINION THOSE JOBS THAT HE WAS PERFORMING SHOULD HAVE BEEN PERFORMED BY A&E BECAUSE THOSE ARE JOBS THAT HE HAD INDICATED THAT HE WAS GOING TO BRING IT TO A&E AS I WAS BRINGING JOBS INTO A&E. THOSE JOBS SPECIFICALLY WERE THE PEREZ HOUSE, THE BURROUGHS AND CHAPIN JOB AT THE FENCE AND THE WORK AT THE GRAND DUNES. I HAD INQUIRED SEVERAL TIMES AND I WAS TOLD THAT THOSE JOBS WERE NOT ONGOING, BUT I FOUND OUT LATER THAT THEY WERE ACTUALLY COMPLETED.

Q AND DID YOU LEARN THAT THERE WERE OTHER JOBS THAT YOU DIDN'T KNOW THAT WERE ONGOING OR YOU DIDN'T KNOW HE WAS EVEN DOING?

A YES.

Q WERE THOSE JOBS THAT MR. SMITH WAS DOING THAT WERE IN DIRECT COMPETITION WITH HIS OWN COMPANY A&E?

A YES.

Q COULD I ASK YOU TO LOOK BEHIND TAB 21, PLEASE SIR? DOES THAT SHOW A... THE FIRST DOCUMENT SHOWS A CHECK DATED JANUARY 2, 2007 PAYABLE FROM A&E TO SPRINT IN THE AMOUNT OF $368.66 BEING CHECK NUMBER 6909?

A YES.

Q DID YOU SIGN THAT CHECK?

A I DID.

Q WHAT WAS THAT CHECK FOR?

A FOR EES CONSTRUCTION, EES CONSTRUCTION.

Q SO, THAT WAS A SPRINT CELL PHONE BILL THAT THE ACCOUNT WAS IN THE NAME OF EES?

A YES.

MR. DURANT: IS THERE AN INVOICE FOR THAT?

MS. COOK: YES.

Q AS PART OF THE BUSINESSES EXPENSE OF A&E, DID YOU AND ELLIS AGREE AS TO PAYMENT FOR CELL PHONES FOR EACH OTHER OR FOR YOURSELVES?

A YES. NOW, I ACTUALLY HAD A CELL PHONE AND HE

HAD A NEXTEL, WHICH HAD A PHONE ATTACHED TO IT.

Q AND THIS EES ACCOUNT, DOES IT REFLECT WHOSE CELL CHARGES ARE INCLUDED IN THE TOTAL OF THIS CELL PHONE BILL?

A IT SAYS, "JUNIOR" AND I GUESS, THAT'S EWELL.

Q HIS SON?

A YES. AND JOANN, HIS WIFE AND DENNIS. I WOULD ASSUME THAT'S RANDY LONG.

Q RANDY LONG GOES BY BOTH THE NAMES DENNIS AND RANDY, IS THAT RIGHT?

A YES.

Q DID A&E... DID YOU AGREE WITH ELLIS ON BEHALF OF A&E THAT YOU WOULD PAY RANDY LONG'S CELL PHONE BILL?

A NO.

Q DID YOU AGREE WITH ELLIS ON BEHALF OF A&E THAT YOU WOULD PAY HIS WIFE'S CELL PHONE BILL?

A NO.

Q DID YOU AGREE ON BEHALF OF A&E THAT YOU WOULD PAY EWELL, HIS SON'S CELL PHONE BILL?

A NO.

Q DID YOU AGREE YOU WOULD PAY HIS CELL PHONE BILL?

A YES. LIKE I PAID MINE.

Q NOW, WHO WAS RESPONSIBLE FOR REVIEWING AND AUTHORIZING PAYMENT OF THE CELL PHONE BILLS?

A THOSE WERE ELLIS'. ELLIS IS THE ONE WHO GAVE US THESE BILLS TO CARRIE FOR PAYMENT.

Q OKAY. WHAT I DID WAS THE CHECK ON JANUARY 2ND WAS FOR $368.66 AND THAT WAS THE TOTAL INVOICE FOR THE SERVICE PROVIDED FOR ALL OF THOSE FOLKS WE JUST WENT OVER, CORRECT?

A THAT'S CORRECT.

Q AND A&E PAID THE TOTAL BILL?

A YES.

Q AND BEHIND THAT SAME TAB WOULD YOU HAVE THE CHECK FOR PAYMENT OF THAT CELL PHONE BILL FOR ALL OF 2006 WITH THE BACK UPS FOR THE INVOICES?

A YEAH.

MS. COOK: YOUR HONOR, WE WON'T GO THROUGH EVERY ONE OF THOSE.

Q NOW, CAN I ASK YOU TO LOOK AT TAB 29. WHAT IS THAT TAB 29?

A IT'S A PAYROLL JOURNAL FOR ELLIS SMITH.

Q FROM A&E?

A YES.

Q BEHIND TAB 29, DOES IT HAVE FROM JANUARY '07 TO THE END OF '07 OR DOES IT START SOME OTHER DAY?

A IT ACTUALLY STARTS JUNE 6TH OF '07.

Q AND IT WENT TO THE END OF THE YEAR?

A YES.

Q SO, THAT PART OF THE PAYROLL JOURNAL WOULD SHOW PER INDIVIDUAL CHECK WHAT ELLIS WAS PAID BY A&E FROM JUNE TO DECEMBER, CORRECT, OF '07?

A WELL, THAT PART OF IT IS IN HERE, BUT THE TOTAL AMOUNT SHOWS --

Q AT THE END OF THE JOURNAL IT SHOWS --

A YES.

Q NOW, YOU'VE TOLD THE COURT WHAT YOUR POSITION ON BEHALF OF A&E IS WITH REGARD TO ELLIS' SALARY AND ANY PERCENTAGE HE MIGHT BE DUE BACK, WHICH I BELIEVE YOU TESTIFIED WAS 50%. DO YOU HAVE A POSITION THAT'S ANY DIFFERENT ON BEHALF OF A&E FOR WHAT A&E PAID ELLIS FROM JULY OF 2007 WHEN HE STOPPED COMING TO WORK UNTIL DECEMBER OF 2007?

A WELL, I DIDN'T AT THE TIME BECAUSE... UNTIL I FOUND OUT THAT HE WAS ACTUALLY WORKING BUILDING MARTIN BROWN'S OFFICE BUILDING. MY OPINION AT THAT POINT IS ONCE THAT STARTED WHEN HE STOPPED COMING TO A&E THAT THAT MONEY SHOULD BE REIMBURSED.

Q AND I THINK WE SAW IN EVIDENCE YESTERDAY THE ACTUAL PERMIT WAS APPLIED FOR IN APRIL OF 2007, BUT HE DID CONTINUE COMING TO A&E UNTIL SOME TIME IN THE BEGINNING OF JULY, CORRECT?

A HE CAME TO A&E VERY SPARSELY.

Q YOU DON'T KNOW WHAT HE DID WHEN HE LEFT THE OFFICE?

A WELL, HE DIDN'T COME TO THE OFFICE EVERY DAY. HE STOPPED COMING TO A&E IN JULY.

Q AND YOU LEARNED AFTER THE FACT THAT EVEN THOUGH A&E WAS PAYING HIM, HE WAS DOING HIS OWN JOBS LIKE MARTIN BROWN'S OFFICE BUILDING AND OTHER JOBS, IS THAT CORRECT?

A THAT'S CORRECT.

Q SO, THE BACK UP THAT'S BEHIND 29, IT WOULD SHOW HOW MUCH THAT WAS FROM JULY THROUGH THE END OF THE YEAR?

A I BELIEVE IT TOTALS UP THE ENTIRE YEAR.

Q YES. BUT YOU COULD LOOK AT EACH OF THE JOURNAL ENTIRES, COULD YOU NOT?

A YES.

Q AND FROM THAT YOU COULD CALCULATE HOW MUCH WAS OWED?

A CORRECT.

Q IN FACT, HAVE YOU DONE THAT TO COME UP WITH WHAT YOU BELIEVE A&E IS OWED?

A WE HAVE.

JUDGE HOWE: MR. VEREEN, YOU WERE THE ONE WHO WROTE THE CHECKS TO MR. SMITH

AFTER JULY OF 2007?

A I DID.

JUDGE HOWE: EVEN THOUGH MR. SMITH WASN'T COMING TO WORK?

A WELL, WHAT HE HAD INDICATED, YOUR HONOR, WAS HE WAS GOING TO TAKE SOME TIME OFF FOR VACATION TIME THAT HE FELT LIKE HE WAS DUE AND HE WAS GOING TO COME BACK TO WORK. HIS SON WAS STILL WORKING FOR US AT THE TIME BUT HE NEVER RETURNED.

JUDGE HOWE: DID HE SAY HOW LONG HE WAS GOING TO TAKE OFF WORK FOR VACATION?

A JUST A FEW WEEKS BUT HE JUST NEVER CAME BACK.

JUDGE HOWE: OKAY. THANK YOU.

Q NOW, WE TALKED BRIEFLY YESTERDAY ABOUT THE TRUCK THAT A&E PURCHASED THAT MR. SMITH DROVE AND WHEN HE STOPPED COMING TO WORK, HE TOOK THAT TRUCK THAT Y'ALL PAID FOR AND WHEN IT WAS PAID OFF THE TITLE WAS TRANSFERRED TO MR. SMITH, DO YOU RECALL THAT?

A YES.

Q WHO OWNED THE TRUCK?

A A&E.

Q DID THE TRUCK HAVE A VALUE AT THE TIME YOU SIGNED THE TITLE OVER TO MR. SMITH?

A IT DID.

Q DID YOU DO ANY RESEARCH TO DETERMINE WHAT THE VALUE OF THAT TRUCK MIGHT HAVE BEEN?

A WE JUST DID A BASIC --

Q WHAT DID YOU --

A WENT ON THE INTERNET AND PULLED UP A BASIC VALUE OF THE TYPE OF TRUCK.

Q I'M HANDING YOU WHAT HAS BEEN MARKED AS DEFENDANT'S EXHIBIT 115. IS THAT A KELLY BLUE BOOK INQUIRY DONE IN 2011 AS TO THE VALUE OF THE SAME TYPE AND MODEL OF TRUCK AS MR. SMITH GOT FROM A&E?

A YES.

Q DO YOU HAVE REASON TO DISPUTE THE VALUES THAT ARE SHOWN THERE AS BEING A FAIR VALUE FOR THAT TYPE OF VEHICLE?

A NO.

Q DID A&E PAY FOR ALL THE REPAIRS AND UPKEEP AND MAINTENANCE OF THAT TRUCK WHEN MR. SMITH WAS WORKING FOR YOU?

A YES.

Q OR WITH YOU?

A YES.

Q IN YOUR OPINION, WHAT CONDITION WAS THE TRUCK IN WHEN ELLIS LEFT WITH IT?

A IT WAS IN GOOD SHAPE.

Q DID A&E HAVE AN OPINION OR A POSITION WITH REGARD TO WHAT, IF ANYTHING, ELLIS OWED BACK TO A&E FOR THE VALUE OF THE TRUCK HE GOT OR IF THAT SHOULD BE COUNTED AS HIM RECEIVING A DISTRIBUTION OF VALUE AS A RESULT OF THE TRUCK HE GOT?

A YES. IT SHOULD BE THE FAIR VALUE OF THE TRUCK.

Q HAVE YOU CONSIDERED THAT IN DOING YOUR CALCULATIONS?

A I HAVE.

Q MR. VEREEN, LET ME SHOW YOU A DOCUMENT AND ASK IF YOU CAN IDENTIFY IT. THIS WILL BE PRE-MARKED DEFENDANT'S 116. NOW, IF YOU WILL REVIEW THAT AND TELL THE COURT WHAT IT IS?

A IT IS AN ACCOUNTING THAT I PREPARED BASED ON EVERY DOLLAR IN AND EVERY DOLLAR OUT.

MS. COOK: YOUR HONOR, I DON'T KNOW THAT I ASKED THAT 115 BE INTRODUCED AS AN EXHIBIT?

MR. DURANT: YOUR HONOR, I DON'T THINK IT'S PROFFERED IN EVIDENCE, BUT WE WILL STIPULATE THAT THE VALUE OF THE TRUCK WAS $16,425 AS SHOWN ON THAT.

JUDGE HOWE: THANK YOU. WE DON'T NEED

THE EXHIBIT, CORRECT?

Q NOW, MR VEREEN, THE BASIS OF THESE CALCULATIONS THAT YOU SHOW ON YOUR A&E CALCULATION, HOW IN GENERAL TERMS, HOW DID YOU COMPILE THESE NUMBERS? BEFORE WE GET INTO SPECIFICS, JUST GENERALLY WHAT DID YOU DO TO COMPLY THESE NUMBERS?

A WE STARTED WITH OUR CONVERSATION... I STARTED WITH A CONVERSATION THAT WE HAD WITH MRS. BRADY OF WHAT WE ALLEGED AND WHAT WE AGREED TO AND THE AMOUNT OF MONEY THAT WE AGREED TO. WE FELT LIKE IT WAS WHAT WE... WHAT I OWED BACK TO A&E. WE THEN WENT TO... I KEEP SAYING "WE". I WENT TO LOOK AT MY RECORDS FOR MYSELF AND ANY PART OF THE COMPANIES THAT I WAS INVOLVED IN HAD CONTRIBUTED TO A&E IN THE FORM OF A DEPOSIT OR PAYING A SUPPLIER OR BILL ON BEHALF OF A&E. YOUR HONOR, SORRY FOR MY VOICE. PAYING THE INVOICES OR DEPOSITS THAT WERE DEPOSITED DIRECTLY INTO A&E. WHAT INVOICES WERE PAID ON BEHALF OF A&E. I ALSO LOOKED AT THE MONIES THAT MAY HAVE BEEN DEPOSITED BY A&E REIMBURSED BACK TO A&E OR FROM ONE OF HIS JOB SITES OR THAT HE HAD OR THAT WE HAD RECEIVED FUNDS FOR. WE DID AN ACCOUNTING ON ALL OF THAT. THEN I LOOKED AT

FROM... REPORTS THAT MRS. BRADY AND ELLIS, IN OUR MEETINGS HAD SAID, "WELL, YOU HAVE GOT TO GIVE BACK SOME OF YOUR SALARY. YOU'VE GOT TO GIVE BACK YOUR SUPERVISION FEES, WHATEVER THOSE WERE" AND I SAID, "IF I'VE GOT TO DO IT, ELLIS HAS TO DO IT." SO, I WENT BACK THROUGH ELLIS' INVOICES. WE DIDN'T HAVE ANY BACK UP FOR ANY CHECKS THAT WERE WRITTEN TO EES OR TO ELLIS AND I INCLUDED THOSE IN MY WORKSHEET. I DID THAT LIKEWISE FOR ME AS WELL. AND THEN I SAID ONE OF THE CONTENTIONS HAS BEEN THAT EVEN THOUGH HE HAS AGREED THAT HE OWES X AMOUNT OF MONEY ON RENT ON THE OFFICE BUILDINGS, I JUST TOOK IT OUT. I TOOK OUT ANY TRUCK EXPENSES.

Q WHEN YOU SAY, "TOOK IT OUT"?

A I JUST DELETED IT. IT WASN'T CLAIMED.

Q THERE WAS NO CLAIM AGAINST IT?

A NO, NONE. WELL, YOU KNOW, WE GOT A TRUCK RENTAL AND EQUIPMENT THAT I FURNISHED THAT WE HAD AGREED THAT WE WERE GOING TO PAY FOR AND I DELETED IT.

Q NOT CLAIMING THAT AT ALL?

A NOT CLAIMING IT. I THEN LOOKED AT THE WAREHOUSE THAT WE USED AS A SHOP AREA, WORK AREA AND I DELETED THAT EXPENSE. I DELETED THE ENTIRE

AMOUNT OF HISPANIC LABOR THAT WAS PAID BY MYSELF OR ONE OF MY BUSINESSES ON BEHALF OF A&E.

Q AND WE REALLY HAVEN'T TALKED ABOUT THAT A WHOLE LOT, BUT COULD YOU GO INTO A LITTLE BIT MORE DETAIL ABOUT THE HISPANIC LABOR ASPECT? EVEN THOUGH IN EXHIBIT 116, THAT'S BEEN MARKED FOR ID YOU'RE NOT CHARGING IT. EXPLAIN WHAT IT WAS --

MR. DURANT: YOUR HONOR, WE OBJECT TO ANY TESTIMONY UNLESS HE CHARGING IT AS AN EXPENSE. IT'S IRRELEVANT.

MS. COOK: YOUR HONOR, ON THIS EXHIBIT HE'S NOT CHARGING IT, BUT WE GOT ANOTHER EXHIBIT.

Q WOULD YOU EXPLAIN A LITTLE BIT ABOUT WHAT WAS THE HISPANIC LABOR AND WHAT WAS IT USED FOR?

A WELL, I THINK I EVEN TESTIFIED TO THIS IN MY FIRST...

Q WHEN MR. DURANT --

A THE FIRST DAY I WAS UP HERE. THAT WE HAD HIRED HISPANIC LABOR TO HELP US ON OUR JOB SITES.

Q WHO IS "WE"?

A A&E HAD HIRED HISPANIC LABOR. AND SO TO KEEP THIS... THEY WORKED ON OUR JOB SITES.

Q A&E'S JOB SITES?

A A&E JOB SITES. SO, I TOOK THAT OUT JUST TO KEEP

FROM HAVING --

Q BUT DID THEY WORK ON PARK PLACE PROPERTIES --

A YES.

Q OTHER JOB SITES AS WELL?

A THEY DID.

JUDGE HOWE: WHAT DOES THAT MEAN, ILLEGAL LABOR?

A THEY WERE. YES, MA'AM.

Q YOU HAVE TAKEN THAT COMPLETELY OUT?

A YES.

Q NOT CHARGED THAT AGAINST ELLIS AND NOT CHARGING THAT AS A LEGITIMATE CHARGE FOR A&E, CORRECT?

A THAT'S CORRECT.

Q AND BASED ON ALL THOSE CALCULATIONS, HAVE YOU ARRIVED AT AN AMOUNT THAT THROUGH YOUR CALCULATIONS YOU BELIEVE THE COMPANY SHOULD HAVE HAD AT THE END OF 2007?

A YES.

Q IS THAT INFORMATION CONTAINED ON EXHIBIT 116?

A YES.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 116 INTO EVIDENCE.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: YOUR HONOR, I JUST DON'T

UNDERSTAND WHAT HE DID.

MS. COOK: WELL, IF YOU WANT US TO GO THROUGH IT LINE ITEM BY LINE ITEM FIRST AND WE INTEND TO DO THAT.

MR. DURANT: I THINK YOU NEED TO BEFORE YOU INTRODUCE IT.

MS. COOK: OKAY.

JUDGE HOWE: ALL I KNOW RIGHT NOW IS IT IS A DOCUMENT THAT MR. VEREEN HAS PREPARED.

MS. COOK: FROM HIS WORK AND CALCULATIONS OF REVIEWING ALL THE BACK UP DOCUMENTATION AND EXHIBITS THAT HAVE BEEN INTRODUCED.

A YOUR HONOR, CAN I GO TO THE RESTROOM?

JUDGE HOWE: OKAY. 5 MINUTE BREAK.

(RECESS TAKEN.)

Q NOW, MR. VEREEN ON THE DOCUMENT THAT YOU'VE GOT ENTITLED... THAT WE'VE MARKED FOR ID AS 116, THE FIRST SHEET SHOWS YOUR CALCULATIONS FROM '04 THROUGH '07, CORRECT?

A CORRECT.

MR. DURANT: I HAVE A MATTER TO TAKE UP WITH THE COURT ON THIS. COULD THE DEFENDANTS BE REQUIRED TO ASK MR. VEREEN

FIRST DID HE PREPARE THIS DOCUMENT? IS IT FROM THE BOOK OF THE A&E DOCUMENTS?

JUDGE HOWE: DEFENDANT'S 116?

MR. DURANT: YES, MA'AM. THE ONE FOR ID PURPOSES? YES, MA'AM. BEFORE WE GET INTO IT, I WANT TO KNOW IF MR. VEREEN PREPARED THIS DOCUMENT IF HE'S GOING TO TESTIFY ABOUT IT.

Q DID YOU PREPARE THIS DOCUMENT?

A I DID PREPARE IT. I DIDN'T TYPE IT.

Q WHO TYPED IT?

A I THINK BETH DID.

Q BUT THE NUMBERS --

A THE NUMBERS I PREPARED.

Q OKAY. DID YOU UTILIZE THE BOOKS AND RECORDS OF A&E AND YOUR THREE COMPANIES AND YOUR PERSONAL DOCUMENTS THAT HAVE BEEN INTRODUCED INTO EVIDENCE?

A THAT'S CORRECT.

Q THE FIRST PAGE COVERS WHAT TIME PERIOD? THESE ARE YOUR CALCULATIONS FOR WHAT TIME PERIOD OF BUSINESS THAT A&E WAS IN?

A FROM '04 TO 12/31/07.

Q THE SECOND PAGE, DOES IT COVER A DIFFERENT TIME PERIOD?

A YES.

Q WHAT TIME PERIOD?

A IT COVERS THROUGH '08 THROUGH '09.

Q WHY DID YOU DO ONE THAT IS YOUR CALCULATIONS JUST THROUGH '07 AND THEN ONE THAT IS CALCULATIONS FROM 2004 TO 2007? THERE IS A SECOND SHEET THAT COVERS 2004 TO 2009?

A I DID IT THROUGH THE TIME THAT ELLIS WAS ACTUALLY BEING PAID BY A&E WHICH WAS TO THE END OF 2007.

Q IS THAT ALSO YOUR UNDERSTANDING OF THE TIMEFRAME THAT MRS. BRADY'S REPORT GOES THROUGH?

A THAT'S CORRECT. BUT A&E WAS STILL ONGOING WORK THROUGH '09.

Q ALRIGHT.

A SO, I LOOKED AT THE EXPENSES THAT OCCURRED IN '08 AND '09.

Q OKAY. NOW, THE DOCUMENTS THAT ARE BEHIND THE FIRST TWO SHEETS, WHAT ARE THEY?

A JUST A FEW MINUTES AGO I HAD MENTIONED THAT WE HAD STARTED WITH A NUMBER AFTER OUR MEETING WITH SUSAN BRADY OF WHAT WAS ALLEGED AND WHAT WE AGREED WAS DISPUTED AND WE STARTED WITH THAT, $652,048.54.

Q AND IS THIS DOCUMENT, THE THIRD PAGE OF 116, IS

IT THE COVER SHEET FOR WHAT'S ALREADY BEEN INTRODUCED AS DEFENDANT'S EXHIBIT 82?

A YES.

Q DEFENDANT'S EXHIBIT 82 WAS PREPARED AFTER MEETING WITH SUSAN GETTING THE TOTALS OF WHAT ELLIS ALLEGED AND THEN OUR LOOKING AT THE DOCUMENTATION AND SETTING FORTH, BY YEAR, BY LINE ITEM? WHAT WE AGREED --

A WAS JUSTIFIED.

Q -- WAS DUE BACK BY YOU OR YOUR COMPANY?

A YES.

Q NOW, LET'S START AT THE TOP OF YOUR 2007. YOUR OPINION THAT GOES TO 2007. THE NUMBER $47,134, WHERE DID YOU GET THAT NUMBER AND WHAT IS IT?

A WHERE ARE YOU AT NOW?

Q DEFENDANT'S 116.

A TOP PAGE.

Q I'M SORRY. I'M MOVING YOU AROUND.

A THAT TOP NUMBER WAS ACTUALLY THE MONEY THAT WAS IN THE BANK AS OF 12/31/07.

Q THAT WAS THE BANK BALANCE OF A&E AS OF 12/31/07?

A YES.

Q AND ALL THE BANKING STATEMENTS OF A&E HAVE BEEN INTRODUCED AS COURT'S EXHIBIT 1, CORRECT?

A YES.

Q SO, YOU STARTED WITH THE ACTUAL BANK BALANCE OF A&E?

A YES.

Q IN THE NEXT CATEGORY OF AMOUNTS, SAYS, "BRADY WORK PAPER REPORTS." WHAT ARE THOSE NUMBERS AND WHERE DID YOU GET THEM FROM?

A THOSE NUMBERS I GOT FROM WHAT WE JUST DISCUSSED ON EXHIBIT 82. FROM WHAT WE AGREED IN THE MEETING WITH MRS. BRADY.

Q SO, THESE ARE AMOUNTS PER YEAR THAT YOU AGREE --

A THROUGH 2007.

Q OKAY -- THAT YOU AGREE YOU OWE OR PARK PLACE PROPERTIES OWES, OR PARKWAY OFFICES OWES OR ARTHUR VEREEN CONSTRUCTION COMPANY OWED BACK TO A&E?

A YES.

Q AND THOSE ARE THE SAME NUMBERS THAT ARE REFECTED TOTALS OF EXHIBIT 82, CORRECT?

A THAT'S CORRECT.

Q AND THAT TOTAL... HOW MUCH DO YOU AGREE THAT YOU AND YOUR COMPANIES OWE BACK TO A&E?

A $652,048.54.

Q AND IN DOING THOSE CALCULATIONS, DID YOU ADD BACK IN MONEY THAT YOU GOT THAT WERE DISBURSEMENTS OR CAPITAL CONTRIBUTIONS LIKE THE

$15,000 CHECK? DID YOU ADD THAT ALL BACK IN?

A TO GET THIS NUMBER?

Q YES.

A NO.

Q DID YOU ADD BACK IN ANYTHING HAVING TO DO WITH ANYTHING YOU BELIEVE YOU OWE A&E FOR ANYTHING THAT YOU DID NOT HAVE A RECEIPT OR VERIFICATION FOR?

A NO.

Q NOW, THE NEXT SUB-CATEGORY OF ITEMS SAYS, "VEREEN WORK PAPERS REPORT ALLEGED, DUE TO WAYNE, DUE TO..." AND IT LISTS EACH OF YOUR COMPANIES. HOW DID YOU ARRIVE AT EACH OF THOSE NUMBERS AND WHAT DOES THAT REPRESENT?

A I ACTUALLY WENT AND PULLED ACTUAL CHECKS, DEPOSITS THAT WERE WRITTEN ON BEHALF OF A&E BY EITHER MYSELF, ARTHUR VEREEN CONSTRUCTION COMPANY, PARK PLACE PROPERTIES OR PARKWAY OFFICES.

Q SO, IT'S ANY CHECKS THAT YOUR COMPANIES WROTE AND DEPOSITED INTO A&E TO HELP FUND A&E'S OPERATIONS?

A OR PAY ON BEHALF OF A&E, YES.

Q SO, IT INCLUDES MONIES YOU DEPOSITED OR YOUR COMPANIES OR CHECKS YOU OR YOUR COMPANIES WROTE

PAYING FOR MATERIALS OF SUB-CONTRACTORS ON A&E JOBS?

A YES.

Q AND YOU DID THAT BY COMPANY? YOU DID THAT YOURSELF INDIVIDUALLY AND BY EACH COMPANY?

A YES.

Q FROM THOSE RECORDS THAT ARE IN EVIDENCE?

A YES.

Q AND HOW MUCH DID THAT ADD UP TO BE?

A $482,560.

Q SO, THAT'S WHAT YOU ALLEGE A&E OWES TO YOU AND YOUR COMPANIES?

A THAT'S CORRECT.

Q DID YOU INCLUDE IN THAT NUMBER ANYTHING SAYING THAT A&E OWED YOU OR YOUR COMPANIES ANYTHING FOR RENT ON THE BUILDING THAT IT OCCUPIED?

A NO.

Q DID YOU INCLUDE ANY AMOUNT FOR RENT FOR THE WAREHOUSE SPACE THAT YOU LOGGED?

A NO.

Q DID YOU INCLUDE ANYTHING FOR THE EQUIPMENT, THE BIG EQUIPMENT, THAT A&E USED THROUGHOUT IT'S LONGEVITY TO PERFORM IT'S WORK?

A NO.

Q DID YOU INCLUDE ANY AMOUNT FOR THE USE BY A&E OF

ALL THE OFFICE FURNITURE, FIXTURES, COMPUTERS THAT A&E USED FOR IT'S BUSINESS THAT WERE YOURS OR YOUR COMPANIES?

A NO.

Q DID YOU INCLUDE ANYTHING FOR ANY CHARGES FOR YOUR PERSONAL TRUCK THAT YOU PAID FOR, THAT A&E DID NOT PAY FOR? DID YOU INCLUDE ANYTHING FOR YOUR TRUCK?

A NO.

Q BUT ELLIS DROVE AN A&E TRUCK?

A YES.

Q DO YOU INCLUDE ANYTHING FOR THE HISPANIC LABOR THAT BOTH A&E USED AND PARK PLACE PROPERTY USED?

A NO.

Q YOU ARE NOT HOLDING A&E RESPONSIBLE FOR ANY OF THAT MONEY?

A NO.

Q DID YOU INCLUDE ANYTHING FOR YOUR FINDERS FEES OR PROFIT AND OVERHEAD FOR ANY OF THE JOBS THAT YOU HAD BEEN WORKING ON TO GET BEFORE 2003 THAT YOU ROLLED IN 2004? ANYTHING FOR YOUR TIME OR YOUR EFFORTS OTHER THAN JUST THE DIRECT OUT-OF-POCKET COSTS? DID YOU ADD ANYTHING IN FOR YOUR WORK IN GETTING THOSE JOBS AND ROLLING THEM INTO A&E?

A NO.

Q NOW, AFTER YOU CALCULATED THE AMOUNT DUE FROM YOU OR YOUR ENTITIES BACK TO A&E AND THE AMOUNT YOU SAY IS OWED TO YOU OR YOUR ENTITIES FROM A&E, DID YOU SUBTRACT THEM FROM EACH OTHER TO COME UP WITH WHAT THE NET WAS DUE AND OWING TO A&E WAS? WHAT WAS THE AMOUNT THAT A&E OWED YOU AND YOUR COMPANY?

A SAY THAT AGAIN?

Q OKAY. HOW DID YOU ARRIVE AT WHAT YOU SAY ARE "WAYNE'S ACCOUNTS RECEIVABLE" THE $169,000? HOW IS THAT ARRIVED AT?

A (NO RESPONSE).

Q DO YOU SEE WHERE I'M TALKING ABOUT WHERE YOU'VE GOT "WAYNE ACCOUNTS RECEIVABLE" RIGHT HERE? LET ME ASK IT THIS WAY. ACCORDING TO YOUR CALCULATIONS, HOW MUCH DID A&E OWE YOU OR YOUR COMPANIES?

A THE TOTAL THAT WAS OWED WAS $482,560.

Q HOW MUCH DID YOU OWE A&E?

A I OWED ABOUT $168,489.

Q BEFORE YOU... HOW DID YOU ARRIVE AT THAT 169,000?

A I'VE GOT TO THINK A FEW MINUTES.

Q MR. VEREEN, LET ME ASK IT THIS WAY. FROM YOUR

CALCULATIONS AND REVIEWING SUSAN'S REPORT, YOU AGREE THAT YOU AND YOUR COMPANIES OWED $652,049, CORRECT?

A YES.

Q AND THEN YOU FROM YOUR CALCULATIONS?

A I JUST SUBTRACTED THAT FROM WHAT SUSAN BRADY HAD INDICATED WAS OWED.

Q YOU TOOK WHAT YOU AGREED YOU OWED AND SUBTRACTED WHAT YOU SAID YOU WERE OWED FROM THEM AND GOT THE DIFFERENCE IN NET?

A YES, YES.

Q I THINK MY QUESTION WAS CONFUSING. SO, THE NET FROM WHAT YOU OWED A&E ACCORDING TO YOUR CALCULATIONS MORE THAN A&E OWED YOU BY $169,000 AND CHANGE, CORRECT?

A ACCORDING TO WHAT I HAVE AGREED TO, WHICH IS THAT $652,000 SOME ODD DOLLARS AND WHAT I HAD CONTRIBUTED THROUGH WAY OF DEPOSITS OR PAYING INVOICES AND WHAT I HAD RECEIVED BACK, I BALANCED THAT OUT.

Q DIRECTLY?

A DIRECTLY. I HAD $482,000 AND SOME CHANGE. I JUST SUBTRACTED WHAT I AGREE THAT I OWED AND WHAT I HAD RECEIVED AND MY BALANCE WAS $169,000 AND SOME CHANGE.

Q AND THAT DOESN'T PAY YOU OR YOUR COMPANIES ANYTHING FOR THE THINGS YOU'VE EXCLUDED? IT DOESN'T COMPENSATE YOU IN ANY WAY FOR THE RENT THAT ELLIS ADMITS HE AGREED A&E WOULD PAY FOR THE BUILDING, RIGHT?

A THAT'S CORRECT.

MR. DURANT: YOUR HONOR, I AM GOING TO OBJECT AT THIS STAGE OF THE GAME. IF HE'S GOING TO BE DOING THE ACCOUNTING WITH US THAT SHE ASK A DIRECT QUESTION AND FOLLOW THE RULES OF EVIDENCE AND NOT TO LEAD HIM ON THESE OTHER CONCLUSIONS THAT WE HAVE NOT SEEN BEFORE TODAY. I'M NOT TALKING ABOUT THE BACKUP. WE HAVE NOT SEEN THIS SHEET. IF HE'S GOING TO BE THE WITNESS, HE'S NEEDS TO TESTIFY OF HIS OWN KNOWLEDGE.

JUDGE HOWE: I THINK HE HAD TO REFRESH HIS MEMORY.

MR. DURANT: THAT'S CORRECT, BUT NOT FOR HER LEADING HIM.

JUDGE HOWE: YOUR ULTIMATE OBJECTION WAS LEADING?

MR. DURANT: YES, YOUR HONOR.

MR. THOMAS: COULD WE ASK FOR JUST A

CLARIFICATION OF THESE NUMBER?

JUDGE HOWE: YES.

MR. THOMAS: IN THE VEREEN WORK PAPERS REPORTS UNDER "DUE WAYNE", WHAT DO THE NEGATIVE NUMBERS MEAN?

JUDGE HOWE: I THINK THAT MEANS WHAT HE OWES.

MS. COOK: YES, MA'AM.

A IT DOES.

Q NOW, DID YOU CALCULATE WHAT ELLIS OWES TO A&E?

A I DID. I LOOKED AT IT EQUALLY BETWEEN WHAT SUSAN AND ELLIS WERE SAYING I WASN'T ENTITLED TO. I SAID, "WELL, IF I'M NOT ENTITLED TO SUPERVISORY FEE AND I AM NOT ENTITLED TO MY $15,000 BONUS I GOT OR WHATEVER THAT HAPPENED TO BE" I SAID, "IT SHOULD BE THE SAME FOR US TO TRY TO FIGURE OUT EXACTLY WHERE WE WERE." SO, WHAT I DID WAS I WENT THROUGH... THEY'RE SAYING, "YOU ARE NOT GOING TO BE PAID FOR ANYTHING THAT YOU CANNOT..." EVEN THOUGH I HAVE A CHECK. "WE ARE NOT GOING TO PAY YOU FOR ANYTHING THAT YOU DON'T HAVE A SPECIFIC INVOICE FOR." I WENT BACK AND LOOKED AT THE AMOUNT OF TIME THAT ELLIS WAS INVOLVED IN OTHER PROJECTS. WE TOOK IT YEAR BY YEAR. THAT'S HOW I ARRIVED AT THE NUMBER ON THE

BOTTOM THAT WAS DUE BACK FROM ELLIS.

Q HOW MUCH IS THAT NUMBER THAT A&E IS DUE BACK FROM ELLIS?

A $558,370.

Q IS THE BACKUP FOR ALL THAT CONTAINED IN DEFENDANT'S 81 THAT WE WERE LAST GOING OVER, THAT NOTEBOOK?

A YES.

Q DID YOU MAKE A DETERMINATION AS TO HOW MUCH ELLIS HAD PUT INTO THE COMPANY?

A I DID. ZERO.

Q DID YOU... FROM THAT, HOW DID YOU CALCULATE OR HOW DID YOU COME UP WITH YOUR NUMBER FOR THE PROFIT IN A&E AS OF THE END OF 2007?

A I ADDED WHAT WAS ACCOUNTS RECEIVABLE FOR ELLIS AND ACCOUNTS RECEIVABLE FROM MYSELF AND TOTALED THAT UP AND IT WAS $774,993.

Q AND BASED ON THAT IF THIS WAS A 50/50 PARTNERSHIP OR 50/50 OWNERSHIP IN THE COMPANY, HOW DID YOU ARRIVE AT WHAT WAS DUE EACH OF YOU?

A THAT ALSO INCLUDES THE MONEY THAT WAS IN THE BANK AT THE TIME. WE SPLIT IT 50/50.

Q NOW FOR... ON THE NEXT SHEET THAT GOES THROUGH 2009, HOW DID YOU ARRIVE AT THOSE NUMBERS?

A THOSE ARE THE SAME AS I DID ON THE OTHER YEARS.

I WENT THROUGH MY CHECK RECORDS AND SOME MONIES THAT I HAD ACTUALLY PLACED INTO A&E TO KEEP IT IN OPERATION OR BILLS I HAD PAID ON BEHALF OF A&E.

Q AND WHEN YOU TOOK THE NUMBERS THROUGH 2009, WHAT DID YOU COME UP WITH IN TERMS OF THE PROFIT INTO A&E?

A THROUGH 2009 THE TOTAL PROFIT WAS 295,568.

Q NOW, THAT REPRESENTS THE AMOUNT THAT IT IS YOUR POSITION ON BEHALF OF YOUR COMPANIES THAT A&E ARE DUE, CORRECT?

A THAT'S CORRECT.

Q AND THIS IS FROM DIRECT DEPOSIT THAT YOU MADE INTO THE COMPANY OR PAYMENTS YOU MADE INTO OTHER FOLKS ON BEHALF OF A&E?

A AS WELL AS PAYMENTS THAT I HAD RECEIVED FROM A&E OR ON OTHER JOB SITES.

Q THESE ARE DIRECT COSTS?

A YES.

Q DID YOU ALSO, EVEN THOUGH...

MS. COOK: YOUR HONOR, AT THIS POINT WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 116?

JUDGE HOWE: ANY OBJECTION TO DEFENDANT'S 116 COMING INTO EVIDENCE?

MR. DURANT: NONE, YOUR HONOR.

MR. THOMAS: NONE, YOUR HONOR.

JUDGE HOWE: DEFENDANT'S 116 SO ADMITTED?

LETTER FROM A&E OF PROFIT MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 116.

Q NOW, DID YOU ALSO MAKE OTHER CALCULATIONS OTHER THAN DEALING WITH JUST WHAT THESE DIRECT COSTS IN AND OUT WERE?

A I DID INDIRECT COSTS THAT WERE PAID TO OTHERS.

Q LET ME SHOW YOU WHAT WE HAVE MARKED AS DEFENDANT'S 117. JUST GENERALLY, WOULD YOU TELL THE COURT THE DIFFERENCE BETWEEN 116 AND 117 IN TERMS OF WHAT YOUR METHODOLOGY WAS. WHAT IS REFLECTED ON DEFENDANT'S 117?

A THIS IS THE EXACT OR CLOSE TO THE SAME AS I APPROACHED IT THE FIRST TIME, BUT IT ALSO INCLUDES THE COSTS THAT I HAD DELETED FROM THE BEGINNING WHICH WAS THE RENTALS OF THE OFFICE AND THE TRUCK. THOSE ITEMS THAT I DID NOT INCLUDE ON MY FIRST APPROACH.

Q DOES IT INCLUDE THE HISPANIC LABOR?

A YES.

Q SO, EXHIBIT 117 WOULD INCLUDE THE THINGS THAT YOU --

A INCLUDED ITEMS --

Q DELETED FROM 116?

A YES. THAT I MADE NOTE ON IN 116.

Q WHEN YOU ADD THOSE THINGS THAT YOU DELETED ON 116 BACK IN, WHAT DO YOU COME UP WITH THAT THE PROFIT IN A&E WOULD HAVE BEEN ON DECEMBER 31ST 2007? IF YOU HAD ADDED BACK IN THOSE THINGS AS BEING OWED SUCH AS RENT, THE EQUIPMENT RENTAL, THE RENTAL FOR THE OFFICE SPACE, FF&E AND THOSE KINDS OF THINGS, WHAT WOULD THE PROFIT HAVE BEEN?

A $673,855.

Q AND THAT WOULD HAVE BEEN THROUGH 2007?

A YES.

Q DID YOU DO THE SAME THING THROUGH 2009?

A I DID.

Q WHAT IS THAT NUMBER?

A THAT CHANGES TO $24,204.

MS. COOK: YOUR HONOR, WE ASK TO INTRODUCE DEFENDANT'S EXHIBIT 117 INTO EVIDENCE.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: YOUR HONOR, I HAVEN'T EVEN

HAD A CHANCE TO LOOK AT IT. THIS IS THE FIRST TIME WE HAVE SEEN ANY OF THIS. I THINK HE CAN TESTIFY... I DON'T KNOW THAT THIS IS EVIDENCE OF ANYTHING. THE OBJECTION IS, I HAVEN'T HAD A CHANCE TO LOOK AT IT. NUMBER TWO, HE'S CONTINUING TO GIVE TESTIMONY BASED UPON OTHER PEOPLE'S TESTIMONY. AND SHE STILL HASN'T ASKED IF HE'S PREPARED THIS HIMSELF FROM HIS OWN INFORMATION. I DON'T KNOW WHO PREPARED THIS DOCUMENT. IT LOOKS LIKE HE'S ATTEMPTED THROUGH BOTH OF THESE REPORTS TO COMBINE ALL THESE ENTITIES AS IF THEY WERE ONE AND THEY CAN'T BE ONE IN THE EYES OF THE LAW. THE LEGAL ENTITIES HERE THAT WE HAVE SUED ARE ALL TREATED AS SEPARATE AND DISTINCT LEGAL ENTITIES. AND THE RESPONSIBILITY WILL RISE AND FALL AS TO EACH ENTITY AND ITS RELATIONSHIP TO THE PLAINTIFF IN THIS CASE.

JUDGE HOWE: I GUESS, YOU WOULD NEED TO GO THROUGH AND ASK MR. VEREEN WHO PREPARED IT AND --

MS. COOK: YES, MA'AM. I WILL LAY A

BETTER FOUNDATION.

Q EXHIBIT 117, WHO PREPARED THIS DOCUMENT?

A I THOUGHT I HAD ANSWERED IT A FEW MINUTES AGO THAT I PREPARED DOCUMENT 116 AND I PREPARED DOCUMENT 117. I DID NOT TYPE THESE OUT. I ACTUALLY WENT THROUGH THE NUMBERS. I PULLED THE INVOICES. I PULLED THE CHECKS. I PULLED THE DEPOSITS. I VERIFIED THEM AND I WROTE THEM OUT.

Q ALRIGHT.

MS. COOK: YOUR HONOR, I BELIEVE PROPER FOUNDATION HAS BEEN LAID AND I AGAIN MOVE TO INTRODUCE DEFENDANT'S EXHIBIT 117?

MR. DURANT: YOUR HONOR, THE OBJECTION TO DEFENDANT'S NOW BEING, IF SHE HAS LAID THE FOUNDATION, IS THAT YOU CAN'T COMBINE THE PAYABLE AND RECEIVABLE FROM ONE LEGAL ENTITY TO THE OTHERS. IT'S LIKE THE VEREEN ENTITIES AGREED WE OWE THIS AMOUNT OF MONEY AND I DON'T THINK IT'S PROPER. EACH ARE SEPARATE LEGAL ENTITIES THAT THE PLAINTIFF HAS FILED SUIT FOR THINGS THAT THEY ALLEGE THAT THAT ENTITY DID OR DIDN'T DO, INCLUDING HIM PERSONALLY.

JUDGE HOWE: WELL, HE'S GOT THEM SEPARATED AND THEN HE'S GOT A SUB-TOTAL OF ALL OF THEM.

MR. DURANT: CORRECT.

MS. COOK: YOUR HONOR, LET ME RESPOND TO A COUPLE OF THINGS MR. DURANT JUST SAID. HE HAS HAD ALL THE BACKUP INFORMATION AND WE DIDN'T GET MRS. BRADY'S REVISED NUMBERS UNTIL SHE GOT ON THE STAND ON JUNE 2012 --

JUDGE HOWE: WE DON'T NEED TO GO INTO ALL THAT.

MS. COOK: OKAY. BUT THEY ARE SEPARATELY BROKEN OUT. AND THE ANSWER COUNTERCLAIM AND THIRD PARTY COMPLAINT SETS OUT THAT EACH OF MR. VEREEN'S ENTITIES AND HIMSELF PERSONALLY HAVE MADE CLAIMS AGAINST A&E AND MR. SMITH AND MR. SMITH'S ENTITIES INDIVIDUALLY.

JUDGE HOWE: WELL, I'M GOING TO ALLOW IT AS A SUMMARY BASICALLY OF HIS TESTIMONY AND I WILL ALLOW YOU TO CROSS-EXAM. I THINK IT'S PROBABLY HIS SUMMARY OF WHAT HE IS ABOUT TO TESTIFY TO?

LETTER OF A&E PROFIT MARKED

FOR IDENTIFICATION AND
INTRODUCED INTO EVIDENCE AS
DEFENDANT'S EXHIBIT 117.

Q NOW, FROM YOUR REVIEW OF ALL THE RECORDS, HOW MUCH PROFIT DID A&E HAVE AFTER TAKING INTO CONSIDERATION THE EXPENSES PAID BY OTHERS FOR A&E, THE DEPOSITS PAID BY OTHERS INTO A&E, THE AMOUNTS THAT ARE DUE FROM YOU TO A&E, THE AMOUNTS THAT ARE DUE FROM ELLIS INTO A&E? HOW MUCH PROFIT THROUGH THE END OF 2007 DID A&E HAVE IN IT IF YOU EXCLUDED THE INDIRECT COSTS SUCH AS THE WAREHOUSE, THE RENT FOR THE OFFICE THOSE INDIRECT COSTS? HOW MUCH PROFIT SHOULD HAVE BEEN IN A&E?

A $774,993.

Q THROUGH 2009, HOW MUCH PROFIT SHOULD HAVE BEEN IN A&E?

A $295,568.

Q NOW, IF YOU ADD TO THAT THOSE THINGS THAT WE CALL INDIRECT COSTS, HOW MUCH SHOULD HAVE BEEN IN A&E AT THE END OF 2007?

A $673,855.

Q AND HOW MUCH SHOULD HAVE BEEN IN A&E AT THE END OF 2009 ADDING IN THOSE INDIRECT COSTS?

A $24,204.

Q I THINK THAT'S ALL THE QUESTIONS I HAVE OF MR. VEREEN.

JUDGE: GOOD. LET'S BREAK FOR LUNCH

MR. DURANT: YOUR HONOR, WE ASK THIS WITNESS NOT TO TALK WITH COUNSEL UNTIL WE RETURN.

JUDGE HOWE: YES, SIR.

A I'M TIRED OF TALKING ANYWAY.

US BANKRUPTCY COURT FOR SMITH MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 99.

LETTER FROM AVC TO BANKRUPTCY MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 100.

LETTER FROM SMITH TO VEREEN MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 101.

INVOICE FROM SIGNWORKS MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 103.

BRIGMAN COMPANY FAX MARKED FOR

IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 113.

CITY OF NMB PERMIT MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 114.

KELLEY BLUE BOOK FOR TRUCK MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 115.

A&E CHECK TO VEREEN MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 120.

(**RECESS FOR LUNCH.**)

(THE REST OF THE DAY WAS CORRUPTED ON COURT REPORTERS FILES FROM 8/29/12).

(START OF AUGUST 30, 2012).

RE-CROSS EXAMINATION BY MR. THOMAS:

MR. THOMAS: MAY WE PROCEED, YOUR HONOR?

JUDGE HOWE: YES.

Q MR. VEREEN, WE ARE BACK NOW TO PLAINTIFF'S EXHIBIT 1, WHICH IS MRS. BRADY'S 2004 REPORT AND I THINK YOU CAN TURN TO WHERE IT SAYS AT THE TOP

"A&E CONSTRUCTOR AND CONSULTANTS, INC. BALANCE SHEET 2004". DO YOU SEE THAT?

A YES.

Q DO YOU SEE THAT "PER TAX RETURN" COLUMN?

A WHICH PAGE IS THAT ON?

Q LET ME SEE IF I CAN'T SIMPLIFY IT. TURN TO... FLIP THE PAGE ONE TIME. NOW, THAT'S RIGHT BEFORE TAB NUMBER 1. ACCESS IS THE SHEET I'M LOOK AT. ACCORDING TO MRS. BRADY'S ACCOUNTING WORK, MR. VEREEN, HOW MUCH DID YOU OWE THE COMPANY AT THE END OF DECEMBER 31ST 2004?

A ACCORDING TO WHAT SHE SAYS $673,253.56.

Q SO, IF SHE IS RIGHT, THEN YOU OWE THE COMPANY... I KNOW YOU SAID... BUT I PUT THIS IN AND TOOK THIS OUT. BUT IF SHE'S RIGHT AS OF THE END OF THE VERY FIRST YEAR YOU OWED THE COMPANY ALMOST $700,000M, IS THAT RIGHT?

A THAT'S THE MAGIC WORD "IF" YES, SIR.

Q IF SHE'S RIGHT?

A IF.

Q CONTEND THAT SHE'S NOT RIGHT. NOW, I THINK THAT YOU HAVE ADMITTED THAT YOU REALLY DON'T UNDERSTAND WHAT SHE DID OR WHAT PROCESS SHE WENT THROUGH?

