STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Roger M. Young
Case No. 2011-CP-10-400

RECEIVED
APR 24 2014
SC Court of Appeals

Jacquelin S. Bennett, Genevieve S. Felder and Kathleen S. Turner, individually, as Co-Trustees and beneficiaries of the Marital Trust and the Qualified Terminable Interest Trust created by the Thomas Stevenson Will, and Jacquelin S. Bennett, and Kathleen S. Turner, as Co-Personal Representatives on behalf of the Estate of Jacquelin K. Stevenson,

Appellants,

v.

T. Heyward Carter, Jr.; Evans, Carter; Kunes & Bennett, P.A.; Douglas Capital Management, Inc.; Dixon-Hughes f/k/a Pratt-Thomas Gumb & Co., P.A.; and Lynne L. Kerrison.

Defendants,

Of Whom

Dixon-Hughes f/k/a Pratt-Thomas Gumb & Co., P.A.; and Lynne L. Kerrison are

Respondents.

RECORD ON APPEAL
Volume 4, Pages 1486-1903

A. Camden Lewis
Keith M. Babcock
James M. Griffin
Ariail E. King
LEWIS, BABCOCK, & GRIFFIN, LLP
1513 Hampton Street
Post Office Box 11208
Columbia, South Carolina 29211
(803) 771-8000

ATTORNEYS FOR APPELLANTS

Frederick K. Sharpless, Esquire
SHARPLESS & STAVOLA, P.A.
Post Office Box 22106
Greensboro, North Carolina 27420
336-333-6400

M. Dawes Cooke, Jr., Esquire
BARNWELL WHALEY PATTERSON & HELMS, LLC
885 Island Park Drive
Charleston, South Carolina 29492
843-577-7700

ATTORNEYS FOR RESPONDENT

Index

VOLUME 1

Orders

Order Granting Defendants Dixon Hughes PLLC and Lynne Kerrison's Motion for Summary Judgment, filed July 3, 2013 1

Order on Plaintiffs' Motion to Alter or Amend Pursuant to Rule 59(e), SRCP, filed August 9, 2013 23

Amended Order on Plaintiffs' Motion to Alter or Amend Pursuant To Rule 59(e), SCRP, filed August 20, 2013 27

Pleadings

Complaint, filed April 24, 2009 31

Notice of Filing Expert Affidavit as Supplement to Complaint (Freeman), filed May 11, 2009 40

Notice of Filing Expert Affidavit as Supplement to Complaint (Durant), filed May 15, 2009 52

Answer of Defendants T. Heyward Carter, Jr. and Evans, Carter, Kunes & Bennett, P.A., dated August 5, 2009 65

Answer of Defendants Lynne Kerrison and Dixon Hughes, dated September 8, 2009 77

Amended Complaint, dated May 29, 2012 88

Answer of Defendants Lynne Kerrison and Dixon Hughes to Amended Complaint, filed June 13, 2012 97

Motions and Memoranda

Defendants' Lynne Kerrison and Dixon Hughes' Motion for Summary Judgment, filed July 13, 2012, with Exhibits A-F 108

Brief in Support of Defendants Lynne L. Kerrison and Dixon Hughes' Motion for Summary Judgment, dated April 26, 2013 296

Plaintiffs' Memorandum in Opposition to Dixon Hughes Defendants' Motion for Summary Judgment, dated April 28, 2013 (With Attachments) 330

Plaintiffs' Supplemental Memorandum in Opposition to Dixon Hughes Defendants' Motion for Summary Judgment, dated April 29, 2013 439

Plaintiffs' Objections to Proposed Order of Defendants Lynn Kerrison and Dixon Hughes, or in the Alternative, Motion to Amend a Response to a Request to Admit, dated June 19, 2013 453

Response to Plaintiffs' Objections to Proposed Order Of Defendants on Summary Judgment, and to Alternative Motion to Amend a Response to Request to Admit, dated June 24, 2013 464

Plaintiffs' Reply to the Response to Plaintiffs' Objections To Proposed Order, dated June 26, 2013 467

Plaintiffs' Motion to Alter or Amend Pursuant to Rule 59(e), SRCP, filed July 22, 2013 469

Defendants' Response to Plaintiffs' Motion to Alter or Amend Judgment, dated July 25, 2013 484

VOLUME 2

Transcripts

Depositions of Kathleen Turner (2011), filed April 29, 2013 and Exhibits 3, 5,6, and 22 489

Deposition of Lynn Kerrison (2011), filed April 29, 2013 883

VOLUME 3

Deposition of Lynn Kerrison (2011), filed April 29, 2013 (continued from Volume 2 of Record) 985

Kerrison Dep. Exhibit 3 1034

Deposition of Lynn Kerrison (2009), filed May 10, 2012 1035

Deposition of Heyward Carter (9-24-2008), filed May 10, 2012 1230

Carter Dep. Exhibit 3 1454

Carter Dep. Exhibit 33 1481

Carter Dep. Exhibit 40 1482

Carter Dep. Exhibit 42 1484

VOLUME 4

Deposition of Heyward Carter (2011), filed May 11, 2012 1486

Deposition of Thomas Stevenson, dated February 13, 2013 1576

Transcript of Hearing of April 29, 2013 1818

Exhibits

Exhibits A-E to Respondents' Requests to Admit to Plaintiff Kathleen S. Turner, Jacquelin S. Bennett, and Genevieve S. Felder 1875

Certificate of Counsel 1902

STATE OF SOUTH CAROLINA

COURT OF COMMON PLEAS

COUNTY OF CHARLESTON

IN RE: The Estate of Jacquelin K. Stevenson, Deceased and the Estate of Thomas C. Stevenson, Deceased.

Jacquelin S. Bennett, Genevieve S. Felder and Kathleen S. Turner, individually, as Co-Trustees and beneficiaries of the Marital Trust and the Qualified Terminable Interest Trust created by the Thomas Stevenson Will, and Jacquelin S. Bennett, and Kathleen S. Turner, as Co-Personal Representatives on behalf of the Estate of Jacquelin K. Stevenson,

Plaintiff(s),

vs.

Case No: 2011-CP-10-400

T. Heyward Carter, Jr.; Evans, Carter, Kunes & Bennett, P.A.; Douglas Capital Management, Inc.; Dixon-Hughes f/k/a Pratt-Thomas Gumb & Co., P.A.; and Lynne L. Kerrison.

Defendant(s).

D E P O S I T I O N

WITNESS:	T. HEYWARD CARTER, JR., ESQUIRE
DATE:	July 14, 2011
TIME:	10:00 a.m.
LOCATION:	Barnwell Whaley Patterson & Helms, LLC 885 Island Park Drive Charleston, South Carolina
TAKEN BY:	Attorneys for the Plaintiffs
REPORTED BY:	HEATHER M. CURLIN Professional Court Reporter

APPEARANCES:

ATTORNEYS FOR THE PLAINTIFFS:

LEWIS & BABCOCK, L.L.P.
BY: A. CAMDEN LEWIS, ESQUIRE
AND: MARY G. LEWIS, ESQUIRE
1513 Hampton Street
Columbia, South Carolina 29201
mgl@lewisbabcock.com
(803) 771-8000

ATTORNEYS FOR THE DEFENDANT T. HEYWARD CARTER and EVANS, CARTER, KUNES & BENNETT, P.A.:

PARKER POE ADAMS & BERNSTEIN, LLP
BY: SUSAN TAYLOR WALL, ESQUIRE
AND: HAL W. FRAMPTON, IV, ESQUIRE
200 Meeting Street, Suite 301
Charleston, South Carolina 29401
susanwall@parkerpoe.com
(843) 727-2692

ATTORNEYS FOR THE DEFENDANTS DIXON HUGHES f/k/a PRATT-THOMAS, GUMB & CO., P.A.; and LYNNE L. KERRISON:

SHARPLESS & STAVOLA, P.A.
BY: FREDERICK K. SHARPLESS, ESQUIRE
200 South Elm Street, Suite 400
Greensboro, North Carolina 27401
FKS@sharpless-stavola.com
(336) 333-6400

GEDNEY M. HOWE, III, P.A.
BY: GEDNEY M. HOWE, III, ESQUIRE
8 Chalmers Street
Charleston, South Carolina 29401
(843) 722-2140

ALSO PRESENT: Mr. Heyward Grimball

(The deponent waives reading and signing of the deposition transcript.)

- - - - - - - - - - - - - - - - - -

T. HEYWARD CARTER, JR., ESQUIRE, being first duly sworn, testified as follows:

EXAMINATION

BY MR. LEWIS:

Q. Give us your name, please.

A. T. Heyward Carter, Jr.

Q. Mr. Carter, have you had your deposition taken before?

A. I have.

Q. So you understand that when I ask you a question and you don't understand that, you're to tell me that, and I'll try to clarify it; otherwise that will be your answer?

A. I understand.

Q. And you understand you're allowed to finish your answer; and if I interrupt you or get excited, you're supposed to tell me and I'll stop, hopefully, and you'll be able to finish your answer?

A. I do understand.

Q. And do you understand that you can read and sign. Do you know what that means?

A. I do.

Q. And you can tell your lawyer so she can tell the court reporter if you want to read and sign. And you know you don't change yeses to no's?

A. I understand.

Q. All right. And I get to ask the questions and even though you'll want to ask me a question, you don't get to do that. Do you understand that?

A. I do.

Q. All right. Now, you know what we're here on. It's with reference to the Stevensons -- when I say "Stevensons," I mean Tom, Dan, the three sisters and the trusts and Mrs. Stevenson, that whole scenario. You understand that?

A. I understand how the case is styled, yes. I understand who the plaintiffs are.

Q. And you understand what it's about?

A. Yes, I believe I do.

Q. All right. And you understand that your deposition was taken in a prior case concerning the same subject matter?

A. Correct.

Q. Now, what did you do to prepare for this?

A. I looked over some documents. I met with my attorneys.

Q. You met with your attorney and you looked

over some documents. Was one of the documents your prior deposition?

A. I have looked through that in the past.

Q. Okay. And what documents did you look at?

A. A number of documents that have been -- I would consider relevant to this matter.

Q. Okay. What --

A. I can't recall all of the documents.

Q. Can you recall any of them?

A. There have been some letters. At one time --

Q. What letters?

A. What letters. My billing record. Letters would have included a letter to -- from me to Howell Morrison, a letter from Howell Morrison to me. I can't recall specifically what others.

Q. Okay. Those are the only ones that come to mind?

A. Yes.

Q. Okay. Now, your billing record, that's already --

MR. LEWIS: Is that in evidence, Mary?

MS. LEWIS: I believe you put it in yesterday with Kerrison.

MR. SHARPLESS: Kerrison 4.

MS. LEWIS: Yeah.

BY MR. LEWIS:

Q. Kerrison 4. This is Kerrison 4. Is that the billing record you looked at?

A. Yes, I believe it is.

Q. Okay. Now, and why did you look at that? What was the purpose of looking at that?

A. To refresh my memory as to dates and sequence of events.

Q. So your dates and sequence of events would come from Kerrison 4?

A. In part, yes.

Q. Do you have any different ones that you remember other than these?

A. Do I have any different what?

Q. Events other than these that you see here.

A. None that I recall.

Q. Okay. And do you have a different date for the events that are on here that would mean that they happened at another time?

A. Not that I'm aware of.

Q. And when I say "this," that's Kerrison 4. That's the exhibit. Do you understand?

A. I understand.

Q. And you said there was a letter that you

wrote to Howell. Now, that's a --

MR. LEWIS: Would you mark this as Exhibit Number 1.

(Exhibit No. 1 was marked.)

BY MR. LEWIS:

Q. Is that the letter you were referring to?

A. This is the letter I was referring to.

Q. All right. And you wrote to Mr. Howell Morrison, right?

A. That's correct.

Q. Now, who was Mr. Morrison representing?

A. Mr. Morrison was representing Dan Stevenson and Tom Stevenson, I believe, as trustees.

Q. He was representing them as trustees. Who was representing them as individuals?

A. I don't know. The letter says: "I was glad to learn at our recent meeting that you are representing Tom and Dan Stevenson as trustees of the trusts for their mother under their father's will."

Q. Okay. So that was -- did you know who was representing Dan and Tom as themselves, as individuals? You didn't know that? You don't know who that was?

A. I don't know if they had individual

representation.

Q. Now, who were you representing?

A. I was representing their mother, Mrs. Jacquelin Stevenson.

Q. And did you know at this time that there were powers of attorney?

A. Yes.

Q. So were you not representing Kathleen and Dan, the two powers of attorney also?

A. Definitely not.

Q. Well, it's your position that when you represent Mrs. Stevenson, you have no obligation to the powers of attorney for Mrs. Stevenson?

A. That's correct.

Q. So if someone is taking money from Mrs. Stevenson, stealing from her, do you have an obligation to tell the powers of attorney?

A. I think that's a hypothetical. I don't know that I can answer that.

Q. Well, it is a hypothetical. And it's -- just assume that it's true; people are stealing from Mrs. -- that there are people stealing from Jacquelin Stevenson. And do you have an obligation to tell the powers of attorney?

A. I understand that you're asking me the

hypothetical if someone is stealing from Mrs. Stevenson.

Q. Yeah.

A. Depends on the circumstances.

Q. Oh, it does. Well, let's suppose it's the housekeeper. The housekeeper is stealing from Mrs. Stevenson. Do you have an obligation to tell the powers of attorney?

A. I think it would depend on the circumstances.

Q. What circumstances do you need to know other than the housekeeper is stealing?

A. Well, it depends on who else might be available to tell that would be better than the powers of attorney. It depends on whether I feel that it needs to be discussed directly with Ms. Stevenson or someone else or handled in some other way.

Q. Well, was Ms. Stevenson, how was her health at this time in January of 2003?

A. She was in her 80s. As far as I know, her health was okay for somebody in their 80s.

Q. Okay. You understand that sometimes people in their 80s -- housekeepers will take things from them, don't you?

A. Yeah, I suppose that's the case.

Q. And now, let's suppose that's the case here. Would you have told the powers of attorneys? Would you have told them? Did you have an obligation to tell them?

A. You know, you've already asked me that question.

Q. You haven't answered it.

A. I answered it depends on what the circumstances are.

Q. All right. They're stealing the silver. They're just -- they're taking two forks a day from the house and they're taking them when they leave the house. Then they come back the next day, the little maid, and she steals two more. And you find out about it. Do you tell the powers of attorney?

A. Depends on the circumstances --

Q. What other circumstances do you want?

A. Well, you have to tell me what circumstances there are.

Q. The circumstances are she works for Mrs. Stevenson, Mrs. Stevensons is in her 80s, and she's stealing two forks a day. And, of course, Mrs. -- do you tell the POAs?

A. Well, let me give you a hypothetical.

Q. No, sir. You don't get to ask me.

A. No, I'm not asking you anything.

Q. You don't get to give me anything. I'm asking you the question. Just answer it, please. If you can't answer it, say, I can't answer it.

MS. WALL: Objection.

A. The answer is it depends on the circumstances.

Q. All right. That's fine. Let's suppose what's her name, Pat -- was that the bookkeeper?

A. Yesterday that's what Lynne Kerrison said.

Q. All right. Let's suppose Pat is writing herself checks out of the account. Do you tell the POAs that Pat's taking money out of Mrs. Stevenson's accounts?

A. Do I tell the POAs? Depends on the circumstances.

Q. What other circumstances do you need, Mr. Carter, other than she's stealing?

A. There could be plenty of other circumstances.

Q. Name them. Name them for me, and we'll create them. What are they? Circumstances.

A. Mrs. Stevenson's relationship with Pat; past dealings with Pat --

Q. Wait a minute. Wait. Relationship.

A. Other people that -- other people that --

Q. Relationship. Does relationship --

A. -- perhaps ought to be informed.

MS. WALL: Let him finish his answer, please.

MR. LEWIS: I want to write them down.

BY MR. LEWIS:

Q. Does the relationship allow Pat to steal?

A. Depends on the circumstances.

Q. Okay.

A. If Mrs. Stevenson has a kind of a relationship with Pat that she knows that Pat has been taking things or unauthorized use of funds but that's something that she sanctioned, that's a circumstance.

Q. Okay. Now, let's suppose Mrs. Stevenson, who is 80-something years old has a -- you think she sanctioned Pat stealing money?

A. I didn't say that.

Q. Well, let's -- you said sanctioned her unauthorized taking money.

A. I said if that were a circumstance. You asked for --

Q. All right. Let's assume --

A. -- examples of circumstances --

Q. -- that's the circumstance.

A. -- and that's a circumstance.

Q. Let's assume that's a circumstance. An 80-year-old woman is -- bookkeeper is without authorization taking money from her account, Mrs. Stevenson, do you have an obligation to tell the POA?

A. You know, again, it depends on the circumstances.

Q. All right. Look at Exhibit Number 1. Why didn't you send a copy of that to Mrs. Turner?

A. Based on the information I had at the time, I had no basis to send it to Mrs. Turner.

Q. What would you have -- what basis would you have needed to send to Mrs. Turner?

MS. WALL: Object to the form.

A. Well, I don't know how to answer that question. But at this point, Dan and Tom Stevenson had an attorney to advise them. I didn't see that there was any -- sending it to Mrs. Turner would not have forwarded what was being done.

Q. What was being done?

A. Getting Dan and Tom Stevenson to an attorney -- to their attorney to advise them on

trust matters.

Q. And why did you want to get them to somebody on the trust matters?

A. Because there had been loans that they had been taking to themselves from the trusts, and I was trying to handle that in the way, using my best judgment, I thought proper.

Q. Now, those loans -- you wanted to get them to their own attorney. Why didn't you tell Kathleen about those loans?

A. Well, I spent a great deal of time and effort trying to get Kathleen informed, which eventually I accomplished.

Q. Well, let me ask you something. Did you have a phone?

A. Oh, yeah, I have a phone in my office.

Q. Could you have picked it up and called Kathleen?

A. Well, physically, I could have --

Q. Thank you.

A. -- but ethically, I may not have been allowed to do that.

Q. Why?

A. Well, if you take a look at the ABA Rules of Professional Conduct and the South Carolina Bar

Rules of Professional Conduct and the American College of Trusts and Estate Counsel Commentaries on those rules, you'll see that there's a whole body of law about advising and dealing with a client with and for a client who may be under a disability. There are also such a thing as attorney-client privilege.

Q. All right. Now, but don't the POAs step in the shoes of the client?

A. In certain circumstances.

Q. In all circumstances, in this case. Tell me what circumstance under this -- let me give it to you. Look at Exhibit 8.

MR. LEWIS: Do we have Exhibit 8 right there?

BY MR. LEWIS:

Q. Look at Exhibit 8. Is that the Kerrison? Is that right? Is that the Exhibit 8 to Kerrison?

Mr. Carter, is that Exhibit 8 to Kerrison?

A. To Kerrison's deposition?

Q. Yeah.

A. It is, yes.

Q. All right. Now, look at that. Tell me what limitations that power of attorney gives so you can't talk to Kathleen Turner.

A. This is a broad power of attorney, but I wouldn't use a power of attorney the client has given someone unless that client has authorized me to.

Q. Well --

A. It doesn't mean -- giving someone a power of attorney doesn't mean that they're free to go out and do anything with that client's assets or get any of that client's information they want to. That's up to the client.

Q. That's why they give a power of attorney, so that they don't have to go ask every time. If you ask every time, you don't need a power of attorney. Isn't that right?

MS. WALL: Object to the form.

A. No, that's not right.

BY MR. LEWIS:

Q. So the reason you didn't call Kathleen Turner and tell her is because you don't think the power of attorney allowed you to?

MS. WALL: Object to the form.

A. No. I didn't say that.

BY MR. LEWIS:

Q. Well, why didn't you then?

A. Because I thought there was a better way to

handle the situation.

Q. And that better way didn't work for five years, did it?

A. No, I don't agree with that.

Q. And the better way was to let the boys tell?

A. Better way was to -- I thought in light of Mrs. Stevenson's age, condition, past history of her dealings with her children, that the better way was to have the family handle the matter.

Q. Okay. And the family to handle the matter, Dan and Tom had to start the process, didn't they?

A. I thought it was best that they inform Kathleen so they or Kathleen could discuss it with the siblings.

Q. So what you did is you, Mr. Carter, made the decision that was better to have the crooks tell on themselves than for you to inform Kathleen Turner, correct?

MS. WALL: Object to the form.

A. What crook -- well, I'm not sure who you mean by crooks.

Q. The two boys who were taking the money, Dan and Tom.

A. I don't know that anybody had been

convicted of being crooks.

Q. Okay. Then the people that were taking the money, Dan and Tom, were supposed to tell Kathleen that Dan and Tom were taking the money. Is that right?

A. Using my best judgment --

Q. Is that right?

A. I'm trying to answer the question.

Q. No, you're not. It's a yes or no question.

A. No, it's not.

Q. It isn't?

A. If you'll listen to me, you'll find out it isn't.

Q. Well, I want you to listen to me, Mr. Carter. We're going to have a long day. I thought you'd stand up and be straight. And I want you to answer my questions. If I ask a yes and no, do you think you might be able to answer them?

MS. WALL: Object to the form.

A. Possibly. If it's a yes --

BY MR. LEWIS:

Q. All right.

A. -- or no question.

Q. Okay. Did you want Dan and Tom to start the process --

A. I thought --

Q. -- of telling Kathleen?

A. I thought it would be best, in light of my judgment as to Mrs. Stevenson's situation, the family history, my knowledge of the family history, the pertinent rules of conduct, that they discuss it with Kathleen and then discuss it with their sibling.

Q. Okay. And were Dan and Tom the ones that were taking money from the trusts for which they were trustees?

A. Yes. They had taken money from the trusts that were characterized as loans.

Q. Okay. And you felt no obligation upon yourself to tell Kathleen?

A. I felt not a legal obligation, but I felt that it would be best for the family if Kathleen were told. And in fact, Kathleen was told. She was told in the spring of 2003, and she was told again in 2006.

Q. Were you at the meeting in the spring of 2003?

A. No, I wasn't.

Q. So you don't know what she was told; that's just what you understand?

A. That's what I understand.

Q. But you just said she was told. Now, would you please, when you answer a question, let me know what you understand and what you heard. Because what you understand is a lot different than what you hear. Okay?

A. I understand.

MS. WALL: Object to the form.

BY MR. LEWIS:

Q. Was Tom at that meeting?

A. What meeting?

Q. With Ms. Stevenson in 2003.

A. Meeting -- there was -- I don't know what meeting --

Q. With Ms. Turner. The one you just talked about.

A. Now, when you said "Ms. Stevenson," you mean Ms. Turner?

Q. Yeah, Ms. Turner. I'm sorry.

A. Okay. I don't know. It's my understanding, my understanding -- I wasn't there --

Q. And you --

A. -- but it was my understanding that he was at that meeting.

Q. That's great. And you understood that your

understanding about that meeting comes from Tom?

A. I believe that's what he testified to.

Q. So what you would do if we want to find out what happened at that meeting from someone that was there, we would read Tom's deposition, wouldn't we?

A. I think you would look at whatever information is available about that meeting.

Q. And Tom's deposition would be one of them, wouldn't it?

A. That would be.

Q. Now, your deposition -- here it is right here. Do you want to -- have you reviewed it?

A. I've looked it over.

Q. Do you want to change anything?

A. No. I mean, as far as -- as far as I knew at the time, it's accurate.

Q. Is it still accurate today?

A. As far as I know.

Q. So we can adopt this deposition for this -- for purposes of today.

MR. LEWIS: Would you mark that as an exhibit. What number is it?

THE COURT REPORTER: 2.

(Exhibit No. 2 was marked.)

BY MR. LEWIS:

Q. Look at Exhibit Number 6, please, from Kerrison. We looked at that Exhibit 6 from Kerrison, and it looks like a fax or an e-mail from you to Lynne Kerrison. Is that right?

A. That's what it appears to be. Yeah.

Q. Well, did you send that fax and that attachment on March 23rd?

A. I believe I did.

Q. 2006. Huh?

A. I believe I did.

Q. And you wrote that letter?

A. Yes, I think I did.

Q. Did you ever sign that letter?

A. I can't recall if I did or not.

Q. Did you know if this letter was ever sent?

A. I can't recall.

Q. Did Ms. Kerrison sign it?

A. I don't remember.

Q. Why did you want Ms. Kerrison to sign it?

A. You know, I can't remember my exact thinking at the time.

Q. Okay. The circumstances on why you say that letter is being written existed prior to March 2006, didn't it?

A. I don't understand the question.

Q. Well, the fact is that there were matters that would affect Mrs. Stevenson's financial situation all the way back to 2001 that you knew about. Isn't that true?

A. Well, what the letter says is that I was writing them to apprise them of a matter which may affect their mother's financial situation. In fact, I don't believe it ever did affect her mother's financial situation.

Q. Well, you say -- you wrote them because you thought it may?

A. That's correct.

Q. And the same circumstances that may have affected her financial situation, you knew, were also there in 2001. Isn't that true?

A. Well, you'll have to tell me what you mean by "the same circumstances."

Q. Loans to -- by the boys, the trustees, out of the trusts to themselves. You knew that in 2001, 2002, 2003, 2004, 2005, and then you write them in 2006. Isn't that true?

A. I did know in 2001 that there had been some loans. I knew that in 2003. I did not know that in 2004, '5, until '6 that there are additional loans.

Q. I know. But you knew that there were

loans. Then you found out there were additional loans, right?

A. I knew there had been loans in 2001 and, I believe, additional loans in 2002.

Q. Okay.

A. And then again in -- prior to 2006.

Q. You didn't --

A. I did not know about the loans between 2002 or '3 and 2006.

Q. Before that, though, 2003, you advised them to tell Kathleen, didn't you? The boys.

A. I did. So did their attorney.

Q. And you never followed up to see that they did?

A. Their attorney told me that they were telling Kathleen.

Q. They were going to. Did he ever tell you they did tell them? Did that attorney ever tell you, We told Kathleen about these loans?

A. I don't believe so. He told me that it was being done and --

Q. I understand that.

A. -- I relied on what he told me. He's a reputable attorney.

Q. So when he said it's being done, you felt

no more obligation?

A. No. After he said that, I heard no more about it for three years.

Q. Did you look into it?

A. Felt no need to, based on what I knew at the time.

Q. You understood that the loans to the boys posed risk to the beneficiary of the trusts, didn't you?

A. I'll have to see what -- what document you're --

Q. No, you don't.

A. -- quoting that from.

Q. I'm just asking a question. It's my note to myself. Let me ask it again. You understood that the loans that the boys were taking from the trusts posed risk to the beneficiaries of the trusts, didn't you?

A. I think I understood that it was possible that it would pose a risk to my client who was a beneficiary of the trusts.

Q. Okay. And, of course, there were other beneficiaries, too, weren't there?

A. There were. There were remainder beneficiaries of those trusts.

Q. And they stood to be injured, too, didn't they?

A. That's possible. But they were not my clients.

Q. Why does Tom say you're his lawyer?

A. I don't know that Tom has -- I have no information he's ever said that.

Q. Well, he says that you were his lawyer. Is that a big fib?

MS. WALL: Object to the form.

A. I don't know -- the first time I've ever heard that Tom said I was his lawyer.

BY MR. LEWIS:

Q. Well, if he thinks you were his lawyer, do you think you were his lawyer?

A. I absolutely was not his lawyer.

Q. All right.

A. Never was.

Q. Okay. You considered that Dan and Tom Stevenson's behavior constituted a breach of trust, didn't you?

A. I thought it breached fiduciary conduct.

Q. And the fiduciary -- the breach was the fact that they were self-dealing. Is that correct?

A. That they were distributing money to

themselves from the trusts without authorization, as far as I knew the facts at the time.

Q. And when did you first became -- you became aware of that in 2001, right?

A. I believe that's correct.

Q. And you understood that the boys, that is, Dan and Tom, were -- avoided disclosing their actions to their siblings for as long as they could. You said that, didn't you?

A. That's what they appeared to be doing at one point to me.

(Exhibit No. 3 was marked.)

BY MR. LEWIS:

Q. See Exhibit Number 3, Mr. Carter?

A. I do.

Q. Those are your notes?

A. Yes, they are.

Q. And they're from 1/5/01?

A. Yeah. That's what they're marked.

Q. And teleconference -- or telephone call with Dan Stevenson?

A. That's correct.

Q. Who placed the call?

A. I don't recall.

Q. What was the subject matter of the call?

A. I believe that it was in preparation for a meeting with some of the Stevenson siblings.

Q. All right. And who were the siblings that you are speaking of?

A. I think at that meeting were Dan and Tom, Jacquelin Bennett, and Kathleen Turner. I believe that's correct.

Q. And that was the -- this was a telephone conference with Dan in preparation for that meeting?

A. Yes. I think that's right.

Q. All right. And what are these numbers here?

A. These are -- as I recall, I believe that Dan was giving me information about his mother's assets. I had been -- or was being asked by the siblings or some of the siblings to make some estate planning recommendations for Mrs. Stevenson.

Q. So make sure I understand that. Some people who were not your clients were asking you to make estate planning recommendations to Mrs. Stevenson, who you say was your client?

A. Yes. She had --

Q. Is that correct?

A. I just said yes.

Q. Thank you.

A. She had, for some time before this meeting, more or less turned over her financial affairs, at least to some degree, to her son, Dan. She had met, I know, several times with -- I had met several times in previous years with Mrs. Stevenson and Dan to discuss her will, changes to her will, estate planning matters. So she, to some extent, turned over that area of her business to Dan. And so it was not unusual for her children to be asking for advice for her in these areas.

Q. And it wasn't unusual for you to give the children what you thought was best?

A. Well, at that meeting --

Q. Is that right or not? Was it unusual for you to tell the children what you thought was best for Mrs. Stevenson?

A. At that meeting, I gave them the information as to her assets, which I had been given; told them there was other information that was privileged because it had not been given to me by them; and gave them what I thought were some estate planning suggestions or recommendations.

Q. What did you -- was that at a time when the power of attorney was in existence?

A. I can't -- there were two -- the first

power of attorney, I recall, was signed in 2001. Let me see -- here's a copy of it. Let me see whether -- yeah. Apparently she had signed the power of attorney very shortly before the meeting.

Q. And, of course, the power of attorney -- you thought Dan had the right to speak for her. Is that right?

A. I'm not saying Dan had the right to speak for her. Dan was handling certain things for her and giving me information at least in this regard.

Q. He was also her power of attorney?

A. He was. Co-power of attorney with Kathleen.

Q. Now, co-power of attorney, does that mean both of them have to agree, or does that mean one can act and the other one doesn't have to act? When it says co-power of attorney, does that mean anything they do, they both have to act together?

A. Well, it depends on how the power of attorney is written.

Q. How is that one written?

A. This one is written -- it says that holders Kathleen and Dan act jointly and together.

Q. So that they have to act jointly?

A. When using the power of attorney.

Q. Okay. Now, when Dan was taking -- or removing monies from his mother's estate and he was -- what you call them, loans, and everything, was he doing that as a power of attorney?

MS. WALL: Object to the form.

A. I'm not sure what money Dan had been removing from his mother's estate.

BY MR. LEWIS:

Q. How about the trusts?

A. So what's the question?

Q. When he was removing monies from the trusts, was he doing that as a -- under the power of attorney?

A. I don't know how he thought he was doing it.

Q. Well, did it bother you that you should -- or did you look into it?

A. Yes, of course, I did. You know I did.

Q. And when you looked into it, did you come up with whether or not he was doing it as a power of attorney or some other -- under some other status?

A. I didn't understand that he thought he was doing it under power of attorney.

Q. Now, he had -- this power of attorney, you had to both be -- act as -- both of them had to act

as -- to something to be able to operate under it, right?

MS. WALL: Objection.

A. That's the way it's written.

BY MR. LEWIS:

Q. All right. Now, when you tell somebody something that is a -- he is one of the powers of attorney, can you tell just one and meet your obligation, or do you have to tell two?

A. I'm -- you know, I would have to say it depends on the circumstances. That's a pretty broad question.

Q. Well, I mean, it says you have to act as a -- together. Okay? If you had an obligation to tell the power of attorney something -- I don't care what it is -- would you be able just to tell one of them and meet your obligation, or did you have to tell both of them?

MS. WALL: Object to the form.

A. I'm trying to think of how to -- it's an odd question. If I'm speaking to somebody who has a power of attorney -- I don't think I have to speak to both of them at the same time.

BY MR. LEWIS:

Q. Well, let's suppose you got information

that someone is, well, taking money from Mrs. Stevenson. Can you tell one power of attorney and that will meet your obligation, or do you have to tell both of them?

A. Again, I don't think I'd have an obligation. It depends on the circumstances whether I'd have to tell either one of them.

Q. I see.

All right. What if one of the people taking the money is one of the powers of attorney, do you have the obligation to tell the other power of attorney that the co-power of attorney is taking money?

A. You know, in this particular situation, I don't think the power of attorney entered into it. As I said, I don't think that Dan thought that he was taking these withdrawals from the trusts under the power of attorney.

Q. Well, do you know what Dan was thinking? Are you in his head?

A. No, I don't know what Dan was thinking. But that never occurred to me at the time. That's not what I thought at the time.

Q. Of course not. Because you decided -- did you make a conscious decision not to tell Kathleen

Turner?

A. I made a conscious decision that I thought it was best for Mrs. Stevenson's situation that Kathleen be told. I thought the best way to have that done was by family members themselves rather than getting the lawyers involved.

Q. You know, but there was about a little over a four-year span that that didn't happen. Do you understand that?

A. Well -- no. The only reason that Kathleen wound up being told, I believe, was because of my efforts.

Q. Okay. But I mean, your efforts took over four years. Isn't that true?

A. Well, in 2001, when I initially learned of these loans, they were documented as loans with promissory notes. When I found out that they had continued, I got them with their lawyer, was assured that they were discussing them with Kathleen. They did, in fact, meet with Kathleen. I don't know of any reason other than to give her information on the trusts; I wasn't there.

I was assured by their lawyer that it was being handled. I didn't hear anything more about it for three years. And when I did, I made sure that

they did meet with Kathleen again, and this time I was present to make sure what was discussed.

Q. Okay. So you, for some period of time -- and the dates are in your deposition -- you agree that Kathleen needs to be told. And you made the decision that the -- Dan and Tom or just Dan should tell her?

A. I was trying to get both of the brothers to speak with their sister.

Q. So you were going to get both of the brothers to speak with their sister or their sisters?

A. Well, what I thought was the best way to be handled was that they discuss it with Kathleen and that they all discuss it with their siblings together.

Q. And the reason you picked Kathleen was because she had a power of attorney, right?

A. Yes. That seemed to be logical at that point.

Q. Did you ever instruct Dan and Tom not to make loans to themselves, stop making loans to themselves?

A. I don't recall if I specifically said, You have to stop making loans to yourselves. I did, I

believe, tell them that I thought what they had done, taking money from the trusts without beneficiaries' consent or knowledge, was a breach of fiduciary duties and that they needed to get their attorney to advise them on how to proceed.

Q. Now, when you first learned of this, it was in 2001, right?

A. Learned of what?

Q. Of these loans. When Ms. Kerrison called you.

A. Well, yeah. These particular loans, she called me in late 2001. There had been a series of loans previously when -- when I first got involved with Mrs. Stevenson, it was back in 1991 when her --

Q. I'm sorry. I would like you to --

MS. WALL: He can finish his answer.

MR. LEWIS: No. If he'd answer my question. He just wants to give speeches, and I'm not going to do it.

BY MR. LEWIS:

Q. I'm not going to sit here and let you give speeches, Mr. Carter.

MS. WALL: You're entitled to finish your answer. Please do so.

A. You know, you said you're entitled to ask

the questions, and I'm entitled to give the answers.
BY MR. LEWIS:
Q. Yes, but you need to answer my question. That's all I'm --
MS. WALL: Go ahead and finish your answer again.
BY MR. LEWIS:
Q. I'm going to start all over again. Ready?
MS. WALL: No. Let him finish his answer. Go ahead.
MR. LEWIS: We'll be here all day.
MS. WALL: Well . . .
Go ahead.
A. When I first became involved with Mrs. Stevenson in 1991 when her CPA, Henry Buist, called me and said that she had made a number of loans --
MS. WALL: Go ahead. He doesn't have to listen.
A. -- to her son, Tom Stevenson, and needed some tax advice on how to handle those loans, specifically, how to forgive those loans with the minimum of tax effect. And I worked with Henry for some time and, in the process of that, met Mrs. Stevenson and talked to her about drawing a

will. Those notes were forgiven over a period of a couple of years, and I think that there were some later notes to loans that she had made to them or sums that she had given to them. So I had some prior knowledge and prior history of her loans.

With the loans in 2001, I first found out about from Lynne Kerrison in late 2001.

BY MR. LEWIS:

Q. Okay. You found out in late 2001 from Lynne Kerrison about the loans to the boys from the trusts in which they were the trustees?

A. Correct.

Q. All right. And so you learned of those loans in 2000 -- do you remember, late 2001?

A. Yes. Lynne Kerrison called me in late --

Q. Say, October?

A. Probably October of 2001.

Q. Okay. October 2001. Okay. When did the boys go -- when is that letter that you sent to Mr. Morrison about this -- to the boys? When is that?

A. That's -- I think -- let me find that. I think it was early 2003. Yes. January 2003.

Q. Okay. January 2003?

MR. SHARPLESS: I'm sorry. Can we have an

identification of the document that Mr. Carter just looked at?

MS. WALL: Exhibit 1.

BY MR. LEWIS:

Q. So for all of 2002, you didn't -- nothing -- you didn't do anything?

A. Of course, I did. I had --

Q. What?

A. I had notes drawn to document the loans. Those notes were signed, put in place.

Q. But you didn't do anything to let Ms. Kathleen Turner know, did you?

A. I -- I did not speak with Kathleen Turner. I told her brothers that I -- that they needed to speak with Kathleen Turner.

Q. And you could have easily picked up the phone and called her?

A. Again, you asked --

Q. Couldn't you have?

A. -- the question before. Physically, yes, I could have.

Q. Thank you.

A. There's certain ethical restraints, which I spent a good deal of time looking into, that led me to conclude that that was not the thing to do.

Q. Was there any ethical restraint for you calling Kathleen Turner and telling her that there were loans from the trusts to Dan and Tom?

A. I believe there were. In addition to that, I did not think that it was the best thing to do, that I call Kathleen, best thing to do in her mother's interest using my best judgment as to what was known at the time.

Q. I know the best judgment rule. You can say that all you want to. That's fine.

A. Thank you.

Q. What I'm trying to do is find out -- okay? -- what ethical rules you think apply to you telling Kathleen what you learned from Lynne Kerrison. I don't understand what -- do you represent Lynne Kerrison?

A. Absolutely not.

Q. Do you represent the trusts?

A. Absolutely not.

Q. Lynne Kerrison gave you information about the trusts, did she not?

A. She gave me information about loans -- or funds being distributed to Dan and Tom.

Q. From the trusts?

A. From the trusts.

Q. Okay. What ethical considerations kept you from telling Kathleen that information? I want you to tell it to me.

A. This was basically Mrs. Stevenson's business, because she was -- Lynne Kerrison was letting me know this as Mrs. Stevenson's lawyer. There are -- my responsibility as Mrs. Stevenson's lawyer was to make sure that she wasn't financially or emotionally damaged. She was an 80-something-year-old woman who was in, as I said, probably okay physical shape for an 80-something-year-old woman, which is not generally great shape. And my responsibility was to make sure that she was taken care of with the least trauma, so to speak, to her.

Also, as an additional answer to your question, the ABA Model Rules of Professional Conduct, South Carolina Rules of Professional Conduct, and the American College of Trusts and Estate Counsel Commentaries on those rules in Section 1.14 discuss dealing with a client who may be disabled or -- or -- I can't remember exactly the title, but it's dealing with a client who may have a disability.

Q. When you have a client that may have a

disability, that heightens your requirement to protect that client. Isn't that what it says?

A. I don't know that it says it heightens that requirement. There are other considerations that have to be taken into account.

Q. But it heightens it. It makes you more responsible to make sure nothing happens to them because they can't operate themselves. Isn't that what that rule says?

A. Well, that's your interpretation of it.

Q. All right. Thank you.

A. And --

Q. It's not your interpretation?

A. In general, it leaves it to the lawyer's best judgment based on his history with the client and his knowledge of the facts at the time.

Q. But doesn't it put more responsibility on you to make sure something doesn't hurt that client? Isn't that what you do? Isn't that what it says?

A. I don't know that it heightens the responsibility, but that was my job, to make sure that it didn't hurt the client. Which I did.

Q. They went on getting loans. That doesn't seem to me like you did a very good job.

A. It didn't hurt Mrs. Stevenson in the least,

as far as I can tell.

Q. You mean she just lived the same; she lived well. Is that what you're saying?

A. I don't have any information and didn't know at the time -- still don't know that she suffered any financial or emotional hardship because of these loans.

Q. She had less money, didn't she?

A. No.

Q. She didn't?

A. She had all the money she needed.

Q. I didn't ask you that. She had less money than she would have if the loans had not been taken. Isn't that true?

A. Her income did not -- her income and her spending money, to the best of my knowledge, did not diminish at all.

Q. I didn't ask you that. I asked you, didn't she have less money than she would have had if the loans had not been made? When the loans come out of an account, there's less money, isn't it?

A. Well, those loans --

Q. Is that true?

A. -- didn't come out of her account. She didn't have less money. As those loans were taken,

there was less liquidity in the trusts.

Q. All right.

A. The trusts had notes from Dan and Tom Stevenson, just like the trusts owned a share of GE stock or a Treasury bond.

Q. Oh, now, you think a note from Tom and Dan is as good as a GE Treasury bond? Is that what you're saying?

A. It turned out that that was not the case.

Q. It sure did.

A. Yeah. But even when Kathleen knew of these loans, she didn't have a problem either with them, apparently.

Q. How are you going to know what Kathleen knows? You got something in --

A. I don't know --

Q. -- her head now too? You're --

A. -- what Kathleen knows, but I know that --

Q. Thank you.

A. -- after she -- we had the meeting in the spring of 2006, she didn't think it was significant enough to discuss with her sibling for about a year, apparently.

Q. Do you know that, or is this just what you want to say?

A. I believe that's what's been testified to.
Q. Where?
A. That's in the underlying suit.
Q. Now, looking at your time records -- do you see that? That's Exhibit Number 4.
MS. LEWIS: Is that to your deposition or is that --
MR. LEWIS: No. To Kerrison's.
BY MR. LEWIS:
Q. Do you see that?
A. Yes, I have a copy of Exhibit Number 4.
Q. I see, looking in 2001, starting on January, I see you -- telephone conferences with Dan Stevenson and Tom Stevenson all the way through that year. Do you see that?
A. Yes. There are some telephone conferences with Dan or Tom Stevenson.
Q. There are -- with Dan, there's one, two, three, four, five, six -- at least six. And with Tom, there's one, two, three -- at least three with Tom. Do you see that?
A. Yeah. I hadn't counted them, but there are several.
Q. Did you make them all -- did you call him?
A. No, I can't -- I can't recall.

Q. Did you ever call those -- either one of those?

A. I'm sure I did, but I can't recall --

Q. I know you can't recall --

A. -- what days --

Q. -- but you do agree that you called them?

A. I think I probably, during the course of the last -- of those several years --

Q. I'm just looking --

A. -- probably --

Q. -- at this one year --

A. -- called --

Q. I'm just looking at this one year, 2001.

A. Yeah. No, I can't tell you in 2001 that I ever made any of those calls myself. I just don't know.

Q. You don't know. And then on 11/24 you review meeting notes and correspondence to Dan and Tom. Do you see that?

A. Yes, I do.

Q. Do you remember what correspondence that was?

A. As I recall, that was the letter following up on the meeting I had with them and Lynne Kerrison in her office on October 23, 2001.

Q. And that was telling them to tell their siblings?

A. I don't recall exactly what that letter said.

MR. LEWIS: Do you have it?

THE WITNESS: I'm going to take a break.

(A brief break transpired.)

BY MR. LEWIS:

Q. Would you look at Kerrison Number 7? See it? And read me that last paragraph.

A. The last paragraph says: "My best regards to you both as always."

Q. Well, okay. The next one.

A. "Finally, the two of you are discussing a strategy for meeting with your siblings in relation to these loans and will let Lynne and me know if you would like us to be present at that meeting."

Q. And that was your -- what you say was your best idea was to let them come up with the strategy to meet with their siblings and let you know -- let them know if they -- let you know if they needed you?

A. Let us know, let me and Lynne Kerrison know if they would like us to be at the meeting with their siblings.

Q. Yes. And so once you wrote that letter and you put that little paragraph in it, you were finished with any obligation you had?

MS. WALL: Object to the form.

A. Well, any --

BY MR. LEWIS:

Q. Is that a yes or no?

A. -- obligation I had to Mrs. Stevenson at that time based on what I knew at the time had been done. They had documented these loans or were in the process of having them documented, which they did, with signed promissory notes.

Q. Okay. So you turned over the responsibility to Dan and Tom?

A. No. That's not what I said. I said that I had done what I felt was necessary at that point on behalf of Mrs. Stevenson or as Mrs. Stevenson's attorney. I had the loans documented as loans and had recommended to them that they reveal these loans to their siblings.

Q. Okay. So you turned over the responsibility to reveal the loans to the siblings, and you turned over that obligation or that recommendation to the people who were making the loans to themselves?

A. Well, I don't think I --

Q. Is that right?

A. I don't think I had an obligation --

Q. Well, just say you --

A. -- to reveal these loans --

MS. WALL: Let him answer.

A. -- to the siblings, so I don't see how I could be said to have turned that over to Dan and Tom.

BY MR. LEWIS:

Q. It was your recommendation that Dan and Tom, who were writing loans to themselves as trustees, tell the beneficiaries. That was your recommendation?

A. That's correct.

Q. And you felt no obligation to tell anybody else, even though you're asking, in effect, the crooks to tell on the crooks?

MS. WALL: Object to the form.

A. Well, you know, based on everything that was the facts at the time, these people weren't crooks. My obligation was to Mrs. Stevenson. I felt that I had performed my obligation as far as Mrs. Stevenson was concerned.

BY MR. LEWIS:

Q. Okay. Let's do it this way, then. You told the two people who were breaching their fiduciary duties to tell their brothers and sisters on themselves; in other words, to tell the brothers and sisters that they were breaching their fiduciary duties. That's what your recommendation was?

A. I thought that was the best way to handle that family situation. These were -- all facts at the time, these were upstanding citizens. Tom was on the board of a bank. They both had businesses that were, apparently, doing very well. They told me that they would do that. I had no reason to question that. I had done what I needed to do at the time for my client.

MR. LEWIS: Well, we'll find out, Mr. Carter. Thank you very much.

THE WITNESS: You're quite welcome.

MR. SHARPLESS: Are you finished?

MR. LEWIS: Yeah. He told me what I wanted to know.

(Discussion off the record.)

MR. SHARPLESS: I do have some questions.

EXAMINATION

BY MR. SHARPLESS:

Q. Mr. Carter, I'm Rick Sharpless. I

represent Lynne Kerrison and Dixon Hughes in this lawsuit. I have a few questions for you today.

If you need to take a break at some point, just tell us and we'll take a break. If you don't hear or don't understand my question, please tell me that as well.

How long have you been practicing law, sir?

A. I was admitted to the South Carolina Bar in 1971, and I've been actively practicing since 1973. So almost 40 years.

Q. Do you have an area in which you specialize or hold yourself out as specializing?

A. Estate planning and probate law. I'm a certified specialist in South Carolina, and I've also been -- although I've dropped the certification, in the past I've been certified as a tax specialist.

Q. Are you licensed in any states other than South Carolina?

A. No, I'm not.

Q. Have you had any lawsuits for professional malpractice brought against you other than this one?

A. Yes. There was one some years ago.

Q. Do you know who brought it?

A. There was a doctor named Michael Tapert.

Q. T-A-B-A-R-D?

A. T-A-P-E-R-T.

Q. Okay. And where was that lawsuit brought?

A. Here in Charleston.

Q. I take it it was resolved some years ago as well?

A. It was.

Q. How did your relationship with Jacquelin Stevenson begin?

A. As I said a little while ago in response to a question of Mr. Lewis's, her CPA, Henry Buist, contacted me sometime in 1991 because she had made a number of loans to Tom Stevenson and asked for my advice and asked me to work with him as to how these loans best might be handled. She wanted to forgive those loans. As I recall, it was somewhere in the neighborhood, at that time, of $400,000. She wanted to forgive those loans, and he wanted to discuss the best way of doing that from a tax point of view.

Q. When, in this case, a mother, Jacquelin Stevenson, makes loans to their children in significant amounts of money, what are the tax considerations that you look at as an attorney when that happens?

A. Well, there's a gift tax consideration. And also if there are notes given, which was the

case, there are income tax considerations at least because of the interest on those notes, how best it might be handled.

Q. Now, in the case that you encountered in 1991, those loans were already documented with promissory notes? Is that correct? Or did you --

A. No.

Q. -- advise that they be documented?

A. Either I or Henry Buist or both of us -- I can't remember; it's a while back -- advised that they be documented.

Q. Was the practice within the Stevenson family that somebody, at that time Jacquelin Stevenson, would write a check or cause a check to be written to another family member, such as Tom, without necessarily obtaining a formal promissory note?

In other words, Tom went to his mother and said, I need money for this purpose; she said, That's okay, and wrote a check?

A. As far as I know, that's the case because the -- at the time I got involved, to the best of my recollection, the money have been disbursed but there weren't any notes.

Q. Okay. Now, in that situation, that the

money's been disbursed and there's no note, it's not documented with an obligation to repay, does that trigger, potentially, an obligation to file a gift tax return and either pay gift tax or claim unified credit for that?

A. Yes.

Q. So at least in 1991 when this problem came to you or this concern came to you, one of the things you're thinking about is if this is treated as a gift, if it's not set up as a loan, then Mrs. Stevenson is going to have to pay gift tax, right? Or use unified credit?

A. Yeah. I think at that time it would have been a matter of using -- because of the amount of the loan and the amount of the available unified credit, it would have been a matter of using unified credit. I don't think any gift tax would have been due, but I just can't recall.

Q. Now, unified credit, even though the amounts changed over the years, is something that each person gets once in their lifetime, right?

A. Correct.

Q. And they can either use it to exempt gifts for taxation, or if not for gifts, they can use to exempt part of their estate from taxation. Is that

right?

A. That's the way it works now and has worked for the last number of years. I can't remember in 1991 whether there were separate exemptions or not. I don't think so. So I believe that the answer to your question is yes.

Q. Did you think, generally, that it would be in Mrs. Stevenson's benefit to preserve as much unified credit as she could to use -- to lessen her estate tax burden when she died?

A. Well, as I recall, she wasn't interested in that. She -- as I recall, at least from what I was told by Henry and perhaps her too, she had pretty much given these funds to Tom, but the question was, as gifts, how to best handle them.

Q. And did you determine that it would be in her best interest to set these funds up as loans and then forgive them in small amounts over a period of time so that you could use the annual exclusion?

A. Yeah. Henry Buist and I recommended that.

Q. Is that what was done?

A. As I recall, it was what was done.

Q. During the 1990s, you did some work devising an estate plan for Mrs. Stevenson, did you not?

A. Yeah, to some extent. I worked with her on drawing at least a couple of wills over a period of time. I wasn't -- certainly wasn't her only lawyer, but I did work with her in that area.

Q. And can we agree, Mr. Carter, that there was certainly a concern in your work for Mrs. Stevenson in the estate planning arena to try to minimize the estate tax burden that would fall on her estate when she died?

A. Well, I mean, that's -- that is part of overall estate planning, the recommendations.

Q. Was it part of your planning and recommendations for Ms. Stevenson?

A. That was a consideration, yes. I can't say that was her major consideration, but it was a consideration.

Q. In response to Mr. Lewis's questions, you identified some notes -- I think they were Carter Exhibit 3 -- of a conversation that you had with Dan Stevenson, January 5th of 2001.

A. Correct.

Q. And Dan is making you aware of loans that had been made both to Tom and to Dan, some from the trusts and some from possibly -- you've got from Mrs. Stevenson individually and a question mark

noted there. Is that right?

A. That's apparently correct. I don't recall that specifically, but apparently there was some discussion about loans. Whether they were current loans or past loans, I don't know.

Q. Were these loans documented with promissory notes?

A. I do not know. Let me say this. On the question about the loan to Tom -- and I don't know whether this is connected or not -- but I -- as I recall, there were a couple of $100,000 loans -- and again, I don't -- I think they were from the trusts -- to one of Tom's companies. And those, I think, had been documented at some point in the past. I didn't have anything to do with that, but I learned of it. Again, I'm not sure that's the $200,000 that this note refers to or not, but it may be.

Q. If you'll look at the exhibit of your time records, Kerrison 4 -- do you have that, sir?

A. Yes, I do.

Q. Between the middle of December of 2000 and March the 22nd of 2001, there are a number of time entries in there referencing, among other things, preparation of the power of attorney but also

correspondence and a number of telephone conferences. Do you see those?

A. Let's see. Starting in December -- this is 2000? The year 2000? Is that correct?

Q. Yes, sir.

A. Yeah. Starting in December -- on December 4th, there was a telephone conversation with Ms. Kerrison; then on the 18th with Dan Stevenson and Mr. Hamrick; and then correspondence with Mr. Stevenson, who I assume was Dan Stevenson; telephone conference with Dan Stevenson on the 19th and the 20th; 26th, researching planning methods; telephone conference with Mrs. Kerrison. Yeah, there were a number of telephone calls.

Q. Do you recall what the subject matter of these discussions was at the time? What was the area of concern about which you were being consulted during that period of time?

A. I don't recall specifically. I think that it had to do with preparing for a meeting that I had shortly after the first of the year with some of the Stevenson siblings to talk about planning recommendations for their mother.

Q. Do you recall what brought up the desire to have this meeting?

A. No.

Q. At this meeting that occurred in January of 2001, who was present? Do you recall?

A. As I said, I think it was Dan Stevenson; Tom Stevenson; and their sisters, Jacquelin Bennett and Kathleen Turner.

Q. Was the subject of the loans that had been made to Tom and Dan at various times discussed at that meeting?

A. I don't recall.

Q. Look at your notes, Carter Exhibit 3, if you would, sir.

A. Yes.

Q. At the top of those notes, you reference a $200,000 loan and a $500,000 loan. Am I reading that correctly, sir?

A. Yes.

Q. And then there are a number of other numbers below that, and out on the right side you have a bracket drawn and a number that looks like $8,5941,910?

A. Yeah, that's what it looks like.

Q. What is that $8,541,910 number intended to be? Do you recall, sir?

A. I don't recall. Whether that was total

assets or part of assets, I just don't remember.

Q. And you don't remember whether the subject of the loans was discussed with the family at this family meeting that occurred in January of 2001?

A. No. I mean, I don't recall one way or the other. I don't recall that it was.

Q. Did you discuss with Ms. Kerrison the fact that these loans had been made or apparently had been made?

A. I don't recall.

Q. Do you recall if these loans -- and when I say "these loans," I mean the two loans referred to on Carter Exhibit 3 -- at the time you became aware of them whether they had been documented? Or did they need to be documented?

A. No, I don't recall. As I said, it's possible, but I don't know this, that the $200,000 loan to Tom referenced, was the two $100,000 loans that had been made to his company, Fabtech, as I recall, and I think had been documented at that time.

Q. And with respect to the $500,000 loan to Dan, do you know --

A. I just don't know. I don't remember anything about that.

Q. Were Tom and Dan the only surviving trustees of the two trusts?

A. They were.

Q. Were you concerned at that time when Dan reported to you that there had been a $500,000 loan made from the trusts, apparently, to him or one of his companies?

A. I just don't remember the circumstances of that $500,000 loan, what it was or whether it had been documented or needed documenting. I just don't recall.

Q. Can we agree, sir, that when, in October 2001, you had a conversation with Ms. Kerrison about a number of loans that had been made to Tom and Dan from the trusts, you were sufficiently concerned that you contacted Tom and Dan and made certain recommendations, including the recommendation that they get counsel of their own?

A. Correct.

Q. And you were sufficiently concerned that you -- where you had reached the conclusion that what they were doing in making loans to themselves was breaching their fiduciary duties, at least in the circumstance where the family was not aware of these loans?

A. I was concerned that they had breached their fiduciary duties.

Q. Is it fair to say, sir, that given your years of experience -- that's not based on something you learned about the law of fiduciaries between January and October of 2001 -- had you known of a loan that had been made by Dan to himself or one of his companies in January of 2001 in circumstances where the family had no knowledge of it other than Dan and Tom, you would have been concerned even then that that was a breach of fiduciary duty?

A. Well, I don't know what -- I don't remember anything about the $500,000 loan that's referred to in this note. I don't know what the circumstances were and whether it had been documented or not.

Q. Do you think that in January of 2001 if you were -- in the context of having a meeting with, at least, Jacquelin, Kathleen and -- was Genevieve present at that meeting as well?

A. I don't think so.

Q. Okay. -- at least with Jacquelin and Kathleen if they were aware of that $500,000 loan, that your concern would have at least been lessened?

A. Again, I don't remember the circumstances of that. At that meeting, in general, their mother

's assets were discussed. If those loans were loans that had -- to Dan were loans that had been made from the trusts, they would have been simply trust assets at that time. And I don't know that the individual trust assets -- just sort of total amounts were discussed.

Q. In October of 2001, you had a communication from Ms. Kerrison, did you not?

A. I did.

Q. What do you recall of that communication?

A. In general, that she had contacted me -- I can't remember if it was by phone or e-mail -- and said that some monies had been disbursed from the trusts to Dan and Tom individually or to their businesses, and she thought as Mrs. Stevenson's lawyer I ought to know about it. And -- which led to a meeting with her and Dan and Tom.

Q. Did she ask you -- and I realize you weren't representing Ms. Kerrison. But did she ask you what should be done next?

A. I don't remember if she specifically asked me that or not. But when she gave me the information, I told her that I thought it would be a good idea if she and I met with Dan and Tom Stevenson to find out more about these disbursements.

Q. Did you become aware at or around that time that these disbursements had been made by the method of Tom or Dan writing themselves a check? Or authorizing themselves a check. I guess Pat Neapolitan was still actually --

A. Yeah, I can't recall if I was informed or knew exactly how the disbursements had taken place. I know Ms. Kerrison, yesterday in her deposition, said that the bookkeeper, Pat Neapolitan, had actually written the checks.

Q. And at that time -- and when I say "that time," I mean October 2001 -- did you have an understanding as to whether these disbursements to Tom or Dan or their businesses were, at that time, documented with promissory notes?

A. At least -- maybe beforehand, but at least when I met with Ms. Kerrison and Dan and Tom Stevenson, I was informed that there weren't any notes.

Q. Okay. You described yourself -- you described one of your concerns as being protecting Ms. Stevenson's, your client's, not only her assets, but her emotional health and well-being. Is that correct?

