

STATE OF SOUTH CAROLINA
IN THE
COURT OF APPEALS

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SC Court of Appeals

Appeal from the Court of Common Pleas
For Charleston County
Honorable J. C. Nicholson, Jr., Circuit Judge
Civil Action Nos.: 2010-CP-10-9096
And 2011-CP-10-8840
Appellate Case Tracking No. 2014-001247

Frank Gordon, Jr., Individually and as Trustee
of Dorothy S. Gordon (Deceased) Trust,

Respondent,

v.

Donald W. Lancaster,

Appellant.

**Record on Appeal
(Volume II)**

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- 1 A. Yes.
- 2 Q. You transferred back over a period of 7 years,
3 60,000 dollars, correct?
- 4 A. Two entirely different transactions.
- 5 Q. You transferred back 60,000 dollars, correct?
- 6 A. Correct.
- 7 Q. And he transferred back to you 89,300 correct?
- 8 A. Which was the payment on the 60,000, yes.
- 9 Q. And then you sold Nuffield for 246,000, correct?
- 10 A. Yes.
- 11 Q. That's all I have. Thank you, sir.
- 12 MR. DODDS: Thank you, Your Honor.
- 13 CROSS-EXAMINATION
- 14 BY MR. DODDS:
- 15 Q. Mr. Lancaster, were you familiar with Mr. Drews
16 owning the piece of property at 623 Meeting Street in
17 Charleston?
- 18 A. Yes.
- 19 Q. All right. And do you recall that property having
20 been sold?
- 21 A. It was sold in 1996.
- 22 Q. All right. In 1996 had you had any outstanding
23 loans due you from Mr. or Mrs. Drews?
- 24 A. In '96?
- 25 Q. Yes.

1 A. Yes, the 40,000.

2 Q. All right. Did you get any money as a result of
3 the sale of 623 Meeting Street?

4 A. Only about 3,000 dollars and that was all for
5 interest at that point.

6 Q. All right. Did you have conversations with Mr.
7 Drews about securing the balance of your money after the
8 sale of 623 Meeting Street?

9 A. Yes.

10 Q. All right. What was the content of that
11 conversation?

12 A. Well, the 40,000 was supposed to be -- had been paid
13 off with the sale of Meeting Street, and when that wasn't
14 possible and I only got the 3,000 that touched the
15 interest I asked him for security for the other 40,000.

16 Q. All right. Were you given any?

17 A. 50 -- 40,000 mortgage on 1705 Meeting.

18 Q. Other than requesting security for the payment of
19 the loans due, did you have any other participation or
20 involvement in the preparation of the 3 mortgages that
21 Mr. Lucey has inquired about; the 20,000 dollar mortgage,
22 the 40,000 dollar or 100,000 dollar mortgage?

23 A. Not involved with the preparation, no.

24 Q. All right. Did you -- do you know who prepared
25 those mortgages? Did your lawyer prepare those mortgages

1 or did Mr. Drews' lawyer prepare those mortgages?

2 A. Mr. Drews' lawyer.

3 Q. Were you provided copies of those mortgages after
4 they were executed by Mr. Drews?

5 A. No.

6 Q. When did you learn that those mortgages existed?

7 A. During the deposition.

8 Q. What deposition?

9 A. Of me by -- in February of 2010.

10 Q. All right. The assignment that Mr. Lucey alluded to
11 with respect to the 190,000 dollar note and mortgage from
12 Charleston Antiques...

13 A. Yes.

14 Q. That was assigned to you as I understand it?

15 A. 50,912 was supposed to be assigned to me.

16 Q. And was the 50,912 dollars the amount of money that
17 you were due at that time from the Drews?

18 A. Yes, yes.

19 Q. When that property on which Charleston Antiques had
20 given the 190,000 dollar mortgage, when that property was
21 sold, did you receive a penny more than what was due you
22 on the Drews' loan?

23 A. No.

24 Q. Who got the balance of monies from the sale of the
25 Meeting Street property on which the Charleston Antiques

1 mortgage attached?

2 A. Effie.

3 Q. As I understand that was approximately 130,000
4 dollars?

5 A. Yes.

6 Q. Now, when --- take a moment and explain to Judge
7 Nicholson the meeting that you had with Mr. Drews
8 sometime April or May of 1992.

9 A. Mr. Drews asked me to lunch while he was in town and
10 that's when I got this bombshell that they were having to
11 sell, that they meaning Mr. and Mrs. Drews' were having
12 to sell and I think at that point they even had an offer
13 accepted to buy their house at Edgewater Park.

14 So we essentially had 30 days to get out of the
15 house. He had looked or they had looked together, for a
16 house they could afford in about the 100,000 dollar range
17 which is what he estimated they would have after paying
18 off all these debts being the reason why he was selling
19 the Edgewater Park house.

20 But, they couldn't find anything in the 100,000
21 dollar range in the neighborhood they would like to live
22 in, so Mr. Drews offered me 100,000 dollars to buy a
23 house of up to 200,000 dollars, but a house of their
24 choice that they would be comfortable living in and give
25 them a life tenancy in exchange. It was a very similar

1 agreement to what I had done with my parents when my
2 father had to stop working and I bought my parents house
3 for the balance that was left owing on it and gave my
4 mother -- gave my mother and father life tenancy in the
5 house on, where I live.

6 During that conversation, of Mr. Drews in April
7 1992, like I said before -- before I accepted it I was
8 startled with the transaction proposition and Mr. Drews
9 said let's go see Jerry Gambrell.

10 Q. Jerry Gambrell being who?

11 A. Mr. Drews' C-P-A.

12 Q. All right.

13 A. So we stopped in there and about asking Gambrell
14 about what the basis would be under this scenario and
15 that's when he came up with the gift idea.

16 Q. Who was concerned about the basis and the real
17 estate?

18 A. I was.

19 Q. Why were you concerned?

20 A. I didn't want some whopping capital gain sometime in
21 the future, I wanted the basis to be whatever I paid for
22 the house.

23 Q. All right. Did you -- did you make that understood
24 to Mr. Drews?

25 A. Yes, he knew about that.

1 Q. So, you and Mr. Drews went to see Mr. Gambrell the
2 same day that you had been to lunch with Mr. Drews when
3 he ---

4 A. --- right ---

5 Q. --- proposed this scenario?

6 A. Yes.

7 Q. All right, then what happened?

8 A. Gambrell gave the opinion of the easiest way to
9 handle it would be to file the gift tax return just
10 consider that a gift, the 100,000 to be a gift and then
11 whatever I paid for the house would be the basis.

12 So I kept that in mind thinking that was the -- you
13 know if that could satisfy the Internal Revenue Service I
14 don't want to have any problem with them if it's just a
15 matter of filing a gift tax return, that's no problem
16 it's never going to result in -- Drews is never going to
17 have what I think at that time was a 1.2 million dollars
18 was a requirement for estate tax, so a 100,000 dollar
19 gift just applies against the 1.2 million estate so
20 there's no tax involved.

21 I prepared the -- I wanted to make sure the form was
22 filed because I had no assurance that Mr. Drews would
23 tell Gambrell to file a gift tax return if I wanted to
24 make sure it was done, I prepared it myself and Mr. Drews
25 signed it. All it is is taking the 100,000 subtract the

1 10,000 and writing 90,000 on the right line of the form.

2 Q. What was the 10,000 dollars?

3 A. That's an allowance each person -- you can give
4 10,000 without it being considered a gift, without it
5 being reportable.

6 So it's just a matter of taking the 100,000 dollar
7 and what we were at that time were calling a gift.
8 Subtracting 10,000, putting 90,000 dollars on a form and
9 mailing it in knowing that the Drews' would never have a
10 1.2 million dollar, 1 million dollar estate.

11 There was no copy given to Gambrell, there wasn't a
12 copy ever made because Drews' copier at the house was
13 broken that day.

14 Q. Right. Did you receive 100,000 dollars from Mr. and
15 Mrs. Drews?

16 A. Yes.

17 Q. All right. Where did that money come from?

18 A. That was from the sale of the Edgewater Park house.

19 Q. That was their residence?

20 A. That was their residence, yes.

21 Q. And did you use that money to buy the residence on
22 Bainbridge Drive?

23 A. Yes.

24 Q. What was the purchase price for the Bainbridge Drive
25 residence?

1 A. 160,000.

2 Q. Of the 160,000 dollars, where did the money come
3 from to pay that?

4 A. I wrote a check. I mean since the 100,000 was in my
5 checking account; I got a certified check for most of it.
6 I don't remember the composition in total of that
7 160,000.

8 Q. Right. Well, did the 100 ---

9 A. --- I think I bought -- I thought I borrowed some
10 off my equity loan on my house ---

11 Q. --- okay ---

12 A. --- to put with it. I don't know specifically...

13 Q. Let's talk about the 60,000 dollars. We know the
14 100,000 dollars came from Mr. and Mrs. Drews, correct?
15 The 60,000 dollars; did you pay the 60,000 dollars or did
16 that come from some other source?

17 A. I paid the 60,000.

18 Q. Okay. Let me show you what's been received in
19 evidence as defendant's exhibit 1 and ask if you
20 recognize that document.

21 [Whereupon, the witness reviews document]

22 A. Yes, that's the title to Bainbridge.

23 Q. And does that reflect the consideration that was
24 paid for the purchase of Bainbridge?

25 A. Yes, the 160,000.

1 Q. Okay. Now, did you consult an attorney with regard
2 to the issue of granting a life estate in Bainbridge --
3 in the Bainbridge residence to your aunt and uncle, Mr.
4 and Mrs. Drews?

5 A. It was actually his -- it was the same attorney who
6 did the Bainbridge transaction.

7 Q. Okay.

8 A. Mr. Drews was the one asking for the life estate.

9 Q. Okay.

10 A. So, that attorney drew up the ---

11 Q. --- right, so it was Mr. Drews attorney that drew up
12 the...

13 A. Yes.

14 Q. Okay. Let me show you what's been marked as
15 defendant's -- which has been received in evidence as
16 defendant's exhibit 2 and ask if you recognize that
17 document?

18 [Whereupon, the witness reviews document]

19 A. Yes, that is the life estate agreement that we had
20 that I would provide to Mrs. Drews. I don't know the
21 exact wording but would give them a life estate fee
22 simple on the described property being Bainbridge.

23 Q. Did Mr. and Mrs. Drews' drive in -- excuse me, move
24 into the Bainbridge Road residence, or Bainbridge Drive
25 residence?

1 A. Yes.

2 Q. All right. And who paid the taxes on Bainbridge
3 Drive?

4 A. I did.

5 Q. And what expenses, if any, did Mr. and Mrs. Drews
6 pay with regard to Bainbridge Drive?

7 A. The normal living expenses. Utilities, the
8 insurance, and of course their food and water ---

9 Q. --- let me step back just a minute. Other than the
10 160,000 dollar purchase price, did you spend any monies
11 incident to any repairs on the Bainbridge Drive
12 residence?

13 A. Yes. It was about 5,000 -- 5,200. I spent on air
14 conditioner and some other minor repairs. They repaired
15 the roof and railing.

16 Q. How long did Mr. and Mrs. Drews reside in the
17 Bainbridge Drive residence?

18 A. It was about 3 years; from May '92 to May '95.

19 Q. All right. What happened in May of '95?

20 A. As you had said earlier, Mr. Drews was having a
21 terrible time getting up and down the stairs because it
22 was a 2-story house.

23 Often he would just stay in his office upstairs and
24 not try to even negotiate the stairs. So, they asked me
25 if they, the Drews if they found a one-story house of

1 their liking would I buy it for them and sell Bainbridge,
2 you know, replace the house with the other one-story
3 house. What else could I do? I agreed.

4 Q. Okay. And who set out to locate this one-story
5 house?

6 A. The Drews.

7 Q. Did you participate in the selection of that one-
8 story house?

9 A. They had looked at a number of houses -- I know we
10 didn't have any keys. I believe Mr. Drews and I rode by
11 2 of the houses; the top 2 selections, one of them being
12 Nuffield and one being Charlestowne One, I think it was.

13 And I think that was on a Saturday or Sunday, we
14 didn't have the keys and I think I saw it before hand. I
15 went to San Francisco the next Monday and told him, yeah,
16 go ahead and make an offer and they the buyers were
17 anxious -- the sellers were anxious to sell and they
18 offered 125,000 to close within 2 weeks; 125,000 cash and
19 they jumped on it.

20 Q. Did Mr. and Mrs. Drews consult you to make sure the
21 125,000 dollar purchase price was acceptable?

22 A. Yes, we talked while I was in San Francisco.

23 Q. Okay. And did the closing occur where the property
24 was purchased by you on Nuffield Road?

25 A. Yes.

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1 Q. Were you present at the closing?

2 A. Yes.

3 Q. Okay.

4 A. That was the Friday, like 11 days after.

5 Q. Where did the 125,000 dollars come from to purchase
6 Nuffield Road?

7 A. 79,250 was from NBSC, who if I remember this
8 correctly, they opened an equity line on Bainbridge and
9 then at the time of the sale, or the purchase of Nuffield
10 they transferred that 79,250 equity line to Bainbridge
11 and then I put in 37,500 I think I borrowed on Fairmont,
12 my house, and the other 5 or 7,000 dollars I just wrote
13 out of my checking account.

14 Q. You referring to they -- when you say they, you're
15 referring to your lender?

16 A. In which sentence?

17 Q. You said something about securing an equity line and
18 then on Bainbridge ---

19 A. --- Oh, oh, we were -- I mean NBSC paid off their
20 settled their Bainbridge 79,250 dollar loan and
21 transferred that amount, that equity line amount to
22 Bainbridge -- to Nuffield.

23 Q. But, NBSC was the original lender on the Bainbridge
24 property, correct?

25 A. I'm not positive, I think SCN was first.

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1 Q. Okay.

2 A. And then NBSC approached me about -- I don't know
3 exactly how NBSC got involved, but they didn't want to be
4 number 2 to SCN so they're the ones who said put up the
5 79,250 for -- is the amount they would loan on Nuffield.

6 Q. On the -- on the second residence?

7 A. Yes.

8 Q. Let me show you what's been received into evidence
9 as defendant's exhibit 3 and ask if you recognize that
10 document?

11 [Whereupon, the witness reviews documents]

12 A. Yeah, this is the title on the purchase of Nuffield.

13 Q. For 125,000 dollars?

14 A. 125,000.

15 Q. Now, did you also grant in favor of Mr. and Mrs.
16 Drews a life tenancy in the Nuffield Road residence?

17 A. Yes, the exact same thing they had at Bainbridge.

18 Q. Let me show you defendant's exhibit 4 which has been
19 received in evidence and ask if you recognize that?

20 [Whereupon, the witness reviews documents]

21 A. Yes, that is the agreement for Nuffield to allow
22 them, the Drews to live in Nuffield for the rest of their
23 lives.

24 Q. Who prepared defendant's exhibit 4, your attorney or
25 Mr. and Mrs. Drews' attorney?

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1 A. Mr. and Mrs. Drews.

2 Q. And how long did Mr. and Mrs. Drews reside in the
3 Nuffield Road residence?

4 A. From '95 until Mr. Drews died in '07 and Mrs. Drews
5 died in '10. So that would be 12 years for him and 15 for
6 her; all together then counting the 3 years at
7 Bainbridge, too.

8 Q. Who paid the real property taxes on the Nuffield
9 Road residence?

10 A. I did.

11 Q. All right. And did Mr. and Mrs. Drews pay the
12 living expenses similar to Nuffield that they did with
13 regard to Bainbridge, that being electricity, utilities,
14 their insurance?

15 A. Yes.

16 Q. Now, when the Nuffield Road residence was purchased
17 in '95, what did you do with regard to the Bainbridge
18 Drive residence?

19 A. Put it up for sale, but it went 8 months until
20 December of '95 until a buyer was found and a purchase
21 contract was started at that time. So at that time was
22 paying interest on -- really the -- I was maintaining 2
23 houses both Nuffield and Bainbridge.

24 Q. Who was paying the interest?

25 A. I was.

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1 Q. Both on Bainbridge Drive and on Nuffield Road?

2 A. Yes.

3 Q. Do you recall how much interest you paid before
4 Bainbridge Drive sold?

5 A. It was about 8,000 dollars.

6 Q. Okay. Let me show you what's been received in
7 evidence as defendant's exhibit 5 and ask if you
8 recognize that document?

9 [Whereupon, the witness reviews documents]

10 A. Yes, this is Mr. Drews' hand written list of the
11 dates and amounts that he borrowed from me from 1993
12 through 1995 on behalf of him Mr. Drews, and Mrs. Drews.

13 Q. After 623 Meeting Street was sold -- let me go back
14 623 Meeting Street was where the Drews company
15 construction company was located?