A I THINK THAT'S PRETTY OBVIOUS THAT I DON'T

UNDERSTAND.

Q OKAY. DO YOU BELIEVE SHE'S A CAPABLE, CERTIFIED PUBLIC ACCOUNT?

A I THINK SHE'S CAPABLE.

Q AND I THINK THAT MRS. SISSON SAID THAT SHE THOUGHT SHE CAME TO HER CONCLUSION BECAUSE OF BIAS. DO YOU THINK THAT'S WHY SHE CAME TO HER CONCLUSION?

A WELL, IF YOU'RE ASKING ME THAT QUESTION, I WOULD SAY YES. IF YOU WANT ME TO GIVE YOU AN EXPLANATION, I WILL BE GLAD TO GIVE THAT TO YOU. IT'S THE... DURING THIS LAWSUIT AND THE NUMBERS THAT WE HAVE COME UP WITH, SHE DIDN'T RELY ON ANY PAPERWORK. SHE DIDN'T RELY ON ANY BACKUP. SHE LITERALLY TOOK WHAT MR. SMITH SAID, "NO, NO, NO. THAT'S NOT MY BILL. I SHOULDN'T HAVE TO PAY THAT." SO, SHE WOULD TAKE IT OFF. SHE WOULD PUT IT ON MY SIDE OF THE PAGE. WE'VE GONE BACK AND SHOWN THAT THAT'S INCORRECT. AND WE PROVIDED IN OUR DOCUMENTATION. THERE ARE COPIES OF WHAT THOSE PAYMENTS SHOULD'VE BEEN THAT WAS PUT ON MY SIDE OF THE PAGE THAT SHOULD HAVE BEEN PUT ON A&E'S SIDE OF THE PAGE.

Q LET ME ASK YOU THIS, SIR, YOU MADE THIS STATEMENT IN DIRECT TESTIMONY AND I WROTE DOWN

THIS, "I ACKNOWLEDGE THE WAY IT WAS HANDLED HAS MADE IT DIFFICULT TO TRACK TO SAY THE LEAST." DID YOU MAKE THAT STATEMENT?

A I DID. I THINK THAT I FURTHER WENT ON TO SAY, MR. THOMAS, THAT THE WAY IT WAS HANDLED WAS NOT SOLELY MY RESPONSIBILITY. IT WAS THE RESPONSIBILITY OF ELLIS SMITH AND WAYNE VEREEN.

Q NOW, MR. SMITH HAD NOTHING TO DO YOU GETTING CHECKS FOR A&E WORK AND DEPOSITING IT INTO ONE OF YOUR OTHER COMPANIES, DID HE?

A (NO RESPONSE).

Q HE HAD NOTHING TO DO WITH YOU DECIDING TO PAY BILLS OUT OF ONE OF YOUR OTHER COMPANIES THAT WERE FOR YOUR JOB, DID HE?

A (NO RESPONSE).

Q THAT'S JUST SOMETHING THAT YOU DID?

A I DID DO... I DID DO... DO... I HAVE NOT MISTAKEN... I SAID I HAVE DONE THAT, BUT I'VE ACCOUNTED FOR THOSE. IT ALSO... I WENT ON... I WENT ON FURTHER TO SAY, MR. THOMAS, THAT I ALSO PAID INVOICES ON BEHALF OF A&E, BILLS ON BEHALF OF... ELLIS. WHEN WE DID... FOR EXAMPLE, WHENEVER WE DID THE MATHI JOB IN CAROLINA FOREST AND THE METAL BUILDING WAS DELIVERED, THAT GENTLEMAN WAS WITH ME IN MY TRUCK, THE BUILDING

CAME EARLIER. WE WENT TO THE BANK... HE WAS WITH ME. I WENT TO THE BANK AND GOT A CASHIERS CHECK AND I WROTE THE STINKING CHECK AND GOT FUNDS. HE WAS AWARE THAT I HAD DONE THOSE THINGS. ALL I HAVE ASKED FOR IS... IS... IS... I WANTED CREDIT FOR MONIES THAT I HAD PUT IN AND I WANTED TO BE RESPONSIBLE FOR MONIES THAT I OWE AND THAT'S WHAT I HAVE DONE.

Q WOULD YOU AGREE WITH ME THAT WHEN SOMETHING HAPPENS LIKE THAT AND THE BILL COMES IN, IT'S AN A&E BILL AND YOU PAY IT OUT OF ARTHUR VEREEN OR PARK PLACE OR WHOEVER YOU PAY IT FROM? THE A&E RECORDS DON'T REFLECT THAT, RIGHT?

A ALL I KNOW, MR. THOMAS, IS THAT I KNOW... I KNOW I PRESENTED THAT STUFF AND IT WAS PUT IN THE OFFICE... NOW, WHERE CARRIE TOOK IT AND PLACED IT WHERE SHE SHOULD HAVE... IN MOST CASES, IT LOOKS LIKE THAT WASN'T DONE.

Q SO, WE ARE BACK TO CARRIE, THAT CARRIE DIDN'T DO IT RIGHT?

A THAT'S RIGHT.

Q YEAH, OKAY. WASN'T THE PROPER WAY TO DO IT WOULD HAVE BEEN FOR YOU TO PUT A CHECK INTO A&E AND THEN WRITE A CHECK OUT OF A&E TO THE SUPPLIER OR THE VENDOR SO THAT IT COULD BE

TRACKED?

A I THINK THAT WOULD HAVE BEEN THE CORRECT... BUT YOU GOT... BUT... BUT... JUST FOR AN EXAMPLE, OF THE SIZE OF THIS METAL BUILDING. DONALD FAIRCLOTH, WHICH WAS A $22,000 CHECK THAT I WROTE TO DONALD FAIRCLOTH TO TEAR DOWN... DOING SOME SITE WORK AT TAHITIAN PRINCESS. I PAID THAT BILL BECAUSE I MET DONALD ON THE JOB SITE AND HE FINISHED AND HE GAVE ME THE BILL AND I HAD A CHECK AND I PAID HIM. SO NOW... WAS I... HE WANTED HIS MONEY. I GUESS I COULD HAVE DRIVEN BACK TO MYRTLE BEACH, DEPOSITED THAT CHECK INTO THE ACCOUNT AND DRIVEN BACK UP THERE AND GIVEN IT TO HIM BUT I DIDN'T DO THAT. I GAVE HIM A CHECK.

Q WOULD YOU AGREE WITH ME THAT WHAT MADE IT SO DIFFICULT FOR MRS. BRADY OR ANYBODY THAT TRIED TO MAKE SENSE OUT OF THESE RECORDS IS THE FACT THAT YOU CAN'T LOOK AT THE A&E RECORDS ALONE? YOU'VE GOT TO LOOK AT THE A&E RECORDS. YOU'VE GOT TO LOOK AT THE ARTHUR VEREEN RECORDS. YOU'VE GOT TO LOOK AT YOUR PERSONAL RECORDS. YOU'VE GOT TO LOOK AT THE PARK PLACE. DON'T YOU HAVE TO LOOK AT ALL THOSE RECORDS TO COME UP WITH A CONCLUSION AS TO WHO OWES WHAT TO WHO?

A I AGREE WITH YOU. WE HAVE GONE TO THE EFFORTS TO PROVIDE ALL THAT DOCUMENTATION. THEY JUST DIDN'T WANT TO LOOK AT IT.

Q BUT IF IT HAD BEEN DONE PROPERLY TO START WITH YOU WOULDN'T HAVE HAD TO GO THROUGH ALL THAT EXERCISE, WOULD YOU AGREE WITH ME ON THAT?

A YES.

Q YOU TOLD MS. COOK THAT YOU KNEW YOU WERE PAYING SOME PARK PLACE BILLS OUT OF A&E AND TAKING SOME MONEY THAT WAS COMING INTO A&E AND PUTTING IT SOMEPLACE ELSE, BUT I THINK YOU SAID YOU WEREN'T KEEPING A... YOU KIND OF HAD IT IN YOUR MIND WHO OWED WHAT TO WHO?

A NO. I THINK WHAT I SAID... WELL, I KNOW WHAT I SAID, MR. THOMAS, WAS I WROTE THOSE NUMBERS DOWN ON PAPER ON MY DESK. SO, I DID HAVE A GENERAL IDEA OF THOSE TRANSACTIONS IN AND OUT.

Q YEAH. ALRIGHT. WHEN YOU SAY, "A GENERAL IDEA" IF YOU HAD NUMBERS DID YOU HAVE AN EXACT IDEA?

A WELL, I MAY NOT HAVE WRITTEN DOWN $12,235.29 IT COULD HAVE BEEN ROUNDED OFF AT THAT POINT.

Q BUT IN YOUR MIND IT WAS PRETTY CLOSE?

A ABSOLUTELY.

Q THIS WAS CONFIRMED BY YOUR NOTES THAT YOU MADE IN YOUR OFFICE?

A THAT'S RIGHT.

Q HAVE YOU EVER PRODUCED THOSE SO CALLED NOTES THAT YOU MADE TO ANYBODY TO ASSIST WITH THE ACCOUNTING WORK?

A WELL, I DID THAT IN THE FORM OF THE CHECK THAT WAS WRITTEN AND WHO THAT CHECK WAS WRITTEN TO. THAT'S WHAT I'VE DONE. AS WELL AS SHOWN THE DEPOSITS THAT WERE PUT INTO PARK PLACE OR WHATEVER COMPANY THAT WAS.

Q BUT AS FAR AS YOUR NOTES THAT SHOWED WHEN YOU SAY YOU THOUGHT YOU WERE SQUARE, THE WHOLE TIME YOU NEVER PRODUCED THOSE?

A I DON'T THINK ANYONE HAS EVER ASKED ME TO PRODUCE THOSE.

Q DON'T YOU THINK THAT WOULD HAVE BEEN HELPFUL TO MRS. BRADY IN DOING HER ACCOUNTING?

A I'M NOT SURE IF IT WOULD OR NOT, MR. THOMAS, FOR THE SIMPLE REASON THAT MOST OF THOSE NOTES OR MOST OF THE CLAIMS THAT I HAVE REQUESTED TO BE PUT ON MY SIDE OF THE PAPER... WAS SAID, "NO. WE'RE NOT GOING TO PAY FOR THAT." SO, THE ANSWER TO YOUR QUESTION IS AND TO WHAT I TESTIFIED TO YESTERDAY WAS, THOSE THAT WE HAVE REQUESTED CREDIT FOR THAT WE COULD NOT PRODUCE AN INVOICE TO BACK IT UP, WE DID NOT TAKE CREDIT

FOR IT. BUT I EXPECT THOSE PAYMENTS THAT WERE PAID TO EES, ELLIS SMITH OR WHOEVER THAT COULDN'T BE BACKED UP BY AN INVOICE THAT HE DOESN'T RECEIVE CREDIT FOR.

Q AND THAT'S THAT --

A AND THAT'S WHAT WE'VE DONE THROUGH THOSE... THROUGH OUR ACCOUNTING THAT WE PERFORMED.

Q LET'S TALK ABOUT POINTE MARSH FOR A MINUTE. WHO WAS THE CONTRACTOR ON POINTE MARSH AS FAR AS THE WORLD WAS CONCERNED?

A A&E.

Q WHEN YOU DID POINTE MARSH, DID YOU UTILIZE A&E SUPPLIERS AND VENDERS? DID YOU USE THEIR CREDIT, A&E'S?

A SIR, A&E'S CREDIT CAME FROM ARTHUR VEREEN CONSTRUCTION COMPANY. NOW, THE VENDERS THAT WE WERE USING HAD BEEN VENDORS THAT I HAD USED FOR NUMBERS AND NUMBERS OF YEARS.

Q BUT THIS WAS NOT AN A&E PROJECT, WAS IT?

A NO.

Q WHOSE PROJECT WAS IT?

A IT WAS MY PROJECT.

Q WELL, PERSONALLY?

A NO. IT WAS ACTUALLY PARK PLACE PROPERTIES PROJECT.

Q AND PARK PLACE PROPERTIES USED THE CREDIT LINES THAT THE VENDERS OF A&E HAD SET UP, RIGHT?

A (NO RESPONSE).

Q IN OTHER WORDS, THE BILLS WENT TO A&E, IS THAT RIGHT?

A THEY WENT TO OUR ADDRESS, YES, SIR.

Q TO A&E?

A YES, SIR.

Q AND AS FAR AS THEY KNEW, A&E WAS THE CONTRACTOR, IS THAT RIGHT? AS FAR AS THE CITY OF NORTH MYRTLE BEACH KNEW, A&E WAS THE CONTRACTOR?

A AS FAR AS THE CITY OF NORTH MYRTLE BEACH KNEW, YES, SIR.

Q WHERE WAS THE OFFICE FOR THE POINTE MARSH PROJECT?

A OFFICE?

Q YES, SIR.

A I HAVE AN OFFICE ON GRISSOM PARKWAY, BUT I ALSO HAVE A SMALL OFFICE IN THE BACK OF THE ARCADE AT POINTE MARSH. AND I ALSO HAVE AN OFFICE INSIDE THE ICE CREAM SHOP.

Q WHERE DID YOU KEEP YOUR BOOKS AND RECORDS FOR THE POINTE MARSH PROJECT?

A THEY WERE KEPT AT 511 AND 501 GRISSOM.

Q IS THAT A&E?

A YES. THE BUILDING THAT I OWN. MY WIFE OWNS.

Q THAT WAS ACTUALLY A HUGE PROJECT, WASN'T IT? 23 SINGLE FAMILY DETACHED RESIDENCES WITH AN AVERAGE SALE PRICE $650,000?

A I'M NOT SURE IF THE AVERAGE SALE PRICE WAS 650, BUT IT WAS BETWEEN 550, 600.

Q IF MY MULTIPLICATION IS RIGHT THAT'S ALMOST $15 MILLION GIVE OR TAKE A MILLION OR TWO?

A THAT'S FAIR.

Q AND IT EXTENDED OVER A NUMBER OF YEARS?

A WELL, IT EXTENDED OVER A NUMBER OF TWO YEARS.

Q AND DURING THAT TIME YOU WERE WORKING ON POINTE MARSH, BETH WAS WORKING ON POINTE MARSH, IS THAT RIGHT?

A NO.

Q SHE CLOSED A LOT OF THEM.

A I BEG YOUR PARDON. SHE NEVER CLOSED ANY OF THEM. NO, NO, NO, SIR.

Q SHE DIDN'T DO ANY WORK ON POINTE MARSH?

A SHE DID... SHE DID VERY LITTLE WORK ON POINTE MARSH. WAS NO MORE THAN TYPING UP A LETTER FOR ME OR WRITING A LETTER FOR ME IF I WANTED HER TO WRITE IT OUT.

Q WELL, SOMEBODY DID --

A I HIRED A SUPERINTENDENT, BASIL KIRTON, THAT

WORKED FOR A&E WHICH WE HAVE ACCOUNTED FOR HIS EXPENSES. IT'S IN OUR ACCOUNTING. I PERSONALLY... I SAY "PERSONALLY" PARK PLACE PROPERTIES PAID RANDY LONG FOR HIS SUPERINTENDENT WORK AT THAT PROJECT.

Q WELL, YOU HAD TO HAVE SOMEBODY OTHER THAN A SUPERINTENDENT THAT WAS BUILDING. YOU HAD TO HAVE SOMEBODY OVERSEEING CONSTRUCTION, OVERSEEING SALES, OVERSEEING THE FINANCING, OVERSEEING THE MARKETING. YOU DID ALL OF THAT, DIDN'T YOU?

A I DID THAT BEFORE I EVER STARTED AS FAR AS SETTING UP THE FINANCING. AND AS FAR AS THE SALES, WE HAD A SALES AGENT. IT WAS TWO SALES COMPANIES. THEY ARE REPETITIOUS. YOU BUILD ONE HOUSE, THEN YOU BUILD 23 HOUSES.

Q WHY DID YOU PAY YOUR CONSTRUCTION LOAN INTEREST ON THE POINTE MARSH PROJECT OUT OF A&E?

A I THINK I HAVE... REPETITIOUS OF WHAT I'VE BEEN STATING, IS THAT PARK PLACE PROPERTIES HAD BEEN PAYING INVOICES AND SUPPLIERS AND SUBCONTRACTORS ON BEHALF OF A&E AND I TREATED THAT AS PAYMENT BACK TO PARK PLACE PROPERTIES.

Q THE BURROUGHS AND CHAPIN FENCE, WHAT KIND OF FENCE WAS THAT? A CONCRETE BLOCK WITH A

COVERING ON IT?

A THAT'S WHAT I FOUND OUT THAT IT IS. THE REASON THAT I FOUND OUT ABOUT IT WAS I THINK I TESTIFIED THAT WE HAD A PHONE CALL FROM --

Q DON'T TELL ME WHAT SOMEBODY TOLD YOU ON THE PHONE.

A NO. I'M NOT GOING TO. NO, I'M NOT GOING TO. I HAD A PHONE CONVERSATION WITH... ANYWAY, I BELIEVE IT WAS FROM WHOEVER THE PROPERTY MANAGEMENT COMPANY IS FOR BURROUGHS AND CHAPIN IN REFERENCE TO A PROBLEM ON THE FENCE.

Q MR. VEREEN, I HAVEN'T ASKING YOU ABOUT ANY OF THAT NOW.

A WELL, YOU ARE ASKING ME ABOUT... NO, I'M --

Q WELL, IF YOU WOULD EXPLAIN THE ANSWER TO THE QUESTION I'M ASKING YOU.

A THAT'S EXACTLY WHAT I'M TRYING TO DO. THAT'S WHAT I'M LEADING UP TO WHY I VISITED THAT SITE AND THAT'S HOW I DETERMINED AND FOUND OUT WHAT KIND OF FENCE IT WAS. I DIDN'T KNOW PRIOR TO THAT.

Q WHY CAN'T YOU JUST TELL ME WHAT KIND OF FENCE IT WAS?

A WELL... WELL... WELL, I'M JUST... YOU'RE --

Q WAS IT A CONCRETE BLOCK FENCE WITH SOME TYPE OF

COVER OVER IT OR WHAT WAS IT?

A YES.

Q OKAY. THAT WAS MY QUESTION. IS THAT CONCRETE WORK IN YOUR JUDGMENT?

A CONCRETE WORK?

Q YES.

A I WOULD SAY THAT THE FOUNDATION WORK WAS CONCRETE WORK. THE BLOCK WALL IN MASONRY. THE STUCCO WAS A STUCCO APPLICATION. THAT'S WHAT I WOULD SAY IT WAS.

Q AND I THINK YOU TESTIFIED THAT YOU HAVE NEVER KNOWN EES TO DO ANY CONCRETE WORK, BUT IT WAS CONCRETE WORK A LOT OF IT IN CONNECTION WITH THAT FENCE, IS THAT RIGHT?

A SIR, THE ONLY PART OF THAT FENCE THAT IS CONCRETE IS THE FOOTER, THE FOUNDATION.

Q SO, YOU WOULDN'T CONSIDER A CONCRETE BLOCK WALL TO BE CONCRETE WORK?

A NO, SIR.

Q OKAY. WELL, LET'S GO BACK TO YOUR REPORTS AND I'M JUST ABOUT DONE. IF I LOOK AT 116 AND I LOOK AT "VEREEN WORK PAPERS AND REPORTS" WHERE IT SAYS, "DUE TO WAYNE, DUE TO WAYNE, DUE TO WAYNE, DUE TO WAYNE", DO YOU SEE THAT?

A I DO.

Q DO YOU SEE WHERE YOU HAVE COME UP WITH A DIFFERENT NUMBER FOR EVERY YEAR AND EVEN ON YOUR FIGURES OF 2004 THROUGH 2007, ARTHUR VEREEN CONSTRUCTION COMPANY WAS IN THE HOLE 143,651 AND PWO, WHO IS PWO?

A PARKWAY OFFICE.

Q 16,983, IS THAT RIGHT?

A THAT'S CORRECT.

Q NOW, THE BACKUP FOR THAT CALCULATION, WHERE IS THAT?

A IT'S IN THOSE BOOKS RIGHT THERE.

Q WHICH ONE?

A ONE THAT SAYS --

Q IF I WANTED TO LOOK, WHERE WOULD I LOOK?

A WHICH ONE DO YOU WANT TO LOOK AT?

Q THE ONE THAT'S THE BACKUP FOR VEREEN'S WORK PAPERS REPORTS.

A THE ONE THAT SAYS," WAYNE VEREEN" THIS BOOK. (77) AND THE ONE THAT SAYS, "ARTHUR VEREEN CONSTRUCTION COMPANY" IS IN BOOK 78 AND PARKWAY OFFICES IS IN BOOK 79 AND PARK PLACE PROPERTIES IS EXHIBIT 80.

Q AND THOSE BOOKS CONTAIN RECORDS OF THOSE ENTITIES?

A THAT'S CORRECT.

Q SO, IF I WANT TO FIGURE OUT HOW MUCH YOU OWN OR --

MS. COOK: OBJECTION TO THE FORM OF THE QUESTION. THAT DOES NOT ACCURATELY CHARACTERIZE EVERYTHING THAT'S IN THAT BOOK. THERE ARE OTHER DOCUMENTS OTHER THAN DOCUMENTS THAT ARE JUST THOSE ENTITIES RECORDS. SO, I OBJECT TO THE INACCURATE CHARACTERIZATION OF THE EXHIBIT. THEY SPEAK FOR THEMSELVES.

Q DID YOU HAVE TO LOOK IN ORDER TO COME UP WITH THESE NUMBERS? WOULD YOU AGREE WITH ME THAT IN THESE BOOKS OR WHEREVER I HAD TO LOOK, I HAD TO LOOK AT A LOT OF STUFF, A LOT OF PAPERS THAT WERE NOT A&E RECORDS?

A YES.

Q NOW, ON 116 I NOTICE YOU'VE GOT, I GUESS, TWO ALTERNATIVES THAT YOU WANT THE COURT TO CONSIDER BY 116 AND 117, RIGHT?

A YES. BOTH DOCUMENTS.

Q AND ON 116 YOU'VE GOT SOMETHING I DON'T KNOW ANYTHING ABOUT; "FINDERS FEE". IF THERE HAS BEEN TESTIMONY ABOUT A FINDERS FEE, I APOLOGIZE, I DON'T REMEMBER. WHAT IS THE FINDERS FEE THAT YOU'RE TALKING ABOUT?

A THE FINDERS FEE COMPRISES OF... IN MY EARLIER TESTIMONY AND IN MY DEPOSITION WAS AND ONE I READ THIS MORNING, THAT I EXPECTED TO BE REPAID FOR THE EXPENSES THAT I INCURRED FROM 2002 TO 2004 SPECIFIC ON WILLOUGHBY PLACE. THAT'S WHERE THAT FINDERS FEE IS. IT'S NOT SAYING IT WAS TO GO GET 10% FOR BRING FIVE MILLION DOLLARS FROM WILLOUGHBY. THAT'S NOT WHAT THAT SAYS.

Q I WASN'T CLEAR. YOU ARE JUST ASKING FOR REIMBURSEMENT?

A THAT'S RIGHT.

JUDGE HOWE: HOW MUCH DO YOU EXPECT AS A FINDERS FEE?

A IT'S NOT A PERCENTAGE, YOUR HONOR. ALL I WAS ASKING IS TO BE REIMBURSED FOR MY EXPENSES.

JUDGE HOWE: WELL, DO YOU KNOW WHAT THAT IS?

A WELL, WE'VE DONE IT.

JUDGE HOWE: YOU'VE GOT THAT WRITTEN DOWN SOMEWHERE?

A YES.

JUDGE HOWE: AS A FINDERS FEE? SO, YOUR EXPENSES ARE THE FINDERS FEE?

A YES, MA'AM.

Q NOW, LETS TALK FOR JUST A MINUTE ABOUT YOUR

EXPENSES THAT YOU ARE CHARGING STARTING IN 2008 AND 2009. NOW, AS I UNDERSTAND IT, YOU HAD THESE ON JOBS AFTER 2007, IS THAT RIGHT?

A YES. THAT'S CORRECT.

Q ANY EXPENSES THAT YOU'RE CLAIMING AFTER 2007 THOSE ARE PRIMARY EXPENSES; YOUR SALARY, BETH'S SALARY AND OFFICE EXPENSES, IS THAT RIGHT?

A NO. WE HAD SOME EMPLOYEES SALARIES. WELL...

Q EMPLOYEES OF A&E?

A OF A&E. WE WERE DOING REPAIR WORK AND PUNCH WORK ON PROJECTS THAT WE HAD ONGOING THAT WERE COMPLETED, BUT WE STILL HAD ONGOING WORK.

Q IS THERE A BREAKOUT ON WHAT WAS FOR REPAIR WORK AND WHAT WAS FOR YOUR SALARY AND BETH'S SALARY?

A (NO RESPONSE).

Q AT THIS TIME HAD BETH OPENED UP HER BUILDING BUSINESS?

A I'M NOT SURE ABOUT THAT, THE EXACT DATE WHEN THAT HAPPENED, MR. THOMAS. YOU'LL FIND ALL THESE RECORDS IN THOSE BOOKS RIGHT THERE.

Q I UNDERSTAND. MR. VEREEN, LET'S GET BACK TO CAUSE OF ACTION 3. HAVE YOU HAD THE OPPORTUNITY TO GIVE THAT SOME MORE CONSIDERATION AS TO WHETHER I NEED TO TALK TO YOU ABOUT THAT OR NOT?

MS. COOK: YOUR HONOR, DO YOU KNOW WHAT

HE MEANS WHEN HE SAYS, CAUSE OF ACTION 3?

A I'M ASSUMING THAT'S BACK TO CAROLINA KEYES.

Q I'M SORRY.

A THIS IS IN REFERENCE TO CAROLINA KEYES?

Q YES, SIR. CAROLINA KEYES. AND THE QUESTION THAT I ASKED BEFORE IS, ARE YOU STILL INTENDING TO SUE... YOU ARE ASKING THE COURT TO AWARD YOU MONEY OR ACTUALLY ARTHUR VEREEN MONEY FOR THE CAROLINA KEYES PROJECT?

A YES.

Q LET'S TALK ABOUT THAT. NOW, YOU'VE GOT IN EVIDENCE SOME OF THESE BUILDING PERMITS AND I DON'T KNOW THE EXHIBIT NUMBER, BUT WOULD YOU AGREE WITH THE BUILDING PERMITS THAT I'M LOOKING AT START IN 1998, IS THAT RIGHT?

A I WOULD HAVE TO LOOK AT THEM. I WOULD BE GLAD TO LOOK AT THEM.

Q SURE. THAT'S NOT ACTUALLY THE EXHIBIT, BUT I THINK IT'S A COPY?

MS. COOK: THE EXHIBIT IS DEFENDANT'S EXHIBIT 114.

A DO YOU HAVE IT IN ORDER?

Q I DON'T KNOW.

A CALENDAR ORDER?

Q OKAY. EXHIBIT 114, YOU'RE ASKING THE COURT --

A IT LOOKS LIKE THAT IT WAS JANUARY 13TH... THAT IT WAS APPLIED FOR JANUARY 13TH, 1998 AND WE HAVE AN ACTUAL COPY OF THE PERMIT.

MS. COOK: YOUR HONOR, WE WILL STIPULATE THAT THEY GO FROM WHATEVER THE DATE WAS... IT GOES THROUGH JANUARY 1998 AND I BELIEVE THE LAST ONE IS ACTUALLY MARCH 2, 2002. WE WILL STIPULATE THAT.

Q SO, YOU ARE ASKING THE COURT TO AWARD YOU SOME MONEY OR AWARD ARTHUR VEREEN SOME MONEY AGAINST MR. SMITH SO LET'S TALK ABOUT THAT. IS ARTHUR VEREEN CONSTRUCTION STILL IN GOOD STANDING, THE COMPANY?

A I WOULD THINK WE WERE.

Q YOU DO KNOW OR DO YOU NOT KNOW?

A YEAH. WE FILE TAX RETURNS.

Q SO, YOU STILL FILE TAX RETURNS?

A YES, WE DO. WE ARE STILL LICENSED WITH THE STATE.

Q HOW MUCH DO YOU CLAIM THAT MR. SMITH OWES ARTHUR VEREEN CONSTRUCTION COMPANY?

A I THINK THAT WAS IN OUR COMPLAINT. IT WAS...

Q $580,000?

A I WILL BE GLAD TO LOOK AT IT.

Q PAGE 9?

A CORRECT.

Q AND YOU ARE ASKING 580. HOW DO YOU GET $580,000?

A I THINK IF YOU LOOK AT LINE ITEMS 51 JUST BELOW 50 THAT'S WHERE THAT IS --

Q SO, YOU BELIEVE 10% OF THE VALUE OF CONSTRUCTION IS WHAT YOU'RE ENTITLED TO AS REFLECTED BY THE BUILDING PERMIT?

A YES, SIR. YEAH. WHEREVER THAT 10% CAME FROM BECAUSE IT DIDN'T COME FROM ME. THAT'S WHAT I WAS OFFERED.

Q WHAT?

A THAT'S WHAT I WAS OFFERED TO BE INVOLVED IN THE CONSTRUCTION AT CAROLINA KEYS. WHAT I WAS GOING TO PROVIDE WAS A NUMBER OF THINGS; PROVIDE MY LICENSE TO HAVE CAROLINA KEYS BUILT. BUT TO DO THAT, NUMBER ONE IS I HAD TO INFORM MY LIABILITY INSURANCE COMPANY THAT ARTHUR VEREEN CONSTRUCTION COMPANY WAS GOING TO HAVE ANOTHER LIABILITY ISSUE THERE BY BUILDING CAROLINA KEYES, WHICH I OBTAINED AN ESTIMATE OF WHAT THOSE ADDITIONAL INSURANCE PREMIUMS WERE GOING TO COST. AND THEY WANTED TO DO THREE INSPECTIONS A WEEK. I WANTED A COPY OF THE

CONTRACTS. I WANTED A COPY OF THE LIABILITY INSURANCE FROM EES. I WANTED A COPY OF THE LIABILITY INSURANCE FROM THE DEVELOPER. I WANTED TO REVIEW ALL THE SUBCONTRACTORS THAT WERE GOING TO BE DOING WORK ON THE JOB TO MAKE SURE THEY WERE INSURED AND LICENSED. I WANTED TO SEE COPIES OF THE DAY REQUESTS AS THEY WERE DONE. AND I WANTED TO DO THOSE INSPECTIONS THREE TIMES VERY WEEK. THAT'S WHAT I WANTED. THOSE WERE MY TERMS AND THAT'S WAS WHAT AGREED UPON.

Q WAS THAT A WRITTEN AGREEMENT OR WAS THAT SOMETHING THAT WAS TALKED ABOUT?

A THAT'S WHAT WE TALKED ABOUT.

Q BUT IT NEVER WAS REDUCED TO WRITING?

A IT WASN'T BECAUSE I TESTIFIED SEVERAL TIMES THAT ELLIS STOPPED AT MY... I CAN TELL YOU RIGHT NOW THAT I WAS SITTING IN MY CONFERENCE ROOM WORKING AT MY DESK AND THERE IS A WINDOW SEAT RIGHT THERE... NOT AT MY DESK WORKING, AT THE CONFERENCE ROOM TABLE. HIS TRUCK PULLED UP AND HE OPENED THE DOOR, LEFT THE TRUCK RUNNING, CAME INTO MY OFFICE AND CAME INTO THE CONFERENCE ROOM AND SAID, "WAYNE, THE DEVELOPER HAS FOUND ANOTHER CONTRACTOR THAT WILL DO THIS AT EASIER

TERMS AND THAT'S THE DIRECTION WE'RE GOING." AND I SAID, "WHO DO YOU HAVE IN THE TRUCK WITH YOU?" "THAT'S ROBERT FOSTER. HE WAS ASSOCIATED WITH THEM, BUT I NEVER MET THE MAN. AND THAT'S THE SCOPE OF HOW THIS HAPPENED. I WAS NOT AWARE... IN FACT, I ACTUALLY... I KNOW I TESTIFIED TO THIS IN MY DEPOSITION. I STOPPED BY CAROLINA KEYES. IT WAS PROBABLY 75 TO 80% FINISHED BECAUSE I WENT BY THERE TO SEE ROBERT SEALEY THAT DOES CONCRETE WORK, POURS CONCRETE SLABS. I WENT BY TO SEE HIM BECAUSE HE WAS SUPPOSED TO BE POURING A SLAB FOR ME SOMEWHERE. AND SO I KNEW THE PROJECT WAS GOING ON, BUT I HAD NO IDEA THAT I WAS INVOLVED IN THE FIRST --

Q AND WHEN YOU WENT ONSITE, YOU DIDN'T SEE THE PERMIT?

A NO. I DIDN'T GO LOOK AT THE PERMIT.

Q SIR, YOU'RE UNDER OATH?

A I DIDN'T CARE WHO WAS BUILDING IT --

Q OKAY. YOU HAVE TOLD THE COURT WHAT YOU WERE SUPPOSED TO DO TO EARN YOUR FEE, IS THAT RIGHT?

A THAT'S CORRECT.

Q TELL THE COURT OUT OF THAT WHAT DID YOU DO?

A I ALLOWED THEM... I DIDN'T ALLOW THEM. THEY

USED MY LICENSE WHICH THEY COULD NOT HAVE BUILT THOSE FIRST NUMBER OF BUILDINGS WITHOUT ME.

Q DID YOU INSPECT THREE TIMES A WEEK?

A I DID NOT.

Q DID YOU NOTIFY YOUR LIABILITY INSURANCE CARRIER?

A I DID NOT.

Q DID YOU DO ANY OF THE THINGS THAT YOU SAID YOU WOULD DO OTHER THAN LET HIM USE YOUR NAME ON THE BUILDING PERMIT?

A NO, SIR, I DID NOT.

Q AND YOU DIDN'T KNOW ABOUT THAT, RIGHT?

A NO, SIR.

Q DO YOU AGREE WITH ME THAT YOU CAN PAY SOMEBODY A FEE TO USE YOUR LICENSE, IS THAT TRUE? WITHOUT BEING INVOLVED --

A ABSOLUTELY.

Q SO, WHAT YOU'RE ASKING THIS COURT TO DO IS TO AWARD YOU MONEY BASED ON A CONTRACT THAT A), NEVER HAPPENED AND B), WOULD HAVE BEEN ILLEGAL UNLESS YOU DID WHAT YOU WERE SUPPOSED TO DO?

A THAT'S CORRECT.

Q THANK YOU. THAT'S ALL I HAVE.

MR. COOK: YOUR HONOR, I THINK I HAVE ABOUT AN HOUR. DO YOU WANT ME TO DO IT NOW?

A I'M READY TO EAT.

JUDGE HOWE: MAKES NO DIFFERENCE TO ME.

MS. COOK: LET'S TAKE ABOUT AN HOUR.

(**RECESS TAKEN OF LUNCH.**)

RE-RE-CROSS EXAMINATION BY MS. COOK:

Q MR. VEREEN, I'M GOING TO ASK YOU TO LOOK BACK AT DEFENDANT'S EXHIBIT 116 AND 117, WHICH ARE YOUR SUMMARIES, THE TWO OPINIONS IN YOUR SUMMARIES. I BELIEVE WHEN MR. THOMAS WAS QUESTIONING YOU, HE QUESTIONED YOU ABOUT WHETHER OR NOT YOU WERE STILL TAKING THE POSITION THAT ARTHUR VEREEN CONSTRUCTION WAS OWED ANY MONEY TOWARDS OR AS A RESULT OF THE UNAUTHORIZED AND KNOWN USE OF ARTHUR VEREEN CONSTRUCTION LICENSE ON CAROLINA KEYS? YOU COULD NOT INCLUDE ANY... IN THE TOTALS THAT YOU'VE COME UP WITH IN THE ACCOUNTINGS, YOU'VE NOT INCLUDED ANY MONIES FOR THAT ITEM, CORRECT?

A THAT'S CORRECT.

Q HOWEVER, LET ME ASK YOU THIS. I THINK FROM THE EXHIBIT THAT'S IN THE RECORD, THOSE PERMITS ARE FROM 1998 TO MARCH OF 2000 AND WHILE YOU ADMIT THAT YOU DIDN'T DO ANY OF THE WORK OR SERVICES THAT YOU HAD AGREED WOULD BE JUSTIFICATION FOR YOUR 10%, DO YOU HAVE ANY CONCERNS ABOUT WHAT,

IF ANY, LIABILITY MAY FLOW TO YOUR COMPANY IN THE FUTURE AS A RESULT OF THE UNKNOWN USE OF THAT LICENSE?

A I AM AWARE THAT THEY HAVE HAD SOME CONSTRUCTION ISSUES AT CAROLINA KEYES BECAUSE I HAVE SPOKEN WITH RUSS WALTER, WHICH WAS THE OWNER/DEVELOPER OF THE PROJECT. I EXPRESSED CONCERN WITH HIM... I ACTUALLY VISITED WITH HIM AND I EXPRESSED CONCERN ABOUT THOSE LIABILITY ISSUES AND HE TOLD ME, "DON'T WORRY ABOUT IT..."

MR. DURANT: OBJECT.

MR. THOMAS: OBJECT TO THE FORM.

Q MY QUESTION IS, ARE YOU AWARE THAT THOSE BUILDINGS HAVE JUST... OR SOME OF THOSE BUILDINGS HAVE JUST NOW BEEN TURNED OVER TO THE HOMEOWNERS ASSOCIATION?

A YES.

Q ARE YOU WILLING TO DROP ANY CLAIM YOU'VE GOT FOR MONIES DEALING WITH CAROLINA KEYES OR ARTHUR VEREEN CONSTRUCTION FOR CAROLINA KEYES IF MR. SMITH IS WILLING TO SIGN AN INDEMNITY AGREEMENT BACK TO ARTHUR VEREEN CONSTRUCTION AND YOU IDENTIFYING YOU? WOULD YOU DO THAT NOW?

A I WOULD. AND I WOULD ALSO ASK FOR A COPY OF HIS LIABILITY INSURANCE THAT WAS IN PLACE AT THAT

TIME.

Q BACK IN '98 AND '99 ARE YOU AWARE OF WHETHER THE STATUTE OF REPOSE WITH REGARD TO CONSTRUCTION WAS 13 YEARS?

A IT WAS 13 YEARS.

Q WHAT IS IT NOW?

A IT'S 8.

Q THANK YOU. NOW, YESTERDAY WHEN MR. DURANT WAS CROSS EXAMINING YOU, HE WENT INTO SOME MATTERS DEALING WITH THE PLANTATION LAKES HOUSE THAT WAS CONSTRUCTED BY A&E AND SOLD TO THE WHITLEYS. DO YOU REMEMBER THAT LINE OF QUESTIONING?

A YES.

Q AND THERE HAS BEEN DISCUSSION HERE ABOUT BY THE FACT THAT THE PERMIT FOR THAT HOME WAS... WAS PULLED BY A&E, CORRECT?

A CORRECT.

Q AND WAS A&E THE SELLER OF THAT HOME TO THE WHITLEYS?

A IT WAS.

Q LET ME SHOW YOU WHAT I HAVE PRE-MARKED AS DEFENDANT'S EXHIBIT 118. IT'S AN AGREEMENT TO BUY REAL ESTATE DATED OCTOBER 2, 2004 WITH THE BUYERS BEING THE WHITLEYS AND THE SELLER BEING A&E CONSTRUCTION. DO YOU RECOGNIZE THAT

DOCUMENT?

A THIS IS THE AGREEMENT TO BUY AND SELL THIS PROPERTY.

Q DID YOU SIGN THIS CONTRACT ON BEHALF OF A&E?

A I DID.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT 118 INTO THE RECORDS.

MR THOMAS: WE DON'T OBJECT.

JUDGE HOWE: DEFENDANT'S 118 SO ADMITTED.

AGREEMENT TO BUY AND SELL REAL ESTATE MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT 118.

Q NOW, THERE WAS DISCUSSION YESTERDAY ALSO ABOUT THE CONSTRUCTION LOAN WITH HORRY COUNTY STATE BANK TO BUILD THE HOUSE THAT INITIALLY STARTED AS THE SPEC HOME AND THEN THE WHITLEYS SIGNED A CONTRACT FOR PLANTATION LAKES. WAS THAT A LOAN THAT WAS TAKEN OUT OR WAS IT A LINE OF CREDIT THAT WAS TAKEN OUT?

A LINE OF CREDIT.

Q DO YOU RECALL IF A&E DREW DOWN ALL THE FUNDS ON

THAT LINE OF CREDIT OR DID YOU NOT HAVE TO DRAW SOME FUNDS?

MR. DURANT: YOUR HONOR, I BELIEVE THE LOAN WAS FROM MR. VEREEN PERSONALLY NOT FROM A&E.

MS. COOK: I'M SORRY IF I MISSPOKE.

Q THE LINE OF CREDIT WAS IN YOUR NAME?

A YES.

Q AND WAS THAT A LINE OF CREDIT THAT WAS USED TO BUILD THE SPEC HOME?

A IT WAS.

Q IN ADDITION TO THE CONSTRUCTION COST, WAS ANY PART OF THAT LINE OF CREDIT USED TO PAY OFF THE LOAN FOR THE ACQUISITION COSTS FOR THE LOT ITSELF?

A THERE WAS.

Q TAKE A LOOK AT WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT 121. IT'S A MORTGAGE ON LOT 19 PLANTATION LAKES AT CAROLINA FOREST IN THE AMOUNT OF $63,800 DATED JUNE 11, 2002. DO YOU RECOGNIZE THAT MORTGAGE?

A THIS IS WHEN THE PROPERTY WAS PURCHASED BY LONG BAY DEVELOPMENT, WHICH I WAS A PARTNER IN.

Q AND I THINK YOU TESTIFIED YESTERDAY THAT LONG BAY DEVELOPMENT PURCHASED LOT 19 AND THEN YOU

TOOK IT OVER FOR LONG BAY, YOUR OTHER PARTNER, I CAN'T REMEMBER WHAT HIS NAME WAS?

A SHANE HOLLY.

Q YOU HAD TO ASSUME THAT LIABILITY AND TAKE THAT OVER?

A I DID.

Q AND AS PART OF THE MONEY THAT WAS INCLUDED IN YOUR PERSONAL LINE OF CREDIT FOR LOT 19 AND THE CONSTRUCTION OF THAT HOME, DID YOU HAVE TO PAY OFF THAT MORTGAGE?

A YES.

MS. COOK: YOUR HONOR, I WOULD LIKE TO INTRODUCE 121 INTO EVIDENCE. I'M SORRY. I DO NOT HAVE AN EXTRA COPY.

MR. DURANT: YOUR HONOR, THIS IS NOT A SIGNED COPY OF ANYTHING. IF SHE SAYS THIS IS WHAT WAS RECORDED, I DON'T REFUTE IT.

JUDGE HOWE: ANY OBJECTIONS?

MR. DURANT: NONE FROM US.

MR. THOMAS: NONE.

JUDGE HOWE: DEFENDANT'S 121 SO ADMITTED.

MORTGAGE OF LOT 19 MARKED FOR IDENTIFICATION AND INTRODUCED

INTO EVIDENCE AS DEFENDANT'S EXHIBIT 121.

Q AND ABOUT HOW MUCH DID YOU HAVE TO UTILIZE OF THE CONSTRUCTION LOAN TO PAY OFF THE LOT ACQUISITION LOAN?

A I PAID THE FULL AMOUNT.

Q WHAT WAS THE FULL AMOUNT?

A $63,800.

Q THAT LOAN AND THE MORTGAGE THAT SECURED IT WAS AN INTEREST-ONLY LOAN?

A THAT'S RIGHT.

Q NOW, THERE WAS SOME CONFUSION YESTERDAY SO I WANTED TO TAKE A FEW MINUTES AND SEE IF WE CAN'T MAKE SURE EVERYBODY UNDERSTANDS ABOUT THE SUPERVISION FEES THAT WERE PAID TO MR. SMITH AND EES AND TO YOU AND HOW THAT ALL CAME ABOUT. WHEN YOU INITIALLY STARTED A&E WHAT DID YOU AND ELLIS AGREE OR HOW DID YOU AND ELLIS AGREE YOU WERE GOING TO BE COMPENSATED?

A WE WERE SUPPOSED TO BE COMPENSATED A THOUSAND DOLLARS PER WEEK.

Q AND THAT WOULD BE PAID TO YOU DIRECTLY AND TO ELLIS DIRECTLY?

A THAT'S CORRECT.

Q SO, THAT WOULD BE AN... Y'ALL WOULD BE ON

SALARY, IS THAT CORRECT?

A THAT'S CORRECT.

Q THAT WOULD BE A SALARY OF HOW MUCH?

A $52,000.

Q IS THAT HOW YOU WERE COMPENSATED FOR A PORTION OF 2004?

A YES.

Q NOW, IS THAT HOW ELLIS WAS COMPENSATED IN 2004?

A NO.

Q WHEN DID YOU LEARN THAT HE WAS NOT DRAWING A SALARY?

A WHEN I NOTICED... AS I STATED YESTERDAY, THAT I JUST HAPPENED TO NOTICE ON ONE OF THE CHECKS THE DIFFERENT ITEMS THAT WERE STUCK ON THERE AND I INQUIRED WITH CARRIE EXACTLY WHAT THOSE WERE.

Q LET ME STOP YOU RIGHT THERE. YOU NOTICED THAT FROM A COPY OF A CHECK THAT CARRIE GAVE TO YOU, IS THAT CORRECT?

A CORRECT.

Q OR THE ACTUAL CHECK SHE GAVE TO YOU? DID SHE GIVE YOU ANY BACKUP WITH THAT CHECK THAT SUPPOSED WHAT THE CHECK WAS TO COVER?

A NO.

Q BUT YOU NOTICED IT FROM THE ANNOTATIONS ON THE TOP PART OF THE CHECK STUB ITSELF?

A YES.

Q AND AFTER MAKING THAT INQUIRY OF CARRIE, DID YOU LEARN AT THAT TIME THAT ELLS, THROUGH EES WAS MAKING... GETTING PERSONAL MONIES THROUGH EES RATHER THAN A SALARY?

MR. DURANT: YOUR HONOR, LEADING.

MR THOMAS: OBJECTION. LEADING. ASKED AND ANSWERED THREE TIMES.

JUDGE HOWE: SUSTAINED.

Q LET ME SHOW YOU THIS. I'M GOING TO SHOW YOU WHAT WE HAVE MARKED AS DEFENDANT'S EXHIBIT 119. IT IS A CHECK WITH THE TOP PORTION INTACT, CHECK 1640 DATED SEPTEMBER 1, 2004 FROM A&E TO EES CONSTRUCTION IN THE AMOUNT OF $13,884.36. FOR THE COURT AND OPPOSING COUNSELS INFORMATION THIS IS ONE OF THE CHECKS THAT IS INCLUDED IN EXHIBIT 81, WHICH IS THE ELLIS SMITH ACCOUNTS RECEIVABLE DUE A&E IN 2004. SO, THE CHECK IS CONTAINED WITHIN 81, BUT TO MAKE IT EASIER, I HAVE PULLED ANOTHER COPY OF IT. MR. VEREEN, WOULD YOU LOOK AT THAT CHECK AND SEE IF YOU RECOGNIZE THAT AS A CHECK OF A&E MADE PAYABLE TO EES?

A YES.

MS. COOK: YOUR HONOR, I WANT TO INTRODUCE THIS SEPARATELY INTO EVIDENCE

JUST FOR EASE OF REFERENCE.

MR. THOMAS: IF IT'S ALREADY IN, WE WILL MAKE THE SAME OBJECTION WE MADE WHEN IT WENT IN THE FIRST TIME.

MS. COOK: DO YOU REMEMBER IF YOU MADE AN OBJECTION THE FIRST TIME?

MR. THOMAS: I'M SURE WE DID.

MS. COOK: I'M SURE YOU MIGHT HAVE MADE AN OBJECTION TO THE BOOK, BUT IT WAS OVERRULED AND THE BOOK IS IN SO...

MR. THOMAS: ALRIGHT.

MS. COOK: I WILL MAKE WHATEVER ARGUMENT I MADE AT THE TIME.

JUDGE HOWE: AND I WILL MAKE THE SAME RULING I MADE.

MR. DURANT: YOUR HONOR, DON'T LEAVE ME OUT. I MAKE THE SAME ARGUMENT TOO,

MS. COOK: SO, AS I UNDERSTAND IT EXHIBIT 119 HAS BEEN ADMITTED INTO EVIDENCE.

JUDGE HOWE: YES. 119 ADMITTED.

CHECK FROM SEPTEMBER 1, 2004 FROM A&E TO EES MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S

EXHIBIT 119.

Q NOW, AT THE TOP OF THE CHECK, DOES IT REFLECT AN AMOUNT THAT HAS BEEN ATTRIBUTED TO PARTICULAR JOBS?

A YES.

Q DOES IT SAY ON THAT CHECK ANYTHING ABOUT SUPERVISORY FEES?

A NO.

Q I'M NOT SAYING THAT, THAT IS THE CHECK. I'M JUST GIVING THAT AS AN EXAMPLE. WHEN YOU... IS THAT THE TYPE OF CHECK THAT YOU LOOKED AT AND WOULD HAVE QUERIED MRS. DREWETT ABOUT AND LEARNED THAT ELLIS THROUGH EES WAS RECEIVING PERSONAL MONEY ON JOBS?

A YES.