A. That's right.

Q. So both of those things were a concern for you during this time?

A. Yes.

Q. And speaking on the -- just the protection of her assets, if there are a number of checks written out of these trusts to Tom and Dan, if they're not documented with promissory notes, that's a tax problem, isn't it?

A. I think there would be some tax issues.

Q. There might be a gift tax obligation?

A. Well, with checks out of the trusts, I'm not sure -- I'd have to think about that as to whether there'd be a gift tax obligation or not, but there would be some tax obligations, I'm sure.

Q. Okay. And your recommendation that promissory notes be obtained to document these transactions or disbursements that had been made, was made with the idea that this would be protective of the trusts, both in terms of documenting the obligation of Dan or Tom to repay and also with minimizing adverse tax consequences?

A. Could you give me the question again?

Q. One of the things you recommended was that these disbursements or these transactions be documented with promissory notes. Is that correct?

A. That's right.

Q. And was at least part of the reason for your doing that a desire to minimize adverse tax consequences of these transactions having already occurred?

A. I don't know how much consideration I gave to the tax consequences as much as I just wanted to be sure these were documented as trust assets.

Q. In January of 2001, you had a durable power of -- or was it your office that prepared a durable power of attorney for --

A. Yes.

Q. And I think we looked at that document earlier today. Do you have it there, sir?

A. No.

MS. LEWIS: It's right there.

A. I have it now.

BY MR. SHARPLESS:

Q. Are you looking at Kerrison 8?

A. Yes, I am.

Q. It's entitled "Durable Power of Attorney," sir, but if you'll look through it, would you agree with me that it does not have any language in there that would be required to make it actually durable under the South Carolina Probate Code? In other

words, there's no language in this power of attorney, is there, that says it's intended by Jacquelin Stevenson to continue in the event of her disability?

A. That's correct.

Q. So although it's a valid power of attorney, it would not be durable were she to become incapacitated, as drafted. Is that correct?

A. That's right.

Q. Is that why you prepared another power of attorney in 2003?

A. That's correct.

Q. You looked back in your files and noticed that issue and wanted to correct it?

A. I don't know if it was a matter of correction. It was -- as I recall, in 2003, there was some discussion about Mrs. Stevenson's mental state and whether she was becoming or possibly was disabled. So the idea was to make sure that she had a power of attorney that would survive disability.

Q. I take it in 2001 you were not concerned -- or not greatly concerned about her mental state and competency?

A. I had no information in 2001 to indicate that there was any concern.

Q. Okay. In 2003 when you prepared the second power of attorney for Mrs. Stevenson, you actually took it to her and spoke with her about it when she signed it. Is that right?

A. That's correct.

Q. Is that because you wanted to satisfy yourself that she was competent to execute that power of attorney?

A. Well, normally, I'm present when a client executes a power of attorney that I've drawn. But, yes, I did want to satisfy myself that she was competent.

Q. And did you make notes of that meeting with her?

A. I did.

Q. Were you satisfied that she was competent at the time she signed the 2003 power of attorney?

A. I was.

Q. And that power of attorney, although I don't have it with me, that one was, in fact, to your recollection, durable? In other words, it contained the required language?

A. That's correct.

Q. If you'll look at the Exhibit Kerrison 4, that's your time records. There's a column in there

that appears on every page on the right, it says "TMKR," and then it has a number, usually but not always 3. Do you see that?

A. Yes, I do.

Q. What does that indicate?

A. That's the timekeeper. That's the lawyer who is performing that particular portion of time.

Q. And what's your number, sir?

A. I'm 3.

Q. Who was Number 10 at that time, in 2001?

A. I have no idea.

Q. Do you know who Number 5 was?

A. No.

Q. And do you know who Number 14 was?

A. I don't.

Q. Would you have that information available to you at your office?

A. I probably would.

Q. Okay. There's also, two columns over from that, a column entitled "TCD." Do you see that?

A. I do.

Q. What does that indicate?

A. I don't have a clue.

Q. Do you use numerical time codes? Or did you with whatever billing system this was generated

from?

A. You mean to indicate the amount of time?

Q. Or the nature of the service that was being provided and the subject matter of it.

A. As far as I know, not the nature of the service.

Q. All right. Is there some key available at your office that would tell us what "TCD" means and what these various numbers mean?

A. Probably.

Q. Do you still use this same time keeping and billing system today?

A. I don't know.

Q. After your October 2001 meeting with Tom and Dan, you gave them advice at both the meeting and in writing that they needed to tell their siblings what had occurred. Is that correct?

A. That's what I told them I thought they should do.

Q. Okay. And you also advised them to get their own attorney?

A. I did.

Q. Was Ms. Kerrison aware of -- perhaps you're not comfortable with using the word "advice," but was Ms. Kerrison aware of the fact that you had told

Tom and Dan these things?

A. I believe she was.

Q. Did you have any discussion with Ms. Kerrison about whether and to what extent she should do anything additional or different as of October 2001?

A. I don't recall that I did.

Q. Do you recall ever having a discussion with Ms. Kerrison after October 2001 about whether and to what extent she should do anything different than what she had done?

A. No, I don't recall any such discussion.

Q. Through 2002, there's a -- well, let's look on your -- again, Kerrison 4, your time keeping records. Look at the entry on the second page, November 13, 2002, "Researching Considerations of Disclosure of Loans." Do you see that?

A. Excuse me. What was the date?

Q. November 13, 2002. About more than midway down.

A. Right. Right.

Q. Is it fair to say, sir, that the subject of the loans to Tom and Dan and the manner and method in which they should be disclosed to the siblings was still a concern to you then?

A. I don't recall exactly the circumstances. I just don't recall what prompted that.

Q. There is -- or there was identifying in your previous deposition a letter in November 2002 -- I think it was Exhibit 35 to your previous deposition -- that said that your understanding was that Tom and Dan still had not informed their siblings of the loans and that if they did not inform them by January of 2003 that you would undertake to inform them. Do you recall that, sir?

MR. LEWIS: Is it Number 35?

MR. SHARPLESS: Should have been Exhibit Number 35. The letter dated, I believe, November 2002.

A. Yeah, I'm looking at a letter -- I'm not sure what the exhibit number is, but it's dated November 25, 2002, to Tom Stevenson and Dan Stevenson where I said if I've not heard from them by the first of January 2003 that they'd discussed it with Kathleen, I felt responsible to contact her. I recommend she discuss it with her -- with them.

BY MR. SHARPLESS:

Q. With respect to your concerns about your duties to Ms. Stevenson, your duties to protect her interests, and the concerns that you had researched

about the extent to which you would even be able to make disclosure to other people, what led you to the thought that you might, at least, be able to make a disclosure directly to Kathleen? What facts or what analysis led you to that conclusion?

A. Well, what I was trying to do was to keep a harmonious, as much as possible, family situation. I felt that my responsibilities to Mrs. Stevenson were handled at that point. But I felt that just the family -- just the -- part of my sort of practice is dealing with families. I have a client, whether it's a couple, parents, or single parent or whatever, but family considerations are part of my type of practice. And I wanted to try to have the family proceed with these loans in a feeling that would cause, as little as possible, disruption.

Q. And so you felt that the preferred way that this would be addressed would be for Tom and Dan to make their siblings aware of it?

A. That's correct.

Q. However, you say in that letter that if they don't make you aware -- excuse me. More precisely, you say in that letter of November 25, 2002, that if you haven't heard from them by the first of the year that you will make that

disclosure.

A. Yeah. Initially --

Q. Did you -- let me ask you a question. Did you mean what you said? In other words, had you reached the conclusion that you could make that disclosure if you didn't hear from them?

A. Because of the circumstances at the time which were somewhat changed from the circumstances a year earlier, I thought that, if necessary, I probably could.

Q. Okay. I take it what, in fact, happened is you heard from Howell Morrison instead at or around the first of the year, 2003?

A. That's right. I think we had a -- maybe a conversation before the end of 2002. I'm not sure about that, but we did communicate the first of 2003.

Q. And if you'll look at Kerrison 4, you have a time entry for January 2nd of 2003, telephone conference with Mr. Howell Morrison. Is that right?

A. Correct.

Q. Did Mr. Morrison assure you that Tom and Dan were going to make the requisite disclosures to Kathleen and to Genevieve and Jacquelin, to their siblings?

A. As I recall his letter to me, told me that Tom would be speaking with Kathleen.

Q. Do you see that there is a time entry for January 16th, 2003, telephone conference with Ms. Lynne Kerrison for 1/10 of an hour?

A. Yes, I do.

Q. In that telephone conference, did you relay to Ms. Kerrison what you had learned from Mr. Morrison?

A. I can't recall.

Q. Is there any reason you would not have shared that information with Ms. Kerrison?

A. I don't know at this time whether it would have been, but I can't recall whether it would have been. I don't know of any reason that I would not have.

Q. I see from your time entries that the next time you gave attention to Ms. Stevenson's affairs after March or February of 2003 appears to be March of 2006. Is that right?

A. That's the next time entry.

Q. Did you have any other client numbers that you kept for things relating to Ms. Stevensons? In other words, did you give her affairs attention under any other client number that wouldn't be on this billing record?

A. Not during that period of time.

Q. So during that period of time, you're not hearing anything from Ms. Stevenson or from Tom or Dan or from Ms. Kerrison concerning Ms. Stevenson. Is that your recollection, sir?

A. I believe that's correct.

Q. It was in 2006, then, that you heard again from Ms. Kerrison. Is that right?

A. I think that is right.

Q. And what did you hear from her?

A. As I recall, she told me that there had been additional funds disbursed from the trusts to Dan and Tom. And I don't know whether there had been -- well, I can't remember whether there had been additional notes, but that there -- I don't think so -- but, basically, that there had been additional funds disbursed to them.

Q. What did you do?

A. Called Howell Morrison. I remember I talked to him about it. He -- and then told Dan and Tom again that they needed to meet with Kathleen.

Q. Was it your -- did you have an understanding as to whether -- did you personally, at that time, have an understanding as to whether they had or had not informed any of their siblings?

I'm not asking you what you learned through other testimony that you've heard.

A. Did I personally know whether they'd informed?

Q. Well, I'm asking you what your understanding was in March of 2006 when Ms. Kerrison calls you, tells you that there have been additional loans.

A. With the exception of Kathleen, it was my understanding that they had not met with their siblings.

Q. Did you have an understanding that they had at some previous time met with Kathleen?

A. I don't recall whether I had been told about the meeting in spring of 2003, but I know that I had been told that it was going to take place.

Q. What was Jacquelin Stevenson's condition at this time? And when I say "this time," I mean March of 2006.

A. You know, I don't think I had seen Mrs. Stevenson since she signed her power of attorney in 2003, so I really can't answer that.

Q. Were you present for a meeting that occurred on April 27th, 2006, with Ms. Turner and Ms. Kerrison and with Tom and Dan Stevenson?

A. Yes, I was present. I think the meeting was with Ms. Turner, Ms. Bennett, and Tom and Dan Stevenson. And I can't remember whether Lynne Kerrison was there or not. I think she was.

Q. What was said at this meeting?

A. These loans that Dan and Tom had from the trusts were discussed at that meeting.

Q. Did anyone express any surprise?

A. No.

Q. Did anyone indicate at that meeting that they were aware of these loans?

A. I don't recall. I don't recall.

Q. Do you recall anyone saying that they found these loans objectionable or that they were unhappy that these loans had been made?

A. One correction on something I said a minute ago. I said I thought Jacquelin Bennett was there. She was not. It was Kathleen Turner, Dan and Tom Stevenson, and I believe, Lynne Kerrison.

Excuse me. What was your last question?

Q. Did anyone express any thought that these loans were objectionable or that they were unhappy about these loans having been made?

A. I don't recall that being done.

Q. Was there any demand made that Tom and Dan

repay these loans immediately?

A. No, I don't think so.

Q. Mr. Carter, do you find any fault with anything Ms. Kerrison did or didn't do in reference to the --

MR. LEWIS: Object to the form.

Q. -- Stevenson matter?

MS. WALL: I object as well and, of course, caution the witness not to reveal anything that he's learned from his counsel. If it's from anywhere else --

MR. SHARPLESS: I'm just asking. I'm not asking the witness for your legal contentions. I'm just asking him personally.

A. Would you ask the question again?

BY MR. SHARPLESS:

Q. Do you find any fault with anything that -- do you personally find any fault with anything Ms. Kerrison did or didn't do with regard to the Stevenson matter?

MR. LEWIS: Object to the form.

A. You know, I don't know all of the things that she did or didn't do, so I'm not sure that I can answer that question.

MR. LEWIS: I withdraw my objection.

BY MR. SHARPLESS:

Q. Did you ever express to Ms. Kerrison --

MR. SHARPLESS: Thank you, Cam.

BY MR. SHARPLESS:

Q. Did you ever express to Ms. Kerrison any dissatisfaction with what she had done or with anything that she had not done?

A. I don't think that I ever did.

Q. Did she ever express any dissatisfaction to you?

A. Not that I can recall.

MR. SHARPLESS: Give me just a moment, please.

(Discussion off the record.)

BY MR. SHARPLESS:

Q. Mr. Carter, if you'll look at Kerrison Exhibit 18.

MR. LEWIS: What is that?

MR. SHARPLESS: That is a fax of October 12, 2001 that is a cover sheet and sends the 2001 power of attorney to Ms. Kerrison.

MR. LEWIS: Oh, yeah.

BY MR. SHARPLESS:

Q. My question, Mr. Carter, is why did you send that power of attorney to Ms. Kerrison in

October of 2001?

A. I can't remember specifically, but I think it was in connection with the information that Lynne Kerrison had given me about the -- or at least the preliminary information about these loans and the general context of that situation.

Q. Did she ask that you send her that power of attorney?

A. I don't recall.

Q. And do you recall why you might have sent it to her?

A. No.

MR. SHARPLESS: That's all I have.

MR. LEWIS: I have just a -- six questions. Six subjects.

THE WITNESS: Well, he only had one, and he asked about four or five.

MR. LEWIS: I understand. That's all right.

FURTHER EXAMINATION

BY MR. LEWIS:

Q. Tom says that you and Lynne Kerrison drew up the notes. Is that correct? The notes for the loans.

A. Who said?

Q. Tom.

A. Which notes?

Q. The notes that were done to cover the loans that had been made and were not -- didn't already have notes.

A. I don't think so. I think the notes were drawn by Pratt-Thomas Gumb.

Q. Okay. And he --

A. I had drawn up notes back in 1991.

Q. No, I'm talking about in 2000 -- when you --

A. Those notes, I don't think that I drew.

Q. Okay. He --

A. There were later notes also, I know, that were drawn by Howell Morrison's office.

Q. Okay. He also said that you and Lynne Kerrison decided the interest rates to put on the notes. Did you decide any interest rates to put on notes?

A. I remember there was some discussion with Lynne about that. So I don't know whether you can say "decided," but I remember there was some discussion.

Q. So you participated in the decision into what interest rates should go on there?

A. I did.

Q. Huh?

A. I did.

Q. Okay. Now looking at Exhibit 4 there in front of you. I think it's your time sheets. Mr. Sharpless asked you about them. And I don't understand something. Is there something that you fill out that you give to someone that then they'd enter it into some computer, which would then later generate this list?

A. Yes.

Q. What do you call that that you gave to them?

A. Time sheets.

Q. And where are the time sheets for the backup for Exhibit 4?

A. I don't know. They may be destroyed in the process. I don't know.

Q. Have you looked for them?

A. No. I can't recall having looked for them.

Q. Well, I think our -- well --

MR. LEWIS: Our request covers that, so would you look for them or tell me I need to send another request. I'd like to have the backup for Exhibit Number 4.

BY MR. LEWIS:

Q. Now, when you do these promissory notes to cover this money that was the checks that were written to Dan and Tom, when you did a promissory note to cover money that had already been given, do you backdate those promissory notes?

A. I can't recall whether those promissory notes were backdated or not.

Q. Does it make any difference to you if they were backdated or not?

A. Well, I mean, again, I guess it depends on the circumstances. I guess one difference that it could make is to when interest would apply.

Q. So you don't remember if they were backdated; we just have to look at the notes themselves?

A. I assume that's correct.

Q. If they're all dated at the time of the distribution, that would mean they were backdated, wouldn't it?

A. It would if -- if the distribution is not the time that the -- that the -- if there was a -- if the notes were made out at a later time.

Q. Okay. And I don't know -- this power of attorney, durable power of attorney, I didn't know

this until that sharp Mr. Sharpless pointed it out, that this is -- says "Durable Power of Attorney," but it's not?

A. That's correct.

Q. Why would you label something that's not what it is?

A. Well, that's just an -- I suppose an office form. I don't know why it says "Durable Power of Attorney."

Q. But it's not a durable power of attorney?

A. No.

Q. It should say up there, "General Power of Attorney"?

A. Or "Power of Attorney" is one thing.

Q. All right. And a power of attorney, does it -- it's operative from the day you sign it, isn't it?

A. This type of power of attorney is.

Q. And so you can go use it to do whatever the powers are in here that allow you to do it?

A. With the caution, I think, that if the person giving you the power of attorney tells you not to or you know that they don't want you to, I think that would be a restriction.

Q. But, I mean, as far as if I -- usually

these are filed somewhere, filed in the courthouse. That gives me the power of attorney, and I could show the bank, I can show the insurance company, and I can act as the person who gave me that power of attorney. That's what they're for, aren't they?

A. Generally, that's correct.

Q. But the durable one, on the other hand, doesn't come into effect until the person's unable to act?

A. No, that's not right.

Q. A durable one, what is the difference?

A. A durable power of attorney continues to be effective if the person is unable to act.

Q. Okay.

MR. LEWIS: Would you mark this. This is the last thing.

(Exhibit No. 4 was marked.)

BY MR. LEWIS:

Q. You were looking at that as Exhibit 35 to your prior deposition, and we've now made it Exhibit 4 here.

A. Uh-huh.

Q. Do you remember looking at it?

A. I do remember looking at it.

Q. All right. Now, that was on November 25th,

2002. Is that correct?

A. That's correct.

Q. And what you say in here is what you believed, isn't it?

A. As far as I know, that's correct.

Q. Now, it says in here: "Kathleen along with Dan holds your mother's power of attorney and thus represents your mother when your mother is unable to act."

That's not true, is it? They can represent the mother in anything that the power of attorney says they can.

A. Ask me the question again, please.

MS. WALL: Object to the form.

Q. Okay. You say here: "The power of attorney and thus represents your mother when your mother is unable to act." Well, that means it's a durable power of attorney when you're unable to act, right?

A. It is a -- yes. If someone is incompetent, it has to be a durable power of attorney.

Q. Well, then this one is not a durable power of attorney that was in effect at the time, was it, Kerrison 18? We've just gone over that.

A. And that may be the reason that in early

2003 -- in January 2003 another power of attorney was executed.

Q. Okay. But what you wrote here, then, is an error?

A. Well, that may be correct.

Q. The rest of it, though, you believe it to be correct, correct?

A. As far as I know.

MR. LEWIS: I have no further questions.

MR. SHARPLESS: I have no additional questions.

(The deposition was concluded at 12:11 p.m.)

- - -

CERTIFICATE OF REPORTER

I, Heather M. Curlin, Professional Court Reporter and Notary Public for the State of South Carolina at Large, do hereby certify:

That the foregoing deposition was taken before me on the date and at the time and location stated on page 1 of this transcript; that the deponent was duly sworn to testify to the truth, the whole truth and nothing but the truth; that the testimony of the deponent and all objections made at the time of the examination were recorded stenographically by me and were thereafter transcribed; that the foregoing deposition as typed is a true, accurate, and complete record of the testimony of the deponent and of all objections made at the time of the examination to the best of my ability.

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

Witness my hand, I have hereunto affixed my official seal this 28th day of July, 2011, at Charleston, Charleston County, South Carolina.

Heather M. Curlin
Professional Court Reporter
Notary Public
State of South Carolina at Large
My Commission expires:
May 27, 2021

I N D E X

	Page
EXAMINATION	
BY MR. LEWIS	3, 81
BY MR. SHARPLESS	50
Certificate of Reporter	89

E X H I B I T S

Marked for Identification:

1. 1/14/03 Letter from T. Heyward Carter to Howell Morrison	7
2. 9/24/08 T. Heyward Carter Deposition Transcript (Not produced)	21
3. 1/5/01 Handwritten Notes	27
4. 11/25/02 Letter from T. Heyward Carter to Dan and Tom Stevenson	86

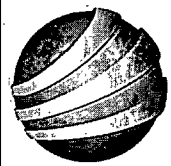
In the Matter Of:

Stevenson vs. Carter

2011-CP-10-400

THOMAS C. STEVENSON, III

February 13, 2013



ESQUIRE
SOLUTIONS

800.211.DEPO (3376)
EsquireSolutions.com

SOUTH CAROLINA	IN THE COURT OF COMMON PLEAS
	NINTH JUDICIAL CIRCUIT
CHARLESTON COUNTY	
IN RE: The Estate of Jacquelin K. Stevenson, Deceased and the Estate of Thomas C. Stevenson, deceased,	CASE NO.: 2011-CP-10-400
Jacquelin S. Bennett, Genevieve S. Felder and Kathleen S. Turner, individually, as Co-Trustees and beneficiaries of the Marital Trust and the Qualified Terminable Interest Trust created by the Thomas Stevenson Will, and Jacquelin S. Bennett, and Kathleen S. Turner, as Co-Personal Representatives on behalf of the Estate of Jacquelin K. Stevenson,	
Plaintiffs,	
vs.	
T. Heyward Carter, Jr.; Evans, Carter, Kunes & Bennett, P.A.; Douglas Capital Management, Inc.; Dixon-Hughes f/k/a Pratt-Thomas Gumb & Co., P.A.; and Lynne L. Kerrison,	
Defendants.	

VIDEOTAPED DEPOSITION OF THOMAS C. STEVENSON, III
(Taken by Defendants T. Heyward Carter, Jr., and Evans, Carter, Kunes & Bennett, P.A.)
Charleston, South Carolina
Wednesday, February 13, 2013

INDEX OF EXAMINATIONS

	PAGE
By Ms. Wall	8
By Mr. Sharpless	129
By Mr. Babcock	137
Further Examination By Ms. Wall	182
Further Examination By Mr. Sharpless	186
Further Examination By Mr. Babcock	186

INDEX OF PLAINTIFFS' EXHIBITS

NUMBER	DESCRIPTION	MARKED
	(NO EXHIBITS WERE MARKED.)	

INDEX OF DEFENDANTS' EXHIBITS

NUMBER	DESCRIPTION	MARKED
1	2/28/94 Letter	47
2	3/7/94 Letter	47
3	Conference Notes 10/23/01	54
4	11/29/01 Letter	59
5	Telephone Conversation Notes 11/12/02	61
6	11/25/02 Letter	65
7	Conference Notes 12/06/02	67
8	12/17/02 Letter	68
9	1/14/03 Letter	68
10	1/22/03 Letter	69
11	Conference Notes 3/27/06	84
12	3/28/06 Letter	86
13	E-Mails	89
14	4/19/06 Letter	90
15	Conference Notes 4/27/06	91
16	Stevenson Family Assets	92
17	Stevenson Family Assets (with notes)	93

18	5/1/07 Letter	101
19	Loans - Thomas Stevenson	108
20	4/27/10 Letter	110
21	Settlement Agreement and Release	113
22	Confession of Judgment	118
23	Probate Court Accounting	119
24	Affidavit of Thomas C. Stevenson, III	125

APPEARANCES

For the Plaintiff:

KEITH M. BABCOCK, Esquire
Lewis Babcock Griffin, LLP
1513 Hampton Street
Columbia, South Carolina 29201
(803) 771-8000
KMB@LBGLegal.com

For the Defendants T. Heyward Carter and Evans, Carter, Kunes & Bennett:

SUSAN TAYLOR WALL, Esquire
McNair Law Firm, P.A.
100 Calhoun Street, Suite 400
Charleston, South Carolina 29401
(843) 723-7831
swall@mcnair.net

For the Defendants Dixon-Hughes and Lynne Kerrison:

FREDERICK K. SHARPLESS, Esquire
Sharpless & Stavola, P.A.
200 South Elm Street, Suite 400
Greensboro, North Carolina 27401
(336) 333-6400
FKS@sharpless-stavola.com

Also Present: William Bennett
Jacquelin Bennett
T. Heyward Carter
Fred Felder
Kathleen Turner
William Turner
Stephen Barksdale-videographer

VIDEOTAPED DEPOSITION OF THOMAS C. STEVENSON, III, a witness called on behalf of Defendants T. Heyward Carter, Jr., and Evans, Carter, Kunes & Bennett, P.A., before Lyn Allen Hudson, Notary Public in and for the State of South Carolina, at the law offices of McNair Law Firm, P.A., 100 Calhoun Street, Suite 400, Charleston, South Carolina on Wednesday, February 13, 2013, commencing at 11:08 a.m.

P R O C E E D I N G S:

VIDEOGRAPHER: This is tape number one to the videotaped deposition of Thomas C. Stevenson in the matter of the Estate of Jacquelin K. Stevenson, deceased and the estate of Thomas C. Stevenson, deceased, Jacquelin S. Bennett, Genevieve S. Felder and Kathleen S. Turner, individually, as co-trustees and beneficiaries of the Marital Trust and the Qualified Terminable Interest Trust created by the Thomas Stevenson will, and Jacquelin S. Bennett and Kathleen S. Turner as co-personal representatives on behalf of the Estate of Jacquelin K. Stevenson versus T. Heyward Carter Jr., et al., being heard before the Court of Common Pleas, Ninth Judicial Circuit, State of South Carolina, County of Charleston, Case Number 2011-CP-10-400. This deposition is being held at the McNair Law Firm, 100 Calhoun Street, Suite 400, Charleston, South Carolina, 29401 on February 13th, 2013. And the time is 11:08 a.m. My name is Stephen Barksdale and I am the videographer. The court reporter is Lyn Hudson. Will everyone

present please identify themselves for the record?

MS. WALL: Susan Wall. I represent Defendant Heyward Carter and his law firm.

MR. CARTER: Heyward Carter.

MR. BABCOCK: Keith Babcock representing the plaintiffs.

MR. BENNETT: William Bennett.

MR. FELDER: Fred Felder.

MR. TURNER: William Turner.

MS. BENNETT: Jacquelin Bennett.

MS. TURNER: Kathleen Turner.

MR. SHARPLESS: Rick Sharpless. I represent Lynn Kerrison and Dixon-Hughes.

VIDEOGRAPHER: Lynn, please swear in the witness.

THOMAS C. STEVENSON, III,

having been duly sworn, testifies as follows:

EXAMINATION

BY MS. WALL:

Q. Tom, would you introduce yourself to the jury? Would you tell them where you live? Tell them a little bit about your family.

A. My name is Tom Stevenson. I live in Brevard, North Carolina. I am married and have been for over 40

years to Irven Myer Stevenson. We have two children, and they each have two children. One lives here, and one lives, one of my children lives in New York.

Q. All right. Now, let me give you a few instructions as I'm required to do under the Rules. Do we understand that you have been deposed before? You've been through this process?

A. Yes, I have.

Q. All right. As part of this process, I will be asking you questions. There may be some other counsel here who, when they have their opportunity to do so, may be asking you questions. If at any time you don't hear or understand the question, you simply need to let us know. And, of course, we'll be very pleased to rephrase or restate the question. And the reason for that, of course, is that once you answer a question we're entitled to assume that you understood it and you answered it to the best of your ability; all right?

A. Yes, ma'am.

Q. And if at any time you would like to take a break, certainly just let us know and we will be happy to accommodate you; all right?

A. Yes, ma'am.

Q. As I think you're aware, everything that you'll be saying here today, all the questions asked of you, all the responses that you give will be taken down by the court

reporter. And in this instance, we also have a videotape which will pick up everything that is said during this deposition. Are you on any sort of medication that would prevent you here today from understanding questions and answering them truthfully?

A. I am not.

Q. Now, you were telling us a little bit about your family. You have four grandchildren?

A. Four. Yes, ma'am.

Q. And your two children, what are their ages and what are their names?

A. My daughter is Elizabeth Irven Calder, C-A-L-D-E-R. Elizabeth Stevenson Calder. She lives in New York. She was born in 1978. My son Thomas C. Stevenson the Fourth is married to Katie Long. They live here in Charleston. And he was born in 1979. They are 20 months apart.

Q. Now you are Thomas Stevenson the Third; is that correct?

A. Yes, ma'am.

Q. Are you named after your father?

A. I am.

Q. And why don't you tell us a little bit, tell the jury a little bit about the Stevenson family? Why don't you begin with your grandfather? Did your grandfather live here in Charleston?

A. Yes, he did. He was a graduate of the Citadel in 1980, I mean, in 1894. And after that, he went into the contracting business. And as a matter of fact, when the, he graduated when the Citadel was at Marion Square downtown. But when the Citadel moved to the, its present location, he was one of the early contractors building some of the original buildings at the Citadel. He, in 1929, founded a company called Concrete Products which he operated. And subsequently, his son and grandson operated until, it was one of the oldest operations, companies in operation in this part of the world up -- I can't remember when they closed the operation. Maybe in, sometime in 2000, the middle of 2000 it seems like to me. He, my grandfather for whom I'm named as well, he was Thomas C. Stevenson, had, was married and had five boys. My father was the oldest. There were four other boys, sons, one of which committed suicide at an early age. The remaining three all lived and worked here in Charleston. Two of them worked for, at one time or another, for my grandfather's company Concrete Products. My father did not. He graduated from the Citadel in 1928. And because of the, the depression and the newness of the company that my grandfather started, my father did not go to work for that company. He actually went to, he was a mechanical engineer out of, graduated from the Citadel. And he went to work for the, a company called McClintock and

Marshall which was the erection division for Bethlehem Steel. Bethlehem Steel had been awarded the contract to build the first Cooper River Bridge. And my father and McClintock-Marshall was the contractor. And my father went to work for McClintock-Marshall. He was actually the first person to walk across the Cooper River Bridge. Not the first person to drive across. But one afternoon when the final I-beam had been put together, they built it from both sides of the river, and when it came together and the I-beam was laid, he had left his surveying instruments up there. He returned that afternoon. And the News and Courier, which was the newspaper which had been following the construction of the bridge daily, was up there. He walked across the I-beam to get his equipment. They took a picture of him. And he is known, it's recorded in one of the history books about the construction of the bridge as the first person to walk across the Cooper River Bridge. When they tore the bridge down, I was fortunate enough to be in the metal fabrication business. And unbeknownst, unknown to me, people that I worked with went and secured a piece of the bridge, the I-beam. They brought it back without my knowledge to our fabrication shop, reworked it and cleaned it up and painted it and had a plaque put on it stating Thomas C. Stevenson, the first person to walk across the Cooper River Bridge. And I, that very heavy large item is

still with us in my family. And when the bridge was completed, which in, back then, it took 17 months or 19 months which is an almost unheard of time, they completed the bridge, my father, McClintock-Marshall was headquartered in New York in Buffalo, New York. And they recalled all of their senior engineers to Buffalo, New York. My father, that was not, I think, his idea of, ideal place to be working. He moved there though. He had a good friend of his, Tommy Kirkland, Mr. Tommy Kirkland who was working for a new company in Armonk, New York, a company called International Business Machine, International Business Machine Company selling typewriters and adding machines. They got, corresponded, got together. And Mr. Kirkland persuaded my father to move from Buffalo, New York to Armonk. It was a move south anyway. And he moved there and joined the firm which later became IBM. He joined the firm in the same year that the founder of the firm, Mr. Watson's son, joined the firm. And they were in class, they were in the introductory class together. He became a very good salesperson for them; was in their, I think they called it their Presidential Club, almost right away. Then the company, IBM started getting a great deal of, a lot of orders for typewriter, for adding machines from a company, a small fledgling little company down in a part of the country that they didn't know anything about in Winston-Salem. A

company called R.J. Reynolds was selling something called cigarettes. And they began to sell a lot of them and needed a lot of adding machines. And so IBM decided to open up their first location outside of the New York area in Winston-Salem to handle the volume of work. And as my father said since they, he spoke the foreign language, they recruited him to become the manager of the first operation outside of New York. And he moved to Winston-Salem to head up IBM's office there. Again, their largest client was R.J. Reynolds Tobacco Company. Prior to that, he had married his first wife. This part of the story I don't know very well. But he was married. I don't know the conditions of that marriage. He had a, I believe he had a daughter from that marriage. And the, his wife was an alcoholic and committed suicide. And I'm not again quite sure of all of his, of that part of his life. But when he moved to Winston-Salem, he was not married. And he was introduced, and I'm not quite sure how, to my mother who was from, I think she was living, maybe she was from Winston-Salem or Greensboro, one or the other, I'm not quite sure. But they got married and he, they got married and they had, they got married and then the war, World War II came along. When he graduated from the Citadel in 1928, he took a commission in the Army. And, but he did not serve in any active duty. When the war came along, he wanted to enlist and join but he was too old at

that time. And so he was, he did sign up with the Navy. And they put him in the Naval Intelligence Command. And he was located with, here, located to Charleston fortuitously. And he and my mother moved here. IBM paid for him to be in the war, paid him while he was in the war. And he fully expected to go back with IBM when the war ended. He and my mother had two children during that time. And when the war ended, my father's father was failing in health. My father's younger brother Fred had gone to work for Concrete Products and was working there. And after the war and my father's father's health not being what it was, my father and mother decided that they wanted to stay in Charleston rather than go back with IBM. My father then went to work for the, as he called it, the gas company here in Charleston. He worked there for I think about a year. But anxious to be on his own, he and a friend or an acquaintance started a company on the side selling gas, Domestic, they call it, selling home heating fuel to rural areas. When my father's company found out that he had a second job, they fired him from the gas company. And when, he and my mother had only one car. And when she came to pick him up, they were on their own, having children and no job. And he began to figure, or try to figure out what to do. He, his father was able to provide him some capital and some property. And they bought property west of the Ashley and developed what

is now Albemarle Point where Porter-Gaud School is. They built I think eight lots and sold them. My father got financial help from his father to do that. And that was the beginning. He then had the gas company which I think he called, at that point, Domestic Gas Company going as well. And in a few years, the Domestic Gas Company that he was operating as, he was a distributor for a division of Union Carbide Corporation. And when Union Carbide Corporation decided to open up a series of welding supply companies, they naturally went to their existing company, existing distributors. And my father started stocking or inventorying welding supplies and industrial gases in his Domestic Gas Company. He didn't know anything about the welding supply business. But Union Carbide wanted him to be in that business. There was another company in town selling welding equipment run by a fellow named Moore. My father went and talked to them, to him. And they formed a company, they merged their companies. And in a short period of time from the end of the war and the development with his father, his father died then, he had a number of activities going on. They all looked profitable on paper. But the cash was not coming in to the company. And my father and his younger brother who was by then a lawyer, Norman Stevenson, and who became and was always my father's closest associate and confidant, they became convinced that the company was going

to fold. And they were actually in the process of discussing bankruptcy options. And my father had already begun a conversation prior to that with another gentleman who was in New York but wanted to move to this part of the world, Mr. Conrad Zimmerman. And Mr. Zimmerman and my father had talked about joining forces or coming together as partners. They actually agreed to a partnership because my father needed, one, management help and additional capital given the strains on the company. The, they decided that they would form a company. Mr. Zimmerman went back to New York to close up what he was doing up there. He was working for a company that went on to become Photostat Corporation which I think later became Xerox Corporation if I'm right about that. Then my father sent his accountant, Mr. Daniel, Mr. Daniel was my father's accountant. He sent him to audit everything that my father had so that he could have a full accounting. And when he closed the matter with Mr. Zimmerman, and it was then that he found that Mr. Moore having opened up a branch of Industrial Welding in Columbia, South Carolina, was stealing from -- and that is why, though the company was showing a profit, the company was going broke. And my father with the advice of, particularly of Mr. Daniel at the time since he thought the company was profitable, my father in lieu of filing legal action against Mr. Moore, took Mr. Moore's stock back, owned a hundred

percent of everything, contacted Mr. Zimmerman and told him that things were not what they, what he thought they would be. Mr. Zimmerman came down and to his credit looked over everything and decided to go ahead with the merger. Mr. Zimmerman put some cash in. But this is the point I'm trying to get to. My father was completely broke, financially destitute. He turned to his good friend Hugh Lane who was a banker who lent my father what was then called on a character loan, lent my father money. But then my father turned to where else but to his mother. And he borrowed I believe $5,000 from his mother who I'm sure that was a, a lot of money for her. But as his father had helped him in the beginning, his mother helped him when he was very, very, very down and out. But with the man stealing out of the company and with the new capital coming in, Mr. Zimmerman retained a 20 percent interest in the company. And my father retained an 80 percent interest in the company, everything. The company began, the company was, the underlying businesses were profitable. And the company began to prosper. And if it, but if it had not been for Mr. Lane lending him money against collateral that he did not have and his mother stepping up and helping him, all of which was very well known to his young, new and young wife, the condition of our family would have been greatly different at that time than it was. So my father, very

cognizant and very aware of the help given to him by both his infirmed father and his mother at a time of great, great duress. I don't know how far you want me to go with this. But my father and Mr. Zimmerman made for a very good pair, a combination. And the companies that they had prospered all through the 19-, the late 1950s here and all of the, in the 1960s. And in 1972, they sold the first, they sold for the first time -- excuse me. In 19-, in the late 1960s, they sold the Domestic Gas Company so that they could, and my father and Conrad Zimmerman were on the same page on this, take the proceeds and put them back into the welding supply company which by this time had not only an office in Charleston and in Columbia and in Florence and in Greenville, but they used the money to buy an operation in Charlotte. And the, but in 1972, five or six years later the, after the Bank Holding Act of 1970, all the banks formed holding companies so that they could acquire particularly mortgage companies which was a big part of my father's business. And in 1972, my father and Mr. Zimmerman spun off and sold off what was called Stevenson Zimmerman Enterprises in a deal primarily developed and financed by Mr. Arthur Swanson and the First National Bank. And they sold that company for 5 million dollars. My father as the 80 percent owner retained 4 million dollars. There were taxes -- Mr. Zimmerman retained a million dollars. There

were taxes to be paid. But in the end, my father had a million dollars in cash that he quickly put into municipal bonds which were tax-free bonds. And he was the single largest shareholder in the First National Bank of South Carolina by virtue of the stock that he received as part of the, as part of the sale. So in 19-, he and Mr. Zimmerman started in 1950. It was 22 years after that that he realized the first fruits of that effort. And, but again, had it not been for the very courageous acts taken by several people close to him in, at the end of, in the late 1940s, none of that would have happened.

Q. Now, you and, excuse me, your father and your mother had how many children?

A. They had four children.

Q. Had your mother been previously married? Did she have any children?

A. Yes. She had been married before at a young age. And she had a child, a son. And he lived up in, he worked and lived primarily in Massachusetts or, I think, primarily selling furniture. One, he was much older than I am. And I didn't see him very much. But he ended up, he did not live, he did not live with us. And I did not see him but periodically maybe during the summers. But my father never adopted him. But he was my mother's first child.

Q. And your father's child, you mentioned that your

father, before he married your mother, had a daughter. And what was her name?

A. Genevieve.

Q. And what kind of, did you see her? Did she grow up in your family household?

A. Well, she is quite a bit older than I am, 20 years I think. And by the time I came along, she was already either married or getting married. And she did not live in the house that I grew up in. But I'm not aware of the prior, you know, prior to my time where she -- she lived with my mother and father, her mother being dead. And she was, my mother was young. And my father's child was, they were actually close, closer in age. But I don't, I was not around when they, when she lived with my mother and father.

Q. Now, your mother and father, your mother's name was what?

A. Jacqueline.

Q. And your mother and father together had how many children?

A. Four.

Q. And why don't you tell us a little bit about, take each one, the oldest to the youngest and tell us a little bit about each one of those children?

A. My father and mother's children, or all of these?

Q. Well, let's talk about your father and mother's

children, that is your full siblings.

A. My former siblings start with Kathleen who went to Ashley Hall. Graduated from Ashley Hall. Went to Sweet Briar. Got married and had children of her own. And she and my former brother-in-law moved several times. But he was a teaching neurologist at the medical university for most of his career.

Q. And what was his name?

A. Bill Turner.

Q. And Kathleen was the oldest; is that correct?

A. Kathleen was the oldest.

Q. And who came next?

A. My former sibling Jacqueline. She too went to Ashley Hall. She too went to Sweet Briar. She, the, there's a yacht club here in Charleston that years ago wanted to resurrect their sailing program. And they interviewed around and they hired a gentleman named Bill Bennett. My father offered to, to the yacht club to defray their costs to provide Mr. Bennett a room and board on my father's boat. And Mr. Bennett moved in there. And once again, my father trying to help the club, offered up what he could. Mr. Bennett moved here. And at some point, he started to date my former sibling. And eventually they got married.

Q. And that was Jacqueline?

A. That was Jacqueline.
Q. And who is the next child?
A. I am the next child.
Q. And how much older than you is Kathleen?
A. How much older is Kathleen than I am?
Q. Yes.
A. Kathleen is seven years older than I am.
Q. And what about Jacqueline?
A. She is five years older than I am.
Q. And were there any children after you?
A. Yes. I have a younger brother, Dan, who is four years younger than I am.
Q. So there's approximately a dozen years between the oldest or, am I missing this, the oldest and the youngest of the four children of your mother and your father?
A. That's correct.
Q. Approximately?
A. Yes.
Q. Is that right?
A. Yes. Might be more than that.
Q. Tell us about the relationship that you had with your mother and your father growing up and through your adulthood until they both passed away.
A. Well, my father was a very, I'll use the word austere person to describe his personality. And he was also

a very driven, hard-working person. He, I had a rocky relationship with him from the time I was ten years old. My family had some gathering at -- back then there weren't too many places to eat. And we had some celebration, I can't remember, family gathering at the restaurant in the Francis Marion Hotel. I cannot remember the name of the restaurant back then. But we were, and a part of the framework or fabric of my family was that my mother and father, particularly my father drank a lot. And at that family meeting, I was either ten or twelve years old. And he made some harsh comment to me. And I remember leaving the room, and then from there, running back down to our home at 2 South Battery. And back then there was nothing but dark and creepy bad things on King Street in 1961 or '2. And that run back there was very frightening. But my mother came back to console me. And she had been doing the, had been doing that ever since on any number of occasions. And my mother despite all my failings and, she loved me greatly. And she helped me in more ways than I can possibly describe in this meeting or in any other meeting. My father and I began to have a more even relationship as I got older. When I graduated from college, I married my wife, my present wife, my first and present wife. And he enjoyed her company. And he enjoyed her. I went to work for his company. And was transferred to a number of locations. I

also took a leave of absence from the company to go back to graduate school, business school at the University of North Carolina. And after completing a very, very successful year with very high marks, my father called me to come visit him at our lake house to say that our Charlotte office, the Charlotte office of Industrial Welding was unprofitable, had been through two managers in 12 months, and that he thought, and he needed someone to go there, and would I consider doing that? And so my wife and I left Chapel Hill without me finishing my second year, moved to Charlotte, took over the operation. And in the five years we were there, the company grew, returned a very good substantial profitability, significantly enough to, or with enough credibility to warrant the building of a whole new facility in Charlotte, a first top-of-the-line operation in there. And was as profitable as the, from time to time, as profitable as the main operation of Industrial Welding here in Charleston. And during that time, both of our children were born in Charlotte and baptized and christened in the Episcopal Church in Charlotte. That was a very high watermark for me and our my wife and our family. My father took a great deal of pleasure and pride I think, but certainly having one of his operations go from losing a lot of money to making money was very important to him. And he called me on a number of occasions to tell me that. And after that, an

operation in Greenville started to not be profitable. And he called me again. And I, my wife and I moved to Greenville and took over basically the same task of trying to restore profitability to an unprofitable operation which we did. And again my father expressed his appreciation for that. And so our relationship began to mellow out, so to, or become very interesting and good. And I believe there was, I know from my point of view, a great amount of trust between the two of us.

Q. So you were with the company, the family company in Charlotte for five years. And how long were you in Greenville?

A. About a year. Over a year.

Q. And then where did you go?

A. The company was beginning to, had incurred a lot of debt and, from expansions that were not, were not well thought out and well-planned. I moved, we moved back to Charleston briefly for a year or so. I'll back up for just a minute. After having moved originally when I was hired to Charlotte, we moved from Charlotte to a new store in Asheboro or Greensboro. And I was there a year. It was then after that that we moved back to Chapel Hill to business school. And then as I say, I was there over a year and a half or two years getting ready to start my second year when I moved back to Charlotte for five years. And

from Charlotte, I moved to Greenville. And then from Greenville, I moved back to Charlotte, I mean, back to Charleston. And I was there a year or so as the company went through a very, very, and our family, a very significant time in the life of our company and the life of our family. And the result of that was a merger of our company with a competitor of ours in Charlotte. The headquarters of the company were then moved to Charlotte. And my wife and I relocated back to Charlotte to accommodate the transition of that. And we were in Charlotte for several years while I did my part to make the transition occur between our competitor and our company. And then I left, I left that company. But the more, the significant events that occurred in the late 70s when, were that in 1977, I think, my father, when I was in Charlotte, I told my father that we were losing, we were losing ground and we were losing market share to our two competitors in Charlotte. And that our company was not being managed well. And that if that were to keep up, I thought we would not survive as this was a welding supply company. He called me and conferred with his brother Norman. And I drove over to the lake. He called Norman on the phone. And we decided that his partner of all these years, Mr. Zimmerman, needed to retire. And Mr. Zimmerman was looking after the welding supply company. But had begun to slip and not be able to, we were not

keeping up with our competitor. My former brother-in-law, Mr. Bennett, was in the financial department of the company. And he too recognized, we both viewed, reviewed a Dunn and Bradstreet report that indicated the, our main competitor had a net worth increase in one year of I believe $800,000. And we determined that to have a net worth increase of 800, their pre-tax profit would probably have been a million six hundred thousand roughly or a million eight hundred or a million three or a million six. The most profit that Industrial Welding had ever had in a year was I believe pre-tax 600,000, which would have given them a two or three times advantage. They had made several strategic decisions that were good and correct. And we had not. So in that meeting, at the lake my father decided that he needed to have Mr. Zimmerman retire. The question was who would take his place. My father decided that it would be a gentleman who was running our operation in Greenville and that it would not be my former brother-in-law, Bill Bennett. My father was not going to have Mr. Bennett running the company. He had had many, my father had had many discussions with many people in the company who found it very difficult to work with my former brother-in-law. And he was not going to have that. So my father, while I waited at the lake, got in his car and drove down to Charleston. He met with Mr. Zimmerman and informed

him that he would no longer be working in the company. And that he then made the announcement that the gentleman in Greenville would become the de facto president of the company. And I actually thought that with that gentleman involved and my former brother-in-law involved and me involved that we could steer the company in a good direction. And so that occurred. My, several things happened. My former brother-in-law --

Q. Now are you referring to Bennett? If you would call him names so we could follow. Mr. Bennett?

A. Mr. Bennett reacted very negatively to that announcement. He and my father and mother had already planned a trip around the world with their friends Mr. and Ms. Lane that would take them a couple of months to go around the world. And they embarked on that. Mr. Bennett decided that he would with the, this decision being somewhat of an affront to him that he would begin to act as a somewhat of a co-equal or partner with my father. And he began to get into other businesses of his own choosing. When my father got back from the two-month trip and found out about this, he confronted Mr. Bennett, informing him that he couldn't operate, that Mr. Bennett could not operate these other interests and at the same time be a senior member of the firm, of the company. Mr. Bennett wrote my father a four-page handwritten letter. I wish that I had

kept it for the record. It went into a great deal of discussion about why my father's decision was not a good one. And that, and he ended the letter with a line, famous line saying that I, that he hoped that this incident would not result in a Mexican stand-off were his, with my father. And my father as the president, CEO, founder, 100 percent owner, did not, found that to be the last straw. He called me, my father. I flew down to Charlotte. He picked me up at the airport. He and I drove out to a club near the, my father's operation. We sat down and read through the letter over and over and over. The, we, my father then decided that he would go to his office with the two of us, drove to his office. We went in. Mr. Bennett's office was right next to my father's office. My father's long-time secretary was there. We went into my father's office. He called his secretary in the office. He composed the letter of dismissal to Mr. Bennett. She went out, typed it up, came back in, signed it. And the two of us got up. He stepped next door, handed it to Mr. Bennett. And we walked out the door. It caused a great deal of pain and suffering and problems in our family. My mother who not only loved me but loved my former siblings as well, was very concerned about her daughter. But one thing that my father did which distinguishes him from the actions that my former siblings and, have taken is that when he removed Mr. Bennett for

cause, and in our company for cause, the dismissal, would have been immediate. For anybody else with cause, it would be two weeks' severance pay. My father offered and Mr. Bennett took and received a year's salary along with the medical benefits that we had in the company. And so Mr. Bennett in a time of great concern and difficulty and his wife suffering from a form of cancer, my father made, made available his salary which was unheard of in our company. And the medical benefits that went along with it. The departure of my former brother-in-law was a big blow to the company and me in particular because it, as I said, even though I was in Charlotte and in charge of five or six of the operations up there, I thought that if he was in Charleston minding the books and I was involved with the operation and the gentlemen from Greenville were there, that we could in fact turn the company around. His departure did not allow for that to occur. And so our company suffered. And in 1982, all of this occurring in '77, '78, '79, I think, in 1982 we merged our company under unsatisfactory circumstances. In 1982, my father was 75 years old maybe, had been fighting a lot of battles for a long time. He was tired. He was, he had just finished removing his partner from the company. And I will say tangentially from that, not having, not needing to or required to by his stock, my father offered to buy Mr. Zimmerman's stock in the company

which got into a litigious situation or almost, was not done well. But my father did buy my, Mr. Zimmerman's stock in the company. And but in 1982, we merged with our competitor in Charlotte whose net worth was twice ours. And my father managed in his kind of last great stroke, stroke of good work, to have us have a 50/50 deal in the voting stock of the company. They retained another third of the stock in non-voting stock. And at the closing with everything all said and done everybody around the table, my father spoke to his counterpart and said that there was one more requirement and that that would be that his salary, my father's salary and the other gentleman's salary, would remain the same forever. My father at the age of 75 was terrified that his salary was going to be taken away from him and that he would have no recourse. And the other gentleman agreed to it. And so my father's salary, their salaries went up together but they always remained the same. Had that not gone through, I don't know whether the merger would have gone through. I was in the room, of course. And it was a brilliant move on his part to guarantee his, at least his salary. But it was a terribly disappointing demeaning time for my father to have to negotiate that arrangement. But it was the best thing that he could come up with. And so from, that occurred in 1982. My father then pretty much did not have any more, much operational dealings with the company.

He relied on his portfolio of municipal bonds, his rental money from cylinders and his income that he had salvaged in the merger, on the day of the merger. And I moved to, back to Charlotte as the number two, in effect, number two man behind the other gentleman's son since they had the, in effect the majority of the company. And I worked as hard as I could to make that, I went to places, I talked to, we had people who had worked for our company for 35 years who were now asked to sign a non-compete or they couldn't stay on with the company. I had to work as hard as I could to have them do that. It was demeaning and, but I did. And I stayed in that position for two years doing what I could to secure that or to help cement that merger. My brother who had worked for the company kind of off and on, but he left the company immediately, embarked on a, in the securities business in Charlotte.

Q. You're referring to Dan?

A. My brother Dan. And while I was trying to do my job in the company, in the new company in Charlotte, he was working on a program involving my father's portfolio. And over a number of years he managed to have that portfolio highly leveraged. And in 19-, in the crash, in the stock market crash of 1987, my father died in 1988. He was very infirmed at that point. In the stock, in October of 1987 the stock market crashed. And my father, all of his

municipal bonds, all of his stocks, all of his outside collateral was gone. The cylinder rental income was ending. And at that point in time in 1987, my father's income went from 500- or $700,000 a year and whatever his net worth was to his hundred and fifty or a hundred and seventy thousand dollar salary. My uncle and my father's closest, other closest associate who became a trustee of his estate, Mr. Henry Buist, came to me with my father's tax return for April of 1978. I'm not right about that.

Q. 1987?

A. 1987. Thank you. 1988 is when, in April I went in and had to have my father sign his tax return without going over the devastation to his income and all of his securities and the great loss that he suffered. In the, my, a number of things occurred. But my father and mother's will, determination was that the, upon mother's death that the, my father prior to this, and this, again, my former sibling wanted my mother and father to have a house in the country, that she wanted it as well.

Q. Who is that?

A. That was, that was Jacquelin. They found a house, a beautiful home. And my parents bought it I think for $500,000 that was secured by the stocks that we lost. And at the time, my uncle and I had to go down to

see Hugh Lane and borrow $500,000 to either make the acquisition or, of the house. But my father was determined that that, he would have a house for his, for two of my former siblings and a house at the lake for me and my brother. And that his oldest child he would provide a cash payment to accommodate everybody.

Q. The oldest child being Kathleen?

A. His oldest child.

Q. Uh-huh (affirmative response).

MR. BABCOCK: Susan, when you get to a break, can we take --

MS. WALL: We'll go. I want him to finish this.

A. Pardon me?

BY MS. WALL:

Q. You can go ahead and finish.

A. No one was aware in my family of the tremendous loss of income. And my father died in July. And with that, there was no income. The only income there was at that time were rental income on the cylinders which had a time certain to it, maybe another year or two. So my former siblings had no idea of all of this. But my father's last years were full of tremendous stress, financial hardship. And, but in many instances all through his life, some of which I have spoken to here, he provided for each one of us in his own

way, having been helped himself. He never forgot to extend a hand and help the rest of us, even in the midst, at the end of great financial devastation and all of that. And each one of us had benefited from him and her. And each one of us at different times have had our, have had a hand held out to us. And in the case of my former siblings, when they sued me and went to the FBI to form a criminal action against me, they lost or forgot, particularly for instance my former brother-in-law, the hand that was offered to him at a terrible time in his life, no matter the right or the wrong, I don't say no matter the right or the wrong. But that dealing a good deed even in the midst of very difficult times is the legacy that my father and my mother left to me.

Q. All right. Thank you. With that, we'll take a break.

MR. BABCOCK: Susan, I don't know. Did you instruct the witness about not being able to talk to people during breaks? If you did, I didn't hear you.

MS. WALL: I haven't done that. But if during breaks, if, you could certainly pass pleasantries. But if you'll refrain from discussing the substance of your testimony or anticipated testimony.

A. Well, for the record I have been deposed before.

My siblings, former siblings deposed me for four days. And they managed to make it over a weekend in which five days, six days, I was not allowed to speak to anybody. So I am very aware of the rules and know how difficult that can be, even for a short period of time.

VIDEOGRAPHER: We are off the record at 12:36 p.m.

(Off the Record.)

VIDEOGRAPHER: We are back on the record at 12:47 p.m.

BY MS. WALL:

Q. Now, we ended to take a short break. And you brought us through to we were talking about your father passing away in 1988; is that correct?

A. Yes, ma'am.

Q. All right. Let me direct your attention now to some specific matters. I'm going to ask you some specific questions. And, again, let me know if you're not following where I'm going or have any difficulty in understanding what I'm asking you about. When your father passed away in 1988, was there in existence one or more trusts?

A. Yes. At his demise.

Q. At his death?

A. Yes.

Q. Okay. And do we understand that there were two

trusts?

A. Yes.

Q. And did he have trustees or were there trustees appointed?

A. Yes.

Q. And who were they?

A. His brother and closest confidant, Mr. Norman W. Stevenson who was an attorney, Davidson College graduate, UVA law school and closest confidant and friend of my father's. Mr. Henry Buist who was an accountant who was my father's accountant for many, many years. Me, Thomas C. Stevenson the Third and my brother Daniel R. Stevenson the Second.

Q. And were you and Dan as trustees a good bit younger than Henry Buist and Norman Stevenson?

A. Yes, we were.

Q. Okay. And how many years would you say?

A. Well, my --

Q. Were they contemporaries of your father?

A. Well, my brother, I mean, my Uncle Norman, my father's youngest brother was my mother's age. And they were, and he was ten years younger than my father. I guess he was 40 or 50 years older than I was. Something like that.

Q. Uh-huh (affirmative response).

A. That's my father, that's my uncle. And Henry Buist about the same as far as I could tell. So yes, they were.

Q. Tell us about during, let's say over from 1988 when you and your brother and Henry Buist and Norman Stevenson became trustees of the two trusts, and over the next ten years, say from 1988 to 1998, we'll just take ten years, explain to the jury how this, what went on among the trustees, what kind of activities, if any, did y'all undertake with regard to the trusts. How did this work?

A. First of all, I did not know that I was going to be a trustee until my father's death. I had never been a trustee, had no training to be a trustee. And but the four of us met. And with my Uncle Norman's, with my Uncle Norman's experience as a lawyer and my, and Mr. Henry Buist's experience as an accountant, and for that matter as my brother's experience now at that time in the securities business, the protocol of the, of our, our protocol was set up by my Uncle Norman and by, primarily by Mr. Henry Buist. We met irregularly on no, maybe three or four times a year. My uncle was the de facto leader of our group. We, Mr. Buist served as the, not only as a trustee but he performed all of the accounting functions for the trust. Whatever trust requirements, I'll use the word, were set up by my uncle. Though I'm not aware of any written

instructions or book or anything that was produced by that, for that. They relied a great deal on my brother's connections and/or experience in the brokerage business to, I recall one day where we interviewed four money managers, all of whom had been put forth by my brother's investigation of them for the purpose of deciding what, of having a money manager advise us. We, at that time we had settled on one. I don't recall who it was. I did not know any of them. But after that we decided on one. We went, we used that group for some period of time until my brother determined that, he thought that there was a better or another group. The firm came up and interviewed with us. The Douglas Capital is their name. And we chose to go with them, a change. And the, throughout their, they throughout the time my uncle and Mr. Buist were alive and active trustees, they determined the protocol, when we would meet, what we would discuss. And I offered up whatever, whatever I could. But I again was not a -- though I was a business person, I was not a stock or bond or investment person. And, again, all of that, all of our activities were primarily directed by Norman Henry and my brother Dan to include any reporting that we did or didn't do to anybody.

Q. Let me ask that question. During the time that Mr. Buist and Norman Stevenson were trustees, do you recall any reporting to beneficiaries, written or oral, with regard

to the state of the investments or otherwise?

A. I do not recall any, any reports or discussions or certainly no meetings with anybody.

Q. During this ten-year period, were you ever asked by any beneficiary or person interested in the trust except for your mother as to the state of the trust or the state of the finances or the state of the estate?

A. I'm not even sure that my mother, my mother never asked me about that. Whether she asked Norman or Henry Buist that or not, I don't know. Certainly not in my presence or in any formal meeting that we would have had. And the same for anyone else. And I would just, not only beneficiaries, but for instance, Mr. Buist performed, did the tax returns and filed the tax returns. I don't know what he and Norman talked about or discussed or signed. I never saw those tax returns or reports. But they were filed properly by Mr. Buist. And that was, and so any other correspondence or meeting or information that was needed to be provided was done by them.