16 A. Yes.

17 Q. And that business was sold in 1996?

18 A. 1991 ---

19 Q. --- I'm talking about 623 Meeting Street.

20 A. 623 was sold in 1996. The business had closed it
21 was basically empty and Mr. Drews was trying to -- well
22 his intent was to rent the property, but he never found
23 any decent tenants long enough that would stay in there
24 and pay rent. So, he eventually sold it in '96.

25 Q. Just so that I'm clear, the Drews' company, the

1 construction company, had actually been sold sometime way
2 back, approximately 1991, correct?

3 A. Yes.

4 Q. Okay. After 623 Meeting Street was sold in 1996,
5 what sort of income did Mr. and Mrs. Drews have, if you
6 know.

7 A. The only other property they had was the 1705
8 Meeting Street and it's a pretty terrible part of Meeting
9 Street road.

10 It mainly consists of a small office, a small
11 warehouse and 2 oil tanks. He never could find too much
12 -- he was trying to find tenants, but they had very
13 little income coming off of that.

14 Q. They each had social security?

15 A. Social security and that was about it. But of course
16 they still had the property taxes to pay on 1705 Meeting
17 even though they were getting no income on it.

18 Q. How were Mr. and Mrs. Drews able to pay their every
19 day expenses, electricity, food, water, etc?

20 A. Credit cards.

21 Q. All right. Now how is it that you came to loan
22 money to Mr. and Mrs. Drews as reflected on this
23 defendant's exhibit 5?

24 A. Those began in 1993 when Mr. Drews was trying to
25 find tenants in both 623 Meeting and 1705 and he was



1 unsuccessful. Again, they had expenses of taxes and
2 insurance on those properties as well as just living on
3 social security wasn't going very far to provide them --
4 to pay their expenses at Nuffield and these other
5 properties that were sitting there unrented.

6 Q. At some point did Mr. or Mrs. Drews approach you?

7 A. Mr. Drews asked me whether I could loan him, I think
8 the first was 3,000 -- there were some -- I think 3,000,
9 5,000, 2,000 different times as the credit cards would
10 build up.

11 Q. Did he tell you what he needed the money for?

12 A. It was to live on, to pay the credit cards off. I
13 think some of it was property taxes, he mentioned that
14 for one of those 2 properties.

15 Q. Did you have Mr. or Mrs. Drews sign a promissory
16 note for the loans that you made?

17 A. No, because Mr. Drews said I'll pay you back as soon
18 as I sell 623 Meeting. That was the old Drews company
19 property on...

20 Q. Let's step back a moment, what had been your
21 interaction with Mr. Drews prior to the time that he
22 talked about these loans or even prior to the time when
23 he came to you about getting a residence?

24 A. I worked for him all during college and I paid for
25 my college education by working at the Drews' company.

1 After I went off on my career I would stop in whenever I
2 could, I was usually out for 2 weeks at a time.

3 Sometimes I would either -- I'd at least either call him
4 or stop by his house on Saturdays.

5 Q. Were you close?

6 A. Yes. To both of them and I was concerned for their
7 welfare and I wanted them to be happy for the rest of
8 their lives, to be comfortable in a home. They wanted
9 security, they wanted a roof over their head the
10 assurance of that and that's what I tried to give them.

11 Q. Why did they turn to you?

12 A. Nobody else. They couldn't get a mortgage they
13 didn't have any income. They couldn't have paid it back
14 anyway. They couldn't rent a house.

15 So the alternative was he knows I'm single, he knows
16 I have some good investments and none of his other
17 nephews or nieces were in any kind of financial position
18 to help them so I was the best candidate. So, that's why
19 he asked me.

20 Q. Were you aware of his dire financial situation in
21 1992?

22 A. 1992 is when I found out how dire it was. I didn't
23 know it was dire enough for them to have to sell the
24 house, but I think he was trying to do the right thing
25 and not declare bankruptcy and then to pay off the

1 debtors that had arisen from the Drews' company and the
2 I-R-S liens. They did that.

3 Q. Now, did you keep a record of the loans that were
4 made to Mr. and Mrs. Drews?

5 A. Yes.

6 Q. Did you also keep a record of monies received in
7 payment of those loans?

8 A. Yes.

9 Q. Let me show you defendant's exhibit 6 and ask if you
10 recognize that document?

11 [Whereupon, the witness reviews documents]

12 A. Yes, this is a spreadsheet I made out to track the
13 loan amounts and all the activity of the loans and the
14 repayments and the interests.

15 Q. Now when a loan was made or when a payment was
16 received, how quickly, how much time would pass before
17 you would make an entry on that spreadsheet?

18 A. Immediately.

19 Q. And do you believe defendant's exhibit 6 to be an
20 accurate representation of monies loaned and monies
21 received from the Drews?

22 A. Yes.

23 Q. Now you mentioned that there came a time on or about
24 1999, when Mr. Drews approached you about the Builder's
25 Station loans which were in default.

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1 A. Yes.

2 Q. Tell me about that. Tell Judge Nicholson about
3 that.

4 A. That was -- I got a phone call and Mr. Drews had
5 talked to both First Citizens and South Trust and they
6 were both offering him 24 hours to settle for
7 substantially less than the amount owed and Mr. Drews
8 said can you help me out?

9 And he had no other source of 20,000 dollars, so to
10 be able to take advantage of those payoffs I drew 15,000
11 out of my equity loan on my house and 5,000 I had in my
12 checking account to pay the other.

13 Q. Let me show you defendant's exhibit 8 and ask if you
14 recognize that?

15 [Whereupon, the witness reviews documents]

16 A. That's the 5,000 dollar check to First Citizen's
17 that I wrote out of money in my checking account.

18 And this 15,000 dollar one is one on Wachovia where
19 I had my equity line on Fairmont Avenue which is where
20 you can see on the next page is the posting of that
21 15,000 dollar check and that's my account.

22 Q. And those 2 checks were paid to 2 different lenders
23 of the Builder's Station?

24 A. Yes.

25 Q. Did your uncle, Mr. Drews, come to you about

1 investing in Builder's Station, too?

2 A. Yes.

3 Q. Did you invest in Builder's Station?

4 A. Yes.

5 Q. How much did you invest?

6 A. 30,000.

7 Q. What happened to your 30,000 dollars?

8 A. It became a worthless stock.

9 Q. Did you get any of that 30,000 dollars back?

10 A. Only in taxes, not in -- not from Builder's Station
11 for sure, the only thing ---

12 Q. --- what do you mean only in taxes?

13 A. Like get to take it as capital loss, so there was
14 less taxes paid.

15 Q. Did you keep track of all the monies that you
16 received from Mr. and Mrs. Drews?

17 A. Yes.

18 Q. Let me show you defendant's exhibit 7 and ask if you
19 recognize that?

20 [Whereupon, the witness reviews documents]

21 A. Yes, I prepared this as part of the discovery.

22 Q. What is that?

23 A. That's all the payments that were made on the 40,000
24 dollar loan, you can see the first lines are the interest
25 and then the 3,000 dollar -- first line is the 3,000

1 dollar principal when 623 Meeting Street was sold. The
2 other payments with Builder's, let's see with 1705 was --
3 granted they did find a tenant there in '99 he began
4 paying 450 dollars a month and that continued until
5 Charleston Antiques District was the tenant of 1705
6 Meeting.

7 When 1705 Meeting was sold to them, Charleston
8 Antiques District decided to buy it in November of 2001
9 and they bought it. Then I got -- at that point I got
10 the 50,912 dollar note.

11 At that time it was from Mrs. Drews with the
12 assignment, or attachment or whatever it is, that
13 whenever Charleston Antiques District made a payment to
14 her on the 190,000 dollar note, that I would get a
15 payment of 540 dollars on the 50,912 dollar note.

16 Q. How was the interest rate calculated with regard to
17 these loans?

18 A. On the 40,000 I charged Mr. Drews exactly what I was
19 paying on the equity loan. I wasn't making a profit on
20 the interest, whatever I was charged, I charged him. He
21 was insistent upon that.

22 Q. Okay. When did you learn that the Drews were going
23 to sell 1705 Meeting Street?

24 A. Must have been November of 2001. It was either
25 October or November.

1 Q. How did you learn that -- how did you come to have
2 that information?

3 A. I imagine Mr. Drews told me. And I know we
4 discussed some of the details of what they were going to
5 buy it for, what Charleston Antiques District was going
6 to buy it for.

7 And I did some -- he wasn't computer literate, I did
8 a couple amortization schedules for him with plugging the
9 190,000 dollar sales price into a 10 year chart that I
10 could give him to see what he could expect.

11 And he described then that as for paying me the
12 balance on money they owed me wanted to pay 500 dollars a
13 month and how much would he have to pay me at the closing
14 to equal a 500 dollar payment and it came out like nearly
15 all of the 20,000 that he was supposed to get in cash.

16 So, I recalculated to where it would come to an even
17 540 dollars a month. That's where the odd-ball figure of
18 50,912 came from because he could pay me 10,300 or
19 whatever the amount was at the closing and then the
20 balance would be the 50,912 to equal an even 540 a month
21 payment.

22 Q. So when 1705 Meeting Street was sold to Charleston
23 Antiques District you received some amount of money?

24 A. Yes, it was 10,000 and something...

25 Q. Okay and at that same time or on or about that same

1 time Mrs. Drews executed a promissory note in your favor?

2 A. Yes.

3 Q. Let me show you defendant's exhibit 9 and ask if you
4 recognize that?

5 [Whereupon, the witness reviews documents]

6 A. Yeah, that is the promissory note that Effie Drews
7 signed.

8 Q. And what was the amount?

9 A. 50,912.

10 Q. What did 55 -- 50,912 dollars represent on November
11 1, 2001?

12 A. That was the balance that I was owed from the 60,000
13 dollars I had loaned the Drews' minus these incidental
14 payments that were made and then minus the 10,000 I
15 received at the closing purchase of -- of Charleston
16 Antiques District buying 1705.

17 Q. Do you know who prepared defendant's exhibit 9, this
18 note for 50,912 dollars?

19 A. Kerry Koon.

20 Q. And who was Kerry Koon?

21 A. That was Drews' attorney.

22 Q. Did you ever discuss or did Mr. Koon ever discuss
23 with you that you were going to receive an assignment of
24 a mortgage to secure your 50,912 dollar note?

25 A. At the closing I asked Mr. Koon, and the Drews' were

1 there, if this is going on for 10 years, how can I be
2 secured? Is there any kind of way that I can be secure?
3 And he came up with the idea of the assignment that Mrs.
4 Drews were to assign that portion of the mortgage to me.

5 It was the first time I had ever heard the word
6 assignment, but if that's what worked, it was recorded
7 and it was fine with me.

8 Q. Did you subsequently receive a letter and an
9 assignment, a collateral assignment, from Mr. Koon
10 sometime in January of 2002?

11 A. Yes.

12 Q. Let me show you defendant's exhibit 10 and ask if
13 you recognize that?

14 [Whereupon, the witness reviews documents]

15 A. Yes, that's the letter that came with the
16 assignment.

17 Q. Now would you read for me please the second
18 paragraph contained in the assignment?

19 A. This one [indicates]? This assignment is made to
20 secure the repayment of a note to the said Donald W.
21 Lancaster dated November 6, 2001 and shall become null
22 and void upon payment in full of the note.

23 Q. What note was that assignment referring to?

24 A. The 50,912 that Mrs. Drews had assigned on the same
25 date.

1 Q. All right. At some time after November 1, 2001 did
2 you begin receiving monthly installments of 540 dollars
3 on this promissory note marked defendant's exhibit 9?

4 A. Yes.

5 Q. For how long a period of time did that continue?

6 A. Until September of '05. Well, really until about
7 June of '05 and then Charleston Antiques District sold
8 the property so naturally the new buyers had to pay off
9 the note that Mrs. Drews had and, of course, they had to
10 pay off the assignment to me.

11 Q. Did that occur?

12 A. Yes.

13 Q. How much money did you receive, if you can recall?

14 A. 30,000 -- 30 something thousand -- 35,000 dollars.

15 Q. Let me show you defendant's exhibit 6 and see if
16 that refreshes your memory.

17 [Whereupon, the witness reviews documents]

18 A. Yeah, it's on -- 35,506.

19 Q. Was that amount of money consistent with the
20 spreadsheet that you had calculated based on monies
21 loaned and monies paid back?

22 A. Yes, that's the principal balance on July the 1st, I
23 think.

24 Q. As a result of that payment did you satisfy any
25 interest that you had in the Charleston Antiques note and



1 mortgage?

2 A. Yes.

3 Q. Do you know whether or not Mr. or Mrs. Drews
4 received cash proceeds as a result of the sale of Meeting
5 Street by Charleston Antiques ---

6 A. --- yes ---

7 Q. --- in September of 2005?

8 A. They received about 130,000.

9 Q. Did it come a time when your deposition was taken
10 incident to a lawsuit that Mr. Gordon had filed against
11 the Drews'?

12 A. Yes and the deposition, my deposition in February of
13 2010 was in response to the lawsuit against Mrs. Drews or
14 to the however it was worded the estate of Mr. and Mrs.

15 Q. Mr. Drews was deceased ---

16 A. --- deceased and Mrs. Drews was living. There was
17 no lawsuit against me at the time of the deposition.

18 Q. Were you asked about the nature of the 100,000
19 dollar payment that had been made in May of 1992?

20 A. Yes.

21 Q. And how did you describe that?

22 A. I described it at that time as a gift. That Mr.
23 Drews gave me 100,000 dollars and I gave them life
24 tenancy.

25 Q. How did you arrive at that conclusion in 2010?

1 A. I used -- I filed a gift tax return, prepared a
2 gift tax return for the Drews' to file earlier; and it
3 came about from the conversation with Jerry Gambrell that
4 oh treat this as a gift, but it really wasn't a gift.

5 Q. And when did you come to the realization that it was
6 other than a gift?

7 A. That would have been after the papers were filed
8 against me and I consulted you -- described the situation
9 to you and you immediately recognized that this wasn't a
10 gift it was consideration by both parties so.

11 Q. What was the consideration that you gave to Mr. and
12 Mrs. Drews?

13 A. Life tenancy to live in the 2 houses in exchange for
14 the onetime payment of 100,000 dollars they got to live
15 in the house for the rest of their lives.

16 Q. Was that part of your agreement with the Drews?

17 A. Yes.

18 Q. Did you honor that agreement?

19 A. Yes, 18 years.

20 Q. When did you learn that Mr. Gordon had secured a
21 judgment against Mr. Drews as a result of the Builder's
22 Station lawsuit?

23 A. December of 2001.

24 Q. Okay, how did you learn that?

25 A. Mr. Drews told me, I suppose. I really don't recall

1 anything specific. It didn't affect me directly.

2 Q. At any time, subsequent to 1999 have you loaned Mr.
3 or Mrs. Drews any money whatsoever?

4 A. Before 19 ---

5 Q. --- after 1999 ---

6 A. After 1999, no.

7 Q. Did Mr. Drews ever ask you to participate in any
8 sort of transaction or scenario to hinder or delay or to
9 prevent a creditor from securing any funds from him?

10 A. Absolutely not.

11 Q. To your knowledge, have you participated in any
12 scheme or scenario or transaction to hinder or to delay
13 or to prevent Mr. Drews' creditors from recovering any of
14 his assets?

15 A. Absolutely not.

16 Q. I have no further questions.

17 THE COURT: Anything else, redirect?

18 MR. DODDS: Yes, Your Honor.

19 THE COURT: Why don't we do this, this would be a
20 good stopping point. It's one o'clock, we'll take a
21 lunch break at this time. How much time do y'all want for
22 lunch?

23 MR. DODDS: Whatever the court sees fit, Your
24 Honor.

25 THE COURT: Do y'all need to -- I don't know where

1 you are in your lawsuit, you may need some time to
2 readjust or whatever. You tell me.

3 MR. LUCEY: An hour and fifteen minutes would be
4 great, sir.

5 THE COURT: Hour and fifteen?

6 MR. LUCEY: Yes, sir.

7 THE COURT: All right, its one o'clock, we'll come
8 back at 2:15.

9 MR. LUCEY: Thank you, sir. May I ask the court to
10 instruct the witness about conversations during the
11 break?

12 THE COURT: Yes, sir. Mr. Lancaster, during the
13 break, don't discuss this case with anyone and that
14 includes your attorney, do you understand?

15 WITNESS: Okay.

16 THE COURT: Do you understand?

17 WITNESS: Yes.

18 THE COURT: Okay.

19 WITNESS: Yes.

20 THE COURT: Nobody.

21 WITNESS: Nobody.

22 THE COURT: All right.

23 MR. DODDS: Your Honor, may I give you some case
24 law I sent last night, but I'm not sure it got through,
25 Thank you.