Q WHAT FROM THAT WOULD HAVE CALLED YOUR ATTENTION TO EES BEING PAID MONEY FOR THINGS OTHER THAN MATERIALS OR THE LABOR OF... I DON'T KNOW WHETHER IT WAS THAT CHECK, BUT FROM THAT TYPE OF ANNOTATION, WHAT WOULD HAVE CALLED YOUR ATTENTION TO THE FACT THAT THERE WAS SOMETHING THAT CAUSED YOU TO ASK QUESTIONS ABOUT THE MATTER ATTRIBUTED ON WHATEVER CHECK IT WAS AT THE TIME WAS PRESENTED TO YOU?

A BASICALLY, IT'S BILLS ON JOBS AND I WAS CURIOUS

ABOUT WHAT MADE UP THOSE AMOUNTS.

Q DID SHE TELL YOU THAT WHAT MADE UP THOSE AMOUNTS... DID SHE USE THE TERM "SUPERVISORY FEE", TO YOUR RECOLLECTION?

MR. THOMAS: OBJECT. FIRST OF ALL, THAT WOULD BE HEARSAY.

Q OKAY. DID YOU LEARN AT THAT TIME THAT ANY AMOUNT OF THAT MONEY WAS --

MR. THOMAS: SAME OBJECTION.

Q -- FOR SUPERVISORY FEES?

MR. THOMAS: OBJECTION. HIS RESPONSE IS BASED ON HEARSAY. SHE'S ASKING HIM TO SPECULATE ON WHAT CHECK HE MAY HAVE LOOKED AT. WE DON'T KNOW WHEN HE LOOKED AT THE CHECK. THE ONLY CHECK IN EVIDENCE HAS GOT SUPERVISORY FEES ON IT WAS IN 2005. WE OBJECT TO THE ANSWER HAS HEARSAY.

MS. COOK: THAT IS CORRECT.

JUDGE HOWE: SUSTAINED.

Q DO YOU RECALL WHAT YOU TESTIFIED YESTERDAY AS TO THE TIMING OF WHEN YOU LEARNED THAT ELLIS SMITH WAS RECEIVING PERSONAL FUNDS?

A YES, I DO.

Q ABOUT WHEN WAS THAT?

A SOMETIME IN LATE 2004 I BELIEVE IT WAS. I DIDN'T REALIZE IT WAS... SHE TOLD ME THAT IT WAS... I LEARNED THAT IT WAS FROM...

MR. THOMAS: OBJECT TO WHAT HE LEARNED FROM WHAT HE WAS TOLD.

MS. COOK: YOUR HONOR, HE ANSWERED THIS EXACT SAME WAY WHEN MR. DURANT WAS QUESTIONING HIM AND SO... MR. DURANT OPENED THE DOOR CONCERNING THIS VERY ISSUE.

MR. DURANT: YOUR HONOR, HE TESTIFIED ON CROSS-EXAMINATION THAT HE GOT A CHECK THE VERY FIRST TIME MR. SMITH HAD AN EES PAYMENT AND THE RECORDS WILL SHOW IT WAS WRITTEN THE SAME DAY. I THINK HE HAD A DIFFICULT TIME EXPLAINING THAT.

MS. COOK: YOUR HONOR, I'M TRYING TO PUT IN SOMETHING TO CLARIFY THAT BECAUSE YOUR HONOR ASKED A SPECIFIC QUESTION GOING TO THIS AREA YESTERDAY. NOW, I DO THINK HE CLARIFIED HIS ANSWER, BUT I JUST WANTED TO MAKE SURE THE RECORD OF THE COURT WAS CLEAR ON WHAT MR. VEREEN ACTUALLY SAW THAT CAUSED HIS INQUIRY TO THE BOOKKEEPER AND WHEN THEN OCCURRED

WITH REGARD TO HIS RECEIVING CHECKS IN LIKE AMOUNT WITH ELLIS SMITH AFTER THAT TRANSPIRED.

JUDGE HOWE: SO THIS LINE OF QUESTIONING IS TO A QUESTION I ASKED HIM?

MS. COOK: YES, MA'AM. WHEN MR. DURANT WAS QUESTIONING MR. VEREEN YESTERDAY, WHEN HE WAS CROSS-EXAMINING MR. VEREEN... IN THIS LINE OF QUESTIONING MR. VEREEN SAID, "I LOOKED AT IT..." AND HE DID SAID, "IT" BECAUSE IT WAS CONFUSING. I LOOKED AT IT AND AFTER I SAW IT I TOOK SOMETHING TO THE EFFECT, I TOLD CARRIE, "WELL, TREAT ME THE SAME WAY." AND FROM THAT POINT CARRIE WOULD WRITE A CHECK TO ME WHEN SHE WROTE A CHECK TO ELLIS. YOUR HONOR, LATER ON AS WE MOVED THROUGH THAT LINE OF QUESTIONING, YOU ASKED MR. VEREEN, YOU SAID, "WAIT A MINUTE. I THOUGHT YOU SAID YOU LOOKED AT THE BACKUP." AND MR. VEREEN, SAID "NO. YOU MISUNDERSTOOD ME OR MAYBE I MISSPOKE. WHAT I SAW WAS THE CHECK." AND I ASKED AS A RESULT OF THE CHECK, THIS IS NOT THE FIRST ONE BUT

IT'S ONE SUCH CHECK. THIS IS JUST AN EXAMPLE TO SHOW WHAT WAS ON THE CHECK TO EES. I NEXT HAVE A COPY OF ANOTHER CHECK THAT IS ALREADY IN EVIDENCE AND IT IS A CHECK FROM A&E... NO. I THEN HAVE EXHIBIT 120 THAT IS ALREADY ALSO IN EVIDENCE THAT SHOWS THE SAME AMOUNT OF MONEY BEING... A CHECK BEING WRITTEN FOR THE SAME AMOUNT OF MONEY AS IS SHOWN ON DEFENDANT'S 119.

JUDGE HOWE: WELL, THE CHECKS ARE COMING IN --

MS. COOK: THEY ARE IN EVIDENCE. I WAS JUST TRYING TO MAKE SURE THE COURT WAS CLEAR ON THAT.

JUDGE HOWE: I THINK THE OBJECTIONS WERE TO MR. VEREEN TESTIFYING TO WHAT HE LEARNED FROM SOMEBODY'S TELLING HIM SOMETHING. IS THAT CORRECT?

MR. THOMAS: THAT'S CORRECT.

Q ALRIGHT. AT SOME POINT, DID YOU BECOME... DID YOU START RECEIVING CHECKS THAT YOU SIGNED THAT WERE PAYABLE BY A&E TO YOU?

MR. DURANT: YOUR HONOR, HOW CAN HE NOT ANSWER THAT IF HE WROTE THE CHECK? WE

ALL KNOW THAT HE WROTE THE CHECK TO EES AND HE WROTE THE CHECK TO HIMSELF. SO, THERE'S NO NEED TO ASK THE QUESTION. THIS IS RE-DIRECT AND THOSE QUESTIONS ARE ALREADY IN EVIDENCE. THEY'RE NOT NEW MATTERS THAT WE BROUGHT UP ON CROSS-EXAMINATION.

MS. COOK: YOUR HONOR, I WILL JUST PUT IN 119 AND 120 AND LEAVE IT AT THAT AND MOVE ON.

JUDGE HOWE: ALRIGHT.

Q MR. DURANT AND THEN MR. THOMAS TODAY ASKED YOU ABOUT TAX FILINGS, BOTH YOUR PERSONAL TAX FILINGS AND THE TAX FILING OF A&E IN 2004 AND 2005. HAVE YOU RECEIVED ANY NOTIFICATION FROM EITHER STATE OR FEDERAL TAXING AUTHORITIES THAT THEY HAD ANY ISSUES WITH ANYTHING THAT'S BEEN FILED TO DATE ON BEHALF OF A&E?

A NO.

Q AND MR. DURANT WAS ASKING YOU A QUESTION ABOUT THE LEASE AND YOU SAID THAT YOU HAD NO LEASE. DID YOU HAVE AN ORAL AGREEMENT WITH MR. SMITH ABOUT RENT FROM BUILDINGS?

A YES.

Q IN FACT, IT'S EXHIBIT... PLAINTIFF'S EXHIBIT 9,

WHICH WAS A SERIES OF A COUPLE OF DEMAND LETTERS FROM ELLIS TO YOU AND YOUR RESPONSES BACK. DOES HE STATE IN THERE DIFFERENT FIGURES FOR RENT --

MR. DURANT: YOUR HONOR, WE OBJECT TO ANY DEMAND LETTERS AS BEING EVIDENCE OF ANY AMOUNT DUE. WE WENT THROUGH THIS ON CROSS-EXAMINATION. IT'S ALREADY BEEN HASHED AND RE-HASHED. IT'S NOT PROPER EVIDENCE.

JUDGE HOWE: THE DEMAND LETTERS FROM MR. --

MR. DURANT: YES, MA'AM. THEY WERE REQUIREMENTS. SO, THAT HE COULD SAY, I WILL GIVE YOU THE RENT IF YOU PAY THE REST OF THE MONEY. THAT WAY --

MS. COOK: THAT'S NOT WHAT THEY SAY, YOUR HONOR. PLAINTIFF'S EXHIBIT 9 SPEAKS FOR ITSELF AND IT SETS OUT THE AMOUNT THAT MR. SMITH SAYS AT THAT TIME THAT A&E OWED FOR RENT.

MR. DURANT: YOUR HONOR, WE WENT THROUGH THAT BEFORE ON CROSS-EXAMINATION AND DIRECT-EXAMINATION. IT'S NOT A NEW MATTER TO BE BROUGHT UP ON RE-DIRECT.

MS. COOK: THAT'S FINE. I WILL MOVE ON.

Q I'M GOING TO HAND YOU WHAT WAS MARKED YESTERDAY AS PLAINTIFF'S EXHIBIT 48. IT'S A JOB LEDGER FROM A&E. YOU TESTIFIED YESTERDAY THAT THE 3,200 SERIES OF JOBS WAS WHAT JOB IN THE PEACHTREE SYSTEM?

A PARKWAY OFFICES.

Q AND HE QUESTIONED YOU ABOUT AN ENTRY, IT'S KIND OF MIDWAY DOWN THE PAGE. NO. IT'S AT THE BOTTOM. AN ENTRY OF DECEMBER 6TH, 2007 TO HARRELSON CONSTRUCTION COMPANY FOR 2,855.10.

A YES.

Q WAS THAT PAVING AT PARKWAY OFFICES?

A NO.

Q WOULD YOU EXPLAIN TO THE COURT AGAIN WHAT THAT COST WAS FOR?

A THIS WAS AT THE COMPLETION OF WILLOUGHBY PLACE PROJECT ON 44TH AVENUE THAT WE HAD PAVED THE ROAD BACK DURING CONSTRUCTION AND THERE WAS SOME DAMAGE DONE TO THE PAVEMENT BY CONSTRUCTION TRAFFIC AND THAT WE AGREED, ALONG WITH THE HOA, WHICH IS CHICORA PROPERTIES, THAT WE WOULD PAY HALF AND THEY WOULD PAY HALF. THE HOMEOWNERS ASSOCIATION PAID HALF AND THIS WAS DONE AT WILLOUGHBY PLACE.

Q DID YOU HAVE ANYTHING WITH THAT... DID YOU

PERSONALLY HAVE ANYTHING TO DO WITH THAT PARTICULAR BILL BEING POSTED ON THE PARKWAY OFFICES JOB LEDGER?

A NO.

Q WHAT JOB LEDGER SHOULD THAT HAVE BEEN ENTERED ON?

A SHOULD HAVE GONE TO WILLOUGHBY PLACE.

Q I'M GOING TO SHOW YOU WHAT HAS BEEN MARKED EARLIER AS DEFENDANT'S EXHIBIT 33 AND MR. DURANT YESTERDAY WAS ASKING YOU, WERE THERE ANY JOBS THAT ELLIS DID THAT YOU DIDN'T KNOW ABOUT AND YOU MENTIONED A FEW AND I WANT TO SHOW YOU DEFENDANT'S EXHIBIT 33, WHICH IS A CHECK FROM A&E TO GRAND STRAND DISPOSAL AND IT HAS SOME MORE CHECKS AND BACKUP. WOULD YOU LOOK AT THOSE AND TELL THE COURT IF ANY OF THOSE EXPENSES PAID BY A&E WERE FOR A&E JOBS OR WERE THEY FOR JOBS THAT YOU WERE NOT AWARE OF THAT WERE IN A&E'S BOOK OF BUSINESS?

A YES. THERE WERE SEVERAL.

Q WHAT JOBS WERE THOSE THAT A&E PAID FOR THAT WERE NOT IN A&E'S BOOK OF BUSINESS?

A THERE IS ONE AT 5313 HIGHWAY 17 BUSINESS THAT SAYS "SOLD TO EES CONSTRUCTION".

Q WAS THAT MARTIN BROWN'S GAS STATION UP BY --

MR. DURANT: I OBJECT TO HER LEADING THE WITNESS. THIS IS HER OWN WITNESS. WE HAVE GONE THROUGH ALL OF THIS BEFORE ON DIRECT-EXAMINATION.

JUDGE HOWE: PLEASE TRY NOT TO LEAD YOUR WITNESS.

MR. COOK: YES, MA'AM.

Q DO YOU KNOW WHAT THAT CHARGE WAS FOR?

A YES. IT WAS A GAS STATION UP ON KINGS HIGHWAY OR 17.

Q CAN YOU IDENTIFY ANY OTHER PAYMENTS BY A&E?

A THERE'S A DISPOSAL DUMPSTER THAT WAS SOLD TO EES CONSTRUCTION AND WAS DELIVERED TO 1716 CLIFFWOOD DRIVE AND IT'S BEEN MARKED OUT AND PUT AS WILLOUGHBY PLACE.

Q DID A&E HAVE A JOB AT CLIFFWOOD DRIVE?

A NO.

Q MR. VEREEN, BEFORE THIS LITIGATION STARTED, DID YOU TRUST ELLIS SMITH?

A YES.

Q MR. DURANT AND MR. THOMAS WERE ASKING YOU ABOUT THE BOOKKEEPER AND MR. THOMAS WAS ASKING YOU ABOUT YOUR OPINION OF CARRIE'S COMPETENCY. CARRIE LIVES WHERE AT THIS TIME, MR. VEREEN?

A WELL, THE LAST CONTACT I HAD WITH HER, I

ACTUALLY BUMPED INTO HER AT COSTCO. SHE AND HER HUSBAND WAS GETTING GAS AND THEY WERE MOVING.

Q WHERE DID THEY MOVE TO?

A THERE SON HAS AN AUTOMOBILE DEALERSHIP IN VIRGINIA AND THEY MOVED ON THE LINE SOMEWHERE BETWEEN NORTH CAROLINA AND VIRGINIA RIGHT ON THE BORDERLINE. I'M NOT SURE WHAT TOWN. I KNOW IT'S RIGHT ON THE LINE. SHE WAS GOING TO LIVE IN NORTH CAROLINA.

Q BUT HER DEPOSITION HAS BEEN TAKEN, RIGHT?

A YES.

MS. COOK: YOUR HONOR, FOR THE COURT THAT IS MARKED AND IS IN EVIDENCE ALREADY AS PLAINTIFF'S EXHIBIT 7.

Q MR. THOMAS ASKED ABOUT AMOUNTS OWED TO EES AND ELLIS SMITH. WOULD YOU LOOK AT DEFENDANT'S EXHIBIT 116?

A YES.

Q ON THE LAST SHEET OF EXHIBIT 116, DO YOU SET OUT AMOUNTS BY YEAR? WHAT DOES THAT LAST PAGE REFLECT?

A IT REFLECTS WHAT I HAVE TESTIFIED TO EARLIER OF THE WAY THAT SUSAN BRADY AND ELLIS WERE TREATING MONIES THAT I HAD RECEIVED. TREATING HIM BACK THE SAME WAY WITH THESE SUPERVISORY FEES AS WELL

AS MONIES THAT HE RECEIVED, AS WELL AS MONIES HE RECEIVED WITHOUT ANY BACKUP.

Q WHILE YOU COULDN'T GIVE AN EXACT AMOUNT FROM MEMORY TO MR. THOMAS AT THAT TIME, HAVE YOU PUT IN THE DOCUMENTATION AND THE BACKUP TO SHOW THOSE AMOUNTS?

A I HAVE.

Q ALRIGHT. IS THAT CONTAINED IN BOTH DEFENDANT'S 116 AND 117?

A YES.

Q NOW, IN BOTH EXHIBITS 116 AND 117 YOUR SUMMARIES, I THINK YOU TESTIFIED TO MR. THOMAS THAT YOU DON'T INCLUDE IN THOSE SUMMARIES ANY PROFIT OR OVERHEAD OR MONIES FOR CAROLINA KEYS AND THAT YOU WENT OVER A SERIES OF JOBS THAT YOU TESTIFIED THAT YOU WEREN'T WORRIED ABOUT. HAVE YOU INCLUDED AMOUNTS FOR JOBS THAT UTILIZED A&E'S LICENSE THAT WERE UNKNOWN TO YOU BEING PERFORMED AFTER MR. SMITH STOPPED COMING TO THE A&E OFFICE IN '07 AND '08?

A NO.

Q YOU HAVE NOT INCLUDED... IN EXHIBIT 116 YOU HAVE NOT --

MR. THOMAS: YOUR HONOR, SHE ASKED A QUESTION, BUT DIDN'T --

MS. COOK: THAT'S FINE. THE DOCUMENTS WILL SPEAK FOR THEMSELVES.

Q THAT'S ALL THE QUESTIONS I HAVE FOR MR. VEREEN.

JUDGE HOWE: ANYTHING ON RE-CROSS?

MR. DURANT: NOTHING.

MR. THOMAS: WE DON'T HAVE ANYTHING.

JUDGE HOWE: VERY WELL. MR. VEREEN, YOU MAY STEP DOWN.

MR. COOK: YOUR HONOR, THE ONLY OTHER THING THAT WE HAVE WOULD BE MRS. DREWETT. SHE IS LIVING ON THE BORDER NOW EVEN FURTHER THAN SHE HAD IN 2010 WHEN WE TOOK HER DEPOSITION. SHE LIVED IN THE SOUTHPORT AREA AND WE TOOK HER DEPOSITION IN NORTH CAROLINA. AS I SAID, THAT EXHIBIT WAS HER FULL DEPOSITION TRANSCRIPT AND I THINK THE FULL BOOK OF EXHIBITS THAT WENT WITH IT HAVE BEEN INTRODUCED AS PLAINTIFF'S... I KNOW THE DEPOSITION TRANSCRIPT IS PLAINTIFF'S 7.

MR. DURANT: THEY ARE.

MS. COOK: THERE ARE CERTAIN PORTIONS OF HER DEPOSITION I THOUGHT I WOULD PUT IN BY THE WAY OF PUBLISHING, BUT TO SAVE

THE COURT'S RESOURCES AND TIME WHAT I WOULD LIKE TO DO IS EITHER BY WAY OF POST TRIAL SUPPLEMENT, BUT I WILL JUST BE DOING A LIST FROM THE DEFENDANTS OF WHAT WE WOULD PARTICULARLY LIKE FOR YOU TO READ. I KNOW YOU WILL READ THE WHOLE THING ANYWAY. AND WE WILL, OF COURSE, SEND THAT TO OPPOSING COUNSEL SO THAT IF THEY WANT TO SPECIFICALLY DRAW THE COURT'S ATTENTION TO ANY PARTICULAR PART OF THAT DEPOSITION, WE HAVE NO OBJECTION TO THAT AS WELL. BUT I THOUGHT THAT WOULD SAVE TIME IF WE COULD RESERVE THE RIGHT TO SEND YOU THAT SUPPLEMENTAL LIST THAT WE WOULD LIKE TO DRAW THE COURT'S PARTICULAR ATTENTION TO.

JUDGE HOWE: CERTAINLY.

MR. DURANT: NO PROBLEM WITH ME.

MS. COOK: WITH THAT WE HAVE NOTHING FURTHER, YOUR HONOR.

(RECESS TAKEN).

(DIDN'T COME BACK ON THE RECORD).

END OF TRIAL AUGUST 30, 2012.

SOUTH CAROLINA,

CERTIFICATE

HORRY COUNTY.

I, PEPPER M. MCCARTHY, A NOTARY PUBLIC AND VERBATIM REPORTER IN AND FOR THE STATE OF SOUTH CAROLINA DO HEREBY CERTIFY THAT PRIOR TO THE TAKING OF HEARING THAT THE WITNESS WAS SWORN AND THE FOREGOING (SIX-HUNDRED AND SEVENTY-SEVEN)(677) PAGES CONSTITUTE A TRUE AND ACCURATE TRANSCRIPT OF THE EVIDENCE AS GIVEN BY SAID WITNESS AND AS TAKEN DOWN AND TRANSCRIBED BY ME. I FURTHER CERTIFY THAT THE PERSONS WERE PRESENT AS STATED IN THE CAPTION. A PORTION OF THE LAST DAY OF THE HEARING WAS CORRUPTED IN THE COURT REPORTERS FILES SINCE AUGUST, 2012.

I FURTHER CERTIFY THAT I AM NOT OF COUNSEL FOR NOR IN THE EMPLOY OF ANY OF THE PARTIES TO THIS ACTION NOR AM I INTERESTED EITHER DIRECTLY OR INDIRECTLY IN THE RESULTS THEREOF.

I FURTHER CERTIFY THAT I AM NOT RELATED BY BLOOD OR MARRIAGE TO ANY OF THE PARTIES TO THIS ACTION.

THIS THE 14, DAY OF JULY 2016.

Pepper M. McCarthy

PEPPER M. MCCARTHY,
VERBATIM REPORTER AND
NOTARY PUBLIC

MY COMISSION EXPIRES:
FEBRUARY 2, 2022

STATE OF SOUTH CAROLINA)
) COURT OF COMMON PLEAS
COUNTY OF HORRY) CASE NO: 2009-CP-26-620

ELLIS E. SMITH, INDIVIDUALLY, AND ON BEHALF OF A & E CONSTRUCTORS AND CONSULTANTS, INC., A SOUTH CAROLINA CORPORATION,

Plaintiff,

COPY

-versus-

ARTHUR WAYNE VEREEN, PARK PLACE PROPERTIES OF MYRTLE BEACH, LLC, PARKWAY OFFICES, LLC, ARTHUR VEREEN CONSTRUCTION, INC., AND LINDA C. VEREEN,

Defendants.

AND

ARTHUR WAYNE VEREEN, INDIVIDUALLY AND ON BEHALF OF A & E CONSRUCTORS AND CONSULTANTS, INC., AND 29TH PLACE DEVELOPERS, INC.,

Third-Party Plaintiffs,

-versus-

E. SMITH AND SONS CONSTRUCTION, LLC, EES CONSTRUCTION AND CONSULTING, INC., AND ELLIS E. SMITH, INDIVIDUALLY,

Third-Party Defendants.

(REVISED TO SHOW CORRECT DATE)

THE HEARING BEFORE THE HONORABLE CYNTHIA GRAHAM-HOWE

November 17th, 2014
4:17 p.m. – 4:54 p.m.

The hearing in the above-noted matter, taken on the 17th day of November, 2014, at the HORRY COUNTY GOVERNMENT AND JUSTICE CENTER, Master-in-Equity, located at 1301 Second Avenue, Conway, South Carolina 29526.

CP-26 REPORTING
Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691; E-MAIL: melissadecker@sc.rr.com

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FOR THE THIRD-PARTY DEFENDANTS:
J. Jackson Thomas, Esquire
THOMAS & BRITTAIN, P.A.
1314 Professional Drive
Myrtle Beach, South Carolina 29577

ALSO PRESENT:
Stewart Miller, Law Clerk
Arthur Vereen
Beth Sisson
Ellis Smith

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CP-26 REPORTING
Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-MAIL: melissadecker@sc.rr.com

PROCEEDINGS

THE COURT: This is the case of Ellis E. Smith, individually, and on behalf of A & E Constructors and Consultants, Inc., a South Carolina Corporation v. Arthur Wayne Vereen, Park Place Properties of Myrtle Beach, LLC, Parkway Offices, LLC, Arthur Vereen Construction, Inc. and Linda C. Vereen. It's Civil Action Number: 2009-CP-26-620. There is an order of reference and it is signed by the Honorable Larry B. Hyman, Jr. It's dated June the 23rd, 2009; therefore, this Court does have jurisdiction of this matter. And, today, there is a hearing on the defendant's motion to reopen the hearing for taking testimony and evidence effecting the subject matter and the relief sought in the case. All right. Ms. Cook, I will hear from you.

ATTORNEY COOK: Yes, ma'am. Your Honor, you may remember that this is the case that over ---

THE COURT: I remember.

ATTORNEY COOK: --- several sessions of the Court we tried this accounting case between -- it's an accounting case for a construction company with Mr. Ellis Smith and Mr. Wayne Vereen being the two shareholders of that corporation, or members of that corporation. Your Honor, no judgment has been rendered in this case. And one of the things that is an issue in the case that we had, on behalf of the defendants, vehemently asked the Courts was that this matter is not right for dissolution, which is one of the avenues of relief, or one of the remedies sought by the plaintiff in this case, because it was a construction company. And as we had feared since the conclusion of testimony, which the last testimony taken in this case was in August of 2012; since the conclusion of that case, at least two different lawsuits have been filed by third parties against A & E, the corporation that is the subject of the accounting, and that the plaintiff is seeking to be

dissolved. Your Honor, that is the underlying grounds of this motion to reopen the case for testimony with regard to those two pieces of litigation. We have now, the Court, who has been asked to do an accounting of profits, losses of this corporation, determine assets of the corporation, and as we, during the trial of this matter said that there were potentially contingent liabilities out there, which at least two of them have now come to fruition. We have construction projects that this company did while it was actively in business. We have construction projects that were done by Ellis Smith at another corporation, allegedly, and we say fraudulently, using our license after he left our corporation. And those two facts are what bring about the two lawsuits that are presently pending in this Court. There are other projects, the statute of limitations and the statute of repose has not run yet, so we have two existing

third party claims, and know of one other claim that may come to fruition. And it is A & E's insurance that has been in some way, shape, or form defending one of these actions, but based on the fact that we've got matters that have occurred since the closing of testimony back in 2012, these claims and liabilities, due to third parties now, as alleged against A & E will affect the Court's determination of assets, profits, losses, liabilities that are going to be necessary in order for the Court to do an accounting; they're matters of public record. We have asked in our pleadings with this motion that you take judicial notice of these actions. And it clearly brings into issue what we have defended against all along; that the relief sought of dissolution of this corporation not take place, and in fact, it would be a violation of one of the very reasons a corporation incorporates is to dissolve the corporate entity with the potential

of then personal liability going both to Mr. Smith and Mr. Vereen. For particulars, Your Honor, let me mention the two cases that are presently pending to you, okay? And what I did with regard to the motion, I attached to my motion to reopen this case, a copy of the complaint in the action Tahitian Princess Homeowners Association v. A & E Constructors and Consultants, Tahitian Princess, LLC, et al. I attached the complaint. I also attached the complaint and what is a premises liability case: Nora Rose Beckner v. Condolux, Inc., and A & E Constructors and Consultants and E. Smith and Sons. I attached both of those complaints as Exhibits to this motion, but I have further asked that Your Honor take judicial notice of all the pleadings that are in those two files. For the record, Your Honor, the first action, which is a construction suit, Tahitian Princess HOA v. Tahitian Princess, LLC, which was the developer, A & E

Constructors and Consultants, which was the general contractor, that case originally was filed as Civil Action number: 2013-26-979. That action was 40J'd. Bobby Wiley represents the plaintiff in that action. In that action, Frank DuRant represents A & E. Tahitian Princess is represented by another party, and I can't remember who else now. Oh, it was E. Smith and Sons in that action is represented by Collins and Lacy; that's in the construction deficiency suit, Your Honor. In that construction deficiency suit, a 40J was taken on September 12th of this year; an order restoring that case was filed on October 6th of this year. It now bears Civil Action Number: 2014-26-6572.

THE COURT: And Collins and Lacy must be pursuant to some insurance policy?

ATTORNEY COOK: Your Honor, I can't answer that question. In both of these cases, my understanding is -- and I don't -- I'm not involved in the cases;

although it may very well be that I've got to make a motion to intervene to protect my client's interest, and his interest as fifty percent owner of A & E. But the insurance in both of these cases, it's my understanding, is messed up, to put it politely. There's another word I could use, but ---

THE COURT: Let's not use that other word.

ATTORNEY COOK: No; I'm not going to, Your Honor. But your Honor, there are issues where insurance is involved. In fact, in both of these cases, one of these cases, already the carrier has said -- well, let me finish with this one and then I'll -- so it's now been re-filed as a 2014 case.

THE COURT: Yes, ma'am, 6572.

ATTORNEY COOK: 6572; yes, ma'am. And in that case, the homeowners association, represented by Mr. Wiley, has brought basically a typical construction deficiency action against the developer, Tahitian Princess, which

is owned by Martin Brown, and against A & E as the general contractor. A & E has now been subjected to a cross-claim from Tahitian Princess and there are issues about insurance coverage. Right now, it's my understanding that A & E is being defended under a reservation of rights, but we have been told that they will not, and they have sent us the letter spelling out why there is not coverage in this action for this construction deficiency case. With regard to the second action, Your Honor, Nora Rose Beckner v. Condolux, Inc. and A & E Constructors and Consultants, this is a premises liability case. Ms. Beckner is represented by Stacy Stanley; that was the Civil Action Number: 2013-CP-26-7578. In that case, Ms. Beckner allegedly fell at the Condolux office building that was the subject of part of the testimony in this suit, wherein it was acknowledged by Mr. Smith, under oath, that A & E did not build that project; that he had utilized A & E's

business license, construction license, but he confirmed under oath, and Mr. DuRant, on the record, likewise confirmed that the builder in the Condolux case for the Condolux building was E. Smith and Sons. Nonetheless, Your Honor, the allegations underlying that case, Your Honor, are that Ms. Beckner fell on a brick landing outside of the office building; that the tread and steps were not the correct height, and ---

ATTORNEY DURANT: That's not correct.

ATTORNEY COOK: Well, that's what the allegations say, as well as the fact that there was no handrail associated with the steps; the way the building was constructed. That carrier has said that they will not insure. And, in fact, more troubling in this particular case is that as you may recall, Martin Brown, the owner of Condolux, Inc., acknowledged, and the plaintiff's candidly acknowledged that, that was an E. Smith and Sons' job; that my client

didn't know it was being built at the time under the license of A & E Constructors. A & E Constructors has, nonetheless been sued, and Mr. DuRant is defending A & E. And in that defense, strangely enough, admits that A & E was the general contractor. Additionally, Your honor, once Mr. DuRant, on behalf of his client and my client admitted that A & E was the contractor, it was brought to the attention of the plaintiff's attorney that E. Smith and Sons, Mr. Ellis Smith's new company he formed with his son sometime after leaving A & E, but did not bother to get a license for it for quite some time was brought into the case. Condolux has now filed an indemnity claim back against A & E and E. Smith and Sons. But interestingly enough, and I know why Mr. DuRant has not filed a claim by A & E against E. Smith and Sons. He would be prohibited from doing that because of the conflict of interest rules.

THE COURT: Did you say Condolux

filed an indemnity claim?
ATTORNEY COOK: Yes, ma'am.
THE COURT: I would think that A & E would file the indemnity claim instead of Condolux, but Condolux ---
ATTORNEY COOK: No, ma'am. Condolux is saying if they're held responsible for Ms. Beckner, for her slip and fall, it's as a result of the act of negligence of A & E in building the steps as they built it; with all parties and under oath we have everyone acknowledging A & E didn't build this building, but yet Mr. DuRant, on behalf of A & E, admits in the pleadings that they did. But A & E in the pleadings has not sought indemnity, contribution, or a cross-claim against E. Smith and Sons.
THE COURT: Well Condolux doesn't know who it hired?
ATTORNEY COOK: Yes, they do.
THE COURT: But it still filed an indemnity claim?
ATTORNEY COOK: Yes, ma'am. They did. And Mr. DuRant, on behalf of A & E, has

not filed a cross-claim, contribution claim, indemnity claim back against E. Smith and Sons. He can't because he would be conflicted out under the professional rules of ethics. And so if A & E were to be held responsible, they have no indemnity. They have no claim at this time. Additionally, A & E should be cross-claiming, as far as I'm concerned, against Condolux, and if they don't, they're going to waive that. Your Honor, our position is that given the fact that there is no order or finding in this case that the potential liability and assets, and any income that may be there or should be contributed back by either of these two parties to the corporation needs to be preserved in the event that there is a verdict against the corporation. And, clearly, we, again, this is the very reason we objected to the relief sought of dissolution of this corporation and request that the case be reopened so that testimony on these matters can go

forward. The more I've looked at this, Your Honor, I believe I'm probably going to have to, or get somebody else to file a motion to intervene in both of these lawsuits because it's clear to me that A & E, and my client's interest in A & E is not being properly protected and defended and affirmed to the claims raised in either piece of this litigation. These are the matters of litigation. So, Your Honor, at the very least, we would ask first that it be reopened so that the testimony on this can come in, and figure into your accounting, which it must. Or at the least, that your ruling, which has not come forward yet, that your ruling be stayed until these matters are resolved so that Your Honor will have all the facts before her in order to do a proper accounting, or to order a third party to do a proper accounting of this case.

THE COURT: Well, just as a devil's advocate, what do you propose? I mean it sounds as if I'd have to leave it

open until the statute of repose for all of the properties has ---

ATTORNEY DURANT: Thirteen years.

ATTORNEY COOK: Yes, ma'am.

THE COURT: Thirteen years for each one of the properties?

ATTORNEY COOK: Yes, ma'am. And we put into evidence when that day would expire. And it is not thirteen years from today. It is not ---

THE COURT: You put it into what?

ATTORNEY COOK: Evidence.

THE COURT: You put it into evidence for each one of the properties?

ATTORNEY COOK: We've put into evidence ---

THE COURT: And when was the last property built; just refresh my memory?

ATTORNEY COOK: And we put that into evidence. The last one was built in 2007.

THE COURT: To 2020?

ATTORNEY COOK: Uh-huh (affirmative response).

ATTORNEY DURANT: Twenty-one, probably,

Your Honor.

THE COURT: I don't think Court administration would allow me to leave it open 'til 2020.

ATTORNEY COOK: Well, Your Honor, and they may not, but at least we've got two cases. One of them was on the trial roster, actually, before they took the 40J. But we've got two liabilities that are sitting there right now, Your Honor, so until these two cases are resolved, either by way of trial, by way of settlement, Your Honor cannot possibly do a proper accounting with regard to this corporation.

THE COURT: Okay. Let me hear from Mr. DuRant.

ATTORNEY DURANT: Your Honor, if it please the Court, first of all, to give you a skinny or an update on the two pending actions. The one involving Tahitian Princess ---

THE COURT: Yes, sir.

ATTORNEY DURANT: --- I was not involved in. E. Smith and Sons is not a

defendant in the case. The case is being insured, defended by the insurance carrier for A & E, and I understand that there may be a reservation of rights, but there was coverage purchased for that. That was done during the time that Mr. Smith and Mr. Vereen were both working for A & E. There's no issue as to anybody wrongfully using the license. As to the Beckner case ---

THE COURT: But could you tell me just for the record who is defending A & E in that case? You said the insurance carrier?

ATTORNEY DURANT: The carrier has an, there's an attorney in Charleston and they've been dealing directly, I believe with Mr. Vereen's daughter, who assisted in the presentation of the case. And I have actually talked ---

ATTORNEY COOK: No, that is correct. There is insurance. But it's in that case, that's defending the case, and that is Mr. Dean Best on behalf of the carrier.

ATTORNEY DURANT: So that case is up and whether there is coverage or not, it's got to be relevant to me. It's a construction case and there may or may not be. And I don't think it's the province of this Court to wait in determining the liability because this particular case involves wrong-doing by a shareholder in this company. And if this Court were to rule in favor of the plaintiff in this case, then it would provide a way, or money to pay the claim, f they were successful and we don't have insurance. As to the Beckner claim, I was involved in defending it; primarily, Your Honor, because nobody else would. And in terms with A & E, there was problems with insurance coverage as to being at the time of the accident or any later. So I came in because nobody else would. Mr. Smith, as the president, said Frank, we don't want to let it go into default; defend it. This is a elderly lady walking outside the building on a area where

there's platforms. There's a nineteen-inch drop in height and she's leaving the building walking. She stumbles on the flat area, not the steps, and falls, and she doesn't even know why. We just took her deposition. I'm dumbfounded because she says I don't know why I fell. And I was looking back at my son-in-law and I don't know why I fell. And she didn't fall on the steps. When she fell down, she got severely injured. There's no person that saw her fall and she doesn't know why she fell, so that's a different case. It was not the issue. There is an issue. It's should there have been a handrail there or not? If there wasn't, did that cause her to fall? And I think that her testimony is that there's not a good chance that she will succeed in the case. There's liability insurance there for the owner of the property. There was a claim made by that carrier against A & E, who I'm defending. I've been told by counsel that they were, they're going to write

me a letter and confirm that they were withdrawing their claim against A & E, mainly because there's no contractual indemnity with them now. The issue came up as to the propriety. We entered this case with A & E being in it and E. Smith being in it. E. Smith and Sons has insurance coverage, although they are suing us in this separate action, the D.J., to claim that they don't have coverage but we do have a lawyer defending that case, or attempting to defend the case. And I think I may get my facts messed up here, but my understanding is when we talked to plaintiff's counsel, we cured the problem of me asserting a claim against E. Smith because of the conflict of interest, because the plaintiff made a direct claim against E. Smith and Sons for improper construction causing the injury to the plaintiff.

THE COURT: But E. Smith was not named initially?

ATTORNEY DURANT: They were not, but we

got in touch with the plaintiff's lawyer and said, look; we have a carrier, an insurance carrier. Insurance was filed for liability for E. Smith and Sons and he amended the pleadings to bring E. Smith in. I didn't have to file a cross-claim because it's a direct claim brought against E. Smith and Sons. And so I don't know where that's going to go. I suspect that that case will be settled, but that's not here or there. She fell and she didn't -- it wasn't, there's nothing, defective construction in the case. So was there a requirement of a handrail or not and the City of North Myrtle Beach said there was none.

THE COURT: Well I'm not here to determine whether there was a conflict between you, with you representing A & E and E. Smith and Sons in the other lawsuit. It's my understanding I'm only here to determine whether ---

ATTORNEY DURANT: We should leave the record open?

THE COURT: --- this lawsuit that's

before me should be left open to bring in new evidence or I should not dissolve ---

ATTORNEY DURANT: Correct.

THE COURT: --- the entity before me, whether we should leave it open until at least the statute of repose has passed ---

ATTORNEY DURANT: Your Honor ---

THE COURT: --- which is 2020?

ATTORNEY COOK: Your honor, at least where these two pending lawsuits are concerned because they have ---

THE COURT: Well my concern is not just -- I mean what's fair is fair. I mean why just these two lawsuits?

ATTORNEY COOK: Well, Your Honor, in the event that another lawsuit is filed before -- I mean people can't -- three years from when you knew or should have known, Your Honor. And so if another lawsuit is filed between now and when these two actions are settled or resolved, however they're going to allegedly be resolved, which we've been

hearing that for quite some time, Your Honor, and it has not come to fruition yet, then I would be back before you asking this same thing; however, that's not what's before us now. So we have two claims against the entity that you're being asked to dissolve and to determine the accounting for profits, losses, monies. And, Your Honor, while Mr. DuRant may have convinced Mr. Stanley to bring in, in the premises liability case, a direct action against A & E ---

THE COURT: But that's against E. Smith and Sons.

ATTORNEY COOK: I mean E Smith and Sons, leave that where it is. We now have a cross-claim by Condolux against E. Smith. I mean A & E, but not against the entity that built the building for him, which he's acknowledged E. Smith and Sons. And we have no one protecting A & E. And the indemnity claim being sought by Condolux was not based on contractual indemnity. What is pled is

equitable indemnity, Your Honor, and we have no one trying to cross-claim on behalf of A & E back against Condolux saying you didn't even use us to build your building and you knew that. And we have no one on behalf of A & E bringing a contribution or an indemnity claim at this juncture against E. Smith and Sons who is the acknowledged builder of the building. Now, whether or not this plaintiff can ultimately prevail, I don't know.

THE COURT: That's the other issue. It's not really 2020. I mean as long as they bring the lawsuit in 2020. It could go on another five years after that. We know lawsuits go on forever.

ATTORNEY COOK: Yes, ma'am. They do.

THE COURT: And so we don't have a judgment out. All we have are two lawsuits pending. We don't have a judgment. We've just got two lawsuits pending, right?

ATTORNEY COOK: That's correct. We have two contingent liabilities that the

corporation is well aware of, and under the statute you cannot dissolve the corporation in that vein.

ATTORNEY DURANT: Your Honor, I think before getting to the merits of events, Your Honor, its ripeness of the thing, Your Honor, we asked for dissolution because the company is not doing business. It's winding up of affairs that could last for years and years, but we don't stop with a lawsuit; where the plaintiff alleges here that someone wrongfully converted the assets of the company because a claim by a third creditor. So if anything, a decision on the merits of this case will provide monies to pay a claim by a third party and adjustments can be made after the fact, but we're not ripe. But otherwise, we don't know if tax returns have been filed. A lot of things have to be done to wind up the affairs of a company that will occur after this decision is finalized, whether by this Court issuing an order. It is

anticipated there will be an appeal of this order.

THE COURT: Probably.

ATTORNEY DURANT: So delaying this any further, justice delayed is not justice not served; what's the word? If we've got to make a decision on the merits, all of the parties to this action have spent probably five years on this case and we do a decision. I can't imagine or fathom how it will be equitable for the parties to delay this decision for another five years or eight years or ten years, and the record is there. And opening this record at this stage, there is nothing to take, or no evidence to receive that's going to change your decision at all. It couldn't be done later on after a decision is final. And that's the position of the defendants, and I think that would be Mr. Thomas, also, is we could just leave this record open forever and the tax man comes and says you didn't make proper filings or there's a lot of things that could

affect it that don't necessarily involve the Court every time. The affairs of this company will have to be winding down and it will eventually be closed with or without money. That's all.

THE COURT: Mr. Thomas, do you have anything to add?

ATTORNEY THOMAS: Just briefly, Your Honor.

THE COURT: Yes, sir.

ATTORNEY THOMAS: As I recall, the statement was made that it has been the defendant's position all along that dissolution was inappropriate. As we recall, the defendant's position, initially, was the same as that of the plaintiff; that the corporation should be dissolved. We believe the original pleadings will reflect that was their position. But somewhere along the way, apparently they determined for some reason, probably strategically, that maybe they're better off if they oppose dissolution so that nothing happens in this case until 2020 or whenever those

cases get done with. This is exactly the same argument that they made when we finished the testimony in this case two years ago; that is, gosh, we don't know what creditors might be out there. We listened for at least half a day to all the potential claims out there that could be, could be asserted successfully against this corporation later on down the road, somewhere possibly. We submit that there is absolutely no reason for them to try now, two years later, to reopen and take more testimony about the same old thing and delay the decision any longer. Thank you, Your Honor.

THE COURT: Ms. Cook, practically speaking, help me here. I'm having trouble envisioning how you think this case would ever end?

ATTORNEY COOK: Well, Your Honor, it clearly would end in the event that these two pending actions, when they are resolved, whether by way of settlement or by way of verdict, if there are monies that are then owed to the HOA in

the Tahitian Princess case or if there is monies that are owned to Ms. Beckner in the premises liability case, if there is a judgment or a settlement, then it's requiring the infusion of money from A & E. Then that infusion of money, Your Honor, has got to be paid as a legitimate debt of the corporation.

THE COURT: So if I rule in your favor and allow you to allow this case to be reopened, this case would not end until these two other cases end?

ATTORNEY COOK: Or are resolved; yes, ma'am.

THE COURT: Or resolved?

ATTORNEY COOK: By way of settlement or by way of verdict; yes, ma'am. Once I look at this, I'm not saying Your Honor's got to take testimony, but because these are two liabilities that have to come into play, they are ripe liabilities. They are no longer, as I'm learning in my teaching arena, inchoate liabilities. They are now choate liabilities. They are ---

THE COURT: I remember those words.
ATTORNEY COOK: Well ---
THE COURT: As we probably all remember those words.
ATOTNEY COOK: Well I'm having to revisit ---
THE COURT: They are still contingent liabilities.
ATTORNEY COOK: Yes, ma'am. They are still contingent liabilities. And when an accountant does an accounting for a corporation, they have to take into consideration those contingent liabilities.
THE COURT: Do you by any chance have any case law?
ATTORNEY COOK: No, ma'am. I do not. All I can tell you is that with regard to this, both Rule 59 and Rule 60 of the South Carolina Rules of Civil Procedure do allow Your Honor, after judgment, to take into consideration new evidence or matters that have occurred since judgment was rendered. So that's even a step beyond that, so we would be

probably right back here when that occurs if it's within the timeframe allowable. But, Your Honor, when you look at Rule 13 of the South Carolina Rules of Civil Procedure, that is the rule that deals with counterclaims and cross-claims. And Rule 13E provides that a party can bring a counterclaim that matures or is acquired after pleading. And based on these liabilities or contingent liabilities, especially the liability with regard to the premises liability case where we have the sworn testimony of the president of A & E that A & E did not build this building; then we clearly would have a counterclaim. Actually, it would be a cross-claim, Your Honor, against E. Smith and Sons for indemnity. A & E would; for indemnity and having to defend this slip and fall case, because that would be an asset of A & E. And so our Court rules envision both before verdict or judgment, and even after verdict and judgment that the Court does

and should, and especially sitting in an equity Court, take into consideration things that occur during litigation and after litigation.

THE COURT: Okay. I'm going to take that one into consideration. Mr. DuRant, Mr. Thomas, have either one of you found any case law that talks about accounting cases that are left open?

ATTORNEY DURANT: Your Honor, I think that the statutory law of the state provides for the winding down of the affairs of the corporation.

THE COURT: Okay.

ATTORNEY DURANT: Which would always occur whether or not you ruled or didn't rule, but the problem we have in this case: there is no money in the company because the plaintiff alleges the defendant took the money. So your ruling would only mean if we are successful, is there's a possibility that some monies may come back in. And if Mr. Smith's company has some liability, then that will be something

that will have to be dealt with after that fact occurs, but not before.

THE COURT: All right. Thank you. Are there any other issues?

ATTORNEY COOK: No, ma'am, Your Honor.

ATTORNEY DURANT: Nothing.

THE COURT: All right. I just recall there being some case law being attached to the motion that did not appear to have anything to do with this particular issue, but maybe I was wrong.

ATTORNEY COOK: Your Honor, it could have been that I let a wrong document --

THE COURT: The Babb v. Rothrock case was attached.

ATTORNEY DURANT: That was me.

ATTORNEY COOK: Mr. DuRant might be able to speak to that inasmuch as he has handled a lot of those cases.

THE COURT: Was that attached to yours?

ATTORNEY DURANT: I don't think so, Your Honor.

THE COURT: Well it wound up in

here somehow.
ATTORNEY COOK: I think I may have ---
THE COURT: And the Dixie Bell v. Red case.
ATTORNEY COOK: Well those are two cases. I don't know that I meant to attach those, Your Honor. Those are both accounting cases and the Dixie Bell case does speak a lot to accounting cases. It doesn't address this particular one.
ATTORNEY DURANT: I believe Babb v. Rothrock, the Judge was involved in that case, also.
THE COURT: Well those two cases appear to deal with prejudgment interest?
ATTORNEY DURANT: Correct.
ATTORNEY COOK: And I may just have inadvertently ---
THE COURT: Stuck them in here?
ATTORNEY COOK: --- stuck them in here. I know that those are two cases I was looking at in connection with this case, but I don't ---

THE COURT: They're attached to your complaints in the Nora Rose Beckner case.

ATTORNEY COOK: I think perhaps that might have just gotten in there wrong -- -

THE COURT: Stuck in there?

ATTORNEY COOK: --- by mistake.

THE COURT: Okay. Well I was wondering what they had to do with it, but there they were.

ATTORNEY COOK: I believe that might have been my mistake.

THE COURT: All right. Thank you very much.

(The hearing concluded at 4:54 p.m.)

CERTIFICATE

I, Melissa M. Decker, Notary Public in and for the State of South Carolina, do hereby certify that there appeared before me the foregoing witness;

That said witness was sworn by me to state the truth, the whole truth and nothing but the truth;

That the testimony was recorded by me, by open tape and Stenomask, reduced to typewriting and proofed under my direct supervision and the foregoing consecutively numbered pages are a complete and accurate record of the testimony given at said time by said witness;

That the undersigned is neither of kin nor in anywise associated with any of the parties to said cause of action, nor any counsel thereto, and that I am not interested in the event(s) thereof.

IN WITNESS WHEREOF I have hereunto set my hand and seal this the 22nd day of June, 2015.

Melissa M. Decker
Court Reporter
Notary Public in and for
The State of South Carolina
My Commission Expires: 2-06-24

CP-26 REPORTING
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STATE OF SOUTH CAROLINA	)	
	)	COURT OF COMMON PLEAS
COUNTY OF HORRY	)	CASE NO: 2009-CP-26-620

ELLIS E. SMITH, INDIVIDUALLY, AND ON BEHALF OF A & E CONSTRUCTORS AND CONSULTANTS, INC., A SOUTH CAROLINA CORPORATION,

Plaintiff,

-versus-

ARTHUR WAYNE VEREEN, PARK PLACE PROPERTIES OF MYRTLE BEACH, LLC, PARKWAY OFFICES, LLC, ARTHUR VEREEN CONSTRUCTION, INC., AND LINDA C. VEREEN,

Defendants.