Q. During this ten-year period, we're going from 1988 to 1998, did you from time to time borrow money from your mother?

A. Yes.

Q. And did your mother willingly lend you money?

A. Yes.

Q. Tell us a little bit more about your relationship with your mother. Was she generous to you? Was she kind to you or not?

A. Well, she was very generous and very kind to me. And at difficult times she was very helpful to me. One particular time, and I believe this would have been in the late 80s, 1980s, I went, I had a falling out with, and a bad business arrangement with a partner of mine. And we owed money and I went to see her. I asked her about it. And I asked, though, that she allow me to make an appointment with Mr. Heyward Carter to come visit with him so that any action taken on her behalf would be fully disclosed to him so that he could advise her as best he could what to do.

Q. Whose attorney was Heyward Carter? Your mother's?

A. Well, Norman Stevenson was very involved in my mother's, after my father's death, very involved with my mother. But I think he believed that she needed the best advice and the best estate lawyer that she could have. And I'm not sure how, whether I advised her to seek out Mr. Carter or whether my Uncle Norman did. But I believed that Mr. Carter was the best, the best person for her to talk to, particularly since I thought Norman, and I'm not sure when he died, Norman was advanced in age and thinking. And I, so Heyward was my mother's lawyer. And so we went to

visit Mr. Carter, my mother. I took my mother there.

Q. After you asked her to borrow the money?

A. That is correct.

Q. So you asked her to borrow the money. And you thought that there needed to be, that there would be tax implications; is that correct? Did you recognize that?

A. Well, I knew that there would be several implications, estate implications and tax implications. And I did not, I wanted to make sure that she was not only fully advised of that but that she was fully, that she was represented by the best that there could be. And at the meeting when I discussed or when we discussed this with Mr. Carter, I requested that I leave the meeting and not be a part of any discussions that they would have about what if anything to do about my request or how it, how it would affect her estate. The other former siblings of mine and to make, so that it would be their decision and not mine or that I would not have any input into that.

Q. How much money had you requested?

A. I think $4,000.

Q. And what was the purpose for? Was it for business?

A. To pay off existing indebtedness.

Q. And before you went to see Mr. Carter when you asked your mother for that money did she agree to give you

the money?

A. She did.

Q. Did you ultimately sign a note?

A. I believe so.

Q. And when did this occur?

A. Well, my father died in 1988. 1987, the crash occurred. 1988, he died. 1989, the hurricane, Hugo, came through. And I would think that this was sometime in 1990 or '91.

Q. Did there come a time when you requested of Norm Stevenson after this period of time after 1990 or 1991 that the trust purchased from you a promissory note in the amount of $583,000 from Sunox?

A. At, and let's see, we merged in 1982. The stock, the stock came into existence in 1982. In 1992, the company, Sunox offered to acquire the stock back from our family of which I will say and I have said in my prior deposition from my former siblings that I was totally and completely against this transaction. The only reason that we had to do it again was because of the serious illiquidity that existed in the family. No one knew, of which no one properly or fully understood except for me and my Uncle Norman and Henry Buist. So in 1992, the company approached, called Mother, called Norman and asked if they could have a meeting. Norman, Mother and I drove to Columbia. And we

met the other part of the company, the other family in the club up at the top of the bank building. And they offered to buy the, our interests for 10 million dollars. We told them that we would consider it. And on the way back I told my mother and told Ms.-, my uncle that the gentleman who made the offer, Mr. King, who never graduated from high school, smart as he could be and as hard working a gentleman as, was not going to offer us 10 million dollars for something that he thought was worth 12 or 15 million dollars. I thought that if he were offering us 10 million dollars, he was expecting that to be worth 50 million dollars. It turns out by the way two years later he sold after he bought our interests that he, for 10 million dollars, he sold his whole company for 165 million, 30 percent of, 33 percent of 165 million is 45 or 50 million dollars which is what our interests would have been worth just two years later. But we were in such dire financial, such difficult liquidity, again no one knowing it. The Sunox stock was, paid no dividend. There was no salary coming in because my father was dead. There was a little bit of cylinder rental income coming in. All of the stocks and the bonds and everything else other than the real estate had been liquidated in the crash of '87. So over my strenuous objection, we sold our interests to them. And it had three components to it. Six million dollars came in the form of cash directly to my

mother or to the estate, 3 million dollars or 4 million dollars was, came in the form of interest bearing notes. And those notes were distributed to the other, my former siblings and me and Dan. So we received interest bearing notes from the company. The trust received 6 million dollars in cash. And my mother received $200,000 a year in cylinder rental for either two, or maybe just two years. So each one of us, those receiving the notes, the notes had, there were five people receiving 3 or 4, 3 million dollars I think, 3-something million dollars' worth of notes, five. Each note had a, well, there were many notes depending on which family we had. But each family had an equal number in aggregate. But the notes had a total face value of approximately $600,000. And at the time, the interest rate was, I think 10 or maybe even 12 percent. I'm not sure. At some, and now that was, that was it. Now, that provided liquidity to my mother primarily. And so we went along for several years like that. And at a time, at a point when the notes were to be redeemed for their face value. And I can't, I think that, that it had originally had a five-year redemption feature to it. I thought that it would be a good thing for the trust to have in its portfolio a 12, 10 or 12 percent interest bearing note that would be paid off or redeemed in 12 months or less or

something like that. So I offered or suggested to my uncle that they, that the trust buy my note for its face value.

Q. We're going to have to stop here.

A. Pardon.

VIDEOGRAPHER: This is the end of videotape number one in the deposition of Thomas C. Stevenson. We are off the record at 1:18 p.m.

(Off the Record.)

(Defendant's Exhibit Numbers One and Two were marked for identification purposes.)

VIDEOGRAPHER: This is tape number two to the videotaped deposition of Thomas C. Stevenson. We are on the record at 1:21 p.m.

BY MS. WALL:

Q. Tom, I just handed you what we've marked as Exhibit Number One and Exhibit Number Two. And I direct your attention first to Exhibit Number One which is dated February the 28th, 1994, from Norm Stevenson, your uncle, to you. Is that correct?

A. Yes, ma'am.

Q. And this references the fact that the three other trustees, that being Norm Stevenson, Henry Buist and Dan Stevenson met and considered your request that the trust purchase from you your promissory note in the face amount of

$583,000 from Sunox. Do you see that?

A. Yes, ma'am.

Q. And in this letter from Norm Stevenson, the, he sets forth certain conditions for the trust to purchase this note. And the first is that you resign as the trustee. In fact, did that ever come about?

A. It did not.

Q. Exhibit Number Two, is that a letter back to him from you with regard to this same subject matter, that being the Sunox note?

A. That's correct. It is.

Q. And you set forth in that first paragraph in response in the document marked Exhibit Number Two with your letter to Norm Stevenson dated March the 7th, 1994, that the, and I quote, the trustees presently have various forms of self-dealings which vary in type and substance but benefit the trust and are therefore deemed prudent. Were these matters that you four as trustees had undertaken from time to time?

A. Yes, ma'am.

Q. You go on to say in that letter in section number two that the trust would be acquiring an investment which substantially increases the return of the trust. And then you discuss that. What ultimately was the determination of the trustees with regard to your requests that the trust

purchase this note?

A. The trustees acquired the note at the face value. It performed as I stated it would, generating a much higher income for the trust for the balance of its life or its time. And the company redeemed, the company being Sunox, when it redeemed all of the notes, and if I may say the reason for it is because the interest rates in the market were substantially less than this which I again thought that this would benefit the trust by having the higher interest rate. And when the interest rates were, became much lower as they were, the company wanted to; I think they even acquired, redeemed these notes sooner than they needed to. But in any event, the trust received the higher interest rate than it had, than it could have possibly gotten anywhere else. And it received the principal when the notes were all redeemed by the company.

Q. You go on in this letter to state, and I quote, my mother has been more generous and more helpful to me than I can ever speak about or deserve, end quote. Were you aware that your mother within several years of loaning you $400,000 forgave that note?

A. I was not aware at any time until I, until my mother, until I, until my mother's death that my mother had decided to forgive that indebtedness.

Q. And when did your mother --

A. I had, as I said before, I had left the meeting intentionally between she and Heyward Carter. That was a prerequisite. I told Mr. Carter that I was not going to be there for that, any further discussion. And I wasn't. And I had no, I was unaware until my mother died that she had forgiven that indebtedness.

Q. When did your mother die?

A. In 2007.

MS. WALL: Can we take a break?

VIDEOGRAPHER: Off the record at 1:28 p.m.

(Off the Record.)

VIDEOGRAPHER: We are back on the record at 2:01 p.m.

BY MS. WALL:

Q. Tom, I'm going to take you to October of 2001. Do you recall that in October 2001 you and your brother Dan met with Lynn Kerrison and Heyward Carter?

A. Yes, ma'am.

Q. Now before that meeting in October 2001, had you from time to time taken moneys from one or the other trust, borrowed moneys from one or the other trusts? I'm going to use the word borrowed, moneys from one or the other trusts.

A. Well, I, the word borrow is a, is not quite the word. But I had a plan to invest money from the trusts in

my company. And actually somewhat similar to this much earlier note, issue involving the Sunox trust, the Sunox stock, Sunox note. And I approached my brother with an idea that would increase the income to the trusts. And I did in fact move money from the trusts to my company secured by a note and personally guaranteed by me.

Q. And did you move money from both trusts?

A. I believe so. Though my brother handled, I'll call it the logistics of that. And I think that, I think we talked about equal amounts from the two, from both trusts.

Q. And did, during this time frame did Dan also move money from the trusts to put into one or more of his companies?

A. At some point he did. I am not aware of the, there is a portion of money and time in which he transferred money to his operations of which I am not aware. And I can't, certainly by the time of this meeting with Mr. Carter I was aware of the, of moneys that he had transferred.

Q. Now, before transferring moneys from either or both of the trusts, you did not first discuss that with Mr. Carter, did you?

A. I did not.

Q. Now you say that you moved money from the trusts to your company. Tell us about your company. What company are you referring to?

A. The company is called Fabtech or was called Fabtech, F-A-B-T-E-C-H, a company involved in the metal fabrication business. A company I started by, with the acquisition of three smaller machine shops, metal working companies, that I bought and physically merged together. And we made parts for clients like what was Westvaco's paper mill here. I think it's MeadWestvaco now. Maybe it's -- no, I think, I'm not sure now. But we had a, a group of first class clients for whom we did and made metal parts. And I started that company in 1999 I believe.

Q. Were you the sole owner?

A. I was.

Q. Now, did you understand that you were asked to meet with Lynn Kerrison and with Heyward Carter because Lynn Kerrison had told Heyward Carter about some of the moneys that you had moved from the trusts into your company?

A. Yes.

Q. At that meeting in October 2001, specifically October the 23rd, 2001, did you assure Heyward Carter that you would sign notes in order to protect your mother?

A. I did.

MR. BABCOCK: Object to the form.

BY MS. WALL:

Q. Did you --

A. I had already signed notes in the original, I had

already signed notes.

Q. You hadn't signed notes for all of the moneys that you had moved from the trusts, had you?

A. No. But the original amount I did. And that was the protocol that I was prepared to follow all the way through.

Q. When you reference the original amount, you are referencing the amount that you actually borrowed from your mother that she willingly gave to you in the amount of approximately $400,000?

MR. BABCOCK: Object to the form.

BY MS. WALL:

Q. Is that right?

A. No. I'm actually talking about the first of, the first moneys that went into my company that came out of the trust.

Q. When did that occur?

A. I will have to look at the, at those notes.

Q. Okay. And was that first money that came out of the trust and into your company, was that done at a time when Henry Buist and Norm Stevenson were still alive?

A. No. It was not.

Q. Did you prepare your own note?

A. Yes.

Q. Heyward Carter did not prepare that note; correct?

A. He did not.
Q. At that meeting in October 2001, did you tell Heyward Carter that you would go out and get an attorney?
A. Yes.
Q. Did you tell Heyward Carter that you would tell your siblings about the moneys being taken from the trust?
A. Yes.
Q. I'm going to hand you what we've marked as Exhibit Number Three.
(Defendant's Exhibit Number Three was marked for identification purposes.)
Q. And this is entitled Conference With Dan and Tom Stevenson and Lynn Kerrison October 23, 2001. And I understand this is not your document, is it?
A. No, it is not.
Q. All right. And I will tell you that this is a memorandum prepared by Heyward Carter about a meeting with you, your brother Dan and Lynn Kerrison on October the 23rd, 2001.
A. Yes, ma'am.
Q. And I'm going to give you an opportunity to look at this. And then I'm going to ask you a few questions.
A. May I make a comment right --
Q. Uh-huh (affirmative response).
A. In this first paragraph, Tom explained the

distributions to Fabtech had been approved by Dan. Said the two notes to the trust for a hundred each dated 11/99. These are the notes that I was referring to prior to --

Q. All right.

A. -- prior to that I had already done.

Q. Okay. So what we can do is we can go through it as you're looking at it.

A. I'm sorry. Yes, ma'am.

Q. And then looking at that first full paragraph you explained to Heyward Carter and Lynn Kerrison that distributions, or you earlier called it moving money from the trusts to Fabtech had been approved by Dan, and that it was your earlier testimony you prepared two notes for a hundred thousand dollars each dated November 1999 which you had updated when there were further loans or when you moved further money from the trusts into your company; is that correct?

MR. BABCOCK: Object to the form.

A. That is correct. Except, with this, I didn't know whether I would be or would not be. But that the notes guaranteed, signed and, the notes signed by the company and guaranteed by me at a higher interest rate than was available in the market, was a, was the model under which I was operating and would be the model under which I would operate going forward if that were the, to be the case.

BY MS. WALL:

Q. And these were notes that you prepared; correct?

A. Yes, ma'am.

Q. And you explained in this meeting that the moneys moved from the trust that you had made these as investments; is that correct?

A. That's correct.

Q. Did you also say that you had paid interest which interest payments had gone into Douglas Capital accounts for the trust?

A. I had made a, one or two interest payments and intended to make more. But I, but that was my intent and I had made a few. I can't remember the number. There is a list that, I mean, there is a record of what I did do.

Q. Now, do you recall that in this meeting as the memo sets forth that you understood that Heyward Carter was representing your mother's interests; correct?

A. That is correct.

Q. Heyward Carter was not representing your interests, was he?

A. No, ma'am.

Q. He was not your lawyer, was he?

A. No, ma'am.

Q. He wasn't representing your siblings' interests or anyone else's interests except for your mother; isn't that

right?

A. That is correct.

MR. BABCOCK: Object to the form.

BY MS. WALL:

Q. Do you recall that he said to you and Dan is that you needed to address the moneys that the two of you were moving from the trust to your companies with your siblings?

A. Yes.

Q. Do you also recall that he told you that there needed to be proper documentation in place?

A. Yes, ma'am.

Q. Do you also recall that he told you that you should have an independent party review and approve your loans, that is not just you approving Dan and Dan approving yours?

A. Yes.

Q. Do you also recall that he told you and discussed with you and Dan and Lynn Kerrison at this meeting the advisability of a family meeting with siblings and that such a meeting before your mother died could help avoid more serious problems? Do you recall that?

A. Yes.

Q. Did you tell Heyward Carter at that meeting that you would decide about a time of meeting with the siblings and that you would meet with your siblings?

A. Would you ask -- I mean, I said that we would, that Dan and I certainly would strategize about having the meeting and when to have the meeting. And that we, it was our responsibility to have the meeting.

Q. Do you recall a discussion by Dan that he had talked to your mother about his borrowings or movement of money from the trust to his businesses?

A. That was the first time I had heard him say that. I was aware that he had gotten my mother to co-sign a note at the Bank of South Carolina. And actually, not actually, and I knew that not from him but from my position on, as a member both of the board of the Bank of South Carolina and as a member of the loan committee of the Bank of South Carolina of which subsequently I became the chairman of that committee. So I, from that I knew that Dan had the, had had meetings with his mother and had done a variety of things of which I was not privy to or aware of.

Q. Was that loan that your mother co-signed obtained from the Bank of South Carolina, that had nothing to do with the trust, did it? It was her, that was a loan --

A. That is correct. That is from the --

Q. -- from the bank; correct?

A. From the bank to Dan.

Q. Co-signed by your mother?

A. Co-signed by my mother.

Q. Up to October the 23rd, 2001, you had never given any checkbooks or other financial documents to Heyward Carter concerning your moving money from the trust, had you?

A. No, ma'am.

Q. And you had never asked Heyward Carter's permission, advice or otherwise discussed with him your moving moneys from either trust and putting them into your company, had you?

A. I had not.

(Defendant's Exhibit Number Four was marked for identification purposes.)

Q. Going to hand you what we've marked as Exhibit Number Four, a letter dated November the 29th, 2001, to you and to your brother Dan. Do you recall receiving this?

A. Yes, I do.

Q. And that was a letter from Mr. Carter copied to Lynn Kerrison as a follow-up to the meeting that we've just been discussing, that is the meeting of October the 23rd, 2001; correct?

A. Yes, ma'am.

Q. And in that letter he, Mr. Carter states that following up on, up our meeting at Lynn Kerrison's office on October 23, I understand that each of you is drafting promissory notes. And were you, did you in fact take care of that? Was that done?

A. Yes, ma'am.

Q. And that Dan was to determine whether the certificate of deposit at the Bank of South Carolina and the loan what the factors were as to that; correct?

A. Well, again, this was between Dan and his mother and the Bank of South Carolina.

Q. And that Dan was to determine it; correct?

A. This was to be his. Yes.

Q. And then at the end at the bottom of the letter it says the two of you, and he is referencing you and Dan, are discussing a strategy for meeting with your siblings; correct?

A. Correct.

Q. And did you do that?

A. We eventually did that. Yes. But we certainly discussed a strategy for meeting with our siblings.

Q. And that was you and Dan discussed it; correct?

A. Yes, ma'am.

Q. At that meeting there was also a discussion about your obtaining an attorney. And did you eventually do that?

A. Yes, ma'am.

Q. Was there also a discussion at that meeting that your and Dan's moving of money from the trust to put into your own companies could be seen as improper?

A. Yes, ma'am.

Q. After the meeting in October of 2001, did you and Dan stop moving money from the trust into your companies?

A. No, ma'am.

Q. Before making additional movements of money from the trust into your companies, did you first call Heyward Carter for his advice, approval or to otherwise discuss it?

A. No, ma'am.

Q. Approximately a year later in November of 2002, do you recall a telephone conversation that you had with Heyward Carter, wherein there was a discussion as to whether or not you had in fact met with your siblings to discuss the moneys being removed from the trust to put into your and Dan's companies?

A. Yes.

(Defendant's Exhibit Number Five was marked for identification purposes.)

Q. I'm going to hand you what we've marked as Exhibit Number Five. And this is Heyward, I will represent to you this is Heyward Carter's file document concerning a telephone conversation with you dated November the 12th 2002. Do you recall that in that telephone conversation with you he reminded you about the meeting at Pratt-Thomas Gumb's office?

A. I do.

Q. And that you and Dan were to meet with your

sisters to discuss the loans from the trusts?

A. Yes, ma'am.

Q. Do you recall he then asked you if that meeting had in fact occurred?

A. I do.

Q. And did you tell him that there had been no meeting with the sisters?

A. I did.

Q. Did you go on to discuss with him some disagreement that was going on among your siblings?

A. I did.

Q. And what were you referencing?

A. My sister, my former sibling Jacquelin Bennett and her husband had left on the boat and had sailed across the Atlantic and in various places and had been gone a long time. And this may have been actually, they would fly back for various reasons. And after one trip, I mean, after flying back or after being in the Black Sea and coming back, my other sibling Kathleen had undertaken a, I'll call it a major renovation of the country house that my mother and father had bought for the express purpose of giving to them. My, in my mother's later years, she did not, she in the beginning of the purchase of that house found it difficult to drive my father up to the house in North Carolina. She was aware of my siblings' interests in having a house in the

country, purchased this house. But found it very difficult to go there. And when the, my siblings who were using the house had left it, had let their dogs roam around and had just not left the house in good hands. And she expressed that to them. She expressed that to me, to my brother Dan. I know that he expressed that to my siblings to try to get them to clean up the house and leave it in -- and my mother became increasingly unwilling to go down there because of that. And so the house was in need of remodeling and repair and rework. I think it bothered everybody, including Kathleen. And she undertook an effort to remodel. It was an extensive remodeling. And when, I did not know, I didn't know what they were doing. It was strictly her work and Dan signing the checks to have it done. But a great amount of work was done. And when Jacquelin returned and walked in and saw the extensive amount of renovation, she became extremely upset. She became extremely upset and let Kathleen know that. And it intimidated Kathleen. It scared Kathleen. And it, and Kathleen was extremely upset by the reaction of Jacquelin. And that was, we were all, we, the rest of us were aware of that. And it was not a time for our family to discuss anything. And so Kathleen agreed, understood and agreed that this was not the time to have any discussion of any kind with our family.

Q. I think you maybe started to say something. And I

want to give you that opportunity. You say that Jacquelin became very, I've forgotten the term you used, upset or, was she angry?

A. She was angry. She was.

Q. Did she scream?

A. Yes. And I use the word intimidate to mean she intimidated Kathleen. She didn't scream at me. But she screamed at Kathleen and scared Kathleen to death.

Q. Now, finally in this telephone conversation of November the 12th, 2002, did you tell Heyward Carter and confirm to him that you would in fact discuss these moneys being moved from the trust to the company with your siblings and that he could trust you to do that?

A. Yes, ma'am.

Q. Did you give Heyward any reason to conclude that you were not a trustworthy man?

A. No.

Q. Do we understand that, from your earlier testimony and let me see if I can narrow it down and review it, that certainly in 2002 and in 2001 you were, were you a respected member of this community in Charleston, South Carolina?

A. Well, I --

Q. Did you have any reason to believe that you were not a respected member of this community?

A. No.

Q. Were you on a bank board?
A. I was.
Q. Were you a member of a church and, in fact, on occasion taught Sunday school?
A. I did. I was.
Q. Were you a small business owner?
A. I was.
Q. Were you a member of the Stevenson family who at the time enjoyed a positive reputation in the community?
A. I was.
(Defendant's Exhibit Number Six was marked for identification purposes.)
Q. I'm going to hand you what we've marked as Number Six. And is this a letter that Heyward Carter after your telephone conversation with him wrote to you and Dan?
A. I'm sorry?
Q. Is this a letter following that telephone conversation --
A. Yes, it is. Yes, it is. I'm sorry. Yes.
Q. -- that Heyward Carter wrote to you and your brother Dan dated November the 25th 2002?
A. Yes, ma'am.
Q. Did he again ask that you discuss these moneys being taken from the trust and placed into the companies with your siblings?

A. Yes.

Q. And in fact does he state in that letter that it is important that you discuss it with Kathleen?

A. Yes.

Q. All right. Let me ask you a question about Kathleen so that this record will be straight and the jury can understand what's going on here. Your oldest sister Kathleen, did she hold the co-power of attorney of your mother's with your brother Dan?

A. She did.

Q. And had she held that co-power of attorney with Dan since 2001?

A. Yes.

Q. And did you understand that as the holder of the power of attorney that she was jointly and together with your brother Dan to do certain things that had to do with your mother's finances including the right to deposit moneys, to be sure the tax returns were prepared and filed, to execute deeds, bills and notes, to allow for gifts, to receive debts, to settle accounts? Did you understand that?

A. Yes, ma'am.

Q. Now after receiving this letter that we've marked as Exhibit Number Six dated November the 25th, 2002, from Heyward Carter, again, telling you to meet with your siblings and specifically referencing Kathleen, did you have

a subsequent telephone conversation with Mr. Carter?

A. I believe so. Yes, ma'am.

(Defendant's Exhibit Number Seven was marked for identification purposes.)

Q. Going to hand you what we'll mark as Exhibit Seven which we recognize to be an internal document of Mr. Carter's referencing a conversation or a conference with you and Dan dated December the 6th 2002. Do you see that?

A. And it references I might say that I called Mr. Carter.

Q. That you had called Mr. Carter asking for a meeting in response to the letter that we just looked at that we marked as Exhibit Number Six; correct?

A. That's correct.

Q. And did Mr. Carter in that conference talk to you about the importance of keeping beneficiaries of a trust informed?

A. Yes, ma'am.

Q. And did he in that conversation tell you that you and Dan needed to talk to your lawyer?

A. Yes, ma'am.

Q. And that you responded you would talk to a lawyer; correct?

A. Yes, ma'am.

Q. And, in fact, did you and Dan thereupon in December

2002 go out to hire a lawyer?

A. We did.

Q. And did you first, you or Dan, talk to Michael Jones at Haynsworth Sinkler?

A. Yes. I did.

(Defendant's Exhibit Number Eight was marked for identification purposes.)

Q. And I'm going to hand you what we've marked as Exhibit Number Eight. And do you recognize that as a letter from Mr. Carter to the lawyer you spoke to, Michael Jones at Haynsworth Sinkler, attaching certain documents requested by Mr. Jones which were notes prepared for signature by you and Dan and a copy of your father's will?

A. Yes, ma'am.

Q. Did you ultimately retain a different lawyer?

A. We did.

Q. And who was that?

A. Mr. Howell Morrison.

(Defendant's Exhibit Number Nine was marked for identification purposes.)

Q. Going to hand you what we've marked as Exhibit Nine and ask you if you recognize this as a letter to Mr. Howell Morrison at Moore, Van Allen Law Firm dated January 14th 2003 from Heyward Carter referencing the fact that Mr. Carter has heard from Mr. Morrison that he,

Mr. Morrison is representing you and Dan as trustees of the trust?

A. That is correct.

Q. And you and Dan did in fact retain Mr. Morrison as your attorney; correct?

A. That is correct. We met with him at my office up in North Charleston to discuss this and retain him. Yes.

Q. And you understood from Mr. Morrison that it was incumbent upon you and Dan to meet with your siblings and certainly with Kathleen as attorney-in-fact as the co-holder of the power of attorney for your mother, Ms. Stevenson; correct?

MR. BABCOCK: Object to the form.

A. Correct.

BY MS. WALL:

Q. Handing you what we've marked as Exhibit Number Ten.

(Defendant's Exhibit Number Ten was marked for identification purposes.)

Q. Do you see that this is a letter from your lawyer Howell Morrison to Heyward Carter dated January 22nd, 2003, and copied to you and to Dan?

A. Yes, ma'am.

Q. And in that letter does it state that Howell Morrison is, he and his firm, I'm on the third line, are in

the process of meeting with Lynn Kerrison and her team to assess the status of the trust to advise the trustees and the trustees being you and Dan; is that correct?

A. Correct.

Q. And that you and Dan appreciate your ongoing obligation to keep the beneficiaries reasonably informed as to the status of the trust and that you and Dan are committed to the process. Do you see that in the first paragraph?

A. I do. Yes, ma'am.

Q. And in fact were you committed to the process and did you so tell Howell Morrison, your lawyer?

A. Yes, ma'am.

Q. And did you commit to inform Kathleen about the loans in her position as the co-holder of the power of attorney?

A. I -- yes.

Q. And did you intend to schedule a formal meeting with Kathleen as the co-holder of the power of attorney before meeting with all of the beneficiaries?

A. Yes, ma'am.

Q. And did Mr. Morrison as your attorney and Dan's attorney impress upon you the relative urgency of speaking with Kathleen and setting a meeting with the beneficiaries?

A. Yes, ma'am.

Q. And were you, in fact, aiming for a propitious time to hold the meeting?

A. Yes, ma'am.

Q. And were you committed to the process and moving forward?

A. Yes, ma'am.

Q. And is that what you told your lawyer Howell Morrison who in turn told Heyward Carter that in this letter of January the 22nd, 2003?

A. Yes, ma'am.

Q. And, Tom, are you a man of your word?

A. I am.

Q. When you told Heyward Carter, when you told Howell Morrison that you would do certain things, were you telling the truth or were you lying?

A. I was telling the truth.

Q. And did you give Heyward Carter or your lawyer Howell Morrison any basis to conclude that you were anything but a truthful person?

A. No.

Q. Did you in fact meet with Kathleen on May the 21st, 2003?

A. Yes, ma'am.

Q. And I want you to tell this jury about that meeting with Kathleen as the co-holder of the power of

attorney for your mother that occurred on May the 21st, 2003.

A. I made, Kathleen and I either e-mailed or called each other several times trying to set up a meeting. I have it in my calendar that we tried, had several times set aside. And for various reasons on her part or mine, we could not meet until the date that you, that we have. We agreed that we would meet at 58 Meeting Street which was the home of my mother and father.

Q. Let me stop you there. 58 Meeting Street was your mother and father's home. After your father passed away did your mother continue to live there on her own for a number of years?

A. She did.

Q. And at this time on May the 21st, 2003 was your mother still living in that home?

A. No.

Q. Where was your mother living?

A. She had moved to Bishop Gadsden.

Q. And when she moved to Bishop Gadsden for purposes of those members of the jury who may not know what Bishop Gadsden is, what it looks like, what it's like, did she first move into her own apartment there?

A. Yes. She did. We, and primarily and in particular my former sibling Jacquelin wanted her apartment to resemble her house. And we undertook a very expensive

remodeling of the apartment at Bishop Gadsden and moved my mother and her, a great deal of her furniture to that apartment. It was in the main building. I can't remember the name of it. And it was for independent living. My mother moved there. It was a very frantic time. One day I, my wife and I received 19 phone calls from my mother. I don't know if anybody else received any. But I received 19 in one day. And a similar number in many, many days. She was terribly confused, upset, anxious. And she continued to drink in a heavy fashion. And I, for one, objected to the extensive amount of remodeling. One, I didn't know how long she would be there and I didn't think that it would matter to her. It might have mattered to my former siblings. But one of the requirements in the independent living building there was that you needed to be able to find your way back to your apartment after dinner, after you finished dinner. Within three months or two or three months, a very short period of time, mother could not find her way back to her apartment. And Bishop Gadsden informed, demanded that she move from that apartment which we had spent a hundred and fifty or $200,000 renovating to another apartment, an assisted living apartment, assisted living room.

And they gave, it was no option. There was no discussion. There was no negotiation. My mother was not able to meet the requirements of living in that apartment.

And we did, in fact, move her to the next apartment, not the next one but whatever they had available for us.

Q. During the years that you and Dan were removing moneys from the trusts to place into your businesses, did, and your mother continued to live at 58 Meeting Street and then she went to Bishop Gadsden, did her lifestyle ever suffer?

A. No. It did not.

Q. Why don't you tell the jury a little bit about how, the lifestyle that your mother did have so that they can understand how she lived? For example, did she have someone to do housekeeping for her? Did she have someone to be her personal secretary?

A. Well, in that regard she had several people working for her. She had a full-time housekeeper, full-time housekeeper. She had a gentleman who came by once or twice a week, I think once or twice a week to do some of the heavier lifting like polishing the brass and that kind of thing. She had a personal secretary who handled her finances, check writing, who came in. I'm not sure how often she came in. She had a gentleman whom she was particularly fond of who came in and did a lot of the yard work and the landscaping in and around her house at 58 Meeting Street. In addition, she had a full-time housekeeper at her home in Rockville. And I'm not sure that

I remember anybody else at the moment. She drove her own car which was a Jaguar. She went out regularly. And I mean like five times a week. A lot of times to, she was very involved with all of the concert and theater and musical activities in and around Charleston. She would go out and then either have dinner at, her favorite place was the very, the finest, she would go to a number of restaurants but they were all the finest in town. Unfortunately, one night, she went to one of them owned by my friend Dick -- I can't remember his last name. But he owns High Cotton, Slightly North Of Broad. I can't remember his last name. She was at, I can't, maybe High Cotton and had had too much to drink. Dick, last name I can't remember, called me at home. I went to get her. It was not particularly, it wasn't a very polite event, picking her up and carrying her out of the restaurant. But she, she did that. She, she had a home in North Carolina. She had a home on the water in North Carolina. She had a home on the water in South Carolina. I mean, in deep water in Rockville. She had a beautiful home in, on Meeting Street. All of her furniture was handmade for her primarily. She would put, if she had parties at her house they were the parties that, they were sumptuous and people wanted to come to them. They were, unfortunately at one of those parties, I think it was primarily our family was there which she loved to entertain. After consuming too

much alcohol, she fell down and cut her, split her head wide open. I had to call my friend Duke Hagerty. And we, I took her to the hospital where she had surgery to sew up her face, her head. She, I don't, she used to take trips. She was very fond of going places with her friend Ms. Hugh Lane. They took a number of trips together. And I can't remember all the places. However, on one occasion she and Ms. Lane were on a small boat either on the Danube or some other river. And she having had too much to drink she went into a, a, not a seizure but a, she was physically unable to continue. Ms. Lane took it upon herself to get either the boat to a port and abort the trip and traveled back with my mother immediately back home. She went on many trips with her sister, older sister to whom she, for whom she adored. And she was well known in this community for her grace and her beauty and particularly her ability to give and to forgive. And she is well known for that.

Q. Now let's go back and turn your attention to this meeting on May the 21st, 2003, at 58 Meeting Street which was your parents' home. At this time on May the 21st, 2003, we understand that your mother no longer lived there, still owned it but didn't live there. She was out living at Bishop Gadsden; correct?

A. Correct.

Q. Tell us about that meeting. Who was there?

A. Well, first of all after I said Kathleen and I exchanged, it took us a couple of shots to get the meeting date. I think it was a Wednesday, five o'clock or something, I mean, it was five or 5:30. And we, Tom, I was there, my brother Dan was there, and my sister Kathleen, former sibling was there as well. We went into the living room, I mean the dining room which is just right as soon as you walk in the door. We turned right. We went into the dining room. We sat down. I had prepared a document entitled Stevenson Family Assets. And I told her that I wanted to advise her of the holdings of the family. And that I had it on this piece of paper. I handed it to her. I described what was on the, in the document. I, to include a, I called it an investment in Fabtech. And a, and I don't know whether I said a loan or an investment in my brother Dan's company called Fresh Cuts. The documents started off with a list of the other assets, by somewhat by category. What was in the marital trust, what was in the, or the amounts, what was in the Q Tip trust, all the real estate was in one section. The cash was in another section. And the investments in Fabtech and the notes to Fresh Cuts were at the bottom, not at the bottom but the last two entries. I told her that as a trustee I was, I wanted her to know what was in the trust, in the family assets. And that was what I was doing. I handed her the document. She looked

over it.

Q. May I stop you there?

A. You may.

Q. Just so I can follow this in methodical order. Did you discuss with Kathleen the amount of moneys taken from the trust and put into Fabtech and Fresh Cuts?

MR. BABCOCK: Object to the form.

A. I did not discuss the amounts. I did point out that these amounts that were on the paper were, and they were designated Fabtech investment, whatever the dollar amount was at the time and Fresh Cuts and the dollar amount at the time.

BY MS. WALL:

Q. So the amount was on the paper. And did you discuss that with her?

A. Yes.

Q. Did you talk with her about what was on the paper?

A. I talked to her about what was on the paper that this was an investment in Fabtech and an investment in Fresh Cuts.

Q. Under oath, I'm representing to you this, under oath Kathleen has stated that you mumbled, she had no idea of what you were saying the entire time she was at this meeting with you. Is that true?

MR. BABCOCK: Object to the form.

A. It is not true. I didn't mumble. I --
BY MS. WALL:
Q. Were you trying to hide anything from her?
A. No, ma'am. I handed her the document. I, after she looked at it, I asked her if she, I said, this document is for you. I asked her if she would like to have the document, no conditions to it, no strings attached. I simply said, would you like this document. She looked at it and she said, no, I don't want it. I don't want this kind of thing getting out. And I said, well, it is certainly confidential. But this document is for you. And she said, no. And I, she gave the document back to me.
Q. Did she explain to you why?
A. I was -- no. She just said she did not want this kind of information out anywhere.
Q. Why?
A. Well, she did not say why at that time.
Q. What did you subsequently learn?
A. Well, I determined, I was aware that when she and her, my former brother-in-law, her husband had filed for divorce, and they had divorce lawyers and were proceeding with a divorce that, in that action her husband's lawyer demanded, made a demand on Kathleen to produce a list of all of the, of her family's assets. And when Kathleen reported that to mother, mother became very upset. Kathleen I

believe was upset. And it is my, mine and other people's belief that she and her husband reconciled and dissolved the divorce proceedings because my mother and Kathleen did not want it to go any further after receiving that document.

MR. BABCOCK: Objection. Move to strike on hearsay and not responsive to question.

A. So I believe that that was on her mind. And she simply said she did not want that kind of information to get out, to be out. And as I said, I said to her, well, it's certainly confidential but that this document is for you. She gave me the document back. I put it in my pocket. And that was the end of the meeting. So if she has said that I mumbled and that she couldn't understand, she certainly understood that part of the discussion. And I retained the document that I had prepared for her. And we got up and we all left.

BY MS. WALL:

Q. Did she, she being Kathleen say to you at this meeting that she thought you should not be taking any further moneys from the trusts to invest in Fabtech or Fresh Cuts?

A. She did not.

Q. Did she ask you questions about the financial viability or any questions about Fabtech or Fresh Cuts?

A. She did not.

Q. What kind of education does Kathleen have? Is she an educated woman?

A. She is.

Q. Where did you understand that Kathleen was going after the meeting?

A. Well, I do not know for sure because I did not follow her. But at the time, she was having an affair with --

MR. BABCOCK: Objection. Move to strike. He has no firsthand knowledge here and that's totally irrelevant. It's not in response to the question.

A. Well, she had discussed this with, my brother Dan was aware of it. And had discussed it with --

MR. BABCOCK: And I'm going to object for the record on this hearsay. And I'll have a continuing objection on the hearsay nature of this testimony.

A. I did not follow her out of the house.

BY MS. WALL:

Q. Did Kathleen at that meeting indicate to you in any way that she was not in her right mind, that she did not have her faculties about her, that she was unable to hear, unable to understand or otherwise unable to appreciate what was being explained to her?

A. No.

Q. Did she give you any impression in your looking at her while you were explaining the family finances to her that she was incapacitated, unable to understand, unable to comprehend what you were saying?

A. No.

Q. Have you ever known Kathleen in any meeting to be incapacitated, unable to understand, unable to comprehend the English language and words and documents being presented to her?

A. No. Quite the contrary. I find her, and certainly in this matter, particularly when we met with Heyward Carter to be very observant and quite observant about the situation and the dynamics that were going on in the room.

Q. And when you and Kathleen met with Heyward Carter that was in 2006; correct?

A. That is correct.

Q. And when you and Kathleen met with Heyward Carter and Lynn Kerrison in 2006 and the family finances were discussed, and we'll get to that meeting in more detail in a minute, did she express surprise?

A. I don't, I don't think so. But I had met with her prior to that meeting. But I, I don't recall, I don't recall surprise.

Q. Well, had you met with her back in May of 2003?
A. Yes.
Q. And had you discussed with her in May 2003 the family finances and the borrowings from the trust among other financial matters?
MR. BABCOCK: Object to the form.
A. Yes.
BY MS. WALL:
Q. After your last discussion with Heyward Carter in December of 2002, you had no further discussion or contact with him in any way with regard to the trusts, your removing moneys from the trusts, until 2006; correct?
A. Correct.
Q. And in March of 2006 did you for the first time since December of 2002 have a conversation with Heyward Carter and your brother Dan involving your and Dan's taking money from the trust?
A. Could I get you to walk through that question again?
Q. Sure. That was very inartful.
A. Okay.
Q. Did you become aware in March of 2006 that Lynn Kerrison had made contact with Heyward Carter concerning moneys that you and Dan had continued to take from the trust?

A. Yes.

Q. Did you understand that Heyward and Lynn were going to send a letter to Kathleen as co-holder of the power of attorney in March of 2006 with regard to the moneys being taken from the trust?

A. Yes, ma'am.

(Defendant's Exhibit Number Eleven was marked for identification purposes.)

Q. I'm going to hand you what we'll mark as Exhibit Eleven which again is an internal memo of Heyward Carter reflecting a March 27, 2006 conference with you and Dan. And do you see the first line, I met at five o'clock this afternoon with Dan and Tom at their request? Do you recall that?

A. Yes, ma'am.

Q. And in that meeting did you say to Heyward Carter that informing Kathleen of the increased loans by the trusts would cause disruption in the family and jeopardize investments?

A. Yes, ma'am.

Q. Now, had you told Kathleen about the loans from the trust back in 2003?

MR. BABCOCK: Object to the form.

BY MS. WALL:

Q. That's what you testified to; correct?

A. That's correct.

Q. All right. And so now we're in 2006. Did you confirm to Heyward in that meeting of March the 27, 2006, as it states in the second paragraph that you had talked to Kathleen about the loans at that time, that is in 2003?

A. Yes.

Q. But you are telling him in 2006 that you did not speak with the rest of the family; is that correct?

A. That's correct.

Q. You had never told Heyward Carter before March the 27th, 2006, that you had not spoken to the rest of the family, did you?

A. No, ma'am.

Q. Now, in this meeting of March the 27, 2006, you told Heyward that your father had told you that he did not want his daughter's husbands to become involved in family investments. Had your father actually told you that?

A. Yes.

Q. What had your father told you?

A. That he --

MR. BABCOCK: Object to the form.

That's hearsay.

BY MS. WALL:

Q. Go ahead.

A. That he wanted the family matters to be handled by

me and Dan and not anyone else. And that he had gotten advice from Mr. Hugh Lane who he admired and trusted that it would be, I think my father asked Mr. Lane what he would recommend or who he would recommend handle his affairs. Mr. Lane advised him, this is according to my father, that he had two sons that had reasonable capability and that he should entrust it to them and not worry about anybody or, anybody else.

Q. Now, did you also tell Heyward Carter that you would call your attorney Howell Morrison about having a meeting, another meeting with Kathleen and ultimately a meeting with all the siblings?

A. Yes.

Q. And did you make contact with Howell Morrison?

A. Yes.

(Defendant's Exhibit Number Twelve was marked for identification purposes.)

Q. Going to hand you what we're marking as Exhibit Twelve and ask you if you recognize that as the follow-up letter from Heyward Carter to you and to Dan dated March the 28th, 2006?

A. Yes.

Q. And he references the meeting of the afternoon before; is that correct?

A. Yes, he does.

Q. And in which you and Dan ask that he and Lynn delay sending the jointly signed letter to Kathleen; is that correct?

A. Right.

Q. And that he understood from a message left by you that you planned to talk to Kathleen as soon as you could arrange it; correct?

A. Correct.

Q. And did you do so?

A. I did.

Q. And he reiterates to you in this letter of March the 28th, 2006, at the bottom of that letter that he believes that you have placed him in a very awkward position by not following through on what he clearly understood to be your commitment three years earlier as well as what had been conveyed to him by your lawyer Howell Morrison in a letter of January of 2003 that there would be a meeting with all of the beneficiaries; is that right?

A. That is correct. One thing I, in here one failing that I had or that Dan had, after the meeting with Kathleen I thought Dan was going to either call Howell and Howell convey that to Heyward or, and I think Dan thought that I was going to call him. But in any event, neither one of us called Howell to tell him that we had had the meeting at 58 Meeting Street. And therefore Howell did not communicate

anything like that to Mr. Carter.

Q. When you had that meeting in 2003 with Kathleen at 58 Meeting Street, did Kathleen say to you and/or Dan let's get a date to get together with all of the beneficiaries with the rest of our siblings so that we can have this discussion about the family finances?

A. No. She did not.

Q. Now going back, or forward, to 2006, we have, we're in March of 2006. In April, specifically on April the 19th, 2006, did you meet with Kathleen at Fabtech?

A. Yes.

Q. And before that meeting at Fabtech had you been in contact with her to arrange that date?

A. Yes.

Q. And did you discuss with her why you were having that meeting at Fabtech which occurred on April the 19th, 2006?

A. Yes.

Q. Now, what did you tell her?

A. I told her that we were, that we needed to have a meeting at Heyward Carter's office so that the, so that all the issues relating to the investment in Fabtech and the loans from, to Easy Tray up from Tom and Dan could be fully explained to her. And that that, that we needed to meet with Heyward.

Q. Was it also with Lynn Kerrison?

A. And with Lynn Kerrison. So that they could explain that that was something that I was required to do, that we needed to have that meeting.

Q. But before that meeting you met with Kathleen at your place of business, that is at Fabtech; correct?

A. That's correct. This is when I told her this. I told her that's the purpose of, that was why I asked her to come to Fabtech so that I could tell her that, that we were going to have a meeting with Mr. Carter.

Q. And Ms. Kerrison?

A. And Ms. Kerrison.

(Defendant's Exhibit Number Thirteen was marked for identification purposes.)

Q. I'm going to hand you what we've marked as Exhibit Thirteen which appears to be a series of e-mails with you and to Heyward Carter. And in the middle of this first page it indicates on April the 19th, 2006, at 11:16 a.m., am I correct in reading this that you wrote, you sent an e-mail to Heyward Carter stating that you have just met with Kathleen in your office at Fabtech and that you discussed with her investments in both Fabtech and Easy Tray; is that correct?

A. Correct.

Q. And did you, in fact, do that, meet with Kathleen at

Fabtech to discuss investments in Fabtech and Easy Tray on Wednesday April the 19th, 2006?

A. I did.

Q. Did you then go on to tell her there would be a meeting scheduled for the following Thursday?

A. I did.

Q. Now, above that you have an e-mail dated April the 21st to Heyward Carter regarding the meeting. And it states in there that you're in receipt of his letter, Mr. Carter's letter dated April the 19th and that you forwarded that letter, you sent it, that letter both to Dan and to Kathleen; is that correct?

A. Correct.

(Defendant's Exhibit Number Fourteen was marked for identification purposes.)

Q. I'm going to hand you what we'll mark as Fourteen and ask you if that's a copy of the letter that you're referencing in your e-mail that you forwarded on to Kathleen, that is, Heyward Carter's letter of April the 19th? Did I give you the wrong thing? No. That's right.

MR. SHARPLESS: Susan, when you get to a good spot, can we take a short break?

MS. WALL: Certainly.

BY MS. WALL:

Q. Let me more artfully phrase my question to you and

then we can take a break. I've handed you what we've marked as Exhibit Fourteen which should be, yes, a letter dated April 19, 2006 from Heyward Carter to you. And in your e-mail which we've marked as Exhibit Thirteen, you tell Heyward that you sent on to Kathleen his letter of April the 19th?

A. Right.

Q. Which is what we're looking at as Exhibit Fourteen; is that correct?

A. That's correct.

Q. With that, we can take a break.

VIDEOGRAPHER: This is the end of videotape number two in the deposition of Thomas C. Stevenson. We are off the record at 3:41 p.m.

(Off the Record.)

(Defendant's Exhibit Number Fifteen was marked for identification purposes.)

VIDEOGRAPHER: This is tape number three to the videotaped deposition of Thomas C. Stevenson. We are on the record at 3:55 p.m.

BY MS. WALL:

Q. Tom, when we took the break, we were looking at events of April 2006. And we saw that you had a meeting at Fabtech with Kathleen on April the 19th 2006 and discussed

with her the investments from the trust moneys into Fabtech and Easy Tray. And now I'm turning your attention to what we've marked as Exhibit Fifteen which is an internal memorandum by Heyward Carter concerning a conference on April the 27th, 2006, between or among you, Dan, Kathleen, Lynn Kerrison and Heyward Carter. And this references the meeting with Kathleen, Lynn Kerrison, Heyward, you and your brother Dan took place at eleven o'clock in the morning. And that Heyward Carter expressed that Kathleen should be aware of the status of the loans from the trusts into the businesses so that Kathleen, you and Dan could seek whatever advice and make whatever decisions you all felt were appropriate. Do you recall that as a part of the meeting?

A. I do.

Q. Heyward Carter states in this memo that at this meeting with Kathleen and others on April the 27th, 2006, that you handed out a list of Stevenson family assets. Do you recall doing that?

A. I do.

(Defendant's Exhibit Number Sixteen was marked for identification purposes.)

Q. All right. I'm going to hand you what we'll mark as Exhibit Sixteen and see if you recognize that as a copy of the referenced Stevenson Family Assets document. And you will note in the top corner, we assume it's not your

handwriting. It says from Tom. So we can assume that that is Mr. Carter's handwriting.

A. Correct.

Q. Okay. Had you prepared this Stevenson Family Assets document that we've marked as Exhibit Sixteen, did you update it from the time that you had the asset document that you had handed to Kathleen in 2003?

MR. BABCOCK: Object to the form.

A. I -- yes.

BY MS. WALL:

Q. I'm going to hand you what we'll mark as Seventeen what appears to be the same document but with other handwriting on it.

(Defendant's Exhibit Number Seventeen was marked for identification purposes.)

Q. Do you recognize that as Kathleen's handwriting? Or whose?

A. Maybe this is Kathleen's. I cannot, it doesn't, I guess it is.

Q. All right. I want you to assume for purposes of my question that this is Kathleen's handwriting.

A. Okay.

Q. That it comes from her deposition. And does, were these handwritten notes that indicate for example how much is in the checking account, cash at Bank of South Carolina

and other handwritings that that came from the meeting on April the 27th, 2006, were those matters that were discussed?

A. Yes.

Q. At this meeting with Kathleen when these various financial matters were discussed, Stevenson Family Assets, did Kathleen register shock and surprise?

A. I do not believe so. I did not detect any.

Q. Did she ask for further clarification? In other words, did she ask any questions, ask how much was in the checking account, those sorts of questions?

A. No, ma'am.

Q. Did Kathleen question the wisdom of the investment of trust assets that you and Dan had made in the businesses Fabtech and Easy Tray?

A. No, ma'am.

Q. At the conclusion of this meeting did you understand that you and Dan and Kathleen together, the three of you were going to move forward and find new counsel, that is someone other than Howell Morrison?

MR. BABCOCK: Object to the form.

A. Well, this is where I, this is the only question that I know that Kathleen asked in this meeting. And this is what I was referring to a while back in that being in meetings with Kathleen I find her to be very perceptive and insightful. After this her question was as we got up, her

question to Mr. Carter was what do you recommend we do, to which Mr. Carter said, I recommend that you get an attorney. And I believe Kathleen said, do you even recommend one or I think would you recommend one. And I think Mr. Carter said that he would get back to her with the names of, with several names for her to look at. And again that was the only question that I know that she asked and the answer. And --

Q. And, in fact, did Kathleen contact an attorney who you and Dan subsequently met with?

A. Yes. She forwarded an e-mail shortly after, the next day or two or three in which Mr. Carter had provided the name, the three names, none of which I knew. And my response to Kathleen was whatever she decided or whomever she wanted, I didn't have any knowledge of any of the three nor any preference. But whatever she, and it was a period of time, a few days I think later that she e-mailed me with, stating that she had talked to Bobby Pearlman who was one of the three lawyers. And that we were going, and that she was scheduling a meeting for us with Mr. Pearlman.

Q. And did you and Kathleen and Dan actually meet with attorney Bobby Pearlman?

A. We did.

Q. And did you meet with him in, sometime after April 2006 within a month or so?

A. Yes.

Q. As a result of, did you have more than one meeting with Bobby Pearlman as the lawyer?

A. Yes.

Q. As a result of the meetings with Bobby Pearlman with you, Kathleen and Dan, did, Kathleen, you or Dan, any of the three of you call or meet with the rest of the siblings, that is the beneficiaries under the trust to discuss the investments that had been taking place?

A. No.

Q. And, in fact, no meeting with the siblings occurred, did it, for another year and several months? More than a year later; is that correct?

A. That's correct.

Q. And this entire time from April 2006 forward Kathleen had and had access to from Lynn Kerrison, you and Dan, all of the financial information on the trusts and the investments; is that correct?

A. That is correct.

Q. How did it come about that there was a meeting with the siblings, that is, certain of the beneficiaries under the trust in 2007?

A. I had, all, one of the things that I had done all along was to make sure that the, all the checks and all the, well, all the checks were fully accounted for, documented

and were in a, and they, and it was Lynn Kerrison's idea to keep them in a set of binders, three large binders, one for the marital trust, for the Q Tip trust and for my mother's personal account. In early 2007, I, Bobby Pearlman informed me that, either late 2006 or early 2007, that based on the conversation that --

MR. BABCOCK: Objection to hearsay.

BY MS. WALL:

Q. Go ahead.

A. Based on the conversation that he had had with my brother Dan, that Dan and I appeared to be separating in our positions or interests. Dan had some thoughts that he had wanted to put forward. And I, and Bobby, I objected to them. I didn't know that Dan had these issues. And Bobby Pearlman told me that he could no longer represent the two of us, or the three of us. I actually thought at that point throughout his time that he was, because he said he was, representing Kathleen, me and Dan. In one meeting he, I found it I guess intellectually interesting or legally interesting that there were, that he would represent Dan and me as trustees, Dan and Kathleen as co-executors, maybe all three of us collectively. And that he thought, one, that he could do it, two it would be interesting, three, he thought he could pull everything together and present this with, to our family in a way that would be helpful to the family.

And he wanted to do it. That's why he took on the assignment. He, but so at all times I thought he was representing all three of us in various capacities. When he called me to inform me of my brother's opinion or ideas, and that I told him that I found, that I objected to them, a word I guess, he said that he could no longer represent us, I just, I said that I needed to go ahead and get this out to everybody, that a long time had been, this had been going on a long time. A lot of people, a lot of different people had tried to pull all the information together so that we could have a meeting. There was good intention on everybody's part to have a meeting. And with this latest with Bobby Pearlman in effect firing us, I decided that I wasn't going to wait any longer. I did hire or I went to see my, my friend, my lawyer John Hagerty. Reviewed the situation with him. And he advised us to immediately send the documents, send the three-ring binders out and to begin the process of full disclosure and a meeting. Without hesitation I, I did that. We got the binders to him. He sent them to everybody. We even sent them across the ocean to the boat where Jacquelin and Bill were. We sent them to the other two. And with that John Hagerty either wrote, e-mailed or wrote everybody saying that we, or I did, that we would like to have a meeting and discuss what was in the binders. That for one thing, Kathleen returned an e-mail to me very

quickly saying that if there was going to be a meeting she was going to call the meeting. And I said, okay. But at least the binders had gone out. And so that precipitated a series of events. People got lawyers. And the next thing that I knew Mr. McCutchen who was retained by my former half sister sibling and --

Q. That being who?

A. That was Genevieve.

Q. (Nods head affirmatively.)

A. She, Mr. McCutchen called us all to a meeting that was held at Mr. Carter's office. Mr. McCutchen --

Q. May I stop you there so we can go through this methodically? You referenced then, we're trying to put a time frame on this. So we have you and your sister Kathleen and your brother Dan going to Bobby Pearlman in, shortly after April of 2006. And then at some point in late 2006 or early 2007 he informed, Bobby Pearlman informs you that due to various circumstances, he can't continue to represent you and Dan. And then you go to John Hagerty at Nelson Mullins and let me -- and if I'm wrong please correct me.

A. Well, I'm not sure about the time.

MR. BABCOCK: I think there needs to be a question that he answers.

BY MS. WALL:

Q. Is that correct?

MS. WALL: Does that work for you?

MR. BABCOCK: Object on the leading.

A. In, I may not, from the, when we went to see Bobby Pearlman, we initially, and his response was what I said.

Q. Right.

A. Yes, I think I can help. This is a very, you know, a lot. I've seen a lot worse. Yes, I can help. And it's interesting. I have all these representations but I can handle it. We came back once or twice more to visit with Bobby. And he was gathering again information from Lynn Kerrison and all of that. That took a period of time in which I'm not quite sure. But I mean, it may have been six months or a year. I'm not quite sure of the time frame. But whenever we first went to, whenever the time shows that we first went to Bobby Pearlman it was I think early in the year. And then late in the year is when after he had done quite a bit of work he had not only gathered information, he had come up with ideas that would promote good strategy going forward, how we might, estate planning, how we might take all of these things and make something very positive out of them. And he was very confident that we could do that. And again he had prepared a variety of ideas. He had some flowcharts and that kind of thing. So that took him some period of time. And that's what I'm, there was that period of time. But then in the fall, in the latter part of

that year, my brother had a, I don't say a change of heart. Just a change of ideas. And he expressed those to Bobby Pearlman who then as I said called me. And I questioned them and thought that they were not true, weren't truthful or accurate. And that we should stay on the course that we had started with Kathleen's lead. That Bobby, let Bobby Pearlman do his work. And that a meeting would come forward from that. Again, when, out of nowhere Bobby Pearlman having had this conversation with Dan informed me that he could no longer go forward after I, a good period of time, I'm not sure a year, but some length of time, I just said, that's when I said okay, I will go, and went and saw John Hagerty. So I was just trying to clarify there was a time frame of dealing with Bobby Pearlman of, and he put in a good deal of work. And he billed us for it and that kind of thing. So then it was late 2006 and right into 2007 that I had this issue with Dan or that I did. And then I retained John Hagerty and sent out the books in the early part of 2007.

(Defendant's Exhibit Number Eighteen was marked for identification purposes.)

Q. All right. And I'm handing you what we've marked as Exhibit Eighteen just so the record is clear. Is that a copy of the letter from John Hagerty to the various, to you and Dan, Kathleen, also to Jacquelin and Genevieve

concerning having a meeting of all the beneficiaries to review the current status of the trust and a reference to Lynn Kerrison of the Dixon-Hughes Firm will be providing various financial reports to me shortly. Hopefully early this week. And that's dated May the 1st, 2007; is that right?

A. That's correct.

Q. Now, one of the copy recipients is Heyward Harvey. Did you understand Heyward Harvey to be Kathleen's attorney that she had hired in the meantime?

A. When Heyward Harvey called me, or maybe Kathleen, I think Kathleen called me, I don't recall an e-mail, saying that she thought that she needed to have her own representation. I didn't take it, I don't think it was personally but as the co-trust, co-power of attorney. And she informed me that she had retained Heyward Harvey for that purpose. She did not inform me that she had retained him as her personal attorney in regards to a forthcoming litigation, you know, litigation. So to make sure that he was in the loop we sent this, we sent him a copy of everything. I later found out that he was representing her personally.

Q. Did Kathleen ever tell you why she didn't pick up the phone and call Jacquelin about these various investments or any of her other siblings or half-siblings?

A. No. No, ma'am.

Q. After the letter that went out that we just marked as Exhibit Number Eighteen, did there come a time shortly thereafter when, in fact, there was a meeting of all the beneficiaries, that is, of all the whole siblings and the half-sibling Genevieve but not James King?

A. The, my hesitation is I believe, I am not sure, I believe that a meeting was held by some of the beneficiaries with Jim King at Rockville, their house in the country. I did not attend that meeting.