1 THE COURT: What is it?

2 MR. DODDS: It's just some case law on some of the
3 issues that I'm going to raise.

4 [Whereupon, Mr. Dodds provides documents to the
5 court]

6 MR. DODDS: Thank you, Your Honor.

7 [Whereupon court is in recess from 1:00 pm until
8 2:15 pm]

9 THE COURT: Mr. Lancaster, you want to come around
10 and have a seat please.

11 [Whereupon, Mr. Lancaster returns to the witness
12 stand]

13 THE COURT: I believe we're on reply is that
14 correct Mr. Lucey?

15 MR. LUCEY: Yes, sir.

16 THE COURT: Okay.

17 REDIRECT EXAMINATION

18 BY MR. LUCEY:

19 Q. Mr. Lancaster, this morning when Mr. Dodds was
20 examining you before lunch break at one point you
21 referenced learning about a mortgage during a deposition
22 in my office, do you recall that?

23 A. Yes.

24 Q. Just so the court is absolutely clear, you're not
25 referring to the 40,000 dollars mortgage from Drews to

1 you from '95, correct?

2 A. I had never seen that one. I knew I requested the
3 40,000 mortgage. I requested security for the 65 --
4 earlier the 40,000 in loans.

5 Q. Prior to the deposition in my office you knew you
6 had a 40,000 dollar mortgage on 1705 Meeting Street,
7 correct?

8 A. Yes.

9 Q. Okay. So you didn't learn about that mortgage in
10 2010 in a deposition in my office, correct?

11 A. Not that one.

12 Q. Prior to the deposition in my office you also knew
13 about the 100,000 mortgage, correct?

14 A. I had been told about it.

15 Q. Prior to the deposition in my office, in 2010, you
16 knew you had a 100,000 dollar mortgage on the 1705
17 property, correct?

18 A. Yes.

19 Q. Now prior to my deposition -- prior to the
20 deposition in my office in 2010, you knew you had a
21 20,000 dollar mortgage on 1705 Meeting Street, correct?

22 A. Yes. I didn't know that the others -- that the 40
23 had not been satisfied.

24 Q. You didn't know the 40 went ---

25 A. --- I thought the 40,000 was satisfied with the 100.

1 Q. You understand that for a mortgage to get satisfied,
2 the person who owns the mortgage must sign it as
3 satisfied, correct?

4 A. Well, yeah, I do now.

5 Q. You had never, personally, satisfied the 40,000
6 dollar mortgage, did you?

7 A. I'd never had a mortgage before.

8 Q. And you had never personally satisfied it before the
9 deposition in my office, correct?

10 A. No.

11 Q. Now, generally speaking, disciplines such as
12 accountants and engineers and what have you, they're very
13 meticulous, they're very detailed, correct?

14 A. I'd say so.

15 Q. And you, yourself, you pride yourself on being
16 detailed and meticulous, correct?

17 A. Yes.

18 Q. In fact, you were telling the court a moment ago
19 about defendant's exhibit number 7 -- excuse me, 6 which
20 is an extremely detailed and meticulous alleged
21 accounting of financial transactions between you and Mr.
22 Drews, correct?

23 A. Yes.

24 Q. In fact, if we were -- if you'd turn please to
25 plaintiff's exhibit 68 in the binder in front of you.

1 [Whereupon, the witness complies]
2 Q. This document is your 2005 tax return, is it not?
3 A. Yes.
4 Q. In the last 4 or 5 pages of the tax return, or 10
5 pages, there's an extremely meticulous handwritten
6 financial records that you're filing with the federal
7 government on your behalf, correct?
8 A. Yes.
9 Q. There's listing of all kinds of ---
10 A. --- capital gains ---
11 Q. --- capital gains and dividends and all kinds of
12 things, right?
13 A. Right.
14 Q. So, defendant's exhibit 6 and plaintiff's exhibit 68
15 evidence how meticulous you are correct?
16 A. Yes.
17 Q. The defendant's exhibit 6 includes an accounting on
18 the last couple of pages for the principal and interest
19 owed on the 50,900 dollar note, correct? That's
20 defendant's 6 ---
21 A. --- it's the last page, yes.
22 Q. And it computes actually the interest owed every
23 month and the principal reduction and everything that's
24 going on, correct?
25 A. Yes.

1 Q. In 2005 you were getting monthly payments until the
2 final payoff when the property was resold, correct?

3 A. Yes, about 6 payments.

4 Q. You got 6 payments in 2005?

5 A. 5, 6, 7, yes.

6 Q. And was there 1200 dollars of interest?

7 A. Approximately 150 a month times ...3, 4, 5, 6, 7, 8,
8 yeah\2,400.

9 Q. And that's normal; you've already told us that you
10 were charging interest on these alleged loans, correct?

11 A. Yes.

12 Q. And when one does that, when one charges interest on
13 loans and gets interest income one reports that as income
14 to the government, correct?

15 A. Yes.

16 Q. As meticulous as you are, that's what you would do,
17 correct?

18 A. Yes.

19 Q. Because if, in fact, you were receiving that
20 interest -- if, in fact, it was interest, you're required
21 by law to report it to the federal government, correct?

22 A. Yes.

23 Q. Now if you would please, turn to your 2005 tax
24 return, exhibit 68 shows what that interest is.

25 [Whereupon, the witness reviews documents]

1 Q. Are you at the schedule B, part 1 interest income
2 page ---

3 A. --- yeah, yeah I'm there. I'm just trying to find
4 the schedule.

5 Q. Schedule B, let me see if I can help you. It's the
6 page that starts with quote Attachment to Schedule B Part
7 1 Interest Income correct?

8 A. Yes.

9 Q. At the bottom it reads 14,214 dollars of interest
10 income, correct?

11 A. Right.

12 Q. Show us, if you would please, where the interest
13 income is that you reported on that alleged note from
14 Effie Drews that got paid in 2005.

15 A. I must say it -- I must have omitted it that year..

16 Q. It's not there, is it?

17 A. It's not there, no.

18 Q. You didn't report any interest income on this
19 alleged loan to the federal government, did you?

20 A. For 2005, when it was paid off. I may have put this
21 away and not put it on there.

22 Q. Defendant's exhibit 6 shows interest income on
23 alleged note, correct?

24 A. Yes.

25 Q. And it's not on your federal tax return, correct?

1 A. That's correct.

2 Q. Now, in your deposition, plaintiff's asked you for
3 permission to get the rest of your tax returns from the
4 I-R-S so we could see if any of those had interest
5 income, did we not?

6 A. Yes.

7 Q. And you refused permission, did you not?

8 A. At the deposition, yes.

9 Q. And 2 years later when the court finally ordered it,
10 the I-R-S no longer had copies of those returns, correct?

11 A. For all of the years, I mean, you got 2005.

12 Q. Before 2005, the I-R-S no longer had copies, did
13 they?

14 A. I think -- yeah, I got a copy of something that just
15 had the, was just a summary on it wasn't it -- had the
16 adjusted gross income, the tax, and the tax payments.

17 Q. They don't have a schedule for us to look at for the
18 rest of years do they ---

19 A. --- no, this was all that was on there.

20 Q. Okay, so for the only tax return that you have
21 facilitated this court seeing, you did not as an official
22 matter, recognize any of the payments that you were
23 getting from the Drews as interest income, did you?

24 A. I did not in 2005. I would have to admit that.

25 Q. And I guess it was ---

1 A. --- it was ---

2 Q. --- I guess ---

3 A. --- it was not that ---

4 Q. --- I guess it wouldn't surprise you to learn that
5 the other half of your transaction, Robert Drews didn't
6 report the interest expense on his, either, for 2005.

7 A. I would doubt the Drews were itemizing deductions
8 with the small income they had.

9 Q. Would you turn to plaintiff's exhibit 67, sir?

10 A. 67.

11 [Whereupon, the witness complies]

12 Q. It's a document entitled 2005 1040 Rudolph Drews
13 Effie Drews correct?

14 A. Yes.

15 Q. It's prepared by the -- at the bottom of the second
16 page, Mr. Gambrell who we've referenced numerous times
17 today, correct?

18 A. Yes.

19 Q. It shows an A-G-I, adjusted gross income of
20 approximately 205,000 dollars, correct?

21 A. Yes.

22 Q. It does not show an interest expense to you, does
23 it?

24 A. They may have taken the standard deduction. I was
25 trying to see the even 12,000 dollars there equaled the

1 calculation single/married filing separately.

2 Q. Sir, if you would turn to the form 2210, page 2.

3 A. Two?

4 Q. You'll see a listing of interest income by the
5 Drews, would you not?

6 [Whereupon, the witness reviews documents]

7 Q. So he's itemizing ---

8 A. --- where are you at?

9 Q. Schedule...

10 THE COURT: Schedule B Part 1, is that right?

11 MR. LUCEY: Yes sir, B Part 1.

12 A. That's income, that's not expense.

13 Q. [Mr. Lucey] And he was getting income, just as you
14 were on that Charleston mortgage note too, wasn't he?

15 A. Yes.

16 Q. Now sir, going back to that gift tax return briefly.
17 If I heard you earlier this morning, you mentioned that a
18 lot of your interest in a gift tax return was with regard
19 to your basis, correct, your tax basis?

20 A. Yes.

21 Q. And that you wanted to make sure it was filed,
22 correct?

23 A. Yes.

24 Q. You didn't want to rely on Mr. Drews filing it or
25 telling Mr. Gambrell to file it, correct?

1 A. Right.

2 Q. You wanted the protection of knowing that gift tax
3 was returned, correct?

4 A. Yes.

5 Q. That gift tax return was filed, correct?

6 A. Yes.

7 Q. So, you walked Mr. Drews across the street and the
8 two of you mail it together, correct?

9 A. Yes.

10 Q. And neither of you kept a copy of it to share with
11 the court, did you?

12 A. We didn't expect to need one for the court.

13 Q. You wanted the return to protect you, to protect
14 Donald Lancaster, but Donald Lancaster did not keep proof
15 of filing?

16 A. The only person, entity, I thought would ever
17 question this would be the I-R-S and they'd be the ones
18 with the copy.

19 Q. You keep copies of the tax returns you file with the
20 I-R-S, do you not?

21 A. Yes, this is different and ---

22 Q. --- everybody ---

23 A. --- okay, I should have made a copy ---

24 THE COURT: --- hold on a second. Answer the
25 question.

1 THE WITNESS: Okay, I'm sorry.

2 THE COURT: Okay, and calm down.

3 THE WITNESS: I'm sorry.

4 THE COURT: You understand?

5 THE WITNESS: Yes, sir.

6 THE COURT: Now take a few minutes to calm down,
7 take a deep breath, answer his questions and you can give
8 explanations. You understand?

9 THE WITNESS: Yes, sir. I apologize.

10 Q. [Mr. Lucey] Everybody in the United States keeps
11 copies of tax returns when they're filed with the
12 government, correct?

13 A. Drews' copier was broken and we did not make a copy
14 of it. Didn't drive over to Publix and make a copy.

15 Q. Now, when I asked you about that in your deposition
16 you didn't say anything about a copier being broken, did
17 you?

18 A. I don't know, I -- it was certainly broken. It was
19 putting the same black lines down the page and not
20 copying anything.

21 Q. In fact, you were at his house the Sunday before
22 your deposition getting records for you and Effie's
23 deposition, correct?

24 A. Yeah.

25 Q. And you were asked, did you see a copy of the tax

1 return in his desk when you looked, weren't you?

2 A. Yes.

3 Q. You didn't say anything about no I didn't look for
4 it because the copier was broken that day, did you?

5 A. It wasn't broken that day, it was broken the day we
6 filed the copy -- the gift tax return. Not the day I was
7 getting the documents for Effie.

8 Q. You didn't tell Ms. Drawdy who was examining you in
9 that deposition that the reason you didn't look for a
10 copy of the tax return in his desk was because you knew
11 it didn't exist because you knew the copier had been
12 broken the day it was filed, did you?

13 A. Yeah.

14 Q. You told her that? Are you claiming you told Ms.
15 Drawdy the copier was broken?

16 A. I don't know that it came up, I'm not positive. I
17 mean, it was whether I said it during the deposition or
18 not. I don't recall.

19 MR. LUCEY: Permission to approach the witness?

20 THE COURT: Yes, sir.

21 Q. [Mr. Lucey] Sir, would you please turn to page 130
22 of the deposition I handed you?

23 [Whereupon, the witness complies]

24 THE COURT: Can you tell him which line?

25 MR. LUCEY: Yes, sir.

1 THE COURT: Do you see the line numbers Mr.
2 Lancaster on the deposition?

3 THE WITNESS: Yes, sir.

4 THE COURT: It should be off to the left. He'll
5 refer you to a page and a line number.

6 Q. [Mr. Lucey] At line 130 [sic] sir, line 2, Ms.
7 Drawdy asks you quote we were discussing before lunch
8 that you had been looking through Bob's desk. Did you
9 locate a copy of the gift tax return when you were
10 looking through his desk. Did I read that correctly?

11 A. Yes.

12 Q. And your answer was no, no. If you want to give me
13 a Bible I'll tell you. I mean, I filled it out, they
14 signed it and I put it in the mail because Bob's attitude
15 with the I-R-S after all that with -- and company was a
16 little shaky and I wanted to make sure that he filled it
17 out because I wanted everything to be on the up-and-up
18 with this. Is that correct?

19 A. Yes.

20 Q. She asked you then on line 13, did you look when you
21 were looking through Bob's desk, did you look for a copy
22 of the gift tax return. Did I read that correctly?

23 A. Yes.

24 Q. And your answer at line 16, I would have had my eyes
25 open for it.

1 A. Yes. If the ---

2 Q. --- how could you have your eyes open for something
3 that didn't exist and you knew it didn't exist because
4 the copier was broken?

5 MR. DODDS: Your Honor?

6 THE COURT: Yes, sir?

7 MR. DODDS: I'm going to object. He's badgering
8 the witness. I don't mind if he asks the question, but
9 there's no need to raise his voice, Your Honor.

10 THE COURT: Don't yell at the witness. I just
11 called the witness down for yelling at you, don't you
12 yell at the witness.

13 MR. LUCEY: Yes, sir. I apologize to the court.

14 THE COURT: All right.

15 Q. [Mr. Lucey] Sir, tell ---

16 A. --- I know ---

17 THE COURT: --- hold on a second, he hasn't asked
18 you a question and don't interrupt him. You understand?

19 THE WITNESS: Sorry, I ---

20 THE COURT: --- listen to the question ---

21 THE WITNESS: --- will do.

22 THE COURT: Please proceed.

23 Q. [Mr. Lucey] Sir, tell the court how you had your
24 eyes open for something when you went through Bob's desk,
25 the Sunday before your deposition -- how you had your

1 eyes open for the estate tax return when you knew,
2 according to your testimony today, it didn't exist
3 because the copier was broken.

4 A. What would've sounded better? An answer of no I
5 wasn't looking for it?

6 Q. It would've been honest, wouldn't it?

7 A. [No response]

8 Q. Saying you had your eyes open for something that you
9 knew, allegedly knew, didn't exist is not an honest
10 answer is it?

11 A. I knew it didn't exist.

12 Q. You knew that your deposition was taking place and
13 the plaintiff's would know -- know what your testimony
14 was for the trial of this case, correct?

15 A. Yes.

16 Q. You told the plaintiffs that you were looking for a
17 document that you're telling the court today, you knew
18 didn't exist.

19 A. The thing is -- where did it say that I was looking
20 for the gift tax return?

21 Q. I had my eyes open for it.

22 A. It's -- I didn't say I was looking for it. I wasn't
23 particularly looking for that, of course.

24 Q. And you're aware sir, are you not, that Mr. Gambrell
25 doesn't have a copy of that return either, correct?

1 A. Correct.

2 Q. And you know that because of his affidavit, correct?

3 A. I know it because he never did the form -- it went
4 into the mail without being copied.

5 Q. So you know that he doesn't have a copy and you know
6 that you don't have a copy and you know you didn't find a
7 copy in Drews' residence, correct?

8 A. Yes.

9 Q. And your Aunt Effie's attorney, Theresa Hill, has
10 been repeatedly blocking plaintiffs from getting a copy
11 from the I-R-S, hasn't she?

12 A. Theresa Hill wasn't my aunt's attorney.

13 Q. She's your aunt's sister's attorney?

14 A. Yes.

15 Q. Now, sir ---

16 A. --- No, I, I don't know that.

17 Q. At the time that Mr. Drews assigned this mortgage
18 receivable to you, excuse me to Effie in your presence,
19 which she assigned it to you in your presence, at this
20 closing. Actually it was signed as receivable, the
21 mortgage receivable in 2001 are you with me?

22 A. Yes.

23 Q. At that time, that mortgage receivable was nearly
24 the entirety of Mr. Drews' estate, correct? That was his
25 asset.

1 A. Yes.

2 Q. And his asset was assigned to benefit you and your
3 debt to the exclusion of other creditors and their debts,
4 correct?

5 A. Yes. My debt was before any judgment.

6 Q. Now according to your prior testimony, when you got
7 that 100,000 dollars in 2000 and -- excuse me in 1992,
8 you were under no obligation to buy a house for Mr. Drews
9 with that money, correct?