AND

ARTHUR WAYNE VEREEN, INDIVIDUALLY AND ON BEHALF OF A & E CONSRUCTORS AND CONSULTANTS, INC., AND 29TH PLACE DEVELOPERS, INC.,

Third-Party Plaintiffs,

-versus-

E. SMITH AND SONS CONSTRUCTION, LLC, EES CONSTRUCTION AND CONSULTING, INC., AND ELLIS E. SMITH, INDIVIDUALLY,

Third-Party Defendants.

THE HEARING BEFORE THE HONORABLE
CYNTHIA GRAHAM-HOWE
Monday, May 11th, 2015
1:20 p.m. – 2:04 p.m.

The hearing in the above-noted matter, taken on the 17th day of November, 2014, at the **HORRY COUNTY GOVERNMENT AND JUSTICE CENTER, MASTER-IN-EQUITY**, located at 1301 Second Avenue, Conway, South Carolina 29526.

CP-26 REPORTING
Melissa M. Decker, Court Reporter
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FOR THE THIRD-PARTY DEFENDANTS:
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ALSO PRESENT:
Stewart Miller, Law Clerk
Arthur Vereen
Beth Sisson
Ellis Smith

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THIS TRANSCRIPT MAY CONTAIN QUOTED MATERIAL. SUCH MATERIAL IS REPRODUCED AS READ OR QUOTED BY THE SPEAKER.

CP-26 REPORTING
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PROCEEDINGS

THE COURT: This is the case of Ellis E. Smith, individually, and on behalf of A & E Constructors and Consultants, Inc., v. Arthur Wayne Vereen, et al. It's Civil Action Number: 2009-CP-26-620. We already have a judgment in this case. I believe it was filed on March the 24th, 2015. The action was referred by order of the Honorable Larry B. Hyman, Jr., dated July 23rd, 2009; therefore, this Court does have jurisdiction of this matter. Today is a hearing on the defendants and thirty-party plaintiffs' motion to reconsider. This Court filed judgment. Ms. Cook, are you going to do the arguing of the motion?

ATTORNEY COOK: Yes, ma'am.

THE COURT: All right. I'll hear from you.

ATTORNEY COOK: Your Honor, this is the defendant and third-party plaintiffs' motion to reconsider two orders that Your Honor issued, one on March 24th and

one on March 25th. There are a number of grounds in the motion to reconsider itself, but I'm just going to hit a few of them, and let the motion and the grounds that are in that and the matters before the Court stand for others that I do not discuss on the record. The first ground for this motion to reconsider is my position that the Court erred in relying on and adopting Susan Brady's opinion and testimony with regard to this accounting action, an action for judicial dissolution. Several of the factual and legal matters that made it improper, I believe to adopt, in essence, Ms. Brady's opinion in TOTO, from what I can tell. And I think the Court states that is the fact that Ms. Brady, herself, testified unequivocally that she had not done an accounting in this case. She testified that she had gone through the books and records of A & E; that she had looked at all the deposits into A & E, and she testified that she had also looked at her issues

or questionable items of expense, and or deposits, or lack of recovery of assets that Mr. Smith, as president of the corporation had, but she candidly admitted that she had not looked and not done a complete accounting in this matter. And, therefore, the Court could come up with a judicial accounting as was requested by both parties in this matter. The Court would have to do more work or issue an order requiring a full accounting, not just a limited purview that she looked at. I would point out to the Court several cases in South Carolina that address what an accounting is in this type of situation. The preeminent case that's rather recent, 2009, that's pretty recent in South Carolina law anyway, the Historic Charleston Holdings case, which was issued by the South Carolina Supreme Court in 2009 at 673 SE 2d 448, quotes the general proposition as to what the definition of an accounting is in this type of case and in dealing with a

judicial dissolution; an accounting between two shareholders and or officers and directors, which is what we have here. The case holds that an accounting is defined as an adjustment of the account of the parties and a rendering of a judgment for any balance ascertained to be due. The case quotes several other South Carolina cases and quotes AMJUR and CJS, and the case specifically states that as in AMJUR, an adjustment of accounts of the parties requires that the Court determine and look at the assets, the assets of the corporation, all of the obligations of the corporation, amounts due to creditors, and then distribute the surplus to members. And I would particularly point out to Your Honor, just as a proponent of defending that case, where he's stated that to do a full accounting as is required under corporate law. And in that case it was an LLC as opposed to our case, which is a corporation. But whether you look at

the LLC statute, or you look at the corporation's statute itself, in order to do a judicial dissolution or a consent dissolution of the corporation, and both parties asked for that. In addition to the accounting, you have got to -- the Court has to look at, under 33-14-310, all of the assets, all of the liabilities, not just potential liabilities or issues that are pointed out by one party. And in this case, that's exactly what your Honor adopted Ms. Brady's report in TOTO, in contradiction, or without considering, or considering and not processing to do a full accounting of all assets, all obligations, and all liabilities. The other matter is that the record and the testimony in this case were before you. Following along that same line of thought, Your Honor, one of the things that the Court did, and was one of the reasons that we filed prior to Your Honor issuing your order in March of this year, we filed, the defendant and

thirty-party plaintiffs filed in August of last year, 2014, a motion to reopen this case as a result of liabilities and obligations of the corporation, A & E, that had occurred and come to light since Your Honor took this case under advisement in 2012. Your Honor, we filed that motion in October. You had a hearing in that matter in November of 2014, but you have never, as of this day, March 11th, 2015, ruled on that motion. I guess by issuing your order, I guess I could assume it's denied, but Your Honor has never sent us an order on that matter. And the reason we made that motion to reopen at that juncture of 2014, at that point in time, is to do a judicial accounting in this matter. It requires consideration of the assets and obligations and liabilities.

THE COURT: Well let me ask you something: Besides that, because we don't know what those liabilities or assets may be from that hearing then, that case is still pending?

ATTORNEY COOK: There's several cases pending, Your Honor.
THE COURT: There's several cases that may be pending. Besides that, what assets or liabilities did I not consider?
ATTORNEY COOK: You did not consider the assets and the liabilities of Mr. Ellis Smith with regard to the accounting in this case.
THE COURT: How do you know that? How do you know I didn't consider them?
ATTORNEY COOK: Well, perhaps you did, but you did not address them in the order, Your Honor. And you say in your order that you adopt her report in TOTO. That's what you say in your order, Your Honor. That's what you state in the order. That was the law of the case at this time. So ---
THE COURT: If it was brought up in the testimony, then I would have considered it; would I not?
ATTORNEY COOK: I have no idea, Your Honor. I can only go by what your order

says. Additionally, Your Honor ---
THE COURT: Anything else?
ATTORNEY COOK: Yes, ma'am.
THE COURT: I know that. But any other assets or liabilities that I did not consider?
ATTORNEY COOK: Yes, ma'am, the assets and liabilities with regard to -- if you'll let me go through, which is two particular matters.
THE COURT: Okay.
ATTORNEY COOK: Your Honor, with regard to assets and liabilities that you erred with regard to in the uncontroverted testimony in this case, I want to first address the issue dealing with the Plantation Point house. You address that particular job in this case, and Your Honor found that there were a hundred and thirty-two thousand seven hundred and thirty-three dollars in construction costs, when in fact the testimony and the records set forth that the actual cost of construction of that home was three hundred and thirty-five

thousand dollars, of which a hundred and thirty-two thousand seven thirty-three was paid by A & E, but the balance of the construction cost of two hundred and ten thousand dollars was paid by the construction loan, taken out to pay for the construction of that home. Your Honor stated in your order that the proceeds of that loan were not used for the house. And Your Honor did not address, and the evidence shows that two hundred and ten thousand dollars of the construction loan were used to pay for the construction of the house in addition to the hundred and thirty-two thousand because the construction cost of the home was three hundred and thirty-five thousand dollars. Your Honor, likewise ---

THE COURT: That may be that I just didn't agree or did not find, or did not agree with that evidence. It doesn't mean that I didn't consider it.

ATTORNEY COOK: Your Honor, I'm preparing my record on appeal; you don't

address it. I want -- you say that in your order you have adopted her findings in TOTO and I've got to make my records for appeal, Your Honor.

THE COURT: I understand that, but I did consider the assets, and I did consider the liabilities, and I did consider the liabilities there, but I just didn't necessarily adopt your client's testimony there.

ATTORNEY COOK: Well not just testimony, Your Honor. There was also written evidence. Your Honor, likewise, with regard to the Plantation Point home, well not home, development, Your Honor found in her order that -- well bear with me just a second, Your Honor. Your Honor found that of the cost of construction, two hundred and twenty-eight thousand four hundred and sixty-two dollars were due in profit and overhead, which is the amount that was determined in the before of the expert Ms. Brady; that amount is twenty-three percent of the nine hundred fifty-nine

thousand two hundred and eighty-seven dollars in costs that Your Honor found, which is what was stated by Ms. Brady in her report as being paid for that development by A & E, Your Honor, and that equals a twenty-three percent profit and overhead. Both Ellis Smith and Susan Brady testified that in her determination of what she had looked at, she was allocating fifteen percent profit and overhead. But if you do the simple math, that is twenty-three percent. Additionally, Your Honor, with regard to the Plantation Point; excuse me, not Plantation Point. The Marsh Development, Your Honor also found that there was an additional three million seven hundred sixty-seven thousand one hundred and seventy-two dollars in construction cost for those homes. Your Honor's order said that, that construction cost, that the construction loans that were taken out by the developer for Point Marsh were not used to pay the construction costs, when in

fact Your Honor had stated it in your order and as adopting Ms. Brady's report, that there were an additional three million seven hundred and sixty-seven thousand and change in construction costs, and the uncontroverted testimony by Mr. Smith in this case was that he was offered, he was offered to be a partner as the developer. He did not have the money to participate, but yet Your Honor has awarded fifteen percent profit and overhead of the amount that Your Honor adopted from Ms. Brady's report, three million seven hundred sixty-seven thousand and change. There is a fifteen percent profit overhead allocated in one instance and a twenty-three percent allocated in another instance. Your Honor adopted that in her allocation directly from Ms. Brady's report. Your Honor, you also, with regard to Plantation Point, found that my client did in fact pay into Point Marsh certain monies, but then Your Honor did not,

adopting part of Susan Brady's report, give credit to additional amounts that Ms. Brady even found that my client had awarded. So those are some -- you asked for particulars with regard to obligations, assets, liabilities. With regard to the next issue, Your Honor, I'd like to point out that while there are two liabilities that are contingent at this point, which is why we filed that motion to reopen, the law on judicial dissolution does not allow you to discard those, Your Honor. And we're entitled to an order as to your reasoning, if you are going to discard of those potential liabilities, because that could impose more liability on these gentleman individually down the road. Your Honor, the next issue we believe the Court erred in was in piercing the corporate veil and awarding damages jointly and severally in this case. Your Honor, I would point out to you a couple of cases with regard to the joint and several liability. I'm going

to point out to you a case from Horry County: Jordan v. Holt; tried by Henrietta Golding as one counsel. It's at 608 SE 2d 129, and that's a 2005 case, Your Honor.

THE COURT: May I have that cite again; 608 what?

ATTORNEY COOK: Southeast 2d ---

THE COURT: Okay.

ATTORNEY COOK: --- 129. That had to do with Dr. Jordan and another doctor in town coming up with the bright idea to open a sports bar. I think it was called Winner's Circle. Factually it was very, it was similar in the -- that was an LLC case as opposed to a corporate case, Your Honor. But in that case, it was asked for a judicial dissolution as well as an accounting. And in that case, we're citing that in here because it stands from the proposition that the Court stated in that case that you had to determine, of the alleged plaintiff, because the plaintiff in that case ending up having,

after the accounting was done, owing money back, that there had to be a determination as to how much the corporate entity owed; how much the daddy, Dr. Jordan, owed, how much the son, his son owed, so that the assets and liabilities in doing the accounting had to be allocated to the proper party who took out too much money, or used the money, not jointly and severally. And in this case, Your Honor, we say that Your Honor needed to allocate. If Your Honor found that Park Place Properties owed "X" number of dollars, then that amount, that finding should have been in the order and held liable for that. When you look at the pleadings in this case, Your Honor, they did not seek the piercing of the corporate veil in this case. And so we believe that the correct procedure in this case, and given the case law in South Carolina is, that Your Honor should properly allocate, once there is a full accounting done, between which entities,

if any, or individuals, if any, owe what amount, if any, back to A & E. There must be an allocation of as to what Mr. Vereen owes, if any; what Mr. Smith owes, if any; what Park Place Property owes, if any; what Parkway Offices owes, if any. And Your Honor, commiserate with that argument, also, is there is nothing in this record that will allow Your Honor to issue an order against the trust of Mr. and Mrs. Vereen that own the home. Your Honor, if you find that there is some information or some obligation owed by Mr. Vereen or Park Place Properties, or Mrs. Vereen, or Parkway Offices or Arthur Vereen Construction, for any assets that were converted on a job building that home, then the judgment should be against them, not against the trust. The trust did not own the home at the time that the work was done, Your Honor. Additionally, Your Honor, surprisingly to me, never once mentions in this order that Mr. Smith was the president of the

company, a fifty percent shareholder and had just as much access to all the books and records, and in fact, as did Mr. Vereen because he owed the same obligations to the company as did Mr. Vereen. He had the same opportunity to look at anything he wanted. And the uncontroverted testimony of the expert, Ms. Brady, who testified at length, first, that she had for years and years and years been Mr. Smith's accountant; did all the accounting work for Mr. Smith's previous business and his new businesses as we were trying that case.

THE COURT: Wait a minute. I don't mention in the order that Mr. Smith is a fifty percent owner?

ATTORNEY COOK: You address in the order that he is a fifty percent shareholder. You never say that he's the president. You never say in the order that he had access to the information. You never say that Ms. Brady was his accountant. And I'm not saying you've got to say she was his

accountant, but Ms. Brady testified on the stand, and we have the transcript. She testified on the stand that it was Mr. Smith who hired her in 2004 to do the 2004, 2005, 2006 taxes. That it was Mr. Smith who brought her the information in late 2005, and it was Ms. Brady who never did the taxes in '05, '06 or '07, such that at some point Ms. Brady said she didn't want to be the accountant doing the taxes. She would be the accountant helping them as the expert with a lawsuit. And it's at that time that the information then had to be turned over to Smith Sapp. It was Ms. Brady who was the accountant for this business as she testified from its inception when it was licensed in 2004 through 2006 when she decided she didn't want to be the accountant. And there should have been tax returns filed in '04, '05 and '06. Now, Your Honor, when Ms. Brady testified to that information, she also said that it was Mr. Smith who brought to her a printout from the

Peachtree accounting system that had all the information on it. So he had access and all the information as the president of this company for the entire time that the company was in business. Yet, Your Honor, in this order, you talk about the corporate conflict of interest rules and the duties and obligations of an officer and director and shareholder to the corporation as regards to Mr. Vereen, but you never once talked about that matter as regards to Mr. Smith and the fact that he had, and not just had access, but he was in charge of having the tax returns prepared until 2006.

THE COURT: Mr. Vereen signed all the checks; did he not?

ATTORNEY COOK: Yes, ma'am, he did. And the testimony in there from Ellis Smith completely, candidly said that he was the one that requested he not be a signatory. The fact that Mr. Vereen signed the checks and was the signatory does not negate or have anything to do with whether or not the president of the

company had obligations, opportunity, and in fact took that opportunity to have access to all the books and records. And, Your honor, that is clear in the testimony. Your Honor did not address that at all in the order. And to only address the obligations of one fifty-percent shareholder when that fifty percent shareholder likewise counterclaimed for an accounting of this corporation is, we believe, error.

THE COURT: Well one party can't have an accounting if the other party doesn't have an accounting. An accounting is an accounting.

ATTORNEY COOK: Yes, ma'am, and we've never had one. And that is our position in this case. The code requires, and we argued to Your Honor, and Susan Brady, in her testimony, was very candid that she had not done a complete accounting of this corporation.

THE COURT: Well whose fault is it that you didn't get an accounting?

ATTORNEY COOK: Well, Your Honor, we

had a ---

THE COURT: Wait a minute. We had a three-week hearing. And we had all the records, and Mr. DuRant begged your side to get an accountant to go through the records. And I said Mr. DuRant, I cannot make them get an accountant. I cannot make Mr. Vereen's attorney get an accountant. And you said, if I remember, it's not rocket science, Mr. DuRant. It's just adding and subtracting. The attorneys can do it. We do not need to get an accountant; is that not what you said?

ATTORNEY COOK: That is exactly what I said, Your Honor. And at that time, we had not worked with Susan and had no idea that Susan had picked and chosen what she was going to look at. And Your Honor, the judicial dissolution that is asked for, and the case law gives you the obligation, and we believe the right, and we believe in this case you should. We believe it was error for Your Honor not to find in this case that

there had not been a complete accounting done. And order that a complete accounting be done just like was in the Charleston Holdings case.

THE COURT: So I should have ordered you to get an accountant?

ATTORNEY COOK: No, ma'am. What you order is that they'll be an accountant to do, that has to do a complete accounting; that is what a judicial dissolution and an accounting case in conjunction with that requires, Your Honor. Last, Your Honor, I have two more issues. We believe it was error for Your Honor to infer, and an abuse of your discretion, to infer any negative connotations that Mr. Crumpler did testify, Your Honor. And the other matter, Your Honor, is ---

THE COURT: Wait; what was that? For Mr. Crumpler not to testify?

ATTORNEY COOK: That Your Honor felt that it was suspicious, and Your Honor put weight on the fact that Mr. Crumpler did not testify. We believe that was an

abuse of discretion, Your Honor. And Your Honor, we also believe, and we would cite to you the Charleston Holdings case. They found it was an error in that case, and we believe, likewise, that it's error in this case for Your Honor to award any prejudgment interest. And I will rely on that case and ask Your Honor to look at that. The prejudgment interest was not allowed in that case and should not be allowed in this case because there was no method for determining, as was found by the Supreme Court, the prejudgment interest.

THE COURT: Okay. I'm sorry; what case are you relying on?

ATTORNEY COOK: The Charleston Holdings ---

THE COURT: Back to the same case that you just mentioned earlier?

ATTORNEY COOK: Well I've mentioned two cases so far.

THE COURT: The Historic Charleston Holdings case?

ATTORNEY COOK: The Historic Charleston

Holdings case and the Jordan v. Holt case. Your Honor, I would also like to point out that Your Honor has had this case under advisement for three years, and a huge chunk of this four million plus judgment is prejudgment interest; it has accrued under the three years Your Honor had the case under advisement. I don't think that is going to become that relevant, because if you look at the Historic Charleston case, I believe Your Honor can see that this case, factually, is exactly where that case was in terms of the Supreme Court saying it was not proper to award prejudgment interest. And I'd also like to point out to Your Honor that what we believe, and what we ask Your Honor to do as a result of this motion to reconsider on these grounds, that I put on the record, but, additionally, the other issues that I've put in the motion itself is to issue an order requiring that there be a full accounting done of this corporation from its inception in

October of 2003 through today, Your Honor. Because, Your Honor, another part of your order cuts off in the accounting in 2007. Well the corporation is still in existence, while the building was still ongoing after 2007. There were punch matters that had to be done. There were corporate matters that had to be undertaken and are still being undertaken. There's a defense of two lawsuits going on in this matter, Your Honor. And so to do this arbitrary date of 2007 when the corporation hasn't been dissolved, and in fact your order still doesn't dissolve the corporation. You say in the beginning of the order that both parties have definitively asked for a dissolution. And then Your Honor, in the order, doesn't dissolve it. I agree with Your Honor. I don't think there's been a full accounting done in this case that would allow a judicial dissolution as is set forth in the corporate code. And according to the corporate code:

specifically, 33-14-106. And then the judicial dissolution statutes which are: 33-14-300, 310, 320 and 330, we request that Your Honor issue an order requiring that a full and complete accounting be done of this corporation, from its inception in October of 2003 up through and including whenever the full accounting gets finished, but at least through May 11th, 2015. There are ongoing obligations of this corporation. And with the judicial accounting, and with the statutory guidance as to how that is handled, we believe that would be the proper thing, Your Honor, for justice and equity to come out in this matter.

THE COURT: It would have been great if you had asked for that when you walked in this courtroom three years ago. That's not what you asked for when you walked in this courtroom.

ATTORNEY COOK: We actually walked into the courtroom longer than three years ago.

THE COURT: Well, if you would have asked for that when you walked in this courtroom; that's not what you asked.
ATTORNEY COOK: Your Honor, I believe if you look at the pleadings ---
THE COURT: That is not what you asked for. That's not what you asked for. Let me hear from you.
ATTORNEY DURANT: Your Honor, if it please the Court? First of all, Your Honor, it is the plaintiff's position that the motion to reconsider was not timely filed. I have a memorandum on that issue. And I will address her ---
THE COURT: When was it filed?
ATTORNEY DURANT: Well the issue really revolves around when did she receive the judgment of the Court under the Court rules?
THE COURT: Yes, sir.
ATTORNEY DURANT: And I believe my memorandum addresses those dates. If you look at a snapshot on the -- if you'll reference, for the purpose of the Court, you'll see the motion was filed

twenty something days after the judgment was rendered. I believe you signed your order the 23rd day of March.

THE COURT: It doesn't matter when I signed it. It matters ---

ATTORNEY DURANT: That is correct. And it was recorded the next day. And your law clerk sent us a copy of the order by email on the 24th; that's not service authority, Your Honor, but Ms. Cook acknowledged in her letter to the Court that she received it. On the 25th, my office sent a copy of the Form 4 and the judgment of the Court by mail to Ms. Cook, as required by the rules. On the 25th, you signed a nunc pro tunc order. That order corrected an error in the computation of the prejudgment interest and that order was emailed to all attorneys by your law clerk here. And on the 27th, I sent that order, by mail, to the attorneys for the parties as required by the Court rules. So using the 27th as being the last day, she has ten days to respond and make her

motions. Under Rule 6, she has five more days because it was sent by mail, so ten plus five is fifteen. One of those days fell on the weekend so she had until the following Monday. Now, Your Honor, well past that fifteen days plus the weekend, Ms. Cook sent you a letter directly to the Court. And why she sent it to you saying: Please send me Page 37 because Page 37 was left out and I believe that we would all agree that somewhere in the scanning of the documents, probably by your law clerk or Ms. Susan in your office, maybe Page 37 was skipped over, but the order and the Form 4 was sent to all the parties by me, even if the order was missing Page 37. And, Your Honor, the rules only require that the party be served with notice that the order has been filed. The Form 4 is clocked. The order is clocked. It's a public record filed with the Clerk of Court of Horry County on the date it was filed, and you got notice from the date you know that it

was filed. She had all of those or both of those and on multiple dates including the law clerk's email, which she acknowledged she got. So the question really is: Does the old issue of one page of an order reset the Appellate rules or the Court rules concerning when you must file your motion for reconsideration? Your Honor, it's my opinion that it does not. And you have no power to even enlarge that time under the Court rules, under Rule 6, unless she would have asked for extra time before the time expired. And there was no request. This was clearly a week later; giving her the benefit of all doubts. And it was too late for her to file it and she can't file it later. When you don't file it, you don't file. In this particular case, it has other problems, because if the motion is not timely filed, it doesn't stay the time to file the notice of intent to appeal. So, Your Honor, what happens is this case, it may be over right now, unless -

- I believe I told you in a memorandum what the dates were and I don't think they're in dispute. And we don't dispute that Page 37 wasn't in the order. What we assert to the Court is: That doesn't make any difference. The order is in the Clerk's office. And if you get notice that it's there and there's a page missing, you go to the clerk; you ask her to send it to you or go get it, because you don't even have to send the order to the party. But I know that the defendant doesn't agree with my position, but that's all I have to say unless the Court has a question of me concerning that particular issue, then I'll address legally, but that was our argument.

THE COURT: Ms. Cook, what do you have to say about that?

ATTORNEY COOK: Well, Your Honor, a couple of things. First of all, Your Honor, I don't think anybody disputes the fact that when your law clerk scans your order, or whoever scans your order,

that what was sent to me, Frank and Jack on that day, when we were sent the order, which did not have the judgment with it, which the order did not have Page 37.

THE COURT: That's correct.

ATTORNEY COOK: And that I did not get Page 37, which is a crucial page in the order, Your Honor, until I had notified Your Honor and Frank, and Jack because I wanted to make sure it wasn't on my end an error. I did go back and check your law clerk's email to me, to find it; to make sure just in my arena that it wasn't incorrect. Went back and looked at the actual orders that were sent to me by Mr. DuRant. Mr. DuRant sent the orders both to my old law office address, as well as my home address, so I got two copies of them. So I double checked to make sure Page 37 wasn't, that he hadn't gotten it, and to make sure. But, initially, Your Honor, I would say that your order was not final until -- and my time for filing the

motion to consider did not even start running until we had gotten the nunc pro tunc order, because that order didn't just change a mathematical computation, it added another party in terms of who the judgment was against. It wasn't just taking that out of the computation. And that mathematical computation that it changed in the March 25th order was independent of, Your Honor, I believe, and don't quote me on that, but I believe it was close to two million dollars, Your Honor. It was a large sum of money. But more importantly, it added a judgment. It changed the order to add a judgment against another party that it was in Your Honor's March 24th order. So, at that point, Your Honor, the time to file the motion to reconsider could not be filed because I didn't even ever have a complete order until I got the Page 37, which completed the order, compiled with the nunc pro tunc order as delivered by Mr. DuRant. And if you read the rule and the case

law, the time for filing a motion to reconsider is ten days from the party's receipt of the order, not when Mr. DuRant mailed the order.

THE COURT: No; it's ten days from receipt of the entry of the order.

ATTORNEY COOK: From notice, from notice of the ---

THE COURT: --- entry of the order.

ATTORNEY COOK: --- entry of the order.

THE COURT: Not from receipt of the order, from notice of the entry of the order?

ATTORNEY COOK: Yes, ma'am.

THE COURT: The nunc pro tunc order changed the number, but it also added the party to the Form 4, not to the order itself?

ATTORNEY DURANT: I'm not contending to go from the mailing of the nunc pro tunc order the second day, not the first day. I do not contend it's the day she was sent the first order. It's the date of

the second order. It's the 27th of March.

THE COURT: Yes, sir. Is that right?

ATTORNEY COOK: Your Honor, I contend that I did not file a motion to reconsider the order until I knew what the order said. And I didn't know what the order said until I got Page 37, Your Honor.

ATTORNEY DURANT: Your Honor, she should have called and asked for it or went to the clerk and picked it up.

ATTORNEY COOK: And I did that, Your Honor.

ATTORNEY DURANT: You don't ask the Judge for a copy. It's a recorded document; isn't that right? It's my position these things are so particular and this order was for such an amount of money that if you were missing Page 37, but you had all the other pages saying it's a four point two million dollar judgment, plus the Form 4 that said it's filed, you're going to know that you

can't make this mistake. And you'll say, Frank, give me the page or go to the clerk and get it, because it's a totally recorded document. And there's no requirement for anybody to give it to you.

THE COURT: I suppose neither one of y'all has done any research on this issue?

ATTORNEY COOK: No, ma'am, but I'll be happy to.

ATTORNEY DURANT: Your Honor, I didn't do any research. I researched the issue. That exact issue. It's not been before the Supreme Court. However, there is research and there are cases concerning the accounting application of these rules being ---

THE COURT: I know.

ATTORNEY DURANT: --- ten plus five on the motions. On the appeal, thirty days from the date the lawyer or an officer of the Court says I've got an order and they give great deference to what the lawyer says the day I got it. But, as

to the motion, it's ten days plus five, plus the weekend is the time.

THE COURT: I understand that. I mean we all understand that part. And my guess is there are no South Carolina cases on nunc pro tunc orders and ---

ATTORNEY COOK: And getting paid and --

THE COURT: --- and getting paid and that kind of thing. There may be some cases.

ATTORNEY DURANT: Didn't find any.

THE COURT: Oregon or ---

ATTORNEY DURANT: I didn't find any in the resources available to the South Carolina Bar's research.

THE COURT: Okay.

ATTORNEY DURANT: Your Honor, with that being said, though, would you like for me to finish?

THE COURT: Yes, sir. Let's go ahead.

ATTORNEY DURANT: Your Honor, on the accounting issue ---

THE COURT: Yes, sir.

ATTORNEY DURANT: --- and the pleadings, just for the record, Your Honor, I gave you a post-trial memorandum. This was three years ago, but I want to put it in the record because I don't know if this is in the record. Your Honor told us at the close of the trial ---

ATTORNEY COOK: Your Honor -- I'm sorry.

ATTORNEY DURANT: --- told us to send a post-trial memorandum as to the relief that we sought ---

THE COURT: Yes, sir.

ATTORNEY DURANT: --- in the case, and you asked us to do it within two weeks. And I think you instructed us to do it by email and send copies to the other parties.

PLAINTIFF'S EXHIBIT NUMBER ONE MARKED AND OFFERED INTO EVIDENCE.

THE COURT: Yes, sir.

ATTORNEY DURANT: The plaintiffs sent theirs, and the defendant never sent a post-trial memorandum as to the relief they sought. I state this to show that

the allegation and the piercing of the veil were discussed in there. It was also discussed, Your Honor, and I also filed a pretrial memorandum before we started the trial, which I'd like to mark the Court's Exhibit also. I think you got this earlier concerning these very issues.

ATTORNEY COOK: Your Honor, before you go, I would object to this being put in the record. Rule 16 is very clear of the South Carolina Rules of Civil Procedure that a pretrial brief is not part of the record.

THE COURT: Well, I don't know that he wants it as part of the record other than to show that he actually filed a substantive.

ATTORNEY DURANT: Yes.

THE COURT: He just wants it to be part of the record. And you don't have to make it as an Exhibit, really, but it will be part of the record to show that you actually filed a pretrial brief. Is there any part of this pretrial brief

that you want part of the record?

ATTORNEY DURANT: Your Honor, over the course of this case, the disregarding the corporate entities was discussed and hammered through all during this trial.

THE COURT: Okay.

ATTORNEY DURANT: And we ask right now to conform our pleadings. The proof, the whole proof was that, you see the defendants always considered themselves as one. The whole trial was the defendants agree this; the Vereen entities agree that. They all treated themselves as one. And, Your Honor, we ask you in the memorandum to treat them as one for the purposes of the Court. And it should come as no surprise three years later that you said that's a premise, because the money was going here, there and everywhere, but all going to the entities who are the named defendants.

THE COURT: Well, if there's ever been a case of amalgamation, this is one. I mean I can't imagine there being

a clearer case of amalgamation than this case.

ATTORNEY DURANT: Your Honor, we ask that they mark this as plaintiff's Exhibit 1 and 2 for the record, just to show that there was no surprise when this was pointed out during the whole trial of this thing, because the trial took nineteen months, Your Honor, to get these sixteen or seventeen days that we were here. And none of this is a surprise that someone would say hey, after, one is after the other because the money was going into all these accounts. So I ask that for the record to show that they can't say when they got this order that they were surprised. They knew at the close of the trial, Your Honor, that this is where we were going. And we ask you, Your Honor, now to amend the pleadings to prove, I think Rule 15 allows the motion to be made after the judgment, if that's an issue before the Court.

THE COURT: It certainly was tried

that way.

ATTORNEY DURANT: Yes, ma'am.

THE COURT: Do you disagree that amalgamation was tried?

ATTORNEY COOK: I disagree that it was tried, that there would be joint and several liability, Your Honor. I do not disagree that all of the corporations and the money in and the money out was talked about. And I would like to reiterate for the record, and I believe everybody was very well aware of this: That in terms of using the Vereen entity, we used that so that I didn't have to speak and say all of those entities. That did not mean that we were disregarding the corporate formalities or the individual formalities. And, Your Honor, the pleadings are very clear that they do not ask in the pleadings for the piercing of the corporate veil. And, Your Honor, in an accounting, as we stated in the Jordan case and in the pathology of the Jordan case and the

case law present before that in accounting cases, the findings of the Court have segregated out who owed what to whom, and not joint and several liability. We vehemently object to, at this stage, a Rule 15 amendment, and we're three-and-a-half years since the last time testimony was taken in this case. And, Your Honor, we even came back before you a year ago, less than a year ago and asked to reopen this case. And to now try to conform the pleadings to the testimony we believe is way late and is certainly prejudicial. The corporation, the information before the Court to make its findings as to what these entities or individuals owe any money to this corporation, A & E. And, Your Honor, in terms of the Exhibits that Mr. DuRant wants to enter into the record, Rule 16 is very clear that pretrial briefs are not part of the record. They are not filed. They are sent to the Judge. Additionally, Your Honor, the memorandum, the post-trial

memorandum, Your Honor, additionally, that's not testimony or evidence in the case and that should not be marked as an Exhibit in this matter.

THE COURT: I'm trying to figure out why all of these parties are part of the pleadings then?

ATTORNEY COOK: Your honor, because in doing an accounting, you have to bring into the jurisdiction of the Court. If the Court was going to order that Parkway Properties owed A & E "X" amount of dollars, in order for Your Honor to have jurisdiction over that party, you would have to have it as part of the case. If you were going to find that Mr. Vereen, individually, owed A & E "X" amount of dollars, then Mr. Vereen, individually, would have to be a member; the same with Parkway Offices, the same with Arthur Vereen Construction Company, Your Honor.

ATTORNEY DURANT: Your Honor, the plaintiffs alleged in the complaint that the defendants, that they believe the

defendants conspired together to take the money from the company in various and sundry ways. The theories we're talking about piercing the corporate veils, it's just a further extension of what he said they did: They stole all our money. Now, in the trial of the case, Mr. Vereen's testimony was: I take it all back. I said what do you mean; you didn't write any checks? He said well when I say Vereen, I mean Arthur Vereen Construction, or Park Place, or my wife or whomever, and the whole trial was like that. And we went about asking them to bring new records to us to establish what happened with this money. Your Honor, I'll go forward when you're finished with that order. I don't want to make comments while you're looking at the records.

THE COURT: That's okay. You can go forward.

ATTORNEY DURANT: The comments about Mr. Crumpler, Your Honor, we did, in the trial of the case, there was detailed

discovery concerning what this man, what Mr. Vereen did or didn't do. And his testimony in the discovery, which he was required to be put under oath, is that my accountant's Crumpler and his associate, there was another Huggins that they were getting all that information together. And his accountants were going to provide that information and show that he put more money in than he took out. But bearing in mind, Your Honor, it wasn't money that Mr. Vereen put back in. It was money that Park Place or Arthur Vereen Construction or any other entity he had put back in.

THE COURT: Wait just one moment. I have looked at the complaint.

ATTORNEY DURANT: Uh-huh (affirmative response).

THE COURT: The complaint does say granting the plaintiff and A & E judgment against the defendants jointly and severally.

ATTORNEY DURANT: Correct.

ATTORNEY COOK: Yes, ma'am, in the prayer for relief it does, but it does not have included in it, the pleadings, any theory under which you could award joint and several liability. It asks for it in the prayer, but it does not plead in any of the causes of action piercing of the corporate veil, or any other theory that would allow, because there was not a conspiracy cause of action, Your Honor, because they don't allege any special damages over and above or different than the accounting causes of action and the judicial dissolution causes of action. And so there is no theory that it was pled in this case, and they did not plead piercing of the corporate veil to allow joint and several liability. And in a judicial accounting case, Your Honor, the Court has to make a determination of all the assets, all the liabilities, and the entities and parties, and the amounts that are owed back to the company, if any, and then to determine

how those assets, if there is a positive balance, should be distributed.

THE COURT: All right. Go ahead Mr. DuRant. Your Honor, going back to Mr. Crumpler, Mr. Vereen testified in his discovery: I've employed my accountants to do this. Now, the discussion concerning Ms. Brady, Ms. Brady was engaged by the plaintiff, Mr. Smith, to eventually do the tax returns. And this was in late 2005 or 2006. And her testimony was that there were unanswered questions about unauthorized disbursements made and she did not feel comfortable doing the tax returns, and that Mr. Vereen never provided the answers to the questions she wanted. So, she did, in fact, certify the valuation of assets for the company so they could get a license, but she declined to do the tax returns. She also was hired for the purpose of being an expert on the amount of money that the entity earned on the one particular construction case where there was a

lawsuit over the plans being done. And she said even then there was probably incorrect information given to her by Mr. Vereen because she was unaware of these: the profits that he took it and put it in another account of A & E. Ms. Brady also testified, Your Honor; how do you do an accounting for a corporation? You look at their books. The books consist of the computer records, the bank statements; they only had one, the checks going in ---

THE COURT: One bank, one bank account?

ATTORNEY DURANT: One bank account and you would look at the deposits and disbursements that have come in; that's what she did. She says I can't do an accounting of this company by looking at Arthur Vereen Construction's records, because the records for the company is supposed to be in the company posted records, which they are required to maintain and report to the state and federal taxing authorities.

THE COURT: Uh-huh (affirmative response).

ATTORNEY DURANT: So, in regards to Mr. Crumpler, when he made the statement that Crumpler was going to do this, and Mr. Crumpler came over here that day in Court and said, hey, I was told not to talk to DuRant. And you said, yes, you can talk with him. And you also said are you going to be the witness? And they notified you at that time that we are not going to use an accountant as an expert. We don't need one. And, Your Honor, this is America and you can do what you want to, so they didn't engage one. And I think it's perfectly proper for the Court to say, hey, you had an accounting lawsuit. You told the Court in the responses that you were going to use Mr. Crumpler as your accountant, to straighten out this accounting mess that he created, these defendants, and you did not. And you have these problems and you make your comments. There's certainly nothing wrong with that. And

it's entirely proper. So, on the other issues: You've got to do a complete accounting. What are you supposed to do, Your Honor? Are you going to tell each of us to give you twenty-five thousand dollars and you're going to hire a separate firm to do an accounting? Well there's no money for that. We asked the Court to look at the records and look at the books and determine: Did one party improperly take assets; steal money from this company? And we presented ample proof to you, beyond any doubt at all, that monies that belonged to this company were not being taken by Mr. Vereen and his entities. Your Honor, the discovery was very specific in questions concerning did you take money either that was meant for this company or you billed for this company and put it in your accounts or accounts other than A & E, and he stated, under oath, in his interrogatory responses that he did not. Now, he comes back later and says, well, yes, I

did, but the Vereen entities put in more than they took out. And that is entirely different than what he said at the beginning of the case. Your Honor, this is corporate fraud. The defendants who are involved in these cases are the people that received the benefits of them. They're all tied together by common denominator. Mr. Vereen and his family, they controlled all of these entities. We don't have two or three separate entities over there with other third parties in them. Someone took the money and put it in an account and they started for the very first shot. The testimony concerning Plantation Lakes or what she said had happened, I think Mr. Smith testified he didn't know anything about the company not getting paid. I'm not aware of any testimony as to what Arthur Vereen Construction paid for this house to be constructed. All we knew from looking at the books and the records of the company is a hundred and thirty-two thousand dollars of money was

paid for A & E to construct this house, and there was no bill and no accounting for the money. And the suspicious things that he did on the date of the closing. I don't think the Court or anybody else believed that he thought this was an asset of the company, but he transferred title in the morning, and then transferred title to the buyer in the afternoon, and then filed the tax returns and says the hundred and thirty-two thousand dollars is a loan from him to the company; knowing later on when he was paid for extras which were billed by this plaintiff and take the money and put it in his other accounts. This went on from the get-go, Your Honor. Money was taken that clearly belonged to this company. The jobs here in the answers to interrogatories, they said that every major job we did was a Arthur Vereen Construction Company job and we're supposed to do it at cost. I'm telling you: That's his statement under oath and those were filed with the record. Now

the story goes on, well, wait a minute, I guess Arthur Vereen should be able to make some money on jobs. Your Honor, this is corporate fraud in its worst. It's every single defendant participated in the fraud. Now Mr. Vereen controlled all these accounts, nobody else but him. And it was his family member, his wife, who says in her deposition, it's put in the record, that hey, I authorized him to do everything that he did, and I stand behind him today. And she chose not to even appear and testify in the case and that's her choice, Your Honor. Your Honor, I think the Court ruled properly. The Court ruled on what was before it. And I think when you said I want to keep the record open for future developments, you did, Your Honor. You said, I believe your words were: Well, as for these things, that will be for a later day, because if there's a judgment rendered against the company later, Your Honor, we are fully aware that A & E would be responsible for that day when

it comes. And you said I can't make that decision today. And you're right, you can't. But you don't stop and finish the accounting that we started today and you don't end the corporate wrong-doing just because we don't know whether or not the verdict is rendered in a case of faulty construction. Your Honor, that's all I have.

THE COURT: Any reply?

ATTORNEY COOK: Just very briefly, Your Honor. And as to Mr. DuRant's last comment, I totally agree, Your Honor. The code in South Carolina dealing with corporations and their judicial dissolution provides an avenue when there are contingent liabilities and a judicial dissolution as to what the Court has the discretion and the authority to act in the power to do with regards to that matter. And, Your Honor, to the crux of what Mr. DuRant just said. He said: "All we knew from looking at the books and records of A & E." And that is all that Ms. Brady did.

But the evidence before the Court went far beyond looking at the books and records of A & E. It did go and look at the books and records of Mr. Vereen and the other related companies. There was no law in South Carolina or anywhere else that says to do an accurate equitable accounting of assets and liabilities of a business that you can only look at the books and the records of that particular corporation. In fact, Your Honor, some of the cases that I cited you, Your Honor, they do have to look at other companies and see what happened. The testimony before Your Honor, and Your Honor even found in the order, appropriately so, that from October of 2003 through about June of 2004, all of the bills, all of the expenses, all of the obligations in order to conduct jobs of A & E were paid for by Arthur Vereen Construction Company. It wasn't until June of 2004 that A & E started paying any bills for A & E, Your Honor. And Your Honor found

that. And that is the testimony; that is the evidence which isn't just the discovery. All the documents, all the notebooks, Your Honor; Your Honor knows how much paperwork there was.

THE COURT: It was lined up around this courtroom.

ATTORNEY COOK: Yes, ma'am. And, Your Honor, that's really the crux or the issue. Your Honor had the judicial authority to order an accounting, a full accounting, looking at wherever needs to be looked out to find out what assets and what obligations of this corporation had taken place from '03 until today, and the code gives Your Honor the power to do that. It gives Your Honor the power to consider the equitable remedies that Your Honor can undertake once that full accounting has been done to provide for contingent liabilities that are out there. Your Honor, when we were here before you on the motion to reopen the case, given the two lawsuits that have already been filed, and we talked about

this. One of the things Mr. Thomas said was, well, the statute, are you going to leave this open for thirteen years? Well from the point in time when this corporation started, the statute with regard to the statute of repose in construction cases had changed to eight years. From the last time we are aware of when A & E's license was used on a job, unbeknownst to us, used by Mr. Smith, the eight years would be up in another year-and-a-half. Now, there may be other jobs that Mr. Smith, before his new company got licensed, used A & E's license for that we don't know about. But the last job we know about, the eight years statute would be up in another year-and-a-half. At that point, one would hope that there would be no more potential liability for anything that's not already filed, but that's where we are, Your Honor. And both parties asked for a judicial dissolution and asked for a full accounting of this case. And Mr. DuRant is perfectly

right. Ms. Brady looked at the books and records of A & E.

ATTORNEY DURANT: Your Honor, to follow up on that: Ms. Brady testified that she should be able to look at the books and records of A & E and it was properly and lawfully done. The bills, the charges, and the payments would be in those records. And in the defendants' answers, he said they were. And what we found out through detailed discovery, which was very expensive, we introduced records from the affiliated defendants and showed you, beyond any doubt, that the defendants took the money that belonged to the plaintiff and put it into their accounts. And that is the records that Ms. Brady looked at. Records that we had to find through discovery because the defendants said they didn't do it. And we proved that they did do it. And then he said, well, wait a minute. Now that I did do it, I paid more in than I paid out, and the presumption is in the law, that if

you're going to do that, you're going to have to prove it. And we went into how you're going to prove it and we were promised this work by his CPAs, which was not brought forth to the Court. And then we made an appearance in Court to say, Your Honor, we can't get credit cards from six years ago that just say Amoco Shell and determine that's a bill that's a proper expense of this company because it wasn't charged on a company account. And you issued your order that said, look, you said you were going to do it for years, to bring it to the Court, and you have to have the invoice and the check paying it. And then when you do that, it can be considered by the Court and also be considered by Ms. Brady as a proper expense, because then it was six years after the fact. And that's when we got into the broohoo over did you meet the standard required by the Court?

THE COURT: That's right.

ATTORNEY DURANT: And they did not. On

the majority of the stuff, there was nothing to support it.

THE COURT: That's true.

ATTORNEY DURANT: So, Your Honor, to the extent that Ms. Brady looked at other records, it was solely because they were ultra vires transactions that the defendants did and that they shouldn't have done under law.

THE COURT: I know about your big fuss during Court, but that they didn't produce the documents before the cut-off?

ATTORNEY DURANT: Correct.

ATTORNEY COOK: Your Honor, that's what Your Honor found, but that is another ground of our motion to reconsider. And they were produced. Your order did not say they had to be stapled together. They were put in a notebook like Ms. Brady wanted them to be. And that is another ground in our motion to reconsider.

THE COURT: No, I didn't say they had to be stapled together. I think I

said that you needed to have the invoice and the payment.

ATTORNEY COOK: And we -- yes, ma'am.

THE COURT: And they were proffered?

ATTORNEY COOK: Yes, ma'am. We proffered all of that up, Your Honor. In all those notebooks they were proffered. There were certain notebooks Your Honor did allow in. There were other notebooks Your Honor did not allow in and we proffered those.

THE COURT: Well, because they weren't submitted timely.

ATTORNEY COOK: Your Honor, they were submitted timely. I understand, Your Honor. I'm not arguing with Your Honor.

THE COURT: Well I don't know why I wouldn't ---

ATTORNEY COOK: I'm not arguing with --

THE COURT: --- have let them in.

ATTORNEY COOK: I can't answer that, Your Honor. I wish I could.

THE COURT: Because I should have

let them in if they were sent in timely, because that's what the order said, so I can't imagine why I didn't. But, anyway, I know we got into a fuss over the evidence, but anyway, I know Ms. Brady, I know that her bill was what; over a hundred thousand dollars?

ATTORNEY DURANT: A hundred and forty-two thousand.

THE COURT: A hundred and forty-two thousand dollars, so I know an accounting is very expensive. Her bill was a hundred and forty thousand dollars so I know that's very expensive. I don't know where this money is going to come from.

ATTORNEY COOK: Well, Your Honor, I believe you can order one of the parties to pay for it.

ATTORNEY DURANT: You did.

ATTORNEY COOK: No, sir.

THE COURT: Well, what he's saying is I ordered Ms. Brady's bill be part of the judgment. But, no, I didn't order a Court accountant.

ATTORNEY COOK: Correct, Your Honor.
THE COURT: But nobody asked me to do that. That's why I find it disturbing that somebody's coming into Court later saying that's what you should have done, Judge, when nobody asked me to do that. And I know, Ms. Cook, you're saying: Well, you should have done that. But you didn't ask me to do that to begin with. Now you're saying it's your duty; you should have done it. Nobody, nobody in this courtroom should come in here now and say: You should have done it. It was your judicial duty to do it, when nobody -- don't tell me you asked me to do it. Because nobody came in here and said that's what you should have done. Ms. Cook, don't stand up and say that's what you should have done, because that's not what you anticipated. That's not what you came in here two years ago, or three years ago and asked me to do. That's was not what the parties anticipated. Mr. DuRant, is that what you anticipated

me to do?
ATTORNEY DURANT: No, ma'am. We asked --
THE COURT: No.
ATTORNEY DURANT: --- that the accounting be paid out of the funds that we recovered. And you ordered that.
THE COURT: And that's not what you and Ms. Cook talked about. That's not what was anticipated.
ATTORNEY DURANT: That's correct. And Your Honor, on the attorney's fees, we didn't ask the other side to pay it. We asked under the statute that you approve my fees because it was an action filed as a derivative action, the payment of fees is something you must approve.
THE COURT: If that's what was anticipated, I would have thought before y'all went forward, Ms. Cook, you would have said Judge, who are you going to appoint? Who is the accountant?
ATTORNEY COOK: Well, Your Honor, to be perfectly candid, when Ms. Brady said and acknowledged before Your Honor,

under oath, that she had not done a full accounting; she had only looked at certain things that Mr. Smith had pointed out. And I made a point, on the record, Your Honor, of saying: Do you agree that there will have to be more done in order to have a full accounting of this corporation; might not have been phrased exactly like that, but to that extent, and she said yes. And I believe, Your Honor, and we've got bits and pieces of this record already, I believe Your Honor said: Well am I allowed to do that? And Your Honor, the statute says that the Court can order a judicial accounting and a judicial dissolution.

THE COURT: Well I don't recall saying that, but I know Ms. Brady was Mr. DuRant's and Mr. Thomas' accountant, not Mr. Vereen's accountant?

ATTORNEY COOK: That's correct. Yes, ma'am.

ATTORNEY DURANT: Your Honor, she said, look, I can't go find every invoice to

match every check, but I looked at every check and I matched it to the computer and it balances. And I testified under oath today that every deposit that went into that account has been accounted for. And she said, also, that Mr. Vereen and Mr. Smith got checks from the company for reimbursement, which were entered into the computer record and charged to a job. And as to those, she assumed them to be true because they were charged to a building account which they had for jobs. And she admitted those things and we don't challenge every check. We looked at the records and found out these are things we know or we suspect we can prove our ultra vires actions by Mr. Vereen. And other than that, he could have looked at any record and done the same thing himself. But his problem was, Your Honor, is he wrote all the checks. We wrote none. So the presumption here is if we ask for something and he approves it and signs the checks, then he's already approved

the check.