Q. Were you asked to?

A. Yes. But by that time after this May 1st letter and a series of either telephone calls or letters from Heyward Harvey which indicated to me that he was representing Kathleen personally and not as a power of attorney, demanding that I produce information and a variety of other things, and I can't remember about Mr. McCutchen at this point. But I, on the advice of my attorney John Hagerty, declined to attend that meeting. So I don't know what occurred at that meeting. The only, the next meeting that I know about is one where Mr. McCutchen called and I believe it was in July or August of 2007. I don't think it was September. But I'm not exactly sure of that meeting date. But I was not, I did not attend the meeting at Rockville.

Q. How many full, I'm going to call them family meetings, I think you know what I mean, in 2007 when I believe your testimony was everyone went out and got a lawyer; is that true? Could you tell that when you had your first meeting that everybody was there with a lawyer?

A. Oh, yes.

Q. How many meetings, full meetings were there?

A. Well, there was the original, the first meeting at Mr. Carter's office with Mr. McCutchen in charge. Mr. Carter was there. My attorney, I was there with my attorney John Hagerty. Bobby Pearlman was there. I was not sure why. But my brother Dan in the last minute, the day before or two had engaged a lawyer. And the two of them were there. My former sibling Kathleen had her lawyer Heyward Harvey. Lynn Kerrison was there. My half-sibling Genevieve was there. And her lawyer, Mr. McCutchen was leading the meeting. Ms. Felder said that she had a power of attorney I believe from my other sibling who was in the Black Sea from their boat giving, I believe both of them, both Kathleen and Genevieve whatever rights they needed at the meeting. I, at the opening of that meeting before Mr. McCutchen started I took the floor and I went around the room. And I personally apologized to everybody in the room including and beginning with Mr. Heyward Carter and including Lynn Kerrison. I had also had money put back or

returned to the trust that Ms. Kerrison could talk about. And at the end, after having gone around the room Mr. McCutchen commended me for the first, he commended me twice in that meeting. The first time after that to say that if we start off like that there's a good, I mean, we have a good chance of getting somewhere today. Shortly after that the meeting got very contentious in that my brother Dan and his lawyer had determined that somebody was seeking to potentially file a criminal action against either him or and/or me. I assume me. But him. And that, it was a great deal of commotion. And Dan and his lawyer left the meeting. I thought it best that I leave the meeting because I thought if we were going to have a productive meeting that everybody ought to be there. So I stepped out while my lawyer discussed this with Mr. McCutchen. I was not aware or not privy to any of the, those discussions. But my lawyer called me back in there. And I stayed the rest of the day, four hours of intense blistering questions from Mr. McCutchen about every check from whatever they, whatever they were looking at. I answered the, the best I could. The, at the end of the meeting Mr. McCutchen again commended me for staying in there for answering all of the questions. And at that point Ms. Turner, my former siblings' lawyer Heyward Harvey offered up a proposal whereby a note would be signed by Dan and Tom for the amount of the indebtedness.

And that at the time of mother's death that Dan's inheritance would be the first proceeds used against it. If there were any shortfall, that I would be responsible for it. And he offered up that on that, in that regard, they would consider forgiveness, the forgiveness of that amount. I'm not sure what it was, would be. And that we could discuss the offer and the issue of forgiveness now or discuss the issue of forgiveness later. With that offer put on the table Mr. McCutchen again stated that he was very, not surprised but very, he thought as he, I think his direct words, we've come a long way to the point that we now have an offer of settlement on the table. My lawyer and I said we would like to discuss it. And the meeting broke up. I left the meeting thinking that the next point of discussion was more about the settlement offer. So a second meeting was called. And that meeting, I'm not sure where that meeting was held. Whose law office, I don't know. But in any event the same group was there. I'm not sure -- yeah. Bobby Pearlman was there. I'm not sure that Lynn Kerrison was there. But by that time my former sibling Jacquelin Bennett and her husband Bill Bennett were there and had arrived. My brother's lawyer then kind of immediately brought up the idea of filing a lawsuit against the third parties involved in this which led to a great amount -- and the Bennetts were not happy, they were not satisfied with

the way the situation was. We traded words. But the, I, and through my lawyer made it clear that I had no intention of filing any lawsuit or have anything to do with the third parties. And that I thought I was there to discuss the proposal that Mr. Harvey had put forward in the earlier meeting. I was told by my lawyer that that proposal was not going to be discussed. And so the meeting broke up. A third meeting occurred. In between I was, Mr. Bennett informed me that he was going to investigate at the, he says at the request of Mr. McCutchen. He was going to investigate all of mother's checks, finances. He needed my permission as the trustee to look into all the trust matters. He had gotten permission from Kathleen as the co-trustee, co-executor, co-power of attorney to look at my mother's account even though all of the checks under question at issue were segmented, fully accounted for and having been sent out. He spent approximately a month at our accounting firm, Dixon-Hughes. I think the bill for that was just for the use of the room and the occasional people was something like 25- or $30,000. I think if we had hired some professional to do it, it might have been twice that or three times that. So I guess we saved money. But with that authority, he conducted an inquiry into every check that my mother had written back into the early 80s, which would, way back into the time when she was

fully capable of making any and all of her decisions. And as I said any checks that were in question and subject to any legal issues were already segregated, separated in the folders, fully known to, and then having been sent out. So the third meeting was held at Bobby Pearlman's office. And at that meeting I am pretty sure that Mr. Jim King who was my mother's first child and his wife were there. I don't think they had, they had an attorney. We met there. I'm not quite sure exactly what we did there other than the, the growing legal clouds were evident to everybody in the room. I'm not sure if Mr. McCutchen was there. I think Mr. Harvey conducted the meeting. I'm not sure about that. And I think those were the three meetings, family style meetings that I recall in that year.

MR. BABCOCK: Let's take a brief break so the lawyers can talk.

VIDEOGRAPHER: Off the record at 4:40 p.m.

(Off the Record.)

VIDEOGRAPHER: We are back on the record at 4:45 p.m.

(Defendant's Exhibit Number Nineteen was marked for identification purposes.)

BY MS. WALL:

Q. Tom, I've handed you what we've marked as Exhibit

Nineteen which is three pages long. You mentioned in your testimony a few moments ago that around about the time of the first or perhaps second meeting you had repaid to both trusts certain moneys. Does Exhibit Nineteen reflect a repayment to the Q Tip Trust of a hundred thousand dollars on July the 25th 2007, a second check in the amount of $200,000 to the Q Tip trust on July the 25th, 2007, and on the same day July the 25th, 2007, a check to the marital trust of $407,500?

A. Yes, ma'am. Yes, ma'am.

Q. So on July the 25th, 2007, at the approximate time of the first or second meeting you personally, let's see, before I say that, two of these checks are on your personal checking account, the one for $200,000 is on LaurenTide, Inc. The total repaid on that day was $707,500; is that correct?

A. Yes, ma'am.

Q. And for purposes of clarity of the record what is LaurenTide, Inc., in relationship to Fabtech just briefly?

A. LaurenTide, Inc., it was a subsidiary of Fabtech and it was 100 percent owned by Fabtech. So it was the operating company associated with Fabtech.

Q. Okay. And the top half of each of these three documents that indicate the date of the loan, the loan amount, the interest rate, the years and the total interest,

who prepared that?

A. This was prepared by Lynn Kerrison.

Q. And to the best of your knowledge does this accurately reflect the top of page one and the top of page three, the date of the loan, the loan amount, the total interest due on each one of those loans?

A. It does. Again we have moved from investment to loan. But for the purposes of discussion we'll call it a loan. But those are the, those are the amounts.

Q. So those are the correct amounts and the dates. And the repayment that you made on July the 25th, 2007, in the total amount of $707,500 was applied to those loans; is that correct? Or to those withdrawals from the two trusts?

A. Yes, ma'am.

Q. And that was done by the accountant?

A. Yes, ma'am.

Q. Did you also pay additional funds to one or the other of the trusts? In addition to the $707,500, was there a time in February of 2008 where you paid $200,000 in total, that is a hundred thousand to each of the trusts?

A. That is correct.

(Defendant's Exhibit Number Twenty was marked for identification purposes.)

Q. And I will hand you what we'll mark as Exhibit

Twenty just for purposes of illustration. This is not your document. It is a document from the accounting firm of DuRant, et al., dated April 27, 2010, in conjunction with this litigation. It indicates, however, on the front page number four that you repay $200,000 in February of 2008, specifically February 8, 2008, in the total amount of $200,000, that is the Q Tip trust 100,000 and the marital trust 100,000.

Does that reflect your testimony --

A. Yes, ma'am.

Q. -- that you just gave? So in total you paid to the two trusts $907,500 that we've talked about so far; correct?

A. Correct.

Q. In addition to that, did you, did there come a time when you paid some additional moneys under a settlement agreement?

A. Yes.

Q. So for purposes of clarity of the record for the jury, did there come a time after these various meetings that you described for the jury that you had with the various lawyers representing various family members, did there come a time when your siblings sued you and Dan?

A. In January of 2008. Yes, ma'am.

Q. So your various siblings filed a lawsuit against

you. Did that include James King?

A. No.

Q. So was that your sisters Jacquelin and Kathleen and your half-sister Genevieve?

A. My -- yeah. That is correct.

Q. And --

A. It was preceded by a demand for a confession of judgment for 8 million dollars or something like that, a confession of judgment that I would sign on one day or three days later, the lawsuit wouldn't be filed.

Q. Did you agree to sign a confession of judgment for 8 million dollars?

A. I did not.

Q. And was a lawsuit then filed against you?

A. It was.

Q. And how long did that lawsuit go forward?

A. Until November of 2009.

Q. And they --

A. They also proceeded to go to the FBI on at least two occasions personally or physically. However that is. And they stayed on the phone with the FBI a number of times after that seeking a criminal action against me as well.

Q. Did the FBI ever file a criminal action against you?

A. Not to my knowledge.

(Defendant's Exhibit Number Twenty-one was marked for identification purposes.)

Q. Let me hand you what we've marked as Exhibit Number Twenty-one. And as I'm doing that ask you what happened in November to bring the lawsuit against you to a close?

A. We had had several, well, we had several, two mediation sessions which were, the first one was required by the initial lawsuit. And then subsequently when Mr. King joined in another mediation, it was in the first mediation that my former siblings' lawyer informed everyone and informed me that they weren't interested in, they were going to take my house, my home, my company, my dog, my car. And they were not going to stop until they took everything from me. They, towards the end of the day having reviewed my financial statement which they had seen on a number of occasions and had become -- on my financial statement I listed the value of my company Fabtech at $500,000, which I had been doing for many, many years and had been commended by the bank on which I was a board member and a loan committee on which I had seen many loan applications where small businesses and private businesses are vastly over-valued, they determined that I was hiding or seeking to confuse or distract. I might note that Fabtech went out of business in 2010. The value, it is, if it had had a value

of $500,000 we would have all been very happy with that. But it turned out not to be that case. And they, but they would not recognize, they found that to be an action on my part that was devious and typical of my general practices.

MR. BABCOCK: I'm going to object and move to strike the mediation testimony. That's not appropriate.

A. Well, it was in that mediation that they called my lawyer. We --

MR. BABCOCK: Again, I would object to the mediation testimony. It's not proper.

A. Well, we almost had an agreement late in the afternoon. Then they called my accountant. They called him at home. He had just received my 2007 returns which showed a very large profit. And they therefore canceled or discarded the mediation offer that was on the table.

BY MS. WALL:

Q. Did you come to an agreement, did you come to sign an agreement of settlement and release?

A. That was after, then the second mediation was after Mr. King joined the battle. We had a mediation session. I, I think that it was in the first mediation that my former brother-in-law --

MR. BABCOCK: Again I'm going to object.

I hate to keep interjecting here.

MS. WALL: You can object.

MR. BABCOCK: But I object to the mediation testimony again and move to strike all the testimony about what goes on in a mediation, either the first or the second.

A. The settlement offer settlement came about because the, after all the depositions in our case depending on or being based on a number of, in my defense on a number of issues to include the statute of limitations, my sister, former sister Kathleen's deposition had been taken. And, then she redacted her deposition, added to it a completely untrue. She went back to the lawyer. It was all in legal terms. Stating that there had been a meeting with Dan a long time prior to any of this that did not occur in which Dan told her that she, everything was fine and that he did not, she did not need to do anything, file a lawsuit or tell anybody. This meeting was long before any of these other meetings where, long before the meeting at 58 Meeting Street, long before any of these other meetings.

MR. BABCOCK: Objection. This is not responsive to the question at all.

A. Well, the --

MR. BABCOCK: Move to strike as being non-responsive.

A. Well, as a result of that, the under oath, I mean, that deposition then being redacted and this new claim, my attorneys and I, I decided that the money that I had spent and the issues would not be, if they were going to be under oath testimony that was not true, deliberately not true that we would work our way towards a settlement. And we proceeded to work on a settlement offer finally. And that --

BY MS. WALL:

Q. All right. I'm going to hand you what we've marked as Exhibit Twenty-one and ask you if that's a copy of the settlement agreement that you entered into which was agreement of settlement and release dated November the 25th, 2009.

A. This has got my initials on it, and I believe this to be it.

Q. All right. As part of that settlement did you agree to pay a certain portion of your salary or income in Fabtech and/or LaurenTide quarterly to various individuals including your siblings?

A. The reason that the Fabtech, that this payment is in here goes back to the mediation that in that mediation they determined --

MR. BABCOCK: Same objection as to what goes on in the mediation. Not responsive.

A. Well, the mediation is where they determined incorrectly though and would not sit down out of mediation and discuss the profitability of the company they made their own determination that I was busy evading, doing, and so they put in here a very strict model for me to conform to.

BY MS. WALL:

Q. Were you able to make payments under this settlement agreement which payments are set out for example on page four? I'm just asking you did you make some payments --

A. Yes.

Q. -- before you were unable to make any more?

A. I was able, I know I made one for 40-something thousand dollars. I believe that I made another one, an earlier one for 30-something thousand dollars.

Q. Do you recall the numbers as approximately $35,000 and $48,000?

A. $48,000 comes right to mind. I believe that I had made an earlier payment of $35,000.

Q. All right. And thereafter were you able to make any more payments?

A. I was not. The company went into bankruptcy in 2010.

Q. All right. As a part of this settlement agreement had you agreed to confess judgment and thus if you were

unable to pay under this settlement agreement the confession of judgment would be filed against you?

A. Yes.

(Defendant's Exhibit Number Twenty-two was marked for identification purposes.)

Q. Handing you what we've marked as Exhibit Twenty-two and ask you if you can identify that as a copy of the confession of judgment in the amount of 2 million dollars?

A. Yes, it is.

Q. How was the 2 million dollars reached?

A. Again, going back to the mediation and all the other conversations they --

Q. Was this, let me ask it this way. Was the 2 million dollars reached as a result of negotiations by and among the parties and their counsel?

A. Yes.

Q. Was this confession of judgment filed of record against you?

A. Yes.

Q. What steps have the holders of this confession of judgment, that is those that are set forth as the plaintiffs, Jacquelin Bennett, Genevieve Felder, Kathleen Turner individually as co-trustees and beneficiaries of the estate of Jacquelin Stevenson, what steps have they taken

against you to collect on the confession of judgment?

A. I'm not aware of, I'm not aware of anything that they have done or not done. I have no idea.

Q. Okay. As a part of the settlement of, the agreement of settlement and release of the litigation instituted against you, did you give up your rights as a beneficiary in your mother's estate?

A. I did.

Q. And to whom did the moneys otherwise that would have gone to you as a beneficiary of your mother's estate, to whom did it go instead?

A. I do not know. I assume other beneficiaries.

Q. The remaining beneficiaries?

A. Yes. I don't know that but I assume that.

(Defendant's Exhibit Number Twenty-three was marked for identification purposes.)

Q. All right. I'm going to hand you what we'll mark as Exhibit Twenty-three which is the final accounting of your mother's estate. Let's go back for a moment. When did your mother die?

A. In 2007. Late 2007.

Q. September of 2007 sound correct?

A. September. Yes, it does.

Q. And at the time of your mother's death in September 2007 were you still a trustee of the two trusts

for the benefit of your mother?

A. I don't think I, I can't remember when I resigned.

Q. Do you recall that you were not asked to resign as the trustee of the two trusts until October of 2007?

A. Yes. That was after -- yes. It was after my mother's death. Am I to look at this?

Q. Well, have you ever had an opportunity to see any of the information in this final accounting in the probate court on your mother's estate?

A. I have seen some of this. Yes.

Q. Are you aware that as part of the expenses for the estate that was paid before the final accounting that the, it included attorney's fees for the plaintiffs in the lawsuit against you?

A. I see that there are checks to the Hood Firm. I don't know the exact total amount. One of them is 280-something thousand dollars.

Q. Were you aware that it totaled in excess of $800,000?

A. No.

Q. If you had remained as a beneficiary, would that have been moneys or costs that you would have borne?

MR. BABCOCK: Objection as to form.

A. It would have been.

BY MS. WALL:

Q. But, in fact, did you remain a beneficiary of any disbursement from the estate?

A. No.

Q. Were you also --

A. I might add that the ability of the estate to make these ten thousand dollar payments to the King family and their subsequent payments which I don't know whether they're in here or not, that Mr. Bennett initiated a week prior to my mother's death were funded by the money that the investment at Fabtech returned to the estate. And without it, those funds wouldn't be available. But I haven't studied this. I would like the opportunity to. But anyway. No. I'm sorry.

Q. Let me ask you some questions. When you remained until, while you were the trustee, one of the trustees, did the trusts invest in Forced Protection?

A. It did.

Q. And on or around the time of your mother's death, was there an issue as to whether the Forced Protection stock should be sold or held?

A. Yes.

Q. And what was the outcome of that?

A. Well, I can't say since I was removed from the actions and activities very soon after that. At the time of her death I think that, well, we purchased the stock. It

was at two dollars a share. It got as high as $30 a share. I wish that I had sold it at $25 a share or whatever. But at the time of my mother's death, I think the stock was at either $17 or $12 a share. I can't remember. But from the time I was, from the time Henry and Norman died, the value of the estate, of the total Stevenson assets were close to 9 million dollars. That was on my mother's financial statement that she provided the bank for the loan that she signed with my mother. I mean, with my brother. That included the real estate, everything. On my financial statement for ten years I thought that my, and I was on the inside and I thought that I disclosed that I might receive one and a half million dollars. It's on my bank, I mean, on my personal financial statement. It goes back for ten years. I never thought I would receive any more than that. The, from the time those two gentlemen died, the value of the estate was 9 million. Every year from the time that I was there, we had a $250,000 insurance premium and 300- or $400,000 worth of expenses from Bishop Gadsden to provide for my mother. That would be close to 5-, $600,000 a year. And despite what Dan took out of it, when, at my mother's death, the estate was worth in, 15 million dollars or more. So it started at nine, we paid out 500- or 600- a year, thousand dollars. We paid out whatever we paid to Dan. And we ended

up, when I was let go we ended up with a lot more than we started with.

Q. In --

A. That is not, it doesn't include taking Dan out of it and the Fabtech loan. The Fabtech matter got paid as I had hoped it would.

Q. In your interest in the estate, the lake property, and you've referenced it several times today, that was property that in your mother's will was left to you and Dan; is that correct?

A. Yes. A specific devise left to me and Dan.

Q. And are you aware that under this final accounting that was given and a value of 1.1 million dollars?

A. I see that in there.

Q. But neither you nor Dan received any part of that lake property or its value; correct?

A. That is correct.

Q. And did you have a one-fifth interest in the Q Tip trust?

A. I did.

Q. Did you have a one-sixth interest in the marital trust?

A. I did.

Q. And you received nothing from either the Q Tip trust or the marital trust; correct?

A. Correct.
Q. And did you have an interest in the residual estate?
A. I did.
Q. Did you receive anything from the residual estate?
A. I did not.
Q. Now, do we understand that your mother while she was alive had an interest in the marital trust, the Q Tip trust and she also had her own money; is that correct?
A. That is correct.
Q. And did she from time to time make loans from her own money to you and other of your siblings?
A. She did.
Q. Did she also simply give money to you and to your other siblings?
A. She did.
Q. And in that regard, going back to the beginning of the day, I had asked you about moneys that your mother loaned to you of approximately $400,000 that she ultimately forgave. Those were not, that was a non-trust loan; is that correct?
A. That is correct.
Q. That was her money; correct?
A. That is correct.
Q. When your mother and father bought the Rockville

home because your sisters or at least your sister Jacquelin according to your testimony wanted the house in Rockville, was that with personal funds and/or borrowed moneys?

A. It was borrowed money because the estate, their liquidity had been compromised. And so it was with borrowed money. When we were talking -- may I ask --

MR. BABCOCK: No. There's no question.

BY MS. WALL:

Q. If you didn't finish your answer. I didn't mean to cut you off. Go ahead.

A. No. That's fine.

Q. Was your mother generous financially with all of her children?

A. She was very generous. I -- as was my father. I remember that my former sibling Jacquelin wanted her son to go to Woodberry Forest Boarding School. And she came to me and asked me to go talk to my father about providing the funds to do that, which I did. And he went there. And he was, my father was glad to do it. But my sister was hesitant to go to him directly and she came to me for that. And I went and on her behalf spoke to my father. He provided the funds for her, for that to occur. And was glad to do it.

(Defendant's Exhibit Number Twenty-four was marked for identification purposes.)

Q. I'm going to hand you finally as the last exhibit what is entitled affidavit of Thomas C. Stevenson with a date of December the 29th, 2011. Is this your affidavit?

MR. SHARPLESS: Twenty-three. Is this number Twenty-three?

MS. WALL: Yes.

A. Mine says Twenty-four.

MS. WALL: Oh, okay. Twenty-four.

A. Yes. It is. It's my signature.

BY MS. WALL:

Q. And was it true when you signed it?

A. It was.

Q. And does it continue to be true today?

A. It does.

Q. Let's just take a quick break.

VIDEOGRAPHER: Off the record at 5:21 p.m.

(Off the Record.)

VIDEOGRAPHER: On the record at 5:25 p.m.

BY MS. WALL:

Q. Just a few concluding questions for you, Tom. As I understand your testimony and what we've established here this afternoon, you paid back to the two trusts almost a million dollars, about $950,000 give or take. I don't have all the math in front of me.

A. Right.
Q. But does that sound about right?
A. Yes, ma'am.
Q. Now, how much, did you take more than that?
A. No, ma'am.
Q. Then why did your sisters pursue you when you paid back the moneys that you took from the trust and placed into your businesses?
A. I can't, I don't know. I had been as forthcoming as I can be. Sounds self-serving. I tried to do the best I could. And anything and everything I either said or did they found to be objectionable, untrue, devious, delay. And to not only sue me but then to go to the FBI to find a criminal action is just part of what they deemed I needed to have happen. So I can't answer it any more than that.
Q. All right. And the lawsuit brought against you, your, the confession of judgment against you and these various meetings that you had with your siblings in 2007 with the outcome that it was, what has this done to you?
A. Well, I am financially ruined which is interesting because that is in an e-mail from my former brother-in-law Bill Bennett to my son Tom saying that I was facing a lawsuit --
MR. BABCOCK: Objection. Hearsay.
A. -- that would probably ruin me. And

psychologically I have been diagnosed with what's commonly called post-stress, post-traumatic stress disorder for which I have received various forms of treatment. I spiritually am or, psychologically back to it, depressed. And but spiritually I am burdened and downcast and defeated. And so I am, the judgment on me has a very heavy burden to bear in terms of going forward and getting credit and various things like that. The notion that my, no matter almost no matter what I did but certainly knowing what I did to have not only a lawsuit but an effort to, concerted effort to go not FBI and have me found to be a criminal and put in jail. The, I used to during the lawsuit I would get the pattern that they had was to send me stuff every two weeks or three weeks on a Friday that I would be at some place or provide something. And with the clear undertone that I was either holding back or trying to evade and that kind of thing. One time I got the mail on a Friday and it was a series of photographs. And it was the front of my house. And it was the side of my house. It was the back of my house. It was the top of my house. It was a picture of my house with the garage open showing that I had a sports car, that I was, that I had pictured of the front of my business, the side of my business, all around my business. And there was no, there was nothing else but those photographs in the mail. So it has, it's been like my brother-in-law wrote me, it has ruined me.

BY MS. WALL:

Q. And what about the extended Stevenson family? Do y'all do holidays together? Do you even live here anymore?

A. No. I don't live here and no we don't have holidays and --

Q. That's all I have. Thank you.

EXAMINATION

BY MR. SHARPLESS:

Q. Mr. Stevenson, I'm Rick Sharpless. I know we've met this morning and spoken before. I represent Lynn Kerrison and Dixon-Hughes in this litigation. I do have a few questions for you today. If at any time you don't understand my question, just stop me and ask me to repeat it or rephrase it; okay?

A. Yes, sir.

Q. And I'll try to be brief in my questions and try to keep them focused. And I hope that you can do so in your answers. When did you first meet Lynn Kerrison?

A. I have been a client of Barry Gumb for a long time. When Barry was on his own after he suffered the going down with Pug Ravenel's firm which was Capital South, he worked there and then went on his own. And I started doing my work with Barry. And then Barry added on and merged and all of that. And somewhere along the line he, Lynn Kerrison came into his firm. But I never, I did not know her. I had

not met her until she made the call or that I had the meeting with Lynn and Mr. Carter, whatever the record states. I did not know her until then.

Q. So it was at that first meeting, in-person meeting that you met Ms. Kerrison; is that right?

A. That's correct.

Q. All right. And what did you understand her role to be in connection with that meeting?

A. Well, Henry Buist had died. And Dan had made the, we but primarily Dan decided that we would move the accounting and bookkeeping function to Pratt-Thomas and Gumb, which it was at that time. And he did all of that. And I still did not, had not met or knew of Lynn Kerrison. So it was only by name that I knew her until that meeting. But I, from Dan telling me that she was keeping the books and that kind of thing.

Q. So going back to your answers, sir, at the time Ms. Kerrison worked for Pratt-Thomas Gumb; correct?

A. Well, I didn't know that at the time. But apparently she did.

Q. Apparently?

A. Right.

Q. And her function as you understood it at that time was accounting and bookkeeping; is that correct?

A. Correct.

Q. And preparing tax returns?
A. Yes.
Q. Now, she didn't sign checks, did she?
A. She did not.
Q. Okay. And, in fact, the checks at that time were being written by Ms. Heisenbottle (sic)?
A. Yes, they were.
Q. Okay. And at some point during the year a record of the checks that had already been written would be brought to Ms. Kerrison or to Pratt-Thomas Gumb; is that your understanding?
A. Well, I didn't have anything to do with that so --
Q. Who did?
A. My brother Dan.
Q. All right, sir. So we would have to ask Dan to know for sure how that information got other to Ms. Kerrison?
A. Yes, you would.
Q. Now, at that meeting what did you understand Ms. Kerrison's role to be? Was she just there to present information?
A. Primarily. She was keeping the records involving the, she had the checks involving the trust matters. And that's, she provided that information. That's all I knew.
Q. Did she provide an outline or a summary of the

total of the checks that had been written to the businesses with which you were involved?

A. I believe she did.

Q. And the businesses with which your brother Dan was involved; is that correct?

A. Yes. That's correct.

Q. Do you remember -- Ms. Kerrison, I'm not talking about Mr. Carter who I know was present at this meeting. Do you remember Ms. Kerrison saying anything else at that meeting other than presenting a summary of what the checks written had been?

A. I don't.

Q. All right. Now, what's the next time you remember having personal communication, you yourself with Ms. Kerrison?

A. At the second meeting that we had with Mr. Carter. I think there were two meetings.

Q. All right. And are these, are these meetings both in 2001 relatively close in time?

A. No.

Q. All right.

A. No. They weren't. I mean, I can't, but they were not close in time, the meetings.

Q. Are we talking about a 2002 meeting then that occurred, about a year later?

A. Yes.

Q. All right. So when you say second meeting, you're referring to that meeting that was about a year later?

A. Correct.

Q. What was Ms. Kerrison's role at that meeting as you understood it?

A. She had been keeping track of all of the checks that had been written. And I, I think I commented to her that I was glad she was, and that that was important that she do that. And but that's all, that's all I --

Q. Did she present the same type of information understanding that the numbers may have changed at that second meeting that she had at the first?

A. Yes. Yes, sir.

Q. What's the next contact that you remember with Ms. Kerrison?

A. I believe it was at that, the, this first family meeting that -- well, I had gone in to see her, the day or two prior to that family meeting. But I went to see her to, I think that was the first time I had seen her in her office, first time I had really talked to her when I wrote the checks back to the trust. And then she was at the family meeting.

Q. Now we're talking about the family meeting that occurred in 2006; is that correct?

A. I thought it was in 2007 but it was in 2006?
Q. Okay. There was a meeting on April 27th I believe of 2006 at which you, your brother Dan, Ms. Turner, Mr. Carter and Ms. Kerrison were present?
A. Oh, I'm sorry. Yes.
Q. All right.
A. Yes. I'm sorry.
Q. All right. That's the meeting we're referring to?
A. Yes.
Q. All right. And what do you remember Ms. Kerrison saying if anything at that meeting?
A. I believe she presented the loan, the amounts of money and, but I don't think anything else but that. I might mention about that meeting that I believe that in addition, there was another person in that meeting who, I believe it was Edward Bennett who was an associate of Mr. Carter's was I think in that meeting as well.
Q. Are you aware of what contact if any your brother Dan had with Ms. Kerrison?
A. I am not.
Q. Haven't talked about it with him?
A. I have not.
Q. Have you seen the lawsuit that's been filed against Ms. Kerrison and Mr. Carter?
A. I have not.

Q. Are you aware in general that they are being sued for professional negligence and alleged wrongdoing for failing to prevent or to give notice earlier of the loans that were made from the trust or what the, or what your former siblings claim are loans?

A. Well, I've not seen it and no one has said to me what specifically it is. But I am, I'm aware that there is this, that these are the issues that are out there.

Q. When you referred earlier to a suit against third parties, is a suit like this one what you understood somebody to be talking about?

A. This one meaning your, this suit?

Q. Yes.

A. Well --

Q. The suit against Mr. Carter and Ms. Kerrison.

A. When they talked about a third party lawsuit I, one, didn't know what they were talking about to begin with. And this, given what I've been through, I never imagined that I would be going through a, anything like what I went through. And so I don't know what a third party lawsuit is.

Q. All right, sir. Do you think --

A. I may --

Q. Do you think Ms. Kerrison did anything wrong from what you know?

A. I do not. And furthermore I apologized to her as

the party of, I mean, I'm the responsible party. And that's my apology to her and to Mr. Carter and to everybody else in the room.

Q. I was going to ask the same question with respect to Mr. Carter. Do you think Mr. Carter did anything wrong?

A. I do not.

Q. Give me just a minute. Have you heard all of my questions, sir?

A. I have.

Q. And did you hear all of Ms. Wall's questions earlier today?

A. I did.

Q. And have you tried to give truthful answers to the very best of your ability throughout?

A. I have.

Q. Thank you, sir. I have no other questions.

MR. BABCOCK: Let's take a brief break.

VIDEOGRAPHER: Off the record at 5:45 p.m.

(Off the Record.)

VIDEOGRAPHER: This is the end of videotape number three in the deposition of Thomas C. Stevenson. Off the record at 5:45 p.m.

This is tape number four to the videotaped

deposition of Thomas C. Stevenson. On the record at 6:02 p.m.

EXAMINATION

BY MR. BABCOCK:

Q. Mr. Stevenson, let me make it clear. You are not an accountant; correct?

A. I am not.

Q. And you're not a lawyer; correct?

A. Correct.

Q. So you would have no way of knowing whether an accountant breached its standard of care, would you?

A. No. I wouldn't.

Q. And you would have no way of knowing whether a lawyer breached his standard of care, would you?

A. No.

Q. Mr. Stevenson, you're mad, aren't you?

A. Well, I'm, I have been through a lot, and I'm depressed and I'm upset about it. Yes.

Q. And you're mad at your three sisters, aren't you?

A. I haven't been sued or had anybody to go to the FBI like has happened to me. And as a consequence, I have a good deal of anxiety about that at this point.

Q. Anger and resentment; right?

A. Well, I'm again having been through a lawsuit in which I was pretty well-worked over, deposed for over four

days and had my siblings find it important to go to the FBI, I find it, and I think anybody would, to be difficult. And but I'm trying to deal with it best I can.

Q. Well, every chance you had today you referred to your sisters as your former siblings, didn't you?

A. Yes, I did.

Q. All right. And the reason you consider them to be former siblings is because of the lawsuit they brought against you and the criminal issue that you testified about before; isn't that right?

MS. WALL: Object to the form.

A. Yes. That's correct.

BY MR. BABCOCK:

Q. Okay. Now, let's look at the Exhibits Twenty-one and Twenty-two.

MS. WALL: You're going to have to identify them because --

MR. BABCOCK: I'm going to.

BY MR. BABCOCK:

Q. Let's put these over here. All right. Exhibit Twenty-one is the agreement of settlement and release in the litigation that your sisters brought against you; correct?

A. Correct.

Q. And Exhibit Twenty-two is the confession of judgment that got filed when you didn't make your payments

under your agreement; correct?

A. Correct.

Q. All right. Now, so that we're clear on the record, the litigation that your sisters brought against you involved the things you've been talking about today, your actions as trustee in investing, borrowing, call it what you will, but pulling money from the estate, the two trusts, the Q Tip trust and the marital trust; correct?

A. Correct.

Q. Now, and I want to be absolutely clear on this, Mr. Stevenson. You go over to page four of Exhibit Twenty-one which is the agreement of settlement and release, you agreed to pay 5-, I'm sorry, 2 million dollars; correct?

A. Yes.

Q. That was to settle that lawsuit with your sisters; correct?

A. Correct.

Q. And that's something that, and I think you noted earlier you initialed each of these pages, didn't you?

A. I did.

Q. All right. And you voluntarily signed this document, didn't you, to end that litigation?

A. Yes, I did.

Q. Now, as part of that resolution to that litigation

involving your sisters, you gave up your interests in the estate and trust, didn't you?

A. Yes, I did.

Q. And you gave up your interest in the property we talked about earlier, the lake property; correct?

A. I did.

Q. And I think as you testified earlier you made two payments, but then didn't make payments thereafter under this settlement agreement; correct?

A. Correct.

Q. And is that because you can't pay?

A. That is correct.

Q. And that is why you stopped paying; correct?

A. Correct.

Q. And that's why you're not paying now; is that correct?

A. Correct.

Q. Mr. Stevenson, before you came here to testify at this deposition, what did you do to prepare?

A. Well, I, the only person that I spoke to was Ms. --

Q. Ms. Wall?

A. Ms. Wall. And other than that I have done nothing to prepare for it.

Q. Okay. Ms. Wall's office prepared that affidavit

that we saw earlier today as Exhibit Twenty-four; correct?

A. Yes.

Q. Okay. Now, that affidavit is dated back in December of 2011. Right?

A. Right.

Q. And so I imagine you had interaction with Ms. Wall's firm at that time period; is that correct?

A. Yes.

Q. All right. Had you had interaction with her firm before that time?

A. No.

Q. Between the time you did that affidavit and then had your discussion with Ms. Wall before you came here to testify today, had you had any other interaction with Ms. Wall's firm?

A. No.

Q. And did you look at any documents before you came and testified today?

A. Yes, I did.

Q. What documents did you look at?

A. A number of, to refresh my memory, a number of these documents that I have seen today.

Q. The exhibits we've seen today?

A. Yes, sir.

Q. And those were documents that Ms. Wall provided to

you; is that right?

A. That is correct.

Q. And did you talk to Mr. Sharpless at all before we came in for your deposition today?

A. He and I had a telephone conversation a year or more ago. But just a phone conversation. I've never met him or spoken to him about any of this other than a phone conversation about a, I think it was a year ago or maybe longer.

Q. All right. And with the interaction you had with Mr. Sharpless, did you initiate that or did he?

A. I think he called me.

Q. And how about the various interactions with Ms. Wall's firm? Did you initiate that or did somebody from her office or did she call you?

A. She called me.

Q. And you're testifying today in South Carolina; correct?

A. Yes.

Q. And you live in North Carolina; correct?

A. Correct.

Q. So you voluntarily come down here to testify; correct?

A. Correct.

Q. All right. No subpoena or anything like that;

right?

A. Correct.

Q. Talk a little bit just so we're clear on the record with the accountants. We've talked about Lynn Kerrison. And you answered some questions earlier with regard to when you interacted with her. But you understood she was part of the Pratt-Thomas Gumb Accounting Firm; correct?

A. I did not know. I do not, I did not know she was part of the Pratt-Thomas Firm until those times that I met with her.

Q. That's fine. But then you did know that?

A. Yes. Yes.

Q. And you later were aware that that Pratt-Thomas Gumb Accounting Firm came to be part of Dixon-Hughes; correct?

A. Correct.

Q. Now, let's talk a little bit about the accountants who did work for you. As I understand it you considered Mr. Gumb to be your accountant; correct?

A. Yes.

Q. And he prepared tax returns for you; correct?

A. Correct.

Q. And do you know who did the accounting work for your brother Dan?

A. I do not.

Q. Do you know who did the accounting work for Dan's businesses?

A. I am not sure. But it could have been Harold Pratt-Thomas, the firm.

Q. And that same firm, the Pratt-Thomas Gumb Firm did work, accounting work for your mother; correct?

A. Yes. Yes.

Q. And now, and your company Fabtech which as I understand it you were the sole owner of?

A. Correct.

Q. That company was actually set up I think you indicated by Mr. Gumb; correct?

MR. SHARPLESS: Object to the form.

A. Well, it was set up by a law, a lawyer. Mr. Gumb was the accountant for it.

BY MR. BABCOCK:

Q. Okay. So you used a lawyer to do the paperwork. But Mr. Gumb was the accountant for it from the very start; correct?

A. Correct.

Q. And I think your method of payment at Fabtech was you got distributions from Fabtech on a periodic basis; is that right?

A. Correct.

Q. And Mr. Gumb was the one who helped calculate what distributions would come to you; correct?

A. Yes.

Q. Other than Mr. Gumb did anybody else at the firm do work for Fabtech?

A. Yes. Another gentleman. I'll have to get a list of the people there to come up with that.

Q. Don't worry about that. But it would be another individual at the Pratt-Thomas Gumb Accounting Firm, now Dixon-Hughes?

A. Correct.

MR. SHARPLESS: Object to the form.

A. He's no longer there but yes.

BY MR. BABCOCK:

Q. But he was there at the time?

A. Correct.

Q. Now, we talked earlier today about the marital trust and the Q Tip trust. And originally as I understand it, there were four trustees for those two trusts; correct?

A. Correct.

Q. That would have been yourself and Dan along with Norman Stevenson and Henry Buist; correct?

A. Correct.

Q. And the trustee loans or investments that were made involving you and your companies and Dan and his

companies, they began after Mr. Stevenson and Mr. Buist died; correct?

A. Correct.

Q. And at that point in time which was the late 1990s and going forward, there were just two trustees, nobody else replaced them, did they?

A. No.

Q. So the two trustees were yourself and Dan; correct?

A. Correct.

Q. And as I understand your testimony when the loans were taken, the moneys were taken from the trusts, you mentioned that to Dan; is that right?

A. Yes, I did.

Q. And --

A. I went to him with an idea.

Q. Okay. And did you go to him each time moneys were taken from the trust?

A. Yes, I did.

Q. And each time moneys were taken from the trusts you tried to even it out between the Q Tip trust and the marital trust; correct?

A. Yes.

Q. All right. And did you understand that Dan was also taking money from the trusts?

A. Not in the beginning. Not for some time.

Q. What would some time be?

A. Well, the time that I became aware of it was when he called me to tell me that the loan that he had at the Bank of South Carolina which my mother had guaranteed, that that loan had been called. And that mother was going to have to pay the loan. He called me to ask me to come to his office to tell me that.

Q. And that --

A. I --

Q. I'm sorry. Go ahead.

A. I can't, I can't recall, I just would have to look closer at when he started to take, to put, to take money and when I got the call from him. But according to what he had stated at some point in there, his mother knew about what he was doing and he was able to have her go with him to the bank and sign as a co-, I mean, as a, you know, a --

Q. Guarantor of some sort?

A. -- a guarantor.

Q. And that was something that your mother did that she knew about and she approved of?

A. Well, I assume so. But yes.

Q. But there was a period of time after that when he would take money from the trust and not talk to anybody; correct?

A. Correct.

Q. And you were aware of that at least by the time of that first meeting in 2001 that we've heard about with Ms. Kerrison and Mr. Carter; correct?

A. Yes.

Q. Now, you knew in early 2001 that your sister Kathleen and Dan were, had, were co-powers of attorney for your mom; right?

A. Correct.

Q. And it is I think clear from your testimony today that in that 2001, we're just going to talk about 2001 first, in that 2001 time period, when you would take money from the trust you didn't tell Kathleen, did you?

A. No. No. I did not.

Q. Now, we're going to talk about the October 2001 meeting in a minute. But I would like to be clear on the methodology by which the moneys were taken from the trusts; okay?

A. Yes, sir.

Q. All right. You didn't write checks from the trusts, actually physically write the checks, did you?

A. I did not.

Q. Originally those checks were written by your mother's assistant; correct?

A. I don't know.

Q. Well, wasn't there a Pat Napolitano that worked with your mother?

A. Yes.

Q. All right. And do you know whether she wrote checks that were used for the trust or from the trust?

A. I would have thought Norman would have written those checks or Henry Buist but --

Q. All right. I'm talking about just so we're clear --

A. I know she would, I know that money would go to, that they would write checks and deposit money into her account monthly. So I believe that Norman and Henry did that. Ms. Napolitano and the other lady were just writing mother's checks to pay her bills.

Q. Okay.

A. They were not involved with the trust at all.

Q. I didn't make my question clear and I apologize for that. I'm talking about that period of time after Norman Stevenson and after Mr. Buist had died. After that time period. And I'm looking now at that, let's look at the 2001 time period. There was a period of time when checks were written by Ms. Napolitano from the trusts; correct? Or do you know?

A. Well, in my, I mean, I don't think I know. I don't know.

Q. Okay. Was Dan more involved in that than you?
A. Yes.
Q. Was there a period of time do you know when the checks were actually being written from the trusts by someone over at the accounting firm?
MR. SHARPLESS: Object if he knows.
A. I don't know. And --
BY MR. BABCOCK:
Q. Okay.
A. I don't know. Dan handled all that. And I just don't know.
Q. All right. When you wanted a check for Fabtech, how did you get it from the trusts?
A. How many checks were there to Fabtech? I'm not sure. Maybe, I don't know, over a five-year period of time I just would have to go back and look. I mean, it's in the record. But I would periodically call Dan and say that I think that some amount of money, $25,000, a hundred thousand dollars ought to be put into this investment that I conceived or considered. And he would in a day or two bring me the checks. And they were signed by him. They were made out I think primarily to the company. I'm not, there may have been some made out to me. But I think they were primarily made out to the company. And I, that's an --
Q. So you asked for Dan. He got the checks and gave

them to you; is that right?

A. That's correct.

Q. And those checks, you think some were for Fabtech and some were directly for you?

A. I don't think any of them were directly to me. But I'm not sure, sir.

Q. Either Fabtech or you though?

A. Yes.

Q. Let's move over to the first meeting that you had with Mr. Carter and with Ms. Kerrison. We've talked about that some today. But I want to go back and make sure I've got a few points clear for the jury. There was a, the document which we've marked as Defendant's Exhibit Four or Exhibit Four is a letter of November 29, 2001, from Mr. Carter to you and Dan Stevenson; correct?

A. Yes.

Q. All right. And the first paragraph references the meeting at Lynn Kerrison's office on October 23rd, of 2001; correct?

A. Yes, it does.

Q. All right. And one of the issues that was raised by Mr. Carter at that meeting was the need to have promissory notes; correct?

A. Correct.

Q. And as I understand it initially promissory notes

were drafted by you for the Fabtech moneys; correct?

A. Yes. And the bigger issue always was what to do about these, the, the money that Dan, involving Dan. And not so much my, since I had already written a set of notes, set a precedent and the protocol for it, they were already in place, that the bigger issue was the moneys involved with Dan.

Q. And --

A. And at that point I think again I was only becoming aware of this loan that Dan had and his statement that mother, well, I mean mother was on that loan. These other amounts I was, one, not aware of them; and, two, we needed to, I was not clear what he intended or, but getting the notes secured, or getting the notes were primarily directed at Dan.

Q. You had already done contemporaneous notes when you had loans involving Fabtech. Is that your testimony?

A. The first investments I call them.

Q. The first one or two?

A. Yes.

Q. All right. You say the word investment. Were shares of stock issued by Fabtech to the trust?

A. No. A note was.

Q. A note. And that's normally what we use with a loan, isn't it?

A. Well, the --

Q. It's either yes or no and then you can answer the question.

MS. WALL: Object to the form.

A. Well, the note that we all had from Sunox was, while it referred to moneys owed was part of their way of paying, paying us off. And the notes were then viewed as, I mean, they were secured notes representing the need to pay back the, I wanted the investment to be secured as best I could by having the notes in place by the company.

BY MR. BABCOCK:

Q. All right.

A. But the, the vehicle itself was an investment. The, I mean, companies issue bonds all the time, and other debt instruments that are investments. And that is what I considered these to be.

Q. We're not going to belabor this point. But when you borrow money from the bank you normally sign a note for that money; correct?

A. Correct.

Q. And when you talk about security, there was no security given for these notes, was there?

A. Well, there was my personal guarantee and the security of the company signed it pledging its assets and its wherewithal and my personal guarantee.

Q. Is it your testimony that with every note you signed or that was signed for Fabtech you had a personal guarantee? Is that your testimony?

A. It was certainly in the two that I prepared. And I believe it would have been through the others. I may be wrong about that. But the protocol and the original notes that I set up had my personal guarantee on them. And I fully intended all of the notes to have my personal guarantee to them.

Q. And let's going forward after your first couple of notes you stopped preparing the notes; correct?

A. Well, I --

Q. Is that right or wrong?

A. I thought that the protocol was set up that we would adjust the note amounts by, if, I didn't know that they would be continuing, I didn't know how much or whether we would continue with that investment plan or not. I just wanted to see what it was like to start off with.

Q. Okay.

A. So any further action like that was simply to, would be simply to adjust the amount of the note, not the protocol of the note being signed by the company and personally guaranteed by me --

Q. All right.

A. -- at a higher interest rate than was out in the

market.

Q. What I want to ask you is after you prepared the first two, who prepared the notes after that point in time? It wasn't you, was it?

A. I don't know. It may have been. I'll have to look at it.

Q. You don't remember either between the lawyer and the accountant that notes were prepared? You don't remember that?

MS. WALL: Object to the form.

A. Well, as I said most of the notes that were prepared were for Dan and making whatever arrangements he was making for his. His were in an entirely different set of circumstances than mine.

BY MR. BABCOCK:

Q. All right. Let's deal with him then. We'll stay with him for a minute. Who prepared the notes that he signed?

A. I do not know.

Q. Do you know whether the law firm did, Mr. Carter's law firm?

A. I do not know.

Q. Do you know whether Ms. Kerrison's accounting firm did?

A. I do not know.

Q. And as you sit here today you don't recall for certain who did the notes for your firm, Fabtech, after you did the first two, do you?

A. It may have been Howell Morrison who was working for us. But the, he was aware again of the notes that were, the original notes that were the protocol as I call it, the foundation on which the investment strategy that I came up with were based.

Q. All right. Mr. Stevenson, I know it's getting a little late here.

A. Right.

Q. You're testifying under oath.

A. Yes, sir.

Q. And I'm not wanting you to guess. I want to tell you to tell me what you know or if you don't know tell me you don't know; is that fair?

A. That's fair.

Q. All right. So as you sit here right now is it fair that you don't know who prepared the notes after the first couple that you did for Fabtech?

A. It is, it is my belief that Howell Morrison prepared the note though I'm not sure about that.

Q. All right. So you're as sure of that as other things you've testified to today?

MS. WALL: Object to the form.

MR. SHARPLESS: Objection.
BY MR. BABCOCK:
Q. That's a yes or no.
A. Would you repeat the question?
Q. Yeah. Are you as sure of that that Mr. Morrison was involved in the note preparation as some of the other things you've testified to today?
MR. BABCOCK: Objection to the form.
MR. SHARPLESS: Objection.
A. I am, yes.
BY MR. BABCOCK:
Q. All right. Now, the meeting that you had with this 2001, fall 2001, October 23, was at Ms. Kerrison's office; correct?
A. Yes.
Q. And at that point in time Mr. Carter discussed with you the need to discuss these loans with Ms. Turner who had the power of attorney with your, on your mother; correct?
A. Correct.
Q. And he also talked about the need, you being Mr. Carter the need to talk to your siblings; correct?
A. Correct.
Q. And that's what he indicated in the third paragraph of that letter; correct?

A. Correct.

Q. Now, just to put us in the right time frame, Mr. Stevenson, I'm looking at Exhibit Nine. And there's a letter that was utilized earlier from Mr. Carter to Mr. Morrison; correct?

A. May I see that?

Q. Sure.

A. Yes.

Q. Okay. And that's when Mr. Morrison came into play, that was early 2003; correct?

A. Correct.

Q. Now, let's go backwards to the point in time after Mr. Carter wrote you in November of 2001. In the first three or four months after that letter was written, did you have any contact with Mr. Carter?

A. Would you say that again?

Q. Sure. Let's just try and, let's try and we'll just look at the, the letter was written on November 29, 2001. Let's look at the first quarter of 2002.

A. May I --

Q. Sure. You've got the letter right there.

A. Oh, this one. Okay. What about it now?

Q. I'm asking you what contact you had with Mr. Carter between, in the first quarter of 2002.

A. I don't, I don't recall any contact with him one

way -- I don't recall. No.

Q. During that time period, that first quarter of 2002, he never called you and asked how things were going concerning discussing the strategy for meeting with your siblings that he indicated in the third paragraph of that exhibit, did he?

A. 2003 is when we met with Mr. Morrison?

Q. Yes, sir. We just looked at that letter. And you testified earlier about a meeting in late 2002 with Ms. Kerrison and Mr. Carter. We're going to get to that in a minute. I'm just looking at the first quarter of 2002.

A. No.

Q. And the question I've asked you is Mr. Carter didn't follow up on whether you had done anything to set up the meeting with your siblings, did he?

A. He did not.

Q. And the same question for Ms. Kerrison during that first quarter of 2002. She didn't contact you to see if there had been a meeting for you with your siblings to discuss these loans, did she?

A. She did not.

Q. Let's move to the second quarter of 2002. Same questions. During that second quarter of 2002, another three-month time period, Mr. Carter didn't contact you concerning this meeting with your siblings, did he?

A. Not to my knowledge.

Q. All right. Same thing with Ms. Kerrison, she didn't contact you concerning the meeting with the siblings, did she?

A. Not to my knowledge.

Q. All right. Now, I'm going to give you Exhibits Five, Six, Seven, Nine and Ten. And just for the record Exhibit Five was the document entitled telephone conversation with Tom Stevenson 11/12/02. Exhibit Six is November 25, 2002 letter from Mr. Carter to Tom Stevenson and Dan Stevenson. Exhibit Seven is a document, says conference, or CONF Dan and Tom Stevenson, 4 p.m. Friday December 6, 2002. And then Exhibit Nine is a January 14, 2003, letter from Mr. Carter to Mr. Morrison. And Exhibit Ten is a letter of January 22, 2003, from Mr. Morrison to Mr. Carter. And I'm really just giving you these at this point for a frame of time reference; okay? Fair enough?

A. Yes, sir.

Q. All right. Now, before we get to the document Exhibit Five which is a document which starts, says Tom returned my call this morning, would it be correct to understand that the first conversation you had or communication you had from Mr. Carter to you checking up on whether y'all had that meeting was on a telephone call on November 12, 2002?

MS. WALL: Object to the form.

BY MR. BABCOCK:

Q. Let me rephrase that actually. If you read the first sentence here. It says Tom returned my call this morning from my message left at his office yesterday afternoon. So apparently there was a phone message from Mr. Carter to you on November 11, '02, that you returned on November 12, '02. Is that how you recall it?

A. And the question you've asked me is what, that this is the first communication since the, since the earlier time?

Q. The question for you is if this phone call that was originated by Mr. Carter and then you returned was the first contact you had with Mr. Carter since the November 2001 meeting we've already talked about concerning the subject of talking to Kathleen and talking to the siblings.

A. Well, this is the only documented conversation, I believe. I think I had told, or Heyward believed that I would be doing the things that I needed to do to get the notes signed, get a lawyer, get a meeting set up with my sisters and/or with my sister Kathleen. And I was, was doing some or all of that during 2002. But this was his call back to me to check on that.

Q. Following up a year after the meeting to see what you had done; right?

A. Right.

Q. And he, the second paragraph says, I reminded Tom that some time ago he, Dan, Lynn Kerrison or another partner employee of Pratt-Thomas Gumb and I met at, it says PT Gumb's office to discuss the loans from his father's testamentary trust to Dan and Tom. I had recommended at that time Dan and Tom meet with their sisters and discuss these loans from the trusts to them. And during that entire year period you hadn't done that, had you?

A. Well --

Q. That's a yes or no and you can explain.

A. No. We hadn't.

Q. And during that entire time period, that one-year period, neither Mr. Carter nor Ms. Kerrison had contacted you to follow up as to whether you had done that, had they?

A. That's correct.

Q. And then if we look at the fourth paragraph it says, I explained to Tom that as a lawyer for his mother at least in drawing her will and estate planning matters I felt an obligation to see that the family as a whole was aware of these loans. He said he understood and asked me to leave it in his hands, that he would take care of it when the time was right. And the phrase the time was right is in quotation marks; correct?

A. Correct.

Q. Is that what you told him?

A. That is correct. Because in the earlier paragraph, we had had a discussion and I about the incident with my two sisters. And the anxiety that, disarray that they were in at that time, that slowed me down from, slowed me down from doing whatever, whatever I was going to do.

Q. Mr. Stevenson, in fairness, you could have met with them individually as a group, individually or as a group during that year between the fall of 2001 and the fall of 2002, you could have done that; right?

A. The question is -- right.

Q. You could have done that; correct?

A. I could have done a lot of things.

MS. WALL: Object to the form.

BY MR. BABCOCK:

Q. And you didn't do that?

A. I did not do that.

Q. Okay. Now, you got a letter, you and Dan did, which we've marked as Exhibit Six which is dated November 25, 2002. Do you see that?

A. I do.

Q. All right. And that letter is again urging you in the third paragraph to discuss, you say according to that I again urge you to discuss this matter with your sisters at the earliest convenient time. I suggest you may wish to

discuss it first with Kathleen as she along with Dan holds your mother's power of attorney and thus represents your mother when the mother is unable to act. If I have not heard from you by January 1, 2003, to the effect you have discussed that with Kathleen, I feel responsible to contact her at that time to inform her of these loans and recommend that she discuss them with you. Do you see that?

A. I do.

Q. All right. And there was another conference call or conference with Dan and Tom Stevenson on December 6, 2002; is that right?

A. Yes.

Q. All right. And who was present for that? Mr. Carter was present; correct?

A. Yes.

Q. You were present; correct?

A. Yes.

Q. And Tom was present; correct?

A. Dan.

Q. I'm sorry. Dan; correct?

A. Correct.

Q. And the third paragraph of that document says, I told him my aim was not to interfere in Stevenson family business but since I had not been made aware of the loans for the trust by the accountants, but since I had been made

aware of the loans from the trust by the accountants I believed I was ethically compelled as Ms. S', assuming Stevenson's will lawyer to try to protect and enforce her interests as trust beneficiary. I explained that South Carolina law requires a trustee to keep the beneficiaries of the trust informed of the status of the trust and since Ms. S is not competent that required informing Kathleen as her POA, presumably power of attorney with Dan; correct?

A. Correct.

Q. And the next paragraph talks about you getting a lawyer. And we think we heard earlier that you first went to one law firm and then ended up with Howell Morrison; correct?

A. Correct.

Q. And that was in January of 2003; correct?

A. Yes. It also says if he asks about the trusts, if any further funds have been taken. And I responded that I had not, I was not aware, Dan said he wasn't sure by himself but I had not, but that's part of the conversation.

Q. All right. But the records will show what moneys you took from the trust and what moneys Dan took from the trust; correct?

A. Yes. They will.

Q. All right. Now, let's talk about this May 21, 2003, meeting at your parents' house. First off present at

that meeting was you, Dan and Kathleen; is that right?

A. That is correct.

Q. Now, between the time period of January 1, 2003, and May 20, 2003, did Mr. Carter ever contact you to see whether you had talked to your siblings?

A. I don't believe so. But we were working on that. And I could have told him that we were working on it. But I don't think that he called.

Q. There's no indication of a call from Mr. Carter or Ms. Kerrison to you between that January '03 period and the May '03 period, is there?

A. I'm not aware of one.

Q. Okay. Now, as I understand it at this meeting you have testified that you were not mumbling; is that correct?

A. That's correct.

Q. And that you showed Kathleen a copy of a list of assets for the family; is that right?

A. That's correct.

Q. All right. Now, let's be real clear on this. That list was a Stevenson family asset list? Is that what you called it?

A. That's correct.

Q. And it's your testimony that you tried to give it to Kathleen and she wouldn't take it? Is that your testimony?

A. It is my testimony that I gave it to her for her to look at and told her that that was hers if she, that it was for her.

Q. All right. Did you keep that list?

A. She did not want it. She did not want to take it.

Q. That wasn't my question. Did you keep that list?

A. Eventually I kept it.

Q. All right. And, but you don't have that list today, do you? The list you say you showed her in May of 2003.

A. I don't, but I -- no, I don't.

Q. My understanding was at the time of your testimony, your deposition a few years ago you said you didn't have a copy of that list.

MS. WALL: Object to the form.

A. Okay.

BY MR. BABCOCK:

Q. You're not here to testify that you have a copy of that, are you?

A. No. I don't have a copy of it.

Q. And we're going back, 13, almost 10 years ago, aren't we? 2003?

A. Right.

Q. Can you testify under oath what was said about, or what was -- was this written or typed?

A. Typed.
Q. Who typed it?
A. My secretary at my office.
Q. And what was the specific phrase that was used with regard to the Fabtech loans on this list?
A. State that again. What were the --
Q. I want to know if you can tell me exactly what the phrasing was about Fabtech on this list.
A. I, it's the same that is on one of these documents that I have been shown today. And it's a distinguishing feature is that it has a personal guarantee of, and I think we just used TCS as the --
Q. Are you talking about Exhibit Sixteen?
A. Yes.
Q. All right. I'm sorry?
A. Well, in the first meeting I'm not sure that, I can't remember when Easy Tray became the name of that. But this remained the same.
Q. Let's be clear. Easy Tray is Dan's company?
A. That's correct.
Q. All right. And the document we're looking at has been identified as something that was used on April 27, '06; correct?
A. Correct.
Q. And this document says Fabtech note personally

guaranteed by TCS?

A. Yes.

Q. Are you able to testify under oath that that's the same phrase that was used in the piece of paper you say you showed Kathleen in '03?