10 A. I was under obligation to buy a house and provide
11 life tenancy.

12 Q. You could've done anything you wanted with that
13 money, correct?

14 A. With the particular 100,000? Yes, but I still
15 would've had to buy a house and provide life tenancy.

16 Q. So, in your words in 1992, you could've taken that
17 100,000 dollars and bought stocks with it, is that
18 correct?

19 A. With that 100,000, yes. But, I still would've had
20 to buy a house and provide life tenancy with another
21 100,000.

22 MR. LUCEY: That's all Your Honor. Thank you.

23 THE COURT: Any recross?

24 MR. DODDS: Just one question, Judge.

25 RECROSS-EXAMINATION

1 BY MR. DODDS:

2 Q. Mr. Lancaster, let me get you to look on page, 190
3 -- 129 of the deposition.

4 [Whereupon, the witness reviews documents]

5 MR. DODDS: And I'm referring, Your Honor, and I
6 don't know if Your Honor has a copy of the deposition,
7 but I'm referring to page 129, line 23.

8 Q. [Mr. Dodds] This was a question that was posed to
9 you by Stephanie Drawdy with Mr. Lucey's law firm.
10 Question, did you happen to keep a copy of the gift tax
11 return that you prepared for Bob and Effie for the
12 100,000 dollar gift. And your answer was what?

13 A. No, I fixed it up and left it with them.

14 Q. So you told Ms. Drawdy when your deposition was
15 taken in February 26, 2010 that there was no copy of the
16 gift tax return, isn't that correct?

17 A. Yes.

18 MR. DODDS: Thank you, Your Honor.

19 THE COURT: Okay, you're welcome.

20 Q. [Mr. Lucey} Sir which is it ---

21 THE COURT: --- you may step down please sir.

22 MR. LUCEY: Your Honor, may I ask one question?

23 THE COURT: We've had direct, cross, redirect, and
24 re-cross. It's over.

25 MR. LUCEY: Thank you, sir.

1 [Whereupon, the witness is excused and exits the
2 witness stand]

3 THE COURT: Will you call your next witness please.

4 MR. LUCEY: Your Honor, plaintiff's going to
5 publish from the deposition of Mrs. Atkinson. We've
6 asked for her -- to take the stand to read from it.

7 THE COURT: You going to let her read from it? How
8 long is it?

9 MR. LUCEY: I think it's about -- probably about 8
10 minutes, Your Honor.

11 THE COURT: That's Mrs. Atkinson?

12 MR. LUCEY: Atkinson.

13 THE COURT: If you don't mind, rather than her
14 reading it to me, I'd just as soon read it myself.

15 MR. LUCEY: Yes, sir. May I tell the court in 60
16 seconds ---

17 THE COURT: You can mark it as plaintiff's exhibit
18 number 2 as testimony.

19 MR. LUCEY: Yes, sir.

20 THE COURT: But, I don't necessarily sit, want to.
21 sit here and listen to her read it to me. I'm perfectly
22 capable of reading.

23 MR. LUCEY: Yes, sir. May I give the court a 30
24 second synopsis of what it says so they ---

25 THE COURT: --- yeah, that's fine ---

1 MR. LUCEY: --- so they ---

2 THE COURT: --- I'd be glad for you to do that. I
3 just -- I'd be glad for you to do that. And I'll let Mr.
4 Dodds give his take on the deposition.

5 MR. DODDS: ' I was just -- we had this discussion
6 earlier this morning, Your Honor, and I said I don't have
7 any objection to it. I'd just assume put in the whole
8 deposition.

9 THE COURT: Well that's fine if we put it in. I
10 don't have any problems putting ---

11 MR. DODDS: --- it's 21 pages. ---

12 THE COURT: --- in the deposition. I'll read it.
13 Now if there are some excerpts you can -- whichever you
14 prefer. You want to read the whole deposition or
15 excerpts?

16 MR. LUCEY: I'll just put the excerpts in, Your
17 Honor. If the court permits I'll give a 30-second
18 synopsis so the witnesses -- will flow properly for the
19 court.

20 THE COURT: Thank you, will somebody get that --
21 hand me the deposition?

22 MR. LUCEY: Judge, I don't mind him publishing, but
23 his summary of what the depositions say I'm going to
24 object to.

25 THE COURT: Mark it, I guess mark it as plaintiff's

1 -- I'm not sure which number.

2 MR. LUCEY: 76.

3 THE COURT: 75, I guess.

4 MR. LUCEY: I have a 75. This will be 76.

5 THE COURT REPORTER: Yes, it'll be 76.

6 THE COURT: It's what number now?

7 THE COURT REPORTER: It will be 76.

8 [Whereupon, plaintiff's exhibit number 76 is marked
9 by the court reporter]

10 THE COURT: 76. What is 75?

11 MR. LUCEY: It is not yet an exhibit, Your Honor,
12 it's not in evidence.

13 THE COURT REPORTER: 75 is the affidavit that you
14 marked earlier.

15 THE COURT: This is 76 and the deposition of Ms.
16 Atkinson --

17 MR. LUCEY: Jessie Atkinson.

18 THE COURT: Okay.

19 MR. LUCEY: Your Honor, I had previously submitted
20 to the court the deposition publication. Would the court
21 like another copy of that?

22 THE COURT: Pardon?

23 MR. LUCEY: I had previously submitted to the court
24 the designation for publication, the pages and line
25 numbers. Would the court like another copy of that?

1 THE COURT: That's fine, if you'll do that. Thank
2 you very much. We'll just call it 76-A.

3 MR. LUCEY: Yes, sir.

4 THE COURT: The excerpts?

5 MR. LUCEY: Yes, sir.

6 THE COURT: Mr. Dodds, what excerpts would you like
7 for me to read in the deposition? Or have you made that
8 decision?

9 MR. DODDS: Your Honor, I just wanted the whole
10 deposition to come into evidence.

11 THE COURT: It's in.

12 [Whereupon, plaintiff's exhibit number 76 is entered
13 into evidence by the court]

14 MR. DODDS: Yes, sir.

15 THE COURT: You want me to read the whole thing?

16 MR. DODDS: Yes sir, Your Honor.

17 THE COURT: All right, that's fine I'll read the
18 whole thing. I'll be glad for you to give me a synopsis.

19 MR. LUCEY: Yes, sir.

20 THE COURT: If you would Mr. Lucey and I'll
21 listen to Mr. Dodds on his view of the synopsis.

22 MR. LUCEY: Yes, sir. And in the deposition
23 designation, we had designated portions of exhibit 2, 8,
24 and 9 as exhibits to be entered from the deposition. 8
25 and 9 have been renumbered as 69 and 70. They're on our

1 list and we'd move them into evidence from the
2 deposition. And the excerpt from exhibit 2 has now been
3 marked as plaintiff's exhibit 77. And we'd move this
4 into evidence.

5 [Whereupon, plaintiff's exhibit number 77 is marked
6 by the court reporter]

7 THE COURT: Are you talking about 69, 70, and 72,
8 is that ---

9 MR. LUCEY: --- 77, I'm sorry.

10 THE COURT: 77.

11 MR. DODDS: I hadn't had a chance to review any of
12 this Your Honor, so if you would give me just a moment.

13 THE COURT: All right it looks like 69 is the RBC
14 central accounting ending in 7085. And 70 is First
15 Southern Bank statement for Effie Drews account for
16 January 2007. He's offering those 2.

17 MR. DODDS: Your Honor I would object to the
18 introduction of this information into evidence. This
19 relates to some accounting that was provided by a third
20 party with respect to some transaction that does not
21 involve my client, Mr. Lancaster. So I don't see the
22 relevance of the proposed...

23 THE COURT: So your objection is relevance?

24 MR. DODDS: Yes, Your Honor.

25 THE COURT: And not identification or

1 authentication ---

2 MR. DODDS: --- well, I haven't read it. That was
3 my initial -- if you give me just a second.

4 THE COURT: Yes, sir. Go ahead.

5 [Whereupon, Mr. Dodds reviews documents]

6 MR. DODDS: Yes, Your Honor. That would be the
7 basis of my objection. These appear to be checks written
8 from a third party to Jessie Atkinson not having anything
9 to do with my client, Mr. Lancaster. So I would object on
10 the ground of relevancy.

11 THE COURT: All right. 69 is checks written to a
12 third party? And what is 70, the same thing?

13 MR. DODDS: Well, Judge, what he gave you he's
14 marked as plaintiff's exhibit 77, which is what I was
15 looking at.

16 THE COURT: Let's do 69 and 70 okay first, if you
17 would. Then we'll do 77.

18 MR. DODDS: I apologize, Your Honor.

19 THE COURT: I haven't even seen 77 yet.

20 MR. DODDS: 69 appears to be an account in the name
21 of Jessie B. Atkinson. Again, not having anything to do
22 with my client, Mr. Lancaster, so I would object on the
23 ground of relevance.

24 THE COURT: And what about 70?

25 MR. DODDS: 70...

1 [Whereupon, Mr. Dodds reviews documents]

2 THE COURT: The exhibit there says that's First --
3 First Southeast bank statement for Effie Drews account
4 from January 2007.

5 MR. LUCEY: May I answer the Court's question for
6 the court?

7 THE COURT: I want to hear his objection first,
8 then I'll listen to you. Or do you have any objections?

9 MR. LUCEY: I was just going to identify the
10 document for everybody.

11 [Whereupon, Mr. Dodds confers with his client]

12 MR. DODDS: I don't have any objections to 70, Your
13 Honor. 70 is Effie Drews account.

14 THE COURT: All right, 70 admitted without
15 objection.

16 [Whereupon, plaintiff's exhibit number 70 is entered
17 into evidence by the court]

18 THE COURT: Okay Mr. Lucey, I'll hear you on 69.

19 MR. LUCEY: Your Honor, the checks in 70 that just
20 got admitted were deposited into the account that's
21 reflected in 69. 69 is the account of Jessie Atkinson
22 whose transcript the court just took up. Ms. Atkinson is
23 Mrs. Drews' sister.

24 Mrs. Drews took -- Mr. and Mrs. Drews took Ms.
25 Atkinson's 4 checks that totaled approximately 50,000

1 dollars and asked Ms. Atkinson to hold these checks and
2 to take care of them if they were needed and to pay them
3 back if they ever asked for them. That occurred in -- I
4 believe it was 2000 --- I'll get the date in just a
5 second. Jessie Atkinson only had the money in her
6 account for 14 days before the Drews' came back to her
7 and asked for the money back.

8 She went to her account, took out the entire 50,000,
9 got a cashier's check and gave it back to the Drews. Mr.
10 Drews then took that cashier's check to another witness
11 and asked him to hold their money under the same terms
12 and conditions, so to speak. It's our money, hold it for
13 us, take care of my wife if I die first, and give it back
14 to me if I ever ask for it. And it establishes the
15 pattern and practice of Drews parking his assets ---

16 THE COURT: --- what's it have to do with this
17 defendant?

18 MR. LUCEY: It establishes Drews ---

19 THE COURT: --- since he wasn't involved in those
20 transactions; especially as to your civil conspiracy and
21 aiding and abetting issue; maybe under the fraud
22 possibly. What's it have to do with this defendant?

23 MR. LUCEY: It's establishing the pattern of
24 conduct by the decedent in parking his assets elsewhere.
25 It's also establishing that the decedent was frank with

1 these other people in telling them why he was doing it
2 and that he'd be able to demand his money back at any
3 time.

4 THE COURT: I'm sorry, anything else?

5 MR. LUCEY: That's all, Your Honor.

6 THE COURT: All right. Mr. Dodds?

7 MR. DODDS: It just doesn't have anything to do
8 with my client, Your Honor. What he may or may not have
9 done with some third party with whom he had some
10 relationship doesn't equate to what he did or failed to
11 do with regard to my client.

12 And I think it's prejudicial, Your Honor to suggest
13 because he did this sort of situation or transaction with
14 this third party, that he somehow necessarily did the
15 exact same thing with regard to Mr. Lancaster. That is a
16 burden of proof that they have, Your Honor.

17 And they can't prove that by somehow characterizing
18 his behavior with regard to some other third party.
19 There's no indication anywhere in the record that Mr.
20 Lancaster knew anything about this until after the death
21 of Mr. Drews in 2007.

22 THE COURT: What -- I'm sorry what's the time
23 frame? Over what timeframe are we talking about?

24 MR. LUCEY: 2007 through 2009, Your Honor, there
25 was a continuum. The 50,000 was slowly returned back to,

1 first Mr. Drews with 2 checks and then roughly 10 checks,
2 8 to 10 checks to Mrs. Drews, and then a final check to
3 Mrs. Drews' estate.

4 THE COURT: All right. Let me just ask you a
5 question. How is that possibly relevant as to civil
6 conspiracy against this gentleman in the second cause of
7 action? And then how is it possibly relevant to the
8 negligent aiding and abetting on this gentleman?

9 Now on the fraud and the Statute of Elizabeth, that
10 may be a different story trying to establish a pattern of
11 proof. How's it relevant to civil conspiracy and aiding
12 and abetting by this gentleman, this defendant?

13 MR. LUCEY: On those to causes of action, Your
14 Honor, it would only be pattern evidence. It would not
15 be as relevant as to the first causes of action as the
16 court has observed.

17 THE COURT: I'm not going to admit it as to those
18 causes of action. But I'd be glad to hear you on your
19 first cause of action.

20 MR. LUCEY: Your Honor, this helps establish the
21 pattern and motive of Mr. Drews and the fact that he was
22 very upfront, very forthright with the people he was
23 doing this with as to what he was doing and the purpose
24 of what he was doing.

25 It shows a pattern of him parking his assets and

1 it's especially -- we think it's especially relevant in
2 light of the unusual characteristics of so many of these
3 transactions and this defendant being an accountant who
4 would know financial transactions.

5 THE COURT: Okay. I'm going to admit it for a
6 limited purpose of establishing a possible pattern of Mr.
7 Drews trying to hide assets from creditors at the time,
8 but for very limited -- I don't think it has any impact
9 on him at all because he wasn't involved in it.

10 But I will -- I think part of that obligation is to
11 show some type of pattern of fraud from Mr. Drews
12 establishing -- placing money in other places to fraud
13 creditors. From that stand point, I think it's relevant
14 to his first cause of action. However, I understand that
15 he wasn't involved in it and it has no reflection in this
16 court's opinion on whether he had knowledge of what they
17 did at that moment.

18 [Whereupon, plaintiff's exhibit number 69 is entered
19 into evidence by the court]

20 MR. DODDS: Thank you, Your Honor.

21 THE COURT: Okay.

22 MR. LUCEY: Yes, sir.

23 THE COURT: I'll allow it in for that limited
24 purpose.

25 MR. LUCEY: Yes sir, if I may also? It also

1 reflects -- this is a benefit that Mr. Drews received
2 from having this excessive security interest granted to
3 Mr. Lancaster as to the receivable from ---

4 THE COURT: --- you can make your type of closing
5 argument you want to, but at this point in time I told
6 you I'm going to allow it in and how the court will
7 consider it.

8 MR. LUCEY: Your Honor, is 77 admitted for that
9 purpose, too?

10 THE COURT: We haven't even talked about 77. I
11 interrupted Mr. Dodds when he was making that argument.

12 MR. DODDS: That's okay Your Honor, you are focused
13 in on what my concerns are. Judge with respect to 77,
14 these are checks that appear to have been dispersed by a
15 third party, Dorsey Biller, to Jessie Atkinson and looks
16 like, Your Honor, all of these would have occurred in
17 either from -- looks like they occurred between 2007 and
18 2010.

19 And so my argument would be the same as I argued
20 with respect to number 69. That Mr. Lancaster -- these
21 transactions don't involve Mr. Lancaster, Your Honor.
22 Mr. Lancaster had been paid as a result of the sale of
23 1705 Meeting Street which occurred in September of 2005.
24 So he was out of the picture in September of 2005 and so
25 now we are talking about events that occurred in 2007 to

1 2010; 2 years after he was out of the picture involving
2 third parties, not involving him. So, my objection would
3 be on the ground of relevance as I noted earlier, Your
4 Honor. If Your Honor is so inclined considering for the
5 purposes that you mentioned with respect to exhibit
6 number 69, I'm perfectly satisfied with that, Your Honor.

7 THE COURT: First of all, who is Dorothy Biller?
8 Didn't you say Dorothy Biller?

9 MR. LUCEY: Dorsey Biller, Your Honor was ---

10 THE COURT: -- was it George?

11 MR. DODDS: Dorsey Biller.

12 THE COURT: B-I-L-L-E-R?

13 MR. LUCEY: B-I-L-L-E-R.

14 THE COURT: Okay.

15 MR. LUCEY: He was a former employee and then,
16 essentially partner of Mr. Drews who ended up buying the
17 business ---

18 THE COURT: --- so he put -- gave money to her
19 also? Is that what you're insinuating?

20 MR. LUCEY: They gave money to him. He returned it
21 to Mr. Drews. This is the same money that was sheltered
22 by the social security interests with the assignment of
23 Charleston Antiques mortgage.