THE COURT: And where is the checkbook kept?

ATTRNEY DURANT: In the office. And the statements are kept in the office and they're balanced in the office every month, at least through 2007.

THE COURT: In the office that's owned by Mrs. Vereen? But was ---

ATTORNEY DURANT: Correct. And Parkway.

ATTORNEY COOK: But was utilized by A & E and which Mr. Smith, the president of the company, a fifty percent shareholder, had unfettered access, until he abandoned the company in the spring of 2007.

ATTORNEY DURANT: It seems like she's arguing that we had a key to the building so that means we're then somehow stealing ---

THE COURT: I understand.

ATTORNEY DURANT: --- and spying.

THE COURT: I understand. I understand. I mean it was fifty-fifty shareholders. I understand that. Okay.

Anything further?
ATTORNEY DURANT: Nothing from the plaintiff.
THE COURT: And everybody has had his or her say ---
ATTORNEY COOK: Yes, ma'am.
THE COURT: --- on the motion for reconsideration?
ATTORNEY THOMAS: Briefly, Your Honor --
-
THE COURT: Yes, sir.
ATTORNEY THOMAS: --- as the Court is aware, I represent E. Smith and Sons and EES Construction.
THE COURT: On the counterclaim?
ATTORNEY THOMAS: Yes, ma'am, and Ellis E. Smith. I didn't understand Ms. Cook to say anything about my client in her argument, so I'm not going to say anything in response. And I'm only going to say that to the extent that she says anything, that you got anything wrong in the order regarding my clients, we disagree.
THE COURT: Okay.

ATTORNEY THOMAS: And one additional thing regarding the accounting. There were actually two versions of an accounting presented to this Court, over, Frank says sixteen days. It seemed more like sixty days to me.

THE COURT: I agree.

ATTORNEY THOMAS: But he had boxes all around the courtroom. Mr. Vereen had his boxes on that side of the courtroom all around presenting their alternative view of what an accounting ought to be, and nobody said Judge, you're wasting all of our time because you didn't order this accounting that we think you now ought to do. We think to the extent that was ever right, and we don't think it was, there's certainly a way to find out because they presented their own accounting.

THE COURT: There were. I mean Mr. Vereen's daughter did her own accounting. I mean she had plenty of books and records herself. She acted as Mr. Vereen's accountant. There were

plenty of accounting records presented on behalf of Mr. Vereen.

ATTORNEY COOK: Yes, ma'am. There were plenty of records.

THE COURT: And just because I don't set it out in the order doesn't mean I didn't consider it. I mean I didn't sit here and close my ears when she was testifying. I didn't fall asleep while she was testifying.

ATTORNEY COOK: No, ma'am. You didn't.

THE COURT: I sat here and I listened to everything she had to say. And I don't know how many days she was on, but she probably thought she was on the witness stand for two weeks. But she was on the witness stand for quite some time and did a very good job. And I listened to everything she had to say and she had plenty of written records. So I considered everything she had to say. And y'all did a great job and bombarded me with testimony and Exhibits and records. And I am not an accountant

by any means. And I'm not a mathematician by any means. And I knew it was going to come down to an order that no one, probably no one's happy with. I know that Mr. DuRant prepared a proposed order, and I certainly didn't sign the one he proposed. I tore it all to pieces. Right after he sent me a proposed order, it took me months after he sent the proposed order to do one. But ---

ATTORNEY COOK: Your Honor, Mr. DuRant sent you a proposed order?

THE COURT: I asked for proposed orders from both sides.

ATTORNEY COOK: Hmm ---

THE COURT: Yes, ma'am, I did.

ATTORNEY COOK: You asked for post-trial briefs, Your Honor.

THE COURT: I asked for a proposed order from both sides. And I never received one.

ATTORNEY DURANT: She sent an email stating that she would have a proposed order a week after I sent mine.

ATTORNEY COOK: This is on the record, so I believe all the emails can be put on the record, because I remember we kind of had a conversation with Susan, your paralegal, because it appeared, which I knew that there was no ex-parte, but we had this big discussion about proposed orders with Susan. And I believe Your Honor sent something back: No, I haven't asked anybody for a proposed order.

THE COURT: I did later. I did later. I said that.

ATTORNEY COOK: And you sent me an email?

THE COURT: Yes, ma'am. All right. We're adjourned. Thank you very much.

ATTORNEY DURANT: Thank you, Your Honor.

ATTORNEY COOK: Could I ask: Frank, do you still have that email that you could send to me?

THE COURT: I probably do.

ATTORNEY DURANT: I think how it was is you were in the Atlanta airport or

something and I had sent some order to you, because I thought Susan wanted me to do it. And you said I'll prepare one and I'll get it to you by next week. I sent it to your email.

ATTORNEY COOK: Well, Your Honor, if you have an email independent that you've asked for both of us to send proposed orders, I ---

THE COURT: Either I did it or my law clerk did it.

ATTORNEY COOK: If you could find that, I would certainly appreciate getting it because I do not recall it.

THE COURT: All right.

ATTORNEY COOK: I remember having a big harangue with Susan about that, because I remember saying I think the email came from you because it was saying I haven't asked anybody for an order.

THE COURT: It was after that.

ATTORNEY COOK: It was after that?

ATTORNEY DURANT: Frank, do you have an email to that effect?

THE COURT: And I waited and waited and waited.

ATTORNEY DURANT: Well, Your honor, I think what your email said, because I looked all the stuff up yesterday. You asked for a memorandum as to the relief we requested, which Jack and I sent together to you, which I put in the record then. And she did not provide that. And you did send her an email, or your law clerk, or Susan did, and you never got that. Then afterwards, I forgot how it happened. I sent you a proposed order because I thought I was supposed to, incorrectly. And we had a conversation by email concerning this and Kif said that she would send her proposed order by Monday of the following week.

THE COURT: Okay. That's what it was.

ATTORNEY COOK: I ---

THE COURT: Yeah, you did say you would send one the following week.

ATTORNEY COOK: That was not a

proposed order, Your Honor. That was the post-trial memorandum.

THE COURT: Well we never got it.

ATTORNEY COOK: And I've never, ever gotten anything that said you wanted a proposed order or that Frank had sent you a proposed order.

ATTORNEY DURANT: What did that say; you got my proposed order?

ATTORNEY COOK: I never got a proposed order from you, Frank. I got a post-trial memorandum. But I -- Your Honor, I never got a proposed order.

ATTORNEY DURANT: I think you're wrong.

THE COURT: Well, I'll go back and look at all the memos.

ATTORNEY COOK: Yes, ma'am, and I'll likewise look at mine as well.

ATTORNEY DURANT: Okay.

(The hearing concluded at 2:40 p.m.)

CERTIFICATE

I, Melissa M. Decker, Notary Public in and for the State of South Carolina, do hereby certify that there appeared before me the foregoing witness;

That said witness was sworn by me to state the truth, the whole truth and nothing but the truth;

That the testimony was recorded by me, by open tape and Stenomask, reduced to typewriting and proofed under my direct supervision and the foregoing consecutively numbered pages are a complete and accurate record of the testimony given at said time by said witness;

That the undersigned is neither of kin nor in anywise associated with any of the parties to said cause of action, nor any counsel thereto, and that I am not interested in the event(s) thereof.

IN WITNESS WHEREOF I have hereunto set my hand and seal this the 3rd day of July, 2015.

Melissa M. Decker
Court Reporter
Notary Public in and for
The State of South Carolina
My Commission Expires: 2-06-24

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ARTHUR W VEREEN
512 WATERSIDE DRIVE
MYRTLE BEACH, SC 29577

3811

12/30/03

DATE

PAY TO THE ORDER OF Capital City Title Fund

$ 50,000.00

Forty thousand dollars ℔

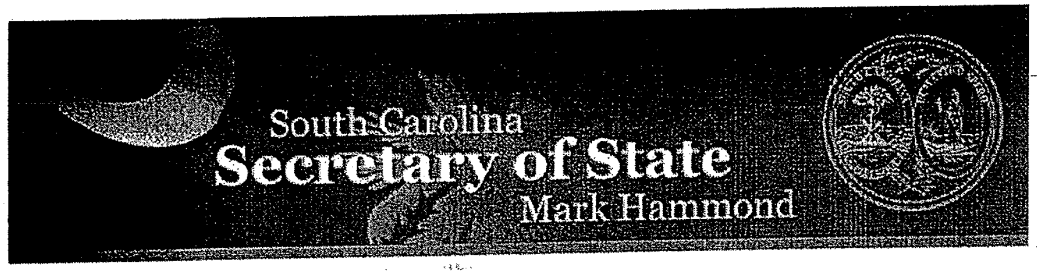
DOLLARS

CAROLINA FIRST
MYRTLE BEACH, SC 29577

FOR AVE Land

[redacted]

12/30/03 3811 $50,000.00



E. SMITH AND SONS CONSTRUCTION, LLC

Note:This online database was last updated on 7/8/2009 6:02:54 PM.
See our Disclaimer.

DOMESTIC / FOREIGN:	Domestic
STATUS:	Good Standing
STATE OF INCORPORATION / ORGANIZATION:	SOUTH CAROLINA Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:	ELLIS E. SMITH
ADDRESS:	711 JASMINE AVENUE
CITY:	MYRTLE BEACH
STATE:	SC
ZIP:	29577
SECOND ADDRESS:	

FILE DATE:	04/03/2007
EFFECTIVE DATE:	04/03/2007
DISSOLVED DATE:	/ /

Corporation History Records

CODE	FILE DATE	COMMENT	Document
Domestic LLC	04/03/2007	SCBOS Filing: AT WILL	

Disclaimer: The South Carolina Secretary of State's Business Filings database is provided as a convenience to our customers to research information on business entities filed with our office. Updates are uploaded every 48 hours. Users are advised that the Secretary of State, the State of South Carolina or any agency, officer or employee of the State of South Carolina does not guarantee the accuracy, reliability or timeliness of such information, as it is the responsibility of the business entity to inform the Secretary of State of any updated information. While every effort is made to insure the reliability of this information, portions may be incorrect or not current. Any person or entity who relies on information obtained from this database does so at his own risk.

△19

$350.00 CK #1131

LLR

Office of Licensure and Compliance
110 Centerview Drive, Columbia, SC 29210
PO Box 12217, Columbia, SC 29211
Telephone (803) 896-4501 Fax (803) 896-4570

MAY 04 2009

OFFICE USE ONLY

AMOUNT $_____ BATCH#_____

DATE OF ISSUE:_____

G_____ M_____

QP_____ CLASS_____

GENERAL OR MECHANICAL CONTRACTORS' LICENSE APPLICATION

Document #185

APPLICATION MUST BE TYPED OR PRINTED IN INK

NOTE: Personal information provided on this application may be subject to public disclosure pursuant to the Freedom of Information Act or other provisions of federal and state law.

FEE SCHEDULE Select one:

☐ General Contractor ☐ $175 (until 6/31/08) ☐ $360 (after 6/31/08) ☑ $175 (after 6/31/09)

☐ Mechanical Contractor ☐ $360 (until 6/31/08) ☐ $175 (after 6/31/08) ☐ $350 (after 6/31/09)

ATTENTION CHECK WRITERS: BY PROVIDING US YOUR CHECK, YOU AUTHORIZE US TO: (1) USE INFORMATION FROM THE CHECK TO MAKE A ONE-TIME ELECTRONIC FUND TRANSFER FROM YOUR ACCOUNT, OR, TO PROCESS THE PAYMENT AS A CHECK TRANSACTION, AND, (2) TO COLLECT A FEE THROUGH ELECTRONIC FUND TRANSFER FROM YOUR ACCOUNT IF YOUR PAYMENT IS RETURNED UNPAID.

- Are you a current or previous S.C. Contractor? Yes ☑ No ☐ Your Previous S.C. License#: [redacted]
- Is this a reinstatement application? Yes ☐ No ☒
- Is this a name change or style of business change? Yes ☐ No ☒

1. LICENSEE INFORMATION: This section to be completed by the person or entity seeking a license. The name listed in this section (the "Licensee") is the owner of the license. You must sign contracts, apply for permits, conduct business and advertise in the same name that will appear on your license. See Sections 40-11-20, 130, 230, 240 and 370(B) in the General and Mechanical Contracting Act of SC for further clarification.

Licensee (DBA) Name: E Smith & Sons Construction Inc.
(The name to put on the license to work and pull permits)
DBA - "Doing Business As" Name (Exact name in which this entity will be conducting business in S.C.)
(Financial statement must be in this same name, unless a Sole Proprietorship)

Select your DBA's style of business:
☐ Sole Proprietorship ☐ Partnership* ☑ Corporation* ☐ LLC* ☐ LLP*
*Contact SC Secretary of State (803-734-2158) if you want to register your entity in South Caroline

Mailing Address: PO Box 1248 (i.e. P.O. Box) Myrtle Beach City SC State 29578 Zip Horry County

Business Address: 711 Jasmine Ave Physical Street Address (No P.O. Boxes) Myrtle Beach City SC State 29577 Zip Horry County

Business Telephone #: (843) 458-0076 Federal ID #: [redacted]
FOR an S-CORP, J-CORP, LLC or LLP (REGISTER WITH S.C. SECRETARY OF STATE at 803-734-2158)

Fax Telephone #: ( )

Email Address: ESmith4599@AOL.com

2. QUALIFYING PARTY "QP" INFORMATION: This is the individual(s) that is qualifying the license by exam or waiver; or, if you are reinstating your license, this section could also be filled out by a "grandfather" qualifier. Make a copy of this page and page 3 for each qualifier. NOTE: THE LICENSE DOES NOT BELONG TO THE "QP" UNLESS THIS LICENSE WILL BE IN THE QP's PERSONAL NAME, OR IF THE QP IS THE OWNER/PRESIDENT OF THE COMPANY. THE LICENSE BELONGS TO THE "DBA" NAME LISTED ABOVE IN SECTION 1 (see Section 40-11-230, 40-11-20(15), and Regulation 29-2).

Qualifying Party (QP) Name: Ellis E Smith
This is the individual(s) qualifying this license by Examination or Waiver

Home Address: 711 Jasmine Ave Street Myrtle Beach City SC State 29577 Zip Horry County

Home Telephone #: (843) 449 9278 Position/Title with this Entity: President

Date of Birth: [redacted] Driver's License # and State Issued: [redacted]

WALK-IN

003237

APPLICATION CHECK LIST

(for new licensees only/not reinstatements)

(Select 1 of the 3 options below; then complete bottom section):

I AM APPLYING FOR A LICENSE BY:

1) ☐ *PSI Examination:*

☐ I have enclosed the passing technical exam score sheet(s)
☐ I have enclosed the passing business management /law exam score sheet

---------- OR ----------

2) ☐ *Reciprocity/Waiver Agreement* (cannot have been "grandfathered" or waived in from another state not listed below; must have taken the exam in the state selected below). Enclose a current "License Verification Letter" from the state you selected (copies of a license card or certificate are not accepted).

☐ ALABAMA: Electrical

☐ GEORGIA: ☐ Electrical (Non-Restricted Electrical) ☐ Heating & Air Conditioning (Non-Restricted Conditioned Air, if exam passed after 6/30/80)

☐ LOUISIANA: ☐ Asphalt Paving (Asphalt Hot & Cold Plant Mix and Asphalt Surface Treatment) ☐ Bridges (Concrete, Steel, & Wood Bridges) ☐ Building (Building Construction) ☐ Concrete Paving (Paved Highways, Concrete & Soil Treatment) ☐ Pipelines (Transmission Pipeline) ☐ Boring & Tunneling (Tunnels) ☐ Grading (Earthwork, Drainage, & Levees) ☐ Pressure & Process Piping (Industrial Piping) ☐ Water & Sewer Lines (Sewer, Storm Drains & Waterlines) ☐ Water & Sewer Plants (Filter Plants and Water Purification)

☐ MISSISSIPPI: ☐ Building ☐ Electrical

☐ NORTH CAROLINA*: ☐ Intermediate or Unlimited Electrical ☐ Building ☐ Water & Sewer Lines ☐ Water & Sewer Plants ☐ Grading ☐ Highway (if exam passed prior to 4/1/99) ☐ Roofing
*You must apply in the same name with South Carolina as you are licensed in North Carolina

☐ PENNSYLVANIA: ☐ Electrical - from Reading, Pennsylvania ONLY

☐ TENNESSEE: ☐ Building (Limited Building - BC-b, BC-C or Unlimited Building - BC, BC-B, BC-BC) ☐ Plumbing (CMC-A) ☐ Electrical (CE) ☐ Air Conditioning & Refrigeration (CMC-C) ☐ Air Conditioning, Refrigeration & Plumbing (CMC/ Mechanical)

☐ TEXAS: ☐ Air Conditioning & Heating (Class A Air Conditioning/Refrigeration or Class A Air Conditioning) ☐ Packaged Equipment (Class B Air Conditioning or Class B Air Conditioning/ Refrigeration) ☐ Refrigeration (Class A Refrigeration)

☐ UTAH: ☐ Unlimited Building ☐ Limited Building (R100) ☐ Concrete (S260) ☐ Grading (S310) ☐ Heating (S353) ☐ Glass & Glazing (S240) ☐ Air Conditioning (S360 HVAC) ☐ Packaged Equipment (S361) ☐ Refrigeration (S360) ☐ General Roofing (S280) ☐ Structural Framing (S320) ☐ Swimming Pools (S380) ☐ Water & Sewer Lines (S390)

---------- OR ----------

3) ☐ *The Municipal Association of South Carolina (MASC)*

☐ I have enclosed (1) a copy of my certification letter, or (2) a copy of my current certification card from MASC. This board only reciprocates the ☐ Master Plumber and the ☐ Master Electrician certifications.

EVERY APPLICANT MUST ENCLOSE THE FOLLOWING:

☑ This application, Doc #165, completed, signed & notarized in all indicated areas

☑ The S.C. Code of Laws (Doc #170) answer sheet and signature page

☐ The appropriate Financial Statement:
☑ Self-Prepared (Group 1 or 2) (must be dated & notarized)
☐ "Compiled" or "Reviewed" (Group 3 or 4) (from a licensed PA, CPA or Accounting Practitioner)
☐ "Audited" (Group 5) (from a licensed CPA only)

☐ S.C. Secretary of State certification - for Partnerships, Corporations, LLC's, or LLP's (this is optional - for entities that want to register their business name with this state - 803-734-2166)

South Carolina Department of Labor, Licensing and Regulation
PO Box 11329
Columbia, SC 29211

South Carolina Department of Labor, Licensing and Regulation
PO Box 12517
Columbia, SC 29211

AFFIDAVIT OF ELIGIBILITY

Pursuant to Section 8-29-10 SC Code of Law, **ALL** applicants for a South Carolina license after July 1, 2008 are required to complete and sign this Affidavit of Eligibility.

Section A: LAWFUL PRESENCE in the United States.

I, (please print your full name) Chris E Smith, swear or affirm under penalty of perjury under the laws of the State of South Carolina that (check 1, 2 or 3 below):

1. ☑ I am a United States citizen or legal permanent resident eighteen years of age or older; or

2. ☐ I am not a US citizen but am lawfully present in the US as evidenced by one of the following
   a. ☐ I am a qualified alien as defined in 8 U.S.C. sec 1641, eighteen years of age or older.
   b. ☐ I am a nonimmigrant under the "Immigration and Nationality Act," Federal Public Law 82-414 as amended, eighteen years of age or older.

3. ☐ I am not physically present in the US under 8 U.S.C. sec 1621 (c) (2) (c) or employed in the US pursuant to 8 U.S.C. 1621 (c) (2) (a) (check either a or b below):
   a. ☐ I am a US citizen, not physically present or employed in the United States.
   b. ☐ I am a Foreign National, not physically present or employed in the United States.

If you selected either 3.a. or 3.b., you do not need to complete Section B. Skip to Section C.

Section B: Secure and Verifiable Document. This section must be completed if you checked number 1 or 2 in Section A.

1. **Please check one of the following acceptable secure and verifiable documents. Complete documentation must be provided upon request only.**

   ☑ Any South Carolina Driver License, South Carolina Driver Permit or South Carolina Identification Card, expired less than one year.

   ☐ Out-of-state issued photo Driver's License or photo identification card, photo driver's permit expired less than one year. State: _____

   ☐ Valid Temporary Resident Card

   ☐ Certificate of Naturalization with intact photo

   ☐ Certificate of (US) Citizenship with intact photo

   ☐ Other: (Name of verifiable document) [redacted]

2. Enter the state or the federal agency name where this secure and verifiable document was issued.

   _____ (If issued by a state agency, include both the state and agency name.)

3. What is the secure and verifiable document number? [redacted]

[redacted]
Social Security Number

4. What is the expiration date of your secure and verifiable document? _____ (month/day/year)

(If you hold a document without an expiration date, such as a military ID or naturalization certificate, write N/A.)

Section C: Attestation.

- I understand that this sworn statement is required by law because I have applied for or hold a professional or commercial license regulated by 8 U.S.C. sec. 1621. I understand that state law requires me to provide proof that I am lawfully present in the United States. I may also be required to provide proof of lawful presence.
- I understand that in accordance with section 8-29-10 false statements made herein are punishable by law. I state under penalty of perjury that the above statements are true and correct.
- I am the person identified above and the information contained herein is true and correct to the best of my knowledge. I understand that under South Carolina law, providing false information is grounds for denial, suspension or revocation of a license, certificate, registration or permit.
- I understand that the above information must be disclosed to the Department of Labor, Licensing and Regulation upon request and is subject to verification.

Ellis E Smith
Signature

5/1/09
Date

Ellis E Smith
Please print your name as shown on your secure and verifiable document.

Professional License Type: Group #2 General Contractor

License Number (If already licensed): [redacted]

The South Carolina Code of Laws requires that every individual who applies for an occupational or professional license provide a social security or other identification number for use in the establishment, enforcement and collection of child support obligations and for reporting to certain databases established by law. Failure to provide your social security number for these mandatory purposes will result in the denial of your licensure application. Social security numbers may also be disclosed to other governmental regulatory agencies and for identification purposes to testing providers and organizations involved in professional regulation. Your social security number will not be released for any other purpose not provided for by law.

"QUALIFYING PARTY "QP" INFORMATION"

Are you currently or previously a QP with a SC General or Mechanical Contractor? Yes ☑ No ☐ License# [redacted]

☑ I am requesting to transfer my qualifications from the above license.

☐ I am requesting to be a dual qualifier for both entities (you must submit Doc #173 with this application and meet all four requirements).

3. BACKGROUND INFORMATION of QUALIFYING PARTY and OWNER/PRESIDENT: To be answered by each qualifying party AND the owner/president. Attach documents and/or a written explanation for each "Yes" answer.
(Owner/president - answer only one of these pages if there are additional QP pages)

- Have you ever had a license, certification or registration cancelled, surrendered, revoked, suspended, restricted or disciplined by any federal, state or local authority or contracted without a proper license? Qualifying Party: ☐ Yes ☒ No Owner/President: ☐ Yes ☒ No
- Is any investigation or disciplinary action currently pending against you or an organization of which you are or were an officer, principal, qualifying party or major shareholder? Qualifying Party: ☐ Yes ☒ No Owner/President: ☐ Yes ☒ No
- Have you or an organization of which you are or were an officer, principal, qualifying party or major shareholder ever been issued a Cease and Desist Order for unauthorized practice? Qualifying Party: ☐ Yes ☒ No Owner/President: ☐ Yes ☒ No
- Have you ever been arrested, charged, indicted or convicted for violation of any federal, state or local law (other than a minor traffic violation)? Qualifying Party: ☐ Yes ☒ No Owner/President: ☐ Yes ☒ No
- Are you currently or have you ever been licensed or registered in any profession in any federal or state jurisdiction? Qualifying Party: ☐ Yes ☒ No Owner/President: ☐ Yes ☒ No
- Within the last 10 years, have you or any business entity of which you are or were an officer, principal, or major shareholder received any notice of any final judgments, liens or claims of any kind? Qualifying Party: ☐ Yes ☒ No Owner/President: ☐ Yes ☒ No

4. AFFIDAVIT OF QUALIFYING PARTY and the OWNER/PRESIDENT: See Section 40-11-130 (A)(9) for further clarification. I, the qualifier listed on this application, am a full-time employee in a responsible management position with the applicant requesting this license. I, the qualifier, and I, the owner/president affirm that all statements contained herein are true and correct to the best of our knowledge. We further understand that false or incorrect information provided by either of us may result in the cancellation or denial of a license issued pursuant to this application and may be subject to civil and criminal proceedings. We agree that all information in this application can be verified and investigated. We have read, and are familiar with the South Carolina Code of Laws Act regulating contracting and hereby agree to abide by such laws.

Ellis E Smith — Signature of Qualifying Party — Title: Pres — Date: 5/1/09

Ellis E. Smith — Signature Owner/President — Title: Pres — Date: 5/1/09

Sworn and Subscribed before me this 1st day of May 2009

[signature] — Notary Public — My Commission Expires 7-10-2011

State of South Carolina — County of Horry

*** (NOTE: MUST BE SIGNED & NOTARIZED OR APPLICATION WILL BE RETURNED.) ***

5. ~~SUPPLEMENTAL INFORMATION~~: ~~This section must be completed~~; state the name(s) of the owner of this license and any additional representatives (see Sections 40-11-20(7), 240 (A)(1), (D), and 370).

List names of owner/president and principal officers, along with the additional information requested.

Name	Title	DOB	Address	Telephone#
Ellis E Smith	Pres	[redacted]	711 Jasmine Ave Myrtle Beach SC 29577	843-449-9278
Ellis E Smith Jr	Sec	[redacted]	705 45th Ave North Myrtle Beach SC 29577	843 241 4477

Driver's License # and state issued (for president/owner): DL#: [redacted] State: [redacted]

CLASSIFICATIONS and CONTRACT LIMITS

8. GENERAL CONTRACTORS: Select the Classification(s) and Contract Limit/Group Limitation below for which you are applying: select only the classifications for which you have tested or are approved by reciprocity.

Building Classifications:

- ☐ Limited Building Contractors Exam (Construction limited to three stories in height, except interior work)
- ☑ General Contractors Exam (Unlimited Building)

Specialty Sub-classifications:

- ☐ Boring and Tunneling **
- ☐ Concrete
- ☐ Interior Renovation **
- ☐ Marine
- ☐ Masonry**
- ☐ Pre-Engineered Metal Buildings
- ☐ Railroad Lines**
- ☐ General Roofing
- ☐ Specialty Roofing
- ☐ Structural Framing
- ☐ Structural Shapes **
- ☐ Swimming Pools
- ☐ Wood Frame Structures
- ☐ Public Utility Electrical
- ☐ Boiler Installation
- ☐ Glass & Glazing

Highway Sub-classifications:

☐ Asphalt Paving ☐ Concrete Paving ☐ Bridges ☐ Incidental ** ☐ Grading

Public Utilities Sub-classifications:

☐ Pipelines ☐ Water and Sewer Lines ☐ Water and Sewer Plants

**A technical examination is not required for this classification; however, you must pass (1) the Business Management/Law Exam, (2) the SC Code of Laws Take Home Exam, and, (3) show two years of actual work experience in the last five years for each classification you are requesting.

Contract Limits/Group Limitations For General Contractors:

Please check the group limitation for which you are applying.

Submit a Self-Prepared Financial Statement that is Notarized

☐ Group # 1	$ 30,000 limit per contract	- - Net worth requirement	$ 6,000
☑ Group # 2	$100,000 limit per contract	- - Net worth requirement	$ 20,000

Submit a Compiled Financial Statement prepared by CPA, PA, or Accounting Practitioner

☐ Group # 3	$350,000 limit per contract	- - Net worth requirement	$ 70,000
☐ Group # 4	$750,000 limit per contract	- - Net worth requirement	$150,000

Submit an Audited Financial Statement prepared by a CPA only (must attach "Notes")

☐ Group # 5	$ Amount unlimited per contract	- - Net worth requirement	$250,000

*NOTE: A "REVIEWED" FINANCIAL STATEMENT IS ONLY GOOD FOR GROUP 3 OR 4; NOT GROUP 5.

9. MECHANICAL CONTRACTORS: Select the Classification(s) and Contract Limit/Group Limitation below for which you are applying; select only the classifications for which you have tested or are approved by reciprocity.

Classifications:

- ☐ Plumbing
- ☐ Heating
- ☐ Electrical
- ☐ Lightning Protection Systems
- ☐ Air Conditioning
- ☐ Pressure and Process Piping/2P
- ☐ Refrigeration
- ☐ Packaged Equipment (Limited to 25 tons cooling and 500,000 BTU/HR heating per unit. Heat pumps and split systems are covered under this classification).

Contract Limits/Group Limitations For Mechanical Contractors:

Please check the group limitation for which you are applying.

Submit a Self-Prepared Financial Statement that is Notarized

☐ Group # 1	$ 17,500 limit per contract	- - Net worth requirement	$ 3,500
☐ Group # 2	$ 30,000 limit per contract	- - Net worth requirement	$ 6,000

Submit a Compiled Financial Statement prepared by CPA, PA, or Accounting Practitioner

☐ Group # 3	$ 50,000 limit per contract	- - Net worth requirement	$ 10,000
☐ Group # 4	$125,000 limit per contract	- - Net worth requirement	$ 25,000

Submit an Audited Financial Statement prepared by a CPA only (must attach "Notes")

☐ Group # 5	$ Amount unlimited per contract	- - Net worth requirement	$100,000

*NOTE: A "REVIEWED" FINANCIAL STATEMENT IS ONLY GOOD FOR GROUP 3 OR 4; NOT GROUP 5.

WORK EXPERIENCE AFFIDAVIT

To be completed by every new qualifying party individual, except if you are applying by one of the following: (check one, if applicable)

☐ Exam waiver from a reciprocal state, or the NASC certification

☐ Reinstating an expired license using the same qualifier(s)

☑ A current/previous SC commercial qualifier (not lapsed more than 4 years)

19. WORK EXPERIENCE: You must show 2 years of ACTUAL work experience in the past 5 years as a full-time employee in the classification(s) you are requesting. Only COMMERCIAL experience is accepted.

TO COMPLETE THIS FORM CORRECTLY, PLEASE GO TO SECTION 40-11-410 OF THE SC CODE OF LAWS BOOKLET AND READ THE EXPLANATION FOR EACH CLASSIFICATION YOU ARE APPLYING FOR. THEN, IN YOUR DESCRIPTION OF WORDS YOU USE BELOW, YOU MUST SHOW WHAT YOU HAVE ACTUALLY DONE IN THE COMMERCIAL CONTEXT OF DUTIES.

DO NOT USE BROAD TERMS LIKE "PROJECT MANAGER", "ESTIMATOR", "SUPERVISOR", "BUILDER", "ELECTRICIAN", ETC. EXPLAIN THESE TERMS AND OTHERS AS THEY RELATE SPECIFICALLY TO THE CLASSIFICATION(S) YOU ARE REQUESTING.

(You may substitute this form with a notarized resume' detailing the same information requested below. Copy this page as necessary.)

Qualifying Party Name: Ellis E Smith

Classification(s) requested:

Project Name(s) (largest projects or dollar or more)	Describe Actual Job Duties (application will be returned if DETAILED work not shown!)	Project Dates (dates must equal 2 years or more)	Contact Person	Address/Telephone #
Condolux Office	Construction & Management	6/07 - 6/09	Martin Brown	1703 17th Ave South Myrtle Beach SC 843 446 1739
Scott Long Law Office	" $450,000	1/05 - 10/05	Scott Long	843 213 0853
Fountains Condominiums	Total Construction of project $4.9 million	1/05 - 2/07	Tim Kuhr	[illegible]
Tahitian Princess	Total Construction $1.5m	3/04 - 3/05	Martin Brown	843 446 1739
Tahitian Princess II	" 1.5m	4/05 - 9/06	"	"
Resolution	Total const 700,000	3/06 1/07	"	"

I was very detailed above in describing my actual job duties in each specific classification I am applying for, and, hereby state that, I meet the above experience requirements based upon the requirements found in Section 40-11-230 of the 1976 South Carolina Code of Laws Act as amended.

Ellis E Smith — Qualifying Party Signature

Owner — Title

5/1/09 — Date

Sworn and Subscribed before me this 1st day of May 2009

[illegible] White — Notary Public

My Commission Expires 7-10-2011

State of South Carolina — County of Horry

Note: Must be signed & notarized or application will be returned.

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STATE OF SOUTH CAROLINA)

) LAND SALES CONTRACT

COUNTY OF HORRY)

This is a Land Sales Contract by and between 29th Place Developers, Inc. hereinafter referred to as "SELLER", and Ellis E. Smith, hereinafter referred to as "PURCHASER", dated this 1st day of July A.D. 19 92.

Seller agrees to sell and Purchaser agrees to purchase the following property to wit:

ALL AND SINGULAR, that certain piece, parcel or lot of land, situate, lying and being near the City of Myrtle Beach, Horry County, South Carolina, shown and designated as Lot Fourteen (14) on a plat of 29th Place of Carriage Row, prepared for 29th Place Developers, Inc., by Culler Land Surveying, said plat being dated June, 1988, and recorded September 8, 1988, in the Office of the Register of Mesne Conveyances for Horry County in Plat Book 101 at Page 156, reference to said plat being craved for a more complete description.

Subject to the terms and conditions of those certain Declaration of Covenants, Conditions and Restrictions for 29th Place at Carriage Row, dated October 19, 1990, and recorded in said Register's Office on October 29, 1990, and recorded in said REgister's Office on October 29, 1990, in Deed Book 1431 at Page 271, and the By-Laws of 29th Place at Carriage Row Assocation, Inc., and all easements and restrictions of record.

This being the identical property conveyed unto the Grantor herein by Deed of Quinn Lowe Development Group, Inc. dated May 26, 1988, and recorded June 29, 1988, in Deed Book 1229 at Page 419, and in Deed Book 1229 at Page 422, records of the Office of the Register of Mesne Conveyances for Horry County, South Carolina.

The Purchase price is Fifty Five Thousand Seven Hundred & Fifty Dollars ($ 55,750.00) Dollars shall be paid as follows:

1. The sum of Seventeen Thousand Dollars XX/XXX ($ 17,000.00)Dollars shall be paid this date, receipt of which is hereby acknowledged, and the balance of Thirty Eight Thousand Seven Hundred Fifty Dollars XX/XXX ($ 38,750.00)Dollars shall be financed for 5 years at the rate of Ten Percent (10 %)percent interest per annum, to be made in (60)equal Interest Only installments of Three Hundred Twenty Two Dollars 92/100 ($ 322.92) Dollars, said payments to commence on July 31 , 92 and coninuing on the 31 day of each Month thereafter until June 30, 1997, When the entire principal of 38,750.00 is due in full.

2. Payments shall be payable to 29th Place Developers, Inc. .

3. The Purchaser shall have the right to pay the balance due on this Land Sales Contract at any time without penalty upon payment of all remaining principal and interest accrued to the date of payment.

Upon payment of the full purchase price, and interest, as set out above, Seller hereby covenants and agrees and binds 29th Place Developers, Inc. (his, her, their) heirs and assigns, executors and administrators, to convey the property described herein

unto the said Purchaser, (his her, their)heirs and assigns, in fee simple, by proper deed, with convenants of general warranty, free from all encumberances, except as are herein referred to.

Upon tender of such deed to the Purchaser, Purchaser agrees that the Seller has met his entire obligation under the terms of this Land Sales Contract. All taxes and assessments shall be prorated to the date of this sale. The title shall be made subject to all covenants, restrictions, zoning ordinances and easements imposed on the property herein described and appeaaring of record. The deed shall be tendered by the Seller with sufficient funds to purchase any documentary stamps necessary to be placed on deed.

Possession of the property herein shall be with the Purchaser, immediately upon the execution of this Land Sales Contract, and all improvements made to subject property from this date forward shall be at the expense of the Purchaser, and the Purchaser further agrees that he will save and hold Seller harmless from all liability that may result from the Purchaser's possession. Purchaser also agrees to carry, at his own expense, fire insurance on the buildings on the property herein described of an amount equal to the balance of the loan, showing the Seller as first mortgagee.

Should the Purchaser be placed in Bankruptcy, Receivership or abandon the subject property for a period of TEN (10) days, then this contract may be deemed null and void by the Seller without further notice to the Purchaser.

The Purchaser shall be liable for the payment of all ad valorem taxes, house and lot assessments for the year 19 92 , and thereafter,

and shall pay said taxes and/or assessments no later than thirty (30) days after a copy of said statement has been furnished to the Purchaser by the Seller.

If the Seller has not received any amount of the Monthly payment within 45 after payment is due, all rights of Purchaser under this Land Sales Contract shall be terminated and Seller shall retain all amounts paid as liquidated damages. Time is of the essence, and no extension, forbearance or any contemporaneous or subsequent agreement in any way modifying the above payment schedule shall be valid unless executed in writing by the Seller.

Should Seller not be in a position to tender marketable title in fee simple at the time all payments are made by the Purchaser, Seller's sole responsibility unto the Purchaser shall be to return to Purchaser all amounts paid.

The within written document constitutes the entire agreement between the parties and is binding on them, their heirs and assigns, and may be modified only by subsequent writing signed by all parties. Purchaser shall have no rights to assign this Land Sales Contract unless said assignment is approved in writing by the Seller, which approval Seller shall have no obligation to give.

WITNESS the hands and seals of the undersigned this _____ day of _____, 19_____.

WITNESS:

SELLER

29th Place Developers, Inc.

WITNESS

CHARLES RUSSELL

PURCHASER

Ellis E. Smith

STATE OF SOUTH CAROLINA)

)

COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before the undersigned witness who after first being duly sworn deposes and says that he/she saw the within named 29th Place Developers, Inc., as Seller, and Ellis E. Smith, as Purchaser, sign, seal and as their act and deed deliver the within Land Sales Contract, and that he/she along with the undersigned notary witnessed the execution thereof.

SWORN to before me this the

_____day of_____, 19_____.

South Carolina Notary Public

My Commission Expires:

Rev. 2/91

Vendor	Date	Expense	
Coastal Fasteners	12/4/91	$20.84	
Coastal Fasteners	12/4/91	$1.04	
Unicon	12/10/91	$1,968.75	
Unicon	12/10/91	$49.35	
City of MB	11/19/91	$2,214.38	
Horry County	11/19/91	$208.00	
Home Builders Ins	12/12/91	$136.56	
Equipment Rental	12/13/91	$35.70	
Elvis Service	12/6/91	$44.10	
Santee Cooper	12/3/91	$47.49	
Mike's Landscape	12/6/91	$252.00	
Seaside Concrete	12/13/91	$630.00	
Best Exterminating	12/9/91	$283.50	
Payroll	11/21/91	$545.25	
Lowes	11/21/91	$417.43	
City of MB	12/13/91	$14.72	
Total a/o 12/31/91			**$6,869.11**
Lowes	1/16/92	$7,274.25	
Payroll	1/12/92	$221.00	
City of MB	1/16/92	$14.72	
Total a/o 1/31/92			**$7,509.97**
Lowes	2/7/92	$3,782.47	
Chamber	2/7/92	$142.00	
Santee Cooper	2/2/92	$32.17	
City of MB	2/27/92	$14.72	
Payroll	2/15/92	$366.12	
Unicon	2/15/92	$378.19	
Seaside Concrete	2/15/92	$120.00	
Total a/o 2/28/92			**$4,835.67**
Lowes	3/12/92	$4,112.92	
Payroll	3/15/92	$768.15	
Roosevelt Grissett	3/27/92	$1,237.50	
Waccamaw Clay	3/27/92	$1,063.13	
Unicon	3/27/92	$223.13	
City of MB	3/27/92	$14.72	
Chambers	3/7/92	$112.65	
Surfside Door	3/15/92	$73.33	
Coastal Fasteners	3/15/92	$73.33	
Bill Jacobs	3/27/92	$97.00	
Pee Dee Drywall	3/2/92	$1,225.16	
Bobby Locklear	3/7/92	$1,512.00	
Total a/o 3/31/92			**$10,513.02**
Gateway	4/6/92	$168.00	
Easton Ind.	4/21/98	$291.66	
MB Lighting	4/21/92	$576.12	
Lowes	4/6/92	$3,101.61	
Waccamaw Clay	4/23/92	$98.63	
Maxine Tyler	4/3/92	$315.00	
Santee Cooper	4/6/92	$35.08	

Chambers	4/10/92	$382.00	
Elvis Svs	4/10/92	$137.83	
City of MB	4/12/92	$14.72	
Payroll	4/12/92	$367.54	
Total a/o 4/30/92			**$5,488.19**
Unicon Concrete	5/11/92	$730.80	
Seaside Concrete	5/11/92	$210.00	
Chambers	5/7/92	$76.45	
City of MB	5/7/92	$14.72	
Santee Cooper	5/7/92	$17.16	
Lowes	5/6/92	$2,172.16	
Prime Equip	5/24/92	$63.42	
Payroll	5/12/92	$295.16	
Total a/o 5/31/92			**$3,579.87**
Mortgage	**7/92-7/96**		**$17,150.00**
Grand Total			**$55,945.83**



Δ 24

FLOOD ZONE X
BFE
PANEL # 6947H
ECERT REQ
APPROVED MDA 9-25-3
(Must be fully completed in ink)

HORRY COUNTY PERMIT APPLICATION

Planned 451[42]

DATE IN 9-24-03
FEES PD $ 476.[00]
CLERK (CS)
REVIEW # 94341
REF #
DATE OUT 9-26-03
APPROVED 2J

Name of Owner (as listed on Tax book) Roberto Perez + Obdulia Perez

Mailing Address [redacted] Telephone [redacted]

Site Address [redacted] Prestwick, Surfside Beach 29575 Subdivision Prestwick Lot # 205

Project Name 1346 Links Rd. MJA Bldg # of Units

Type of Work: New(✓) Addition ( ) Alter ( ) Repair ( ) Move ( ) Demolish ( ) Other

Use of Improvements: Single Family(✓ MJA) Mobile Home( ) Duplex( ) Apartment( ) Commercial( ) Institutional( ) Utility( )
Warehouse( ) Manufacturing( ) Condo( ) Industrial( ) Farm Building( ) Sign( ) Other

Type of Construction: Metal( ) Wood(✓) Steel( ) Concrete( ) Other

Exterior: Brick( ) Conc. Block( ) Stone( ) Brick Veneer(✓) Stucco( ) Metal( ) Wood( ) Glass( ) Vinyl(✓) Other 2

No of Stories 2 No. of Bedrooms 3 No. of Baths 5 No. of Half Baths 0 Total No. of Rooms 14

Type of Heating: Hot Air( ) Hot Water( ) Central Air Cond.( ) Heat Pump(✓) Other

Type of Fuel: Oil( ) Gas( ) Electricity(✓) Wood( ) Other No. of Masonry Fireplaces 0

Unheated areas: Garage (✓) Carport ( ) Porches ( ) Decks ( ) 203 088

Total No. of Square Feet 5203 Heated Space 3904 Unheated 6051299

Remarks: 2 Story Single family home (MJA) 36.372

Value of Construction $ 250,000

Building Permit Fees	$ 1300.75	**Permit #**	94341
Zoning Fees	$	Mobile Home Sticker #	
M I G C Fire Fee	$	Fire Receipt #	
	$	Farm #	
	$	Business License #	
Total Fees	$		

Contractor or Builder Self State License #

Address Telephone #

Architect or Engineer ARES & ASSOC INC Telephone # 843-651-5868

Address PO Box 1315 MURRELLS INLET SC 29576 Fax # 843-651-5654

3/31/04	186-21-01-011	60	PUD	MJA
Estimated Date of Completion	TMS #	Dist #	Zone 25.40.10	Verified 9-24-03

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By B Staley

Date 10-1-03

X [signature]
Owner (X) Contractor ( )

DEFENDANT'S EXHIBIT #24 6.13.11 PMM

Jan-25-2005 12:17pm From-

T-336 P.001/001 F-444

HORRY COUNTY PERMIT APPLICATION

(Must be fully completed in ink)

44150

DATE IN 2-8-05
FEES PD $ 416.50 P/R 25 Z
CLERK KD
REVIEW # 105986
REF
DATE OUT 2-8-05
APPROVED MP

FLOOD ZONE X
BFE
PANEL# 670
ECERT REQ
APPROVED MP 2-8-05 ~~Vicki B Machen~~

Name of Owner (as listed on Tax book) Cari Ann Davis

Mailing Address [redacted] Telephone [redacted]

Site Address [redacted] Subdivision Secession Lot# A

Project Name _____ Bldg _____ # of Units _____ Occupant Load _____

Type of Work: New( ) Addition (MQA) Alter( ) Repair( ) Move( ) Demolish( ) Other _____

Use of Improvements: Single Family( ) Mobile Home( ) Duplex( ) Apartment( ) Commercial( ) Institutional( ) Utility( )

Warehouse( ) Manufacturing( ) Condo( ) Industrial( ) Farm Building( ) Sign( ) Other _____

Type of Construction: Metal( ) Wood( ) Steel( ) Concrete( ) Other _____

Exterior: Brick( ) Conc. Block( ) Stone( ) Brick Veneer( ) Stucco( ) Metal( ) Wood( ) Glass ( ) Vinyl ( ) Other _____

No of Stories 2 No. of Bedrooms 4 No. of Baths 3 No. of Half Baths 1 Total # Rooms 10

Type of Heating: Central Air Cond.( ) Heat Pump( ) Other _____ Sprinkler Req.___ Provided___ N/A___

Type of Fuel: Oil( ) Gas( ) Electricity( ) Wood( ) Other _____

Unheated areas: Garage ( ) Carport ( ) Porches ( ) Decks ( ) Masonry Fireplaces # _____

Total No. of Square Feet 4165 Heated Space 3509 Unheated 656

Remarks: 2 Story Single Family MQA

Value of Construction $ ~~165,000~~ 200836 MP

Building Permit Fees $ 1041.25

Zoning Fees $ ~~25.00 MQA~~

M I G C Fire Fee $ _____

_____ $ _____

TOTAL FEES $ 1041.25

Permit # 105986

Mobile Home Sticker # _____

Fire Receipt # _____

Farm # _____

Business License # _____

Plan / Bin # _____

Contractor or Builder A + E Constructors Telephone # 458 0076

Address PO Box 2290 NMB SC 29579 State License # G 109530

Architect or Engineer Pyramid Engineering Telephone # 361-4444

Address 1000 2nd Ave S N Myrtle Beach SC 29582 Fax # _____

9-1-2005 Estimated Date of Completion | 185-00-02-038 TMS # | 63 Dist # | CFA Zone | MQA Verified 2-8-05

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By C. Stevens

Date 3-23-05

Cari Davis
Signature Owner (X) Contractor ( ) Agent ( )

Cari Davis
Please print name

003253

HORRY COUNTY PERMIT APPLICATION

(Must be fully completed in ink)

FLOOD ZONE X
BFE
PANEL# 563
ECERT REQ
APPROVED Mark 9-8-5

DATE IN 9-7-05
FEES PD $ 493.10 P/R 25.00 Z
CLERK MgA
REVIEW # 112554
REF
DATE OUT 9-14-05
APPROVED DD MgA

Name of Owner (as listed on Tax book) Stephen L. McMillan Jr. & Holly T. McMillan
Mailing Address [redacted] Telephone [redacted]
Site Address [redacted] Subdivision Black Creek Plantation Lot# 2
Project Name New Home Construction Bldg # of Units Occupant Load
Type of Work: New(✓) Addition ( ) Alter ( ) Repair ( ) Move ( ) Demolish ( ) Other
Use of Improvements: Single Family(✓) Mobile Home( ) Duplex( ) Apartment( ) Commercial ( ) Institutional ( ) Utility ( )
Warehouse( ) Manufacturing( ) Condo( ) Industrial( ) Farm Building( ) Sign( ) Other
Type of Construction: Metal( ) Wood(✓) Steel( ) Concrete( ) Other
Exterior: Brick(✓) Conc. Block( ) Stone( ) Brick Veneer(✓) Stucco( ) Metal( ) Wood( ) Glass ( ) Vinyl ( ) Other
No of Stories 2 No. of Bedrooms 4 No. of Baths 3.0 No. of Half Baths 1 Total # Rooms 13
Type of Heating: Central Air Cond.( ) Heat Pump(✓) Other Sprinkler Req.___ Provided___ N/A___
Type of Fuel: Oil( ) Gas(✓) Electricity(✓) Wood( ) Other
Unheated areas: Garage (✓) Carport ( ) Porches (✓) Decks ( ) Masonry Fireplaces #
Total No. of Square Feet 4923 5391 Heated Space 4028 Unheated 1363
Remarks: 2 Story single family MgA 38164 209.456

Value of Construction $ 370,000.00
Building Permit Fees $ 1347.35
Zoning Fees $ 25.00 MgA
M I G C Fee $
Addt P. Rev. $ 46.00
TOTAL FEES $ 1393.35

Permit # 112554
Mobile Home Sticker #
Fire Receipt #
Farm #
Business License #
Plan / Bin #

Contractor or Builder McMillan, Stephen Telephone #
Address 209 Sea Eagle Dr. Pawleys Island, SC 29585 State License #
Architect or Engineer Brad Odom - Owest Home Design Telephone # 843-238-8338
Address 1500 Hwy 17 S. Surfside Beach, SC 29575 Fax # 843-238-8994

Estimated Date of Completion | 165-00-01-14 TMS # | 100 Dist # | FA Zone | MgA Verified 9-7-05

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE. BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By Cynthia Lewis
Date 9/21/05

Signature Owner (✓) Contractor ( ) Agent ( )
Stephen L McMillan
Please print name Stephen L. McMillan, Jr.