A. I am.

Q. How do you know that? It's ten years ago.

A. Because the personal guarantee by my was very important to the whole, to what I was doing with the Fabtech investment. And I wanted to make that clear all the time.

Q. All right.

A. Any time.

Q. I'm asking, and I want to make sure I understand your testimony. Your testimony is this exact phrase is what appeared on the 2003 document you say you showed Kathleen; is that correct?

A. Yes.

Q. All right. That what I think would mean that after you had that conversation on May 21st, 2003, you would have called Mr. Carter and said, hey, I've had the conversation you wanted me to have with Kathleen.

MS. WALL: Object to the form.

A. In my earlier deposition, I --

BY MR. BABCOCK:

Q. I don't want to hear about the deposition. I want

to hear about you today testifying with us in this case right now.

A. Yes, sir. I was speaking of the earlier deposition today.

Q. Oh, earlier today, today? Okay.

A. Yes. I stated that one of the failings I guess or one of the issues is, and I talked to Dan about this is that we had, I thought Dan was going to call Howell Morrison and tell him that we had had the meeting which I have said in my earlier deposition. And he thought I was going to call Howell. Dan is, Dan arranged for us to meet with Howell Morrison. Howell Morrison is Dan's best friend. Howell Morrison is younger than I am and not, and I thought that Dan was going to call Howell and tell him of this meeting. Neither one of us did it and I, we should have called him to tell him right away so that he would have called, hey, Mr. Carter or at least him know that we had done what we said we would do.

Q. Let's be very clear. You didn't call Mr. Morrison, did you?

A. No. I did not.

Q. And we're talking about the May '03 meeting.

A. Right.

Q. You didn't send an e-mail or a letter to him either, did you?

A. I did not.
Q. And the same thing for Mr. Carter, you didn't call him, you didn't write him and you didn't e-mail him, did you?
A. No.
Q. And the same thing with Ms. Kerrison. You didn't call her, you didn't write her and you didn't e-mail her, did you?
A. I did not.
Q. So as we continued forward in 2003, you kept taking some money for Fabtech, didn't you?
A. I would think so.
Q. All right.
A. I'm sure the records will show whatever I did.
Q. You will be comfortable with whatever the record shows will be correct; right?
A. I will.
Q. And you wouldn't disagree with one check being taken in 2002, one in 2003, I say one check, one from each trust and two in 2004, would you?
MS. WALL: Object to the form.
A. No. I wouldn't object to that. That sounds like the plan that I had.
BY MR. BABCOCK:
Q. And three more in '05; correct?

A. Yeah.

Q. Now, as we go forward with the rest of '03, no contact by Mr. Carter to find out what you've done to tell Ms. Turner or the siblings, was there?

A. No. I just regret that, and I've testified earlier that I did not follow through. And I talked to Dan at the time that one of us, I again thought he was going to call Mr., I thought we had an obligation to call Mr. Morrison because that is what we told him we were going to do and that he would then since he was representing us he would make whatever, he would either call Mr. Carter or whatever. But I know that we met. I know that we should have called our lawyer and we did not. I thought Dan was and he thought I was.

Q. And we've been through that. But during the rest of 2003 my question is you never got contacted by Mr. Carter about talking to the siblings, did you?

A. I don't think so. But it was my responsibility to get in touch with my lawyer. So I don't, I wasn't expecting to hear from Mr. Carter.

Q. But Mr. Carter doesn't know what's happened. He hasn't contacted you to find out what's happened in the last part of 2003, did he?

MS. WALL: Object to the form.

A. I don't know whether he contacted Mr. Morrison or

not. I don't know. But we were, we were working with Mr. Morrison and we had done what we said we would do. One, that would be to get a lawyer. Two, to get the notes in place. And three, to have the meeting and to begin the process of having a full disclosure. So we were doing what we were supposed to, what we were supposed to do.

BY MR. BABCOCK:

Q. I understand your testimony. But the question is very simple.

A. Okay.

Q. Mr. Carter who you admit you didn't tell anything about this, you say happened at this meeting, he doesn't know anything about the meeting, he doesn't contact you through the rest of 2003, does he?

A. Well, he's not my lawyer. He never has been my lawyer. Mr. Morrison was my lawyer. I regret that I didn't, I mean, I regret, I mean, I knew right after the meeting that one of us should have called Mr. Morrison. I have no idea about what Mr. Carter did or didn't do or should have done.

Q. And I'm asking a simple question and we can move on. During the remainder of 2003 you didn't get any phone call from Mr. Carter asking about whether you told the siblings, did you?

MS. WALL: Asked and answered.

MR. BABCOCK: I haven't got an answer. I want an answer.

MS. WALL: Yes, you have.

A. I didn't get a call from Mr. Carter.

BY MR. BABCOCK:

Q. And you didn't get a call from Mr. Kerrison, did you?

A. No.

Q. And you had some comment earlier about the Turners being separated at this point in time in May 2003; was that right? Did I understand you correctly?

A. I don't know when they, I'm not sure that they were separated at this point. They had filed for divorce at some point. I believe it was prior to this.

Q. Do you understand that they were reconciled back in the late 90s, '98, '99 time period?

A. Well --

Q. Do you understand that?

A. I didn't know the exact time, but I didn't think it was during this time.

Q. It was well before this time; right?

A. Yeah.

Q. Now, let's look at --

MR. SHARPLESS: Objection. I don't think that was the question.

BY MR. BABCOCK:

Q. Let's look at the 2004 time period. During 2004 Mr. Carter doesn't contact you about talking to the siblings, does he?

A. Wait a minute. Let me ask you, or back, this exhibit that you gave me, Number Ten, this is Mr. Morrison's letter to Mr. Carter in 2003?

Q. Yes, sir.

A. Are we talking about --

Q. I just gave it to you for a time reference, sir.

A. But this is a letter from Mr. Morrison to Mr. Carter.

Q. In January, we've identified that earlier. I got that.

A. Okay.

Q. I just want to make sure you've seen all the documents.

A. Okay.

Q. Now I'm going to 2004.

A. Okay.

Q. No communication by Mr. Carter to you in 2004 to see whether you've had the meeting with Kathleen Turner or the other siblings, was there?

A. I would, actually if there's not a record of one I don't know of one. But I don't know what conversation we

had with Mr. Morrison, whether he did.

Q. I'm not asking about you talking to Mr. Morrison or Mr. Morrison and Mr. Carter. I'm asking Mr. Carter to you. No communication and you're testifying here today --

A. Yes.

Q. -- and I think it's clear from everything you've heard and everything you said there was no communication from Mr. Carter to you in 2004 about the conversation with the siblings, was there?

A. Well, he -- no.

Q. Same thing for Ms. Kerrison. There was no contact with Ms. Kerrison in 2004, was there?

A. No.

Q. Going to 2005, no contact by Mr. Carter in 2005 concerning the meeting with the siblings, was there?

A. If there's not a record here, then no.

Q. Same thing for Ms. Kerrison; correct?

A. Correct.

Q. I'm going to hand you two documents. One is a document we've marked as Exhibit Eleven. And the other is a document marked as Exhibit Twelve.

MS. WALL: Can you identify?

MR. BABCOCK: I'm sorry. Yes. Exhibit Eleven is a document that starts at the top conference with Tom and Dan Stevenson

3/27/06. And Exhibit Twelve is the March 28, 2006 letter from Mr. Carter to Dan Stevenson and Tom Stevenson. Okay.

BY MR. BABCOCK:

Q. Now, the Exhibit Eleven is the notes apparently that Mr. Carter took concerning the meeting at your, at his office; correct?

A. Yes.

Q. Is that what you understand them to be?

A. Uh-huh (affirmative response).

Q. And then he wrote you on March 2006; do you see that?

A. Yes.

Q. All right. And the second, well, second full paragraph, the one that starts I told them the manner, do you see that?

A. Yes, I do.

Q. All right. And that paragraph starts, I told them that the manner and quality of what funds had been invested were irrelevant to my concerns. I explained that I had been assured when this subject was discussed three years ago they were going to speak about it to Kathleen and then the rest of the family. They told me that they had talked to Kathleen about it at that time. And that's apparently the time that you tell Mr. Carter about this May '03 meeting

with Kathleen; is that right?

A. Correct.

Q. Now, what hadn't happened that Mr. Carter told you to do was to also meet with the other beneficiaries; correct?

A. It had not happened.

Q. Didn't do it in '03, did you?

A. No.

Q. Didn't do it in '04, did you?

A. No.

Q. Didn't do it in '05, did you?

A. Right.

Q. And now we're up to March of '06. And let's look at the letter of March 28, 2006. First paragraph says, I want to confirm my statement to you at our meeting yesterday afternoon that I would delay sending the letter which Lynn Kerrison and I have signed and which is dated March 27, 2006, addressed to Dan and your sister Kathleen for a reasonable time until you and Dan have a chance to talk to Kathleen or we have met again with Lynn and Howell Morrison present; is that correct?

A. Correct.

Q. And that is a letter that they had signed that they were going to send to Kathleen to tell them about these loans; correct?

MS. WALL: Object to the form.

A. Correct.

BY MR. BABCOCK:

Q. And you didn't want them to send it, you wanted one last chance to talk, to have some kind of meeting; is that right?

A. Well, it wasn't that we didn't want them to send it. We wanted to have the meeting and were working on that to have the meeting.

Q. And ultimately you had the meeting; correct?

A. Yes.

Q. And that was a meeting on April 27, 2006; is that right?

A. Right.

Q. Now, as I understand it it's your testimony that on April 18th -- I'm sorry. Strike that. Let's talk about the, let's use, let's go to Exhibit Fourteen first. Exhibit Fourteen is an April 19, 2006, letter from Heyward Carter to you; correct?

A. Yes.

Q. All right. And the first paragraph said this is to confirm that the meeting you had with Edward Bennett and me on Tuesday afternoon, April 18, 2006, we agreed that you and Dan, Kathleen, Lynn Kerrison and I would meet as soon as possible so that Lynn and I could inform Kathleen as

co-holder of her mother's durable power of attorney of the current status of loans from the trust under your father's will to you and Dan; correct? Did I read that right?

A. That's right.

Q. All right. And then he says as I stated in my letter of March 28, 2006, to you and Dan, if such a meeting has not been held by Friday April 28th 2006 I will mail or deliver to Kathleen the letter which Lynn and I have already signed informing Kathleen of the status of the loans and recommending that she and Dan as holders of your mother's power of attorney consider having those loans secured by your and Dan's assets; correct?

A. Correct.

Q. All right. Now, as I understand your testimony you, you took Kathleen on April, on April 19 to your, to Fabtech; is that right?

A. Well, I invited her to come over there. She came by herself. I didn't take her there.

Q. All right. Why did you have her come to Fabtech?

A. It was convenient a place as I could think of.

Q. Okay. And Dan had her come to his business; correct?

A. I was not aware of that, but I had, I understand that that happened. But I did not know he was going to. I had no idea he was.

Q. All right. The purpose of you having her come to Fabtech was for her to have some comfort level about the business, wasn't it?

A. The primary reason was so I could tell her that we had a meeting that we were going to have to have with Mr. Carter about the moneys involved in Fabtech and in particularly in Dan's company.

Q. And you could have done that by going, you and Dan coming together to her house and doing that, couldn't you?

A. Well, I was prepared to, I was trying to move this along. And I was prepared to get this thing, get her in front of Heyward Carter so that all this could be explained and, I mean, or discussed and -- but that, I wanted her to come, I wanted to meet with her somewhere.

Q. Which you could have done at her house; right?

A. I could have.

Q. Or you could have told her on the telephone; correct?

A. I could have.

Q. And if you had told her about everything to do with the loans, you wouldn't have needed that meeting at Heyward Carter's office, would you?

A. Well, I think Mr. Carter was planning on us having that meeting with Ms. Kerrison at his office. And it wasn't going to be left to me to tell anybody anything. Ms. Carter

was going to have Ms. Kerrison explain everything to Kathleen so that --

Q. Did you ever tell Mr. Carter and Ms. Kerrison I'm meeting with her, Kathleen at Fabtech and I'll show her everything? We don't need to have this meeting. Did you ever tell her that?

A. No. I didn't.

MS. WALL: Can I take a break?

MR. BABCOCK: Sure.

VIDEOGRAPHER: Off the record at 7:14 p.m.

(Off the Record.)

VIDEOGRAPHER: We are on the record at 7:19 p.m. 7:19 p.m.

MR. BABCOCK: Thank you, Mr. Stevenson.

A. You're welcome.

FURTHER EXAMINATION

BY MS. WALL:

Q. Mr. Stevenson I have, Tom, I have a couple of follow-up questions for you based on what plaintiff's counsel just asked you about. Go back if you would for me to Exhibit Number Four which you were asked about David, dated November 29, 2001.

A. Yes, ma'am.

Q. And let's clarify the record here. As this letter

to you and Dan says, following the meeting at Lynn Kerrison's office, Heyward Carter was left to understand that each of you meaning you and Dan were drafting promissory notes to your mother's trust?

A. That is --

Q. And, in fact, was that done?

A. Yes. It was.

Q. Okay.

A. But it was our responsibility to do it.

Q. And the drafting was done not by Mr. Carter but by you and Dan; correct?

A. Correct.

Q. Or someone that you asked to do it for you; correct?

A. Correct.

Q. And that person was not Heyward Carter; correct?

A. Correct.

Q. Now, let's go to these questions that have to do with the meetings with Kathleen and the siblings. In that same letter, Exhibit Number Four, Mr. Carter says, does he not, he says to you for you to let Lynn and him, Mr. Carter know if you, if you would like for them to be present at that meeting. You never asked Mr. Carter or Lynn Kerrison that they be present for a meeting, did you?

A. I did not.

Q. And you told Heyward Carter and Lynn Kerrison that you were undertaking and would have the meeting with Kathleen and your siblings; correct?

A. I did.

Q. Did you expect Heyward Carter to follow up with you and quiz you as to whether or not you had done what you pledged to him you were going to do in November of 2001?

A. I didn't. I did not have any thought that he wouldn't.

Q. Did you give him any reason to believe or suspect that you were not going to do what you said you were going to do and that he needed to check up on you?

A. I did not.

Q. Now you were asked a number of questions as to whether Mr. Carter followed up with you after you hired your attorney Howell Morrison in January of 2003. Did you ever expect Heyward Carter to be calling you after January of 2003 and follow up with you when you had your own lawyer Howell Morrison?

A. I did not.

Q. And did you understand that Howell Morrison had assured Heyward Carter in a letter to him and in a discussion that you, in fact, were going to do what you said you were pledged to do?

MR. BABCOCK: Object to the form.

A. I did. There were -- I did --

MR. BABCOCK: There's no questions.

BY MS. WALL:

Q. You can go ahead and finish your answer.

A. I fully expected to be doing what I needed to do. There were during this time period a number of reasons why it kept having what appears to be a delay issued to it. A lot had to do with Mr. and Ms. Bennett not being here. But the, what we, what Lynn Kerrison did do was to keep track of every check and keep it in a separate folder so that every dime was accounted for.

Q. And those were records that Lynn Kerrison had were, did she share those records with you and possibly Howell Morrison as you set out in Exhibit Number Thirteen in your e-mail where you say, and I quote, my records and those at Howell Morrison's office state these moneys were to Fabtech, Inc., all of them and that I as a prudent thing personally guarantee these notes, end quote?

A. All right. Is there --

Q. Exhibit Thirteen.

A. Just let me put my hands on it. Yes, ma'am. Will you say that again or --

MR. SHARPLESS: What was the question?

BY MS. WALL:

Q. You said that Lynn Kerrison kept all of the

records of the moneys taken from the two trusts. My question was, did you also have records and were some of those at Howell Morrison's office as you set forth in your April 21, 2006, e-mail which is Exhibit Thirteen at the top?

A. My records and, were that and are that these notes were, were personally guaranteed by me. And that was my intention to begin with before anybody said anything to me at all. And that that is what I intended to have happen. And that is what I did and what I intended to have happen.

Q. Heyward Carter was never your attorney, was he?

A. He was never my attorney.

Q. And he was never the attorney for the beneficiaries of these trusts, was he?

A. No.

Q. That's all I have. Thank you.

FURTHER EXAMINATION BY MR. SHARPLESS:

Q. Probably just one question, Mr. Stevenson. After that October 2001 meeting with Ms. Kerrison, there was no time when you were expecting Ms. Kerrison to follow up with you or affirmatively reach out to contact you, was there?

A. No. We did not have anything like that at the end of that meeting. Any notion of that.

Q. That's all I have.

FURTHER EXAMINATION BY MR. BABCOCK:

Q. And I, just briefly, if I understand your

testimony, Ms. Kerrison was keeping track of the moneys that were being taken; is that correct?

A. That is correct.

Q. And sharing that information periodically with Mr. Carter; is that correct?

A. I don't know. I don't know about that.

MR. SHARPLESS: Object.

BY MR. BABCOCK:

Q. But what we do know is that during the time period from October 2001 until we finally have the April 27, 2006, moneys are being taken from those trusts by you and Dan; correct?

A. Correct.

Q. And Ms. Kerrison is keeping track of the moneys that are being taken?

A. Correct.

Q. No further questions.

A. We did have the meeting with Ms. Turner.

(Off the Record.)

VIDEOGRAPHER: This is the end of videotape number four and the deposition of Thomas C. Stevenson. The deposition concludes at 7:28 p.m.

(Signature reserved.)

(Deposition concluded at 7:28 p.m.)

DEPOSITION ERRATA SHEET

Our Assignment No. 3047AS
Case Caption: Bennett, et al., v Carter, et al.

DECLARATION UNDER PENALTY OF PERJURY

I declare under penalty of perjury that I have read the entire transcript of my deposition taken in the captioned matter or the same has been read to me, and the same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the DEPOSITION ERRATA SHEET hereof, with the understanding that I offer these changes as if still under oath.

Signed on the _____ day of

_____, 20_____.

_____
Thomas C. Stevenson, III

DEPOSITION ERRATA SHEET

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

DEPOSITION ERRATA SHEET

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

Page No. _____ Line No. _____ Change to: _____

_____

Reason for change: _____

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

REPORTER'S CERTIFICATE

I, Lyn Allen Hudson, a Notary Public, do hereby certify that there came before me on Wednesday, February 13, 2013, the person hereinbefore named who was by me duly sworn to testify to the truth and nothing but the truth of his/her knowledge concerning the matters in controversy in this cause; that the witness was thereupon examined under oath, the examination reduced to typewriting under my direction, and the deposition is a true record of the testimony given by the witness.

I further certify that I am neither attorney nor counsel for, nor related to, or employed by any attorney or counsel employed by the parties hereto or financially interested in the action.

IN WITNESS WHEREOF, I have hereto set my hand this 18th day of February, 2013.

_____
Lyn Allen Hudson, Court Reporter
Notary Public for South Carolina

My commission expires: February 8, 2016

$

$12 122:4
$17 122:4
$200,000
46:6
73:21
109:7,14
110:19
111:5,7
$25 122:2
$25,000
150:18
$250,000
122:18
$30 122:1
$30,000
107:20
$35,000
117:16,19
$4,000
43:20
$400,000
49:21
53:10
124:19
$407,500
109:9
$48,000
117:17,18
$5,000
18:11
$500,000
34:24
35:1
113:18
114:1
$583,000
44:13
48:1
$600,000
46:15
122:21
$700,000
34:4
$707,500
109:15
110:12,18
$800,000
28:5
120:19
$907,500
111:12
$950,000
126:24

0

02 161:7,8
03 166:10,
11 169:5
170:22
172:2
177:25
178:7
04 178:9
05 171:25
178:11
06 168:22
178:13

1

1 164:4
166:3
1.1 123:13
10 45:3,8,
10,13
46:16,24
167:21
100 7:20
30:6
109:21
100,000
111:7,8
11 161:7
11/12/02
160:9
11/99 55:2
11:08 7:23
11:16
89:18
12 25:7
45:9
46:16,24,
160:25
161:8
12:36 37:7
12:47
37:10
12th 61:20
64:10
13 167:21
13th 7:22
14 160:13
14th 68:24
15 45:9
122:23
165 45:14,
15
17 13:2
18 179:23
1894 11:2
18th
179:16
19 13:2
73:6,7
91:3
179:18
180:15
19- 19:6,8
20:6
33:22
1928 11:20
14:23
1929 11:7
1940s
20:11
1950 20:7
1950s 19:6
1960s
19:7,8
1961 24:14
1970 19:16
1972 19:7,
15,19
1977 27:14
1978 10:14
34:9
1979 10:16
1980 11:2
1980s 42:7
1982
31:18,19,
20 32:3,
24 44:14,
15
1987
33:23,24
34:3,11,
12 44:6
1988 33:23
34:12
37:14,20
39:4,7
41:20
44:6,7
1989 44:7
1990 44:8,
11
1990s
146:4
1991 44:11
1992
44:15,23
1994 47:19
48:14
1998 39:7
41:21
1999 52:10
55:14
19th
88:10,17
89:18
90:2,10,
20 91:6,
25
1:18 47:8
1:21 47:14
1:28 50:10
1st 102:5
103:12

2

2 24:12,14
118:8,11,
14 139:13
20 18:16
21:6
166:4
2000
11:12,13

2001
50:16,17, 20 52:18, 19 54:2, 13,19 59:1,13, 19 61:1 64:20 66:12 132:19 148:3,6, 11,12,15 149:21 151:14,18 158:13,19 161:15 163:9 182:23 184:7 186:18 187:10

2002 61:8, 21 64:10, 20 65:21 66:23 67:8 68:1 83:10,15 132:24 158:19,24 159:3,9, 11,18,22, 23 160:10, 13,25 161:22 163:10,20 164:11 171:19

2003 68:24 69:21 71:9,22 72:1,14 76:19,20 83:1,3 84:22 85:5 87:17 88:2 93:7 158:10 159:7 160:14,15 164:4 165:15,25 166:3,4 167:10,22 169:15,19 171:10,19 172:16,23 173:14,22 174:10 175:7 184:16,18

2004 171:20 175:2,19, 21 176:8, 12

2005 176:14

2006 82:17,20 83:12,14, 22 84:4, 11 85:2, 3,7,11,14 86:21 87:12 88:8,9, 10,17 89:18 90:2 91:3,24, 25 92:5, 16 94:2 95:25 96:15 97:5 101:16 133:25 134:1,3 177:2,11 178:14,18 179:12, 18,23 180:6,7 186:4 187:10

2007 50:8 96:22 97:4,5 99:17 101:16,19 102:5 103:22 104:2 109:6,7, 8, 110:11 114:15 119:21, 22,25 120:4 127:18 134:1

2008 110:19 111:5,6, 24

2009 112:17 116:14

2010 111:3 113:25 117:23

2011 126:3 141:4

2011-CP-10-400 7:19

2013 7:22

21 165:24 186:4

21st 71:21 72:1,14 76:19,20 90:8 169:19

22 20:7 160:15

22nd 69:21 71:9

23 54:13 59:23 157:13

23rd 52:19 54:18 59:1, 151:18

25 160:10 163:20

25- 107:20

25th 65:21 66:23 109:6,7, 8, 110:11 116:13

27 84:11 85:3,14 111:3 168:22 178:17 179:12 187:10

27th 85:11 92:5,16 134:2

28 177:1 178:14 180:6

280-something 120:17

28th 47:19 86:21 87:12 180:7

29 151:14 158:18 182:23

29401 7:22

29th 59:13 126:3

2:01 50:14

3

3 46:1,10

3-something 46:10

3/27/06 177:1

30 45:14

30-something 117:15

300- 122:18

33 45:14

35 33:8

3:41 91:15

3:55 91:21

4

4 19:24 46:1,10 160:12

40 8:25 38:23

40-something 117:13

400 7:21

45 45:15

4:40 108:17
4:45 108:21

5

5 19:23
5- 122:21 139:13
50 38:23 45:11,15
50/50 32:6
500- 34:4 122:24
58 72:7,9 74:5,23 76:19 87:24 88:3 115:19
5:21 126:16
5:25 126:19
5:30 77:4
5:45 136:18,23

6

6 46:5 160:13 164:10
600,000 28:11
600- 122:24
6:02 137:2
6th 67:8

7

70s 27:14
75 31:20 32:13
77 31:18
78 31:18
79 31:18
7:14 182:10
7:19 182:13,14
7:28 187:23,25
7th 48:14

8

8 111:6 112:8,12
80 18:17 19:23
800 28:7
80s 42:7 107:25
87 45:23

9

9 122:7,17
90s 174:16
91 44:9
98 174:16
99 174:16

A

a.m. 7:23 89:18
ability 9:17 76:16 121:5 136:14
abort 76:12
absence 25:1
absolutely 139:10
access 96:16
accommodate 9:21 27:9 35:6
account 93:25 94:10 97:4 107:15 109:14 149:12
accountant 17:14,15 38:10,11 39:16 110:15 114:14 137:6,11 143:20 144:16,19 155:8
accountants 143:4,18 164:25 165:1
accounted 96:25 107:16 185:11
accounting 17:17 39:23 107:18 111:2 119:18 120:8, 123:12 130:11,24 143:7,15, 24 144:2, 7 145:9 150:5 155:23
accounts 56:9 66:20
accurate 101:5
accurately 110:4
acquaintance 15:16
acquire 19:17 44:16
acquired 49:2,12
acquiring 48:22
acquisition 35:2 52:4
act 19:16 29:17 164:3
action 17:24 36:7 42:12 79:22 105:9 112:22,23 114:3 127:14 154:20
actions 121:24 139:6
active 14:24 40:15
activities 16:20 39:9 40:20 75:5 121:24
acts 20:9
add 121:5
added 115:12 129:23
adding 13:12,23 14:3
addition 74:24 110:18 134:15
additional 17:8 61:4 110:17 111:16
address 57:6
addressed 178:18
adjust 154:15,21

admired
86:2

admit
173:11

adopted
20:24

adored
76:14

adulthood
23:23

advanced
42:24

advantage
28:12

advice
17:22
42:19
61:6 86:2
92:12
103:18

advisability 57:19

advise
40:7
42:13
70:2
77:11

advised
42:20
43:10
86:5
98:16

affair
81:7

affairs
86:4

affect
43:16

affidavit
126:2,3
140:25
141:3,12

affirmative
35:9
38:25
54:24
177:10

affirmatively 99:9
186:20

affront
29:17

afternoon
12:7,11
84:13
86:23
114:14
126:23
161:6
178:16
179:23

age 20:17
32:13
38:21
42:24

ages 10:10

aggregate
46:13

agree
43:25
112:11
116:18

agreed
17:7
32:15
63:22,23
72:7
117:25
139:13
179:23

agreement
111:17
114:13,
19,20
116:12,13
117:8,24
118:1
119:5
138:21
139:1,12
140:9

ahead 18:4
35:16
85:24
97:9 98:7
125:10
147:11
185:4

aim 164:23

aiming
71:1

airport
30:9

Albemarle
16:1

alcohol
76:1

alcoholic
14:14

alive
40:15
53:21
124:8

alleged
135:2

Allen
68:23

allowed
37:3

amount
26:8
44:13
47:25
53:4,7,8,
9 63:14,
16 73:11
78:5,11,
14 105:25
106:5,24
109:6,25
110:5,12
111:6
118:8
120:16
150:18
154:21

amounts
51:10
77:19
78:8,
110:9,10
152:12
154:15

and/or
88:3
105:10
116:19
125:3
161:21

Anger
137:23

angry
64:3,4

announcement 29:2,12

answering
10:5
105:22

answers
99:23
129:18
130:17
136:13

anticipated
36:24

anxiety
137:22
163:4

anxious
15:15
73:9

anymore
129:3

apartment
72:22,24
73:1,3,
16,19,20,
21,22,25
74:1

apologize
149:17

apologized
104:23
135:25

apology
136:2

apparently
130:20,21
161:6
177:5,24

appeared
97:11
169:15

appears
89:16
93:12
185:7

applications 113:21

applied
110:12

appointed
38:4

appointment
42:11

appreciation 26:5

approached
44:23
51:3

approval
61:6

approve
57:13

approved
55:1,12
147:21

approving
57:14

approximate
109:11

approximately 23:13, 17 46:14
53:10
61:8
107:17
117:16
124:19

April
34:9,12
88:9,16
89:18
90:2,7, 10,19
91:3,5, 24,25
92:5,16
94:2
95:25
96:15
99:16
111:3
134:2
168:22
179:12, 16,18,23
180:7,15
186:4
187:10

area 14:4

areas
15:18

Armonk
13:10,15

Army 14:23

arrange
87:7
88:13

arranged
170:11

arrangement
32:22
42:8

arrangements 155:12

arrived
106:22

artfully
90:25

Arthur
19:22

Asheboro
26:21

Ashley
15:25
22:3,14

asks
165:16

assess
70:2

asset 93:6
166:20

assets
77:10,17, 79:24
92:17,24
94:5,13
122:6
153:24
166:17
180:12

assignment
98:2

assistant
148:24

assisted
73:22

associate
16:24
34:7
134:16

assume
9:16
92:25
93:1,20
105:10
119:12,14
147:22

assuming
165:2

assure
52:19

assured
177:21
184:22

Atlantic
62:15

attached
79:7

attaching
68:11

attend
103:10, 19,24

attention
37:16
76:18
92:2

attorney
38:8
42:15
54:3
60:20
66:8,11, 15 69:5, 11 70:16, 19,22,23
72:1 84:4
86:10
95:2,9,22
102:9,15, 18
103:16,18
104:10, 11,18
107:14
108:8
148:7
157:18
164:2
165:8
180:1,11
184:16
186:10, 11,12

attorney's
120:13

attorney-in-fact
69:10

attorneys
116:3

audit
17:15

August
103:22

austere
23:25

authority
107:23

avoid
57:20

awarded
12:2

aware 9:23
19:1 21:9
35:17
37:4
39:25
49:19,22
51:14,16, 18 58:9, 17 62:25
63:21
79:19
81:14
83:22
92:10
105:15
119:2
120:11,18
123:12
134:18
135:1,7
143:14
147:3
148:2
152:10,12
156:5
162:20
164:24
165:1,18
166:12
180:23

awkward
87:13

B

Babcock
8:6 35:10
36:16
52:22
53:11

55:18
57:3
69:13
78:7,25
80:5
81:9,15
83:6
84:23
85:21
93:8
94:20
97:7
99:22
100:2
108:15
114:6,11,
25 115:3,
21,
116:24
120:23
125:7
127:24
136:17
137:4
138:13,
18,19
144:17
145:14
150:8
153:11
155:15
157:2,8,
11 161:2
163:15
167:17
171:24
173:7
174:1,5
175:1
176:23
177:4
179:3
182:9,15
184:25
185:2
186:24
187:8

back 12:21
13:2
15:6,13
17:10,25
19:11
24:3,7,
12,13,15,
16 25:1
26:17,18,
22,25
27:2,9
29:20
30:18
33:3 37:9
44:16
45:4 48:8
50:13
62:16,18
73:15,18
76:12,13,
18 79:12
80:11
83:1
84:22
88:8
94:23
95:5
100:9
104:25
105:17
107:24,25
108:20
115:13
116:22
118:12
119:19
122:14
124:17
126:23
127:7
128:4,15,
19 130:17
133:22
141:3
150:16
151:11
153:9
161:23
167:21
174:15
175:5
182:21

backwards
158:12

bad 24:14
42:8

balance
49:4

bank
19:16,22
20:4 45:2
58:10,12,
13,19,22,
23 60:3,6
65:1
93:25
113:20
122:8,13
147:5,17
153:18

banker
18:8

bankruptcy
17:2
117:22

banks
19:16

baptized
25:19

Barksdale
7:24

Barry
129:19,
20,23

based
97:5,10
115:9
156:8
182:20

basically
26:3

basis
71:18
144:23

Battery
24:13

battle
114:22

battles
31:21

bear 128:6

bearing
46:2,5,24

beautiful
34:23
75:19

beauty
76:16

began 14:2
15:22
18:18,20
24:21
26:6
29:19
146:1

begin
10:24
135:17
173:4
186:7

beginning
16:4
18:13
26:15
62:23
104:24
124:17
147:1

begun 17:3
27:25

behalf
7:14
42:12
125:21

belabor
153:17

belief
80:2
156:21

believed
42:18,21
161:18
165:2

believes
87:12

beneficiaries 7:9
40:25
41:13
67:16
70:6,20,
24 87:18
88:4
96:8,21
102:1
103:5,8
118:24
119:12,13
165:5
178:4
186:13

beneficiary
41:5
119:7,10
120:21
121:1
165:4

benefit
48:16
49:9
120:1

benefited
36:4

benefits
31:5,9

Bennett
7:7,12
8:8,11
22:18,19,
20,22
28:2,19,
20 29:9,
10,11,15,
21,22,24
30:17,19,
25 31:3,5
62:13
106:21
107:8
118:23
121:8
127:22
134:16
179:22
185:8

Bennett's
30:13

Bennetts
106:25

Bethlehem
12:1,2

big 19:18
31:10

bigger
152:2,6

bill 22:9,
18 28:19
106:21
107:18
127:22

billed
101:15

bills
66:19
149:14

binders
97:2
98:17,19,
24 99:3

Bishop
72:18,19,
20 73:1,
19 74:6
76:23
122:19

bit 8:22
10:7,22,
23 21:6,
21,23
38:14
42:1
45:20
74:9
100:17
143:3,18

Black
62:18
104:19

blistering
105:18

blow 31:10

board
22:19
58:12
65:1
113:20

Boarding
125:16

boat 22:20
62:14
76:8,12
98:20
104:19

Bobby
95:18,22
96:3,5
97:4,13,
15 98:13
99:15,17
100:4,10,
15 101:2,
6,8,14
104:11
106:19
108:5

bond 40:19

bonds 20:3
34:1
45:21
153:14

book 40:1

bookkeeping
130:11,24

books
12:15
31:14
101:18
130:15

born
10:14,16
25:19

borne
120:22

borrow
35:1
41:21
43:2,4
50:24
153:18

borrowed
18:11
50:22,23
53:8
125:3,4,5

borrowing
139:6

borrowings
58:6 83:4

bothered
63:10

bottom
60:9
77:22
87:12

bought
15:25
34:23
45:12
52:5
62:21
124:25

boys
11:15,16

Bradstreet
28:4

branch
17:19

brass
74:18

breached
137:11,14

break 9:19
35:11
36:15
37:12
50:9
90:22
91:1,11,
23 126:15
136:17
182:8

breaks
36:18,21

Brevard
8:24

Briar
22:4,14

bridge
12:3,6,
13,16,17,
18,21,25
13:1,4

briefly
26:18
109:19
186:25

brilliant
32:20

bring
113:5
150:20

Broad
75:11

broke
17:22
18:6
106:13
107:7

brokerage
40:3

brother
15:9
16:23
23:11
27:21
33:13,18
35:5
38:7,12,
20,21
39:5
40:10,21
50:17
51:3,8
54:18
59:14
63:5
65:21
66:9,16
77:5,15
81:13
83:16
92:8
97:11
99:15

101:1
104:12
105:8
122:9
131:14
132:4
134:3,18
143:25

brother's
39:17
40:2,5
98:4
106:22

brother-in-law 22:5
28:1,19,23 29:5,8
31:10
36:9
79:20
114:24
127:21
128:25

brought
12:21
37:13
106:23
127:16
131:9
138:8,22
139:4

Buffalo
13:5,6,14

build 12:3

building
11:6
25:14
45:2
73:3,14

buildings
11:7

built 12:8
16:2

Buist 34:8
38:10,15
39:2,5,19,22
40:15,24
41:10,13,17 47:23
53:21
130:9
145:22
146:1
149:7,19

Buist's
39:15

burden
128:6

burdened
128:5

business
11:3
12:19
13:11
16:14,15
19:19
25:2
26:23
33:16
39:18
40:3,18
42:8
43:22
52:3 89:6
113:25
128:22,23
164:24
180:21
181:3

businesses
29:19
58:7 74:4
92:11
94:13
113:22
127:8
132:1,4
144:3

busy 117:4

buy 19:14
31:25
32:2 45:3
47:2

C

C-a-l-d-e-r
10:12

calculate
145:1

Calder
10:12,13

calendar
72:4

Calhoun
7:20

call 15:17
29:10
51:9 61:5
62:19
76:2
86:10
87:21,23
96:7 99:2
102:24
104:1
110:8
130:1
139:6
142:15
147:14
150:17
152:18
156:6
160:21,24
161:4,12,23 166:9
170:8,10,14,19
171:2,7
172:8,11
173:23
174:4,6

called
11:8,25
13:10,20
14:1
15:14
16:5 18:9
19:20
25:4,24
26:2
27:20,21
30:8,16
44:24
52:1
55:11
67:9,11
72:2
75:13
77:14,16
87:24
98:4
99:10
101:3
102:11,12
103:21
105:17
106:16
114:9,14
128:2
142:12,16
147:4,6,7
159:3
166:8,21
169:20
170:15,16
172:13
173:18

calling
184:17

calls 73:6
103:13

canceled
114:16

cancer
31:7

capability
86:6

capable
108:1

capacities
98:3

capital
15:24
17:8
18:15
40:13
56:9
129:21

car 15:21
28:24
75:2
113:13
128:21

Carbide
16:8,14

care 59:24
137:11,14
162:22

career
22:7

Carolina
7:18,22
8:25
17:20
20:5 25:3
58:10,12,14,19
60:3,6
62:24
64:21
75:17,18
93:25
142:17,20

165:5

carrying
75:15

Carter
7:15 8:4, 5 42:11, 15,21,22 43:1,13, 24 50:2, 3,18 51:17,21 52:14,15, 19 53:25 54:3,5,17 55:10 56:16,19 57:23 59:2,16, 21 61:6, 64:10 65:14,20 66:24 67:1,10, 11,15 68:10,24, 25 69:21 71:8,13, 17 82:13, 16,19 83:9,16, 23 84:10, 16 85:10 86:9,20 88:1 89:10,17, 20 90:8 91:3 92:4,6,9, 15 95:1, 2,4,12 104:10,24 130:2 132:8,16 134:4,24 135:15 136:2,5 148:4 151:10, 15,22 157:16,22 158:4,13, 15,24 159:10, 13,24 160:10, 14,16,23 161:7,13, 164:14 166:4,9 169:20 170:17 171:2 172:3,11, 16,20,21 173:11, 19,23 174:4 175:3,7, 12,21 176:3,8, 14 177:2, 6,25 178:3 179:18 181:6,12, 23,25 182:3 183:2,10, 16,20,21, 23 184:1, 5,15,17, 22 186:10 187:5

Carter's
59:5 61:19 67:7 88:21 90:9,19 93:2 99:11 104:9 134:17 155:20 181:22

case 7:18 36:6 55:25 114:2 115:8 170:1

cash 16:21 18:5 20:2 35:6 45:25 46:6 77:20 93:25

category
77:17

caused
30:20

celebration
24:4

cement
33:13

CEO 30:6

certificate
60:3

chairman
58:14

chance
105:6 138:4 178:19 179:5

change
40:14 101:1,2

changed
133:12

Chapel
25:9 26:22

character
18:9

charge
31:12 104:9

Charleston
7:18,21 10:15,25 11:18 15:3,12, 14 19:13 22:15 26:18 27:3 28:25 31:14 64:21 69:7 75:5

Charlotte
19:15 25:5,6, 10,15,19, 20 26:11, 20,25 27:1,2,7, 8,9,10, 15,17 30:8 31:12 33:4,16, 19

check
74:20 105:19 107:24 109:6,8 150:12 161:23 171:18,19 184:12 185:10

checkbooks
59:2

checking
93:25 94:10 109:14 160:23

checks
63:14 96:24,25 107:11,15 108:2 109:13 120:15 131:3,5, 9,23 132:1,10 133:7,22 148:20, 21,23 149:5,7, 11,14,21 150:4,14, 21,25 151:3

child
20:18,24, 25 21:12 23:2,3 35:5,7,8 108:7

children
9:1,2,3 10:10 15:7,22 20:13,14, 16 21:19, 23,24 22:1,4 23:10,15 25:18 125:13

choosing
29:19

chose
40:13

christened
25:19

church
25:20
65:3

cigarettes
14:2

Circuit
7:17

circumstances 31:20
99:18
155:14

Citadel
11:1,4,5,7,20,24
14:23

claim
116:2
135:5

clarification 94:8

clarify
101:13
182:25

clarity
109:18
111:19

class
13:18,19
52:9

clean 63:7

cleaned
12:22

clear
101:23
107:2
128:15
137:5
139:3,10
143:3
148:10,16
149:9,17
151:12
152:13
168:19
169:10
170:19
176:6

client
14:9
129:19

clients
52:6,9

close
17:11
20:10
21:13
122:6,20
132:19,23

closed
11:11
17:17

closer
147:13

closest
16:24
38:7,9

closing
32:8

clouds
108:10

club 13:21
22:15,18,21 30:9
45:2

co- 147:17

co-equal
29:18

co-executor
107:14

co-executors
97:21

co-holder
69:10
70:15,19
71:25
84:3
180:1

co-personal
7:13

co-power
66:8,11
102:15
107:14

co-powers
148:7

co-sign
58:9

co-signed
58:18,24,25

co-trust
102:15

co-trustee
107:14

co-trustees
7:9
118:24

cognizant
19:1

collateral
18:21
34:2

collect
119:1

collectively 97:22

college
24:22
38:8

Columbia
17:19
19:13
44:25

combination
19:5

comfort
181:2

comfortable
171:15

Command
15:2

commended
105:3,21
113:20

comment
24:11
54:23
174:9

commented
133:8

commission
14:23

commit
70:14

commitment
87:15

committed
11:16
14:14
70:8,11
71:4

committee
58:13,15
113:21

Common
7:16

commonly
128:1

commotion
105:11

communicate
87:25

communication 132:14
160:23
161:10
175:21
176:4,7

community
64:21,24
65:9
76:15

companies
11:10
16:9,18
19:5,17,18 51:13
52:5 57:7
60:24
61:2,5,13
65:24
145:25
146:1
153:14

company
11:8,19,22,23,25
13:10,12,22,23,24
14:1,10
15:14,17,19,20
16:4,5,6,10,13,15,17,22,25
17:9,10,12,21,23
18:15,17,18,20
19:9,12,23 24:24,25 25:1,

12 26:10, 15 27:3, 5,6,8,12, 13,18,20, 24 28:2, 20,22 29:1,4,6, 24 31:1, 5,8,11, 16,17,19, 23,25 32:3,7,25 33:6,8, 10,14,15, 19 44:16, 23 45:1, 14 49:5, 11,16 51:1,5,24 52:1,2,3, 10,16 53:15,20 55:16,21 59:8 64:12 77:16 109:22 113:13,18 117:3,22 144:9,12 150:22,24 153:10,24 154:22 168:19 181:7

compelled 165:2

competent 165:7

competitor 27:7,12 28:1,4 32:3

competitors 27:17

completed 13:2,3

completely 18:6 44:19 115:12

completing 25:3

components 45:24

composed 30:16

comprehend 82:5,8

compromised 125:5

conceived 150:20

concern 31:6

concerned 30:22

concerns 177:20

concert 75:4

concerted 128:10

conclude 64:15 71:18

concluded 187:25

concludes 187:22

concluding 126:21

conclusion 94:16

Concrete 11:8,19 15:9

condition 18:24

conditions 14:12 48:4 79:7

conducted 107:23 108:12

CONF 160:12

conference 54:12 67:7,15 84:11 92:4 160:12 164:9,10 176:25

conferred 27:20

confess 117:25

confession 112:7,9, 11 118:1, 8,18,21 119:1 127:17 138:24

confidant 16:25 38:7,9

confident 100:21

confidentia l 79:11 80:10

confirm 64:11 85:3 178:15 179:22

conform 117:5

confronted 29:21

confuse 113:24

confused 73:9

conjunction 111:3

connection 130:8

connections 40:3

Conrad 17:5 19:10

consequence 137:21

considered 47:24 143:19 150:20 153:16

console 24:16

constructio n 12:12,16

consuming 75:25

contact 83:10,23 86:14 88:13 95:9 133:15 134:18 158:15, 23,25 159:18,24 160:3 161:14 164:5 166:4 172:3 173:13 175:3 176:11,14 186:20

contacted 18:1 162:14 172:16, 22,25

contemporan eous 152:16

contemporar ies 38:19

contentious 105:7

continue 76:11 99:18 126:13 154:17

continued 73:9 74:5 83:24 171:10

continuing 81:17 154:16

contract 12:2

contracting 11:3

contractor

12:4

contractors
11:6

contrary
82:11

convenient
163:25
180:20

conversation 17:3
61:9,20, 21 64:9
65:15,18
67:1,7,19
83:15
97:6,10
101:9
142:5,6,8
160:9,22
161:17
169:19,21
175:25
176:8

conversations 118:13

convey
87:22

conveyed
87:16

convinced
16:25

Cooper
12:3,6, 17,25

copied
59:16
69:22

copy 68:13
90:17
92:23
101:24
102:8,20
116:11
118:7
166:16
167:14, 18,20

corner
92:25

Corporation
16:8
17:12,13

correct
10:18
22:10
23:16
28:13
37:14
43:3,6
47:20
48:11
53:25
55:17,19
56:2,6,7, 17,18
57:2
58:21,22
59:19
60:4,7, 12,13,17
67:13,14, 23 69:3, 5,6,12,14
70:3,4
76:23,24
82:17,18
83:12,13
84:25
85:1,8,9
86:24
87:3,7,8, 19 89:6, 7,19,23, 24 90:12, 13 91:9, 10 93:3
96:13,14, 18,19
99:20,25
102:7
109:16
110:10, 13,22
111:13,14
112:5
119:22
123:10, 16,17,25
124:1,9, 10,21,22, 23,24
130:6,18, 24,25
132:5,6
133:4,25
137:6,8,9
138:12, 22,23
139:1,2, 8,9,14, 17,18
140:5,9, 10,12,13, 14,16,17
141:1,7
142:2,18, 20,21,23, 24 143:2, 8,16,17, 20,22,23
144:7,11, 13,20,21, 25 145:2, 11,16,19, 20,22,23
146:2,3, 9,10,22
147:25
148:1,4, 9,24
149:22
151:2,15, 19,23,24
152:1
153:19,20
154:11
157:14, 19,20,22, 23,25
158:1,5, 10,11
160:21
162:16, 24,25
163:2,12
164:14, 16,18,20, 21 165:8, 9,13,14, 15,22
166:2,14, 15,18,22
168:20, 23,24
171:16,25
176:17,18
177:7
178:2,5, 21,22,25
179:2,10, 19 180:3, 12,13,22
181:18
183:11, 12,14,15, 16,17
184:3
187:2,3, 5,12,13, 16

correctly
174:11

corresponded 13:13

correspondence 41:17

costs
22:19
120:22

Cotton
75:10,12

counsel
9:10
94:18
118:16
182:21

counterpart
32:10

country
13:24
62:20
63:1
103:9

County
7:18

couple
29:14
77:2
154:10
156:20
182:19

courageous
20:9

Courier
12:11

court
7:16, 9:25
120:9

crash
33:22,23
44:6
45:23

crashed
33:25

created
7:11

credibility
25:14

credit

18:3
128:7

creepy
24:14

criminal
36:7
105:9
112:22,23
127:14
128:11
138:9

current
180:2

cut 76:1
125:10

Cuts
77:16,21
78:6,11,
20 80:21,
24

cylinder
34:2
45:20
46:7

cylinders
33:2
35:20

D

daily
12:13

Dan 23:11
33:17,18
38:14
40:21
46:4
47:24
50:17
51:11
54:12,18
55:1,12
57:5,14,
18 58:2,
5,15,23
59:14
60:2,5,7,
10,17
61:2,25
63:5,13
65:15,21
66:9,12,
16 67:8,
20,25
68:3,13
69:1,4,9,
22 70:3,
5,7 74:3
77:5
81:13
83:16,24
84:11,13
86:1,20
87:1,20,
21,22
88:3,23
90:11
92:5,8,11
94:13,17
95:10,21
96:6,17
97:11,12,
14,18,20,
21 99:15,
19 101:9,
17,25
104:12
105:8,11,
25 111:23
115:14,16
122:21,25
123:4,9,
11,15
130:9,10,
15
131:14,15
132:4
134:3,19
143:25
145:21,25
146:8,13,
24 148:7
150:1,10,
17,25
151:15
152:3,7,
10,15
155:12
160:11,12
162:3,6,7
163:18
164:1,10,
19,20
165:8,18,
21 166:1
170:7,8,
11,14
172:6,13
176:25
177:2
178:18,19
179:24
180:3,6,
10,21
181:8
183:1,3,
187:11

Dan's
60:23
61:13
70:22
83:16
106:1
144:2
168:19
180:12
181:7

Daniel
17:14,15,
23 38:13

Danube
76:8

dark 24:13

date 22:23
72:6 77:3
88:4,13
109:24
110:5
126:3

dated
47:18
48:14
55:2,14
59:13
61:20
65:21
66:23
67:8
68:23
69:21
86:20
90:7,10
91:2
102:5
111:3
116:13
141:3
163:19
178:17
182:23

dates
110:10

daughter
10:12
14:13
21:1
30:23

daughter's
85:16

David
182:22

Davidson
38:8

day 33:3
40:4
73:5,8
104:12
105:18
109:8,15
112:9
113:15
133:18
150:20

days 37:1,
2,3 73:8
95:17
112:10
138:1

de 29:3
39:21

dead 21:11
45:20

deal 13:22
19:21
25:22
30:1,20
32:6 73:2
101:15
105:11
137:22
138:3
155:16

dealing
36:12
101:14

dealings
32:25

death
34:17
37:23
39:12
42:17
49:23
64:8
106:1
119:24
120:6
121:9,18,
25 122:3,
22

debt 26:16
153:15

debts
66:20

deceased
7:5,6

December
67:8,25
83:10,15
126:3
141:4
160:13
164:10

decide
57:24

decided
14:3
15:12
17:9 18:4
27:22
28:15,
29:16
30:12
40:9
49:24
95:14
98:13
116:3
130:10

deciding
40:6

decision
29:16
30:2
43:17

decisions
28:13
92:12
108:1

declined
103:19

deed 36:12

deeds
66:19

deemed
48:17
127:14

deep 75:19

defeated
128:5

Defendant
8:4

defendant's
59:10
61:15
65:11
67:3
68:6,19
69:18
84:7
86:16
89:13
90:14
91:17
92:20
93:14
101:20
108:22
110:23
113:1
118:4
119:15
125:24
151:13

defense
115:9

defray
22:19

delay 87:2
127:12
178:16
185:7

deliberately 116:5

deliver
180:8

demand
79:23
112:7

demanded
73:19
79:23

demanding
103:16

demeaning
32:21
33:11

demise
37:22

department
28:2

departure
31:10,16

depending
46:12
115:8

deposed
9:6 36:25
37:1
137:25

deposit
60:3
66:17
149:11

deposition
7:3,19
10:3
44:18
47:6,
91:13,20
93:23
115:11,12
116:2
136:22
137:1
140:19
142:4
167:13
169:23,25
170:4,10
187:21,
22,25

depositions
115:8

depressed
128:4
137:18

depression
11:21

describe
23:25
24:19

deserve
49:19

designated
78:10

destitute
18:7

detail
82:21

detect
94:7

determination 34:17
48:24
117:4

determine
60:2,7

determined
28:6 35:3
40:11,16
79:19
105:8
116:23
117:1

devastation
34:14
36:3

developed
15:25
19:21

development
16:19

devious
114:4
127:12

devise
123:11

diagnosed
128:1

Dick 75:9,
13

die 50:7
119:20

died 16:20
33:23
35:18
42:24
44:6,7
50:5
57:20
122:5,16
130:9
146:2
149:19

difficult
28:22
36:12
37:4 42:5
45:17
62:23
63:1
138:2

difficulty
31:6
37:19

dime
185:11

dining
77:7,9

dinner
73:16
75:6

dire 45:17

direct
37:16
47:17
106:10

directed
40:21
152:15

direction
29:7

directly
45:25
125:20
151:4,5

disagree
171:18

disagreement 62:10

disappointing 32:21

disarray
163:4

disbursement 121:2

discarded
114:17

disclosed
42:13
122:12

disclosure
98:18
173:5

discuss
40:17
48:24
51:20
61:6,11
62:1,9
63:22
64:11
65:23
66:3 69:7
78:5,8,
88:15
90:1 96:9
98:24
106:7,8,
13 107:4
117:3
157:17
159:20
162:5,7
163:23,24
164:1,7

discussed
41:15
43:12
57:17
59:6
60:16,17
81:13,14
82:21
83:3
89:21
91:25
94:2,5
105:15
107:7
157:16
164:5
177:21
181:13

discussing
17:2
36:23
59:18
60:11
159:4

discussion
30:2 50:4
58:5
60:19,22
61:10
73:24
80:14
83:9,10
88:6
106:14
110:8
141:13
163:3
184:23

discussions
28:21
41:2
43:14
105:16

dismissal
30:17
31:1

disorder
128:2

disruption
84:18

dissolved
80:2

distinguishes 30:24

distinguishing 168:10

distract
113:24

distributed
46:3

distributions 55:1,11
144:23
145:2

distributor
16:7

distributors 16:11

dividend
45:19

division
12:1 16:7

divorce
79:21,22
80:3
174:13

Dixon-hughes
8:14
102:3
107:18
129:11
143:15
145:10

document
48:13
54:14
61:19
67:6
77:9,13,
25 79:4,
5,7,8,11,
12 80:4,
10,11,15
92:24
93:5,6,12
111:2
139:23
151:13
160:8,11,
19,20
164:22
168:21,25
169:15
176:20,
21,24

documentation 57:10

documented
96:25
161:17

documents
59:2
68:11
77:16
82:9
98:16
109:24
141:17,
20,22,25
168:9
175:17
176:19

dog 113:13

dogs 63:3

dollar
34:6
78:10,11
121:6

dollars
19:23,24,
25 20:2
45:3,8,9,
10,11,13,
15,25
46:1,2,6,
10 55:14
109:5
112:8,12
117:14,15
118:9,11,
15 120:17
122:1,7,
13,23,25
123:13
126:24
139:13
150:19

dollars'
46:11

Domestic
15:17
16:5,6,13
19:9

door
30:19,20
77:8

Douglas
40:13
56:9

downcast
128:5

downtown
11:4

dozen
23:13

drafted
152:1

drafting
59:23
183:3,10

drank 24:9

drawing
162:19

drink
73:10
75:13
76:9

drive 12:7
62:24

driven
24:1

drove
27:21
28:24
30:9,13
44:25
75:1

due 99:17
110:6

Duke 76:2

duly 8:18

Dunn 28:3

durable
180:1

Durant
111:3

duress
19:3

duty 14:24

dynamics
82:14

E

---

e-mail
89:19
90:7,18
91:4
95:11
98:25
102:12
127:21
170:24
171:3,7
185:15
186:4

e-mailed
72:2
95:17
98:22

e-mails
89:16

earlier
51:2
55:11,13
64:18
87:15
107:5
117:15,19
135:3,9
136:11
139:20
140:5,7
141:1
143:5
145:17
158:4
159:9
161:10
163:2
165:11
169:23
170:3,5,
10 172:6
174:9
175:13

earliest
163:25

early
11:6,17
97:4,5
99:17
100:15
101:18
102:4
107:24
148:6
158:10

Easy 88:23
89:22
90:1 92:2
94:14
168:17,19

eat 24:4

educated
81:2

education
81:1

Edward
134:16
179:22

effect
33:4,6
98:13
164:4

effort
20:8
63:11
128:10

Eighteen
101:20,23
103:3

eleven
84:7,10
92:8
176:20,24
177:5

Elizabeth
10:12,13

else's
56:25

embarked
33:15

employee
162:4

end 16:19
20:1,10
36:3 47:5
49:19
60:9
91:12
105:2,21
113:15
136:21
139:23
185:18
186:21
187:20

ended
15:6,8
20:21
30:3
37:12
122:25
123:1
165:12

ending
34:2

enforce
165:3

engaged
104:13

engineer
11:24

engineers
13:6

English
82:9

enjoyed
24:23,24
65:9

enlist
14:25

entered
116:12

Enterprises
19:20

entertain
75:25

entire
78:23
96:15
162:8,13

entitled
9:16
54:12
77:10
126:2
160:8

entries
77:22

entrust
86:7

Episcopal
25:20

equal
46:13
51:10

equipment
12:14

16:16

erection
12:1

established
126:22

estate
7:4,6,14
34:8 41:7
42:19
43:8,16
45:22
46:1
100:19
118:25
119:7,10,
19 120:9,
12 121:2,
5,10
122:6,10,
17,22
123:7
124:3,5
125:4
139:7
140:2
162:19

et al
111:3

ethically
165:2

evade
128:16

evading
117:4

event
49:13
75:15
87:23
106:18

events
27:13
91:24
99:4

eventually
22:23
60:15,20
167:7

everybody's
98:11

evident
108:10

exact
120:16
169:14
174:19

EXAMINATION
8:19
129:7
137:3
182:17
186:16,24

excess
120:18

exchanged
77:2

excuse
19:8
20:12

execute
66:19

exhibit
47:10,17,
18 48:8,
13 54:8,
59:10,12
61:15,17
65:11
66:23
67:3,5,13
68:6,9,
19,21
69:16,18
84:7,9
86:16,18
89:13,15
90:14
91:2,4,8,
17 92:3,
20,23
93:5,14
101:20,23
103:3
108:22,25
109:4
110:23,25
113:1,3
116:11
118:4,6
119:15,18
125:24
126:1
138:20,24
139:11
141:1
151:13,14
158:3
159:6
160:8,9,
11,13,14,
20 163:19
168:13
175:6
176:20,
21,23
177:1,5
179:17
182:22
183:20
185:14,20
186:4

exhibits
138:14
141:23
160:6

existed
44:21

existence
37:21
44:15

existing
16:10
43:23

expansions
26:16

expect
184:5,17

expected
15:6
185:5

expecting
45:11
186:19

expenses
120:11
122:19

expensive
72:25

experience
39:15,16,
17 40:3

explain
39:8
79:13
89:3
162:11
182:1

explained
54:25
55:10
56:4
81:25
88:24
162:18
165:4
177:20
181:12

explaining
82:3

express
62:21
82:22

expressed
26:5
63:4,5,6
92:9
101:2

extend
36:1

extended
129:2

extensive
63:12,16
73:11

extremely
63:17,19

F

F-a-b-t-e-c-h 52:2

fabric
24:8

fabrication
12:19,22
52:3

Fabtech
52:1,2
55:1,12
77:14,21
78:6,10,
19 80:20,
24 88:10,
12,16,22
89:6,9,
21,22
90:1
91:25
92:1
94:14
109:19,
20,21,22
113:18,24
116:19,21
121:10
123:5