24 It first went to Atkinson, when it came out and the
25 mortgage got paid off. It went into the brokerage

1 account, then it went to Atkinson, then it went back to
2 the Drews, then Mr. Drews delivered it to Mr. Biller and
3 then Mr. Biller paid it back. The first 2 payments were
4 to Mr. Drews before he died, the next 8 or 9 payments
5 were to Mrs. Drews before she dies, and the last payment
6 was to Mrs. Drews' estate.

7 THE COURT: I'll admit it for the limited purpose
8 I've already stated as to, I believe what 69 and 70. The
9 court is not going to consider as far as any intent on
10 the part of the defendant.

11 [Whereupon, plaintiff's exhibit number 77 is entered
12 into evidence by the court]

13 MR. LUCEY: Your Honor, plaintiff calls Dorsey
14 Biller to the witness stand.

15 [Whereupon, Mr. Biller comes forward]

16 [Whereupon, the witness is duly sworn by the Clerk
17 of Court]

18 CLERK OF COURT: Thank you. Please be seated.
19 Sir, for the record if you'll please state your name
20 spelling your last name.

21 THE WITNESS: Dorsey Biller. B-I-L-L-E-R.

22 THE COURT: How do you spell your last name?

23 THE WITNESS: Biller, B as in boy, I-L-L-E-R.

24 - - -

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1 Dorsey Biller,
2 Having been first duly sworn,
3 Was examined and testified as follows:
4 DIRECT EXAMINATION
5 BY MS. DRAWDY:
6 Q. Mr. Biller, I'm going to hand you what's been marked
7 as plaintiff's exhibit 77.
8 [Whereupon, the witness reviews document]
9 A. Okay.
10 Q. If you'll take a look at what is the first page of
11 plaintiff's 77. Do you recognize that document?
12 A. Yes, I do.
13 Q. And what is that document?
14 THE COURT: Which exhibit?
15 MS. DRAWDY: Its plaintiff's 77.
16 THE COURT: 77, okay.
17 A. Yes, it's a document ---
18 THE COURT: --- give me a chance -- just give me a
19 chance to find it.
20 MR. LUCEY: I'm sorry, Your Honor.
21 MS. DRAWDY: I do know that it is in that. I think
22 it was added...
23 THE COURT: Do we have a copy of it?
24 [Whereupon, Mr. Lucey and Ms. Drawdy confer]
25 MS. DRAWDY: I can give you the pages that I'm on so

1 that...

2 THE COURT: Okay, go ahead. -If you don't have it,
3 you don't have it. Go ahead.

4 Q. [Ms. Drawdy] On the first page, Mr. Biller, what is
5 that document, do you recognize it?

6 A. Yes, I do. It's a document I prepared. It's an
7 accounting of some transactions between Bob Drews, Effie
8 Drews, Jessie Atkinson, and myself.

9 Q. And the first line where it states that received 22
10 February 2007, 50,000 dollars. Will you explain that
11 transaction?

12 A. I got a check from Bob Drews, he called me and I
13 went to get it. Bob Drews owed me a fairly large amount
14 of money. He gave me the check, said he wasn't doing
15 real well financially that he may need some of it back
16 and if so -- if he needed some money back I would give it
17 to him.

18 Q. And did, in fact, Mr. Drews ask for that money back?

19 A. Oh, yes.

20 Q. When was that?

21 A. About a month later, 24th of March, a month later,
22 he asked for 10,000 dollars of it back.

23 Q. And then that would be the second line of the
24 accounting --

25 A. --- yes ---

1 Q. --- of plaintiff's 77. And then the third line
2 where it shows 4,000 dollars is that also money that you
3 also gave back to Mr. Drews?

4 A. Yes, that would be in July.

5 Q. And then the following 10 transactions that are
6 listed on your accounting, they indicate they were
7 dispersed to E-E-D. Who is that?

8 A. That's Effie Drews.

9 Q. Okay, so you returned these next 10 payments to
10 Effie Drews?

11 A. Yes.

12 Q. And at that point, was Mr. Drews deceased?

13 A. Yes.

14 Q. And then the final payment that's listed on your
15 accounting states dispersed to the estate, 25 March 2010.
16 Who's estate was that dispersed to?

17 A. I wrote the check to Jessie Atkinson, she's the
18 executor of -- or executrix of Effie Drews' estate.

19 Q. And how did you come to write that 7,084 dollar
20 check to Jessie Atkinson?

21 A. That was the 50,000 less all the payments back to
22 them and then I did a kind of rough idea of what the
23 interest would have been on it and came up with that
24 amount and sent it to Jessie.

25 Q. How did you know to make the check out to Effie's

1 sister, Jessie Atkinson?

2 A. She had called me, she knew about the money, said
3 the estate needed all the money it could get to satisfy
4 it.

5 I did tell her I didn't think it was the estate's
6 money. But, there wasn't that much money left, so I
7 found it much easier to write the check and have it be
8 done.

9 Q. Why did the estate need the money?

10 A. She didn't specify specifically -- actually I think
11 the word she used was there was a lien, some ongoing tax
12 problems. But I really never found out.

13 Q. Did, in fact, Jessie Atkinson say there was a
14 judgment and that you needed to give the money back to
15 the estate for the judgment?

16 A. I think the word she used was lien, but I don't know
17 if it was a judgment or a lien, I really think she said
18 lien.

19 Q. And it was referring to the debt of Robert Drews,
20 Rudolph?

21 A. She was talking about Effie's estate, but I didn't
22 get into it with her that much. She didn't agree the
23 money was mine and I thought it was, but there was only
24 7,000 dollars it was easier to settle it.

25 Q. The 50,000 dollars Mr. Drews gave you, you ended up

- 1 giving all of it back to the Drews, is that correct?
- 2 A. Between the Drews and their estate, yes.
- 3 Q. If you'll turn to page 5 of plaintiff's 77.
- 4 [Whereupon, the witness reviews document]
- 5 Q. Do you recognize that check?
- 6 A. Yes, I do.
- 7 Q. How do you recognize that check?
- 8 A. It's the check that Bob gave me for the 50,000
- 9 dollars plus some other --
- 10 Q. And at the time that Mr. Drews handed you this
- 11 50,041 dollar check, what did he tell you was the purpose
- 12 of him giving you this 50,000 dollars?
- 13 A. That was to pay the portion of the money that he had
- 14 owed me.
- 15 Q. Was there any other reason that he asked you to take
- 16 this check?
- 17 A. No, ma'am.
- 18 Q. And then you ended up giving it all back to him?
- 19 A. Between him and the estate, yeah between him and
- 20 Effie's estate, yeah.
- 21 Q. And that's your signature endorsing the check on the
- 22 back of the fifth page of ---
- 23 A. --- yeah ---
- 24 Q. --- of plaintiff's exhibit 77?
- 25 A. Yes.

- 1 Q. If you'll turn to the third page of plaintiff's 77?
- 2 A. Pardon?
- 3 Q. The third page of ---
- 4 A. --- third page ---
- 5 Q. --- plaintiff's 77.
- 6 [Whereupon, the witness reviews document]
- 7 A. Got it, yes.
- 8 Q. And do you recognize that document?
- 9 A. Yes, I do.
- 10 Q. What is that?
- 11 A. That's the check I wrote out to Jessie Atkinson for
- 12 the 7,000 whatever dollar was the balance of that money.
- 13 Q. And that was the final payment of 50,000 dollars
- 14 that Mr. Drews had given you?
- 15 A. Yes.
- 16 Q. On page 5 of plaintiff's 77 that we were just
- 17 looking at, just above your signature, there's what
- 18 appears to be the signature of Jessie Atkinson, do you
- 19 see that?
- 20 A. Yes.
- 21 Q. Why is it that Jessie Atkinson endorsed this check
- 22 before you?
- 23 A. This check was made out to Jessie.
- 24 Q. Why is that? That you received it after she had it
- 25 written ---

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1 A. Yes, it did.

2 Q. And the Drews construction company began to fail
3 financially after Hurricane Hugo?

4 A. Yes.

5 Q. And at some point, did Mr. Drews make a decision to
6 sell the Drews construction company ---

7 A. --- yes. Yes, he did.

8 Q. Who did he sell it to?

9 A. It was myself, James Coker, and Bill Bounds
10 [phonetic].

11 Q. And are you familiar with Mr. and Mrs. Drews having
12 made a decision at some point after selling the
13 construction business to sell their home on Edgewater
14 Park?

15 A. I knew they sold it, yes.

16 Q. Do you know how much money they got as a result of
17 selling their home on Edgewater Park?

18 A. No, I don't.

19 Q. Were you aware that Mr. and Mrs. Drews gave 100,000
20 dollars to Mr. Lancaster who in turn purchased a
21 residence for Mr. and Mrs. Drews to live in?

22 A. No, I did not.

23 Q. You weren't aware of any of that?

24 A. No.

25 Q. In all your dealings with Mr. Lancaster, have you

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1 known him to be an honorable man?

2 A. Yes, I have.

3 Q. Thank you, Mr. Biller.

4 MR. DODDS: No further questions, Your Honor.

5 THE COURT: Any redirect?

6 MS. DRAWDY: Yes, Your Honor.

7 REDIRECT EXAMINATION

8 BY MS. DRAWDY:

9 Q. Mr. Biller, do you deny telling me in your
10 deposition that was taken in April of 2011 that Mr. Drews
11 told you regarding the 50,000 dollar check that you
12 received that Jessie Atkinson wouldn't do the deal with
13 him, so he was giving you the check to do the deal with?

14 A. I don't recall saying that. I really don't recall
15 one way or the other.

16 MS. DRAWDY: Your Honor, permission to approach?

17 THE COURT: Yes ma'am.

18 Q. [Ms. Drawdy] I'm going to show you your deposition.

19 [Whereupon, the witness reviews document]

20 Q. At page 67 lines 6 through 9 if you would read that
21 to me, please and to the court?

22 And the question is at lines 3 through 5 [Reading]

23 And you never asked any questions about why that 50,000
24 dollar check was originally endorsed by Jessie Atkinson.

25 And your answer, please.

1 A. [Reading] Basically, he told that he wanted to make
2 the same deal with Jessie but Jessie didn't want to do
3 it. I'm not sure why. It was his sister, but.

4 Q. Thank you.

5 THE COURT: Okay, any re-cross.

6 MR. DODDS: No, Your Honor.

7 THE COURT: All right, you may step down, Mr.
8 Biller. Thank you very much.

9 [Whereupon, the witness is excused and exits the
10 witness stand]

11 MR. LUCEY: I'd like to call Richard Livingston,
12 Your Honor.

13 THE COURT: I'm sorry, Richard who?

14 MR. LUCEY: Richard Livingston.

15 THE COURT: Okay. You going through all those
16 documents, we'll be here a while.

17 MR. LUCEY: No, sir. That's just back up if
18 somebody asks me a question.

19 THE COURT: Okay.

20 [Whereupon, Mr. Livingston comes forward]

21 [Whereupon, the witness is duly sworn by the Clerk
22 of Court]

23 CLERK OF COURT: Thank you. Please be seated.

24 Sir, for the record if you'll please state your name
25 spelling your last name.

1 THE WITNESS: Richard Thomas Livingston
2 L-I-V-I-N-G-S-T-O-N.

3 - - - - -

4 Richard Livingston,
5 Having been first duly sworn,
6 Was examined and testified as follows:

7 DIRECT EXAMINATION

8 BY MR. LUCEY:

9 Q. Mr. Livingston, tell the court your occupation,
10 please.

11 A. I'm a C-P-A at the firm of Dixon Hughes Goodman.

12 Q. Okay. Let's cover your background for just a
13 moment. Tell us where you went to school and what
14 degrees you got.

15 A. I graduated from the Citadel and got a degree in
16 business administration with an accounting concentration.

17 Q. What year was that, please?

18 A. 2000.

19 Q. And what have you been doing since then employment
20 wise please?

21 A. When I graduated I went to work for a small firm
22 here in Charleston. And for the last little over 12
23 years, I guess, I've been with Dixon Hughes Goodman.

24 Q. Tell us, if you would please as a practical matter,
25 what you do at Dixon Hughes.

1 A. I'm a director with our forensic litigation support
2 and evaluation services group, Your Honor.

3 Q. And briefly, what does that mean?

4 A. We work in the area of what's commonly called
5 forensic accounting. We work pretty much anything that
6 involves attorneys courts, employee embezzlement, tracing
7 and sources of uses; things of that nature.

8 Q. Tell us, if you would please, in a lay person's
9 terms, what do you consider forensic accounting to be?

10 A. I consider forensic accounting really to be
11 accounting in the legal arena, more of a focus on the
12 actual tracing and the sources of transactions; the
13 intent of the transaction, not necessarily the -- however
14 it may get shown on a tax return or auditor report, but
15 the actual economic substance of it.

16 Q. And tell us what licenses and accreditations you
17 possess please.

18 A. I have a C-P-A license in the state of South
19 Carolina. I have several other designations. One is the
20 C-F-F which is certified in financial forensics from the
21 American Institute of Certified Public Accountants.

22 And I have the C-F-E which is a certified fraud
23 examiner with the Association of Certified Fraud
24 Examiners. And I also have a private investigators
25 license in South Carolina.

1 Q. Did you mention the C-V-A?

2 A. Sorry, yes, I also have the designation C-V-A which
3 is certified valuation analyst which is through the
4 National Association of Certified Valuation Analysts.

5 Q. And for those various certifications and
6 accreditations, did you have to get tested or otherwise
7 qualified to receive those designations?

8 A. Yes, take a test and I'm required to receive
9 different amounts of continuing education, depending on
10 which one.

11 Q. Have you testified in court, previously?

12 A. I have.

13 Q. Would you estimate for us an approximate number of
14 court testimonies?

15 A. In court, I'd need to take a look at my C-V.

16 Q. I've actually got a copy for you.

17 A. Okay.

18 [Whereupon, the witness reviews document]

19 A. It looks like about 14 times, Your Honor.

20 Q. You've been certified by Judges as an expert in
21 accounting matters?

22 A. Yes.

23 Q. And forensic accounting?

24 A. Yes.

25 Q. For instance, we have local Judges here; Judge

1 McDonald, Judge Harrington, Judge Young, have you been
2 certified by any of those?

3 A. I just testified in front of Judge McDonald last
4 month.

5 Q. Briefly tell us, did she certify you as an expert?

6 A. Yes.

7 Q. Can you briefly tell us what that engagement was
8 about.

9 THE COURT: I don't need to hear that.

10 MR. LUCEY: You're good?

11 THE COURT: I don't really care ---

12 MR. LUCEY: --- yes, sir ---

13 THE COURT: --- what it was about. Do you have any
14 objections to his qualification in forensic accounting?

15 MR. DODDS: No, Your Honor.

16 THE COURT: I assume that's what you're offering
17 him for?

18 MR. LUCEY: Yes, sir.

19 THE COURT: Okay.

20 MR. LUCEY: Thank you.

21 THE COURT: Do you have any questions about his
22 qualifications?

23 MR. DODDS: No, Your Honor.

24 THE COURT: All right, I'm going to find him
25 qualified in forensic accounting. Please proceed.

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1 MR. LUCEY: Yes, sir.

2 Q. [Mr. Lucey] What were you asked to do in this
3 matter, Mr. Livingston?

4 A. Essentially, Your Honor, was the tracing the sources
5 the uses of the transactions involved -- between Mr.
6 Lancaster and the Drews during this time period and
7 determining I guess the underlying economic incentive and
8 benefit to the parties.

9 Q. Give us a brief overview of the types of documents
10 you reviewed to perform that function, sir.

11 A. Documents I looked at, primarily bank statements,
12 depositions, public records, HUD statements, check
13 images; things of that nature.

14 Q. Mortgages, notes, etc?

15 A. Yes, on the public record site.

16 Q. And have you reached any opinions to a reasonable
17 degree of certainty in your field of expertise?

18 A. I've reached several broad opinions and can talk
19 about those in detail.

20 Q. Let's start with broad opinions and then we'll get
21 into more detail.

22 A. Okay.

23 Q. Give me your first one, please.

24 A. In looking at these transactions, Your Honor, in
25 their entirety between Mr. Drews and Mr. Lancaster, they

1 simply do not make economic or financial sense when you
2 look at them.

3 These transactions create a situation whereby the
4 Drews are able to maintain control over and benefit from
5 assets while keeping them in someone else's name.

6 The transactions are recorded inconsistently between
7 the parties and they are -- there's no consistent purpose
8 to the transactions other than sheltering them from
9 creditors.

10 So, again, Your Honor, when you look at the economic
11 substance of the transactions, they allow the Drews to
12 use and enjoy the assets -- receive assets, but keeping
13 them in somebody else's name away from creditors.