003254

no zoning Pct

HORRY COUNTY PERMIT APPLICATION

(Must be fully completed in ink)

DATE IN 11/29/06

FLOOD ZONE X

FEES PD $ 25.00 P/R ____ Z

BFE ____

CLERK XM

PANEL# 679

REVIEW # 126848

ECERT REQ ____

REF ____

APPROVED Initial

DATE OUT 4-23-07

11-30-6

APPROVED ____

Name of Owner (as listed on Tax book) Robert A. Sealey

Mailing Address [redacted] Telephone [redacted]

Site Address [redacted] Subdivision Watergate Lot# 1

Project Name Roof Repair Custom Fabrication Bldg ____ # of Units ____ Occupant Load N/A

Type of Work: New( ) Addition ( ) Alter ( ) Repair (✓) Move ( ) Demolish ( ) Other ____

Use of Improvements: Single Family( ) Mobile Home( ) Duplex( ) Apartment( ) Commercial (✓) Institutional ( ) Utility ( )

Warehouse( ) Manufacturing( ) Condo( ) Industrial( ) Farm Building( ) Sign( ) Other ____

Type of Construction: Metal( ) Wood(✓) Steel( ) Concrete( ) Other "B" occ

Exterior: Brick( ) Conc. Block( ) Stone( ) Brick Veneer( ) Stucco( ) Metal( ) Wood( ) Glass ( ) Vinyl ( ) Other ____

No of Stories 1 No. of Bedrooms 0 No. of Baths 1 No. of Half Baths ____ Total # Rooms ____

Type of Heating: Central Air Cond.( ) Heat Pump( ) Other ____ Sprinkler Req N Provided N N/A ____

Type of Fuel: Oil( ) Gas( ) Electricity( ) Wood( ) Other ____

Unheated areas: Garage ( ) Carport ( ) Porches ( ) Decks ( ) Masonry Fireplaces # ____

Total No. of Square Feet 420 SF Heated 0 Unheated 420 SF

Remarks: Change of use / New Roof / Added area

Value of Construction $ 8,000 Walter Roofing

Permit # 126848

Building Permit Fees $ 126 @ 6300 Addition

Mobile Home Sticker # ____

Zoning Fees $ ____

Fire Receipt # ____

M I G C Fire Fee $ ____

Farm # ____

DBI Fee $ 126.00

A+E consultants Ellis Smith

Business License # ____

TOTAL FEES $ ____

ETS Corp

Plan / Bin # ____

Contractor or Builder ~~Sealey Construction~~ Sealey Const. Corp Po Box 1248 MBSC Telephone # 843-293-4634

Address ~~5007 Watergate Dr~~ N. Myrtle Beach State License # SR 0109530

Architect or Engineer Raymond Engineering Telephone # 843-448-8007

Address Suite 110 1000 2nd Ave So. N. M. Beach Fax # ____

4-23-07 Estimated Date of Completion | 180-17-02-001 TMS # | 03 Dist # | R-4 Zone | Verified

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By R. Thompson

Date 4-23-07

Robert A. Sealey

Signature Owner (✓) Contractor ( ) Agent ( )

Robert A. Sealey

Please print name

003255

PERMIT TYPE	PERMIT NUMBER	PROPERTY NO	ADR1 LAST NAME	ADR2 LAST NAME	ADDR	AD	ADR2 STREET N	ISSUE DATE	EST VALUE	TYPE	CLOSE DATE
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
B	70768	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	140000	NEW	20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
NFUS	70208	1811003006	A & E CONSTRUCTION & CONSULTANTS	MAPLE STREET LOT 2	207		MAPLE	20071030	0		20080714
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80019	1810604008	A & E CONSTRUCTION & CONSULTANTS	CHAPIN COMPANY	901	N	OAK	20080107	2500	REP	20080730
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222
B	80527	1740503002	A & E CONSTRUCTION & CONSULTANTS	ELLIS SMITH	711		JASMINE	20080711	30000	ADD	20100222

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582

BUILDING PERMIT

PERMIT # : BLD2005-00350

To Schedule Inspections
Call befor 4:00 pm
24 Hours in Advance
843-280-5560

APPLIED: 2/25/2005
ISSUED: 4/20/2005
EXPIRES: 10/20/2005

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 300 33RD AVE S
ASSESSOR'S PARCEL NO.: 1560315028
PROJECT: TAHITIAN PRINCESS II

DESCRIPTION of WORK: CONSTRUCT NEW 5 UNIT RESIDENTIAL BLDG PER APPROVED ENGINEERED PLANS (BLDG SPRINKLED)(TOWNHOUSE STYLE BLDG PER ZONINGDEFINITION(6BED & 7 BATH PER UNIT)

OWNER/APPLICANT
BROWN, MARTIN/ O'CONNEL, DAVID
PO BOX 4465
N MYRTLE BEACH SC 29597

CONTRACTOR
A&E CONSTRUCTION
PO BOX 2276
MB SC 29578

TYPE OF WORK: **New**
TYPE OF USE: **Multi-Family Residential**
CENSUS CATEGORY: **105**
ZONING: **R-4**
Flood Zone: X

Occupancy Groups
1: **R-2** 2:
3: 4:

Construction Types
1: **V-A** 2:
3: 4:

AREA		
LOT:	0	sf
1ST FLR:	20,349	sf
2ND FLR:	0	sf
BASEMENT:	0	sf
GAR/CARPORT:	0	sf
OTHER:	2,754	sf
NUMBER OF UNITS:	5	
STORIES:	4	
BUILDING HEIGHT:	51	ft

Valuation of Work: 0.00
Actual Valuation $ 1,748,918.52

REQUIRED SETBACKS:		
FRONT:	15.00	ft
SIDE 1:	0.00	ft
SIDE 2:	0.00	ft
REAR:	20.00	ft

REQUIRED PARKING	
TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES

Type	By	Date	Amount
PRMT	MRC	4/20/2005	$4,173.00
PLAN	MRC	4/20/2005	$2,086.50
		Total:	**$6,259.50**

CONDITIONS OF APPROVAL:
1 Fire Marshall Must Inspect and Sign-Off on all Devices and Systems Prior to CO Inspection
2 Contractor shall Provide Sanitary Facilities for all Employees on Jobsite prior to temporary service pole inspection.
3 Contractor to submit sub-contractors roster to Business License Dept for approval prior to scheduling a Final Inspection.
4 Contractor to submit first floor "Elevation Certificate" to Building Official prior to wall framing.

Contractor to submit a final "Elevation Certificate" to Building Official prior to requesting a final inspection.

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by

SH PAID
APR 2 0 2005
Applicant or Owner's Signature

DEFENDANT'S EXHIBIT
#41 10.18.11 PMM

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582
BUILDING DIVISION

PERMIT

PERMIT # : BLD2007-00007

APPLIED: 1/4/2007
ISSUED: 1/17/2007
EXPIRES: 7/17/2007

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

To Schedule Inspections
Call befor 4:00 pm
24 Hours in Advance
843-280-5560

SITE ADDRESS: 3309 S OCEAN BLVD

ASSESSOR'S PARCEL NO.: 1560719055

PROJECT: OCEAN BLUE DUPLEX POOL

DESCRIPTION of WORK: Install a 12' x 24' inground swimming pool , a 7' x 10' kiddie pool, and a 6' x 10' jacuzzi. Per OCRM letter of approval dated 1/05/2007 on file.

OWNER/APPLICANT
MARTIN BROWN
[redacted]
MYRTLE BEACH SC 29577

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
P.O. BOX 2296
MYRTLE BEACH SC 29577

TYPE OF WORK: **New**
TYPE OF USE: **Swimming Pool / 1 & 2 F**
CENSUS CATEGORY: **329**
ZONING: **R-4**

Flood Zone:

Occupancy Groups

1:	2:
3:	4:

Construction Types

1:	2:
3:	4:

AREA

LOT:	**0** sf
1ST FLR:	**0** sf
2ND FLR:	**0** sf
BASEMENT:	**0** sf
GAR/CARPORT:	**0** sf
OTHER:	**418** sf

NUMBER OF UNITS: **0**
STORIES: **0**
BUILDING HEIGHT: **0** ft

Valuation of Work: 30,000.00
Actual Valuation $

REQUIRED SETBACKS:

FRONT:	**0.00** ft
SIDE 1:	**5.00** ft
SIDE 2:	**5.00** ft
REAR:	**0.00** ft

REQUIRED PARKING

TOTAL:	**0**
HANDICAPPED:	**0**
COMPACT:	**0**
IMPRV SURF:	**0** sf

FEES

Type	By	Date	Amount
POL1	BFV	1/8/2007	$50.00
		Total:	**$50.00**

CONDITIONS OF APPROVAL:

JAN 17 2007

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

BV
Issued by

Applicant or Owner's Signature

DEFENDANT'S EXHIBIT
#48 10-15-11
PMM

2/11/2009
11:46:29AM

Case Activity Listing

Case #: BLD2007-00007

Issued Date 1/17/2007
Expiration 7/17/2007

Project Addres 3309 S OCEAN BLVD

Description: Install a 12' x 24' inground swimming pool , a 7' x 10' kiddie pool, and a 6' x 10' jacuzzi. Per OCRM letter of approval dated 1/05/2007 on file.

Recieved Date 1/4/2007

Owner : MARTIN BROWN
[redacted]
MYRTLE BEACH SC 29577

Activity	Description	Dept Due	Date	Date Completed	Hold	Hold Date	Assigned To	Done By	Updated By	Notes
3LDA010	Application Received			1/4/2007	None			BFV	1/4/2007 BFV	
3LDA020	Verify Contractor License			1/8/2007	Warn	DONE		SMH	1/8/2007 SMH	
3LDB030	Building Dept Review	1/4/2007		1/8/2007	HwO				1/8/2007 SMH	
3LDB055	Zoning Review	1/4/2007		1/17/2007	HwO	APPR			1/17/2007 BEC	
3LDB050	DHEC/OCRM Review			1/4/2007	None	DONE		SMH	1/8/2007 SMH	
3LDD010	ISSUE PERMIT			1/17/2007	None	DONE		BFV	1/17/2007 BFV	
3LDD110	PRINT INSPECTION PLACARD			1/17/2007	None	DONE		BFV	1/17/2007 BFV	

CaseActivity..rpt

THE CITY OF NORTH MYRTLE BEACH SOUTH CAROLINA

Case Activity Listing

Case #: BLD2007-00007

Issued Date 1/17/2007
Expiration 7/17/2007

Project Addres 3309 S OCEAN BLVD

Recieved Date 1/4/2007

Description: Install a 12' x 24' inground swimming pool , a 7' x 10' kiddie pool, and a 6' x 10' jacuzzi. Per OCRM letter of approval dated 1/05/2007 on file.

Owner : MARTIN BROWN
[redacted]
MYRTLE BEACH SC 29577

Activity	Description	Date 1	Date 2	Date 3	Hold	Disp	Assigned	Done By	Entered By	Notes
BLDC040	Grounding-Pool Bond	1/30/2007	1/31/2007	2/1/2007	None	PASS	JP	JP	2/1/2007 JP	
BLDC040	Grounding-Pool Bond	2/13/2007	2/14/2007	2/14/2007	None	PASS	JP	JP	2/14/2007 JP	
BLDC230	Other Inspection	2/19/2007	2/20/2007	2/20/2007	None	PASS	JT	JT	2/20/2007 JT	long plumbing / pool
BLDC230	Other Inspection	3/5/2007	3/6/2007	3/7/2007	None	PASS	GW	GW	3/7/2007 GW	Deck grounding
BLDM500	Hold			11/29/2007	Hold	DONE	JBC	JBC	11/29/2007 JBC	Enclosure does not comply with adopted zoning or building codes. OCRM guidelines not followed, awaiting report.
BLDD020	Reprint Permit				None	DONE	SMH	SMH	2/11/2009 SMH	

Jan-25-2005 12:17pm From-

T-336 P.001/001 F-444

HORRY COUNTY PERMIT APPLICATION

(Must be fully completed in ink)

4450

DATE IN 2-8-05
FEES PD $ 416.25 P/R 25Z
CLERK KD
REVIEW # 105986
REF
DATE OUT 2-8-05
APPROVED MP

FLOOD ZONE X
BFE
PANEL# 670
ECERT REQ
APPROVED MP 2-8-05

Name of Owner (as listed on Tax book) ~~Vicki B Mackie~~ Cari Ann Davis

Mailing Address [redacted] Telephone [redacted]

Site Address [redacted] Subdivision Lancaster Lot# A

Project Name Bldg # of Units Occupant Load

Type of Work: New( ) Addition ( ) Alter ( ) Repair ( ) Move ( ) Demolish ( ) Other

Use of Improvements: Single Family( ) Mobile Home( ) Duplex( ) Apartment( ) Commercial ( ) Institutional ( ) Utility ( )

Warehouse( ) Manufacturing( ) Condo( ) Industrial( ) Farm Building( ) Sign( ) Other

Type of Construction: Metal( ) Wood( ) Steel( ) Concrete( ) Other

Exterior: Brick( ) Conc. Block( ) Stone( ) Brick Veneer( ) Stucco( ) Metal( ) Wood( ) Glass ( ) Vinyl ( ) Other

No of Stories 2 No. of Bedrooms 4 No. of Baths 3 No. of Half Baths 1 Total # Rooms 10 14

Type of Heating: Central Air Cond.( ) Heat Pump( ) Other Sprinkler Req.___ Provided___ N/A___

Type of Fuel: Oil( ) Gas( ) Electricity( ) Wood( ) Other

Unheated areas: Garage ( ) Carport ( ) Porches ( ) Decks ( ) Masonry Fireplaces #

Total No. of Square Feet 4165 Heated Space 3509 Unheated 656

Remarks: 2 Story Single family MGA

Value of Construction $ ~~165,000~~ 200836 MP

Building Permit Fees $ 1041.25

Zoning Fees $ ~~25.00~~ MGA

M I G C Fire Fee $

$

TOTAL FEES $ 1041.25

Permit # 105986

Mobile Home Sticker #

Fire Receipt #

Farm #

Business License #

Plan / Bin #

Contractor or Builder A + E Constructors Telephone # 458 0076

Address PO Box 2296 MB SC 29578 State License # G 109530

Architect or Engineer Pyramid Engineering Telephone # 361-4444

Address 1000 2nd Ave S. N Myrtle Beach, SC 29582 Fax #

Estimated Date of Completion	TMS #	Dist #	Zone	Verified
9-1-2005	185-00-02-238	63	CFA	MGA 2-8-05

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By C. Stevens

Date 3-23-05

Cari Davis

Signature Owner ( ) Contractor ( ) Agent ( )

Cari Davis

Please print name

DEFENDANT'S EXHIBIT

#49 10-13-11 DMM

ZONING CHECKLIST

✓ Tax Map Number verified (TMS# 185-00-02-238)

✓ Property owner of record verified

✓ Tax District Verified

✓ Use on Building Permit Application verified to be the same as on Certificate of Zoning Compliance and initialed and dated. This applies to all applications at the time of issuance of the Certificate of Zoning Compliance.

CFA Zoning district verified as per Zoning map (GIS, Zoning Map)

✓ Zoning fee verified on Building Permit Application (List amount even if $.0)

yes Is this property in an overlay or special district? If so, specify. Hwy 544 ✓ Off-site signage ✓ Hwy 707 ✓ CB Parkway ✓

N/A Is this in Conway Bombing/Gunnery Range? Note on Zoning Compliance and keep copy of zoning compliance in a separate folder.

Residential Only

✓ Proposed use is in compliance with the zoning district in which it is located

✓ Site plan is drawn to scale showing the location of all existing and proposed structures/additions. Required setbacks are shown on site plan by dashed lines.

✓ Parcel on site plan verified to be same as on the current tax map from the Horry County Tax Assessors Office; and **if located in a subdivision, subdivision map has been reviewed to verify there are no encroachments into any easements.**

✓ Proposed structure/addition meets the required location, distance from other structures and setbacks.

Commercial Only

N/A Interior remodeling with no change of use of footprint of existing structure. (All other commercial applications must be reviewed by a commercial plans reviewer).

Temporary Permits Only

N/A Applicable section of the ordinance has been verified to allow proposed temporary use and is in compliance with all conditions as stated therein.

Mary J. Collins
Reviewers Signature

2-8-05
Date

Permit #: 105986 Building Permit Entered: STEVENSC
Date: 3/23/2005 INQUIRY Void(V): _
Owner: DAVIS CARI ANN
[redacted] MYRTLE BEACH SC 29588 0000 0002939251
Location: [redacted] Subdivision: SOCASTEE/BURGESS
Lot #: _____ Block #: _____ Set Backs: F 25.00 LS 10.00 RS 10.00 R 15.00
Type of Work: SF SINGLE FAMILY Occupant Load: _____ Occ Group _____
Use: 101 SINGLE-FAMILY HOUSE Units: 1 Public(P): _
Construction: FR FRAME Exterior: VL VINYL
Stories: 2.0 Bedrooms: 4 Baths: F 3 H 1 Rooms: 10 BFE: 0000
Type of Heating: HP HEAT PUMP Type of Fuel: EL ELECTRICITY
of Fireplaces: _____ Garage/Carport: G Zone: CFA Flood Zone Code: X C/R R
Square Feet: 4165 Heated Space: 3509 Unheated Space: 656
Value of Construction: 200836 Fire Receipt: _____ Panel#: 0670
Comment: SFR W/GARAGE / SEWER ON FILE Sprinkler Provided: I Req: _
State License: G109530 City License: _____ Mobile Home: _____
Contractor: A & E CONSTRUCTION & CONSULTANTS IN PO BOX 2296
MYRTLE BEACH SC SC 29577 Telephone #: 8434483741
Architect: _____ Telephone #: _____
Est. Comp.: 9/23/2005 MBP: 185 2 238 Tax District: 630 Bin#: 0031
Fee: 1,041.25 3/23/2005 1,041.25
CO App Code: 2000 IRC CMD08 - Plan Rev Collected: STEVENSC
CMD09 -Inspection Inq CMD15 -Memo Inq CMD17 -Occ Card Inq ENTER - Continue

[redacted]

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 421619

PERMIT # 165986 DATE 3/28/05

POWER PERMIT # _____

NAME Cari Davis

LOCATION [redacted]

TIME ARRIVED 915 TIME DEPART 920

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		X
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS Not Ready

INSPECTOR Paul Clayton (50)

RECEIVED BY _____

003264

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 424570

PERMIT # 105986 DATE 3/29/05

POWER PERMIT #

NAME DAVIS

LOCATION [redacted]

TIME ARRIVED 915 TIME DEPART 930

SETBACKS: FR LT RT RR

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION @		X
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS @ REMOVE WATER FROM DITCHES & CLEAN OUT AND SOFT BOTTOMS IN DITCHES

DO NOT POUR

INSPECTOR Jon Hall #17

RECEIVED BY

003265

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 426450

PERMIT # 105986 DATE 4/5/05

POWER PERMIT # 96842

NAME Cari Ann Davis

LOCATION 7758 Moss Creek Rd.

TIME ARRIVED 845 TIME DEPART 855

SETBACKS: FR ____ LT ____ RT ____ RR ____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	✓		FOUNDATION		
PILASTER			SLAB / FOLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS OK to Power

INSPECTOR Paul Clayton (50)

RECEIVED BY

003266

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 430083

PERMIT # 105986 DATE 4/20/05

POWER PERMIT # _____

NAME Cari Ann Davis

LOCATION 7758 Moss Creek

TIME ARRIVED 810 TIME DEPART 835

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		X
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS Finish foundation per details on page 3, steel has to be in place for inspection (Eng.)

Do not pour concrete

INSPECTOR Paul Clayton (50)

RECEIVED BY _____

003267

nway, SC 29526
205-5090 430083

DATE 4/20/05

creek

TIME DEPART 835

RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		X
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS Finish foundation per details on page 3, steel has to be in place for inspection (Eng.)

Do not pour Concrete

INSPECTOR Paul Clayton (50)

RECEIVED BY

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 430118

PERMIT # 105986 DATE 4/21/05

POWER PERMIT # _____

NAME Cari Ann Davis

LOCATION 7758 Moss Creek

TIME ARRIVED 1310 TIME DEPART 1325

SETBACKS: FR 25 ✓ LT 10 ✓ RT 10 ✓ RR 15 ✓

SFR/2/G

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION	✓	
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS OK to Pour

INSPECTOR Paul Clayton SD

RECEIVED BY _____

003269

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 436475

PERMIT # 105986 DATE 5/19/05

POWER PERMIT # _____

NAME DAVIS

LOCATION 7758 Moss Creek

TIME ARRIVED 1240 TIME DEPART 1252

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING	✓		ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS

OK To Cover USP

INSPECTOR

RECEIVED BY 49

003270

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 436497

PERMIT # 105986 DATE 5/20/05

POWER PERMIT #

NAME DAVIS

LOCATION ~~LOT~~ 7758 MOSS CREEK

TIME ARRIVED 1347 TIME DEPART 1405

SETBACKS: FR LT RT RR

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE	✓	
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS (1) INTERIOR SPOT FOOTINGS IN PLACE, NO ENGINEER DETAIL FOR INTERIOR LOADS - WIND DESIGN SUMMARY SHEET INDICATES NO INTERIOR LOADS

OK TO POUR

INSPECTOR

RECEIVED BY (D)49

003271

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

441528

PERMIT # 105986

DATE 6/20/05

POWER PERMIT #

NAME DAVIS

LOCATION 7758 MOSS CREEK

TIME ARRIVED 1443 TIME DEPART 1500

SETBACKS: FR LT RT RR

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
~~BOND BEAM~~			~~ROUGH PLUMBING~~		
SLAB PLUMBING		✓	ROUGH ELECTRICAL		
NAILING	✓		BRICK FLASHING		
~~FRAMING~~			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS

OK TO WRAP

INSPECTOR

RECEIVED BY 049

003272

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526
(843) 915-5090 / (843) 205-5090 449178

PERMIT # 105986 DATE 7/28/05

POWER PERMIT # _____

NAME DAVIS

LOCATION 7758 Moss Creek RD- Socastee

TIME ARRIVED 10:13 TIME DEPART 11:16

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		X
SLAB PLUMBING			ROUGH ELECTRICAL		X
NAILING			BRICK FLASHING		
FRAMING		X	WINDOW FLASHING		
ROUGH MECHANICAL		X	ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS Plumbing - ① Stud guards per code (2603.2.1) 2" Min above & below sole plates ② Rough in pipes for whirlpool tub not comp/Mechanical - ① No Access hole to A/C unit marked ● (1305.1.3) ② 2' walkway to A/C unit (1305.1) ③ No visible dryer duct (1501.3) ④ No visible pipe for condensate disp in Consp. location (1411.3.1(2)) ④ No duct hose for bath fans to ext. (303.3) ⑤ A/C unit for playroom cannot be supported by Truss webs (802.10.4)/ Electrical ① Cable

INSPECTOR needs to be stapled within 8" of Elec Boxes

RECEIVED BY (3805.3.2) ② Stud GUARDS Throughout (3702)

③ No visible Whirlpool wire for MBE BATH →

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526
(843) 915-5090 / (843) 205-5090 451385

PERMIT # 105986 DATE 8/4/05

POWER PERMIT #

NAME CARL DAVIS

LOCATION 7758 Moss Creek RD- Socastee

TIME ARRIVED 13:29 TIME DEPART 13:50

SETBACKS: FR LT RT RR

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING (R)		X
SLAB PLUMBING			ROUGH ELECTRICAL (R)	✓	*
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE (2603.2.1)		

REMARKS Plumbing- Studguards per code must extend min 2" above sole plate & below top plate ~~Electrical - Main Panel Bond to copper tubing no shallow ring (4104.4)~~ * Only Plumbing & Electrical was called in, please call plan review on stairs and have 41 ~~mechanical~~ ready for next insp. Check plans * please

INSPECTOR M. Jarma #54

RECEIVED BY

003274

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 451423

PERMIT # 105986 DATE 6/8/05

POWER PERMIT # _____

NAME CARI DAVIS

LOCATION ~~Lot~~ 7758 MOSS CREEK RD

TIME ARRIVED 14:04 TIME DEPART 14:50

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING (2)		X
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING (2)		X	WINDOW FLASHING		
ROUGH MECHANICAL (1)		X	ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS Plumbing - ① Stud Guards needed in DR for WH / Mechanical - ① No flue pipe for fireplace in Great Rm / Framing - ① Strap Headers for 2nd floor windows Above Kitchen, Above front door, Play Room window per plans ② Ext corners less than 27" from Door or window need cont. header 1st floor DR, 2nd floor BBR #4 & BRK Room by Kitchen per plans ③ Splits in Sill plates strapped ~~and~~ per plans ④ Garage Wall ~~INSPECTOR~~ per plans (3) 2x4 Kings & leftside JACK studs ~~RECEIVED BY~~ not supported ⑤ NO Porch columns visible for Front Porch. Please fix & call for Reinspect trusses still not inspected M. Jama #54

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

451668

PERMIT # 105986 DATE 8-11-05

POWER PERMIT # _____

NAME Cari Davis

LOCATION 7758 Moss Creek Rd.

TIME ARRIVED 9:20 TIME DEPART 9:35

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING R	✓	
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING R	✓		WINDOW FLASHING		
ROUGH MECHANICAL R	✓		ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS O.K. To Insulate

INSPECTOR O.K. #19

RECEIVED BY

003276

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 453782

PERMIT # 1059866 DATE 8/15/05

POWER PERMIT # _____

NAME DAVIS

LOCATION 7758 Moss Creek

TIME ARRIVED 956 TIME DEPART 1009

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		X
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION	✓	✓	FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS (1) WINDOW & DOOR FLASH NOT INSPECTED - MUCH COVERED BY SIDING - FLASHING THAT IS VISIBLE IS DONE INCORRECTLY - SIDING NEEDS TO BE REMOVED AROUND ~~(2) NEED BATTLE TAPE~~ WINDOWS & DOORS FOR THOROUGH INSPECTION

OK TO COVER INSIDE

INSPECTOR

RECEIVED BY 949

A & E CONSTRUCTORS & CONSULTANTS, INC.

RESIDENTIAL • COMMERCIAL • INDUSTRIAL CONSTRUCTION

511 Robert Grissom Parkway • P.O. Box 2296
Myrtle Beach, SC 29578

GENERAL CONTRACTORS

PRE-ENGINEERED METAL BUILDINGS

Bus. (843) 448-3741 • Fax: (843) 626-6284

September 12.2005

Horry County Code Enforcement
Building Department
Conway, SC

Reference: 7758 Moss Creek Rd Davis Lane

The roof sheeting on Building has been installed and fastening in compliance with the engineer's drawing specification as submitted. The shingles are installed per manufacturer specifications, and IBC 2005 code.

Ellis E. Smith

Subscribed and sworn to before me this the 11th day of October, 2005

Carrie M. Drewett, Notary

My Comm. expires 4-29-2013

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

462906

PERMIT # 105986

DATE 10/5/05

POWER PERMIT #

NAME Davis Cari Ann

LOCATION 7758 Moss Cr Burgess

TIME ARRIVE 800 TIME DEPART 830

SETBACKS: FR ____ LT ____ RT ____ RR ____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		X
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS ① Terminate wire in upstairs closet ② Seperate Ground and nutrals ③ Install Bonding Screws in Both Boxes ④ Terminate wires and cover open slot in left side disconnect ⑤ Need SEWER STICKER

*No Flashing inspection done on Windows/doors

INSPECTOR pc file

RECEIVED BY

003279

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

464385

PERMIT # 105986

DATE 10/6/05

POWER PERMIT # 102937

NAME Cari Ann Davis

LOCATION 7758 Moss Creek Rd

TIME ARRIVE 1540 TIME DEPART 1610

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL	✓	
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS OK to Power

INSPECTOR Paul Clayton

RECEIVED BY _____

003280

HORRY COUNTY CODE ENFORCEMENT
ROSTER CARD

OWNER Cari A Davis

PERMIT NUMBER 105986 DATE

TRADE	CONTRACTOR	SC STATE LICENSE	COUNTY BUSINESS LICENSE	PHONE#	INSPECTOR
PLUMBER	Stacks Plumbing	33968	057849	385-0335	
ELECTRICIAN	TNT	40013	63056	480-[illegible]735	
HEATING & AC	Sandpiper	105519	57273	910-443-1842	
SIDING	Affordable Home Improvements	RBS 39023	165065	293-5628	
INSULATION	31-W	5027143	62951	2933876	
ROOFER	Affordable Home Improvements	RBS 39023	165065	293-5628	
FLOOR COVERING	Stevens Mill	44561	65972	444-0111	
MASON	R+R	9419	59436	497-6393	
DRY WALL	Interstate Hard	39953	67413	385-0177	
CARPENTER	AFE Const	C-109590	63560	458-0071	
WALLPAPERER	—				
PAINTER	Affordable Home Improvements	RBS 39023	165065	293-5628	
MOBILE HOME SETUP	—				
POOL	—				
SIGN	—				
FIRE SPRINKLER	—				
FIRE ALARM	—				
LANDSCAPING	—				
HOME MOVER	—				
PILE DRIVING	—				
DOCKS/SEA WALLS	—				
INTERIOR RENOVATION	—				
FOUNDATION/SLAB	AFE Const	C-109590	63560	458-0071	
PEST CONTROL	Bogle's PPM	C-3189	59343	997-3184	
INTERIOR TRIM	Cary Warner	K42273	55597	446-3516	
HOMEBUILDER					
GENERAL CONTRACTOR	AFE Const	C-109590	63560	458-0071	
OTHER					

SIGNED Elgie Swett DATE 10/11/05

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

466764

PERMIT # 105986

DATE 10/13/05

POWER PERMIT #

NAME Cari Davis

LOCATION 7758 Moss Creek

TIME ARRIVE 1520 TIME DEPART 1540

SETBACKS: FR ____ LT ____ RT ____ RR ____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING	✓	
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY PC		X
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS ① Mark Breaker Boxes Correctly

② Hand. rails need to return to wall

INSPECTOR Paul Clayton (50)

RECEIVED BY

003282

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

466765

PERMIT # 105986

DATE 10/14/05

POWER PERMIT # _____

NAME Cari Ann Davis

LOCATION 7758 Moss Creek Rd.

TIME ARRIVE 800 TIME DEPART 830

SETBACKS: FR _____ LT _____ RT _____ RR ✓

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY PC	✓	
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS OK to C/O

Paper Work is in File

INSPECTOR Paul Clayton (SO)

RECEIVED BY _____

003283

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526
(843) 915-5090 / (843) 205-5090

466765

PERMIT # 105986 DATE 10/14/05

POWER PERMIT # _____

NAME Cari Ann Davis

LOCATION 7758 Moss Creek Rd.

TIME ARRIVE 800 TIME DEPART 830

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY VC	✓	
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS VC to C/O

Paper Work in File

INSPECTOR Kent Clayton (SO)

RECEIVED BY _____

466764

01C003

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

COPY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursant to the requirements of the edition of the applicable Building Code currently in force, certifying that at the time of issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and the the structure is approved for occupancy at this time. For the following:

Owner of the Building DAVIS CARI ANN

Owner Address [redacted]

Building Address [redacted] / SOCASTEE/BURGESS, M BEACH/SURFSID

Units 0001 Use 101 Use classification SINGLE-FAMILY HOUSE

Type of Construction FR Occupant Load _____ Sprinkler Provided NO Required NO

Applicable Code 2000 IRC Permit # 0000105986 Report # 0466765

Building Official

PAUL CLAYTON
Inspector

October 14, 2005
Date

DEFENDANT'S EXHIBIT
#50 10-11-11 PMM

HORRY COUNTY PERMIT APPLICATION

(Must be fully completed in ink)

no zoning P

FLOOD ZONE X
BFE
PANEL# 679
ECERT REQ
APPROVED 11-30-6

Review Permit Hold x 2
Roof -

DATE IN 11/29/06
FEES PD $ 25.00 P/R 2
CLERK KM
REVIEW # 126848
REF
DATE OUT 4-23-07
APPROVED JZ 3-20-07

Name of Owner (as listed on Tax book) Robert A. Sealey
Mailing Address [redacted] Telephone [redacted]
Site Address [redacted] Subdivision Watagua Lot# 1
Project Name Roof Repair Custom Fabrication Bldg # of Units Occupant Load N/A
Type of Work: New( ) Addition ( ) Alter ( ) Repair (✓) Move ( ) Demolish ( ) Other
Use of Improvements: Single Family( ) Mobile Home( ) Duplex( ) Apartment( ) Commercial (✓) Institutional ( ) Utility ( )
Warehouse( ) Manufacturing( ) Condo( ) Industrial( ) Farm Building( ) Sign( ) Other
FB
Type of Construction: Metal( ) Wood(✓) Steel( ) Concrete( ) Other B' OCC
Exterior: Brick( ) Conc. Block( ) Stone( ) Brick Veneer( ) Stucco( ) Metal( ) Wood( ) Glass ( ) Vinyl ( ) Other
No of Stories 1 No. of Bedrooms 5 No. of Baths 1 No. of Half Baths Total # Rooms
Type of Heating: Central Air Cond.( ) Heat Pump( ) Other Sprinkler Req N Provided N N/A
Type of Fuel: Oil( ) Gas( ) Electricity( ) Wood( ) Other
Unheated areas: Garage ( ) Carport ( ) Porches ( ) Decks ( ) Masonry Fireplaces #
Total No. of Square Feet 420 DF Heated 0 Unheated 420 AFT
Remarks: ENLARGE OF USE / New Roof / Added AREA

Value of Construction $ 8,000 Water Proofing
Building Permit Fees $ 126 @ 6200 Addition
Zoning Fees $
M I G C Fire Fee $
Dbl Fee $ 126.00
TOTAL FEES $
A+E Construction Ellis Smith
FES Corp

Permit # 126848
Mobile Home Sticker #
Fire Receipt #
Farm #
Business License #
Plan / Bin #

Contractor or Builder ~~Scott Construction~~ Contractor 1248 MBSC Telephone # 843-399-4634
Address 5007 Waterside Dr. N. Bch. State License # SR 0109530 2006
Architect or Engineer Raymond Engineering Telephone # 843.456007
Address Suite 110 1000 2nd Ave So. N. M. Bch Fax #
10-23-07 Estimated Date of Completion 180-17-02-001 TMS # 63 Dist # R-4 Zone

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFE
ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABL

DEFENDANT'S EXHIBIT
#51 10.11.11 PMM

Issued By D. Thompson
Date 4-23-07

Robert A. Sealey
Signature Owner (✓) Contractor ( ) Agent ( )
Robert A. Sealey
Please print name

HORRY COUNTY CODE ENFORCEMENT

1301 Second Ave. Suite 1D09
Conway, South Carolina 29526
Ph. (843)915-5090 Fax # (843)915-6090

COMMERCIAL PLAN REVIEW CHECK LIST

(This section for office use only)

Date Plans Submitted 11-29-06

Review # 126848 **Ref #** _____ **Bin #** 206

Project: Seeley Roof Repair / Custom Fabrication (Flat to A-Frame)

Owner: _____ **TMS#** 180-17-02-001

Comments: _____

12-19-06	[signature]	4-23-07	[signature]	
Date Assigned	**Assigned To**	**Date Completed**	**Approved By**	

(Customer Information)

Required		Rec'd
_____	Sewer Receipt/Septic Approval	_____
_____	OCRM Letter(if applicable) - Contact Bill Kregloe at (843)238-4528	_____
_____	County Stormwater Permit/Exemption - Contact Craig Hobart at (843)365-2097	_____
_____	MI/GC Fire Letter(if in Dist# 61) – Contact Gary Mocarski at (843)651-5143	_____
✓	Zoning Compliance –Contact the Zoning Department at (843)915-5340	_____
✓	Applicable Contractor's License	_____
_____	Letter of Authorization – Notarized (if anyone other than license holder)	_____
_____	Planning Approval (if applicable) – Contact Planning Dept. at (843)915-5340	_____
_____	Flood Zone (if so, additional information may be required)	_____
_____	E-911 Address - Contact Flora Watson at (843)915-5345	_____
_____	Horry County Airport Letter (if applicable)	_____
_____	Other: _____	_____
_____	_____	_____
_____	_____	_____

NOTE: Items checked "Required" above must be received prior to issuance of building permit.

Plans Acceptable: Yes:_____ No:_____ **Acceptance Authorized By:** Jay Gause

If not accepted, explain: _____

Form reviewed with and copy given to Customer: Yes:_____ No_____

** An application for a permit for any proposed work shall be deemed to have been abandoned 180 days after the date of filing, unless such application has been pursued in good faith or a permit has been issued; except that the building official is authorized to grant one or more extensions of time for additional periods not exceeding 90 days each. The extension shall be requested in writing and justifiable cause demonstrated.

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

562595

PERMIT # Per David J.

DATE 3-13-07

POWER PERMIT # _____

NAME Building on Watergate Dr.

LOCATION No Address Shown

TIME ARRIVE 1515 TIME DEPART 1600

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
'S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS Pickett Shows Awnings have Been Removed on Right Side & Back.

INSPECTOR Randy Tolan 4620

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526
(843) 915-5090 / (843) 205-5090

568382

PERMIT # 126848

DATE 5-2-07

POWER PERMIT # _____

NAME Sealey Robert

LOCATION 5002 Watergate

TIME ARRIVE 1300 TIME DEPART 1330

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		✓
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
			METER SERVICE		
OTHER			TILE SIZE		

REMARKS ① Need Recission Showing Post Supporting Roof on outside not Inside of Building

INSPECTOR Randy Tucker #25

RECEIVED BY Robert A Sealey

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526
(843) 915-5090 / (843) 205-5090

570582

PERMIT # 126848

DATE 5-11-07

POWER PERMIT #

NAME Sealy Robert

LOCATION Watergate Blvd.

TIME ARRIVE 1045 TIME DEPART 1135

SETBACKS: FR LT RT RR

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION	✓	
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING		✓	WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
[illegible]S			METER SERVICE		
[illegible]ER			TILE SIZE		

REMARKS O.K. to pour footing.
Strapping to existing Rubb ok.

INSPECTOR

RECEIVED BY

PYRAMID ENGINEERING, INC.
Civil / Structural / Geotechnical / Sanitation / Construction / Pile Installation

128 Highway 17 S., N. Myrtle Beach, SC 29582
Phone: (843) 280-3766 | Fax: (843) 280-3767

April 18, 2007

Reference: Robert Sealey Property
Lot #1 Block D
Socastee, SC

Dear Sirs:

This letter is in reference to an inspection conducted by a Professional Engineer from our office on April 18, 2007 to the above listed property.

The results are as follows:

1) The foundation is attached to each pile with a Simpson HDQ8.
2) The sheathing is attached to the new manufactured trusses with a Simpson LSTI Strap Tie.
3) The girder is attached to the column with an HT22 with Simpson Nails according to manufacturer's specification.
4) The girder is notched into the pile.

The structural tie-downs and anchor hold-downs are adequate and sufficient to sustain 130 mph wind loading and seismic category D loading.

I hereby certify that all construction meets or exceeds the standards to conform to the IBC 2003.

Please feel free to contact our office at (843) 280-3766 if any additional information is needed.

Sincerely,

S.K.Craig, P.E.

SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER No. 18947 SIDNEY K. CRAIG 4/18/07

STATE OF SOUTH CAROLINA PYRAMID ENGINEERING INC. C01924 CERTIFICATE OF AUTHORIZATION

www.pyramidengineering.com

003291

22988

APPLICATION AND CERTIFICATE OF ZONING COMPLIANCE

TAX MAP NUMBER: _____

RESIDENTIAL USE

(1) Zoning District: _____
(2) Number of Units: _____
(3) Front Yard Setback: _____
(4) # Rooming Units: _____
(5) Side Yard Setback: _____
(6) Area Smallest Lot: _____
(7) (2nd) Side: _____
(8) Total # Acres: _____
(9) Rear Yard Setback: _____
(10) # of Stories: _____
(11) Height of Structure: _____
(12) # Off-street Parking Spaces: _____
(13) # Units used for Residential Purposes (Lots & Buildings): _____
(14) Distance Between Buildings: _____
(15) Type of Use: _____

BUSINESS USE

(1) Zoning District: R 24
(2) Area is Square Ft: _____
(3) Min. Width at Bldg. Site: _____
(4) Area in Acres: _____
(5) Front Yard Setback: _____
(6) # of Buildings: 1
(7) Side Yard Setback: _____
(8) # of Signs: 1
(9) (2nd) Side Setback: _____
(10) St. Frontage (Ft): 111
(11) Rear Setback: _____
(12) Dist. bet. Signs: NA
(13) Height of Structure: _____
(14) Total Sign Area: 1
(15) # Off-street Parking Spaces: _____ (all signs on-site)
(16) Distance to nearest off-property sign (ft): _____

I HEREBY MAKE APPLICATION FOR A ZONING COMPLIANCE CERTIFICATE FOR THIS PROPERTY TO BE USED AS SHOWN ABOVE. ALL STATEMENTS CONTAINED HEREIN ARE TRUE AND HAVE BEEN VERIFIED BY ME.

Alex E Smith
( )Owner ( )Occupant (-)Agent

4/23/07
Date

Phone: 843 458 8076

Address: 5001 Mirandale Dr
Myrtle Beach SC

THE USE OF THE BUILDINGS AND/OR LAND AS SHOWN ABOVE CONFORMS TO THE REQUIREMENTS OF THE ZONING ORDINANCE OF HORRY COUNTY, SUBJECT TO THE FOLLOWING CONDITIONS, RESTRICTIONS, AND LIMITATIONS: _____

(This certificate is subject to cancellation if any misrepresentations have been made or if any changes are made which violate any zoning ordinance provisions.)

CERTIFICATE ISSUANCE BASE ON ABOVE APPLICATION;

_____
Date

_____
Zoning Administrator

Permit 126848
RCT

PYRAMID ENGINEERING, INC.
Civil / Structural / Geotechnical / Sanitation / Construction / Pile Installation

128 Highway 17 S., N. Myrtle Beach, SC 29582
Phone: (843) 280-3766 | Fax: (843) 280-3767

May, 3, 2007
Horry County
Building Enforcement
Inspections Department

Contractor:Robert Sealy
5007 Watergate Dr.
Myrtle Beach, SC 29588

Reference: 5002 Watergate Dr.

Dear Sir,

This letter is in reference to 5002 Watergate Dr.We are addressing the changes that the contractor has brought to our attention.

The piers have been moved 8" from the inside of the brick wall to just outside the brick wall. This does not cause any structural changes.

I hereby certify that all construction has been completed using current building practice and the construction conforms to the requirements of the 2003 IRC.

Please feel free to contact our office at (843) 280-3766 if any additional information is required.

Sincerely,
Sidney K. Craig P.E.
President

SOUTH CAROLINA REGISTERED PROFESSIONAL ENGINEER No. 18947 SIDNEY K. CRAIG

STATE OF SOUTH CAROLINA PYRAMID ENGINEERING INC. C01924 CERTIFICATE OF AUTHORIZATION

5/09/07

003293

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

572121

PERMIT # 126848

DATE 5-18-07

POWER PERMIT # _____

NAME Sealey / Roof Repair / Custom FA

LOCATION 5002 Watergate dr

TIME ARRIVE 1515 TIME DEPART 1544

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING	✓		WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
Y			METER SERVICE		
OTHER			TILE SIZE		

REMARKS all Metal Straps ok

INSPECTOR Jimmy Price # 69

RECEIVED BY _____

Permit 126848
RET

HORRY COUNTY CODE ENFORCEMENT
ROSTER CARD

OWNER_____

PERMIT NUMBER 126848 DATE_____

TRADE	CONTRACTOR	SC STATE LICENSE	COUNTY BUSINESS LICENSE	PHONE#	INSPECTOR
PLUMBER					
ELECTRICIAN					
HEATING & AC					
SIDING	Sealey	RBS 11533	93956		
INSULATION					
ROOFER	Smith Sealey	RBS 11533	93956		
FLOOR COVERING					
MASON					
DRY WALL					
CARPENTER	Sealey	RBS 11533	93956		
WALLPAPERER					
PAINTER					
MOBILE HOME SETUP					
POOL					
SIGN					
FIRE SPRINKLER					
FIRE ALARM					
LANDSCAPING					
HOME MOVER					
PILE DRIVING					
DOCKS/SEA WALLS					
INTERIOR RENOVATION					
FOUNDATION/SLAB					
PEST CONTROL					
INTERIOR TRIM					
HOMEBUILDER					
GENERAL CONTRACTOR	H & S Const	B-109530	84632		
OTHER					

SIGNED X Robert A. Sealey DATE X 7-30-07

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526
(843) 915-5090 / (843) 205-5090

584534

PERMIT # 126848 DATE 8-10-07

POWER PERMIT # _____

NAME Sealy Robert A.

LOCATION 5052 Watergate DR.

TIME ARRIVE 1240 TIME DEPART 1515

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE	✓	
INSULATION			FINAL	✓	
FINAL FIRE	✓		C/OCCUPANCY RGT	✓	
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
VS			METER SERVICE		
OTHER			TILE SIZE		

REMARKS O.K. to C/O
No Zoning or Stormwater Required
Rostercoard, Roof & Shingle Letters Picked up. ✓
(New Roof over existing Bldg) O.K. [illegible]

INSPECTOR [signature]

RECEIVED BY X Robert A. Sealy

Permit 12684
RCT

A & E CONSTRUCTORS & CONSULTANTS, INC.

RESIDENTIAL • COMMERCIAL • INDUSTRIAL CONSTRUCTION

GENERAL CONTRACTORS

511 Robert Grissom Parkway • P.O. Box 2296
Myrtle Beach, SC 29578

PRE-ENGINEERED METAL BUILDINGS

Bus: (843) 448-3741 • Fax: (843) 626-6284

HORRY COUNTY CODE INFORCMENT

Dear Sir,

The following job permit number 126848 at address 5002 Watergate DR roof shingles were nailed per manufacture specifications and meet or exceed all IBC 2003 requirements. Also the roof sheeting was nailed per plans and specs and meet or exceed all IBC 2003 requirements.

Thanks,

Ellis E. Smith

Ellis E. Smith, Pres.

KELLEY S. GILL
Notary Public, South Carolina
My Commission Expires
June 25, 2017

9/12/07

HORRY COUNTY PERMIT APPLICATION

(Must be fully completed in ink)

DEFENDANT'S EXHIBIT #53 10.13.11 MM

FLOOD ZONE X
BFE
PANEL# 563
ECERT REQ
APPROVED mgA 9-8-5

DATE IN 9-7-05
FEES PD $ 493.10 P/R 25.00 Z
CLERK mgA
REVIEW # 112554
REF
DATE OUT 9-14-05
APPROVED OO mgA

Name of Owner (as listed on Tax book) Stephen L. McMillan Jr. & Holly T. McMillan

Mailing Address [redacted] Myrtle Beach, SC 29572 Telephone [redacted]

Site Address [redacted] MB, SC 29579 Subdivision Black Creek Plantation Lot# 2

Project Name New Home Construction Bldg # of Units Occupant Load

Type of Work: New(✓) Addition ( ) Alter ( ) Repair ( ) Move ( ) Demolish ( ) Other mgA

Use of Improvements: Single Family(✓) Mobile Home( ) Duplex( ) Apartment( ) Commercial ( ) Institutional ( ) Utility ( ) MSA

Warehouse( ) Manufacturing( ) Condo( ) Industrial( ) Farm Building( ) Sign( ) Other

Type of Construction: Metal( ) Wood(✓) Steel( ) Concrete( ) Other

Exterior: Brick(✓) Conc. Block( ) Stone( ) Brick Veneer(✓) Stucco( ) Metal( ) Wood( ) Glass ( ) Vinyl ( ) Other

No of Stories 2 mgA No. of Bedrooms 4 No. of Baths 3.0 No. of Half Baths 1 Total # Rooms 13

Type of Heating: Central Air Cond.( ) Heat Pump(✓) Other Sprinkler Req.___ Provided___ N/A___

Type of Fuel: Oil( ) Gas(✓) Electricity(✓) Wood( ) Other:

Unheated areas: Garage (✓) Carport ( ) Porches (✓) Decks ( ) Masonry Fireplaces #

Total No. of Square Feet 4937 5541 Heated Space 4028 Unheated 903 1363 38164

Remarks: 2 Story Single family mgA 209.456

Value of Construction $ 370,000.00

Building Permit Fees $ 1347.75

Zoning Fees $ 25.00 mgA

M I G C Fee $

Addt P.Rev. $ 46.00

TOTAL FEES $ 1393.75

Permit # 112554

Mobile Home Sticker #

Fire Receipt #

Farm #

Business License #

Plan / Bin #

Contractor or Builder McMillan, Stephen Telephone #

Address 208 S. ERC, P.E State License #

Architect or Engineer Brad Odom - Owest Home Design Telephone # 843-238-8338

Address 1500 Hwy 17 S. Surfside Beach, SC 29575 Fax # 843-238-8994

Estimated Date of Completion | 165-00-01-15 TMS # | 100 Dist # | FA Zone | mgA Verified 9-7-05

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE. BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By Cynthia Singleton

Date 9/21/05

Signature Owner (✓) Contractor ( ) Agent ( )

Please print name Stephen L. McMillan, Jr.