144:9,22, 23 145:5 150:12,14 151:3,7 152:1,17, 22 156:2, 20 168:5, 8,25 169:9 171:11 180:16,19 181:2,6 182:4 185:17

face 46:14,20 47:2,25 49:2 76:4

facility 25:14

facing 127:22

fact 11:3 31:16 47:22 48:6 51:5 59:24 61:11 62:4 64:11 65:3 66:2 67:25 68:24 69:4 70:11 71:1,21 74:1 89:25 95:9 96:11 103:4 121:1 131:5 183:6 184:23

facto 29:3 39:21

factors 60:4

faculties 81:23

failing 15:8 87:19 135:3

failings 24:18 170:6

fair 156:16, 17,19 160:17

fairness 163:7

fall 100:25 157:13 163:9

falling 42:7

family 8:23 10:8,23 13:1 18:24 21:5 24:3,5,8, 9 25:21 26:10 27:4,5 30:21 44:17,21 45:1 46:12,13 57:19 63:22,24 65:8 75:24 77:10,11, 24 82:3, 20 83:4 84:18 85:8,11, 16,25 88:6 92:17,24 93:4 94:5 97:25 104:1 108:13 111:22 121:6 129:2 133:17, 19,23,24 162:20 164:23 166:17,20 177:23

family's 79:24

famous 30:3

fashion 73:10

father 10:20 11:15,19, 22 12:3, 13:4,6,14 14:6 15:8,11, 13,23 16:2,3, 11,16,19, 20,22 17:2,6,8, 14,16,22, 24 18:6, 8,9,10, 12,17,25 19:2,4, 10,19,23 20:1,12, 23 21:1, 11,14,15, 18,24,25 22:18,21 23:15,22, 24 24:8, 9,20 25:4,21 26:5 27:15 28:14,16, 19,21,24 29:12,18, 20,25 30:5,6,8, 11,23 31:3,7, 20,25 32:2,4,9, 13,22,24 33:23,25 34:13,16, 18,19 35:2,18 37:13,20 38:19,22 39:1 44:6 45:19 62:21,24 72:8,10 85:15,17, 19 86:3,5 124:25 125:14, 17,19,21

father's 15:8,9, 11,18 16:24 17:15 19:18 20:25 21:12 22:20 30:2,10, 14,15 32:11,16 33:20 34:3,7,9 35:22 38:10,11, 21 39:12 42:17 68:13 72:10 162:5 180:2

favorite 75:6

FBI 36:7 112:19, 21,23 127:13 128:10 137:21 138:1

feature 46:22 168:11

February 7:22 110:19 111:5,6

feel 164:5

fees 120:13

Felder 7:7 8:9 104:17 118:23

fell 76:1

fellow 16:16

felt 92:12 162:19

Fifteen 91:17

92:3
fifty 34:5
73:21
fighting
31:21
figure
15:23
file 61:19
105:9
112:23
115:17
filed
41:14,16
66:18
79:20
111:25
112:10,14
118:2,18
134:23
138:25
174:13
filing
17:24
106:23
107:3
final 12:8
119:18
120:8,
123:12
finally
64:9
116:7
126:1
187:10
financed
19:21
finances
41:7
66:17
74:20
82:3,20
83:4 88:6
107:11
financial
16:3 28:2
35:23
36:3
45:17
59:2
80:23
94:5
96:17
102:4
113:16,17
122:7,10,
14
financially
18:7
125:12
127:20
find
73:15,18
82:11
94:18,24
127:13
138:1,2
172:3,22
fine
115:16
125:11
143:12
finest
75:7,8
finish
35:13,16
125:9
185:4
finished
31:22
73:16
finishing
25:10
fired
15:19
firing
98:13
firm 7:20
8:4
13:16,17,
18 29:24
40:12
68:23
69:25
102:3
107:18
111:2
120:15
129:21,25
141:7,9,
15 142:14
143:8,10,
15 144:5,
6 145:4,9
150:5
155:20,
21,23
156:2
165:12
firsthand
81:10
five-year
46:22
150:15
fledgling
13:24
flew 30:8
floor
104:22
Florence
19:13
flowcharts
100:23
fly 62:16
flying
62:18
focused
129:17
fold 17:1
folder
185:10
folders
108:4
follow
29:10
53:5 78:4
81:7,19
159:14
162:15
172:6
184:5,18
186:19
follow-up
59:17
86:19
182:20
fond 74:22
76:5
Forced
121:16,19
forces
17:6
foreign
14:6
Forest
125:16
forever
32:13
forgave
49:21
124:20
forgive
49:24
76:17
forgiven
50:6
forgiveness
106:5,7,8
forgot
36:1,8
forgotten
64:2
form 17:10
36:7
45:25
46:2
52:22
53:11
55:18
57:3
69:13
78:7,25
83:6
84:23
85:21
93:8
94:20
120:23
138:11
144:14
145:12
153:4
155:10
156:25
157:8
161:1
163:14
167:15
169:22
171:21
172:24
179:1
184:25
formal
41:11
70:18
formed
16:17
19:16
forms

48:15
128:3

forthcoming
102:18
127:9

fortuitously 15:3

fortunate
12:18

forward
55:25
71:5 88:8
94:18
96:15
97:13
100:19
101:7,10
107:5
112:16
128:7
146:5
171:10
172:2

forwarded
90:10,18
95:11

found
15:19
17:18
28:22
29:20
30:7
34:22
62:23
63:1
97:19
98:5
102:21
114:3
127:12
128:11

foundation
156:7

founded
11:7

founder
13:17
30:6

four-page
29:25

Fourteen
90:14,16
91:2,9
179:17,18

fourth
10:14
162:17

frame
51:11
99:14
100:13
101:14
158:2
160:17

framework
24:7

Francis
24:5

frantic
73:5

Fred 15:9

Fresh
77:16,21
78:6,11,
19 80:20,
24

Friday
128:14,17
160:12
180:7

friend
13:8
15:16
18:7 75:9
76:2,5
98:15
170:12

friends
29:13

frightening
24:15

front
111:4
126:25
128:18,22
181:12

fruits
20:8

fuel 15:18

full 17:16
22:1
35:23
55:9
98:18
104:1,7
173:5
177:14

full-time
74:15,24

fully 15:5
42:12
43:9,10
44:22
88:23
96:25
107:16
108:1,4
154:8
185:5

function
130:11,23

functions
39:23

funded
121:9

funds
110:17
121:11
125:3,18,
22 165:17
177:19

furniture
20:20
73:2
75:20

G

Gadsden
72:18,19,
21 73:1,
19 74:6
76:23
122:19

garage
128:20

gas 15:14,
17,20
16:4,5,6,
13 19:9

gases
16:12

gathered
100:17

gathering
24:3,5
100:10

gave 53:9
73:23
79:12
111:11
140:1,4
150:25
167:1
175:6,10

general
114:4
135:1

generating
49:3

generous
42:2,4
49:18
125:12,14

Genevieve
7:7 21:3
99:8
101:25
103:6
104:16,20
112:4
118:23

gentleman
17:3
28:17
29:2,4
32:15
45:5,7
74:16,21
145:6

gentleman's
32:12
33:5

gentlemen
31:15
122:16

gifts
66:19

give 9:4,
43:25
54:21
64:1,15
71:17
76:16
82:2
90:20
119:6
124:14
126:24
135:3

136:7,13
160:6
166:23
184:10

giving
62:21
104:19
160:16

glad
125:19,22
133:9

good 13:8, 19 18:7
19:4
25:12
26:7
28:13
29:6 30:2
32:5
36:12
38:14
46:23
63:4
90:22
98:11
100:18
101:10,15
105:5,6
137:22

grace
76:15

graduate
11:1 25:2
38:9

graduated
11:4,20, 24 14:22
22:3
24:22
45:6

grandchildren 10:8

grandfather 10:24
11:13,22

grandfather's 11:19

grandson
11:9

great
13:22
19:2
25:22
26:8
30:1,20
31:6 32:5
34:15
36:3 40:2
63:14
73:2
105:11
106:24

greatly
18:24
24:18

Greensboro
14:19
26:21

Greenville
19:14
26:1,3,12
27:1,2
28:18
29:3
31:15

grew 21:9
25:12

ground
27:16

group
39:21
40:10,12
52:8
106:18
163:8,9

grow 21:4

growing
23:22
108:10

guarantee
32:20
153:23,25
154:3,7,9
168:11
169:8
185:18

guaranteed
51:6
55:21,22
147:5
154:23
169:1
186:6

guarantor
147:18,19

guess
38:22
97:19
98:6
107:22
156:14
170:6

Gumb
129:19
130:11,18
131:10
143:7,15, 20 144:6, 13,15,19
145:1,4,9
162:4

Gumb's
61:23
162:5

H

Hagerty
76:2
98:15,22
99:19
101:13, 18,24
103:18
104:11

half 26:24
99:5
109:23
122:13

half-sibling
103:6
104:15

half-siblings
102:25

half-sister
112:4

Hall 22:3, 14

hand 36:2, 5,9 54:8
59:12
61:17
65:13
67:5
68:8,21
84:9
86:18
89:15
90:16
92:22
93:11
110:25
113:3
116:10
119:17
126:1
176:19

handed
30:19
47:16
77:12,25
79:4 91:1
92:17
93:7
108:25

handing
69:16
101:22
118:6

handle
14:5 86:4
100:9

handled
51:8
74:19
85:25
150:10

handmade
75:20

hands 63:4
162:22
185:21

handwriting
93:1,2, 13,16,21

handwritings 94:1

handwritten
29:25
93:24

happen
127:15
186:8,9

happened
20:11
29:8
113:5
172:21,22
173:12
178:3,6
180:24

happy 9:20
106:25
114:1

hard 33:6,
10 45:7

hard-working
24:1

hardship
35:23

Harold
144:4

harsh
24:11

Harvey
102:8,9,
11,16
103:14
104:15
105:24
107:5
108:11

hate 115:1

Haynsworth
68:4,11

head 14:8
76:1,4
99:9

headquartered 13:4

headquarters 27:7

health
15:8,11

hear 9:12
36:19
81:23
136:10
169:25
170:1
172:20

heard 7:16
58:8
68:25
136:7
148:3
164:4
165:11
176:7

hearsay
80:6
81:16,17
85:22
97:7
127:24

heart
101:1

heating
15:18

heavier
74:18

heavy
12:25
73:10
128:6

Heisenbottle 131:6

held 7:20
36:5
99:11
103:8
106:17
108:5
121:20
180:7

helped
18:13
24:19
145:1

helpful
42:5
49:18
97:25

helping
18:22

Henry 34:8
38:10,15
39:2,5,
15,19
40:21
41:10
47:23
53:21
122:5
130:9
145:22
149:7,12

hesitant
125:20

hesitation
98:18
103:7

hey 169:20
170:16

Heyward
7:15 8:4,
5 42:11,
15,25
50:2,18
52:14,15,
19 53:25
54:3,5,17
55:10
56:16,19
57:23
59:2,
61:5,10,
18,19
64:10,15
65:14,20
68:24
69:21
71:8,13,
17 82:13,
16,19
83:9,15,
23 84:2,
10,16
85:3,10,
15 86:9,
20 87:22
88:21,25
89:17,20
90:8,19
91:3,5
92:4,6,7,
9,15
102:8,9,
11,16
103:14
104:15,
105:24
179:18
181:12,22
183:2,16
184:1,5,
17,22
186:10

hide 79:3

hiding
113:23

high 25:4,
20 45:6
75:10,12
122:1

higher
49:3,9,13
55:22
154:25

highly
33:22

Hill 25:9
26:22

hire 68:1
98:14

hired
22:17
26:20
102:10
107:21
184:15

history
12:15

hold 66:8
71:2

holder
66:14

holders
118:21
180:10

holding
19:16,17
128:15

holdings
77:11

holds
164:1

holidays
129:3,5

home 15:18
24:12
34:23
72:8,10,
15 74:25
75:13,16,
17,18,19
76:13,20
113:13
114:15
125:1

Hood
120:15

hope
129:17

hoped 30:4
123:6

hospital
76:3

Hotel 24:6

hours

105:18

house 21:9
25:5
34:19,22
35:2,3,4
62:20,23,
24,25
63:1,3,4,
7,9 72:25
74:23
75:22
81:19
103:9
113:13
125:2
128:18,
19,20
165:25
181:9,15

household
21:5

housekeeper
74:15,16,
25

housekeepin
g 74:12

Howell
68:18,23
69:21,24
70:12
71:7,13,
18 86:10,
14,87:16,
21,24,25
94:19
156:4,21
165:12
170:8,11,
12,13,14
178:20
184:16,
19,21
185:14,16
186:3

Hudson
7:25

Hugh 18:8
35:1 76:5
86:2

Hugo 44:7

hundred
17:25
28:8,9
34:5
55:2,14
73:20
109:5
110:20
150:18

hurricane
44:7

husband
62:14
79:20
80:2
106:21

husband's
79:22

husbands
85:16

I

I-beam
12:8,9,
14,21

IBM 13:16,
22 14:3
15:4,6,13

IBM'S 14:9

idea 13:7
35:22
51:3
78:22
97:1
106:23
119:3
146:16
173:19
180:25

ideal 13:7

ideas 98:4
100:18,22
101:2

identificat
ion 59:11
61:16
65:12
67:4
68:7,20
69:19
84:8
86:17
89:14
90:15
91:18
92:21
93:15
101:21
108:23
110:24
113:2
118:5
119:16
125:25

identified
168:22
175:13

identify
8:1 118:7
138:17
176:22

II 14:22

III 8:17

illiquidity
44:20

illustratio
n 111:1

imagine
141:6

imagined
135:18

immediately
33:15
76:13
98:16
106:22

implication
s 43:6,8

importance
67:16

important
25:24
66:3
133:9
138:1
169:9

impress
70:23

impression
82:2

improper
60:24

in-person
130:4

inartful
83:20

incapacitat
ed 82:4,8

incident
30:4
163:3

include
40:21
77:13
112:1
115:10,
123:4

included
120:13
122:10

including
63:10
66:17
104:24,25
116:20

income
34:2,3,14
35:18,19,
45:20
51:4
116:18

incorrectly
117:2

increase
28:5,6
51:4

increased
84:17

increases
48:23

increasingl
y 63:8

incumbent
69:9

incurred
26:15

indebtednes
s 43:23
49:24
50:6
105:25

independent
57:13
73:4,14

indication
166:9

individual 145:9
individually 7:8 118:24 163:8
individuals 116:19
industrial 16:12 17:19 25:6,17 28:10
infirmed 19:2 33:24
inform 70:14 98:4 102:17 164:6 179:25
information 41:18 79:15 80:8 96:17 100:10,17 103:16 120:8 131:16, 21,24 133:11 187:4
informed 28:25 67:17 70:6 73:19 97:4 99:17 101:9 102:16 107:9 113:11,12 165:6
informing 29:21 84:17 165:7 180:9
informs 99:17
inheritance 106:2
initial 113:9
initialed 139:20
initially 100:4 151:25
initials 116:15
initiate 142:11,14
initiated 121:8
input 43:18
inquiry 107:23
inside 122:12
insightful 94:25
instance 10:1 36:8 41:13
instances 35:24
instituted 119:6
instruct 36:17
instructions 9:5 40:1
instruments 12:10 153:15
insurance 122:18
intellectually 97:19
Intelligence 15:2
intend 70:18
intended 56:12 152:13 186:8,9
intense 105:18
intent 56:12
intention 98:11 107:2 186:7
intentionally 50:2
interacted 143:6
interaction 141:6,9, 14 142:10
interactions 142:13
interest 7:10 18:16,17 46:2,4, 15,24 49:7,9, 10,13 55:22 56:8,9,11 109:25 110:6 123:7,18, 21 124:2, 8 140:4 154:25
interested 41:5 113:12
interesting 26:7 97:19,20, 23 100:8 127:20
interests 29:23 45:3,13, 16,24 56:17,20, 24, 62:25 97:12 140:1 165:4
interfere 164:23
interjecting 115:1
internal 67:6 84:10 92:3
International 13:11
interviewed 22:17 40:4,12
intimidate 64:6
intimidated 63:18 64:7
introduce 8:21
introduced 14:17
introductory 13:19
inventorying 16:12
invest 50:25 80:20 121:16
invested 177:19
investigate 107:9,11
investigation 40:6
investing 139:6
investment 40:19 48:22 77:14,15 78:10,19 88:22 94:12 110:7 121:10 150:19 152:21 153:9,13 154:17 156:7 169:10
investments 41:1 56:5 77:21 84:19

85:17
89:22
92:1
96:9,18
145:24
152:18
153:15

invited
180:17

involved
29:5,6
31:14
42:16,17
52:2 75:4
85:16
106:24
132:2,
139:5
149:16
150:1
181:6

involving
33:20
51:2
83:16
131:22,23
140:1
145:25
152:3,17

irregularly
39:20

irrelevant
81:11
177:20

Irven 9:1
10:12

issue 51:2
101:17
106:7,8
107:16
121:19
138:9
152:2,6
153:14

issued
152:22
185:7

issues
88:22
97:14
108:3
115:10
116:4
135:8
151:21
170:7

item 12:25

J

Jacquelin
7:5,7,12,
14 8:11
34:22
62:13
63:15,20
64:1
72:24
98:21
101:25
102:24
106:21
112:3
118:23,25
125:1,15

Jacqueline
21:17
22:13,25
23:1,8

Jaguar
75:2

jail
128:11

James
103:6
112:1

January
68:24
69:21
71:9
87:17
111:24
160:13,15
164:4
165:15
166:3,10
175:13
184:16,17

jeopardize
84:18

Jim 103:9
108:6

job 15:19,
22 33:19

John
98:15,22
99:19
101:13,
18,24
103:18
104:11

join 14:25

joined
13:16,18
113:10
114:22

joining
17:6

jointly
66:15
87:2

Jones
68:4,10,
12

Jr 7:15

judgment
112:8,9,
11 117:25
118:2,8,
18,22
119:1
127:17
128:6
138:25

Judicial
7:17

July 35:18
103:22
109:6,7,
8, 110:11

jury 8:21
10:23
39:8 66:6
71:24
72:20
74:9
111:20,21
151:12

K

Kathleen
7:8, 8:12
22:2,10,
11 23:4,
5, 35:7
62:19
63:11,18,
19,22
64:7,8
66:3,6,8,
25 69:10
70:14,19,
24 71:21,
25 72:2
77:1,
78:5,22
79:23,24,
25 80:3,
18 81:1,
4,21
82:7,16,
19 84:3,
17,21
85:5
86:11
87:2,6,20
88:2,3,10
89:5,21,
25 90:12,
19 91:5,
25 92:5,
7,9,11,16
93:7
94:4,6,
12,17,22,
24 95:3,
9,14,21
96:6,16
97:18,21
98:25
99:14
101:25
102:11,
12,23
103:15
104:14,20
107:13
112:3
118:24
148:7,13
161:16,21
164:1,5
165:7
166:1,16,
24 169:5,
15,21
177:22,24
178:1,18,
20,
179:24,25
180:8,9,
15 182:2,
4 183:19
184:3

Kathleen's
93:16,18,
21 101:6

102:9
115:11

Katie
10:15

keeping
28:1
67:16
130:15
131:22
133:7
187:1,14

Keith 8:6

Kerrison
8:14
50:18
52:14,15
54:13,18
55:10
57:18
59:17
70:1
82:20
83:23
89:1,2,
11,12
92:6,7
96:16
100:11
102:3
104:15,25
105:1
106:19
110:2
129:11,
18,24
130:5,13,
18
131:10,17
132:7,9,
15 133:16
134:4,10,
19,24
135:15,23
143:5
148:4
159:10,17
160:2
162:3,14
166:10
174:6
176:11,
12,
178:17
181:24
182:1,3
183:23
184:1
185:9,12,
25
186:18,19
187:1,14

Kerrison's
59:22
97:1
131:20
133:5
151:18
155:23
157:13
183:2

kind 21:4
32:5
33:14
39:9
42:2,4
63:24
74:18
79:9,15
80:8 81:1
100:23
101:15
106:22
130:16
179:5

King 24:14
103:6,9
108:6
112:1
113:9
114:22
121:6

Kirkland
13:9,13

knew 43:7
44:21
58:11,15
95:13
99:5
130:13,14
131:24
147:15,21
148:6
173:17

knowing
45:18
128:9
137:10,13

knowledge
12:22
81:10
95:15
110:3
112:25
160:1,5

L

lady
149:13

laid 12:10

lake 25:5
27:21
28:14,24
35:4
123:7,16
140:5

landscaping
74:23

Lane 18:8,
21 29:14
35:1
76:5,8,11
86:2,3,5

language
14:6 82:9

large
12:25
97:2
114:16

largest
14:9 20:4

late 19:6,
8 20:10
27:14
42:7 97:5
101:16
114:13
119:21
146:4
156:10
159:9
174:16

latest
98:12

Laurentide
109:15,
19,20
116:19

law 7:20
8:4 38:9
68:23
106:17
144:15
155:20,21
165:5,12

lawsuit
106:23
107:3
111:25
112:10,
14,16
113:5,9
115:17
120:14
127:16,23
128:10,12
134:23
135:16,20
137:24
138:8
139:16

lawyer
16:23
39:15
42:19,25
56:22
67:20,22
68:1,10,
15 69:20
70:12
71:7,17
79:22
87:16
96:3
98:15
104:4,5,
13,14,16
105:8,11,
15,17,23
106:12,22
107:2,6
113:11
114:10
115:13
137:8,14
144:15,18
155:7
161:20
162:18
165:3,11
172:13,19
173:3,15,
16 184:18

lawyers
79:21
95:19
99:4
108:16
111:22

lead 101:6

leader
39:21

leading
100:2
104:17

learn
79:18

leave 25:1
43:13
63:7
105:12
162:21

leaving
24:11

led 106:24

left 12:10
25:9
27:12
33:14
36:13
50:1
62:14
63:3,4
80:16
87:5
105:11
106:14
123:9,11
161:5
181:25
183:2

legacy
36:13

legal
17:24
108:3,10
115:13

legally
97:19

lend 41:24

lending
18:21

length
101:11

lent 18:8,
9

letter
29:25
30:3,11,
16 48:3,
8,14,21
49:17
59:13,16,
21 60:9
65:14,17
66:2,22
67:12
68:9,22
69:20,24
71:8 84:3
86:20
87:2,11,
12,16
90:9,10,
11,17,19
91:2,5
101:24
103:2,12
151:14
157:25
158:4,14,
18,21
159:8
160:10,
14,15
163:18,22
170:24
175:7,11
177:2
178:14,
16,23
179:18
180:6,8
182:25
183:20
184:22

letters
103:13

level
181:2

leveraged
33:22

lieu 17:24

life 14:16
27:5
35:24
36:10
49:4

lifestyle
74:6,10

lifting
74:18

limitations
115:10

liquidated
45:22

liquidity
45:17
46:18
125:5

list 56:14
77:17
79:23
92:17
145:6
166:16,20
167:4,6,
8,9,14
168:5,8

listed
113:18

litigation
102:19
111:4
119:5
129:11
138:22
139:4,23,
25

litigious
32:1

live 8:22,
24 10:15,
24 20:21,
22 21:8
72:11
74:5
76:22
129:3,4
142:20

lived
11:17
20:18,19
21:10,14
74:11
76:21

lives 9:2,
3 10:13

living
14:19
72:15,17
73:4,14,
22,25
76:22
77:6

loan 18:9
58:13,18,
20 60:4
77:15
109:24
110:5,8,9
113:21
122:8
123:5
124:21
134:12
147:4,6,7
152:10,
11,25

loaned
124:19

loaning
49:20

loans
55:15
57:14
62:1
70:15
84:17,21
85:5
88:23
92:10
110:6,12
124:11
135:3,5
145:24
146:11
157:17
159:20
162:5,8,
21 164:6,
24 165:1
168:5
178:25
180:2,9,
11 181:21

located
15:3

location
11:5 14:4

locations
24:25

logistics
51:9

long 10:15
26:11
31:21
62:15
73:11
98:8,9
106:11
109:1
112:16
115:15,
18,19,20

129:19

long-time
30:14

longer
29:1
76:21
97:15
98:6,14
101:10
142:9
145:13

looked
16:21
18:3
67:12
77:25
79:5,
159:8

loop
102:20

losing
25:23
27:16

loss 34:15
35:18

lost 34:24
36:8

lot 13:22
14:2,3
18:12
24:9
25:23
26:15
31:21
74:22
75:3 98:9
100:7
123:1
137:17
163:13
185:8

lots 16:2

loved
24:18
30:21,22
75:25

lower
49:10

lying
71:15

Lyn 7:25

Lynn 8:14,
15 50:18
52:14,15
54:13,18
55:10
57:18
59:17,22
70:1
82:20
83:23
84:2
89:1,2
92:6,7
96:16
97:1
100:11
102:3
104:15,25
106:19
110:2
129:11,
18,24
130:2,13
143:5
151:18
162:3
178:16,20
179:24,25
180:8
183:2,21,
23 184:1
185:9,12,
25

M

machine
13:11,12
52:4

machines
13:12,23
14:3

mad
137:16,19

made 19:4
24:10
28:13
29:2 31:7
45:5
52:6,9
56:5,11,
13 72:2
83:23
94:13
107:2
110:11
117:3,13,
14,19
130:1,9
135:4
140:7
145:25
150:21,
23,
164:24,25

mail
128:17,24
180:7

main 25:17
28:4 73:3

major
62:20

majority
33:6

make 27:11
33:7 35:1
37:2
42:10
43:9,17
54:23
56:12
86:14
92:12
96:24
100:20
102:19
117:7,9,
12,20
121:5
124:11
137:5
138:25
140:8
149:17
151:11
169:10,13
172:11
175:16

making
25:24
61:4
108:1
155:12,13

man 18:15
33:4
64:16
71:11

managed
27:18
32:5
33:21
37:2

management
17:8

manager
40:7

managers
25:7 40:5

manner
177:15,19

March
83:14,22
84:4,11
85:3,10,
14 86:20
87:11
88:9
177:1,11
178:13,
14,17
180:6

Marion
11:4 24:6

marital
7:9 77:18
97:3
109:9
111:7
123:21,25
139:8
145:17
146:22

mark 67:5
84:9
90:16
92:22
93:11
110:25
119:17

marked
47:10,16
48:13
54:8,
59:10,12
61:15,17
65:11,13
66:22
67:3,13
68:6,8,
19,21
69:16,18
84:7
86:16
89:13,15
90:14

91:1,4,17
92:3,20
93:5,14
101:20,22
103:2
108:22,25
110:23
113:1,3
116:11
118:4,6
119:15
125:24
151:13
163:19
176:20,21

market
27:16
33:23,25
49:7
55:23
155:1

marking
86:18

marks 25:4
162:24

marriage
14:13,14

married
8:25
10:15
11:14
14:10,12,
17,20,21
20:15,17
21:1,8
22:4,24
24:22

Marshall
12:1

Massachusetts 20:19

math
126:25

matter 7:4
11:3
17:17
36:10,11
39:16
48:9
82:12
123:5
128:8
163:24

mattered
73:13

matters
37:17
48:18
83:5
85:25
94:2,5
107:13
131:23
162:19

Mcclintock
11:25

Mcclintock-marshall
12:4,5
13:4

Mccutchen
99:5,10,
11
103:17,21
104:9,16,
22 105:3,
15,19,21
106:9
107:10
108:11

Mcnair
7:20

Meadwestvaco 52:7

meaning
135:12
183:3

meantime
102:10

mechanical
11:24

mediation
113:8,10
114:7,9,
12,17,21,
22,23
115:4,6
116:22,25
117:1,2
118:12

medical
22:6
31:4,9

medication
10:3

meet 40:16
52:13
61:25
66:24
69:9
71:21
72:6,7
73:25
88:10,24
89:25
95:21,24
96:7
129:18
162:7
170:11
178:4
179:24
181:14

meeting
24:10,20
28:14
41:11,18
43:12,13
44:25
50:1,20
51:17
52:18
54:2,17
56:4,15
57:18,19,
20,23,24
58:3,4
59:17,18,
22 60:11,
16,19,22
61:1,22
62:3,7
67:12
70:1,18,
20,24
71:2,25
72:3,7,9
74:5,24
75:20
76:19,25
77:2
78:24
80:12,19
81:5,21
82:7,21,
24 84:16
85:3,14
86:11,12,
23 87:17,
20,24,25
88:2,3,
12,16,21
89:4,5,10
90:5,8
91:24
92:7,13,
16 94:1,
4,16,22
95:20
96:2,11,
20 97:18
98:11,12,
18,24
99:1,2,10
101:7
102:1
103:4,8,
10,19,20,
23,24
104:5,8,
17,21
105:4,7,
12,13,21
106:13,
14,15,16,
17 107:6,
7,8
108:5,6,
12 109:3,
12
115:14,
18,19
130:2,4,
8,14
131:19
132:8,10,
16,24
133:2,3,
5,13,18,
19,23,24
134:2,8,
11,14,15,
17 148:3,
16 151:9,
18,22
157:12
159:4,9,
15,19,25
160:3,24
161:15,
20,24
165:25
166:1,13
168:16
170:9,14,
22 173:4,
12,13,18
175:22
176:15
177:6,25
178:15
179:5,8,
9,10,12,
22 180:6

181:5,21, 24 182:4, 5 183:1, 23,24 184:2 186:18,22 187:18

meetings 41:3 58:16 94:24 96:5 104:2,7 108:13 111:20 115:19,20 127:18 132:17, 18,23 183:19

mellow 26:6

member 29:24 58:12,13 64:21,24 65:3,8 113:20

members 72:20 111:22

memo 56:16 84:10 92:15

memorandum 54:17 92:4

memory 141:21

mention 134:14

mentioned 20:25 109:1 146:13

merged 16:18 31:19 32:3 44:14 52:5 129:23

merger 18:4 27:6 32:18 33:3,13

message 161:5,6

met 28:25 39:14,20 45:1 47:24 50:17 61:11 69:6 82:12,16, 19,23 83:1 84:12 89:5,20 95:10 108:8 129:10 130:1,5, 13 142:6 143:10 159:7 162:4 163:7 172:12 178:20

metal 12:18 52:2,4,9

method 144:22

methodical 78:4

methodically 99:13

methodology 148:17

Mexican 30:5

Michael 68:4,10

middle 11:12 89:17

midst 36:2,12

mill 52:7

million 19:23,24, 25 20:2 28:8,9 45:3,8,9, 10,11,13, 14,15,25 46:1,2,6, 10,11 112:8,12 118:8,11, 15 122:7, 13,17,23 123:13 126:24 139:13

mind 80:7 81:22 117:18

minding 31:14

mine 42:8 43:16,17 72:5 80:1 126:7 155:14

minute 26:19 82:22 104:12 136:7 148:16 155:17 159:11 175:5

missing 23:14

model 55:23,24 117:5

mom 148:8

moment 75:1 119:19

moments 109:2

money 18:9,12, 21 19:14 25:23,24 33:2 40:4,7 41:21,24 42:9 43:2,4, 19,25 44:1 50:25 51:5,7, 12,15,16, 23 53:19 55:11,16 58:7 59:3 60:23 61:2,4 83:17 104:25 107:22 116:3 124:9,12, 14,23 125:4,6 134:13 139:7 146:25 147:13,24 148:12 149:10,11 150:18 152:3 153:18,19 171:11

moneys 50:21,22, 23 51:18, 19 52:16 53:2,15 54:6 56:4 57:6 59:7 61:12 64:11 65:23 66:18 74:4 78:5 80:20 83:12,24 84:4 92:1 109:4 111:16 119:9 120:22 124:18 125:3 127:7 146:12, 17,20 148:17 152:1, 153:6 165:20,21 181:6 185:16 187:1,11, 14

month 95:25

107:17

monthly
149:12

months
10:16
13:2,3
25:7
29:14
46:25
73:17
96:12
100:13
158:14

Moore
16:16
17:18,25
68:23

Moore's
17:25

morning
92:8
129:10
160:21
161:5

Morrison
68:18,23,
25 69:1,
4,8,21,24
70:12,22
71:7,14,
18 86:10,
14 87:16
94:19
156:4,21
158:5,9
159:7
160:14,15
165:12
170:8,12,
13,20
172:9,25
173:2,16,
18 175:11
176:1,2,3
178:20
184:16,
19,21
185:14

Morrison's
175:6
185:16
186:3

mortgage
19:18

mother
14:18
15:4,7,
12,20
18:10,11,
13,22
19:2
20:13,15
21:1,11,
12,14,15,
18 23:15,
22 24:8,
15,18
29:12
30:21
34:19
36:13
41:6,8,
22,24
42:2,18
43:1,25
44:24,25
45:5
46:1,6,
49:18,20,
23,25
50:5,7
52:20
53:9
56:25
57:20
58:6,9,
16,18,24,
25 60:5
62:20
63:7
69:11
72:1,8,
10,11,15,
17 73:2,
5,6,18,24
74:5,10
76:13,21
79:25
80:3
107:24
119:20
120:1
122:9,20
124:7,18,
25 125:12
144:7
147:5,6,
15,20
149:2
152:11
162:18
164:3

mother's
20:24
21:15,24,
25 34:16,
17 38:21
42:15,17,
25 49:23
56:17
62:22
66:9,17
97:3
106:1
107:11,15
119:7,10,
19,24
120:6,
121:9,18
122:3,7,
22 123:9
148:24
149:14
164:2
180:1,10
183:4

move
13:14,15
17:4
32:20
51:5,7,11
72:22
73:20
74:1 80:5
81:9
94:18
114:7
115:4,24
130:10
151:9
159:22
173:21
181:10

moved 11:5
13:8,15
14:8,16
15:4
22:5,20,
22 25:10
26:2,17,
19,20,22,
25 27:1,
2,8 33:3
51:23
52:16
53:3
55:15
56:5
64:12
72:18,19
73:1,5
110:7

movement
58:6

movements
61:4

moving
55:11
57:7
59:3,7
60:23
61:2 71:4

Ms.- 45:5

Mullins
99:19

mumble
79:1

mumbled
78:22
80:13

mumbling
166:14

municipal
20:2 34:1

musical
75:4

Myer 9:1

N

named
10:20
11:14
16:16
22:17

names
10:11
29:10
95:5,6,13

Napolitano
149:1,13,
22

narrow
64:19

National
19:22
20:4

naturally
16:10

nature
81:18

Naval 15:2

Navy 15:1

needed
14:2 25:8
27:23
28:15
42:18
43:5
49:12
57:6,10
67:20
73:15
88:20,24
89:4 98:7
102:13
104:20
107:11
127:14
152:13
161:19
181:21
184:12
185:5

needing
31:24

negatively
29:11

negligence
135:2

negotiate
32:22

negotiation
73:24

negotiations 118:15

Nelson
99:19

net 28:5,6
34:4

neurologist
22:6

newness
11:21

News 12:11

newspaper
12:12

night 75:8

Nineteen
108:22
109:1,4

Ninth 7:17

nods 99:9

non-compete
33:9

non-responsive
115:25

non-trust
124:21

non-voting
32:8

Norm 44:11
47:19,23
48:3,14
53:21

Norman
16:23
27:21,22
38:8,15,
20 39:6,
19 40:21,
24 41:9,
15 42:16,
21,23,24
44:23,24,
25 122:5
145:22
149:6,12,
19

Norman's
39:14,15

North 8:25
25:2
62:24
69:7
75:11,17
142:20

note 44:3,
12 46:11,
24 47:2,
25 48:5,
10 49:1,
2,21
51:2,3,6
53:23,25
58:9
92:25
113:24
152:23,24
153:5,18
154:1,15,
21,
156:22
157:6
168:25

noted
139:19

notes
46:3,5,9,
11,12,14,
20 49:6,
12,15
52:20,25
53:1,2,18
55:2,3,
13,20,21
56:2
59:24
66:19
68:12
77:21
93:24
151:23,25
152:4,14,
16 153:7,
8,10,22
154:6,8,
11 155:3,
8,11,17
156:2,5,
6,19
161:20
173:3
177:5
183:4
185:18
186:5

notice
135:3

notion
128:8
186:22

November
55:14
59:13
61:8,20
64:10
65:21
66:23
112:17
113:5
116:13
151:14
158:13,18
160:10,25
161:7,8,
14 163:19
182:23
184:7

number
7:2,18
16:20
24:17,
25:25
33:4,21
34:16
46:13
47:6,12,
17,18
48:8,13,
21 54:9,
10 56:13
59:10,13
61:15,18
65:11,13
66:23
67:3,13
68:6,9,19
69:16,18
72:11
73:8 75:7
76:6 84:7
86:16
89:13
90:14
91:13,17,
19 92:20
93:14
101:20
103:3
108:22
110:23
111:4
112:21
113:1,4,
16 115:9
118:4
119:15
125:24
126:5
136:22,25
141:21
175:6
182:22
183:20
184:14
185:6,14
187:21

numbers
47:10
117:16
133:12

O

oath
78:21,22
116:1,5
156:12
167:24
169:3

object
52:22
53:11
55:18
57:3
69:13
78:7,25
81:15
83:6
84:23
85:21
93:8
94:20
100:2
114:6,11,
25 115:2,
3 138:11
144:14
145:12
150:6
153:4
155:10
156:25
161:1
163:14
167:15
169:22
171:21,22
172:24
179:1
184:25
187:7

objected
73:10
97:13
98:5

objection
45:23
80:5
81:9,17
97:7
115:21
116:24
120:23
127:24
157:1,8,9
174:24

objectionable 127:12

obligation
70:6
162:20
172:8

observant
82:13

obtained
58:18

obtaining
60:20

occasion
65:4 76:7

occasional
107:19

occasions
24:17
25:25
112:20
113:17

occur
27:11
31:17
44:5
53:17
115:15
125:22

occurred
27:13
29:7
32:24
34:16
44:7 62:4
72:1
88:16
96:11
103:20
107:8
133:25

occurring
31:18

ocean
98:20

October
33:24
50:16,17,
20 52:18,
19 54:2,
13,18
59:1,18,
23 61:1
120:4
148:15
151:18
157:13
186:18
187:10

offer
45:6,8
106:7,8,
12,15
114:17
116:7

offered
22:18,21
31:3,25
36:9
40:17
44:16
45:2 47:1
105:24
106:4

offering
45:10

office
14:9
19:12
25:5,6
30:12,13,
14,15,16
59:22
61:23
69:6
89:21
99:11
104:9
106:17
108:5
133:21
140:25
142:15
147:8
151:18
157:14
162:5
168:3
177:7
181:22,24
183:2
185:16
186:3

older
20:20
21:6
23:4,5,7,
9 24:21
38:23
76:14

oldest
11:10,15
21:22
22:10,11
23:14
35:5,7,8
66:7

one-fifth
123:18

one-sixth
123:21

one-year
162:13

ongoing
70:5

open 14:3
16:9 76:2
128:20

opened
17:19

opening
104:21

operate
29:22
55:25

operated
11:8,9

operating
16:7
55:24
109:22

operation
11:10,12
14:7
19:14
25:11,15,
17 26:1,4
28:17
30:10
31:15

operational
32:25

operations
11:10
25:23
31:13
51:16

opinion
98:4

opportunity
9:11
54:21

64:1
120:7
121:12

option
73:23

options
17:2

oral 40:25

order
52:20
78:4

orders
13:23

original
11:7
52:25
53:4,7
104:8
156:6

originally
26:19
46:21
145:18
148:23

originated
161:13

outcome
121:22
127:19

outline
131:25

over-valued
113:23

owed 42:9
153:6

owned
17:25
75:9
76:22
109:21

owner
19:24
30:7
52:11
65:6
144:10

owns 75:10

P

---

p.m. 37:7, 10 47:8, 14 50:11, 14 91:15, 21 108:18,21 126:17, 136:19,24 137:2 160:12 182:11, 13,14 187:23,25

pages
109:1
139:20

paid 15:4, 5 20:1
45:18
46:25
56:8
110:19
111:11,16
120:12
122:24,25
123:5
126:23
127:6

pain 30:20

painted
12:23

pair 19:4

paper
16:21
52:6
77:12
78:9,14, 17,18
169:4

paperwork
144:18

paragraph
48:12
54:25
70:9 85:4
151:17
157:25
159:5
162:2,17
163:2,23
164:22
165:10
177:15,18
178:14
179:21

Pardon
35:14
47:4

parents
34:23

parents'
76:20
165:25

part 9:9
11:11
13:24
14:11,16
17:4
19:18
20:5,6
24:7
27:11
32:20
43:14
45:1 72:5
80:14
92:13
98:12
100:25
101:18
114:4
116:17
117:24
119:4
120:11
123:15
127:14
139:25
143:7,10, 15 153:6
165:19
172:23

parties
75:21,22,
106:24
107:4
118:16
135:10

partner
27:22
29:18
31:22
42:8
162:3

partners
17:7

partnership
17:7

parts
52:6,9

party
57:13
135:16,20
136:1

pass 36:21

passed
23:23
37:20
72:10

passing
37:14

Pat 149:1

pattern
128:12

pay 31:3
43:23
110:17
116:18
118:1
139:13
140:11
147:7
149:14
153:8

paying
140:13,15
153:7

payment
35:6
116:21
117:19
144:22

payments
56:9,11
117:7,8, 10,21
121:6,7
138:25
140:8

Pearlman
95:18,20, 22 96:3,5
97:4,15
98:13
99:15,17
100:4,15
101:3,7, 8,14
104:11
106:19

Pearlman's
108:5

people
12:20
20:10
28:21
33:8
36:18
46:9
74:14
75:23
98:9 99:4
107:19
145:7

people's
80:1

percent
18:1,16,
17 19:24
30:7
45:14
46:16,24
109:21

perceptive
94:24

performed
39:23
41:13
49:3

period
16:18
37:5
40:10
41:4,20
44:11
73:18
95:16
100:11,
24,25
101:10
141:7
147:23
148:12
149:18,
20,21
150:3,15
159:2,24
162:9,13,
14 166:3,
10,11
174:16
175:2
185:6
187:9

periodic
144:23

periodicall
y 20:23
150:17
187:4

permission
59:6
107:12,13

person
12:6,7,
16,24
23:25
24:1
40:19
41:5
42:22
71:19
134:15
140:20
183:16

personal
74:13,19
97:4
102:18
109:13
122:14
125:3
132:14
153:23,25
154:2,7,8
168:11
169:8

personality
23:25

personally
51:6
102:15,22
103:15
104:23
109:12
112:20
154:23
168:25
185:18
186:6

persuaded
13:14

phone
27:22
73:6
102:24
112:21
142:6,7
161:6,12
173:22

photographs
128:17,24

Photostat
17:12

phrase
90:25
162:23
169:4,14

phrasing
168:8

physically
52:5
76:10
112:20
148:21

pick 10:2
15:21
102:23

picked
30:8

picking
75:15

picture
12:14
128:20

pictured
128:22

piece
12:20
77:12
169:4

place 13:7
28:16
57:10
74:4 89:6
92:8 96:9
128:14
152:6
153:10
173:4
180:20

places
24:4 33:7
62:15
76:5,7

plaintiff's
182:20

plaintiffs
8:7
118:23
120:13

plan 50:25
154:17
171:23

planned
29:13
87:6

planning
162:19
181:23

plaque
12:23

play
158:10

Pleas 7:17

pleasantrie
s 36:22

pleased
9:14

pleasure
25:22

pledged
184:7,24

pledging
153:24

POA 165:8

pocket
80:11

point
16:1,
18:5
22:22
26:8
33:24
34:3
46:20
51:14
78:8
99:16
103:18
105:23
106:11,14
131:8
137:22
146:4
147:15
152:9
153:17
155:3
157:16
158:12
160:17
174:10,
13,14

points
151:12

polishing
74:18

polite
75:15

port 76:12

Porter-gaud
16:1

portfolio
33:1,20,
21 46:23

portion
51:15
116:18

position
33:12
58:11
70:15
87:13

positions
97:12

positive
65:9
100:20

possibly
24:19
49:14
185:13

post-stress
128:2

post-traumatic
128:2

potentially
105:9

power
66:15
69:11
70:15,19
71:25
84:3
103:15
104:17
157:18
164:2
165:8
180:1,11

practices
114:5

Pratt-thomas
61:22
130:11,18
131:10
143:7,10,
14 144:5,
6 145:9
162:4

pre-tax
28:7,11

preceded
112:7

precedent
152:5

precipitated 99:3

preference
95:16

premium
122:18

preparation
157:6

prepare
53:23,25
140:19,24

prepared
53:5
54:17
55:13
56:2
66:18
68:12
77:9
80:15
93:4
100:22
110:1,2
140:25
143:22
154:4
155:2,3,
8,12,17
156:19,22
181:10,11

preparing
131:1
154:11

prerequisite 50:3

presence
41:11

present
8:1 11:5
24:22,23
97:24
131:20
132:8
133:11
134:4
164:13,
14,16,18
165:25
178:21
183:22,24

presented
82:9
134:12

presenting
132:10

presently
48:15

president
29:3 30:6

Presidential 13:21

pretty
32:24
108:6
137:25

prevent
10:4
135:3

previously
20:15

pride
25:22

primarily
19:21
39:19
40:20
46:18
72:23
75:21,24
130:10
150:22,24
152:14

primary
181:4

principal
49:15

prior
14:10
17:3
21:10
34:18
44:17
55:3,5
82:24
115:15
121:8
133:19
174:14

private
113:22

privy
58:17
105:16

probate
120:8

problems
57:21

proceeded
112:19
116:7

proceeding
79:21

proceedings
80:3

proceeds
19:11
106:2

process
9:7,9
70:1,8,11
71:4
98:17
173:5

produce
79:23
103:16

produced
40:1

productive
105:13

Products
11:8,19
15:10

professional 107:21
135:2

profit
17:21
28:7,10
114:16

profitability 25:13 26:4 117:3

profitable 16:21 17:24 18:19 25:16,17 26:1

program 22:16 33:20

promissory 44:12 47:25 59:24 151:23,25 183:3

promote 100:18

proper 57:10 114:12

properly 41:16 44:22

property 15:24,25 123:7,9, 16 140:4, 5

propitious 71:1

proposal 105:24 107:5,6

prosper 18:20

prospered 19:5

protect 52:20 165:3

Protection 121:16,19

protocol 39:18 40:16 152:5 154:6,14, 22 156:6

provide 15:24 22:19 35:5 122:20 128:14 131:25

provided 35:25 46:18 95:12 122:8 125:22 131:24 141:25

providing 102:3 125:17

prudent 185:17

psychologically 128:1,4

PT 162:4

Pug 129:21

pull 97:24 98:10

pulling 139:7

purchase 47:25 48:4 49:1 62:23

purchased 44:12 63:1 121:25

purpose 40:6 62:21 89:8 102:17 181:1

purposes 59:11 61:16 65:12 67:4 68:7,20 72:19 84:8 86:17 89:14 90:15 91:18 92:21 93:15,20 101:21 108:23 109:18 110:8,24 111:1,19 113:2 118:5 119:16 125:25

pursue 127:6

put 12:8, 23 15:2 18:5 19:11 20:2 40:5 51:12 60:23 61:12 75:21 78:6 80:11 99:13 101:14 104:25 106:8 117:5 128:11 138:20 147:13 150:19 158:2 185:21

putting 59:7

Q

Qualified 7:10

quality 177:19

quarter 158:19,24 159:2,11, 18,22,23

quarterly 116:19

question 9:13,14, 28:16 40:23 66:5 80:6 81:12 83:18 90:25 93:21 94:12,21, 25 95:1,7 99:23 107:16 108:2 115:22 125:7 129:13 136:4 149:17 153:3 157:4 159:13,17 161:9,12 163:11 167:6 172:16 173:8,21 174:25 185:23 186:2,17

questioned 101:3

questions 9:10,12, 24 10:4 37:18 54:22 80:23,24 94:9,10 105:18,22 121:14 126:21 129:12,16 136:8,10, 16 143:5 159:23 182:20 183:18 184:14 185:2 187:17

quick 126:15

quickly 20:2 99:1

quiz 184:6

quotation

162:24

quote
48:15
49:17,19
185:15,18

R

R.J. 14:1, 9

raised
151:21

rate 46:15
49:10,14
55:22
154:25

rates
49:7,10

Ravenel's
129:21

reach
186:20

reached
118:11,15

reacted
29:11

reaction
63:20

read 30:10
180:3

reading
89:19

ready
26:24

real 45:22
77:19
122:10
166:19

realized
20:8

reason
9:15
44:19
49:7
64:15,23
116:21
138:7
181:4
184:10

reasonable
86:6
178:19

reasons
62:17
72:5
185:6

recall
40:4,8,24
41:2
50:17
56:15
57:5,9,
12,17,21
58:5
59:14
61:9,21
62:3
82:24,25
92:13,18
102:12
108:14
117:16
120:3
147:12
156:1
158:25
159:1
161:8

recalled
13:5

receipt
90:9

receive
66:20
122:12,15
124:5

received
20:5
46:4,5,6
49:13,15
73:6,7
123:15,24
128:3

receiving
46:8,9
59:14
66:22
80:4

recipients
102:8

recognize
67:6
68:9,22
86:19
92:23
93:16
114:3

recognized
28:3

recommend
86:4
95:1,2,3,
4 164:6

recommended
162:6

recommendin g 180:10

reconciled
80:2
174:15

record 8:2
30:1
36:25
37:6,8,9
47:7,9,14
50:10,12,
13 56:14
66:6
81:16
91:14,16,
21 101:23
108:17,
19,20
109:18
111:19
118:18
126:16,
18,19
130:2
131:8
136:18,
20,23
137:1
143:4
150:17
160:7
171:15
175:24
176:16
182:10,
12,13,25
187:19

recorded
12:15

records
131:22
165:20
171:14
185:12,
13,15
186:1,2,5

recourse
32:15

recruited
14:7

redacted
115:12
116:2

redeemed
46:20,25
49:5,6,
12,16

redemption
46:22

reference
53:7
102:2
160:17
175:10

referenced
92:24
99:13
123:8

references
47:22
67:9
86:23
92:6
151:17

referencing
53:8
60:10
62:12
66:25
67:7
68:24
90:18

referred
135:9
138:4
153:6

referring
29:9
33:17
51:25
55:3
94:23
133:3
134:8

reflect
110:4
111:9

reflecting
84:11

refrain
36:22

refresh
141:21

regard
39:10
40:25
48:9,25
74:14
83:11
106:4
124:17
143:6
168:5

register
94:6

regret
172:5
173:16,17

regularly
75:2

reiterates
87:11

relating
88:22

relationship
23:21
24:2,21
26:6 42:1
109:19

relative
70:23

release
114:20
116:13
119:5
138:21
139:12

relied
33:1 40:2

relocated
27:9

remain
32:12
121:1

remainder
173:22

remained
32:17
120:21
121:14
168:18

remaining
11:17
119:13

remember
11:11
24:5,6,11
56:13
73:3
75:1,10,
11,13
76:7
103:17
120:2
122:4
125:15
132:7,9,
13 133:15
134:10
155:7,8
168:17

reminded
61:22
162:2

remodel
63:11

remodeling
63:9,12
73:1,11

removed
30:25
61:12
121:23

removing
31:22
74:3
83:11

renovating
73:21

renovation
62:20
63:16

rental
33:1 34:2
45:20
46:7

repaid
109:3,15

repair
63:9

repay
111:5

repayment
109:5
110:11

repeat
129:13
157:4

rephrase
129:14
161:3

replaced
146:6

report
28:4

reported
79:24

reporter
7:25 10:1

reporting
40:22,25

reports
41:2,16
102:4

represent
8:3,14
61:18
97:15,20
98:6
99:18
129:10

representation 102:14

representations 100:8

representatives 7:13

represented
43:11

representing 8:6
56:17,19,
24 69:1
78:21
97:18
98:3
102:21
103:15
111:22
153:8
172:10

represents
164:2

reputation
65:9

request
43:15
47:24
84:13
107:10

requested
43:13,19
44:10
68:11

requests
48:25

required
9:5 31:24
89:3
113:8
165:7

requirement
32:10

requirements 39:24
73:14,25

requires
165:5

resemble
72:25

resentment
137:23

reserved
187:24

residual
124:2,5

resign
48:5
120:3

resigned
120:2

resolution
139:25

respect
136:4

respected
64:20,24

responded
67:22
165:17

response
35:9

38:25
48:13
54:24
81:12
95:14
100:4
177:10

responses
9:25

responsibility 58:4
172:18
183:9

responsible
106:3
136:1
164:5

responsive
80:6
115:22
116:25

rest 36:2
63:21
85:8,11
88:5 96:7
105:17
172:2,15
173:14
177:22

restate
9:14

restaurant
24:5,6
75:16

restaurants
75:7

restore
26:4

result
27:6 30:5
96:2,5
116:1
118:15

resurrect
22:16

retain
68:15
69:4,7

retained
18:16,17
19:24,25
32:7
80:14
99:5
101:17
102:16,17

retire
27:23
28:15

return
34:9,13
48:23

returned
12:11
25:12
63:15
98:25
105:1
121:10
160:21
161:4,7,
13

returns
41:14,16
66:18
114:15
131:1
143:22

review
57:13
64:19
102:2

reviewed
28:3
113:15

rework
63:10

reworked
12:22

Reynolds
14:1,10

Rick 8:13
129:9

rights
104:20
119:6

river
12:3,6,9,
17,25
76:9

roam 63:3

Rockville
74:25
75:19
103:9,
124:25
125:2

rocky 24:1

role 130:7
131:20
133:5

room 22:19
24:11
32:19
73:22
77:7,9
82:15
104:23
105:2
107:19
108:10
136:3

roughly
28:8

ruin
127:25

ruined
127:20
128:25

rules 9:5
37:4

run 16:16
24:15

running
24:12
28:17,20

rural
15:18

S

S' 165:2

sailed
62:14

sailing
22:16

salaries
32:16

salary
31:4,8
32:11,12,
14,16,21
34:6
45:19
116:18

sale 20:6

salesperson
13:20

salvaged
33:2

sat 30:10
77:9

satisfied
106:25

saved
107:22

scared
63:18
64:8

schedule
70:18

scheduled
90:5

scheduling
95:20

school
16:1 25:2
26:23
38:9 45:6
65:4
125:16

scream
64:5,7

screamed
64:8

Sea 62:18
104:19

secretary
30:15,16
74:13,19
168:3

section
48:21
77:20

secure
33:13

secured
12:20
34:24
51:5
152:14
153:8,9
180:11

securities
34:15
39:17

security

153:21, 22,24
seek 42:20 92:11
seeking 105:9 112:22 113:23
segmented 107:16
segregated 108:3
seizure 76:10
self-dealings 48:16
self-serving 127:10
sell 14:2
selling 13:12 14:1 15:17,18 16:15 20:20
send 84:3 98:16,17 128:13 178:24 179:4,7
sending 87:2 178:16
senior 13:6 29:23
sentence 161:4
separate 185:10
separated 108:3 174:10,13
separating 97:11
September 103:23 119:22, 23,25
series 16:9 89:16 99:4 103:13 128:17
serve 14:24
served 39:22
session 114:23
sessions 113:8
set 39:18, 24 48:12 72:3,4 97:2 117:8 118:22 144:12,15 152:4,5 154:7,14 155:13 159:14 161:20 185:14 186:3
sets 48:4 56:16
setting 70:24
settle 66:20 139:16
settled 40:8
settlement 106:12,15 111:16 114:20 115:7 116:6,7, 12,13,17 117:8,24 118:1 119:4,5 138:21 139:12 140:9
Seventeen 93:11,14
seventy 34:6
severance 31:3
sew 76:3
share 27:17 122:1,2,4 185:13
shareholder 20:4
shares 152:22
sharing 187:4
Sharpless 8:13 90:21 126:4 129:8,9 142:3,11 144:14 145:12 150:6 157:1,9 174:24 185:23 186:16 187:7
shock 94:6
shop 12:22
shops 52:4
short 16:18 37:5,12 73:17 90:22
shortfall 106:3
shortly 95:11 99:15 102:4 103:3 105:6
shots 77:2
show 165:20 171:14 182:4
showed 114:15 166:16 167:9 169:5,15
showing 128:21
shown 168:10
shows 100:14 171:16
sibling 22:13,23 34:19 62:13,19 72:24 99:6 104:14,18 106:20 125:15
siblings 22:1,2 30:22,24 35:4,21 36:6 37:1 43:16 44:18 46:4 54:6 57:7,19, 24,25 60:11,16 61:11 62:10 63:2,6 64:12 66:25 69:9 73:13 86:12 88:5 96:8,11, 21 102:25 103:5 111:23,25 116:20 124:12,15 127:18 135:5 138:1,5,8 157:22 159:5,15, 19,25 160:3 161:16 166:5