14 Q. Let's talk about the Bainbridge property first and
15 the 100,000 dollar transfer. Did you look at that
16 transfer?

17 A. I did.

18 Q. Did it have the characteristics of a gift?

19 A. No, that's the -- when I received Mr. Lancaster's
20 deposition and I reviewed one of the depositions from Mr.
21 Drews -- this transaction is referred to as a gift a
22 number of times so I spent time looking at the
23 transaction as it relates to being a gift.

24 And my conclusion was that it did not appear to be a
25 gift and as I understand it today, the parties agreed

YES

1 that it was not a gift.

2 Q. You spoke of the judgment debtor retaining control
3 of his assets while they're being retitled. Take us
4 from 1992 forward on that issue, please. What do you
5 mean by that?

6 A. Your Honor, on the 100,000 dollars, we know that
7 comes -- that money, the source of those funds is the
8 sale of the properties in Mr. Drews' name.

9 We know based on Mr. Lancaster's deposition for the
10 reason that that 100,000 dollars is given to him to
11 purchase that house.

12 Mr. Lancaster in his deposition points out that in
13 early '92 the I-R-S is closing in on collecting property
14 taxes. Mr. Drews has no rental income; he owes heavily
15 for loans on Edgewater. He's got the I-R-S after him.

16 And he says so I guess it was in April of '92, I was
17 in town, and he went to -- we went to lunch and he told
18 me he was going to sell Edgewater, the house, and pay off
19 the loans and that he would have barely 100,000 dollars
20 left.

21 And at the time is when he proposed to give me
22 100,000 and then he asked me to buy a house that he and
23 Effie would live in because he couldn't find a house in
24 100,000 dollar range that he wanted. So, that's where in
25 Mr. Lancaster's deposition and he's pointed out today, is

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1 that the 100,000 dollars was to provide them with
2 security. They wanted a roof over their head. And when
3 I look at this transaction, Your Honor, there's multiple
4 steps to it and you have to ask yourself why do something
5 in 3 or 4 steps when it could've been done in 1.

6 The easiest thing that could've been done here, Your
7 Honor, was the Drews took that 100,000, Mr. Lancaster
8 loaned him 60,000 and the Drews bought a house and gave
9 Mr. Lancaster a mortgage back.

10 You get to the same place, the Drews have a house,
11 they have a 60,000 dollar mortgage on it that can be paid
12 back and their 100,000 dollars is in the house.

13 But the way the transaction was structured, is that
14 100,000 ends up in Mr. Lancaster's name, solely and is
15 there that cannot be reached by the creditors.

16 And we know, based on the deposition testimonies and
17 testimony today that the reason for that was to avoid
18 creditors that were there at that time.

19 Q. And what, if anything, is the link between the
20 40,000 dollars advance back in the first 3 years after
21 the 100,000 dollar transfer and your opinion that the
22 debtors were changing control of his assets?

23 A. When the transaction is complete, Your Honor, what
24 the result is Mr. Lancaster has a house that he has
25 100,000 dollars of equity in. He immediately goes out

1 and obtains a 40,000 dollar line of credit against that
2 equity and begins to loan that money back to Mr. Drews.

3 So, what they're doing is loaning money to Mr.
4 Lancaster -- Mr. Lancaster is loaning Mr. Drews money
5 right back to him whenever he needs it.

6 And he only loans up to the 40,000 dollar line of
7 credit that he has which is then secured by the 40,000
8 mortgage in 1705.

9 It's interesting and it needs to be pointed out
10 again, Your Honor, that he is only charging him the
11 interest that he is incurring on it. And that is all that
12 Mr. Drews is paying on it. It is interest that's
13 incurred, so Mr. Lancaster is not making this loan at an
14 arm's length transaction.

15 He's not, as he said, not making any money on this
16 deal. He's allowing Mr. Drews to access that 100,000
17 dollars of equity that was his money at the cost of
18 borrowing, as if it were his money.

19 Q. And specifically what was the source of most of the
20 40,000 dollars that got transferred back to Mr. Drews in
21 ensuing 2 to 3 years.

22 A. It draws directly on the South Carolina National
23 line of credit, the 40,000 dollar line of credit.

24 Q. And what was that line of credit secured with?

25 A. The Bainbridge property that was purchased with the

1 Drews' 100,000 dollars.

2 Q. What was the source of the equity that provided the
3 security for the line of credit?

4 A. The source of the equity being the 100,000 plus Mr.
5 Lancaster put in 60, which he said he borrowed, so -- off
6 another line of credit.

7 So, there's the house as I understand it, there's
8 actually no mortgage recorded on the house when it's
9 purchased at 160.

10 Q. Now did you look at these 3 mortgages collectively,
11 the 2005 40,000 dollar mortgage, the 1998 100,000 dollar
12 mortgage and the July 1, 1999 20,000 dollar mortgage?

13 A. Yes, sir.

14 Q. Did you determine how much was actually owed on
15 those 3 mortgages which total 160,000 dollars?

16 A. The amounts differ at different times. The total
17 amount of what was owed, the principal, when there's
18 160,000 dollars worth of mortgages recorded on 1705
19 Meeting, the total amount of principal that has ever been
20 advanced is 60,000 dollars.

21 Q. Were you able to find any economic purpose or
22 justification for the middle mortgage, the 100,000 dollar
23 mortgage?

24 A. The only indication that's given is by Mr. Lancaster
25 that I'm going -- the 100,000 dollar mortgage exist is

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1 essentially a line of credit that I've lent him 40,000
2 and I'm willing to lend him up to 100,000 dollars.

3 What's interesting is Mr. Lancaster continues to up
4 his line of credit on the Bainbridge house and eventually
5 increases it to an even 100,000 dollars, the exact amount
6 of equity that was put in by the Drews into the property.
7 So ---

8 Q. --- let me stop you there because you're using a
9 line of credit and there are a lot of mortgages going on.

10 A. Yes, sir.

11 Q. And you're talking about Mr. Lancaster upping his
12 100,000 dollar line of credit, as I understand it.
13 You're not referring to these 3 mortgages on plaintiff's
14 exhibit 74?

15 A. That's correct. There's a 40,000 dollar mortgage on
16 the house, Bainbridge, and a 40,000 dollar mortgage on
17 1705 Meeting. Eventually there becomes a 100,000 dollar
18 mortgage on 1705 and a 100,000 dollar line of credit on
19 Bainbridge.

20 Q. So again, help me tie back in, what's the
21 significance of the 100,000 dollar mortgage on
22 Bainbridge, if any, or relationship with the 3 different
23 mortgages that are on 1705 Meeting Street.

24 A. Well, the 100,000 just allowed Mr. Lancaster to
25 access up to 100,000 dollars of equity in Bainbridge.

1 But the mortgages that are on 1705, the 160,000 dollars
2 worth of mortgages tie back in to the 60,000 dollars that
3 was advanced from Mr. Lancaster to Mr. Drews.

4 Q. And were you able to find any contemporaneous
5 consideration given for any of these 3 mortgages, the 40,
6 the 100, or the 20? In other words, loans made at the
7 same time that the mortgages were signed.

8 A. I was not able to find anything contemporaneous at
9 the time of closing that appeared to be any monies given
10 at the time of closing to the Drews.

11 Q. And at the end of the day, were you able to find any
12 economic significance of any kind, in evidence, in
13 records, in financial transactions, any economic
14 significance for purpose of that 100,000 dollar mortgage
15 in light of the still existing 40,000 dollar mortgage?

16 A. No, there's -- the 40,000 mortgage was there to
17 secure the 40,000 dollars that was already drawn on the
18 house.

19 The 100,000 dollars is in addition to that and no
20 additional monies had been advanced at that time to
21 justify the recording of that mortgage.

22 Q. Okay. I want to go back to the residences for a
23 moment, the transition from Bainbridge to Nuffield.
24 We've heard about it as a real estate thing, you know,
25 they moved houses, there was another house bought.

1 Explain it to us, please, on a more of a financial
2 level, how if at all did the Bainbridge house that had
3 been funded by Drews, how did that house or its equity
4 fund the Nuffield acquisition?

5 A. Okay. The Bainbridge house was purchased with the
6 100,000 dollars that was given from the Drews. A line of
7 credit was established for the 40,000 dollars several
8 days before the Nuffield house, -the second house that was
9 bought for the Drews, the one story house, the line of
10 credit was increased -- almost 40,000 dollars; of which
11 that equity was then used to help fund the purchase price
12 of the Nuffield house.

13 Q. So, the equity from Bainbridge was used to acquire
14 Nuffield?

15 A. A portion of it, yes.

16 Q. Let me ask you if -- to turn please to plaintiff's
17 exhibit 43 -- I'm sure you have your own copy but let me
18 ask you to turn to plaintiff's exhibit 43.

19 [Whereupon, the witness complies]

20 A. Yes.

21 Q. Tell the court what that document is please.

22 A. This is the second line of credit that was obtained
23 on the original Bainbridge house, Your Honor. But this
24 one is -- has now increased the actual line from 40,000
25 to 79,250 dollars. And it looks like it was done on May

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1 15, 1995, which was about 2 days before the purchase of
2 the Nuffield house.

3 Q. So the 40,000 to the 79,000, that's the increase
4 used to fund the purchase of Nuffield, correct?

5 A. That's what it appears, yes.

6 Q. And you identified that as May 15. If you would
7 turn please to exhibit 23, plaintiff's 23, plaintiff's
8 exhibit 23.

9 [Whereupon, the witness complies]

10 A. Yes.

11 Q. Tell us, if you would please, the date of the
12 Nuffield mortgage, excuse me Nuffield deed.

13 A. The deed is actually dated May 16 of 2005.

14 Q. The next day?

15 A. Yes.

16 Q. Okay. The day after the Bainbridge equity line gets
17 increased?

18 A. That's correct.

19 Q. Now, did that Bainbridge equity line get increased
20 again, I think you've already mentioned it?

21 A. It does eventually get increased to an even 100,000
22 dollars and it was increased to that amount on, it looks
23 like June 18, 1996.

24 Q. How, if at all, do these mortgages relate to your
25 analysis of what occurred when 1705 Meeting Street was

1 finally sold?

2 A. When 1705 Meeting Street was sold it was sold on or
3 about, I believe the 5th of November, 2001 and at that
4 time there was -- I think it sold for about 205,000
5 dollars.

6 Since the way it worked out is after it vetted out,
7 there was a 190,000 note that was given. At that time
8 all of these mortgages were -- satisfactions were filed
9 on all of them right before the closing and the 50,000
10 dollar, this 50,912 dollars that is remaining between the
11 parties according to Mr. Lancaster's calculations, that's
12 been out there unsecured is then secured by the mortgage.

13 So, Mr. Drews owned the property, 1705 from at least
14 the early nineties. He sold the property in 2001,
15 received a 190,000 dollar mortgage on it, but immediately
16 assigned that 190,000 dollar mortgage to his wife.

17 And there's no evidence that I could find of any
18 consideration given other than Mrs. Drews assumes a
19 50,000 dollar liability that had been -- it appears to be
20 either in Mr. Drews name or jointly between Mr. and Mrs.
21 Drews.

22 So, there's no economic reason for Mr. Drews to
23 assign that 190,000 dollar asset solely to his wife 1 day
24 after closing. There's no tax advantage to it, there's no
25 -- they weren't going through divorce; there wasn't a

1 need to assign the assets to one party or the other. So
2 there's no underlying reason for that other than to
3 remove that asset from his name and then it is
4 immediately assigned from the wife to Mr. Lancaster.

5 Q. What happens -- and then what's done with that?
6 What is the purpose of the second assignment?

7 A. The second assignment is to secure this 50,000
8 dollar note that's signed on that date between Mr.
9 Lancaster and Mr. Drews and Mrs. Drews.

10 Q. Is that a typical practice you see, securing a
11 50,000 dollar note or securing a note with a security
12 interest 3 times the size of the obligation?

13 A. No, it's not, not typical. But, what it's created
14 here is a third party looking in, the Drews appear to
15 have no asset. They do not appear to have any rights to
16 the 190,000 dollars; they don't appear to be receiving
17 anything associated with the 190.

18 It creates the appearance that that asset belongs to
19 Mr. Lancaster, when in fact those monthly payments in
20 excess of 2,000 dollars are going to the Drews every
21 month.

22 Q. How, if at all, did the over securitization of the
23 50,000 dollar note -- was that the same or different from
24 what occurred with the over securitization of the 3 prior
25 Meeting Street notes?

1 A. In principal, it's the same.

2 Q. Were you able to look at -- were you able to trace
3 the assets further after the assignments occurred?

4 A. After the assignments occurred, the Drews continued
5 to receive a monthly payment of somewhere a little over
6 2,000 dollars a month I don't have the number right in
7 front of me.

8 But the monies continued to come in and from that
9 point they would use a portion of that, about 540 dollars
10 to supposedly make a payment over to Mr. Lancaster.

11 That went on for a number of years until the
12 mortgage was paid off in full at which time, I believe in
13 2005 Mr. Lancaster received about 35, 36,000 dollars to
14 finish payment on the balance.

15 Q. Now did you look at what happened to 50,000 of that
16 130,000 dollars that came out of this sheltered
17 assignment?

18 A. Eventually that 130,000 when the loan was paid off,
19 the Drews' ended up with a check for about 130,000, that
20 was put into an investment account in, I believe, wife's
21 name and from that that's where the 50,000 dollars that
22 we just heard about was drawn from.

23 Q. You're talking about the 50,000 that went Atkinson
24 and then Biller?

25 A. That's correct.

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1 Q. I'm putting up here a demonstrative exhibit. Would
2 you tell us whether or not that accurately shows the
3 court the money trail that you've just described for the
4 court?

5 A. Yes, the first line there is the Drows, Mr. Drows
6 owned that property individually since early 1992. He
7 sold it and received a note immediately on the second
8 line and assigned it to his wife, the 190,000 dollar
9 mortgage that was immediately assigned to Mr. Lancaster.

10 Then right before the loan was to be paid off, Mr.
11 Lancaster assigned it back to the wife. The wife
12 received the 130,000 dollars, Mr. Lancaster received
13 about 35, 36,000.

14 That 130,000 was put in an account by the wife and
15 50,000 of that was given to Atkinson and then, which as
16 we heard, eventually was given to Biller. At the bottom
17 of that is how that money that Mr. Biller testified how
18 that money was dispersed.

19 Q. And what is the similarity, if anything, between the
20 transactions that occurred with Mr. -- Ms. Atkinson and
21 Mr. Biller and what you investigated in the Lancaster and
22 Drows transactions.

23 A. As Mr. Biller testified, those funds came over, were
24 held, and then dispersed back to the Drows when they
25 asked for it. It follows the same pattern here, whereby

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1 the Drews give Mr. Lancaster 100,000 dollars, it's put
2 into an asset that they can use and then are able to
3 receive monies back from that asset via line of credit
4 mortgages placed on it. And are only charged the interest
5 expense associated with that debt; they're not charged
6 anymore.

7 Q. Did you look at the way the parties to the Drews
8 Lancaster transactions treated the alleged interest being
9 charged between them?

10 A. On -- I had Mr. Drews' tax returns from, I believe
11 2001 through 2005. I know that the ones in the exhibit
12 here the '01, '02, and '03, Your Honor, do have a
13 Schedule A, which is where you itemize deductions.
14 Those Schedule A's and nowhere on the returns in, '01,
15 '02, and '03 can I find any interest expense.

16 But if I look at exhibit -- if I look at exhibit 28,
17 Your Honor, the last page of exhibit 28 is the
18 amortization schedule prepared by -- I'm on, I think,
19 plaintiff's 28, it's the amortization schedule that shows
20 '99, 2000, and 2001. And where are the other years --
21 I'm sorry, which exhibit?

22 Q. The amortization schedule?

23 A. For the later years?

24 Q. Defendant's exhibit number 6 will be handed to you.

25 THE COURT: What now?

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1 MR. LUCEY: Defendant's exhibit number 6.

2 THE COURT: Okay.

3 [Whereupon, the witness reviews documents]

4 A. Your Honor, defendant's exhibit number 6 is --
5 actually has all of the years so that would be the one I
6 refer to.

7 So, the bottom of defendant's 6, Your Honor, in 2001
8 is an amortization schedule. I'm about 3 pages in
9 plaintiff's 6. And what it's showing at this time in
10 '01, over in about the third column from the right is
11 that the Drews were paying Mr. Lancaster about 450
12 dollars a month.

13 About midway in that column there, it calculates the
14 monthly interest associated with that and comes up with
15 the year-to-date interest.

16 And, so while they're making payments and those
17 payments are going, part of that to principal and part of
18 that to interest, when I look at the 2001 tax return of
19 the Drews, I cannot find an interest deduction on their
20 income tax returns that was reported.