ZONING DEPARTMENT
1301 SECOND AVE
Conway, S. C. 29526

(843)915-5490
(843)756-2121
Fax: (843)915-6490

9/07/2005
16:11:31

APPLICATION AND CERTIFICATE OF ZONING COMPLIANCE

RESIDENTIAL TAX MAP NUMBER: 165-00-01-146

ZONE: FA
FRONT SETBACK: 25.00
REAR SETBACK: 15.00
LEFT SETBACK: 10.00
RIGHT SETBACK: 10.00
HEIGHT OF STRUCTURE: 035
UNITS RESIDENTIAL: 0000
DISTANCE BETWEEN BLDGS: 006
SQUARE FOOTAGE:
MOBILE HOME STICKER #: 00000

OF UNITS: 000
ROOMING UNITS: 000
MIN. LOT SIZE:
TOTAL ACRES:
STORIES: 002
OF STREET PARKING SPACES: 0002
UNITS BUSINESS: 0000
TYPE OF USE: 001 - SF
STREET FOOTAGE:

I hereby make application for a Zoning Compliance Certificate for this property to be used as shown above. All statements are true and have been verified by me.

Stephen A. McMillan Jr 9-7-05

STEPHEN MCMILLAN JR — DATE
OWNER

ADDRESS: 3007 HOLLY BERRY CONSTRUC
CITY: MYRTLE BEACH STATE: SC ZIP: 29588
PHONE:

The use of the building(s) and/or land as shown above conforms to the requirements of the zoning ordinance of Horry County. This is subject to the following conditions, restrictions and limitations:

BLACK CREEK PLANTATION LOT 2.EAVE OVERHANGS MAY ENCROACH 18" INTO SETBACKS UNLESS BLDING CODES INDICATE OTHER REQUIREMENT s no structure placed in any easement.one dwelling per tract of land.

This Certificate is subject to cancellation if any misrepresentations have been made or if any changes are made which violate any Zoning Ordinance provisions.

This Certificate is based on the above application.

9-7-05
DATE

Mary J. Allen
MARY ALLEN
ZONING ADMINISTRATOR

ZONING CHECKLIST

✓ Tax Map Number # 165-00-01-146 verified

✓ Property owner of record verified Black Creek Plantation Lot 2

✓ Tax District Verified

✓ Use on Building Permit Application verified to be the same as on Certificate of Zoning Compliance and initialed and dated. This applies to all applications at the time of issuance of the Certificate of Zoning Compliance.

EA Zoning district verified as per (GIS) ___Zoning Map ___ Sub'd Map ___Other_____

✓ Zoning fee verified on Building Permit Application (List amount even if $.0)

no Is this property in an overlay or special district? If so, specify.

no Is this in Conway Bombing/Gunnery Range? Note on Zoning Compliance and keep copy of zoning compliance in a separate folder?

X Is property located in flood zone?

Residential Only

✓ Proposed use is in compliance with the zoning district in which it is located

✓ Site plan is drawn to scale showing the location of all existing and proposed structures/additions. Required setbacks are shown on site plan by dashed lines.

✓ Parcel on site plan verified to be same as on the current tax map from the Horry County Tax Assessors Office; and **if located in a subdivision, subdivision map has been reviewed to verify there are no encroachments into any easements.**

✓ Proposed structure/addition meets the required location, distance from other structures and setbacks.

Commercial Only

N/A Interior remodeling with no change of use of footprint of existing structure.(All other commercial applications must be reviewed by a commercial plans reviewer).

Temporary Permits Only

N/A Applicable section of the ordinance has been verified to allow proposed temporary use and is in compliance with all conditions as stated therein.

Mary J. Allen
Reviewers Signature

9-7-05
Date

003300

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

470217

PERMIT # 112554 DATE 10-31-05

POWER PERMIT #

NAME Stephen McMillan

LOCATION 3007 Holly Berry Ct / Black Creek Plant. 2 of 2

TIME ARRIVE 10:31 TIME DEPART 10:48

SETBACKS: FR LT RT RR

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS ok to pour footer

INSPECTOR Delano Faircloth (55)

RECEIVED BY

003301

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

477499

PERMIT # 112554

DATE 12-9-05

POWER PERMIT # 105401

NAME McMILLAN STEPHEN

LOCATION LOT #2 3007 HOLLYBERRY CT

TIME ARRIVE 910 TIME DEPART 925

SETBACKS: FR ____ LT ____ RT ____ RR ____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	✓		FOUNDATION		
PLASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
~~MOBILE HOME UNDERPINNING~~			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS OK TO POWER TRIM.O
105401

INSPECTOR R.S 58

RECEIVED BY

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

478771

PERMIT # 112554 DATE 12/14/05

POWER PERMIT #

NAME McMillan

LOCATION Lot 2 Black Creek Road

TIME ARRIVE 920 TIME DEPART 930

SETBACKS: FR LT RT RR

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING	✓		ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS OK TO COVER

INSPECTOR Lee Bell #17

RECEIVED BY

003303

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

478813

PERMIT # 112554 DATE 12/19/05

POWER PERMIT #

NAME McMillan

LOCATION Lot 2 Black Creek Plant

TIME ARRIVE 1105 TIME DEPART 1120

SETBACKS: FR ____ LT ____ RT ____ RR ____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY ~~WIRE~~ FIBER	✓	
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
~~MOBILE HOME UNDERPINNING~~			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS OK TO POUR W/ FIBER
INT. FOOTING MARKED ON SLAB

INSPECTOR [signature] BY

RECEIVED BY

003304

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526
(843) 915-5090 / (843) 205-5090

487230

PERMIT # 112554

DATE 2-3-06

POWER PERMIT #

NAME Stephen McMillan

LOCATION Lot 2 Hollyberry ct / Avalon

TIME ARRIVE 1447 TIME DEPART 1510

SETBACKS: FR ____ LT ____ RT ____ RR ____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING	/		BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
~~MOBILE HOME UNDERPINNING~~			~~SWIMMING POOL~~		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS

NAILING OK

INSPECTOR Delane Faircloth 55

RECEIVED BY

003305

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave - Suite 1D09 - Conway, SC 29526

(843) 915-5090 / (843) 205-5090

500249

PERMIT # 112554

DATE 3/21/06

POWER PERMIT #

NAME McMillan

LOCATION Lot 2 Black creek Plt.

TIME ARRIVE 935 TIME DEPART 1015

SETBACKS: FR LT RT RR

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING	✓	
SLAB PLUMBING			ROUGH ELECTRICAL	✓	
NAILING			BRICK FLASHING		
FRAMING		X	WINDOW FLASHING		
ROUGH MECHANICAL		X	ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
~~MOBILE HOME UNDERPINNING~~			~~SWIMMING POOL~~		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS (1) 802.10 Need Engineered Truss Pack (2) Vent bath Fans to Exterior, 303.3.

(Do Not Insulate)

INSPECTOR JBamhill #(51)

RECEIVED BY

003306

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

500198

PERMIT # 112554

DATE 3/24/06

POWER PERMIT # _____

NAME McMillan

LOCATION Lot 2 Blackcreek

TIME ARRIVE 1016 TIME DEPART 1035

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING	✓	
FRAMING R	X		WINDOW FLASHING		
ROUGH MECHANICAL R	X		ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
~~MOBILE HOME UNDERPINNING~~			~~SWIMMING POOL~~		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS Ok to Insulate

INSPECTOR JBrice # 51

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090 502422

PERMIT # 112554 DATE 3/31/06

POWER PERMIT #

NAME McMillan

LOCATION Lot 2 B/C

TIME ARRIVE 1315 TIME DEPART 1345

SETBACKS: FR LT RT RR

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL		✓	ROUGH FIRE		
INSULATION	✓		FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
~~MOBILE HOME UNDERPINNING~~			~~SWIMMING POOL~~		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS

INSPECTOR J Barnhill #51

RECEIVED BY

003308

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

525334

PERMIT # 112554

POWER PERMIT # 111887

DATE 7/5/06

NAME McMillan

LOCATION Lot 2 Black Creek

TIME ARRIVE 1020 TIME DEPART 1040

SETBACKS: FR ____ LT ____ RT ____ RR ____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		✓
FRAMING			WINDOW FLASHING	✓	
ROUGH MECHANICAL			ROUGH FIRE		✓
INSULATION			FINAL	✓	
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS (1) Need Slope + grade complete,
(2) Windows AT back door and master bath
must be tempered Glass. by C.O
(C.O Required)

OK to Power

INSPECTOR J. Bamber (ST)

RECEIVED BY ____

003309

HORRY COUNTY CODE ENFORCEMENT DIVISION

1301 2nd Ave • Suite 1D09 • Conway, SC 29526

(843) 915-5090 / (843) 205-5090

530021

PERMIT # 112554

DATE 7.27.06

POWER PERMIT #

NAME McMillan Black

LOCATION 3007 Holly Berry Ct / Lot 2 Creek

TIME ARRIVE 1025 TIME DEPART 1115

SETBACKS: FR ____ LT ____ RT ____ RR ____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION		
PILASTER			SLAB / POLY WIRE		
BOND BEAM			ROUGH PLUMBING		
SLAB PLUMBING			ROUGH ELECTRICAL		
NAILING			BRICK FLASHING		
FRAMING			WINDOW FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY AB	✓	
MOBILE HOME			ZONING C/OCCUPANCY		
MOBILE HOME UNDERPINNING			SWIMMING POOL		
SIGN			POOL / DECK GROUNDING		
C/O/S			METER SERVICE		
OTHER			TILE SIZE		

REMARKS Ok TO C/O

All Paperwork on File

INSPECTOR Andy Bea #66

RECEIVED BY

003310

#11254
7-27-06
AB66

HORRY COUNTY CODE ENFORCEMENT
ROOFER CARD

OWNER McMillan

PERMIT NUMBER 11254 DATE 7-24-06

TRADE	CONTRACTOR	SC STATE LICENSE	COUNTY BUSINESS LICENSE	PHONE#	INSPECTOR
PLUMBER					
ELECTRICIAN	TNT	40013	63056	4505735	
HEATING & AC	Jeff Ashley	95974	57999	385 1680	
SIDING	Affordable	39023	65065	241 3699	
INSULATION	TriCity	502143	62951	347 6241	
ROOFER	Affordable	39023	65065	241 3699	
FLOOR COVERING	Shoreline Carpet	40569	65972	449 0411	
MASON	R+R	38457	64741	347 4262	
DRY WALL	Subcontracted	39953	67413	385 0177	
CARPENTER Eduardo	Self	39764	66598	267 4262	
WALLPAPERER	—				
PAINTER	SES	54437	65466	241 6118	
MOBILE HOME SETUP	—				
POOL	—				
SIGN	—				
FIRE SPRINKLER	—				
FIRE ALARM	—				
LANDSCAPING	—				
HOME MOVER	—				
PILE DRIVING	—				
DOCKS/SEA WALLS	—				
INTERIOR RENOVATION	OFR				
FOUNDATION/SLAB	Self	54457	58741		
PEST CONTROL	Hodges	BT451	63111	626-9761	
INTERIOR TRIM	Self				
HOME BUILDER	self				
GENERAL CONTRACTOR	self				
OTHER					

X SIGNED Steven L McMillan X DATE 7/24/06

01C003

CERTIFICATE OF OCCUPANCY

COF

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursant to the requirements of the edition of the applicable Building Code currently in force, certifying that at the time of issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and the the structure is approved for occupancy at this time. For the following:

Owner of the Building MCMILLAN STEPHEN L JR & HOLLY T BLACK CREEK PLANTATION

Owner Address [redacted] / MYRTLE BEACH, SC

Building Address [redacted] / BLACK CREEK PLANTATION, CONWAY

Units 0001 Use 101 Use classification SINGLE-FAMILY HOUSE

Type of Construction FR Occupant Load _____ Sprinkler Provided NO Required NO

Applicable Code 2003/IRC P/Permit # 0000112554 Report # 0530021

Daniel D. Goodwin
Building Official

ANDY BELL
Inspector

July 27, 2006
Date

DEFENDANT'S EXHIBIT
#54 10-11-11 PMM

DEFENDANT'S EXHIBIT

#55 10-11-11 PMM

Plaintiff 45[illegible]

FLOOD ZONE X
BFE
PANEL # 6947H
ECERT REQ
APPROVED MJA 9-25-3
(Must be fully completed in ink)

HORRY COUNTY PERMIT APPLICATION

DATE IN 9-24-03
FEES PD $ 476.00
CLERK CS
REVIEW # 94341
REF #
DATE OUT 9-26-03
APPROVED

Name of Owner (as listed on Tax book) Roberto Perez & Obdulia Perez

Mailing Address [redacted] Telephone [redacted]

Site Address [redacted], Prestwick, Surfside Beach 29575 Subdivision Prestwick Lot # 205

Project Name 1346 Links Rd. MJA Bldg # of Units

Type of Work: New(✓) Addition ( ) Alter ( ) Repair ( ) Move ( ) Demolish ( ) Other

Use of Improvements: Single Family(✓ MJA) Mobile Home( ) Duplex( ) Apartment( ) Commercial( ) Institutional( ) Utility( ) Warehouse( ) Manufacturing( ) Condo( ) Industrial( ) Farm Building( ) Sign( ) Other

Type of Construction: Metal( ) Wood( ) Steel(✓) Concrete( ) Other

Exterior: Brick( ) Conc. Block( ) Stone( ) Brick Veneer(✓) Stucco( ) Metal( ) Wood( ) Glass( ) Vinyl( ) Other ?

No of Stories 2 No. of Bedrooms 3 No. of Baths 5 No. of Half Baths 0 Total No. of Rooms 14

Type of Heating: Hot Air( ) Hot Water( ) Central Air Cond.( ) Heat Pump(✓) Other

Type of Fuel: Oil( ) Gas( ) Electricity( ) Wood( ) Other No. of Masonry Fireplaces 0

Unheated areas: Garage (✓) Carport ( ) Porches ( ) Decks ( ) 203 088

Total No. of Square Feet ~~5540~~ 5203 Heated Space 3904 Unheated ~~605~~ 1299

Remarks: 2 Story Single family house MJA 36.372

Value of Construction $ 250,000

Building Permit Fees	$ 1300.75	**Permit #**	94341
Zoning Fees	$	Mobile Home Sticker #	
M I G C Fire Fee	$	Fire Receipt #	
	$	Farm #	
	$	Business License #	
Total Fees	$		

Contractor or Builder Self State License #

Address Telephone #

Architect or Engineer AYRES & ASSOC INC Telephone # 843-651-5868

Address PO BOX 1315 MURRELLS INLET SC 29576 Fax # 843-651-5654

3/31/04	186-21-01-011	60	PUD	MJA
Estimated Date of Completion	TMS #	Dist #	Zone 25-40-10	Verified 9-24-03

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

Issued By B Staley

X [signature]
Owner (X) Contractor ( ) Agent ( )

915-5120 [redacted]

HORRY COUNTY CODE ENFORCEMENT #94341
ROSTER CARD

OWNER Roberto Perez

PERMIT NUMBER 94341 DATE 9-30-2003

TRADE	CONTRACTOR	SC STATE LICENSE	COUNTY BUSINESS LICENSE	PHONE#	INSPECTOR
PLUMBER	Atlantic	36211	0000 ~~24772~~ #5384	448-5041	45384
ELECTRICIAN	J NT	40013	0000 ~~45654~~	450-5135	
HEATING & AC	Sandpiper	34443	0000 ~~27765~~ 34459 ~~34459~~	800-579-4497	
SIDING					
INSULATION	Allied	29746	0000 47731	877-241-4563	
ROOFER	Hanna	94734	0000 39730		
FLOOR COVERING					
MASON	R&R	39210	0000 ~~37414~~ 42013	457-2363	42013
DRY WALL	~~Youngblood~~	~~29431~~	0000 ~~42321~~		
CARPENTER	Hanna	34731	0000 39730		
WALLPAPERER					
PAINTER	DB Mac	32594	0000 ~~38614~~ 47975	349-5000	47975
MOBILE HOME SETUP					
POOL	Pools R Us	~~36411~~	0000 ~~44432~~ 46418	241-2521	
SIGN					
FIRE SPRINKLER					
FIRE ALARM					
LANDSCAPING	Owner			458-3208	
HOME MOVER					
PILE DRIVING					
DOCKS/SEA WALLS					
INTERIOR RENOVATION					
FOUNDATION/SLAB	~~Southland~~	~~29016~~	~~0000 39775~~	458-0076	
PEST CONTROL	Land's	B000184	00004701G	238-9995	
INTERIOR TRIM	Hanna	34731	0000 39730		
HOMEBUILDER					
GENERAL CONTRACTOR					
OTHER					

SIGNED X Roberto Perez DATE X 11-04-2004

39.391

CALL: 915-5090 / 205-5090 / 756-2121

01C

HORRY COUNTY, SOUTH CAROLINA
BUILDING PERMIT

ISSUED TO: PEREZ ROBERTO & OBDULIA

[redacted]
MYRTLE BEACH SC 29575 5316
[redacted]

PERMIT #: 94341
DATE: 9/30/2003
TMS: 186-21-01-011
DIST: 600

CONTRACTOR: PEREZ ROBERTO

COMMENT: SFR / SEWER

LOCATION: 1346 LINKS RD SUBDIVISION: PRESTWICK PH III-A
LOT: 205 BLOCK: SETBACKS: LEFT: 10.00 RIGHT: 10.00 FRONT: 25.00 BACK: 40.0
WORK TYPE: SF SINGLE FAMILY STORIES: 2.0 FIREPLACES: GARAGE/CARPORT: G
IMPROVEMENT USE: 101 SINGLE-FAMILY HOUSE "R-3" FIRE RECEIPT#
SQUARE FEET: 5,203 HEATED: 3,904 UNHEATED: 1,299
ZONE: PUD FLOOD ZONE: X SPRINKLER REQUIRED

INSPECTION RECORD

INSPECTED FOR	O. K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☐	☐		
FOUNDATION	☑	☐	10/17/03	Q
PILASTER	☐	☐		
SLAB PLUMBING	☑	☐	11/20/03	Q
SLAB / POLYWIRE	☑	☐	11-26-03	46
ROUGH PLUMBING	☑	☐	3/16/04	TS 46
NAILING	☑	☐	2/23/04	1
FRAMING	☑	☐	3/16/04	TS 46
E / CERT	☐	☐		
ROUGH ELECTRICAL	☑	☐	3/16/04	TS 46
ROUGH MECHANICAL	☑	☐	3/16/04	TS 46
ROUGH FIRE INSPECTION	☐	☐		
INSULATION	☑	☐	3/19/04	TS 46
FINAL INSPECTION	☐	☐		
FINAL FIRE INSPECTION	☐	☐		
CERTIFICATE OF OCCUPANCY	☑ 10/13	☐	11/4/04	0042

ISSUED BY [illegible] TS 46

003315

HORRY COUNTY CODE ENFORCEMENT DIVISION

(843) 915-5090 / (843) 205-5090

355098

PERMIT # 94341 DATE 10/17/03

POWER PERMIT # _____

NAME ROBERTO PEREZ

LOCATION LOT 205 LINKS RD PRESTWICK

TIME ARRIVED 14:55 TIME DEPART 15:18

SETBACKS: FR 25 ✓ LT 10 ✓ RT 10 ✓ RR 40 ✓

SCR/2.0/6

TYPE INSPECTION	P	I		P	I
TEMP SERVICE			FOUNDATION	✓	
PILASTER			SLAB / POLY WIRE		
SLAB PLUMBING			ROUGH PLUMBING		
NAILING			ROUGH ELECTRICAL		
FRAMING			BRICK FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE 520 SQUARE FEET TOTAL TIME		

REMARKS NOTE: OK to Pour

INSPECTOR John Lesko #10

RECEIVED BY _____

HORRY COUNTY CODE ENFORCEMENT DIVISION

(843) 915-5090 / (843) 205-5090

356641

PERMIT # 94341 DATE 10/28/03

POWER PERMIT # 85491

NAME Roberto Perez

LOCATION 205 1346 Lives Rd Prestwick

TIME ARRIVED 1255 TIME DEPART 1310

SETBACKS: FR _____ LT _____ RT _____ RR _____

TYPE INSPECTION	P	I		P	I
TEMP SERVICE	✓		FOUNDATION		
PILASTER			SLAB / POLY WIRE		
SLAB PLUMBING			ROUGH PLUMBING		
NAILING			ROUGH ELECTRICAL		
FRAMING			BRICK FLASHING		
ROUGH MECHANICAL			ROUGH FIRE		
INSULATION			FINAL		
FINAL FIRE			C/OCCUPANCY		
MOBILE HOME			SWIMMING POOL		
SIGN			METER SERVICE		
C/O/S			TILE SIZE		

REMARKS O.K. to Power Pole

INSPECTOR Thomas Jack 42

RECEIVED BY

COMMERCIAL FLOORCOVERING QUOTE AND CONTRACT

Date: 10/18/06

Customer Name: Vereen Construction Phone:

Complex/Subdivision: Ocean Blue Fax:

Installation Address: 33rd Avenue South Purchase Order:

City,State,Zip: N. Myrtle Beach, SC Billing Address: A & B

Measurement Date: Type of Order: Interior Carpet

DESCRIPTION/SCOPE OF WORK	BREAKDOWN	COST	SQ. FT.	SELLING PRICE
Shaw Hospitality Messina Collection				
Style Balajo Color #82360 garden path	12 x 548	1.71	6576	$11,244.96
8 lb 1.4 pad		0.35	6576	$2,301.60
Sales Tax				$677.33
Labor to install	760.67 sy	$3.00		$2,282.01
Total material and labor				$16,505.90

Purchase/Installation: Customer agrees to purchase and Sherwin–Williams agrees to sell and, if specified above, deliver and arrange for the installation of the materials listed above and on any specifications and drawings attached hereto ("Specifications"). Sherwin–Williams may subcontract for the installation of the materials. Customer must provide 30 day written notice to cancel or terminate this Contract.

Prices: Prices of floorcoverings are based on estimates of the square footage and may vary based upon the actual measurements.

Credit: This Contract is subject to Sherwin–Williams' satisfactory review and approval of Customer's credit as determined by Sherwin–Williams in its discretion. In the event credit is approved, Customer agrees to pay to Sherwin–Williams the total balance due net 20th of the month following the invoice date of purchase. In the event credit is not approved, Customer may pay cash in advance or Sherwin–Williams may cancel this Contract.

Change Orders: Any changes to the materials or Specifications may be made only by a written change order signed by both Sherwin–Williams and Customer.

WARRANTY: EXCEPT FOR ANY EXPRESS WRITTEN WARRANTY ISSUED TO CUSTOMER, SHERWIN–WILLIAMS EXPRESSLY DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE.

Force Majeure: Sherwin–Williams shall not be liable for any delays in or failure to complete delivery or installation of the materials due to fire or other casualties, labor disputes, shortages or delays in delivery of materials, war, governmental regulations or any other cause beyond the reasonable control of Sherwin–Williams.

Entire Agreement: This Contract, including any Specifications and written change orders, constitutes the entire agreement between the parties. There are no representations, warranties, understandings or agreements, oral or written, between the parties with respect to the subject matter hereof except as set forth in this Contract, the Specifications and any written change orders.

Store Name: Myrtle Beach Store Address: 1203 Mr. Joe White Ave

Store Phone: 444–0111 Store Fax: 448–6183

Prices good through: **THE SHERWIN–WILLIAMS COMPANY**

Customer Name:

Signature: Store Signature: Maya Hoyt

Title: Title: Sales Representative

COMMERCIAL FLOORCOVERING QUOTE AND CONTRACT

Date: 10/10/06

Customer Name: Vereen Construction Phone:

Complex/Subdivision: Ocean Blue Fax:

Installation Address: 33rd Aven S Purchase Order:

City,State,Zip: N. Myrtle Beach, SC 29577 Billing Address:

Measurement Date: Type of Order:

DESCRIPTION/SCOPE OF WORK	BREAKDOWN	COST	SQ. FT.	SELLING PRICE
Exterior Balcony Carpet				
Shaw Southerland #91200 Wicker	12 x 150	$1.00	1800	$1,800.00
Sales tax				$90.00
Labor to install exterior carpet		$2.75	200 sy	$550.00
Total material and labor for exterior balconies				$2,440.00

Purchase/Installation: Customer agrees to purchase and Sherwin-Williams agrees to sell and, if specified above, deliver and arrange for the installation of the materials listed above and on any specifications and drawings attached hereto ("Specifications"). Sherwin-Williams may subcontract for the installation of the materials. Customer must provide 30 day written notice to cancel or terminate this Contract.

Prices: Prices of floorcoverings are based on estimates of the square footage and may vary based upon the actual measurements.

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Change Orders: Any changes to the materials or Specifications may be made only by a written change order signed by both Sherwin-Williams and Customer.

WARRANTY: EXCEPT FOR ANY EXPRESS WRITTEN WARRANTY ISSUED TO CUSTOMER, SHERWIN-WILLIAMS EXPRESSLY DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE.

Force Majeure: Sherwin-Williams shall not be liable for any delays in or failure to complete delivery or installation of the materials due to fire or other casualties, labor disputes, shortages or delays in delivery of materials, war, governmental regulations or any other cause beyond the reasonable control of Sherwin-Williams.

Entire Agreement: This Contract, including any Specifications and written change orders, constitutes the entire agreement between the parties. There are no representations, warranties, understandings or agreements, oral or written, between the parties with respect to the subject matter hereof except as set forth in this Contract, the Specifications and any written change orders.

Store Name: Myrtle Beach Store Address: 1203 Mr. Joe White Ave, Myrtle Beach, SC 29577

Store Phone: 444-0111 Store Fax: 448-6183

Prices good through: **THE SHERWIN-WILLIAMS COMPANY**

Customer Name:

Signature: Store Signature:

Title: Title:

SHERWIN-WILLIAMS

SHERWIN-WILLIAMS
1203 MR JOE WHITE AVE STE
MYRTLE BEACH SC 29577

Visit www.sherwin-williams.com
Store 2296 RAYMOND
(843)444-0111
Fax - (843)448-6183

CHARGE
INVOICE
No. 2800-2

ACCOUNT: 6744-9671-6 JOB 65 OCEAN BLUE

SHIPPED TO:

EVERGREEN CONST. CO.INC*ARTHUR
PO BOX 2296
MYRTLE BEACH SC 29578 2296
(843)448-6744

OCEAN BLUE
TILE

PO:OCEAN BLUE
ORDER:OE0007981A2296
DATE: 11/03/06
TIME: 4:59 PM

2-4577
E16/13912 11

TONYA COWING

TERMS:NET PAYMENT DUE ON DEC. 20th

SALES NUMBER	SALES UNIT	PRODUCT	DESCRIPTION	QTY	PRICE	VALUE
587-1040	EACH		1/4X4X4FIBEROCK UNDR Color:GRAY Loc/Cut:245 SHEETS	245	9.52	2332.40
587-8517	EACH		12X12 TILE Color:CH79-BUCKSKIN Loc/Cut:GROUT: 145-LIGHT SMO	3795	1.65	6261.75
713-0354	EACH		INSERT METAL Color:SILVER Loc/Cut:	72	1.69	121.68
581-5709	EACH		BULLNOSE 3.25X13 Color:CH79-BUCKSKIN Loc/Cut:	175	2.49	435.75
			LABOR (NO TAX) install underlayment for til e	3795	1.25	4743.75 N
			LABOR (NO TAX) install floor tile	3289	2.75	9044.75 N
			LABOR (NO TAX) install wall tile	506	4.00	2024.00 N

Thank You
receipt required for refund

SUBTOTAL	24964.08
5.000% SALES TAX:1-412957704	457.58
CHARGE	$25421.66

MERCHANDISE RECEIVED IN GOOD ORDER BY:

TONYA COWING-INSTALLER DATE (CENTRALIZED INVOICE)

State of South Carolina
Department of Labor, Licensing and Regulation
Contractors' Licensing Board

E SMITH & SONS CONSTRUCTION INC
PO BOX 1248
MYRTLE BEACH SC 29578

GENERAL CONTRACTOR

License Number: G115120
Date of Issue: 10/07/2010
Expiration Date: 10/31/2012
First Issuance Date: 05/22/2009

DEFENDANT'S EXHIBIT
#59 10.11.11
PMM

003321

State of South Carolina
Department of Labor, Licensing and Regulation
Contractors' Licensing Board

Licensed in the classification(s) of

BD

(See back of card for Classification Abbreviations and Dollar Limit Per Contract)

003322

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

CONTRACTOR'S
ACKNOWLEDGMENT, CONSENT TO
ASSIGNMENT AND LIEN
SUBORDINATION AGREEMENT

"BORROWER" means Brown Investments, LLC.

"LENDER" means Beach First National Bank.

"PROJECT" means Borrower's development of an office building to be located in North Myrtle Beach, Horry County, South Carolina.

"ASSIGNMENT" means Assignment of Construction Documents given by Borrower to Lender in connection with Lender's loan to Borrower for the Project.

"CONTRACT" means Contractor's Contract dated _____ for Lots 1 and 2, Block 7, Crescent Beach, Section, North Myrtle Beach, South Carolina, between Contractor and Borrower.

"CONTRACTOR" means A & E Constructors.

FOR VALUE RECEIVED, Contractor hereby:

1. Agrees, in the event of a default by Borrower under the Contract, not to terminate the Contract without prior written notice to Lender, which notice shall specify the nature of the default and afford Lender thirty (30) days from the date of such notice, to cure such existing default. If the default cannot be cured within thirty (30) days, Lender shall have thirty (30) days to commence and to thereafter diligently pursue such cure. All notices to Lender shall be sent to Lender via certified mail, return receipt requested to : 3751 Grissom Parkway, Myrtle Beach, South Carolina, 29577.

2. Agrees that upon receipt of written notice referred to in the Assignment, Contractor shall perform all its remaining obligations under the Contract for the benefit of Lender.

3. Irrevocably and unconditionally subordinates to the lien of Lender's Real Estate Mortgage and Assignment of Leases and Rents any present or future right of Contractor to file a mechanic's lien or any other lien against the Project and the land on which the Project shall be located.

4. Certifies that Contractor has full authority under all state or local laws and regulations to perform all of its obligations under the Contract in accordance with the terms thereof.

EXECUTED as of the 27th day of August, 2007.

CONTRACTOR:

A & E CONSTRUCTORS

By: _____

Its: President

DEFENDANT'S EXHIBIT
#65 10-11-11
PMM

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ACKNOWLEDGMENT

On August 27, 2007 before me personally came A & E CONSTRUCTORS by its authorized signatory, to me known to be the person described in and who executed the foregoing Acknowledgment, Consent to Assignment and Lien Subordination Agreement and acknowledged that he executed the same.

Paula L. Hawley (L.S.)
Notary Public for South Carolina

My Commission Expires: 2-15-2017

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582
BUILDING DIVISION

PERMIT

PERMIT # : BLD2007-00548

To Schedule Inspections
Call befor 4:00 pm
24 Hours in Advance
843-280-5560

APPLIED: 4/5/2007
ISSUED: 8/2/2007
EXPIRES: 2/2/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 311 17TH AVE S
ASSESSOR'S PARCEL NO.: 1560421001
PROJECT: CONDOLUX NMB

DESCRIPTION of WORK: CONSTRUCT NEW, 3/STORY COMMERCIAL OFFICE BUILDING PER APPROVED ENGINEERED PLANS. (TO BE SPRINKLERED)

OWNER/APPLICANT
MARTIN/EVE BROWN
[redacted]
MYRTLE BEACH SC 29577

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
P.O. BOX 2296
MYRTLE BEACH SC 29578

TYPE OF WORK: **New**
TYPE OF USE: **Commercial Building - N**
CENSUS CATEGORY: **324**
ZONING: **RC**

Flood Zone:

Occupancy Groups

1: **B**	2:
3:	4:

Construction Types

1:	2: **II**
3:	4:

AREA

LOT:	**0**	sf
1ST FLR:	**0**	sf
2ND FLR:	**8,062**	sf
BASEMENT:	**0**	sf
GAR/CARPORT:	**3,516**	sf
OTHER:	**0**	sf
NUMBER OF UNITS:	**1**	
STORIES:	**3**	
BUILDING HEIGHT:	**0**	ft

Valuation of Work: 0.00
Actual Valuation $ 1,287,547.20

REQUIRED SETBACKS:

FRONT:	**15.00**	ft
SIDE 1:	**10.00**	ft
SIDE 2:	**10.00**	ft
REAR:	**10.00**	ft

REQUIRED PARKING

TOTAL:	**0**
HANDICAPPED:	**0**
COMPACT:	**0**
IMPRV SURF:	**0** sf

FEES

Type	By	Date	Amount
PLAN	DCS	8/2/2007	$1,625.50
PRMT	DCS	8/2/2007	$3,251.00
		Total:	**$4,876.50**

CONDITIONS OF APPROVAL:
1 Contractor shall Provide Sanitary Facilities for all Employees on Jobsite prior to temporary service pole inspection.
2 Contractor to submit sub-contractors roster to Business License Dept for approval prior to scheduling a Final Inspection.

DEFENDANT'S EXHIBIT
#616 10.11.11 PMM

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by Copy

Applicant or Owner's Signature

C/O issued 5-27-08

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582
BUILDING DIVISION

PERMIT

PERMIT # : BLD2007-00981

APPLIED: 6/4/2007
ISSUED: 7/6/2007
EXPIRES: 1/6/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

To Schedule Inspections
Call befor 4:00 pm
24 Hours in Advance
843-280-5560

SITE ADDRESS: 311 17TH AVE S
ASSESSOR'S PARCEL NO.: 1560421001

PROJECT: MR G'S (DEMO)

DESCRIPTION of WORK: DEMOLITION OF A 16 X 25 BLOCK BUILDING WITH A PLYWOOD ROOF, 5 SINKS, 2 BATHROOMS. DHEC PROJECT ID:N0706381

OWNER/APPLICANT
MARTIN/EVE BROWN
[redacted]
MYRTLE BEACH SC 29577

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
P.O. BOX 2296
MYRTLE BEACH SC 29578

TYPE OF WORK: **Dem**
TYPE OF USE: **Demolition - Commercial**
CENSUS CATEGORY: **649**
ZONING:

Flood Zone:

Valuation of Work: 2,500.00
Actual Valuation $

Occupancy Groups			
1:		2:	
3:		4:	

Construction Types			
1:		2:	
3:		4:	

AREA		
LOT:	0	sf
1ST FLR:	0	sf
2ND FLR:	480	sf
BASEMENT:	0	sf
GAR/CARPORT:	0	sf
OTHER:	250	sf
NUMBER OF UNITS:	0	
STORIES:	1	
BUILDING HEIGHT:	0	ft

REQUIRED SETBACKS:		
FRONT:	0.00	ft
SIDE 1:	0.00	ft
SIDE 2:	0.00	ft
REAR:	0.00	ft

REQUIRED PARKING	
TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES

Type	By	Date	Amount
DEMO	SMH	7/6/2007	$100.00
		Total:	**$100.00**

CONDITIONS OF APPROVAL:

DEFENDANT'S EXHIBIT
#67 10-11-11
PRM

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by Copy

Applicant or Owner's Signature

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582
BUILDING DIVISION

PERMIT

PERMIT # : BLD2008-00409

To Schedule Inspections
Call befor 4:00 pm
24 Hours in Advance
843-280-5560

APPLIED: 3/18/2008
ISSUED: 3/19/2008
EXPIRES: 9/19/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 311 17TH AVE S
ASSESSOR'S PARCEL NO.: 1560421001
PROJECT: CONDOLUX

DESCRIPTION of WORK: INSTALL NEW 274' L X 66" H METAL FENCE WITH BRICK COLUMNS ON PROPERTY. (24' FROM CORNERS TO BE 30" H) PER APPROVED PLANS .

OWNER/APPLICANT
MARTIN/EVE BROWN
[redacted]
MYRTLE BEACH SC 29577

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
P.O. BOX 2296
MYRTLE BEACH SC 29578

TYPE OF WORK: **New**
TYPE OF USE: **Fences**
CENSUS CATEGORY: **000**
ZONING:

Occupancy Groups

1:	2:
3:	4:

Construction Types

1:	2:
3:	4:

Flood Zone:

Valuation of Work: 21,000.00
Actual Valuation $

AREA

LOT:	0 sf
1ST FLR:	0 sf
2ND FLR:	0 sf
BASEMENT:	0 sf
GAR/CARPORT:	0 sf
OTHER:	0 sf

NUMBER OF UNITS:	0
STORIES:	0
BUILDING HEIGHT:	0 ft

REQUIRED SETBACKS:

FRONT:	0.00 ft
SIDE 1:	0.00 ft
SIDE 2:	0.00 ft
REAR:	0.00 ft

REQUIRED PARKING

TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES

Type	By	Date	Amount
FENC	BFV	3/19/2008	$15.00
		Total:	**$15.00**

CONDITIONS OF APPROVAL:

DEFENDANT'S EXHIBIT
#68 10.11.11 PMM

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by Copy

Applicant or Owner's Signature

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582
BUILDING DIVISION

PERMIT

PERMIT # : BLD2007-00516

To Schedule Inspections
Call befor 4:00 pm
24 Hours in Advance
843-280-5560

APPLIED: 4/2/2007
ISSUED: 5/23/2007
EXPIRES: 11/23/2007

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 1906 S OCEAN BLVD

ASSESSOR'S PARCEL NO.: 1560430007 PROJECT:

DESCRIPTION of WORK: NEW PLUMBING, SIDING, CABINETS, FIXTURES, A/C. * NO CHANGE TO FOOTPRINT.* AE15+1=16 **NO CHANGE TO FOOTPRINT***

DEFENDANT'S EXHIBIT
#61 10-11-11 PMM

OWNER/APPLICANT
MARTIN BROWN
[redacted]
MYRTLE BEACH SC 29577

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
P.O. BOX 2296
MYRTLE BEACH SC 29578

TYPE OF WORK: **ALT**
TYPE OF USE: **Alteration 1 & 2 Family**
CENSUS CATEGORY: **434**
ZONING: **R-4**

Flood Zone:

Valuation of Work: 60,000.00
Actual Valuation $

Occupancy Groups

1:	2:
3:	4:

Construction Types

1:	2:
3:	4:

AREA

LOT:	0	sf
1ST FLR:	0	sf
2ND FLR:	0	sf
BASEMENT:	0	sf
GAR/CARPORT:	0	sf
OTHER:	0	sf

NUMBER OF UNITS:	0
STORIES:	0
BUILDING HEIGHT:	0 ft

REQUIRED SETBACKS:

FRONT:	0.00	ft
SIDE 1:	0.00	ft
SIDE 2:	0.00	ft
REAR:	0.00	ft

REQUIRED PARKING

TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES

Type	By	Date	Amount
REPR	SMH	5/23/2007	$315.00
STOP	SMH	5/23/2007	$315.00
		Total:	**$630.00**

CONDITIONS OF APPROVAL:

1 **Contractor to submit sub-contractors roster to Business License Dept for approval prior to scheduling a Final Inspection.**
2 **All work must be done by licensed contractor. Homeowner or employee of homeowner not authorized to do any portion of work.**

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by

Applicant or Owner's Signature

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582
BUILDING DIVISION

PERMIT

PERMIT # : BLD2008-00637

To Schedule Inspections
Call befor 4:00 pm
24 Hours in Advance
843-280-5560

APPLIED: 4/23/2008
ISSUED: 4/24/2008
EXPIRES: 10/24/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 4310 S OCEAN BLVD
ASSESSOR'S PARCEL NO.: 1560619009 PROJECT:

DESCRIPTION of WORK: REPAIR EXISTING FRONT DECK TO INCLUDE, REPLACE ROTTEN WOOD ON DECK & HANDRAILS. * NO CHANGE TO FOOTPRINT * PER ALL APPLICABLE CODES AND ORDINANCES.

OWNER/APPLICANT
BROWN, MARTIN E & EVELYN G
[redacted]
MYRTLE BEACH SC 29577

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
P.O. BOX 2296
MYRTLE BEACH SC 29578

TYPE OF WORK: Rep
TYPE OF USE: Repairs / 1 & 2 Family Re
CENSUS CATEGORY: 000

Flood Zone: AE-EL16+

Valuation of Work: 1,500.00
Actual Valuation $

ZONING:

Occupancy Groups

1:	2:
3:	4:

Construction Types

1:	2:
3:	4:

AREA

LOT:	0 sf
1ST FLR:	0 sf
2ND FLR:	0 sf
BASEMENT:	0 sf
GAR/CARPORT:	0 sf
OTHER:	0 sf

NUMBER OF UNITS:	0
STORIES:	0
BUILDING HEIGHT:	0 ft

REQUIRED SETBACKS:

FRONT:	0.00 ft
SIDE 1:	0.00 ft
SIDE 2:	0.00 ft
REAR:	0.00 ft

REQUIRED PARKING

TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES

Type	By	Date	Amount
REPR	BFV	4/24/2008	$35.00
		Total:	**$35.00**

CONDITIONS OF APPROVAL:

DEFENDANT'S EXHIBIT
#70 10.11.11 PMM

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by Copy

Applicant or Owner's Signature

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582
BUILDING DIVISION

PERMIT

PERMIT # : BLD2008-01027

To Schedule Inspections
Call befor 4:00 pm
24 Hours in Advance
843-280-5560

APPLIED: 6/24/2008
ISSUED: 6/26/2008
EXPIRES: 12/26/2008

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 1705 MADISON DR
ASSESSOR'S PARCEL NO.: 1431617004
PROJECT: CONDO LUX REAL ESTATE OFFICE

DESCRIPTION of WORK: Bring existing bldg. to code: move interior wall to make bathroom handicap accessible, Remove walls from 24x30 porch to return to open porch, Remove other porch addition added without permit.Add 3 interior walls to make office space for real estate office.

OWNER/APPLICANT
BROWN INVESTMENTS LLC
[redacted]
NMB SC 29597

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
P.O. BOX 2296
MYRTLE BEACH SC 29578

TYPE OF WORK: **ALT**
TYPE OF USE: **Alteration - Commercial**
CENSUS CATEGORY: **437**
ZONING: **NC**

Flood Zone:

Valuation of Work: 8,800.00
Actual Valuation $

Occupancy Groups

1:	2:
3:	4:

Construction Types

1:	2:
3:	4:

AREA

LOT:	0 sf
1ST FLR:	0 sf
2ND FLR:	0 sf
BASEMENT:	0 sf
GAR/CARPORT:	0 sf
OTHER:	0 sf

NUMBER OF UNITS:	0
STORIES:	0
BUILDING HEIGHT:	0 ft

REQUIRED SETBACKS:

FRONT:	0.00 ft
SIDE 1:	0.00 ft
SIDE 2:	0.00 ft
REAR:	0.00 ft

REQUIRED PARKING

TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES

Type	By	Date	Amount
REPR	SMH	6/26/2008	$70.00
STOP	SMH	6/26/2008	$70.00
		Total:	**$140.00**

CONDITIONS OF APPROVAL:

DEFENDANT'S EXHIBIT
#71 10-11-11
PMM

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by Copy

Applicant or Owner's Signature

City of North Myrtle Beach
1018 2nd Avenue S. N. Myrtle Beach, SC 29582
BUILDING DIVISION

PERMIT

PERMIT # : BLD2004-01824

To Schedule Inspections
Call befor 4:00 pm
24 Hours in Advance
843-280-5560

APPLIED: 10/25/2004
ISSUED: 10/25/2004
EXPIRES: 4/25/2005

Note: This permit will expire if the work does not commence within 180 days from the date of issuance, or if the authorized work is abandoned for a period of 180 days or more.

SITE ADDRESS: 401 S OCEAN BLVD
ASSESSOR'S PARCEL NO.: 1441020002 PROJECT:

DESCRIPTION of WORK: REMOVE & DEMO LANDSCAPE, POOL, JACUZZI, DECKS AND PARKING LOT
AMENDED TO INCLUDE BUCCANEER MOTEL BLDG PER M. COX*

OWNER/APPLICANT
CAPITAL PARTNERS IV LLC
1000 2ND AVE S
SUITE 120

CONTRACTOR
A&E CONSTRUCTION & CONSULTANTS
P.O. BOX 2296
MYRTLE BEACH SC 29578

TYPE OF WORK: **Dem**
TYPE OF USE: **Demolition - Commercial**
CENSUS CATEGORY: **649**
ZONING: **R-4**

Flood Zone:

Valuation of Work: 5,000.00
Actual Valuation $

Occupancy Groups	
1:	2:
3:	4:

Construction Types	
1:	2:
3:	4:

AREA	
LOT:	0 sf
1ST FLR:	0 sf
2ND FLR:	0 sf
BASEMENT:	0 sf
GAR/CARPORT:	0 sf
OTHER:	0 sf

NUMBER OF UNITS:	0
STORIES:	0
BUILDING HEIGHT:	0 ft

REQUIRED SETBACKS:	
FRONT:	0.00 ft
SIDE 1:	0.00 ft
SIDE 2:	0.00 ft
REAR:	0.00 ft

REQUIRED PARKING	
TOTAL:	0
HANDICAPPED:	0
COMPACT:	0
IMPRV SURF:	0 sf

FEES

Type	By	Date	Amount
DEMO	JD	10/25/2004	$100.00
		Total:	**$100.00**

CONDITIONS OF APPROVAL:
1 AMENDMENT TO PERMIT 11/28/2004. DHEC LETTER OF 10/21/2004 AUTHORIZING DEMOLITION OF BUCCANEER MOTEL BLDG. SUBMITTED AND IS IN THE FILE. M. COX

DEFENDANT'S EXHIBIT
#72 10-11-11 PMM

I hereby acknowledge that I have read this permit and state that the above information is correct, and agree to comply with all ordinances and state and federal laws regulating activities covered by this permit.

Issued by Copy

Applicant or Owner's Signature

ARTHUR VEREEN CONSTRUCTION CO., INC.
P. O. Box 2296
Myrtle Beach, SC 20577
(803) 448-3741 fax (626-6284)

Ellis Smith
2940 Carriage Row Lane
Myrtle Beach, S.C. 29577

Re: July 23, 1996 Note

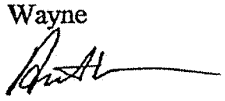
Ellis:

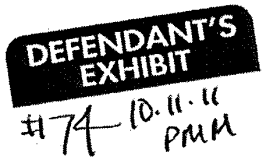
I have enclosed the note you and I executed to assist you in obtaining financing on the above referenced address.

As you know, you have not made any payments on this note to date. Please let me know how we are going to handle this going forward.

It appears that the interest is now approximately $2,072.90. Call me at home or at work.

Wayne





NOTE

July 23, 1996

2940 Carriage Row Lane, Myrtle Beach, SC 29577
[Property Address]

1. **BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. $17,850.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is Arthur Wayne Vereen. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder".

2. **INTEREST**

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 9.0000%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. **PAYMENTS**

(A) Time and Place of Payments

I will pay principal and interest by making payments quarterly.

I will make my quarterly payments on October 23, 1996; January 23, 1997; April 23, 1997 and July 23, 1997. I will make these payments every quarter until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My quarterly payments will be applied to interest before principal. If, on July 23, 1997, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date".

I will make my quarterly payments at P.O. Box 2296, Myrtle Beach, SC 29578 or at a different place if required by the Note Holder.

(B) Amount of Quarterly Payments

My quarterly payment will be in the amount of U.S. $4,716.31.

4. **BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my quarterly payment unless the Note Holder agrees in writing to those changes.

5. **LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge collected shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. **BORROWER'S FAILURE TO PAY AS REQUIRED**

(A) Late Charge for Overdue Payments

If a Note Holder has not received the full amount of any quarterly payment by the end of seven (7) calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each quarterly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on the amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. These expenses include, for example, reasonable attorney's fees.

7. **GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. **OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. **WAIVERS**

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of the amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Ellis Ewell Smith (Seal)

Ellis Ewell Smith - Borrower

Borrower

(Sign Original Only)

Loan Amortization Report

Long, Long & Monckton, P.A.
601 21st Avenue N., Suite 201
Myrtle Beach, SC 29577
803-946-6556

Prepared: July 24, 1996

yments	Payment	Type	INT%	Balance
				4,612.52
3	4,716.31	Q	9.000	.00
1	4,716.30	Q	9.000	

Loan Amount: 17,850.00
otal Payments: 18,865.23
nce Charge: 1,015.23

First Payment: October 23, 1996
Last Payment: July 23, 1997

Loan Amortization Schedule
Principal printed is after payment is applied

ue ate	No.	Payment	Principal Payment	Interest Payment	Principal
23/96	1	4,716.31	4,314.68	401.63	13,535.32
6 Totals		4,716.31	4,314.68	401.63	
23/97	2	4,716.31	4,411.77	304.54	9,123.55
23/97	3	4,716.31	4,511.03	205.28	4,612.52
23/97	4	4,716.30	4,612.52	103.78	0.00
7 Totals		14,148.92	13,535.32	613.60	

TURNER PADGET
TURNER PADGET GRAHAM & LANEY P.A.

DEFENDANT'S EXHIBIT
#87 10-12-11 PMM

CHARLESTON
COLUMBIA
FLORENCE
GREENVILLE
MYRTLE BEACH

REPLY TO:
Timothy D. St. Clair
Registered Patent Attorney

TStClair@TurnerPadget.com
Writer's Direct Dial: (864) 552-4642
Writer's Direct Fax: (864) 282-5956

July 30, 2007

Mr. Harry G. Willoughby
Willoughby Family Investments, LLC
1548 Crooked Pine Dr
Myrtle Beach, SC 29575-5250

Mr. Wayne Vereen
A&E Constructors & Consultants, Inc.
Post Office Box 2296
Myrtle Beach, South Carolina 29578

Re: Allora, LLC v. Willoughby Family Investments, LLC et al.

Dear Gentlemen:

I had written to you on July 20 to report outstanding accounts receivable for my Firm's services and disbursements of $57,780.78.