172:4,17
173:24
175:4,23
176:9,15
183:19
184:3

siblings'
56:24
62:25
105:23
113:11

sic 131:6

side 15:17
128:18,22

sides 12:9

sign 15:1
33:9
34:13
44:3
52:20
112:9,11
114:19
131:3
147:17
153:18

signature
68:12
126:9
187:24

signed
30:18
41:15
52:25
53:1,2
55:21
87:2
105:25
122:9
126:11
139:22
150:21
153:24
154:2,22
155:18
161:20
178:17,23
180:9

significant
27:4,13

significantly 25:13

signing
63:14

similar
51:1 73:8

simple
173:9,21

simply
9:13 80:8
124:14
154:20,21

single
20:3

Sinkler
68:4,11

sir 129:15
130:17
131:15
133:14
135:21
136:8,16
141:24
148:19
151:6
156:13
159:8
160:18
170:3
175:8,10

sister
62:13
66:7
76:14
77:5
99:6,14
115:10,11
125:1,19
148:6
161:21
178:18

sisters
62:1,7
112:3
125:1
127:6
137:19
138:5,22
139:4,16
140:1
161:21
162:7
163:4,24

sit 117:2
156:1,18

situation
32:1
82:14
98:15
107:1

Sixteen
92:20,23
93:5
168:13

Slightly
75:10

slip 27:25

slowed
163:5

small
13:24
65:6 76:8
113:22

smaller
52:4

smart 45:7

sold 16:2
19:7,9,
20,22
45:12,13,
23 121:20
122:2

sole 52:11
144:10

son 10:14
11:9
20:18
33:5
125:15
127:22

sons 11:16
86:6

sooner
49:12

sort 10:3
147:18

sorts
94:10

sound
119:22
127:2

sounds
127:10
171:22

south
7:17,21
13:15
17:20
20:4
24:13
58:10,12,
13,19
60:3,6
64:21
75:18
93:25
129:21
142:17
147:5
165:4

speak 37:3
49:19
85:8
177:22

speaking
70:23
170:3

specific
37:17
123:11
168:4

specifically 52:18
66:25
88:9
111:6
135:7

spent
73:20
107:17
116:3

spiritually
128:3,5

split 76:1

spoke 14:6
32:9
68:10
125:21
140:20

spoken
35:25
85:11
129:10
142:7

sports
128:21

spot 90:22

spun 19:19

Square
11:4

stand-off
30:5

standard
137:11,14
start 22:2
26:24
105:5
144:19
154:18
started
13:22
15:16
16:11
20:7
22:23
26:1
52:3,10
63:25
77:16
101:6
104:22
122:23
123:2
129:22
147:13
starts
160:20
176:24
177:15,18
state 7:17
41:1,6,7
49:17
66:2
69:24
168:6
185:16
stated
49:3
78:22
106:9
147:15
170:6
180:5
statement
113:16,17
122:8,11,
14 152:10
178:15
states
59:21
85:4 90:8
92:15
130:3
stating
12:23
89:20
95:18
115:14
status
70:2,7
92:10
102:2
165:6
180:2,9
statute
115:10
stay 15:12
33:9
101:5
155:16
stayed
33:12
105:17
112:21
staying
105:22
stealing
17:20
18:15
Steel 12:2
steer 29:6
Stephen
7:24
stepped
30:19
105:14
stepping
18:22
steps
118:21,25
Stevenson
7:4,5,6,
11,14
8:17,24
9:1
10:13,14,
17,23
11:14
12:24
16:23
19:20
38:8,12,
13,15
39:6
40:24
42:16
44:11
47:7,13,
19,23,24
48:3,14
53:21
54:13
65:8
69:11
77:10
91:14,20
92:17,24
93:4 94:5
118:25
122:6
129:2,9
136:23
137:1,5,
16 139:11
140:18
145:22
146:1
149:19
151:15
156:9
158:3
160:9,10,
11,12
163:7
164:10,23
166:20
176:25
177:2,3
182:15,19
186:17
187:22
Stevenson's
165:3
stock
17:25
20:5
31:24,25
32:2,6,7,
8 33:22,
24,25
40:19
44:14,15,
16 45:18
51:3
121:19,25
122:3
152:22
stocking
16:11
stocks
34:1,24
45:21
stop 47:3
61:2 72:9
78:2
99:12
113:14
129:13
stopped
140:13
154:11
store
26:20
story
14:11
straight
66:6
strains
17:9
strategic
28:13
strategize
58:2
strategy
60:11,16
100:18
156:7
159:4
straw 30:7
Street
7:21
24:14
72:7,9
74:5,24
75:20
76:19
87:25
88:3
115:20
strenuous
45:23
stress
35:23
128:2
strict
117:5
strictly
63:13
strike
80:5
81:10
114:7
115:4,24
179:16
strings
79:7

stroke
32:5
studied
121:11
stuff
128:13
style
108:13
subject
48:9
108:2
161:16
177:21
subpoena
142:25
subsequent
67:1
121:7
subsequentl
y 11:9
58:14
79:18
95:10
113:9
subsidiary
109:20
substance
36:23
48:16
substantial
25:12
substantial
ly 48:23
49:8
successful
25:3
sue 127:13
sued 36:7
111:23
135:1
137:20
suffer
74:7
suffered
31:17
34:15
129:20
suffering
30:20
31:7
suggest
163:25
suggested
47:1
suicide
11:16
14:15
suit
135:9,10,
12,15
Suite 7:21
summary
131:25
132:10
summers
20:23
sumptuous
75:22
Sunday
65:4
Sunox
44:13,16
45:18
48:1,10
49:5
51:2,3
153:5
supplies
16:12
supply
16:9,14
19:11
27:20,24
supposed
173:6
surgery
76:3
surprise
82:22,25
94:6
surprised
106:10
surveying
12:10
survive
27:19
Susan 8:3
35:10
36:16
90:21
suspect
184:10
Swanson
19:22
swear 8:15
Sweet
22:3,14
sworn 8:18

T

table
106:9,12
114:17
taking
80:19
83:16
96:9
123:4
146:25
171:11
talk 21:25
36:18
42:23
67:15,20,
22 68:3
78:17
87:6
105:1
108:16
125:17
143:3,18
147:24
148:11,15
153:21
157:22
165:24
178:19
179:5,16
talked
16:17
17:6 33:7
41:15
51:10
58:6
78:18
85:4
95:18
111:12
134:21
135:16
140:5
143:4
145:17
151:10
157:21
161:15
166:5
170:7
172:6
177:23
talking
37:13
53:14
125:6
132:7,
133:24
135:11,17
139:5
149:8,18
161:16
168:13
170:22
172:17
175:3,9
176:2
talks
165:10
tangentiall
y 31:23
tape 7:2
47:12
91:19
136:25
task 26:3
taught
65:4
tax 34:9,
13 41:14,
16 43:5,8
66:18
131:1
143:22
tax-free
20:3
taxes
19:25
20:1
TCS 168:12
169:1
teaching
22:6
team 70:1
telephone
61:9,20,
21 64:9

65:15,17
67:1
103:13
142:5
160:8,24
181:17

telling
10:7
66:24
71:14,16
85:7
130:15

ten 24:2,
10 38:22
39:7
69:17,18
121:6
122:11,14
160:7,15
169:7
175:6

ten-year
41:4,20

term 64:2

Terminable
7:10

terms
115:14
128:7

terrible
36:10

terribly
32:21
73:9

terrified
32:13

testamentary 162:6

testified
84:25
138:9
140:7
141:18
156:24
157:7
159:9
166:14
172:5

testifies
8:18

testify
140:18
141:14
142:22
167:18,24
169:3

testifying
142:17
156:12
170:1
176:4

testimony
36:23,24
55:13
81:18
104:3
109:2
111:9
114:7,12
115:4,
116:5
125:2
126:22
146:11
148:10
152:17
154:1,3
166:23,25
167:1,13
169:14
173:8
179:15
180:14
187:1

theater
75:4

thing
46:23
74:19
79:10
87:19
90:20
98:25
99:4
100:23
130:16
171:2,6
176:11,17
181:11
185:17

things
18:2
24:14
29:7
66:16
71:14
96:23
100:20
103:17
128:7
139:5
156:24
157:7
159:3
161:19
163:13

thinking
42:24
106:14

Thirteen
89:13,16
91:4
185:14,20
186:4

Thomas
7:4,6,11
8:17
10:14,17
11:14
12:24
38:12
47:7,13
91:14,20
126:2
136:23
137:1
187:22

thought
17:23
18:2 25:8
26:17
27:19
29:4
31:13
40:11
42:23
43:5
45:9,10
46:22
49:8
80:19
87:21,22
97:16,22,
23 98:2
101:4
102:13
105:12,13
106:10
107:4
122:11,
12,15
134:1
149:6
154:14
170:8,10,
13 172:7,
8,13,14
184:8

thoughts
97:12

thousand
28:8 34:6
55:14
109:5
110:20
117:14,15
120:17
121:6
122:24
150:18

three-month
159:24

three-ring
98:17

Thursday
90:5

time 7:23
9:12,19
11:18
13:3
15:1,7
16:18
17:23
18:25
19:2,8,12
21:7,10
24:2
25:16,18
27:5
29:23
31:6,
32:21
34:3,25
35:19,20
36:10
37:5
39:17
40:7,10,
15,23
41:21
42:6
44:10,11
46:15,19
48:18,19
49:5,22
50:21
51:11,15,
17 53:20
57:24
58:8
62:16

63:21,23
65:9 71:1
72:14
73:5,18
76:20
78:11,12,
23 79:17
81:7
83:14
85:5 93:6
95:17
96:15
97:17
98:8,9
99:14,21
100:11,
13,14,24,
25
101:10,
11,14
103:3,12
105:4
106:1,20
107:25
109:2,11
110:19
111:16,
20,23
115:15
119:24
121:18,24
122:3,5,
16,17
124:11
128:16
129:12,20
130:12,
17,19,23
131:5
132:13,
19,23
133:20,21
141:7,10,
12 145:15
146:4,17,
20 147:1,
2,3,23
148:2,12
149:18,
20,21
150:3,15
153:14
155:3
157:16
158:2,12
159:2,24
160:17
161:11
162:3,7,
13,22,23
163:5,25
164:6
166:3
167:12
169:10,12
172:7
174:10,
16,19,20,
21 175:2,
10
177:24,25
178:19
185:6
186:19
187:9

times 22:5
28:12
36:5,13
39:20
42:5
72:3,4
75:3 98:2
107:22
112:21
123:8
143:10

Tip 77:19
97:3
109:5,
111:7
123:18,24
139:8
145:18
146:21

tired
31:22

Tobacco
14:10

today 9:24
10:4
105:6
123:8
126:13
129:12
136:11
138:4
139:5
141:1,14,
18,22,23
142:4,
145:17
148:10
151:11
156:1,24
157:7
167:9
168:10
170:1,4,5
176:4

told 18:1
27:15
45:3,4,5
50:3
52:15
57:9,12,
17 71:7,
8,13
77:10,23
84:21
85:10,15,
17,19
88:20
89:7,8
97:15
98:5
107:6
115:16
161:18
163:1
164:23
166:7
167:2
172:9
173:23
177:15,
18,23
178:3
181:17,20
184:1

Tom 8:21,
24 50:16
54:13,25
71:11
77:4
84:13
91:23
93:1
108:25
126:21
127:22
160:9,10,
12,20
161:4
162:2,6,
7,18
164:10,18
176:25
177:3
182:19

Tommy 13:9

top 45:2
92:25
109:23
110:4
128:19
176:24
186:4

top-of-the-line 25:15

tore 12:17

total
46:14
109:15,25
110:5,12,
20 111:6,
11 120:16
122:6
132:1

totaled
120:18

totally
44:18
81:11

touch
172:19

town 16:15
75:8

track
133:7
185:9
187:1,14

traded
107:1

training
39:13

transaction
44:19

transferred
24:25
51:15,18

transferring 51:19

transition
27:9,11

traveled
76:12

Tray 88:23
89:22
90:1 92:2
94:14
168:17,19

treatment

128:3

tremendous
35:17,23

trip
29:13,20
62:17
76:12

trips
76:4,6,13

true 78:24
79:1
104:4
116:5
126:11,13

trust
7:10,11
26:8
39:23,24
41:5,6
44:12
46:5,23
47:2,24
48:4,17,
22,23,25
49:4,9,13
50:21
51:2
53:16,20
54:6 55:2
56:5,10
58:7,20
59:3,7
60:23
61:2,5,
64:12,13
65:24
67:16
70:2,7
77:18,19,
24 78:6
83:4,17,
25 84:5,
22 92:1
94:13
96:8,22
97:3
102:2
105:1
107:12
109:5,7,9
111:7,8
123:19,
22,25
124:8,9
127:7
131:23
133:22
135:4
139:8
140:2
146:18,
21,22
147:24
148:13
149:5,16
152:22
162:6
164:25
165:1,4,
6,21,22
171:20
180:2
183:4

trusted
86:2

trustee
34:8
39:12,13,
22 48:5
77:23
107:12
119:25
120:4
121:15
139:6
145:24
165:5

trustees
38:3,14
39:6,9
40:16,24
47:23
48:15,18,
25 49:2
69:1
70:2,3
97:21
121:15
145:19
146:5,8

trusts
37:21
38:1
39:6,10
50:22,23,
25 51:4,
5,7,10,
12,20,23
52:16
53:3
55:12,16
62:1 74:4
80:20
83:11,12
84:17
92:10
96:17
109:4
110:13,
18,21
111:12
119:25
120:4
121:16
126:23
139:7
145:19
146:12,
20,25
148:17,21
149:22
150:4,13
162:8
165:16
186:1,13
187:11

trustworthy
64:16

truth
71:15,16

truthful
71:19
101:4
136:13

truthfully
10:5

Tuesday
179:23

turn 31:16
71:8
76:18

turned
18:7,10
77:8
114:2

Turner
7:8,12
8:10,12
22:9
105:23
118:24
134:3
157:17
172:4
175:22
187:18

Turners
174:9

turning
92:2

turns
45:12

twelve
24:10
86:16,19
176:21
177:1

Twenty
110:23
111:1

Twenty-four
125:24
126:7,8
141:1

Twenty-one
113:1,4
116:11
138:14,21
139:12

Twenty-three
119:15,18
126:4,5

Twenty-two
118:4,7
138:15,24

two-month
29:20

type 48:16
133:11

typed
30:17
167:25
168:1,2

typewriter
13:23

typewriters
13:12

typical
114:4

U

Uh-huh
35:9
38:25
54:24

177:10

ultimately
44:3
48:24
68:15
86:11
124:20
179:10

unable
76:10
81:23,24
82:4,8
117:12
118:1
164:3

unaware
50:5

unbeknownst
12:19

uncle
34:6,25
38:20
39:1,14,
19,21,25
40:15
42:21
44:22
45:5
47:1,19

underlying
18:19

understand
9:6,12
37:25
52:13
54:14
59:23
64:18
66:7,14,
20 74:11
76:21
80:13
81:4,24
82:4,8
84:2
94:17
102:9
124:7
126:22
129:13
130:7
143:19
144:10
145:18
146:11,24
151:25
160:22
169:13
173:8
174:11,
15,18
177:9
179:15
180:14,23
183:2
184:21
186:25

understandi
ng 10:4
37:19
131:11
167:12

understood
9:16
44:22
56:16
63:23
69:8
80:14
87:5,14
130:23
133:6
135:10
143:7
162:21

undertake
39:9

undertaken
48:18
62:19

undertaking
184:2

undertone
128:15

undertook
63:11
72:25

unheard
13:3 31:8

Union
16:7,8,14

university
22:6 25:2

unknown
12:19

unprofitabl
e 25:6
26:4

unsatisfact
ory 31:19

untrue
115:13
127:12

unwilling
63:8

update
93:6

updated
55:15

upset
63:17,19
64:2 73:9
79:25
80:1
137:18

urge
163:24

urgency
70:23

urging
163:22

utilized
158:4

UVA 38:9

V

Van 68:23

variety
58:16
100:22
103:16

vary 48:16

vastly
113:22

vehicle
153:13

versus
7:15

viability
80:24

videotape
10:1 47:6
91:13
136:22
187:21

view 26:8

viewed
28:3
153:7

virtue
20:5

visit 25:4
42:11
43:1
100:9

volume
14:5

voluntarily
142:22

voting
32:6

W

wait 98:14
175:5

waited
28:24

walk 12:6,
17,24
77:8
83:18

walked
12:13
30:19
63:15

Wall 8:3,
20 35:12,
15 36:20
37:11
47:15
50:9,15
52:23
53:12
56:1 57:4
69:15
78:13
79:2
80:17
81:20
83:8
84:24
90:23,24
91:22
93:10
97:8
99:24
100:1
108:24
114:18
115:2

116:9
117:6
120:25
125:8
126:6,8,
10,20
129:1
138:11,16
140:22,23
141:13,25
153:4
155:10
156:25
161:1
163:14
167:15
169:22
171:21
172:24
173:25
174:3
176:22
179:1
182:8,18
185:3,24

Wall's
136:10
140:25
141:7,15
142:14

wanted
14:25
15:12
16:14
17:4
22:16
34:19,20
43:9
49:11
72:24
75:23
77:11,23
85:25
95:15
97:13
98:1
125:2,15
150:12
153:9
154:18
169:10,21
179:4,8
181:13,14

wanting
156:14

war 14:22,
24 15:5,
6,7,10
16:19

warrant
25:14

water
75:17,18,
19

watermark
25:20

Watson's
13:17

ways 24:19

Wednesday
77:3 90:2

week 74:17
75:3
102:5
121:8

weekend
37:2

weeks
128:13

weeks'
31:3

welding
16:9,12,
14,16
17:19
19:11
25:6,17
27:20,24
28:10

well-planned
26:17

well-worked
137:25

west 15:25

Westvaco's
52:6

wherewithal
153:25

whomever
95:14

wide 76:1

wife
14:11,14
18:24
24:22,23
25:9,21
26:2 27:8
73:6
108:7

William
8:8,10

willingly
41:24
53:9

Winston-salem
13:25
14:5,8,
16,19

wisdom
94:12

withdrawals
110:13

woman 81:2

Woodberry
125:16

word 39:24
50:23,24,
25 64:6
71:11
98:6
152:21

words 94:9
106:11
107:1

work
11:23,25
14:5
15:9,13
24:24
28:22
32:6
39:10
63:13,15
74:23
100:1,17
101:7,15
116:6,7
129:23
143:19,24
144:2,7
145:5

worked
11:17,18
12:20
15:15
20:18
33:6,8,14
129:22
130:18
149:1

working
13:8,9
15:10
17:11
29:1
33:20
45:7 52:4
74:15
156:4
166:6,7
173:1
179:8

world
11:11
14:22
17:5
29:13,15

worry 86:7
145:8

worse
100:7

worth
28:5,6
32:4 34:5
45:9,11,
16 46:11
122:19,23

write
148:20,21
149:11
171:3,7

writing
74:20
149:13

written
40:25
107:24
131:6,9
132:1,11
133:8
148:23
149:6,22
152:4
158:14,18
167:25

wrong
36:11
99:20
135:23
136:5
154:6,13

wrongdoing
135:2

wrote
29:24
65:15,20
89:19
98:22,23
128:25
133:21
149:4
158:13
177:11

X

Xerox
17:13

Y

y'all 39:9
129:3
160:24

yacht
22:15,18

yard 74:22

year 13:17
15:15
25:3,10
26:13,18,
21,23,25
27:3
28:5,11
34:4
35:21
39:20
46:7 61:8
96:12,
100:13,16
101:1,11
108:14
122:17,
21,24
131:8
132:25
133:3
142:5,8
161:24
163:9

year's
31:4

years 9:1
16:6
19:15
21:7
22:15
23:7,9,
12,13
24:2,10
26:11,24,
25 27:10,
23 31:20
33:8,12,
21 35:22
38:11,17,
22,23
39:7,8
45:12,16
46:8,19
49:20
62:22
72:12
74:3
87:15
109:25
113:19
122:11,15
167:13,21
169:7
177:21

yesterday
161:5
178:15

York 9:3
10:13
13:5,6,
10,14
14:4,8
17:4,11

young
18:23
20:17
21:12

younger
15:9
16:22
23:11,12
38:15,22
170:13

youngest
21:22
23:14
38:21

Z

Zimmerman
17:5,10,
18 18:1,
3,5,16
19:4,10,
19,20,25
20:6
27:23,24
28:15,25

Zimmerman's
31:25
32:2

STATE OF SOUTH CAROLINA)
)Court of Common Pleas
COUNTY OF CHARLESTON)Case No. 2011-CP-10-400
)
)
JACQUELINE S. BENNETT, GENEVIEVE)
S. FELDER AND KATHLEEN S. TURNER,)
INDIVIDUALLY, AS CO-TRUSTEES AND)
BENEFICIARIES OF THE MARITAL)
TRUST AND THE QUALIFIED)
TERMINABLE INTEREST TRUST)
CREATED BY THE THOMAS STEVENSON)
WILL, AND JACQUELIN S. BENNETT)
AND KATHLEEN S. TURNER, AS)
CO-PERSONAL REPRESENTATIVES ON)
BEHALF OF THE ESTATE OF)
JACQUELIN K. STEVENSON,)
)
Plaintiff,)
)
vs.) Transcript of Record
)
T. HEYWARD CARTER, JR.; EVANS,)
CARTER; KUNES & BENNETT, P.A.;)
DIXON-HUGHES F/K/A PRATT-THOMAS)
GUMB & CO., P.A.; AND LYNNE L.)
KERRISON,)
)
Defendant.)

DATE: APRIL 29, 2013

B E F O R E:

The Honorable Roger M. Young

A P P E A R A N C E:

Keith M. Babcock
For the Plaintiff

Frederick K. Sharpless and M. Dawes Cooke, Jr.
For the Defendants, Lynne Kerrison and Dixon-Hughes

Karen V. Andersen, RMR, CRR
Circuit Court Reporter

THE COURT: I guess nobody attended the meeting where I said how much I love getting this kind of stuff on a Monday morning of a hearing. But, nevertheless, all right, defendants made a motion for a summary judgment. Who's arguing it?

MR. SHARPLESS: I am, Your Honor. Frederick Sharpless of the North Carolina Bar, practicing with Mr. Cooke in this matter. I represent the defendants, Lynne Kerrison and Dixon Hughes.

First I would like to thank the Court for permitting me to practice here. And I will try to do nothing that makes you regret the wisdom of that decision.

THE COURT: Is discovery completed?

MR. SHARPLESS: Yes. There are a couple of very little issues outstanding, but, yes. This case has been pending for quite awhile now and discovery is complete.

Your Honor, this is an interesting case. It's got some novel theories; raises some novel issues. The plaintiffs are the siblings, and the children are siblings with each other. They are the children of a lady named Jacquelin Stevenson.

They are aggrieved because their brothers, Tom and Daniel, made some significant self-dealing loans to themselves and to companies that they control from trusts

of which their mother was then the current beneficiary. These trusts have actually been established by their father.

They are now suing -- they previously sued their brothers, and those lawsuits have been resolved. They are now suing the accountant who prepared their mother's taxes and who prepared the tax returns for the two trusts because the accountant, that's Ms. Kerrison, my client, told their mother's attorney about the loans and was assured that the attorney would act on that information.

But they complain that Ms. Kerrison should have told them, even though they had no relationship with Ms. Kerrison. They weren't her client. They never asked her for any information. And at that time they were not even beneficiaries of the trust. They would become beneficiaries if nothing changed, if their mother didn't exercise powers of appointment or spend all the money upon their mother's death, but they were not at that time.

So their brothers -- in the lawsuit with their brothers, they eventually reached a resolution of that. They got a large judgment against one brother and a settlement from the other. But in Oliver's famous words, they are here because they want some more.

There's some interesting issues that are raised

about their theory of damages, most of which are trial issues, but a little of which we will discuss today. And there are also significant issues concerning their claims.

Now, the state I come from, North Carolina, as in South Carolina, summary judgment motions are generally inappropriate in negligence cases if what you are talking about is the substance of the plaintiffs' claim. There's almost always going to be a factual issue in there somewhere. But we don't bring the motion today directed to the elements of the plaintiff's claim. We are here to talk about statute of limitations, abatement, and whether there is any duty at all owed by an accountant to a nonclient.

These are significant aspects of our motion, all of which have nothing to do with whether plaintiffs' expert's testimony is sufficient or not to prove one element of their claim or not, or getting into an argument about who said what to who on what day.

So let's look at what I think Mr. Babcock, who represents the plaintiffs, would agree are uncontested facts. The plaintiffs are three in number. They are sisters. They are the remainder beneficiaries of two trusts that were established by their father. And they were defendant beneficiaries of their mother's estate, or

they became beneficiaries of their mother's estate.

The defendant, my client, is Lynne Kerrison, and an accounting firm, Dixon Hughes, now Dixon Hughes Goodman. At the time all these things happened, she was actually associated with Pratt-Thomas & Gumb. And the issues of transition one to the other aren't important for today.

About 1997, 1998 through 2006, the services that Ms. Kerrison provided that are pertinent to this case were tax return preparation, and for a brief time, bookkeeping, meaning actually had the checking account and kept up with who was writing what to the trustees who were then the trustees to the trust. Those are the plaintiffs' brothers, Tom and Daniel.

The trustees were clients of Ms. Kerrison's. Mrs. Stevenson, the plaintiff's mother, and Tom and Dan's mother, was a client, but the plaintiffs were not.

In 2001, when she was preparing the tax returns for the trust, Ms. Kerrison saw something. She saw that Tom and Dan had transferred money. In other words, they had written checks out of the trust to themselves or to companies with which they were then associated. And she wondered about that. So she called Heyward Carter, who was at that time an attorney for Jacquelin Stevenson, the then-current beneficiary of the trust.

Now, Mr. Carter was at one time a defendant in this lawsuit. He no longer is. Our understanding is that those issues have been resolved. I don't think the dismissal has been filed yet, but those issues have been resolved.

She told Mr. Carter on October 23rd of 2001, that these checks had been written. She had asked the woman who was at that time the bookkeeper for Mrs. Stevenson and for the trust, the lady named Pat Neapolitan, what's up with these checks? Ms. Neapolitan said, I think they are loans. That was the discussion between Ms. Neapolitan, Ms. Kerrison, and Mr. Carter.

Mr. Carter understood that transactions between trustees -- as a lawyer, transaction between trustees themselves in their individual capacity and the trust are problematic. And there were meetings, discussions Mr. Carter had with Tom and Dan that followed almost immediately after that October 23rd, 2001, meeting. And the essence of those discussions was that, number one, you need to document these loans; number two, you need to cut it out; and number three, you need to tell your family what's going on. Tom and Dan said, yeah, we will do that, and we will get back to you.

THE COURT: And pay the loans back, which I take it was never done?

MR. SHARPLESS: That was never done. And the content of Mr. Carter's advice on paying the loans back, I think was in some doubt or dispute. But he certainly demanded they be documented and that they not be paid in the future.

Well, the following year, Ms. Kerrison was doing the taxes again and she saw the same thing. She called Mr. Carter and told him the same thing. And much the same series of events occurred. Mr. Carter discussed this with Tom and Dan, who at that time retained their own counsel, Howell Morrison I believe at the time. And the discussions were to the general effect that you need to make sure it is documented. And, in fact, they were documented. You need to cut it out, which didn't happen. And you need to talk to your family about it. And there's some discussions one way or another as to whether that actually happened.

So, she told Mr. Carter. He continued to insist that the loans be documented, which they were. And he continued to talk to Tom and Dan about the need to meet with their sisters -- or meet with their siblings.

Now, there is a meeting that occurred May 21 of 2003. The fact that that meeting occurred between Tom and Kathleen, who was at that time power of attorney for her mother as well as one of the contingent beneficiaries

of these trusts, is somewhat in dispute. Kathleen admits that the meeting occurred. She admits that Tom had the piece of paper. She admits that there was something about transactions affecting the family and the family companies. And she says that Tom was mumbling so she didn't really understand it.

Tom tells a different story. He says, I brought a piece of paper there that outlines every loan and every transaction. I gave it to Kathleen. I talked about it with her. That's the testimony between Tom and Kathleen about the 2003 meeting.

The next meetings that occurred were in 2006. Kathleen admits, and this is established by the responses to request for admissions, which takes it out of difficult deposition testimony and interpretation, and the responses to request for admissions. And I'm looking at Kathleen's response to request for admission number 170: You met with Tom Stevenson on April 19, 2006.

This date will become important.

Admitted.

171: Thomas Stevenson informed you that he and Daniel Stevenson removed money from the trust on April 29, 2006.

Admitted.

So, this is admitted. This is beyond deposition

testimony. This is an established fact without contest that's before the Court, April 19th, 2006.

The next date that's important is a meeting that occurred on April 27, 2006. Tom and Dan met with Kathleen and all the other siblings and talked about the loans, the transactions that have been occurring for several years. So, those are the pertinent dates.

The next pertinent date, though, is April 24 of 2009. That's when this lawsuit was filed. So, this lawsuit was filed more than three years after the April 19 meeting, more than three years after the 2003 meeting, and more importantly, more than three years after Ms. Kerrison, who is the remaining defendant in this case, gave notice of what was going on to Ms. Stevenson's attorney. That occurred in 2001.

But the plaintiffs will argue that they met the statute of limitations because it was less than three years from the April 27, 2009 meeting of Tom and Dan and all the siblings.

What are the claims that are asserted in this lawsuit? And this is important too. Number one is professional negligence, even though none of them are clients of Ms. Kerrison or Pratt-Thomas & Gumb; second, breach of fiduciary duty, even though none of the plaintiffs had any relationship to Ms. Kerrison or the

firm; third, aiding and abetting a breach of fiduciary duty for failing to rat out directly to the plaintiffs what their brothers were doing.

And the plaintiffs want to talk about the fact that Ms. Kerrison, for a number of years, knew after the fact that the brothers were continuing to write checks for themselves. And that upon Pat Neapolitan's death, that Dixon, or at that time Pratt-Thomas & Gumb, had custody of the checkbook.

So for several of the checks that were written in '05, the brothers would come to Pratt-Thomas Gumb and say, give me a check for X, which Pratt-Thomas Gumb had no authority to sign, they didn't control, but they did have custody of the checkbook. This they claim is aiding and abetting a breach of fiduciary duty.

So, why are we here today? Well, the first one is statute of limitations. And I already laid out the series of dates that we believe are important to that. The lawsuit was filed, again, more than -- far more than three years, in fact, 7 1/2 years after the October 2001 meeting between Ms. Kerrison and Mr. Carter, who was Jacquelin Stevenson's attorney, in which Ms. Kerrison told Mr. Carter about the loans.

Second, to the extent that there was inquiry notice more than 5 1/2 years after the May 2003 meeting

and more than three years, slightly more than three years after the April 19, 2006, meeting when Tom told Kathleen about the loans, and she admits that.

Second reason is abatement. All of these claims sound in fraud, breach of fiduciary duty claim, the aiding and abetting breach of fiduciary duty claim, and the negligence claim. The essence of these claims is that our brothers, Tom and Dan, were engaged in fraudulent acts. That's the underlying sources of the liability. If Tom and Dan's loans were not fraudulent, then we wouldn't be here. They would have no claim. So they arise out of what they claim is a fraudulent transaction. And under South Carolina survival statute, claims in fraud do not survive the death of the person who was affected by it, that being Jacquelin Stevenson.

And they have tried to bring those claims in Ms. Stevenson's names. The capacities with which they are bringing these claims are as beneficiary of Ms. Stevenson's estate, in the case of Kathleen as personal representative of Ms. Stevenson's estate, that's the survival claim, as now substitute trustees of the trusts, that's also, in essence, a survival claim, and as beneficiaries of the trust.

The next is, there's a claim for there's no duty. And there are two elements to that. One is

whether there is any duty in South Carolina law on the part of an accountant, such as Ms. Kerrison, to a stranger to her practice, not a client to these plaintiffs in which she owed them any duty, and whether, even if the Court were to find such a duty, whether that duty would be consistent with the obligations of confidentiality of an accountant under both state and federal law.

With respect to the aiding and abetting of breach of fiduciary claim, there is no evidence of the kind of active participation in the breach of fiduciary duty that's required to support that claim. And that's under the Futures -- Future -- Gordon vs. Busbee and Future Group II vs. Nations Bank cited in our brief.

And last, we have a motion for partial summary judgment on two damage issues, which I will come to at the end. For the most part, it is laid out in our brief. And the Court may conclude that's an issue that's better left until trial.

Let's talk about what the essential law is in the statute of limitations, obviously, the three-year statute limitations, South Carolina Code 15-3-530, Sub 5. The pertinent cases are the Dorman case and the Kreutner case. The Dorman case and the Kreutner case both say that you are -- the discovery, if you will, of a fact

giving rise to the cause of action notice is when it objectively should have been known. And they say as important to this case that notice of the attorney is considered notice to the client as a matter of law.

And the Dorman case, that was a case that arose out of a claim that there was fraudulent nondisclosure in sale of a house. The evidence in that case was that the seller's attorney had communicated a fact to the buyer's attorney, who had never communicated that fact to the buyer. And the buyers were saying, well, gee, our attorney never told us about that fact; therefore, the information that was given to him does not start the running of the statute of limitations. And the Court said, yes, it does. Notice to your attorney is notice to you. That's the end of the inquiry. Summary judgment for the defendants was properly granted and was affirmed.

In this case, the uncontested facts are that Ms. Kerrison gave notice to Jacquelin Stevenson's attorney in October of 2001. And Jacquelin -- what's important, Jacquelin Stevenson is the person in whose name these plaintiffs claim as her beneficiary's under the will and as her personal representatives.

And with respect to the trusts, Jacquelin Stevenson was the only beneficiary of the trusts who was then entitled to receive anything from it during her

lifetime, and she was still alive at that time. So until Ms. Stevenson died, there was no need to have notified these plaintiffs. Ms. Stevenson could have spent the entirety of her estate or changed her will and given it to anyone she wanted up until her death. She could have appointed the entire remaining corpus of the marital trust to anyone she wanted.

In fact, she did exercise the power of attorney and made some changes. And she could have spent all the money in the other trust, the Q-tip trust, had she wanted to do that.

This is from the Bemis case in South Carolina, which Bemis case calls that there is essentially no cause of action in favor of dissatisfied beneficiaries. In the Bemis case, the beneficiaries, much like in the Stevenson case, were several siblings who sought to bring a lawsuit against their brother during their mother's lifetime inducing her to transfer property out of her estate to that brother, thereby reducing what the plaintiffs receive from the mother's estate, uncomplicated by modern trust law and federal estate taxes, but the Court makes some really pertinent observations in the Bemis case.

Until somebody dies, you have no right to their estate. You have no right to the trust that they control. All you have is an expectancy that if nothing

happens and they still have money, that maybe you will get something. And, therefore, a beneficiary of a trust or an estate as such has no claim against the third-party for interfering with that trust or estate during the lifetime of the person whose estate it is or the person who controlled the trust.

So, what does that tell us? Well, it will tell us some things about duty and abatement too. But what it is going to tell us in this particular circumstance is Ms. Kerrison gave notice to the person that she needed to give notice to, which was the attorney for Jacquelin Stevenson, who's qualified to evaluate and act upon that information. And Jacquelin Stevenson was then the only beneficiary of these trusts. And, obviously, with respect to her personal estate, still controlled her personal estate.

So, our contention to the Court is that October 23, 2001 meeting, the content and existence of which is uncontested, was sufficient to start the running of the statute of limitations. It ran no later than October 23, 2004. This lawsuit was filed in 2009. The plaintiffs claim it should be dismissed.

We also argue in the brief, and I will simply mention this, that under South Carolina Code 62-7-303 --

THE COURT: Go back to the meeting that you said

that prohibited that. What got said at that meeting again?

MR. SHARPLESS: The meeting with Mr. Carter?

THE COURT: You said there was one in October.

MR. SHARPLESS: 2001, or are we talking about the May 2003 meeting?

THE COURT: May 2003.

MR. SHARPLESS: May 2003 meeting is a -- and we will be frank with the Court -- is a more difficult one for the defendants to argue with respect to the statute of limitations. Whether it is truthful or not, if you read Ms. Turner's deposition, she says that her brother Tom mumbled throughout the meeting and she really did not understand what was being said. The Court could conclude that that is not objectively reasonable, since the standard is an objective one.

Tom's deposition testimony was that he laid it out for her with a piece of paper outlining all the transactions that had occurred to date and told her about them.

THE COURT: What do other people at the meeting say?

MR. SHARPLESS: There was nobody else at the meeting.

THE COURT: Just those two?

MR. SHARPLESS: It was just those two. So the Court may conclude that that's an issue that's best explored with development of the evidence, and we would have a hearing such as this on deposition testimony.

However, there was an April 19, 2006, meeting, which is also slightly more than three years outside the statute of limitations. And we've provided it to you in that notebook, Your Honor. I believe it is at Tab 7, Ms. Turner's responses to the request for admissions, and I mentioned them to you earlier.

Request for admissions I believe is 170 and 171. They admit that meeting. They admit that the contents of that meeting included disclosure of the fact that Tom and Dan had taken money from the trusts. And that is outside the statute of limitations.

Now, what's also important is Kathleen was in October of 2000 -- excuse me, in April of 2006, was power of attorney for her mother, who was still alive, as well as one of the beneficiaries. So, again, Jacquelin Stevenson is still alive in April 2006. And Kathleen is POA for her.

So by April 19th of 2006, we have 2001 notice to Ms. Stevenson's lawyer and 2006 notice to Ms. Turner, who is POA for her mother.

I believe the plaintiffs are going to try to

argue that the lawyer's knowledge should not be imputed to Ms. Stevenson, and they are going to try to argue the adverse interest exception. The adverse interest exception is when an agent is acting so contrary to the interest of the principal that the knowledge of the agent is in that circumstance not imputed to the principal.

This most commonly comes up in the situation where an agent is themselves embezzling money or something from a principal employer or someone for whom they are in a fiduciary relationship. And then the agent's knowledge would not be -- of the embezzlement is not imputed to the principal, but by the principal's claim back against the agent or other third-parties who are involved.

That's not the facts here. There is no evidence in this case that Mr. Carter was in any way involved in any sort of illegitimate transaction. The only allegation that was made against Mr. Carter is the same one that's made against Ms. Kerrison. He did not whistle loudly enough and enough times in that 2001 to 2006 time period. So the adverse interest exception clearly doesn't apply.

There's no evidence that Mr. Carter was in 2001, or at any time, acting adversely to the interest of Jacquelin Stevenson or that he was in any way involved in

the illegitimate transactions.

I would like to turn, unless the Court -- well, there's one other issue that I want to mention. Under South Carolina Code 62-7-703, as it existed up until the 2005 amendments, and because it is not easy to find -- may I approach, your Honor?

THE COURT: Uh-huh.

MR. SHARPLESS: I brought a copy of it. Of course, there was a substantial rewrite of the probate code in 2005. But up until then, under Subsection (b) and (c), beneficiaries of trusts had a right to certain information if they requested it from trustees. And we would contend that this at least puts the plaintiffs on inquiry notice during that time. They had every bit as much information, ability to get information out of Tom and Dan as did Ms. Kerrison or Mr. Carter, and they failed to exercise that right. Therefore, they should be charged with the knowledge that they could have had under that statute.

THE COURT: How much money are we talking about?

MR. SHARPLESS: Excuse me?

THE COURT: How much money are we talking about here?

MR. SHARPLESS: Well, that may be an issue a little bit at trial. But if you add it up, without

starting to impute interest and things of that nature to it, it is at least $4 or 5 million, of which Tom paid back quite a bit. But he didn't -- excuse me, of which Tom paid back almost all of the money that Tom removed. Dan did not.

And one of the questions is, when do you start counting, because the plaintiffs would like to start counting back in the mid '90s. Apparently, Jacquelin Stevenson was someone who was very generous with her children, gave a lot of money to her children over the years. They want to take everything that was ever given to Tom and Dan at least from the mid '90s forward and put it in their damage column.

We will contend that the relevant date certainly isn't before October of 2001, that there's no way that you can charge any of the defendants in this case with what happened before October of 2001, because there's no evidence that any of those transactions were not legitimate, viewed and approved and made with a full knowledge and consent of Jacquelin Stevenson. But that's an issue that will come up in this case at some point in time, but it's a lot of money.

We would also contend that the recoveries that have been made by the plaintiffs in this case more than fully compensate them. In other words, the money they

got from Tom, the forfeiture of their brother's interest in the mother's estate, and the redistribution of the estate and the trust assets because they forfeited their interest in the trust to the plaintiffs, resulted in them actually getting more than they would have received had the brothers never done anything. That's not a summary judgment issue.

The abatement claim, Your Honor, really comes from the Brailsford case. And that is the leading case on this issue. The Bemis case also has something to say to it, but the Brailsford case is a 2008 decision of the South Carolina Court of Appeals. In that case, the Court held that the widow of a trust beneficiary could not bring an action against the trustee for fraud. And the reason she could not is because the survival statute, South Carolina Code 15-5-90 does not preserve -- does not allow a claim for fraud to survive the death of the principal or the person whose property it was.

And the Court looked at the facts of that case and said, this exception to survival, which has been long established in South Carolina, applies not only to out-and-out claims labeled fraud, but any claim in which the deceptive conduct, fraudulent conduct, or concealment, is an essential element.

They cite another case, the Ferguson case, that

is not that old and discussed in the citing of our brief, which claims under the Motor Vehicle Dealers Act, which had as an element, fraud, deceit, or nondisclosure, which is pertinent to this case, of a pertinent fact, whether intentional or negligent, which is also important, did not survive.

So what both of those cases are saying is that if an element of your case is that there was a failure of proper disclosure, that there was some element of self-dealing, that there was some element of deceit or misrepresentation, that claim does not survive. And in the Brailsford case, all of the causes of action --

THE COURT: Does not survive whose death?

MR. SHARPLESS: Does not survive the death of the person who was the victim, if you will, of the fraud or deceit, such that in that case, the person who was trying to bring the case was the widow of the trust beneficiary, who then would have become the beneficiary herself. And she was saying, gee, you defrauded the principal and that has resulted in harm to me.

The Bemis case deals with the flip side of that, which may have been what you were thinking about there, Your Honor, where you deal with someone who is now bringing a claim in their individual capacity saying, hey, I was a victim too; somehow or another, I had a

legally protectable interest. And that legally protectable interest has been damaged by the conduct of either you, the defendant, or the third-party for whose conduct you are responsible.

The Bemis case says, no. In that case, as I mentioned earlier, the heirs were suing their sibling for fraudulently pursuing their mother during her lifetime to transfer real estate to him. The Bemis case, it said, you have no standing to sue as heirs because you had nothing other than a covenant expectancy. You have no standing to sue in your mother's name as her personal representatives because the claim has an element of fraud and does not survive. So the only person that could have brought that claim would have been your mother during her lifetime. In this case, Jacquelin Stevenson could have brought that claim during her lifetime.

And we see why when we consider that why the law is what it is. Because Jacquelin Stevenson could have brought the claim against Tom and Dan during her lifetime. But it would have been very difficult for her to bring the claim against Mr. Carter and Ms. Kerrison during her lifetime because Ms. Kerrison told her attorney, Mr. Carter, what was going on. And Mr. Carter made a decision as to how that would be handle.

Now, whether that would give rise to some sort

of claim of legal malpractice against Mr. Carter, I don't know. But what we see is Ms. Kerrison told Ms. Stevenson. So it would have been difficult for her to bring that claim during her lifetime against Ms. Kerrison. And that's why if we look at --

THE COURT: I thought you said Ms. Kerrison told Mr. Carter.

MR. SHARPLESS: That's what I did say. Did I say Ms. Stevenson a minute ago?

THE COURT: Yeah.

MR. SHARPLESS: She told Mr. Carter, which is notice to Mr. Stevenson. Ms. Kerrison, just to be clear, Ms. Kerrison never affirmatively communicated to Ms. Stevenson in person what had happened. She communicated this to Mr. Carter, who was Ms. Stevenson's attorney.

THE COURT: Does he deny that he ever told her, or we just don't know?

MR. SHARPLESS: No. Mr. Carter admits that all of these meetings occurred, yes.

THE COURT: He told Ms. Stevenson, Jacquelin, the lady?

MR. SHARPLESS: Did Mr. Carter personally tell Ms. Stevenson?

THE COURT: Uh-huh. He says he did or did not?

MR. SHARPLESS: I don't believe he claims that he told her personally.

THE COURT: Okay.

MR. SHARPLESS: I don't believe that Mr. Carter testified that he told her personally.

THE COURT: Okay. But under your theory, it doesn't matter? He was her lawyer and he got told.

MR. SHARPLESS: He got told.

THE COURT: So she could sue Mr. Carter, I mean, Ms. Stevenson or her estate, or --

MR. SHARPLESS: She would have whatever claims she had against Mr. Carter that she wouldn't against Ms. Kerrison, exactly right, Your Honor.

THE COURT: Okay.

MR. SHARPLESS: So if we look at the Bemis case and Brailsford case together, what they are telling us is the claims that you would have brought in your mother's name have abated. The claims that you seek to bring in your own name don't exist because you have nothing other than a covenant expectancy.

The next issue I want to talk about is duty. What we have in this case is an effort to impose upon a CPA a duty to tell someone who is not a client, who hasn't even, as a nonclient, asked the CPA for information, and who hasn't been provided with any

information by the CPA.

Now, if you think that last thing is important, because in some situations, we have a certified public accountant issuing something in the nature of an audit report, which is an opinion that says, I've looked at certain things and I have this opinion about them and here's my opinion. And that audit report under the MLE case is going to be published to some group of people. And if you are in that some group of people, you may have a claim against that accountant for negligent misrepresentation; not for professional negligence, but for negligent misrepresentation under Section 5-52.

That's not the claim that's being brought here because the plaintiffs don't claim that they ever received any sort of assurance from Ms. Kerrison that all was well. They don't claim Ms. Kerrison ever issued any opinions one way or another about what was going on with the two trusts or with their mother's personal assets. In fact, they admit they had no communication with Ms. Kerrison whatsoever. That's what they are complaining about, in fact.

Instead, what the plaintiffs claim is that you knew that if our mother died and she hadn't spent all the money in the trust, she hadn't exercised her power of appointment, she hadn't changed her will, that we were

hoping -- thinking we would get some money from her estate from these trusts, and you knew what our brothers were doing was going to diminish the amount of money, at least if they were unable to pay those loans back, and, therefore, you should have picked up the phone book, looked us up, called us and said, hey, do you know what's going on over here, you need to take action, or you need to know about this. That's a pretty expansive duty to put on someone whose only engagement is to prepare tax returns.

So if we look at what the common law is on that, let's start with the MLE case. The MLE case is, of course, where the South Carolina Supreme Court in a fairly short and terse opinion, affirmed what the South Carolina Court of Appeals had done in recognizing a cause of action in favor of a third-party under restatement Section 552 for negligent representation, specifically concerning an accountant's audit opinion.

If you are a person in that -- to whom the accountant knew their representation would be published or a member of a group like that person, then you may have a claim for negligent misrepresentation if you jump through the other hoops, not a claim that they are bringing in this case. What the MLE case also said is, you are not the client, you don't have a professional

negligence claim. Full stop. Only clients have professional negligence claims. That's true for lawyers. That's true for accountants. Only patients have professional negligence claims against doctors.

So, when we look at that part of the MLE case, what someone arguing against this might say is, well, gee, actually, what the Supreme Court said is that that issue hadn't been properly preserved. That was the trial court's determination, you didn't present that properly on your appeal and, therefore, it's law in the case, we are not going to touch it. But that's not the end of it.

In two other South Carolina cases, the Court has said the same thing. Most recently last year in the Johnson vs. Robert E. Lee case, the South Carolina Court of Appeals said that a CPA owed no duty to an individual employee of a corporate client. The facts in that case were that the corporate client engaged the CPA to look at some transactions and to give an opinion about whether there had been fraud. The CPA looked at those transactions and apparently erroneously concluded that an employee had committed fraud. There was a criminal -- the employee was discharged, criminal prosecution resulted, which was ultimately -- which the employee was ultimately vindicated. They sued the CPA. And, of course, hum-um, there's no duty. You are not a client.

They didn't talk about public policy. They didn't talk about any of these other things, whether this was the elements of a defamation claim. They said CPAs are viewed as professionals, have professional duties only to their clients.

The same as the South Carolina Supreme Court said in 2009 in the -- I hope I don't mispronounce it, Rydde vs. Morris case. An attorney owed no duty to a nonclient beneficiary of a will. I'm not sure this comes out of estate work. But in that case, a person who hoped to be the beneficiary of a will sought to bring a lawsuit against the attorney who had arguably made some errors in the execution formalities of the will resulting in the invalidity of the bequest. The attorney -- or the Court said, the attorney doesn't owe any duty to you. You are a beneficiary. The client, who was now deceased, is the only person who would have had this claim, and they are not bringing it.

The last thing the plaintiffs say is, well, gee, if we don't have a professional duty, it's a breach of a fiduciary duty. The uncontested evidence in this case, and it is established by -- oh, golly, we cite them in our brief, but probably dozens of their responses to request for admissions, because we ask them year by year, plaintiff by plaintiff, whether they ever asked

Ms. Kerrison for information, whether they were ever communicated information by Ms. Kerrison. And in every case, they admitted in response to request for admissions that there were no communications from Ms. Kerrison to them. They have all admitted in their depositions that they were not clients of Ms. Kerrison or the Pratt-Thomas Gumb firm.

So if they are not clients in any capacity, much less with respect to this engagement, but if they are not clients in any capacity and they had no communication with Ms. Kerrison, how on earth can there be not just a professional duty, but a fiduciary duty?

South Carolina, like most states, does not hold the accountant/client relationship to be a, per se, fiduciary relationship. It's a facts and circumstances test. Is there such degree of trust and confidence imposed in one party by the other, usually but not always involving the handling of assets or property, such that the Court should impose the standard of the fiduciary duty?

Well, Ms. Kerrison wasn't handling the plaintiffs' assets at all. She didn't handle anybody's assets. Even during the time that the Pratt-Thomas Gumb firm had the checkbooks that they signed the checks, only Tom and Dan signed the checks, and that was only a brief

time anyway.

With respect to the rest of the time period, all of the time period, there was no communication. So there can be no argument that the plaintiffs were imposing some degree of trust and confidence in Ms. Kerrison as someone who was watching over or taking care of even their mother's affairs, much less their own affairs. Court couldn't impose a fiduciary duty. So, we had no professional duty. We had no fiduciary duty. And that really right there takes care of the claims that the plaintiff is asserting in this action. There simply is no duty.

I think what the plaintiff is going to say is that they want to turn this into, rather than a legal issue, which the existence of a duty has been held over and over again to be, they want to try to turn it into a subject for expert testimony. They want to bring dueling experts in there to say, oh, well, don't know anything about the law but their expert George Durant says I think you should have told them anyway, just because that's what he thinks. Mr. Durant may think that in good faith; I don't know.

But whether Mr. Durant thinks that or not has nothing to do with what decision this Court should make as to the fundamental question of, does an accountant owe

a duty to a nonclient? Can an accountant owe a fiduciary duty to someone who is not only a nonclient, but with whom they have had no contact? Those are both legal issues, not factual issues for this Court to determine.

If the Court determines that an accountant could owe a duty to a nonclient, then the extent of that duty, the parameters of that duty, how it should apply in a particular situation, might be a legal -- might be a subject for expert testimony. But whether that duty exists is a legal question for this Court.

The next claim that the plaintiffs rely on is their aiding and abetting breach of fiduciary duty claim. There's two cases that are pertinent, Gordon vs. Busbee, South Carolina Court of Appeals 2011 and Future Group II vs. Nation's Bank South Carolina Supreme Court 1996. Both of those cases require and they say that the gravamen of the cause of action for aiding and abetting a breach of fiduciary duty is knowing participation, not in the acts but in the breach itself. And there is absolutely no evidence in this case that Ms. Kerrison knowingly participated in the breach.

There's never even been an allegation that she benefited in any way from this, which is normally where you will see an aiding and abetting a breach of fiduciary duty case. She never got any of these moneys. Tom and

Dan loaned it to their companies or loaned it to themselves and gave it to themselves. There's no evidence that she gave them tools or facilitated their doing it. She simply recorded what they had already done, and during a period of time of about a year, had actually the records at the time that they were doing it, had the checkbook. The rest of the time she didn't even find out about it until the end of the year.

So what we have is no evidence of aiding and abetting their breach of fiduciary duty to the other trust beneficiaries or to the trust. We simply have someone who was a record keeper.

The guy sitting over in the dugout who is keeping the box score doesn't get the hitter's batting average put on him; doesn't get the pitcher's ERA on him. He has a duty only to keep the score, not to say, hey, if the pitcher pitches a good game, I get the credit; if the pitcher pitches a bad game, I get the claim. That's what the plaintiffs seek to do in this case.

So those are the two pertinent cases on that issue. Some cites on that were, again, those two cases. And the Kerrison deposition, Page 37, Lines 10 to 25; Pages 115 to 130 cited in our brief.

The last issue, Your Honor, that we raise with respect to the duty issue really involves a point of

federal law. And I don't think it is the most important part of the argument by a long shot, but there is a federal statute that evinces a federal policy, 26 US Code 72-16, and it prohibits --

THE COURT: Say it again. What's your cite?

MR. SHARPLESS: I'm sorry. 26 US Code 72-16.

THE COURT: Okay.

MR. SHARPLESS: It makes it a misdemeanor under federal law for any person who prepares a tax return, professional or not, to disclose any information furnished to them in connection with the preparation of the return. And there are exceptions. And I believe the plaintiffs are going to argue that exception number three applies, and they are going to cite regulations issued by the Internal Revenue Service. And I think what they will argue to you is that the regulations issued by the Internal Revenue Service say that this law does not prohibit disclosure to a related party whom they define as the beneficiary of a trust.

The problem with that argument for the plaintiffs is they weren't beneficiary at that time. They were contingent beneficiaries. And the disclosure that was made was made to the then-current beneficiary, who also held power of appointment over one of the trusts, Jacquelin Stevenson. So she was the -- we would

argue that the disclosure that was permissible was made and the plaintiffs would argue for impermissible disclosure. That would be our argument with respect to duty.

And you don't have to get to the federal statute. You would only have to look at the federal statute if you concluded that South Carolina common law did impose the kind of duty that the plaintiffs argued for. And then you would have to consider whether there were preemption issues.

We've raised in our brief, Your Honor, two other issues with respect to partial summary judgment. These are not issues that are dispositive of the case, but they are dispositive of significant issues. And this is under Rule 56D. And as the Court I'm sure knows, whether the Court wishes to go down that issue or not specifying issues that appear without contest is entirely discretionary. Under the federal rules there's no requirement that the Court do so. The Court can certainly reserve that judgment for a later time, such as trial.

But there are two issues we've raised. One is what the start and stop dates of plaintiffs' damage calculation should be. And rather than give you a lengthy argument on that, I refer you to our brief. And

we will say that their damages, if they have them -- this is not the way their experts have done things -- should begin no earlier than October 2001 when Ms. Kerrison first became aware of these transactions, and should terminate no later than April 27, 2006, when the plaintiffs even admit that there was the big family meeting at which everybody was told about everything.

Plaintiffs' expert has tried to extend the damages to loans made before October 2001 and to a time after April 2006. Because even after the plaintiffs were told about this, Tom and Dan made some more moneys.

The second is the question of prejudgment interest. The plaintiffs' expert, in fact, the largest part of the damages that he calculates results from taking all the transactions between Tom and Dan and the trusts of the mother and imputing interest to 8 3/4 percent. For the reasons stated in our brief, this is clearly an unliquidated claim. It is contested as to liability. And there is a vigorous contest as to the amount of the loss.

The defendants' experts, Thomas Petrus, says there is no loss; plaintiffs are better off than they were had this never occurred.

The defendants' expert, George Durant, says, well, the net loss is $4 1/2 million, which he uses 8 3/4

percent interest. So what we are asking the Court to do is to specify the start and stop dates as October 31, 2001, and April 27, 2006, at the outside, and to determine at this time that the plaintiffs will not be entitled to recover prejudgment issues. That would be our arguments for the partial summary judgment. And that would be our argument.

THE COURT: Do you all have a trial date set?

MR. SHARPLESS: We do not. That's been discussed, I believe, with the Court. We've discussed a date certain setting July 15th, I think, before Your Honor.

THE COURT: Might have been talking to Don.

MR. SHARPLESS: We did talk to Don.

THE COURT: I have to have a talk with Don when he puts motion like this in front of me first thing on a Monday morning.

All right. Let's take a short restroom break and we will come back and hear from Mr. Babcock.

(A recess transpired.)

THE COURT: All right. Mr. Babcock.

MR. BABCOCK: May it please the Court.

THE COURT: You want to sue their whistle blower, that's what this boils down to?

MR. BABCOCK: We wanted them to be a

whistle blower. They failed to blow the whistle to the right people.

THE COURT: Is that what the theory is?

MR. BABCOCK: Your Honor, and I think this case is a good example of one where people have different views of what's -- what are the important facts and what are not the important facts. So let me back up and talk about this case, which was initially a malpractice case against an attorney, an accountant, and their firms. The attorney part of the case had been resolved. It is just the accountant part that remains.

And the three claims that are before the Court are claims for negligence, breach of fiduciary duty, and aiding and abetting. And as to those claims, we believe there are clearly questions of fact for the jury ultimately to decide.

Let's go back and see how we got here. Mr. Stevenson died in 1988. And at that point he established two trusts, trust whose beneficiaries were tied down in a marital trust.

Lynne Kerrison and Pratt-Thomas Gumb, now Dixon Hughes, were the accountants for trusts Ms. Stevenson, one of the brothers, Dan, and several of the companies that Dan owned. They were accountants for all of that group.

Let me make an aside right now, Your Honor. Your Honor asked a question about how much money was involved. We have Mr. Durant's report attached to our memorandum, I think Exhibit 2. There was methodology by which he looked at all the money taken and all the money put back, giving credit for everything and looking at the estate with Dan and Tom not receiving any interest, which is the most conservative way of looking at the damages in this case, and came out with $4.5 million number. And that's I think the most conservative issue for damages.

But let me go back. In January, 2001 there's a critical time, January, 2001, because it is at that time that Kathleen and Daniel received A power of attorney for their mother. Mrs. Stevenson had had a stroke in late 2000. There was a power of attorney that was initially issued that was not durable.

Couple years later, another power of attorney was done that was durable, and that's created by Mr. Carter. But at all times relevant for us, Kathleen has a power of attorney. And that's what's so important as we look at everything that occurred, is because she is sitting in her mother's place because her mother is old, her mother is infirmed, and ultimately ends up with dementia. That's why we have powers of attorney. She is in her mother's place. She subsequently died in 2007.

You know, Tom and Dan were the only trustees of these trusts. And the relevant time period for them taking money is 1999. That's when there's no question, it is not gifts by mom to the boys; it's the two boys taking money in 1999.

Now, Ms. Kerrison learned of the trustees taking money from the trust at least by 2001. And she knew that wasn't right. And she went to Mr. Carter, Heyward Carter, the lawyer. And they had a meeting with Dan and Tom in October of 2001. And what was supposed to happen from that meeting was, A, they were supposed to stop it; B, these loans were supposed to be memorialized; and, C, they were supposed to go tell the family. And that didn't happen.

As Mr. Sharpless indicated, in 2002, you again got a situation where communication -- Ms. Kerrison knows things are still going awry. Now, there is a meeting that the defendants allege has significance in May of 2003 where I believe it was Tom claimed that he had told Kathleen about the -- again, the power of attorney for her mom -- had told her about these takings, these withdrawals. That's a clear question of fact, because Kathleen says, no, I was not told that, I did not know that.

And I think as you see the rest of the

progression occur, that makes sense, because if she had been told, Tom would have told Heyward Carter and told Ms. Kerrison, hey, I told Kathleen. Didn't happen. Didn't happen.

What we know is that in April of -- April 27, 2006, there was a meeting where Kathleen was called. And we know that this case was started within the three years statute of limitations after that. If she had been told in 2003, there would have been no need for that meeting on April 27th, 2006, or even if she had been told on April 19, as defendants assert, there would have been no need for the meeting on April 27th, 2006.

In fact, things had gotten so bad in 2006 that in March, I believe, Ms. Kerrison and Mr. Carter got together and they put together a letter telling Kathleen and the other sisters about what happened. It was a letter saying, if you don't meet and tell Kathleen, we are going to have to take action. And they gave the brothers a little bit of time to go ahead and have that meeting with their sister. But they both understood that it was April 27th, 2006.

THE COURT: They being who?

MR. BABCOCK: They being the accountant and the lawyer.

THE COURT: Okay.

MR. BABCOCK: Understood there was a need for the meeting because they hadn't been told; otherwise, there would be no need for that meeting.

Now, I want to go back. One thing is clear. And we've cited the testimony in our brief. Ms. Kerrison testified quite clearly at her deposition that she was not told by the brothers, although she met with them on April 19th, she was not told about the takings.

Now, a more logical interpretation of what happened, oh, yeah, question of fact is the brothers were each trying to soften her up. They wanted to see the businesses where these moneys had gone to make her more comfortable about what had occurred and then have the April 27th meetings where she actually hears it. But we have a question of fact on that.