21 When I look at 2002, Your Honor, which is the next
22 page, it's a schedule that looks like this [indicates].
23 The Drews are now paying the 540 dollars a month and it
24 shows the monthly interest and reports about 2400 dollars
25 of interest in that year, paid. Again, the Drews' 2002

1 tax return, the Schedule A that has been filled out here
2 makes no reference to any type of interest expense. Nor
3 was -- I cannot find it anywhere else on the return and
4 that's the same for 2003, Your Honor.

5 This schedule, the next page of plaintiff's 6 shows
6 interest of about 2200 dollars and again I don't see a
7 deduction recorded by the Drews.

8 When I get to 2005, that's already been -- that was
9 brought up in Mr. Lancaster's testimony, is this is the
10 year in 2005 and it's the last amortization page of that
11 plaintiff's number 6, Your Honor.

12 The last page of plaintiff's number 6 and it shows
13 the 35, almost 36,000 dollar payment that came in on 9-
14 29-05, so this was a significant payment that came in and
15 Mr. Lancaster had been keeping up with this interest.

16 Well, when you look at Mr. Lancaster's return, Your
17 Honor, which is -- looks like plaintiff's 68, Mr.
18 Lancaster is reporting an excess of 14,000 dollars worth
19 of interest from a laundry list of different providers.

20 But the year -- this isn't a year where he's just
21 been receiving little payments. This is a year in which
22 he received over almost, 40,000 dollars from the Drews in
23 '05. So this significant economic event in '05, that
24 according to Mr. Lancaster's calculations, he should have
25 in excess of 1,200 dollars of interest income which is

1 nowhere on this tax return even though this tax return is
2 reporting 4 dollars of interest -- 49 dollars of
3 interest. Very small amounts, it's very specific.

4 So, the question -- my question here, Your Honor, is
5 one) was this even a loan -- were they really treating
6 this as a loan between the parties, Your Honor, and are
7 these amortization schedules, were they even made when
8 these payments were being made.

9 Or have these amortization schedules been calculated
10 after the fact, sometime after the tax returns were even
11 filed. And I'm not able to go back to '04, '03, and '02
12 in Mr. Lancaster's returns and see if any other interest
13 income is reported because those returns have not been
14 provided.

15 Q. Before we go back to the amortization schedules, let
16 me recap because that was a long answer. You looked at
17 Mr. Lancaster's tax returns for '05 and you mentioned
18 that this big economic event occurred, that the 36,000
19 dollar pay-off.

20 A. Yes.

21 Q. And you mentioned the significance of that is that
22 it's a huge event, not something you would just overlook.
23 Is that correct?

24 A. Yes.

25 Q. It's a significant financial event?

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1 A. Yes.

2 Q. And yet, even though he's reporting 49 dollars of
3 interest from say Sears and 15 dollars of interest from
4 whomever else, Walmart, he's not reporting any interest
5 on this alleged note receivable that he got paid on in
6 2005 from the Drews, is that correct?

7 A. That is correct.

8 Q. And the flip side of it was -- just so the court
9 will follow, you were referencing the Drews' tax returns
10 and they were located -- they were located at or in
11 evidence as exhibit 63 through 67.

12 The flip side of it is that you looked at the Drews'
13 tax returns from 2000 or so through 2005 for the other
14 half of the transaction, the interest deduction part,
15 correct?

16 A. That's correct.

17 Q. And summarized what you saw with the interest
18 deduction on the Drews' tax return?

19 A. That's correct. And there -- for the years that I
20 have the Schedule A, as Mr. Lancaster was testifying the
21 '05 return didn't have the Schedule A to match it up
22 with.

23 But years before that there is a Schedule A, the
24 interest income that is on Mr. Lancaster's amortization
25 schedules which would be an interest expense of the

1 Dews' is not reported on their tax return.

2 Q. So, neither party to the alleged loan, is treating
3 the loan like a loan?

4 A. Based on the returns that I have in front of me,
5 yes.

6 Q. And were they required -- was on Mr. Lancaster's
7 part, was he required to report the income?

8 A. Yes.

9 Q. On the other side, Mr. Dews side, if in fact he was
10 paying interest, would people typically have deducted
11 that interest?

12 A. Typically, there's no requirement that he does
13 deduct it, but as you can see the pattern of Mr. Dews
14 returns from at least 1996, I think we might them back a
15 little further, is there's interest expense, there's
16 mortgage expense. So, the idea of interest expense and
17 the idea of deducting interest expense Mr. Dews was well
18 aware of that.

19 Q. Now you mentioned some questions regarding the
20 amortization schedules and their preparation. Have you
21 in fact observed in this case 2 different amortization
22 schedules for the same exact time period?

23 A. Yes, there are 2 versions of defendant's exhibit 6
24 that I'm aware of.

25 Q. And plaintiff's exhibit 28, if you'll turn to that,

1 would be the amortization schedule that was produced in
2 his deposition in 2010.

3 [Whereupon, the witness reviews document]

4 Q. Can you point us out to some of the changes that
5 were differences between defendant's exhibit 6 produced
6 here at trial and the amortization schedule which, number
7 28 that was produced in 2010 in his deposition?

8 A. Yes, Your Honor, I don't know if you have these 2 in
9 front of you, the first page of defendant's exhibit 6 and
10 the first page of plaintiff's exhibit 28.

11 But, as you flip to the second page that covers the
12 time period of 1995 through the end of '96, the format is
13 different there's different information on these, but at
14 the top right they both say revised 2-3-97.

15 So, we don't know which one was -- we don't know
16 when these were created, how they were created, when they
17 were created even though they say 2-3-97, they're
18 complete -- they have the same revision dates, but
19 they're completely different schedules. They're applying
20 the interest differently is one of the main differences.

21 Q. Tell the court, if you would please, what the
22 alleged balance forward is as of the end of 1996 on
23 plaintiff's exhibit 28 that was produced at the
24 deposition in 2010.

25 A. The balance reported it's, it is -- there is 2

1 different problems here. One says total balance due and
2 one actually has what appears to be the actual balance.
3 But, it appears to be 42,347 is the amount that's due on
4 the note at the end of '96.

5 Q. 42,347 is that correct?

6 A. Yes.

7 Q. Now, would you turn please to defendant's exhibit
8 number 6 and tell the court what the balance forward is
9 that would have been otherwise expected to match the
10 earlier produced amortization schedule?

11 A. Well, those columns are the same, but it's the far
12 right -- not the far right, but the column that's
13 entitled total balance due, on plaintiff's 28 the total
14 balance due is 44,211.20, but on defendant's exhibit 6,
15 it's 50,292.08.

16 Q. So, in the amortization schedule defendant's exhibit
17 6, marked at trial, the balance due at that point in time
18 is just about 6,000 dollars higher than the 1996 balance
19 due that was published at the deposition in 2010.

20 A. That's what the columns say, yes.

21 Q. Sir, were you asked to calculate the judgment
22 interest due?

23 A. Yes.

24 Q. Would you pull it out please?

25 MR. LUCEY: May I have your copy and somehow I'll

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1 get a copy back to you? Madame court reporter, may I
2 mark this please?

3 [Whereupon, plaintiff's exhibit number 78 is marked
4 by the court reporter]

5 Q. [Mr. Lucey] And could you just very briefly tell the
6 court how the interest due is calculated?

7 A. Yes, Your Honor, I used the statutory rate, the
8 34-31-20 subsection 8, or at 8.75 percent per annum and
9 calculated that based on -- I started my calculation when
10 the judgment, the 65,000 dollar judgment was awarded in
11 December 5, 2001 and I just did the simple interest on
12 that amount for each year.

13 And then in 2002 picked up the award of the
14 attorney's fees and in September of '05 there's another
15 small award for attorney's fees and just calculated the
16 annual interest at 8.75 percent on those balances.

17 And then in February of 2011, I reduced it for the
18 60,000 dollars that was received and calculated the
19 interest on that remaining balance. So, I'm calculating
20 a net judgment due of 49,949.81 and interest on those
21 amounts of 101,079.68.

22 Q. That would total \$151,029.49?

23 A. That looks right.

24 Q. Could you put that total on the exhibit please?

25 [Whereupon, the witness complies]

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1 MR. LUCEY: Plaintiff moves exhibit 78 into
2 evidence, Your Honor.

3 THE COURT: All right, any objections to 78?

4 MR. DODDS: Judge, if you would bear with me just a
5 second.

6 [Whereupon, Mr. Dodds reviews documents]

7 MR. DODDS: No, Your Honor.

8 THE COURT: All right, 78 admitted without
9 objection.

10 [Whereupon, plaintiff's exhibit number 78 is entered
11 into evidence by the court]

12 Q. [Mr. Lucey] Sir, were you asked to perform a present
13 value analysis of what the assets would be worth in Mr.
14 Drews' estate if, in fact, they had not been transferred
15 however many years ago?

16 A. Yes.

17 Q. And tell the court, briefly about that analysis
18 please.

19 A. We looked at the amounts of monies that had been
20 paid by Mr. Drews to Mr. Lancaster and did several
21 calculations to determine a range of what those monies
22 would be worth today if they were available.

23 Q. Okay.

24 [Whereupon, plaintiff's exhibit numbers 79 and 80
25 are marked by the court reporter]

1 THE COURT: Before you get there -- let me just ask
2 one question. You used 8.75 percent, is that correct?

3 THE WITNESS: Yes, Your Honor.

4 THE COURT: I don't know the dates but you probably
5 did but didn't they change that interest rate and adjust
6 it annually from 8.75 down? The end of January Supreme
7 Court comes out gives the interest rate, judgment
8 interest.

9 THE WITNESS: They come out with section B, Your
10 Honor, for judgments that were awarded after this
11 judgment was awarded so I used -- which was a much higher
12 rate but I think it's ---

13 THE COURT: --- so you used 8.7 percent based upon
14 it was awarded prior to ---

15 THE WITNESS: --- prior to that section B ever
16 being ---

17 THE COURT: --- did that statute say it was...

18 THE WITNESS: It did not say it was retroactive,
19 Your Honor, and it does compound it annually. The 8.75
20 percent does not say compounded annually, so if I ---

21 THE COURT: --- so you used B?

22 THE WITNESS: Yes, sir and it would be a much
23 greater number, but I used A.

24 THE COURT: All right, thank you.

25 Q. [Mr. Lucey] Sir, I'm putting in front of you

1 plaintiff's exhibit 79 and 80. And let's look at
2 plaintiff's exhibit 79 first, if you would, and explain
3 to us what this document does.

4 [Whereupon, the witness reviews document]

5 MR. DODDS: Your Honor, I'm going to object to the
6 presentation of this document. I filed a discovery
7 request, I asked for copies of reports of experts and
8 this document was not provided to me. I'm getting this
9 document while the expert is testifying and I think I'm
10 entitled to have these reports in advance so that if I
11 need to get an expert to look at it, to offer me some
12 opinion as to the ---

13 THE COURT: --- I don't know what it is. He asked
14 a question to establish some value if all the assets have
15 not been transferred and put it in present day value.
16 So, I assume he's going to give some kind of figure, some
17 justification ---

18 MR. DODDS: --- well if ---

19 THE COURT: --- is that correct, Mr. Lucey ---

20 MR. LUCEY: --- yes, sir ---

21 MR. DODDS: --- the document says summary of
22 present values as of June 13, 2013.

23 THE COURT: Okay, all right. Mr. Lucey the problem
24 is, he's asked you to produce it and it hasn't been
25 produced. And he's probably correct he's at least

1 entitled to see it before you hand it to the expert.

2 MR. LUCEY: Yes, sir. It's ---

3 THE COURT: --- I'm not saying he would be entitled
4 for someone to refuse it, but that's the problem.

5 MR. LUCEY: It's just, it's just ---

6 THE COURT: --- my question is what's it have to do
7 with this? I mean I understand you're trying to
8 establish some damages over the amount of the interest in
9 the note etcetera, etcetera, etcetera but what are you
10 trying to establish by bringing this figure out?

11 MR. LUCEY: The amount of money that should be
12 available if the court finds for the plaintiff, the
13 amount of money that should be available to pay
14 plaintiff's judgment.

15 THE COURT: That amount of money, I thought the
16 question was the value of assets if Drews had not
17 transferred anything. Shouldn't the question be the
18 value of his assets?

19 MR. LUCEY: The ---

20 THE COURT: --- we're not doing supplemental
21 proceedings ---

22 MR. LUCEY: We're only doing the value of the
23 assets that Drews transferred and put into Mr.
24 Lancaster's name. If those transfers hadn't occurred and
25 that money had been in his estate, what would have been

1 the present value of that money at the time he died, at
2 the time of trial because we're not seeking anything
3 beyond -- on the judgment itself we're not seeking
4 anything beyond what was transferred. But we believe we
5 are entitled to use the present value of what was
6 transferred just like if we were receiving a future
7 damage we would reduce it ---

8 THE COURT: --- you've already put in evidence a
9 judgment with interest in the amount of 151,029.49 and
10 you gave him credit, I think for the 60,000 which you
11 said you were going to do. So what else are you trying
12 to do?

13 MR. LUCEY: Just establish the value of Mr. -- what
14 the value of money that Mr. Drews transferred to Mr.
15 Lancaster would be if it had been remaining in his estate
16 under a very conservative investment scenario or just
17 conservative bank interest, 2 percent, 2 and a half
18 percent.

19 THE COURT: Well your objection is it hadn't been
20 delivered to you ---

21 MR. DODDS: --- well, that Your Honor, and in
22 addition I think it's speculative. I mean ---

23 THE COURT: --- it may take -- the only thing I
24 know to do is -- it's 4:15?

25 MR. DODDS: Yes, sir.

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1 THE COURT: We are getting ready to break very
2 shortly is let you review it prior to the time you want
3 to cross and if you still feel like you need to get an
4 expert to question it, then I'll give you time to do
5 that. I'm still not very comfortable with whether it's
6 relevant or not but I hadn't heard what he's going to say
7 yet.

8 MR. DODDS: I understand and I don't want a break,
9 Your Honor, I don't want to unduly delay the proceedings.

10 THE COURT: I don't mind giving you time to look at
11 it, to digest it, I really don't. And I'll let you do
12 that tonight if you so desire. We will break right now.
13 If you don't ---

14 MR. DODDS: --- no, I see, I'm looking at it and so
15 I see what he is basing his -- what I assume is his
16 opinion ---

17 THE COURT: --- I'm walking in the dark because I
18 haven't looked at it.

19 MR. DODDS: I understand its okay Your Honor. I
20 don't want a break. I'll handle it on cross-examination.

21 THE COURT: I'll be glad to take a break ---

22 MR. DODDS: --- I know you will, but that's okay.

23 THE COURT: I'll let you look at it tonight. You
24 can study it all you want.

25 MR. DODDS: What I'm more concerned about it is

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1 that I specifically requested these sorts of documents
2 In discovery ---

3 THE COURT: --- I understand. I understand what
4 you're concerned about and I'm concerned about it too.

5 MR. DODDS: Right.

6 THE COURT: That's why I'm willing to give you some
7 time to look at it.

8 MR. DODDS: It's just -- it wouldn't be enough
9 time, Your Honor, with all due respect because I wouldn't
10 be able to hire my own expert to offer some opinion with
11 respect to what he's going to seek to introduce in
12 evidence. I think ---

13 THE COURT: --- the only thing your experts could
14 do would change the interest for the present day on the
15 reduction, really.

16 MR. DODDS: True.

17 THE COURT: I mean that's the only thing he could
18 do is say well, he didn't like what he chose, the
19 percentage.

20 MR. DODDS: I don't know because I haven't had a
21 chance to talk to an expert ---

22 THE COURT: --- okay ---

23 MR. DODDS: --- but as to -- Judge, that's fine. We
24 don't need to break; I'll handle this on cross-
25 examination.

1 THE COURT: Anyhow, the court reporter -- we've
2 been going since 2:15, we've been going for almost 2
3 hours, she needs a break and I do too, so we are going to
4 take about 10 minute break.

5 MR. DODDS: That's perfect.

6 THE COURT: Okay.

7 MR. DODDS: That'll do it.

8 THE COURT: All right, thank you very much.

9 MR. DODDS: Thank you.

10 THE COURT: You may step down, don't discuss the
11 case during the break.

12 THE WITNESS: Yes, Your Honor.

13 THE COURT: All right, thank you.

14 [Whereupon, court is in recess from 4:10 p.m. until
15 4:20 p.m.]

16 THE COURT: Okay. Ready to proceed?

17 MR. LUCEY: Yes, Your Honor.

18 Q. [Mr. Lucey] Sir, tell us how you calculated the
19 present value of the prior transfers and what that number
20 is please.

21 A. Starting with plaintiff's exhibit 80, it arrives at
22 2 numbers! The present value of historic payments one is
23 approximately 112,000 and one is approximately 215,000.
24 What this is, Your Honor is there were approximately
25 86,000 dollars of payments that were made by the Drews to

1 Mr. Lancaster from November 1996 to 9-29-05. The present
2 value of those, had those been invested in something very
3 conservative like the 3-month treasury bills, the average
4 rate on that would've been about 2.67 percent so,
5 conservatively 112,000.