I am very pleased to report that, shortly thereafter, Builders Mutual Insurance Company paid a total of $39,465.08. Beth Sisson spoke with a representative of Builders Mutual and was told that, of the bills constituting the $57,780.78, Builders Mutual simply added up the entries occurring after the date on which it agreed to provide a defense to A & E, and paid them all.

I view this to be very good news. I was concerned for how Builders Mutual might try to apportion the bills, since we are defending both A & E, which is insured under the Builders Mutual policy, and Willoughby Family Investments, which is not insured under the Builders Mutual policy. However, evidently Builders Mutual is content to proceed in the fashion it explained to Beth outlined above.

With Builders Mutual's payment, the account receivable total has been reduced to $18,315.70. Can you please confer between yourselves and decide how to get this outstanding issue resolved?

Of course, if I can provide any additional information in these regards, please contact me immediately.

Yours very truly,

TURNER, PADGET, GRAHAM & LANEY, P.A.

Timothy D. St. Clair

cc: J. Calhoun Land, IV, Esquire

2/7/2011
1:08 PM

Rice, MacDonald & Hicks, P.A.
A/R Transaction Listing

Selection Criteria

Acco.Classification Open
Client (hand select Include: A&E-Mullinix

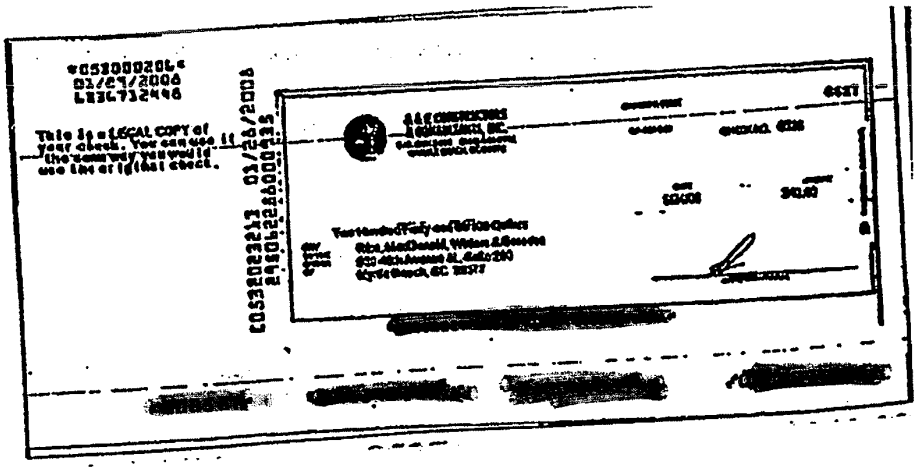
'B' for Billed. 'P' for Posted.

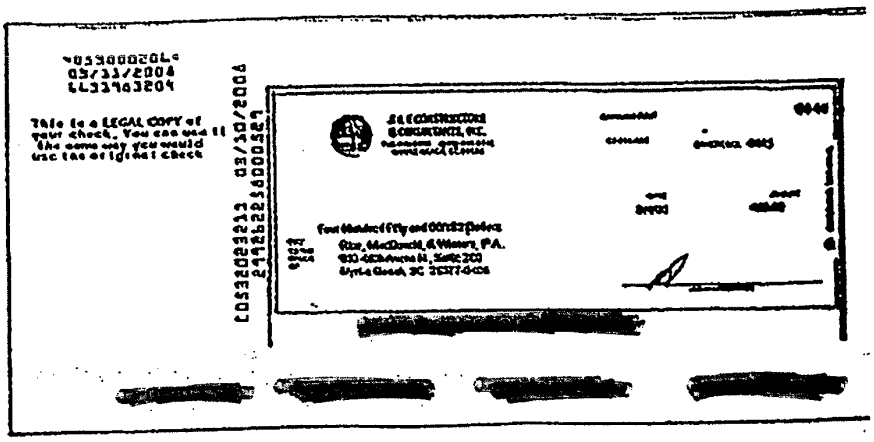
ID / Date	Type / Invoice #		Client / Check Number	Value
14760	INV	B	A&E-Mullinix	60.00
1/18/2008	G:18906			
	Invoice No. 18906			
14886	PAY	B	A&E-Mullinix	(60.00)
1/29/2008	G:19135		8527	
	Payment - thank you. Check No. 8527			
15089	INV	B	A&E-Mullinix	195.00
2/19/2008	G:19135			
	Invoice No. 19135			
15215	PAY	B	A&E-Mullinix	(195.00)
3/10/2008	I:4231		8645	
	Payment - thank you. Check No. 8645			
15609	INV	B	A&E-Mullinix	67.50
5/1/2008	G:19448			
	Invoice No. 19448			
15926	INV	B	A&E-Mullinix	67.50
6/9/2008	G:19636			
	Invoice No. 19636			
16439	PAY	B	A&E-Mullinix	(120.00)
7/31/2008	G:20672		8923	
	Payment - thank you. Check No. 8923			
16816	CRED	B	A&E-Mullinix	(15.00)
9/8/2008	G:20672			
	Credit per DJM			
17669	INV	B	A&E-Mullinix	100.00
12/4/2008	G:20672			
	Invoice No. 20672			

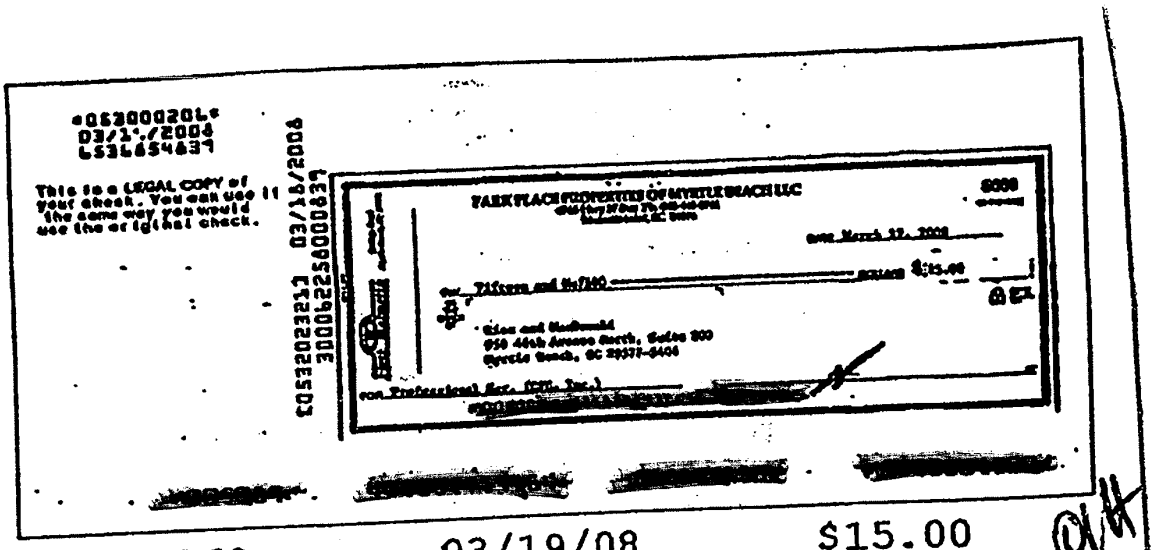
DEFENDANT'S EXHIBIT
#88 10.12.11 PMM

ID / Date	Type / Invoice #		Client / Check Number	Value
17833	PAY	B	A&E-Mullinix	(100.00)
12/15/2008	G:21065		9157	
	Payment - thank you. Check No. 9157			
18300	INV	B	A&E-Mullinix	37.50
2/9/2009	G:21065			
	Invoice No. 21065			
18445	PAY	B	A&E-Mullinix	(37.50)
2/17/2009	G:21247		1180	
	Payment - thank you. Check No. 1180			
18659	INV	B	A&E-Mullinix	85.00
3/10/2009	G:21247			
	Invoice No. 21247			
18867	PAY	B	A&E-Mullinix	(85.00)
3/27/2009	G:21502		1225	
	Payment - thank you. Check No. 1225			
19090	INV	B	A&E-Mullinix	75.00
4/21/2009	G:21502			
	Invoice No. 21502			
19799	PAY	B	A&E-Mullinix	(75.00)
6/12/2009	I:5528		1337	
	Payment - thank you. Check No. 1337			
19830	PAY	B	A&E-Mullinix	(75.00)
6/29/2009	I:5528		1361	
	Payment - thank you. Check No. 1361			
20827	INV	B	A&E-Mullinix	75.00
10/13/2009	G:22792			
	Invoice No. 22792			

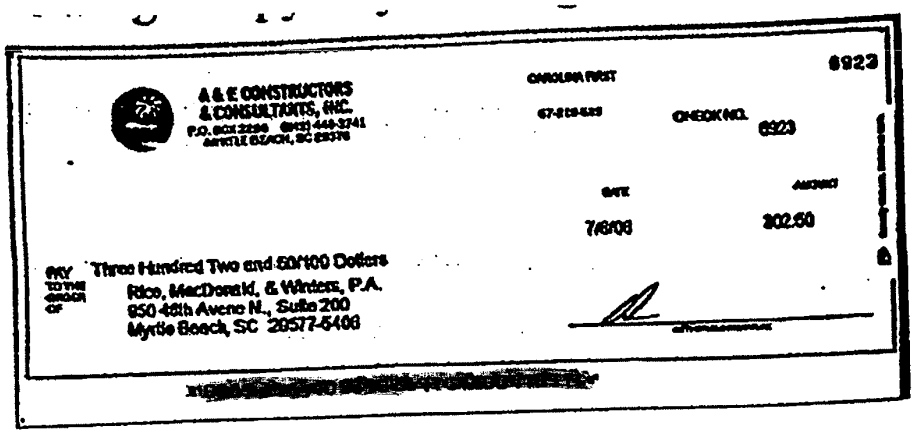
Grand Total	
Invoice	762.50
Payment	(747.50)
Credit	(15.00)







5069 03/19/08 $15.00



A & E CONSTRUCTORS & CONSULTANTS, INC.
P.O. BOX 2288 (843) 449-3741
MYRTLE BEACH, SC 29578

CAROLINA FIRST
67-218-539

6923

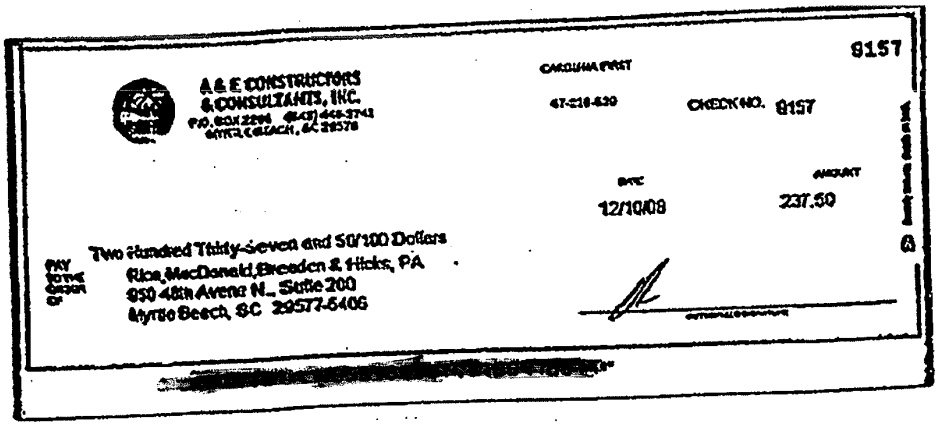
CHECK NO. 6923

DATE 7/6/06

AMOUNT 302.50

PAY TO THE ORDER OF Three Hundred Two and 50/100 Dollars

Rice, MacDonald, & Winters, P.A.
950 48th Avenue N., Suite 200
Myrtle Beach, SC 29577-5406



A & E CONSTRUCTORS & CONSULTANTS, INC.
P.O. BOX 2296 (843) 448-3743
MYRTLE BEACH, SC 29578

CAROLINA FIRST
67-218-630

9157

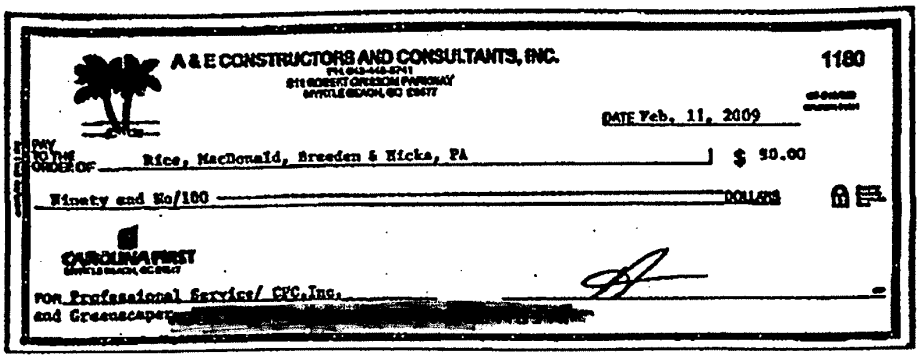
CHECK NO. 9157

DATE
12/10/08

AMOUNT
237.50

PAY TO THE ORDER OF
Two Hundred Thirty-Seven and 50/100 Dollars
Rice,MacDonald,Breeden & Hicks, PA
950 48th Avenue N., Suite 200
Myrtle Beach, SC 29577-6406

AUTHORIZED SIGNATURE



A & E CONSTRUCTORS AND CONSULTANTS, INC.

1180

DATE Feb. 11, 2009

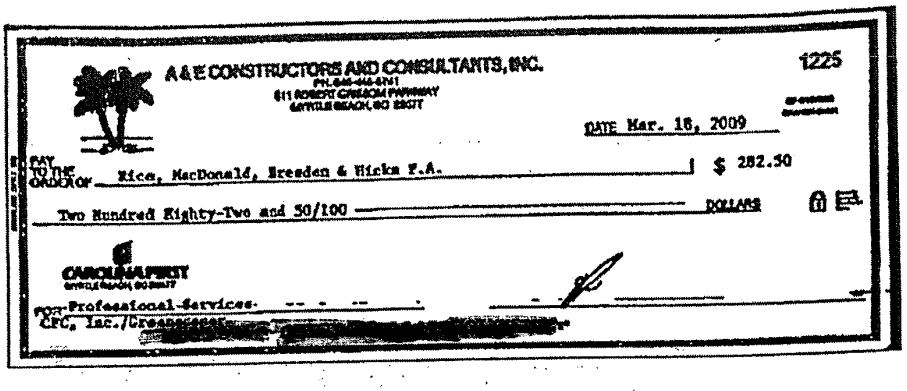
PAY TO THE ORDER OF Rice, MacDonald, Breeden & Hicks, PA $ 90.00

Ninety and No/100 DOLLARS

CAROLINA FIRST

FOR Professional Service/ CVC,Inc.

and Greenscape



A&E CONSTRUCTORS AND CONSULTANTS, INC.

1225

DATE Mar. 16, 2009

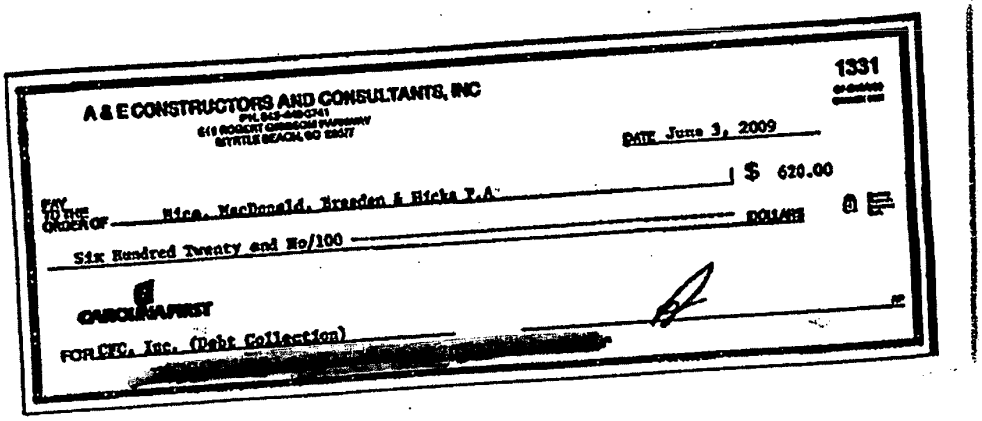
PAY TO THE ORDER OF Rice, MacDonald, Breeden & Hicks P.A. $ 282.50

Two Hundred Eighty-Two and 50/100 DOLLARS

CAROLINA FIRST

FOR Professional Services
CFC, Inc./[redacted]

04/03/09 1225 $282.50



A & E CONSTRUCTORS AND CONSULTANTS, INC

1331

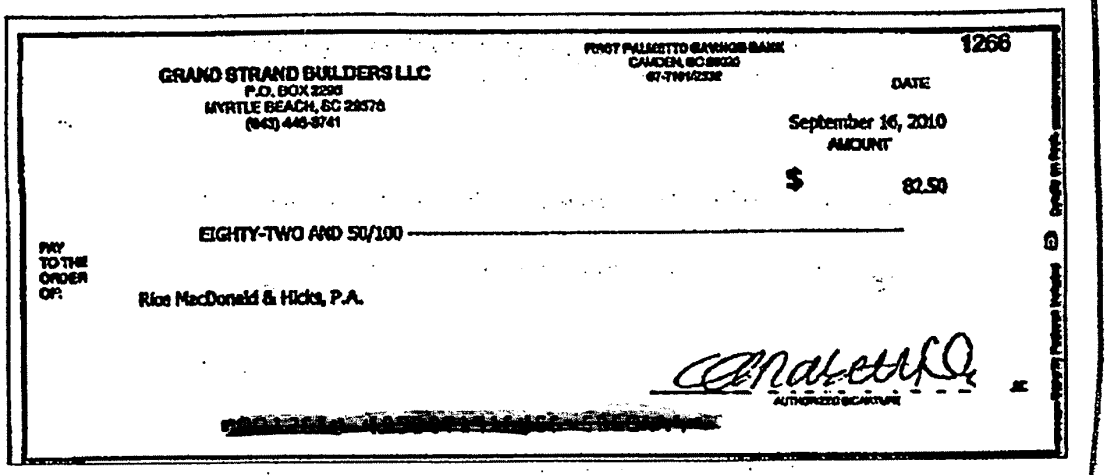
DATE June 3, 2009

PAY TO THE ORDER OF Nica, MacDonald, Braeden & Hicks P.A. $ 620.00

Six Hundred Twenty and No/100 DOLLARS

CAROLINA FIRST

FOR CFC, Inc. (Debt Collection)



GRAND STRAND BUILDERS LLC
P.O. BOX 2290
MYRTLE BEACH, SC 29578
(843) 449-9741

FIRST PALMETTO SAVINGS BANK
CAMDEN, SC 29020
67-7961/2330

1266

DATE
September 16, 2010

AMOUNT
$ 82.50

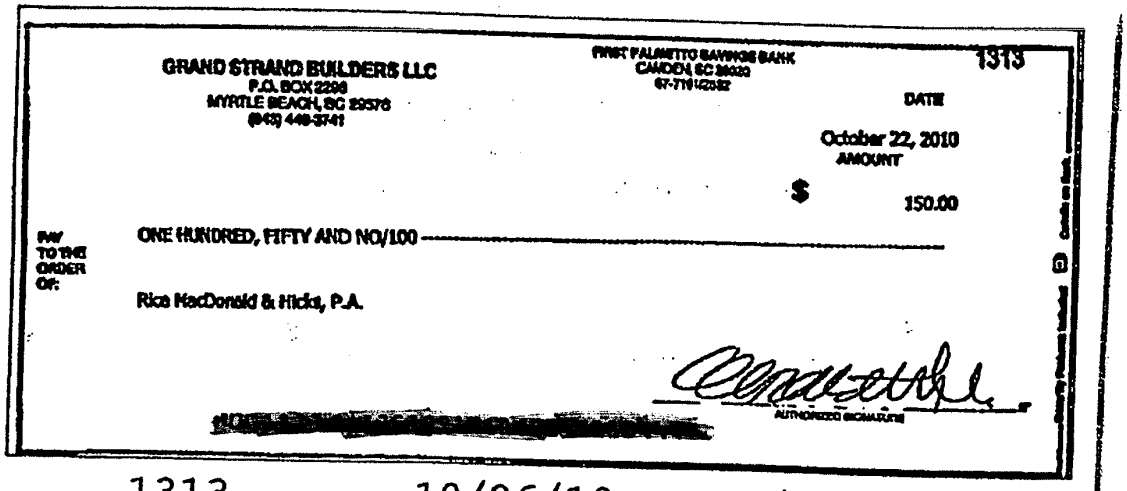
EIGHTY-TWO AND 50/100

PAY TO THE ORDER OF:
Rice MacDonald & Hicks, P.A.

AUTHORIZED SIGNATURE

[redacted]

1266 09/28/10 $82.50



GRAND STRAND BUILDERS LLC
P.O. BOX 2298
MYRTLE BEACH, SC 29578
(843) 448-3741

FIRST PALMETTO SAVINGS BANK
CAMDEN, SC 29020
67-7161/2532

1313

DATE
October 22, 2010

AMOUNT
$ 150.00

PAY TO THE ORDER OF: ONE HUNDRED, FIFTY AND NO/100

Rice MacDonald & Hicks, P.A.

[redacted]

AUTHORIZED SIGNATURE

1313 10/26/10 $150.00

2/4/2011
10:27 AM

Rice, MacDonald & Hicks, P.A.
Payment Register

Selection Criteria

Acco.Classification Open
Acco.Transaction T Payment
Client (hand select) Include: A&E-CFC, Inc.

'B' for Billed. 'P' for Posted.

ID / Date	Type / Invoice #		Client / Check Number	Value
14885	PAY	B	A&E-CFC, Inc.	(180.00)
1/29/2008	G:19134		8527	
	Payment - thank you. Check No. 8527			
15214	PAY	B	A&E-CFC, Inc.	(255.00)
3/10/2008	G:19234		8645	
	Payment - thank you. Check No. 8645			
15309	PAY	B	A&E-CFC, Inc.	(15.00)
3/17/2008	G:19447		5069	
	Payment - thank you. Check No. 5069			
16438	PAY	B	A&E-CFC, Inc.	(182.50)
7/31/2008	G:20352		8923	
	Payment - thank you. Check No. 8923			
17832	PAY	B	A&E-CFC, Inc.	(137.50)
12/15/2008	G:21064		9157	
	Payment - thank you. Check No. 9157			
18444	PAY	B	A&E-CFC, Inc.	(52.50)
2/17/2009	G:21246		1180	
	Payment - thank you. Check No. 1180			
18866	PAY	B	A&E-CFC, Inc.	(197.50)
3/27/2009	G:21501		1225	
	Payment - thank you. Check No. 1225			
19630	PAY	B	A&E-CFC, Inc.	(620.00)
6/4/2009	I:5321		1331	
	Payment - thank you. Check No. 1331			
20562	PAY	B	A&E-CFC, Inc.	(75.00)
9/15/2009	G:22791			
	Transfer of credit balance from companion file - thank you!			

DEFENDANT'S EXHIBIT
#89 10-12-11 PMM

ID / Date	Type / Invoice #		Client / Check Number	Value
24393	PAY	B	A&E-CFC, Inc.	(82.50)
9/17/2010	G:25425		1266	
	Payment - thank you. Check No. 1266			
24647	PAY	B	A&E-CFC, Inc.	(150.00)
10/25/2010	G:25826		1313	
	Payment - thank you. Check No. 1313			
Grand Total Payment				(1947.50)

DEFENDANT'S EXHIBIT #102 8.28.12 PMM

RV

RECEIVED

OCT 02 2007

REVISION APPLICATION
Document #180

LLR Contractor's Licensing Board

S.C. Department of Labor, Licensing, and Regulation
South Carolina Contractors' Licensing Board
110 Centerview Drive, Columbia, SC 29210
P.O. Box 11329, Columbia, SC 29211-1329
Phone (803) 896-4686 Fax (803) 896-4701
www.llr.state.sc.us/pol/contractors/

FOR OFFICE USE ONLY
Action taken:
☐ Upgraded from # _____ to # _____
☐ Name change ☐ Address change
☐ Added new QP Arthur W. Vereen
QP# UB / #8854
☐ Added new class(es) _____
☐ Other: _____
Date Action Completed: 10/31/07
Employee initials: CA

NOTE: Personal information provided in this application may be subject to public scrutiny or release under the S.C. Freedom of Information Act or other provisions of federal and state law.

Select one of the following: ☐ **Requesting Inactive Status** ☐ **Submitting a Revision:**
☐ Increasing limit ☐ Decreasing limit
☐ Name change ☐ Address change
☐ Adding qualifier(s) ☐ Adding new classification(s)

SECTION A
LICENSEE INFORMATION (as it currently appears on your license card)

CURRENT SC Licensed Name: A+E Constructors + Consultants Inc SC License#: G109536

Business Address: 511 Grissom Parkway (Street) Myrtle Beach (City) SC (State) 29578 (Zip) Horry (County)

Mailing Address: P.O. Box 2296 (P.O. Box/Street) Myrtle Beach (City) SC (State) 29578 (Zip) Horry (County)

Business Telephone: (843) 448-3741 Fax: (843) 626-6284

Name of Owner/President: Ellis E Smith Federal I.D. #: [redacted]

Email Address: Arthurvereen@sc.rr.com

SECTION B
CHANGE $$ LIMITS: Select the group for increase/decrease. Attach the appropriate financial statement.
(Groups 1-2 – "**self-prepared**"; Groups 3-4 – "**compiled/reviewed**"; Group 5 – "**audited**")

GENERAL CONTRACTORS	MECHANICAL CONTRACTORS
☐ Group #1 $ 30,000 limit per contract--- Net worth of $ 6,000	☐ Group #1 $ 17,500 limit per contract--- Net worth of $ 3,500
☐ Group #2 $100,000 limit per contract--- Net worth of $ 20,000	☐ Group #2 $ 30,000 limit per contract--- Net worth of $ 6,000
☐ Group #3 $350,000 limit per contract--- Net worth of $ 70,000	☐ Group #3 $ 50,000 limit per contract--- Net worth of $ 10,000
☐ Group #4 $750,000 limit per contract--- Net worth of $150,000	☐ Group #4 $125,000 limit per contract--- Net worth of $ 25,000
☐ Group #5 $Amt unlimited per contract--- Net worth of $250,000	☐ Group #5 $Amt unlimited per contract--- Net worth of $100,000

SECTION C
CHANGE OF BUSINESS NAME, CORPORATE OFFICERS and/or ADDRESS: Attach amended corporate charter if this is a corporation name change. If the federal ID changed, do not complete this form. You must submit a new application (Document #165) and meet all initial application requirements.

New Business Name: _____ Federal I.D.#: _____

New Physical Address: _____ (Street) _____ (City) _____ (State) _____ (Zip) _____ (County)

New Mailing Address: _____ (P. O. Box) _____ (City) _____ (State) _____ (Zip) _____ (County)

Business Telephone: ( ) _____ Fax: ( ) _____

Style of Business: ☐ Individual/Sole Proprietorship ☐ Partnership ☐ Corporation ☐ LLC ☐ LLP

Corporate Name Changes: List the names of principal officers, title, SSN and date of birth.

Name	Title	SSN	DOB

RV

OBVIOUS

SECTION D
ADDING/TRANSFERRING IN NEW QUALIFIER(S) or ADDING NEW CLASSIFICATION(S):

☑ I am requesting to transfer my qualifications from G-5 to this license.

EXAM QUALIFYING PARTY INFORMATION: The applicant may have an unlimited number of exam qualifiers for each classification. For each additional exam qualifier, make a copy of this section and complete the section for each exam qualifier who meets the requirements. For further clarification concerning exam qualifying parties, see Section 40-11-230, and 40-11-20(18) and Regulation 29-2 in the S.C. Code of Laws for General and Mechanical Contracting.

ADDING: ☐ **Primary Qualifier** ☑ **Additional Qualifier**

Name of New Qualifying Party: Arthur W Vereen (Individual Qualifying by Examination) Soc. Sec. #: [redacted]

Home Address: 4765 Bus 17 (Street) Murrells Inlet (City) SC (State) 29576 (Zip) Georgetown (County)

Home Telephone #: (843) 651-2557 Position with the License Applicant: V-Pres. + Owner

Date of Birth: [redacted] Driver's License #/State Issued: [redacted]

Currently or within the last five years, if you (qualifying party) answer yes to the following questions, attach an explanation on a separate page.

Have you been arrested, indicted, or convicted, pled guilty, or pled nolo contendere for violation of any federal, state, or local law related to general or mechanical contracting? Is any complaint or violation pending, under investigation, or has any action been taken against your license in any jurisdiction? Have you been denied a license to practice general or mechanical contracting in this state or any other state? Have any judgments, liens or claims been filed against you or any business you were associated with? Yes ☐ No ☑

I have read, understand and meet all criteria pertaining to the classification(s) in which I qualify from Section 40-11-230 of the S.C. General and Mechanical Contracting Act and hereby agree to abide by these laws and codes. I hereby give permission to the Contractors. Licensing Board to verify and investigate information in this application. I understand that false or incorrect information provided by me may result in the denial of a license and may be subject to appropriate civil and criminal proceedings.

Arthur W Vereen (Qualifying Party Signature) V-Pres. (Title) 10-2-07 (Date)

Sworn and subscribed before me this _____ day of _____, 20 _____

_____ My Commission Expires _____ State of _____ County _____

SECTION E
SIGNATURE OF OWNER/PRESIDENT AND NOTARIZATION (this section must be completed):

Owner/President Printed Name: Arthur W Vereen

Currently or within the last five years, if you answer yes to the following questions, attach an explanation on a separate page.

Have you been arrested, indicted, or convicted, pled guilty, or pled nolo contendere for violation of any federal, state, or local law related to general or mechanical contracting? Is any complaint or violation pending, under investigation, or has any action been taken against your license in any jurisdiction? Have you been denied a license to practice general or mechanical contracting in this state or any other state? Have any judgments, liens or claims been filed against you or any business you were associated with? Yes ☐ No ☑

I have read, understand and meet all criteria pertaining to the classification(s) in which I qualify from Section 40-11-230 of the SC General and Mechanical Contracting Act and hereby agree to abide by these laws and codes. I hereby give permission to the Contractors Licensing Board to verify and investigate information in this application. I understand that false or incorrect information provided by me may result in the denial of a license and may be subject to civil and criminal proceedings.

Arthur W Vereen (Owner/President Party Signature) V-Pres. (Title) 10-2-07 (Date)

Sworn and subscribed before me this _____ day of _____, 20 _____

_____ My Commission Expires _____ State of _____ County _____

Sending Form
by: FAX

South Carolina Department of Labor, Licensing and Regulation
CONTRACTORS' LICENSING BOARD
110 Centerview Drive
Post Office Box 11329
Columbia, South Carolina 29211-1329
PH: (803) 896-4686 / FAX: (803) 896-4701

OCTOBER 29, 2007

ATTN: ELLIS SMITH
A & E CONSTRUCTION & CONSULTANTS INC
PO BOX 2296
MYRTLE BEACH, SC 29577

Your application or revision cannot be completed for the following reason:

☒ Application incomplete. (Please see highlighted areas). ☐ Check not enclosed. Please submit $_____
☐ You only took the limited exam. You must take the unlimited exam to upgrade.
☐ You did not submit the passing results score sheet of the: ☐ ____ technical exam, the ☐ Business Management/Law exam; if you took this/these exam(s), please enclose the passing score sheets with this correspondence. Otherwise, contact PSI at (800)-733-9267 to take the exam(s).
☐ Qualifier (_____) did not submit the SC Code of Laws exam. (Exam enclosed).
☐ You did not submit the required two years of work experience in the last 5 years. (Your qualifier(s) must submit a detailed description of work experience for the classification(s) for which you are applying).
☐ You did not submit a financial statement in your "DBA" (doing business as) name.
☐ Your financial statement does not meet the required net worth.
☐ Your financial statement must be dated within 12 months of the request.
☐ Your financial statement is not accompanied by a cover letter stating that the financial statement is:
☐ **"Compiled"** (Group 3 or 4-licensed LPA or CPA) ☐ **"Audited"** (Group 5-licensed CPA only)
☐ Financial statement Net Worth (Assets minus Liabilities = Net Worth) reflects a deficit of $-_____. A positive net worth is required for licensure/upgrading. See attachment of net worth requirements and Group limits and resubmit a corrected financial statement.
☐ You were issued a license under the Grandfather Clause. You must pass the technical exam to upgrade your contract limit (PSI examination packet enclosed); or, hire a primary qualifying party employee who has been properly examined and has met all requirements under Section 40-11-230.
☐ You must contact the _____ State Board to request a Letter of Reciprocity or Waiver Letter. Our policy does not allow us to accept a copy of a license or certificate.
☐ Your request to change the name of your corporation must include a copy of the amended corporate charter showing the name change.
☐ Your request requires a new application instead of a revision application - fee: $350.
You must complete a new application for the following reason (application enclosed):
☐ Your Federal ID number is new or has changed (See SC Code of Laws, Section 40-11-240)
☐ This is a "style of business" change (See SC Code of Laws, Section 40-11-240)
☒ Other: **You must have the signatures on the following page notarized, you may fax to the number listed above.**

Mechanical License Renewals are currently being processed by our office, therefore no applications will be held in this office for pending documents.
If your application package is incomplete or missing required items for processing the entire application package will be returned.
Thank you

RV

SECTION D
ADDING/TRANSFERRING IN NEW QUALIFIER(S) or ADDING NEW CLASSIFICATION(S):
☑ I am requesting to transfer my qualifications from G-S to this license.

EXAM QUALIFYING PARTY INFORMATION: The applicant may have an unlimited number of exam qualifiers for each classification. For each additional exam qualifier, make a copy of this section and complete the section for each exam qualifier who meets the requirements. For further clarification concerning exam qualifying parties, see Section 40-11-230, and 40-11-20(18) and Regulation 29-2 in the S.C. Code of Laws for General and Mechanical Contracting.
ADDING: ☐ **Primary Qualifier** ☑ **Additional Qualifier**

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Home Telephone #: (843) 651-2557 Position with the License Applicant: V-Pres + Owner

Date of Birth: [redacted] Driver's License #/State Issued: [redacted]

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Arthur W Vereen — Qualifying Party Signature; V-Pres — Title; 10-2-07 — Date

Sworn and subscribed before me this 2nd day of October, 20 07

Elizabeth V. Sisson — My Commission Expires _____ State of SC County Horry

ELIZABETH V. SISSON NOTARY PUBLIC SOUTH CAROLINA — My Commission Expires January 26, 2010

SECTION E
SIGNATURE OF OWNER/PRESIDENT AND NOTARIZATION (this section must be completed):

Owner/President Printed Name: Arthur W Vereen

Currently or within the last five years, if you answer yes to the following questions, attach an explanation on a separate page.

Have you been arrested, indicted, or convicted, pled guilty, or pled nolo contendere for violation of any federal, state, or local law related to general or mechanical contracting? Is any complaint or violation pending, under investigation, or has any action been taken against your license in any jurisdiction? Have you been denied a license to practice general or mechanical contracting in this state or any other state? Have any judgments, liens or claims been filed against you or any business you were associated with? Yes ☐ No ☑

I have read, understand and meet all criteria pertaining to the classification(s) in which I qualify from Section 40-11-230 of the SC General and Mechanical Contracting Act and hereby agree to abide by these laws and codes. I hereby give permission to the Contractors Licensing Board to verify and investigate information in this application. I understand that false or incorrect information provided by me may result in the denial of a license and may be subject to civil and criminal proceedings.

Arthur W Vereen — Owner/President Party Signature; V-Pres — Title; 10-2-07 — Date

Sworn and subscribed before me this 2nd day of October, 20 07

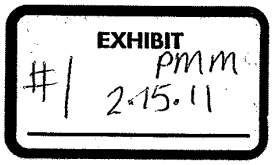
Elizabeth V. Sisson — My Commission Expires _____ State of SC County Horry

ELIZABETH V. SISSON NOTARY PUBLIC SOUTH CAROLINA — My Commission Expires January 26, 2010

Ellis E. Smith, individually and on behalf of
A & E Constructors and Consultants, Inc.

v.

Arthur Wayne Vereen, et al



2004

A[illegible]ction Consultants, Inc.
Analysis of Non Corporate Activity

		Debit			Credit		
Payee/Description	Ref	Acct	Descr.	Amount	Acct	Descr.	Amount
Income per Page 4 Form 1120S			(209,658.00)				
Wayne Vereen-supervisory fees(not on W-2)	1	11200	A/R - Wayne	103,760.68	50200	Construction Cost	88,550.68
Overhead Expense charged to Constr. Cost		11200	A/R - Wayne		50200	Construction Cost	5,200.00
Reimbursement for Willoughby job		11200	A/R - Wayne		50200	Construction Cost	10,010.00
Prudential Ins-Wayne's Life Ins.	2	11200	A/R - Wayne	3,050.60	61310	Life Insurance	3,050.60
Green Turtle- Bahamas-Wayne's Vacation Ho	3	11200	A/R - Wayne	3,608.12	14000	Const-in-Progress	3,608.12
John Hancock-Wayne's Life Ins	4	11200	A/R - Wayne	3,601.50	61300	Life Insurance	3,601.50
Personal Warehouse Rental/Acorn	5	11200	A/R - Wayne	2,400.00	65300	General Expense	2,400.00
Shell-Wayne's Daughter	6	11200	A/R - Wayne	372.52	61101	Gas	372.52
29th Place HOA-Wayne's property	7	11200	A/R - Wayne	630.00	69200	Dues & Subscriptions	630.00
Surfside Cleaners	8	11200	A/R - Wayne	1,699.54	65300	General Expense	1,699.54
SunCom for Wayne's Wife-not employed	9	11200	A/R - Wayne	273.49	68100	Telephone	273.49
Cks Dep into AVC for Willoughby	10	11200	A/R - Wayne	113,480.00	21000	Deferred Revenue	.113,480.00
Cks Dep into AVC for SS Cardiology	11	11200	A/R - Wayne	57,562.00	21000	Deferred Revenue	57,562.00
Cks Dep into AVC for Tahitian Princess	12	11200	A/R - Wayne	15,000.00	21000	Deferred Revenue	15,000.00
Cks to Arthur Vereen Construction	13	11200	A/R - Wayne	113,724.00	21000	Deferred Revenue	113,724.00
Ck to Carolina First-Wayne's Property Tax	14	11200	A/R - Wayne	21,320.15	69500	Taxes - Other	3,893.35
					50200	Construction Cost	17,426.80
Park Place Exp - Payroll	15	11200	A/R - Wayne	941.50	14000	Const-in-Progress	941.50
Park Place Exp - Other	15	11200	A/R - Wayne	27.10	14000	Const-in-Progress	27.10
Park Place Exp - Other	15	11200	A/R - Wayne	150.00	14000	Const-in-Progress	150.00
Park Place Exp - Other	15	11200	A/R - Wayne	93.24	14000	Const-in-Progress	93.24
Pointe Marsh Expenses	16	11200	A/R - Wayne	4,300.85	14000	Const-in-Progress	4,300.85
Parkway Offices - Payroll	17	11200	A/R - Wayne	8,286.59	14000	Const-in-Progress	8,286.59
Parkway Offices - Other Expenses	17	11200	A/R - Wayne	12,431.14	14000	Const-in-Progress	12,431.14
Parkway Offices -	17	11200	A/R - Wayne	5,291.57	14000	Const-in-Progress	5,291.57
Parkway Offices - Other	17	11200	A/R - Wayne	2,048.83	14000	Const-in-Progress	2,048.83
Checks to Parkway Offices	17	11201	A/R - Wayne	13,123.21	40000	Sales	13,123.21
Plantation Lakes -	18	11200	A/R - Wayne	10.91	14000	Const-in-Progress	10.91
Plantation Lakes - Payroll	18	11200	A/R - Wayne	3,385.76	14000	Const-in-Progress	3,385.76

003358

A on ction Consultants, Inc.
Analysis of Non Corporate Activity

Plantation Lakes -	18	11200	A/R - Wayne	70,221.76	14000	Const-in-Progress	70,221.76
Plantation Lakes -	18	11200	A/R - Wayne	25,636.10	14000	Const-in-Progress	25,636.10
Plantation Lakes -	18	11200	A/R - Wayne	7,317.20	14000	Const-in-Progress	7,317.20
Gail Perry House	19	11200	A/R - Wayne	2,405.36	14000	Const-in-Progress	2,405.36
Gail Perry House	19	11200	A/R - Wayne	2,600.00	14000	Const-in-Progress	2,600.00
Gail Perry House	19	11200	A/R - Wayne	61.65	14000	Const-in-Progress	61.65
Litchfield Medical Center-Payroll	20	11200	A/R - Wayne	35.63	14000	Const-in-Progress	35.63
Litchfield Medical Center	20	11200	A/R - Wayne	450.51	14000	Const-in-Progress	450.51
Litchfield Medical Center	20	11200	A/R - Wayne	710.00	14000	Const-in-Progress	710.00
Litchfield Medical Center-	20	11200	A/R - Wayne	45.00	14000	Const-in-Progress	45.00
Seven Oaks Payroll Exp	21	11200	A/R - Wayne	1,768.25	50200	Construction Cost	1,768.25
Seven Oaks Expenses	21	11200	A/R - Wayne	13,796.45	50200	Construction Cost	13,796.45
Seven Oaks -	21	11200	A/R - Wayne	1,820.57	50200	Construction Cost	1,820.57
Long Bay Job	22	11200	A/R - Wayne	319.20	50200	Construction Cost	319.20
Brain Mauldin	23	11200	A/R - Wayne	7,571.46	14000	Const-in-Progress	7,571.46
				625,332.44			625,332.44
	Total						
Journal Entry							
Accounts Receivable-Wayne Vereen				625,332.44			
Construction Cost							138,891.95
Construction- Progress							157,630.28
Life Insurance							6,652.10
General Expense							4,099.54
Gas							372.52
Dues & Subscription							630.00
Telephone							273.49
Deferred Revenue							299,766.00
Taxes - Other							3,893.35
Sales							13,123.21

003359

SMITH ET AL VS. VEREEN ET AL CASE 2009-CP-26-620
A & E CONSTRUCTORS AND CONSULTANTS, INC.
Proposed Statement of Assets, Liabilities and Equity
As of December 31, 2004

ASSETS

CURRENT ASSETS		
A/R - W. Vereen & Associated Entities	$	673,388.52
CIP		3,109,794.31
Total Current Assets		3,783,182.83
PROPERTY AND EQUIPMENT		
Automotive		33,795.00
Less: Accumulated Depreciation		(17,743.00)
Net Property and Equipment		16,052.00
TOTAL ASSETS	$	3,799,234.83

LIABILITIES AND EQUITY

CURRENT LIABILITIES		
Accounts Payable	$	120,877.60
Cash Overdraft		40,702.70
Deferred Revenue		3,594,497.11
SUTA Payable		768.32
FUTA Payable		180.78
Total Current Liabilities		3,757,026.51
LONG-TERM LIABILITIES		
N/P - GMAC		33,795.00
N/P - Shareholder (Ellis)		135.00
Total Long-Term Liabilities		33,930.00
Total Liabilities		3,790,956.51
STOCKHOLDERS' EQUITY		
Common Stock		200.00
Additional Paid in Capital		49,800.00
Profit or (Loss) YTD		(41,721.68)
Total Stockholders' Equity		8,278.32
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	3,799,234.83

SMITH ET AL VS. VEREEN ET AL CASE 2009-CP-26-620
A & E CONSTRUCTORS AND CONSULTANTS, INC.
Proposed Statement of Revenues & Expenses

	12 Months Ended December 31, 2004
Sales	
Sales - Residential	$ 171,423.21
Total Sales	171,423.21
Cost of Sales	
Construction Costs - Open Jobs	(3,267,424.59)
Construction Costs	1,227,526.41
Contract Services	1,765,451.27
Total Cost of Sales	(274,446.91)
Gross Profit	445,870.12
Operating Expenses	
Auto Expense	9,790.84
Gas	(372.52)
Insurance	35,854.93
Workers' Comp Insurance	12,407.91
Life Insurance	(1,600.10)
Repairs & Maintenance - Equip	2,510.94
Office Expense	6,180.62
Advertising	2,114.00
Bank Charges	246.95
Permits	60,865.30
Freight	238.71
Contributions	3,535.00
General Expense	2,255.72
Dues & Subscriptions	1,286.63
Surveyors & Engineering	8,215.00
Entertainment - Limited	2,394.00
Telephone	3,571.61
Utilities	6,033.94
Rental - Uniforms & Other	1,490.83
Dues & Subscriptions	(630.00)
Taxes - Other	5,431.83
Salaries	134,045.01
Payroll Taxes	13,064.41
Rent	8,400.00
Equipment Rental	33,935.82
Total Operating Expenses	351,267.38
Operating Income (Loss)	94,602.74
Other Income (Expense)	
Discounts Earned	58.25
Other Expense	(118,639.67)
Depreciation Expense	(17,743.00)
Total Other Income (Loss)	(136,324.42)
Net Income (Loss)	$ (41,721.68)

Prepared by Susan Brady, CPA
Bartlett Buie CPA, P. A.

A & E CONSTRUCTORS AND CONSULTANTS, INC.
Trial Balance Worksheet

Account	T	Description	Dec 31, 2004 Unadjusted	Adjustments	Dec 31, 2004 Adjusted
10200	A	Operating - Carolina First	(40,702.70)		0.00
		8.02 Adjustments for litigation 2004		40,702.70	
11200	A	A/R - W. Vereen & Associated Entities	48,056.08		673,388.52
		8.01 Adjustments for litigation 2004		625,332.44	
14000	A	CIP	3,267,424.59		3,109,794.31
		8.01 Adjustments for litigation 2004		(157,630.28)	
15200	A	Automotive	33,795.00		33,795.00
19999	A	Accumulated Depreciation	(17,743.00)		(17,743.00)
20000	L	Accounts Payable	(120,877.60)		(120,877.60)
20500	L	Cash Overdraft	0.00		(40,702.70)
		8.02 Adjustments for litigation		(40,702.70)	
21000	L	Deferred Revenue	(3,294,731.11)		(3,594,497.11)
		8.01 Adjustments for litigation 2004		(299,766.00)	
24100	L	SUTA Payable	(768.32)		(768.32)
00	L	FUTA Payable	(180.78)		(180.78)
29005	L	N/P - GMAC	(33,795.00)		(33,795.00)
29006	L	N/P - Shareholder (Ellis)	(135.00)		(135.00)
39001	L	Common Stock	(200.00)		(200.00)
39003	L	Additional Paid in Capital	(49,800.00)		(49,800.00)
40000	R	Sales - Residential	(158,300.00)		(171,423.21)
		8.01 Adjustments for litigation 2004		(13,123.21)	
50100	E	Construction Costs - Open Jobs	(3,267,424.59)		(3,267,424.59)
50200	E	Construction Costs	1,366,418.36		1,227,526.41
		8.01 Adjustments for litigation 2004		(138,891.95)	
50300	E	Contract Services	1,765,451.27		1,765,451.27
50400	E	Other Expense	118,639.67		118,639.67
0	R	Discounts Earned	(58.25)		(58.25)
61000	E	Auto Expense	9,790.84		9,790.84

Account	T	Description	Dec 31, 2004 Unadjusted	Adjustments	Dec 31, 2004 Adjusted
61101	E	Gas	0.00		(372.52)
		8.01 Adjustments for litigation 2004		(372.52)	
61300	E	Insurance	35,854.93		35,854.93
61303	E	Workers' Comp Insurance	12,407.91		12,407.91
61310	E	Life Insurance	5,052.00		(1,600.10)
		8.01 Adjustments for litigation 2004		(6,652.10)	
61900	E	Repairs & Maintenance - Equip	2,510.94		2,510.94
62000	E	Office Expense	6,180.62		6,180.62
62300	E	Advertising	2,114.00		2,114.00
63100	E	Bank Charges	246.95		246.95
63300	E	Permits	60,865.30		60,865.30
63400	E	Freight	238.71		238.71
00	E	Contributions	3,535.00		3,535.00
65000	E	Depreciation Expense	17,743.00		17,743.00
65300	E	General Expense	6,355.26		2,255.72
		8.01 Adjustments for litigation 2004		(4,099.54)	
65500	E	Dues & Subscriptions	1,286.63		1,286.63
66500	E	Surveyors & Engineering	8,215.00		8,215.00
67000	E	Entertainment - Limited	2,394.00		2,394.00
68100	E	Telephone	3,845.10		3,571.61
		8.01 Adjustments for litigation 2004		(273.49)	
68300	E	Utilities	6,033.94		6,033.94
68400	E	Rental - Uniforms & Other	1,490.83		1,490.83
69200	E	Dues & Subscriptions	0.00		(630.00)
		8.01 Adjustments for litigation 2004		(630.00)	
69500	E	Taxes - Other	9,325.18		5,431.83
		8.01 Adjustments for litigation 2004		(3,893.35)	

Account	T	Description	Dec 31, 2004 Unadjusted	Adjustments	Dec 31, 2004 Adjusted
75150	E	Salaries	134,045.01		134,045.01
75500	E	Payroll Taxes	13,064.41		13,064.41
84500	E	Rent	8,400.00		8,400.00
85000	E	Equipment Rental	33,935.82		33,935.82
		Total	0.00	0.00	0.00
		Profit/(Loss)	(209,657.84)	167,936.16	(41,721.68)

Current Year: Current Profit/(Loss) (41,721.68) Year To Date Profit/(Loss) (41,721.68)