Mr. Sharpless made reference to a request to admit. That was request to admit Number 171, a 43-page series of requests to admit. But the wording is very important on that request to admit, Your Honor. What that request says is that: Thomas Stevenson informed you, that would be Kathleen, that he and Daniel Stevenson removed money from the trust on April 19, 2006. Let me read it again: Thomas Stevenson informed you that he and Daniel Stevenson removed money from the trust on April 19, 2006.

Does not say on April 19, 2006, Thomas Stevenson informed you that he and Daniel Stevenson had previously removed money from the trust. Doesn't say that at all. So I think the most logical interpretation of that request to admit is that on April 19th, 2006 was a removal for money, but even if you can --

THE COURT: Was there, in fact, money removed on that date?

MR. BABCOCK: There -- well, we don't think so, but we don't know that it was, in all candor, Your Honor. But I think regardless, at worst, you've got a dispute between what this request to admit says and the actual testimony at deposition. So if they want to try to impeach her, that's fine. But at the deposition testimony they asked her very clearly about what happened at that meeting, and she told them very clearly what occurred on April 19, 2006.

Again, no need for the meeting on April 27th, 2006, if she had been told previously.

Two other points, Your Honor, which I think are important in terms of looking at the totality of what the accountants are doing. First off, and they make light of this, but they actually took responsibility for the checking account. Checkbook came and stood with the accountants. So the checks, they are being written, the

checks where these improper withdrawals are occurring, are from the checkbook in the possession of the accountant.

I think when you look at the totality of the relationship, this is far different than just somebody doing an occasional tax return. If you look at the totality, it is a much different, fuller relationship.

You even had, Your Honor, one of the accountants in the firm investing in one of Daniel Stevenson's ventures, which is where the money went. That gives you a little bit more flavor of what happens here.

Now, our expert is George Durant for both the standard of care for accountants and the damages. And when you look at the duty, and he says this in his affidavit and in his deposition, the duty is rooted in Kathleen being the power of attorney.

I think we have a different case, perhaps, if Kathleen doesn't have that power of attorney, but she did. And there are no cases that have been cited to you where with a power of attorney and that responsibility, an accountant doesn't have a responsibility to come forward and tell that power of attorney, who is standing in her mother's shoes, about what's going on.

Let's look at the different legal issues that Mr. Sharpless has raised. First, the statute of

limitations, well, we really only talked about that. We say the statute started on April 27th, 2006. This case was brought within the three-year statute. As to any of the other dates, there are questions of fact. And again, there would have been no need for the meeting on April 27th if she had already told.

The cases, if you look, that defendant cited here, like the Dorman case, that was a situation where there was an attorney, a real estate closing, and the purchaser had extensive knowledge about the -- there was a question, I think, about a room being in a flood zone in the house. They had surveys done. They had inspectors. There was a lot of independent knowledge that the clients had. And that setting, it is a very different one from here where you've got really the attorney and the accountant acting somewhat together in knowing that there was something wrong and not stepping out and telling Kathleen Stevenson with her power of attorney.

This question of abatement or survival goes to matters of fraud. And those are not the claims that we brought here. They are based on negligence, breach of duty, and aiding and abetting. That's not fraud. And, again, in terms of what factual basis you've got to support that, you've got Mr. Durant's opinion that he

should have reported to the power of attorney. We know it was not reported to the power of attorney. And we know that the checks shouldn't have been being written by the accounting firm.

And in that case, what you've got is not something rooted in fraud, but you've got something rooted in, again, negligence, breach of fiduciary duty, and aiding and abetting.

The federal statute -- third point, your Honor. The federal statute which Mr. Sharpless cited, in stepping back, that issue is one of preemption. And we know that when we deal with preemption with Congress, questions whether they are trying to preempt the field, there is certainly nothing expressed that there is preemption here. And there's nothing implied to occupy the field. Nothing saying state law would not or common law would not apply.

This statute was really geared, Your Honor, to all those tax preparers out there, not real accountants, but people that prepare taxes, to ensure that confidential information being used for tax preparation was not misused by that kind of individual.

And, again, we have cited in the Code of Federal Regulations. There are a number of exceptions to this, and one being trusts, estates, beneficiaries even. We

say clearly that when you are dealing, again, with a power of attorney, the person standing in her mother's shoes, there's no prohibition by that statute at all.

The duty issue, Your Honor, it again comes back to the power of attorney. And there's been no case law submitted to you saying that when you've got somebody with a power of attorney, you don't have a duty. We say clearly that's what the power of attorney is for, particularly here with an elderly person and eventually having dementia in the time periods at issue. That's what that power of attorney is for.

The aiding and abetting issue, Your Honor, the accountant had the knowledge. The accountant's writing the checks. And importantly, she knew it was wrong. She knew what the brother was doing was wrong from the very start. That's why she went to the lawyer. She heard the lawyer say it was wrong. She heard the lawyer say you need to do these things, you need to memorialize what you've taken, we will make them loans, you need to stop doing it, and you need to tell the family.

She knows those last two don't happen. She knows because she's continuing to write checks. And she knows because she keeps worrying about letting the family know, again, as late as right before the April 27th, 2006, meeting.

And, Your Honor, what happened here in terms of how it got extended over five years, the brothers kept having excuses for why they wanted to wait and tell. They wanted the right setting to tell. It was a wedding here or an illness there. And they just extended and extended and extended. And who goes along, the accountant, who continues to write the checks.

THE COURT: Who actually wrote the checks out?

MR. BABCOCK: There was a woman initially -- Your Honor, there was a woman who was Ms. Neapolitan. She then died, and the checkbook was transferred to the accountant's office. It was not Ms. Kerrison, but somebody in her office.

THE COURT: So somebody in the accountant's office wrote the checks out in their handwriting or typed it out or computer-generated a check? These guys didn't have the checkbook themselves?

MR. BABCOCK: No, sir. But when they wanted a check, they let the accounting firm know they wanted a check and the check would be prepared. They would go pick up the check. As trustee, they had to go and sign the checks to themselves. So you would have Dan giving checks to himself and Dan getting checks either directly or to companies they controlled. In each case that was where the money was going, was to some of

Tom's companies, Dan's companies. That's where the flow of the money went.

THE COURT: Was Ms. Kerrison writing any of these checks?

MR. BABCOCK: I don't believe Ms. Kerrison herself did, but they did -- the accounting firm took control and they had the checkbook. And there was a woman in Ms. Kerrison's firm who actually wrote the checks. She knew she had the checkbook.

THE COURT: All right. But Ms. Kerrison herself was not writing the checks out? She just was doing the tax preparation based on the information that somebody else in the office was compiling; is that correct?

MR. BABCOCK: Your Honor, she got the information. She did prepare the taxes. The source of information I think was probably coming from the trustees, because they would have had information that they would have given to her. And I guess also from the woman in her office who would have been able to document exactly what loans or withdrawals or takings occurred and when. But that's all -- this is all happening within the same accounting firm, Your Honor.

THE COURT: I understand that, but you are suing Ms. Kerrison individually as well as the firm she worked for. And so it's one thing for somebody else in the

office to know, and it was another thing for her to find it out and report it, as opposed to being actively involved in the check writing.

MR. BABCOCK: Your Honor, I don't know that that's the case here, because she knows the check writing is occurring in her office and she doesn't stop that. She has the ability to go to the person in her office and say, do not write them any more checks, that's wrong, family hasn't been told. That's her own office.

We have sued both her and her office. I don't think she can hide behind the fact that somebody else in the office is actually writing the checks that she knows is occurring.

THE COURT: Well, I guess, what was her job title? And what was the other person's job title? I mean, it's -- there's a difference between saying you should go tell somebody that something is going on than going and confronting the person whose doing something wrong involved in it and saying, you need to stop it. If you are supporting of them, an equal of them, or their supervisor, I think there's different levels of things that you can be expected to have done.

MR. BABCOCK: Well, Your Honor --

THE COURT: She may not have had any authority to go to the person and say -- I don't know what her job

title was -- to say you need to stop this.

MR. BABCOCK: She was not an accountant, as I understand it. So I think she would have been a subordinate in that sense, Your Honor. I think she had the clear ability to stop it. But even if it was clerk person, I think within the firm, you have to at least make the effort to stop something that you know is wrong.

THE COURT: Well, and then that goes to what did she do. It would be one thing to go to a person in her office, but from what I heard, she went to the lawyer and said something is wrong.

MR. BABCOCK: Several times, Your Honor, yes, knowing it was going on. And the first time is before her office is writing the checks. They start taking over that check-writing responsibility during the time period.

THE COURT: Well, that's the -- the accountant's office's liability and Ms. Kerrison's may or may not be the same thing depending on the facts. Again, I'm just finding out about this this morning because somebody dropped that thing off Friday afternoon and yours just got handed up. That's my sum total knowledge of this case.

So what I'm getting at is -- I've lost my train of thought. She may or may not have this same -- the principal is responsible for the wrongs of their agents.

All right? But it may be that some other agent in the office of the accountant is really responsible for the things that you are trying to pin on Ms. Kerrison. Whatever Ms. Kerrison did wrong as an agent of the accountant would obviously cause -- create liability for her employer. But she's not responsible for everything that went on in that firm, only for the things that she did. She could also be personally responsible for the torts that she committed. The firm maybe is going to be responsible for anything that she did wrong, plus things that other agents in that office did wrong.

So I'm trying to get what did Ms. Kerrison do wrong and what did other people in that office do wrong. Because Ms. Kerrison is not going to be vicariously liable for other agents in that office's wrongdoing necessarily if she wasn't their supervisor. That's, I guess, what I'm trying to get at, inarticulately.

MR. BABCOCK: No, I understand where you're going. Let's step back and look at what our theory is. First off, the check writing isn't integral to the theory, because the check writing wasn't going on in 2001 when she went to Mr. Carter. Our theory is based in large part on the duty, as Mr. Durant expressed, it's a duty of the accountant to tell the power of attorney. That's where the wrongdoing occurs with

Ms. Kerrison.

It gets worsened because she also has knowledge. And we will supplement with Ms. Kerrison's deposition, but we will supplement that. It is my understanding it was a subordinate within the firm. It was not somebody of co-equal. But I think that once you know that your office has the checkbook and there are checks being written that you know to be wrong, that heightens the responsibility, if nothing else, for her to make sure she goes and tells Kathleen, who's got the power of attorney, hey, you've got to know what's going on here, because she knows that her office is now writing the checks that she knows to be wrong.

So that's where the check writing becomes significant, Your Honor. Her duty was breached when she didn't disclose.

The damage issue, I think all those damage issues are more properly for either the jury or perhaps motion in limine, summary judgment really, we submit, shouldn't be slicing and dicing and looking at the damages in a piece meal fashion, but significantly, the damages which we say the defendants are responsible for after the April 27, 2006, time period, include the efforts to mitigate the damages. And those are attorney's fees spent, approximately $800,000 worth of

attorneys' fees spent chasing the millions of dollars from the brothers. And there were lawsuits, ultimately a verdict and settlement.

And we submit a case law in our brief that when we all know you've got a duty to mitigate, but when it costs you money trying to mitigate, those costs are recoverable in the underlying case.

The before issue, before the 2001 date, Your Honor, if the power of attorney had been told by the accountant in October of 2001 what was going on, both brothers were still solvent at that point in time, moneys could have come back.

But by the time the whistle gets blown, by the time people ultimately find out about what occurred, it is too late. The brothers had lost those moneys. And although some was repaid by Tom, none was repaid by Dan.

At the end of the day, you've got the estate and, again, Mr. Durant's analysis looked at what would have occurred if the moneys hadn't been taken out in a normal distribution, and then what moneys were available when the proposal for distribution was filed in 2011, eliminating the two brothers whose rights to their inheritances had been forfeited along the way.

So that we are not looking for any benefit of anything other than the losses, again, as conservative as

we can be, the losses to the estate before and after as though those takings did not occur. And that's $4.5 million.

Finally, Your Honor, on prejudgment issues, I can't imagine anything being more sum certain or liquidated amount than knowing exactly when moneys were taken out of the trust. We know all those days. There's no question. We may have different damage theories, but there's no question about when the moneys were taken out. So if you know when the money was taken out, we believe you get prejudgment interest. Thank you.

THE COURT: All right. Well, I think I've got -- I know I've got a better feel for it because I didn't know anything about it before I got in here. Let me study this a little bit, and I will let y'all know what I decide.

I ran into Don during our break and asked him why I was hearing this this morning. And he said y'all have a date certain, trial date in July. And he says it is set in front of me, so at least that makes sense why I was hearing it.

So let me do this. Let me read through this in light of my enlightment. And I will let y'all know what I decide. Okay? Thanks.

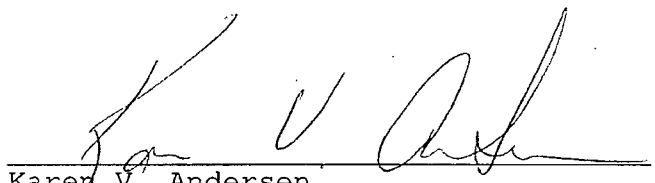
(Proceedings are concluded.)

CERTIFICATE OF REPORTER

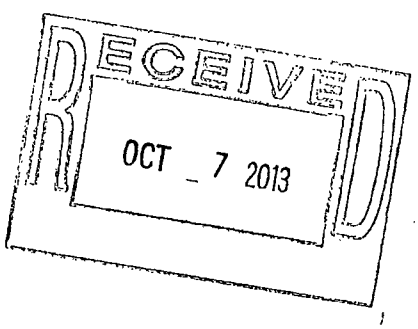
I, Karen V. Andersen, Registered Merit Reporter, Certified Realtime Reporter, and Notary Public for the State of South Carolina at Large, do hereby certify that the foregoing transcript is a true, accurate and complete Transcript of Record of the proceedings.

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

Witness my hand, I have hereunto affixed my official seal this 28th day of September, 2013 at Charleston, Charleston County, South Carolina.



Karen V. Andersen
Registered Merit Reporter
Certified Realtime Reporter
My Commission expires:
September 14, 2016


RECEIVED
OCT _ 7 2013

AGREEMENT OF SETTLEMENT AND RELEASE

This Agreement of Settlement and Release (the "Agreement") is entered into as of November 25th, 2009, by and among (i) Jacquelin S. Bennett, Genevieve S. Felder and Kathleen S. Turner, both in their individual capacity and as co-trustees (the "Co-Trustees") of the Jacquelin K. Stevenson Marital Trust and the Q-TIP Trust U/W/O Thomas C. Stevenson (collectively, "Trusts") and as beneficiaries (collectively, the "Beneficiaries") of the Trusts, (ii) Jacquelin S. Bennett, and Kathleen S. Turner, as the co-personal representatives (collectively, the "Co-Personal Representatives") of the Estate of Jacquelin K. Stevenson (the "Estate") and (iii) James K. King, in his individual capacity, as a former Co-Trustee of the Marital Trust, and as a beneficiary of the Estate of Jacquelin K. Stevenson (with the above named parties being collectively referred to herein as the "Payees"), and Thomas C. Stevenson III, Fabtech, Inc. Laurentide, Inc. and Commerce Circle LLC (collectively, the "Thomas C Stevenson, III Parties")(with the Payees and the Thomas Stevenson, III Parties referred to collectively as the "Parties").

WHEREAS, on or about January 22, 2008, the Payees filed a Complaint against the Thomas C. Stevenson, III Parties and others in an action entitled Jacquelin S. Bennett, Genevieve S. Felder and Kathleen S Turner, individually, as co-trustees and beneficiaries, and Jacquelin S. Bennett, and Kathleen S. Turner, as co-personal representatives of the Estate of Jacquelin K. Stevenson v. Thomas C. Stevenson, III, Daniel R. Stevenson, II, Fabtech, Inc. Laurentide, Inc., Easy Tray, LLC, Carolina Fresh Cut, LLC, Carolina Fresh Cut, LLC d/b/a Toogoodoo Farms, Toogoodoo Farms of the Carolinas, and Commerce Circle, LLC ("Suit 1") in the Probate Court for the County of Charleston, State of South Carolina (the "Probate Court"), case number 2007-ES-10-1437. On or about February 12, 2008, this case was removed to the Circuit Court for the County of Charleston, State of South Carolina (the "Circuit Court"), case number 2008-CP-10-806;

WHEREAS, on or about March 6, 2009, the Payees filed an Amended Complaint against the Thomas C. Stevenson, III Parties and others (the "Amended Complaint");

WHEREAS, on or about March 23, 2009, the Thomas C. Stevenson, III Parties filed an Answer to the Payees' Amended Complaint denying the allegation of the same and asserting a Cross-Claim against Daniel R. Stevenson and Counter-Claims against the Payees (the "Suit 1 Counter-Claims");

WHEREAS, on or about April 17, 2009, Payees filed an Answer to the Counterclaims of the Thomas C. Stevenson, III Parties denying the allegation of the same;

Initials

EXHIBIT
tabbies
A

WHEREAS, on or about September 11, 2008, James K. King filed a Complaint entitled James K. King v. Jacquelin S. Bennett, Genevieve S. Felder, Kathleen S. Turner, Thomas C. Stevenson, III, Daniel R. Stevenson, II, William A. Bennett, Fabtech, Inc., Laurentide, Inc., Easy Tray, LLC, Carolina Fresh Cuts, LLC d/b/a Toogoodoo Farms, and Toogoodoo Farms of the Carolinas ("Suit 2") (Suit 1 and Suit 2 hereinafter referred to collectively as "the Litigation"), in the Probate Court, case number 2007-ES-10-1437;

WHEREAS, on or about November 18, 2008, the Thomas C. Stevenson, III Parties filed an Answer to Suit 2 asserting a Cross-Claim against Payees and William A. Bennett and others;

WHEREAS, the Parties, without acknowledging or admitting any liability whatsoever, and to avoid the costs associated with litigation, now desire to resolve the Litigation under the terms outlined below; and

WHEREAS, the Parties believe that the terms of this Agreement are fair, equitable, and the result of an arm's length, bargained-for, contemporaneous exchange for new value as outlined below;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. **Recitals Incorporated Into Agreement.** The Parties incorporate into this Agreement the recitals set forth above as part of the terms of this Agreement.

2. **Effective Date.** The Parties agree that the effective date of this Agreement shall be November 25, 2009 ("Effective Date").

3. **Dismissal with Prejudice of the Litigation.** On the Effective Date, each of the Parties will instruct their respective legal counsel in the Litigation to execute the Stipulation of Dismissal With Prejudice of all claims adverse to the other parties to this Settlement Agreement (the "Stipulation") in the form attached hereto as *Exhibits A & B*, and to take all other steps necessary to promptly to effectuate the filing of same with the Circuit Court and the Probate Court and the dismissal of the claims consistent with the terms of such Stipulation.

4. **Cooperation.** The Parties agree to cooperate fully and to execute any and all supplemental documents and to take any and all additional actions that may be necessary to give full force and effect to the basic terms and intent of this Agreement and which actions are not inconsistent with such terms, including, but not limited to, cooperating and using best efforts to obtain the

Initials

dismissal with prejudice of the claims by and between the Parties to this Agreement in the Litigation as set forth in Paragraph 3 of this Agreement.

5. Time The parties agree that time is of the essence in reaching this agreement and in complying with its terms and conditions.

6. Terms

a. In consideration of the dismissal of the Lawsuit, the Thomas C. Stevenson, III Parties hereby release and forever discharge the Co-Trustees, the Trusts, the Co-Personal Representatives, and the Estate from any and all rights and claims which the Thomas C. Stevenson, III Parties may have against the same.

b. In consideration of the dismissal of the Counterclaims asserted by the Thomas C. Stevenson, III Parties and the other consideration set forth herein, the Co-Trustees, the Trusts, the Co-Personal Representatives, the Beneficiaries, and the Estate release and forever discharge the Thomas C. Stevenson, III Parties from any and all rights and claims the Co-Trustees, the Trusts, the Co-Personal Representatives, the Beneficiaries, or the Estate may have against the Thomas C. Stevenson, III Parties.

c. In exchange for the consideration set forth herein, James Kelly King releases and forever discharges the Thomas C. Stevenson, III Parties from any and all rights and claims he may have against the Thomas C. Stevenson, III Parties.

d. The Payees agree that the Settlement Payment to be made under this Agreement shall be made to the law firm Slotchiver & Slotchiver, LLP, as counsel for the Trusts and Estate identified above, or its successor as may be later designated by the Payees or their authorized agent, for distribution of the Settlement Payment in accordance with the terms of the Marital Trust, QTIP Trust, and Will of Jacquelin K. Stevenson and the terms of this Agreement. The Thomas C. Stevenson, III Parties shall have no responsibility to ensure the Settlement Payment or any installments thereto are properly disseminated to the Payees from their agent.

e. Thomas C. Stevenson, III expressly releases and waives any and all claims he may have or may have had in the Estate,

Initials

including, but not limited to, any claim he may have under any and all trusts and/or the Will, including, but not limited to, any claim he may have on the property located at Lake Summit (the "Lake Summit House") and any other real property, as well as any claim, present or future, to any recovery the Estate and/or the Payees may receive from any and all lawsuits, either pending or future. Thomas C. Stevenson, III agrees to convey to the Estate, by limited warranty deed, as part of this settlement, all of his interest in the Lake Summit House.

f. Thomas C. Stevenson, III agrees to pay the sum of Two Million Dollars and No/100 ($2,000,000.00) (the "Settlement Payment") to the Payees. Interest shall accrue on the outstanding balance of the Settlement Payment, beginning on the date of execution of this Agreement, at a per annum rate of seven percent (7%) and capitalized annually, if not paid.

g. The Settlement Payment shall be payable in the amount of Twenty-Five Percent (25%) of the salary, commissions or other bonuses paid to Thomas C. Stevenson, III, paid quarterly plus Fifty Percent (50%) of the salary, commissions or other bonuses paid to any family member of Thomas C. Stevenson, III other than Thomas C. Stevenson, III and Thomas C. Stevenson, IV, OR 25% of income reported on the Fabtech, Inc., and/or Laurentide, Inc. Form 1120S, Page 4, Schedule M-1, Line 8 and/or reported on the Commerce Circle, LLC income tax return Schedule M-1 Line 9 or Schedule M-3 if applicable (or replacement IRS Form) LESS income tax on undistributed taxable income (computed by preparing Tom Stevenson III's 1040 tax return with and without the K-1 from Fabtech, Inc) plus depreciation as shown on Schedule M-1 and amortization whichever is greater, as recorded on the financial statements of Fabtech Inc., Laurentide, Inc., Commerce Circle, LLC, their successors or assigns, and/or any other business that Thomas C. Stevenson, III controls or which the Companies are controlled by. The Settlement Payment shall also include 50% of the non-salary distributions made to Thomas C. Stevenson, III, or to members of his family, above the difference of the taxes from Thomas C. Stevenson, III.'s 1040 tax return with and without the K-1 from Fabtech, Inc., Laurentide, Inc and Commerce Circle, LLC. The Settlement Payment shall be made in the manner and amounts as follows:

Initials 

i. First payment shall be due on February 15, 2010 and shall be based upon 25% of the salary and/or bonuses paid to Thomas C. Stevenson, III in the fourth quarter of 2009 and 50% of any distributions made to Thomas C. Stevenson, III in the fourth quarter of 2009, above that amount necessary for the payment of state and federal income taxes.

ii. For purposes of paragraph 6(g), the payment due and payable at the end of each quarterly period is hereinafter referred to as the "Quarterly Payment." Payments after those referenced in paragraph 6 (g)(i) are due on April 15, 2010. Thereafter, the Quarterly Payment for each of the first three fiscal quarters shall be due and payable thirty (30) days after the end of each such quarter. The fiscal year end fourth Quarter Payment shall be due and payable on April 15 of each successive fiscal year until the Settlement Payment, plus interest, is paid in full. Interest on the outstanding balance of the Settlement Payment, or any unpaid Quarterly Payment, shall be seven percent (7%), compounded annually, until the Settlement Payment, plus all accrued interest, is paid in full.

iii. For purposes of paragraph 6(g), a copy of the unaudited annual financial statements of Laurentide, Inc., Fabtech, Inc. and Commerce Circle, LLC, their successors or assigns, and/or any other business that Thomas C. Stevenson, III controls or is controlled by, shall be made available to the CPA firm of McGuire & Company, LLC or its successor as may be later designated by the Payees or their authorized agent on or before April 15, 2010 for the fiscal year ended 2009. The Thomas C. Stevenson III Parties agree that a copy of the audited annual financial statements of Laurentide, Inc., Fabtech, Inc. and Commerce Circle, LLC, their successors or assigns, and/or any other business that Thomas C. Stevenson, III controls or is controlled by, shall be made available to the CPA firm of McGuire & Company, LLC or its successor as may be later designated by the Payees or their authorized agent on or before April 15, 2011 for the fiscal year ended 2010 and each April 15th thereafter. In addition, a copy of the interim financial statements of Laurentide, Inc., Fabtech, Inc., and Commerce Circle, LLC, their successors or assigns, and/or any other business that Thomas C. Stevenson, III controls or is controlled by, shall be made

Initials JCS

available to McGuire as the Certified Public Accountants for the Trusts and Estate identified above, or its successor as may be later designated by the Payees or their authorized agent no later than thirty (30) days after the mid-year end, and the Companies agree to provide any further information or documentation supporting these financial statements to McGuire & Co., the accountants for the Trusts and Estate identified above, or its successor.

iv. For purposes of paragraph 6(g), the Parties further agree that the fiscal year end fourth Quarter Payment shall be adjusted as necessary and that all Quarterly Payments shall be subject to review by the Payee's Certified Public Accounting firm and/or individual Certified Public Accountant.

v. If the review referenced in paragraph 6(g)(iv) reveals differences or discrepancies in the amounts paid or payable, the Parties will retain a mutually agreed upon auditor to act as arbitrator. Personal expenses such as travel, meals, entertainment, contributions, for the benefit of Thomas C Stevenson, III or his family are not permitted in the income figures referenced paragraph 6(g). Such expenses if discovered will be reviewed by the arbitrator, and increase the payment to the Payees on a dollar for dollar basis. The decision of the auditor shall be final. If any such differences or discrepancies in the amounts paid or payable, as determined by the auditor, are not paid in full within thirty (30) days, the Payees or their heirs will have the absolute right, but not the obligation, to file and record a confession of judgment (hereinafter, the "Confession of Judgment," as more fully described in paragraph 6(i) below) against Thomas C. Stevenson, III for the full unpaid amount, plus interest. Interest on the outstanding balance shall be seven percent (7%), compounded annually, until the Settlement Payment, plus all interest accrued, is paid and received in full

vi. In the event that the full amount of the Settlement Payment, with interest, has not been paid by April 15, 2015, the

Initials JCh

outstanding balance shall be converted into a note payable and held in the names of Jacquelin S. Bennett, Kathleen S. Turner, Genevieve S. Felder, and James K. King or their heirs (hereinafter, the "Note"). The Note shall be amortized over five (5) years and payable in equal quarterly installments. The Note shall be due and payable on or before April 15, 2020 at an interest rate of eight percent (8%), compounded annually.

vii. The Parties further agree that it is in their best interest that Thomas C. Stevenson, III be allowed to freely conduct, without undue interference, the operations of Laurentide, Inc., Fabtech, Inc., and Commerce Circle, LLC, their successors or assigns, and/or any other business that Thomas C. Stevenson, III controls or is controlled by, and the Payees hereby undertake not to interfere in any way with such operations, except to the extent necessary to enforce the terms of this Agreement.

vii. Thomas C. Stevenson, III agrees to provide to Slotchiver & Slotchiver a statement of the attorney fees and expenses incurred in this litigation which have been incurred on behalf of Thomas C. Stevenson, III individually so that they can be claimed as a deduction for estate tax purposes, if permitted.

h. Should it become necessary for any party to this Agreement to initiate any further legal proceedings to enforce any provision of this Agreement, the Court shall award the Prevailing Party their reasonable attorneys' fees and costs incurred in such enforcement efforts.

i. As security for the Settlement Payment to be made by Thomas C. Stevenson, III, Thomas C. Stevenson, III shall sign and deliver to Robert H. Hood, Esquire, counsel for Jacquelin S. Bennett, Kathleen S. Turner, and Genevieve S. Felder, a Confession of Judgment (the "Confession of Judgment") as to claims for breach of fiduciary duty breach of trust and conversion in favor of Jacquelin S Bennett, Kathleen S. Turner, Genevieve S. Felder and James K. King, or their heirs in the amount of Two Million Dollars and No/100 ($2,000,000.00). The parties intend that the

Initials _____

Confession of Judgment as to claims for breach of fiduciary duty, breach of trust and conversion qualifies as one of the exceptions from discharge contained in 11 U.S.C. § 523(a) and intend for this agreement to have preclusive effect as to the issue of dischargeability in any subsequent bankruptcy proceeding voluntary or involuntary. If Thomas C. Stevenson, III is placed into bankruptcy, he will support the Payees cause of action that this claim shall be non-dischargeable and will so advise any trustee or examiner of this position. Robert H. Hood, Esquire or his successor shall hold the Confession of Judgment in trust and shall not file, record, make public in any way to any person not a party to this Agreement or their counsel, or otherwise seek to enforce it unless a Default shall occur. "Default" shall be defined as a failure by Thomas C. Stevenson, III to make any payment as outlined in paragraph 6(g) above, or failure to make the entire Settlement Payment by April 15, 2020, and the continuation of such failure for a period of thirty (30 business days after Jacquelin S. Bennett, Kathleen S. Turner, Genevieve S Felder or James K. King shall have sent a notice of default to Thomas C Stevenson, III. Upon the occurrence of a Default, Jacquelin S. Bennett, Kathleen S. Turner Genevieve S. Felder and/or James K. King, or their heirs shall have the right to file, record, or otherwise seek to enforce the Confession of Judgment. If the Confession of Judgment is filed, recorded, or otherwise sought to be enforced by Jacquelin S. Bennett, Kathleen S. Turner, Genevieve S. Felder, and/or James K. King or their heirs the judgment amount shall be reduced by the amount of any payments of principal made by Thomas C. Stevenson, III in accordance with this Agreement prior to the occurrence of the Default. When Thomas C. Stevenson, III pays the entire Settlement Payment, including interest, Jacquelin S. Bennett, Kathleen S. Turner, and Genevieve S. Felder's attorney, Robert Hood or his successor in this capacity shall return the original and all copies of the Confession of Judgment to Thomas C. Stevenson, III or his attorney.

j. As further security of the Settlement Payment to be made by Thomas C. Stevenson, III, Jacquelin S. Bennett, Kathleen S. Turner, Genevieve S. Felder and James K. King shall obtain a second priority mortgage on the real property located at 915 Commerce Circle, Hanahan, South Carolina and 917 Commerce Circle, Hanahan, South Carolina. There will be a

Initials

second mortgage to this property which will be subordinate to pre-existing mortgages and/or liens on this property previously recorded.

k. As further security of the Settlement Payment to be made by Thomas C. Stevenson, III, the Thomas C. Stevenson, III Parties hereby sell, assign, mortgage, hypothecate, convey, transfer, and grant to the Payees a continuing security interest in the Distributions as set forth above in paragraph 6(g), and in their expectancy to acquire the Distributions in the ordinary course of business and hereby authorize the Payees to file financing statement(s) describing the Distributions in the Office of the Secretary of State of South Carolina and in any other filing office deemed necessary or appropriate by the Payees, whether in or out of the State of South Carolina.

l. Thomas C. Stevenson, III agrees to waive any interest in the pending suit brought by Jacquelin S. Bennett, Kathleen S. Turner, and Genevieve S. Felder against T. Heyward Carter, Jr.; Evans, Carter, Kunes & Bennett, P.A.; Douglas Capital Management, Inc.; Dixon-Hughes f/k/a Pratt-Thomas Gumb & Co., P.A.; and Lynne L. Kerrison, Civil Action No. 2007-ES-10-1437 and 1988-ES-10-00747.

m. In the event that Thomas C. Stevenson, III, any of the Companies or any of his affiliated entities, which is hereby understood to refer to entities that control or are controlled by Thomas C. Stevenson, III, prepare to file for bankruptcy, Thomas C. Stevenson, III, or such Companies or such affiliated entities shall notify Robert H. Hood or his successor in writing and by e-mail or other form of immediate transmittal ten (10) days before such filing of bankruptcy and the Payees, at their option, may immediately record the Confession of Judgment. In the event that any creditor with debt owed to it from the Thomas C. Stevenson, III Parties in excess of $10,000 issues a formal notice of default on said loans, or if any of the Companies shall be sold, liquidated, dissolved or otherwise disposed of as a result of insolvency and the surviving companies or successors are unable to perform under this agreement, then Payees shall have the right to direct Robert H. Hood or his successor to record the Confession of Judgment. This Judgment will be senior to any and all other confessions of judgment.

Initials

n. Compensation to Thomas C. Stevenson, III, including base salary and bonuses is limited to $250,000 per year, unless consented to in writing by the Payees. Compensation to Thomas C. Stevenson, IV, including base salary and bonuses is limited to his current salary plus 10% per year, unless consented to in writing by the Payees.

o. There shall be no loans from any of the Companies to Thomas C. Stevenson, III or any family member.

7. **Release by Thomas C. Stevenson, III Parties**. Upon the Effective Date, in consideration for the performance of all terms and conditions of this Agreement, except as to such rights which may be created by this Agreement, Thomas C. Stevenson, III for himself, his heirs and assigns, and the Thomas C. Stevenson, III Parties and their successors and assigns, do hereby remise, release and forever discharge the Payees, their heirs and assigns, from any and all manner of claims, losses, debts, liabilities, demands, obligations, rights, disputes, fees, controversies, costs, expenses, actions, causes of action, claims, damages and suits whatsoever, at law or in equity or pursuant to statute, fixed or contingent, made or that could have been made by Thomas C. Stevenson, III against the Payees in his Counter-Claims in the Litigation and any and all claims which the Thomas C. Stevenson, III Parties have now or may have had against the Payees from the beginning of time up to and including the Effective Date

Additionally, upon the Effective Date, in consideration for the performance of all terms and conditions of this Agreement, except as to such rights which may be created by this Agreement, Thomas C. Stevenson, III for himself, his heirs, and assigns, does hereby remise, release and forever discharge the Payees, William A. Bennett, Frederick J. Felder, III, and William R. Turner, Jr., their heirs, and assigns, from any and all manner of claims, losses, debts, liabilities, demands, obligations, rights, disputes, fees, controversies, costs, expenses, actions, causes of action, claims, damages and suits whatsoever, at law or in equity or pursuant to statute, fixed or contingent, made or that could have been made by Thomas C. Stevenson, III in the Suit 2 Cross-Claim and any and all claims that Thomas C. Stevenson, III has now or may have had against the Payees and/or William A. Bennett and/or Frederick J. Felder, III, and/or William R. Turner, Jr. from the beginning of time up to and including the Effective Date (collectively the "Thomas C. Stevenson, III Parties' Released Claims").

8. **Release by Payees**. Upon the Effective Date, in consideration for the performance of all terms and conditions of this Agreement, except as to such rights which may be created by this Agreement, Payees, William A. Bennett Frederick J. Felder, III, and William R. Turner, Jr., their heirs, and assigns, do hereby remise, release and forever discharge the Thomas C. Stevenson, III

Initials

Parties, Irven M. Stevenson, Elizabeth S. Calder, Thomas, C. Stevenson, IV, and Thomas C. Stevenson III's heirs, executors, predecessors, successors, trustees, and beneficiaries, from any and all manner of claims, losses, debts, liabilities, demands, obligations, rights, disputes, fees, controversies, costs, expenses, actions, causes of action, claims, damages and suits whatsoever, at law or in equity or pursuant to statute, fixed or contingent, made or that could have been made against the Thomas C. Stevenson, III Parties, Irven M. Stevenson, Elizabeth S. Calder, and Thomas C. Stevenson, IV in their Complaint and any and all claims that Payees, William A. Bennett Frederick J. Felder, III, and William R. Turner, Jr., their heirs, and assigns have now or may have had against the Thomas C. Stevenson, III Parties, Irven M. Stevenson, Elizabeth S. Calder, or Thomas C. Stevenson, IV from the beginning of time up to and including the Effective Date.

9. **Limitation on Releases/Covenant Not to Execute.** The Parties hereby expressly acknowledge that no Party to this Agreement is, by this Agreement, releasing any cause of action, claim, set-off, or defense that arises from the terms of this Agreement, or the breach of such terms, nor is any party releasing any claim it may have against Daniel R. Stevenson, II.

10. **No Admission of Liability.** Neither the negotiation, execution or delivery of this Agreement by the Parties (or by any Party) constitutes or is to be construed as an admission by any Party as to any of the issues raised in the connection with the subject matter of the Releases herein or the Lawsuit, the Parties having entered into this Agreement solely for the purpose of resolving and compromising disputed matters. No Party will contend that the settlement of disputed matters reflected herein represents a concession of wrongdoing by any other Party. The Parties acknowledge that this settlement is a reflection of the amount collectible from Thomas C. Stevenson, III and is not a reflection of the true and full value of the damages suffered by the Estate.

11. **Assumption of Risk.** Each Party assumes the risk, in entering into this Agreement, that the facts or law are not as they believe them to be. The discovery by a Party that any fact was untrue or that his or its understanding of the facts or law was untrue or that his or its understanding of the facts or law was incorrect shall not entitle the Party to any relief, or to rescind, or set aside this Agreement. This Agreement is final and binding between the Parties regardless of any claims of mistake of fact or law. However, the Parties acknowledge that the representations and information provided as to the financial condition of the Thomas C. Stevenson, III Parties have been material to this Litigation and the settlement of the same. To the extent that there has been any material misrepresentation as to the financial condition of the Thomas C. Stevenson, III Parties, the Payees have not assumed the risk and shall be entitled to seek any relief to which they may be entitled under the law.

Initials

11. **Neutral Interpretation**. This Agreement shall be interpreted in accordance with the fair meaning of its language and to implement the intent of the Parties. The provisions contained herein shall not be construed in favor of or against any Party because that Party or its counsel drafted this Agreement, but shall be construed as if all Parties prepared this Agreement, and any rules of construction to the contrary are hereby specifically waived. The terms of this Agreement were negotiated at arm's length by the Parties hereto.

12. **Successors In Interest**. The terms, conditions and provisions of this Agreement are binding upon and shall inure to the benefit of all assigns, successors in interest, personal representatives, estates, administrators, heirs, devisees, insurers, and legatees of each of the Parties hereto. This Agreement shall not be interpreted, however, to inure to the benefit of any third parties who are not expressly identified as such herein.

13. **Entire Agreement; Waiver; Amendment**. This Agreement states the entire agreement of the Parties, and supersedes all prior agreements or understandings among the Parties with respect to its subject matter and no representations, inducements, promises or agreements, whether oral or otherwise, between such Parties not contained herein or incorporated herein by reference will be of any force or effect. No provision of or right under this Agreement will be deemed to have been waived by any act or acquiescence on the part of any Party, but only by an instrument in writing signed by the Party from whom such a waiver is sought. No waiver by any Party of any breach of this Agreement by any other Party will be effective as to any other breach, whether of the same or any other term or condition and whether occurring before or after the date of such waiver. This Agreement may be amended only in a written agreement signed by all of the Parties.

14. **Confidentiality.** The Parties mutually agree that neither they nor their attorneys nor representatives shall reveal to anyone, other than as may be necessary for future court proceedings and/or other than as may be mutually agreed to in writing any of the terms of this Release or any of the amounts, numbers or terms and conditions of any sums payable to Plaintiffs hereunder, except as required by existing statutes and/or governing laws. Confidentiality is in the mutual best interest of the parties, as a result of which, Plaintiffs and Defendants pledge confidentiality on the terms set forth in this paragraph. As confidentiality is in the mutual best interest of the parties, no damages paid herein are paid for confidentiality.

15. **Severability**. In the event any provision of this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other term or provision hereof. The Parties agree that they will negotiate in good faith to replace any provision hereof so held invalid, illegal or unenforceable with a valid

Initials

provision which is as similar as possible in substance to the invalid, illegal or unenforceable provision

16. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall constitute one and the same Agreement. Facsimile signatures shall have the same force and effect as original signatures.

17. **Choice of Law.** This Agreement shall in all respects be interpreted, enforced, and governed under the substantive law of the State of South Carolina, without regard to choice of law principles.

18. **Attorneys' Fees.** The Parties agree that should it become necessary for either Party to initiate any further legal proceedings to enfore any provision of this Agreement, the Court shall award the prevailing party (as determined by the Court) their reasonable attorneys' fees and costs incurred in such enforcement efforts.

Initials

WHEREFORE, the Parties execute this Agreement under seal on this 25th day of November, 2009.

Cynthia F. Gunstead

Cynthia F. Gunstead

Cynthia F. Gunstead

Cynthia F. Gunstead

Thomas C. Stevenson, III,
Individually

Thomas C. Stevenson, III,
As President and Authorized Agent
of Fabtech, Inc.

Thomas C. Stevenson, III,
As President and Authorized Agent
of Laurentide, Inc.

Thomas C. Stevenson, III,
As Member and Authorized Agent
of Commerce Circle, LLC

Jacquelin S. Bennett, Individually

Jacquelin S. Bennett
as Co-Trustee of the Jacquelin K. Stevenson Marital Trust and the Q-TIP Trust U/W/O Thomas C. Stevenson

Jacquelin S. Bennett
as Co-Personal Representative of the Estate of Jacquelin K. Stevenson

Genevieve S. Felder

Genevieve S. Felder
as Co-Trustee of the Jacquelin K. Stevenson Marital Trust and the Q-TIP Trust U/W/O Thomas C. Stevenson

Kathleen S. Turner, Individually

Kathleen S. Turner
as Co-Trustee of the Jacquelin K. Stevenson Marital Trust and the Q-TIP Trust U/W/O Thomas C. Stevenson

Kathleen S. Turner
as Co-Personal Representative of the Estate of Jacquelin K. Stevenson

James K. King, individually

James K. King
as a former Co-Trustee of the Marital Trust

James K. King
as a beneficiary of the Estate of Jacquelin K. Stevenson

STATE OF SOUTH CAROLINA	) IN THE COURT OF COMMON PLEAS
COUNTY OF CHARLESTON	)
Jacquelin S. Bennett, Genevieve S. Felder and Kathleen S. Turner, individually, as Co-Trustees and beneficiaries, and Jacquelin S. Bennett, and Kathleen S. Turner, as Co-Personal Representatives of the Estate of Jacquelin K. Stevenson,	) C/A No. 2008-CP-10-806
Plaintiffs,	) **CONFESSION OF JUDGMENT**
Versus	)
Thomas C. Stevenson, III, Daniel R. Stevenson, II, Fabtech, Inc. Laurentide, Inc., Easy Tray, LLC, Carolina Fresh Cut, LLC, Carolina Fresh Cut, LLC d/b/a Toogoodoo Farms, Toogoodoo Farms of the Carolinas, and Commerce Circle, LLC,	)
Defendants.	)

FILED
2010 SEP 14 AM 11:02
JULIE J. ARMSTRONG
CLERK OF COURT
BY

The Defendant Thomas C. Stevenson, III, hereby confesses judgment as to claims for breach of fiduciary duty, breach of trust and conversion in favor of Jacquelin S. Bennett, Kathleen S. Turner, Genevieve S. Felder and James K. King, or their heirs, in the amount of Two Million and No/100 Dollars ($2,000,000.00). This Confession of Judgment is subject to the terms of the Agreement of Settlement and Release in this case, executed November 25, 2009. This Confession of Judgment is further made subject to Plaintiffs and their counsel agreeing to hold this Confession of Judgment in trust and to not file, record, make public in any way to any person not a party to the Agreement of Settlement and Release or their counsel, or otherwise seek to enforce it unless a Default shall occur. Grounds for "Default" by Thomas C. Stevenson, III, shall be defined in Paragraph 6(i) of the Agreement of Settlement and Release, and is hereby referenced in this Confession of Judgment as if set forth fully herein.

Upon the occurrence of a Default, Jacquelin S. Bennett, Kathleen S. Turner Genevieve S. Felder and/or James K. King, or their heirs, shall have the right to

EXHIBIT
B

file, record, or otherwise seek to enforce this Confession of Judgment. If this Confession of Judgment is filed, recorded, or otherwise sought to be enforced by Jacquelin S. Bennett, Kathleen S. Turner, Genevieve S. Felder, and/or James K. King, or their heirs, the judgment amount shall be reduced by the amount of any payments of principal made by Thomas C. Stevenson, III, in accordance with the Agreement of Settlement and Release prior to the occurrence of the Default.

The Parties further intend that this Confession of Judgment as to claims for breach of fiduciary duty, breach of trust and conversion qualifies as one of the exceptions from discharge contained in 11 U.S.C. § 523(a) and intend for this agreement to have preclusive effect as to the issue of dischargeability in any subsequent bankruptcy proceeding of Thomas C. Stevenson, III, entered into either voluntarily or involuntarily.

Upon final payment set forth in the Agreement of Settlement and Release or other satisfaction in full the amount set forth above, the Plaintiffs and their counsel agree that this Confession of Judgment will be null and void, and that this original and all copies of same will be returned to Thomas C. Stevenson, III, or his attorney and notice of same will be given to all parties to the above-captioned action.

Thomas C. Stevenson, III

December 14, 2009
Charleston, South Carolina

SWORN TO AND SUBSCRIBED before me
this 14th day of December, 2009.

NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 1/17/18

C:\Documents and Settings\EER\Local Settings\Temporary Internet Files\OLK8\Confession of Judgment (Tom III) (2).doc

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

JUDGMENT IN A CIVIL CASE

Case No.: **2008-CP-10-806**

Jacquelin S. Bennett etal

versus

Daniel R. Stevenson II, Easy Tray LLC, Carolina Fresh Cut LLC, Carolina Cut LLC d/b/a Toogoodoo Farms, Toogoodoo Farms of the Carolinas

Plaintiff

Defendant

FILED
2009 DEC -2 AM 10:30
JULIE J. ARMSTRONG
CLERK OF COURT
BY

CHECK ONE:

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

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

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

[☐] Other: _____

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

[☐]Other: _____

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

Directed Verdict for the Plaintiffs against all above named defendants for actual damages in the amount of $8,848,413.00.

Jury Verdict: Jury finds for the Plaintiff punitive damages in the amount of One Million, Nine Hundred Sixty-Two Thousand One Hundred Twenty Eight Dollars ($1,962,128.00) against Daniel R. Stevenson II only.

Dated at Charleston, South Carolina, 12/1/09. T. L. Hughston, Jr.

Date Judge

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

Attorney(s) for Plaintiff(s)

Attorney(s) for Defendant(s)

EXHIBIT
C

SCRP Form 4 (Rev. 2/96)

Clerk of Court

IN THE STATE OF SOUTH CAROLINA CHARLESTON COUNTY	IN THE COURT OF COMMON PLEAS NINTH JUDICIAL CIRCUIT CASE NUMBER 08-CP-10-0806
JACQUELIN S. BENNETT, GENEVIEVE S. FELDER and KATHLEEN S. TURNER, individually, as Co-Trustees and beneficiaries, and JACQUELIN S. BENNETT, and KATHLEEN S. TURNER, as Co-Personal Representatives of the Estate of Jacquelin K. Stevenson, Plaintiffs, vs. DANIEL R. STEVENSON, II, EASY TRAY, LLC, CAROLINA FRESH CUT, LLC, CAROLINA FRESH CUT, LLC d/b/a TOOGOODOO FARMS, TOOGOODOO FARMS OF THE CAROLINAS, Defendants.	**VERDICT**

I have directed a Verdict for the Plaintiffs and against the Defendants on their claims of Breach of a Fiduciary Duty, Breach of Trust, Conversion, and Fraud in the amount of $8,848,413.00 actual damages.

Daniel D E
FOREMAN

The Plaintiffs claim that the Defendant, Daniel R. Stevenson, II, intentionally, willfully, or recklessly did the abovementioned things and that this is established by clear and convincing evidence, and, therefore, find in favor of the Plaintiffs and against the Defendant ONE MILLION NINE HUNDRED SIXTY-TWO THOUSAND ONE HUNDRED TWENTY EIGHT dollars punitive damages.

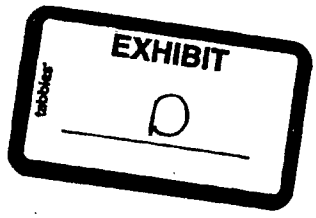
Daniel D E
FOREMAN

We find for the Defendants--no punitive damages.

FOREMAN

STATE OF SOUTH CAROLINA	)	IN THE CHARLESTON COUNTY
	)	PROBATE COURT
COUNTY OF CHARLESTON	)	
Jacquelin S. Bennett, and Kathleen S. Turner, as Co-Personal Representatives of the Estate of Jacquelin K. Stevenson,	)	Case No. 2007-ES-10-1437
Petitioners,	)	**PETITION TO RECOVER MONEY IN DANIEL R. STEVENSON, II'S INVESTMENT ACCOUNTS**
Versus	)	
Daniel R. Stevenson, II, Thomas C. Stevenson, III, James King, Genevieve S. Felder	)	
Respondents.	)	

FILED
10 MAY -5
PROBATE COURT
CHARLESTON, SC



The Petitioners, Jacquelin S. Bennett and Kathleen S. Turner, the duly appointed Personal Representatives of the Estate of Jacquelin K. Stevenson, respectfully request that the Court order Respondent Daniel R. Stevenson, II to remit to the Estate of Jacquelin K. Stevenson any funds being held in his various investment accounts that originated as improperly retained proceeds of the life insurance policy of Jacquelin K. Stevenson.

Following the death of his mother, Jacquelin K. Stevenson, Daniel R. Stevenson, II, hereinafter "Dan Stevenson", wrongfully retained approximately $400,000 of her life insurance proceeds. By agreement of Mrs. Stevenson and the beneficiaries of the policy, these proceeds were to be used to pay estate taxes upon Mrs. Stevenson's death. Instead, Dan Stevenson obtained and spent a large portion of these proceeds, including depositing some of the money in investment accounts with Scottrade and First Citizens Bank.

In 2008, upon learning that Dan Stevenson had retained this life insurance money, the Petitioners took immediate action to recover these funds. Following a

133

hearing in front of Master-in-Equity Judge Mikell Scarborough, an injunction was entered against Dan Stevenson, preventing him from transferring, selling or otherwise disposing of assets, including any interests he had in investment accounts. (Exhibit A). Regarding the money Dan Stevenson obtained from Jacquelin Stevenson's life insurance proceeds, Judge Scarborough ordered that Dan Stevenson return the money that was still within his possession or control, but that "any funds including the approximately $36,000 that Daniel R. Stevenson, II has placed in investment accounts with First Citizens Bank, and any amounts remaining in his accounts with Scottrade, must remain in those accounts and may not be withdrawn or transferred pending further Order of the Court." (Exhibit A). There has been no subsequent Order regarding Dan Stevenson's investment accounts.

On December 1, 2009 the Petitioners obtained a $10,810,541.00 judgment against Dan Stevenson for their claims of Breach of Fiduciary Duty, Breach of Trust, Conversion and Fraud. Prior to the judgment, however, Dan Stevenson filed a Chapter 7 proceeding in the United States Bankruptcy Court for the Western District of North Carolina. The Bankruptcy Court has since issued an Order allowing the Estate to proceed in the Charleston County Probate Court to determine "the setoff rights of the Estate of Jacquelin K. Stevenson against the indebtedness owed to the Estate of Jacquelin K. Stevenson by Daniel R. Stevenson, II". Now that Dan Stevenson's liability has been established, the Petitioners respectfully request that the Court order the funds held in Dan Stevenson's investment accounts that were funded through the improperly retained life insurance money be remitted to the Estate. A Proposed Order is attached as Exhibit B for the Court's convenience.

This Motion may be supplemented by additional Memoranda, affidavits and/or other supporting material prior to the hearing on this matter.

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

Robert H. Hood (SC #2599)
Robert H. Hood, Jr. (SC #13491)
Christina M. Dickinson (SC #75423)

Attorneys for the Petitioners
Jacquelin S. Bennett, and Kathleen S. Turner, as Co-Personal Representatives of the Estate of Jacquelin K. Stevenson

May 3, 2010
Charleston, South Carolina
J:\docs\392.000\Mtn (recover investment account).doc

CERTIFICATE OF SERVICE

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

This 4 day of May, 2010.

Heather Chavis

STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON	)	IN THE CHARLESTON COUNTY PROBATE COURT
Jacquelin S. Bennett, and Kathleen S. Turner, as Co-Personal Representatives of the Estate of Jacquelin K. Stevenson, Petitioners, Versus Daniel R. Stevenson, II, Thomas C. Stevenson, III, James King, Genevieve S. Felder, Respondents.	)	Case No. 2007-ES-10-1437 **ORDER GRANTING PETITION TO SETOFF**

This matter comes before the Charleston County Probate Court pursuant to Petitioners Jacquelin S. Bennett and Kathleen S. Turner, as Co-Personal Representatives of the Estate of Jacquelin K. Stevenson's, Petition to Setoff the amount of Daniel R. Stevenson, II's liquidated indebtedness against his interest in the Estate. It is hereby

2cc
1 of 3
6/8/10

ORDERED, ADJUDGED AND DECREED THAT:

1. Daniel R. Stevenson, II, is named under the Last Will and Testament of Jacquelin K. Stevenson as a specific beneficiary of a portion of the Estate's personal property, a fifty (50%) percent beneficiary of the Estate's interest in the real estate located at Lake Summit, Henderson County, North Carolina and a residuary beneficiary under Article 5 wherein he is entitled to twenty (20%) percent. As an heir, Daniel R. Stevenson, II has a claim against the Estate that normally would be a valid enforceable claim and existed prior to his Chapter 7 bankruptcy filing.

EXHIBIT E

137

2. On December 1, 2008, the Petitioners, on behalf of the Estate of Jacquelin K. Stevenson, obtained a Ten Million Eight Hundred Thousand ($10,800,000) Dollar Judgment against Daniel R. Stevenson for Breach of Fiduciary Duty, Breach of Trust, and Conversion and Fraud. This Judgment establishes a valid and enforceable claim by the Estate against Daniel R. Stevenson, II prior to his Chapter 7 bankruptcy filing.
3. Pursuant to S.C. Code Ann. Section 62-3-902, Dan Stevenson's liquidated indebtedness of $10,800,000 amount is required to be offset against his interest in the Estate of Jacquelin K. Stevenson. The claims are mutual and subject to setoff.
4. The Bankruptcy Court for the Western District of North Carolina, where Daniel R. Stevenson, II's bankruptcy is currently pending, issued an Order on February 8, 2010 allowing the Estate to proceed in the Charleston County Probate Court to determine "the setoff rights of the Estate of Jacquelin K. Stevenson against the indebtedness owed to the Estate of Jacquelin K. Stevenson by Daniel R. Stevenson, II".
5. Pursuant to S.C. Code Ann. Section 62-3-902, the Personal Representatives of the Estate of Jacquelin K. Stevenson may setoff any entitlement which Daniel R. Stevenson, II, would have otherwise had in the Estate of Jacquelin K. Stevenson by the full amount of the aforesaid Judgment and verdict entered against Daniel R. Stevenson, II.
6. The remaining portion of the aforesaid Judgment is to be distributed and assigned to the other residuary beneficiaries of the Estate of Jacquelin K. Stevenson.

Petitioners' Petition to Setoff is, therefore, **GRANTED**.

IT IS SO ORDERED.

Presiding Judge
Charleston County Probate Court

June 8, 2010
Charleston, South Carolina
J:\docs\392.000\Order-Dan Stevenson setoff.docx

dcc
393
6/8/10

RECEIVED
APR 07 2014
SC Court of Appeals

STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Circuit Court

The Honorable Roger M. Young
Case No. 2011-CP-10-400

Jacquelin S. Bennett, Genevieve S. Felder and Kathleen S. Turner, individually, as Co-Trustees and beneficiaries of the Marital Trust and the Qualified Terminable Interest Trust created by the Thomas Stevenson Will, and Jacquelin S. Bennett, and Kathleen S. Turner, as Co-Personal Representatives on behalf of the Estate of Jacquelin K. Stevenson,

Appellants,

v.

T. Heyward Carter, Jr.; Evans, Carter; Kunes & Bennett, P.A.; Douglas Capital Management, Inc.; Dixon-Hughes f/k/a Pratt-Thomas Gumb & Co., P.A.; and Lynne L. Kerrison,

Defendants,

Of Whom

Dixon-Hughes f/k/a Pratt-Thomas Gumb & Co., P.A.; and Lynne L. Kerrison are

Respondents.

PROOF OF SERVICE

I, Patricia K. McCright, paralegal to the law firm of Lewis, Babcock & Griffin, L.L.P., hereby certify that I have served the **Record on Appeal** upon opposing counsel, by mailing a copy of same, postage prepaid and return address clearly indicated on said envelope, to said opposing counsel at the following addresses:

Frederick K. Sharpless, Esquire
Sharpless & Stavola, P.A.
Post Office Box 22106
Greensboro, North Carolina 27420

M. Dawes Cooke, Jr., Esquire
Barnwell Whaley Patterson & Helms, LLC
Post Office Drawer H
Charleston, South Carolina 29402

Patricia K. McCright

Patricia K. McCright

Columbia, South Carolina

April 4, 2014

STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Circuit Court

The Honorable Roger M. Young
Case No. 2011-CP-10-400

RECEIVED
APR 1 8 2014
SC Court of Appeals

Jacquelin S. Bennett, Genevieve S. Felder and Kathleen S. Turner, individually, as Co-Trustees and beneficiaries of the Marital Trust and the Qualified Terminable Interest Trust created by the Thomas Stevenson Will, and Jacquelin S. Bennett, and Kathleen S. Turner, as Co-Personal Representatives on behalf of the Estate of Jacquelin K. Stevenson,

Appellants,

v.

T. Heyward Carter, Jr.; Evans, Carter; Kunes & Bennett, P.A.; Douglas Capital Management, Inc.; Dixon-Hughes f/k/a Pratt-Thomas Gumb & Co., P.A.; and Lynne L. Kerrison,

Defendants,

Of Whom

Dixon-Hughes f/k/a Pratt-Thomas Gumb & Co., P.A.; and Lynne L. Kerrison are

Respondents.

PROOF OF SERVICE

I, Connie W. Grugan, secretary to the law firm of Lewis, Babcock & Griffin, L.L.P., hereby certify that I have served **Record on Appeal, Volume 1, Pages 1 - 488 (Amended)** upon opposing counsel, by mailing a copy of same, postage prepaid and return address clearly indicated on said envelope, to said opposing counsel at the following addresses:

Frederick K. Sharpless, Esquire
Sharpless & Stavola, P.A.
Post Office Box 22106
Greensboro, North Carolina 27420

M. Dawes Cooke, Jr., Esquire
Barnwell Whaley Patterson & Helms, LLC
Post Office Drawer H
Charleston, South Carolina 29402

Connie W. Grugan

This 17th day of April, 2014.