6 I also used a less conservative rate based on the
7 public reported partnerships that invest in real estate
8 since that's where most of Mr. Drews invested his -- most
9 of his investments were real estate related for the time
10 periods that I have.

11 So, the yield on those being minimal risk would've
12 been higher, so that yield is about 215,000. But again,
13 conservative investment has that 86,000 at about 112,000
14 today.

15 Q. Okay and plaintiff's exhibit 80 please.

16 A. I'm sorry, 70 -- I did 80 first.

17 Q. I'm sorry, plaintiff's exhibit 79 please.

18 A. 79 is -- what plaintiff's 79 is, Your Honor, is
19 essentially the same information for the historical
20 payments, but the present value also of the gain that Mr.
21 Lancaster recognized on the sale of Nuffield.

22 He sold it and bought it for 125, sold it for I
23 believe about 246. 100,000 was given by the Drews, so
24 they had about an 80 percent equity overall that was
25 given to Mr. Lancaster. So it's essentially 80 percent

1 of that gain is 96,800 dollars.

2 THE COURT: How much?

3 THE WITNESS: 80 percent of the gain on the sale of
4 Nuffield is 96,800 dollars.

5 THE COURT: Okay.

6 Q. [Mr. Lucey] Tell the court why you used the 80
7 percent number, again, please.

8 A. I didn't want to use the total gain because Mr.
9 Lancaster had put in money to help purchase the
10 residence. So, I only used 80 percent was the portion of
11 the purchase price that, in theory, would've been funded
12 by the Drews.

13 Q. Okay. So, using the most conservative number, what
14 is the combined present value of all transfers from Drews
15 to Mr. Lancaster; when I say conservative, I mean the
16 lowest rate of return.

17 A. Okay, I figured out the present value on the 96,800
18 for the date it was sold in 2010 until present and that
19 came out to about 105,000 at the 2.67 percent. So, the
20 sum of those 2 numbers is approximately 220 -- 222,000
21 dollars at the most conservative rate.

22 Q. At the rate that you indicated Mr. Drews was holding
23 his investments in -- these real estate investments?

24 A. Well not necessarily the rate that he got on his
25 real estate investments. It's hard to mirror the real

1 estate economy in rates over this period of time, but
2 that's what this information attempts to do. It's much
3 more speculative, but it brings the number to 357,000
4 approximately.

5 Q. Thank you.

6 MR. LUCEY: We're not moving those actual documents
7 in, Your Honor, to move things along.

8 Q. [Mr. Lucey] You reference several times real estate
9 investments that you observed with Mr. Drews. You
10 weren't referring to the Charleston Antiques mortgage
11 property the 1705 Meeting Street, were you?

12 A. Not specific -- there were at least 2 or 3 other
13 properties that seem that he has sold during this period
14 of time that he's owned for a very long period of time.

15 Q. Did you review any of his real estate partnership
16 investments -- publicly traded investments?

17 A. I did not.

18 Q. Just revisiting one issue I missed in this first
19 board exhibit 34 -- this -- the note given by the wife to
20 Donald Lancaster, the 50,900 -- the 50,900 note given in
21 2001, were you able to find any economic basis for Mrs.
22 Drews providing a note to Mr. Lancaster?

23 A. The only reason that makes sense to me from an
24 economic perspective, Your Honor, is that this is
25 assigning wife taking on 50,000 dollar note in her name

1 that has accrued for monies received from Mr. Lancaster,
2 that benefitted them both, put that solely in her name,
3 there's no tax advantage to that, there's no financial
4 recording advantage to that.

5 There's no economic advantage to that beyond
6 assigning -- being able to assign the 190,000 dollar
7 mortgage over to the wife and then assign it over to Mr.
8 Lancaster.

9 Q. With regards to that note, how if at all does that
10 relate back to the original transfers going back and
11 forth between the Drews' and Lancaster in the '92 through
12 '99 timeframe?

13 A. That 190,000 mortgage that was assigned from the
14 sale of 1705 Meeting to, that was in Mr. Drews name, that
15 building had been in his name for many, many years, that
16 was assigned to his wife on the date of closing and then
17 immediately assigned over to Mr. Lancaster was for the
18 satisfaction of those 160,000 dollar mortgages that had
19 been filed on the properties over the years.

20 Q. Are you familiar with the concept of a preferential
21 transfer?

22 A. --

23 Q. Sir?

24 A. I'm familiar with it.

25 Q. Tell us briefly what that is.

1 A. It's when you make a -- my understanding of it is
2 when you make a transfer of an asset to one creditor in
3 preference over another.

4 Q. Did you observe whether any of the transfers that
5 you studied in the Drews'/Lancaster 18 year period
6 whether they constituted -- any of those constituted
7 preferential transfers?

8 A. Well, the 100,000 that was initially transferred, I
9 think is very clear from the depositions and testimony
10 that that was done so that that would provide them
11 security against the I-R-S that was coming, the property
12 taxes that had to be paid on the claims that were at
13 that.

14 So, from the beginning, it appears that that was
15 assigned to protect that money from creditors. As you go
16 down and that money is borrowed back and loaned to Mr.
17 Lancaster, he is given mortgages well in excess of the
18 monies he is loaning back to them from that 100,000
19 dollars that was given.

20 And I believe Mr. Lancaster testified during his
21 time about what he knew was going on with Builder's
22 Station at that time and things of that nature.

23 So, it does appear that these were being done, these
24 transfers were being done, these assignments were being
25 done, the monies were being transferred in this way so as

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1 to protect these assets from potential creditors; and
2 while at the same time Mr. Drews is able to benefit
3 directly from the asset.

4 Q. Thank you, sir.

5 MR. DODDS: Thank you, Your Honor.

6 THE COURT: Cross-Examination.

7 CROSS-EXAMINATION

8 BY MR. DODDS:

9 Q. Mr. Livingston ---

10 THE COURT: --- let me ask one question. That chart
11 there [indicates] is that a number -- a plaintiff's
12 number; not this one but the other one?

13 MR. LUCEY: This other one is not, it was only
14 demonstrative.

15 THE COURT: Okay, if it's demonstrative, bring it
16 up here so I can see it. You don't have a written -- a
17 small copy ---

18 MR. LUCEY: --- I can hand you a copy.

19 THE COURT: Let me have a smaller copy I can look
20 at. You had it so far away I couldn't see it.

21 [Whereupon, Mr. Lucey provides documents to the
22 court]

23 THE COURT: Thank you, sir. All right, cross-
24 examination.

25 MR. DODDS: Thank you, Your Honor, if it pleases the

1 court.

2 Q. [Mr. Dodds] Mr. Livingston, other than Mr. Lucey,
3 Ms. Drawdy and other persons associated with the Lucey
4 Law Firm, who have you spoken to with regard to the
5 matters you have testified to this afternoon?

6 A. Nobody.

7 Q. Nobody, okay. You haven't spoken with Mr.
8 Lancaster?

9 A. No, I have not.

10 Q. Obviously haven't spoken with Mr. Drews because he
11 is deceased, correct?

12 A. That is correct.

13 Q. Likewise not spoken to Effie Drews?

14 A. That is correct.

15 Q. Haven't spoken with Mr. Dorsey Biller?

16 A. No, I have not.

17 Q. Okay. Now, were you aware that the Bainbridge
18 Drive residence was purchased by Mr. Lancaster for the
19 sum of 160,000 dollars?

20 A. That is correct.

21 Q. Of which, 100,000 dollars represented monies
22 contributed by Mr. and Mrs. Drews.

23 A. That is correct.

24 Q. Were you aware that Mr. Lancaster granted to Mr. and
25 Mrs. Drews a life estate in the Bainbridge Drive

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1 property?

2 A. That's correct.

3 Q. And were you aware that when ---

4 THE COURT: --- let me interrupt just a second ---

5 MR. DODDS: --- I'm sorry ---

6 THE COURT: --- and ask the lawyers this question,

7 okay. Everybody's been talking about this life estate.

8 Now my understanding of a life estate it has got to come

9 by deed. We don't have a life estate by deed. I know we

10 got a memorandum that they can live there for life ---

11 MR. DODDS: --- right ---

12 THE COURT: ---- but is that legally a life estate?

13 MR. DODDS: I believe that it is, Your Honor.

14 THE COURT: You do?

15 MR. DODDS: Yes.

16 THE COURT: You think you can transfer a life
17 estate with a memorandum without putting it in a deed and
18 have whoever is going to receive it at the end of the
19 life?

20 MR. DODDS: Well it's a recorded instrument, Your
21 Honor, so it is a matter of public record.

22 THE COURT: What's your position? I've been
23 thinking about that and I just want to hear y'all's
24 position. Because I was always under the impression if
25 you going to convey a life estate and you can't do both,

1 you do it by deed.

2 MR. LUCEY: Yes, sir. We put in there 2 documents
3 that they claim are life estates, we don't -- we put them
4 in in part because the first alleged life estate was
5 never cancelled. Now how -- life estates don't evaporate
6 -- so in our minds...

7 THE COURT: To me it's just a memorandum that he
8 agreed to let him live there for 100,000 which could be a
9 suit under contract, but not necessarily a legal life
10 estate. I don't know if I'm making a bad distinction ---

11 MR. DODDS: --- I understand, Your Honor, and I
12 understand -- and you may be right. I don't know that
13 it's significance with respect to our position that there
14 was ---

15 THE COURT: --- it's significant to me in this
16 respective, okay. In this respective to me it's another
17 effort to hide it from the public, unless you tell me --
18 you say that memorandum is recorded?

19 MR. DODDS: Yes sir, Your Honor.

20 THE COURT: All right, go ahead. Okay, it was
21 reported in public you're saying?

22 MR. DODDS: Yes, sir, it was.

23 MR. LUCEY: It was recorded, but the second one was
24 called a subordination agreement, it wasn't even called a
25 life estate. You have to read in the details to find out



1 if there's -- it's allegedly a lease ---

2 THE COURT: --- but the first one was recorded?

3 MR. LUCEY: It was recorded.

4 THE COURT: All right, so the public could've found
5 it. Thank you very much.

6 MR. DODDS: Certainly, Your Honor.

7 Q. [Mr. Dodds] Now, are you familiar with this term
8 life estate, or life tenancy?

9 A. I'm familiar with it.

10 Q. Is it your understanding that someone having a life
11 tenancy or a life estate has a right to the exclusive use
12 and possession of the property to which has been given?

13 A. That's my understanding.

14 Q. And so, if you had a life estate in a residence that
15 I owned and I wanted to sell or mortgage that life
16 estate, I couldn't do so without your expressed
17 permission, isn't that true?

18 A. That's my understanding of a life estate, yes.

19 Q. Okay. Were you aware that when Mr. Drews began
20 having problems with his knees and needed a single-floor
21 home to live in, that Mr. Lancaster went out and bought
22 the Nuffield Road residence for 125,000 dollars?

23 A. That's what I heard him testify to, yes, sir.

24 Q. Have you seen any documents to substantiate that?

25 A. The only thing regarding their knees or their ---



1 Q. --- no with regard to Mr. Lancaster's purchase of
2 the Nuffield Road residence for 125,000 dollars?

3 A. I definitely agree that he bought it for ---

4 Q. --- okay. ---

5 A. --- it was purchased for 125,000.

6 Q. And then he allowed Mr. and Mrs. Drews to live in
7 that residence for the rest of their natural lives?

8 A. That's correct.

9 Q. So, taking from May of 1992 until February, let me
10 check my date -- excuse me, until February of 2010, Mr.
11 and/or Mrs. Drews lived in one or the other residences
12 purchased by Mr. Lancaster for a total of 213 months.
13 Would you agree with me there?

14 A. I haven't done the math, but it is a long period of
15 time, but it wasn't purchased entirely by Mr. Lancaster.

16 Q. That's your -- that's what your testimony is.

17 A. That is correct.

18 Q. Okay. And your testimony is based on the fact that
19 Mr. and Mrs. Drews gave Mr. Lancaster 100,000 dollars?

20 A. They did, yes.

21 Q. Okay. Are you disputing that that 100,000 dollars
22 was paid in consideration of Mr. Lancaster's agreement to
23 allow Mr. and Mrs. Drews to live in the residence for the
24 rest of their natural lives?

25 A. That's been the testimony, that's what that 100,000

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1 dollars was conveyed for, which when that 100,000 was
2 conveyed that was done with the knowledge of potential
3 creditors, claims by the I-R-S, other claims thereby
4 allowing that 100,000 dollars to be an asset that in the
5 name of Mr. Lancaster, but allows the Drews to enjoy that
6 asset, that 100,000 dollar asset for the remainder of
7 their lives.

8 Q. Mr. Livingston, how could you possibly make that
9 statement when you never spoke with Mr. Lancaster, you
10 never spoke with Mr. Drews, you never spoke with Mrs.
11 Drews? How can you make that statement?

12 A. Again, I'll refer to Mr. Lancaster's deposition that
13 talks about what was going on, what led to this 100,000
14 dollars transfer that happened in 1992. It says, again,
15 early 1992, this is Mr. Lancaster, the I-R-S is closing
16 in on collecting on property taxes that Bob has no rental
17 income, he owes heavily for lenders on Edgewater.

18 He's got the I-R-S after him, so I guess it was in
19 April of '92 that I was in town that we were going to
20 lunch and he told me he would have to sell Edgewater, his
21 home, to pay off the I-R-S and these other loans ---

22 Q. --- right ---

23 A. --- and they would barely have 100,000 dollars left.

24 Q. Right.

25 A. So at that time, he proposed to give the 100,000

1 dollars to buy the house and goes through that this is
2 going to provide him security for the rest of his life.

3 Q. But you're aware, aren't you, that Mr. and Mrs.
4 Drews sold Edgewater Park, their residence; they sold
5 that residence, aren't you?

6 A. They did.

7 Q. Were you aware that they paid off all the liens that
8 had been filed against them at that time -- at the time
9 they sold their Edgewater Park residence? They cleared
10 up all those liens.

11 A. I'd have to look back and see because I know those
12 I-R-S liens that are filed even after that.

13 Q. But, if there were liens filed against Mr. or Mrs.
14 Drews at the time they sold their Edgewater Park
15 residence, those liens would have to have been satisfied
16 in order for them to sell the property, correct?

17 A. If there's a lien attached to the property. If
18 there's not a lien attached to the property, I believe
19 you can still sell it.

20 Q. I agree with you. It would have to attach to the
21 property. But when the I-R-S or when the South Carolina
22 Department of Revenue filed a lien against an individual,
23 that lien becomes a lien against any real estate that
24 individual owns, correct?

25 A. Possibly, but it doesn't say that the I-R-S has

1 filed liens, it just says the I-R-S is coming after him.

2 Q. But ---

3 A. --- that there's -- on the horizon that there's
4 going to be problems.

5 Q. But you don't know that. You don't know that. That
6 came from Mr. Lancaster. You don't know that for a fact,
7 do you?

8 A. That's Mr. Lancaster's testimony.

9 Q. Right. What creditors of your knowledge, of which
10 you are aware was Mr. Drews trying -- Mr. or Mrs. Drews
11 trying to avoid when they paid 100,000 dollars to Mr.
12 Lancaster in May of 1992?

13 A. Specific ones, I'm not aware of the specific
14 creditors.

15 Q. Okay. And you're aware that with respect to Mr.
16 Gordon's judgment, that that judgment came about as a
17 result of the sale of stock by Mr. Drew and another
18 individual in September of 1996?

19 A. That's my understanding, yes.

20 Q. Some, 3 and a half to 4 years after Mr. and Mrs.
21 Drews had given, had provided -- paid to Mr. Lancaster
22 100,000 dollars.

23 A. What year was that, I'm sorry? 1995?

24 Q. No.

25 A. 1996?

1 Q. No, I apologize, I'll go back. We agree that the
2 claim for which Mr. Gordon secured the judgment against
3 Mr. Drews and this other individual with Builder's
4 Station that resulted from the sale of stock which
5 occurred September 9, 1996?

6 A. Yes.

7 Q. okay, which was 3 and a half to 4 years -- actually
8 more than 4 years after the 100,000 dollar payment to Mr.
9 Lancaster?

10 A. Approximately 4 years.

11 Q. Okay. And you say that they were doing that so
12 that they could maintain control of the property, yet not
13 have it in their name. Is that your testimony?

14 A. They are able to use the property how they want.
15 They are able to -- are then able to borrow back against
16 that 100,000 Mr. Lancaster pointed out ---

17 Q. --- Mr. Lancaster could, but not Mr. or Mrs. Drews.
18 They couldn't borrow any money based on that life estate,
19 could they?

20 A. No, they could not go to the bank and get their own
21 money back.

22 Q. Right, nor could Mr. Drews -- excuse me nor could
23 Mr. Lancaster do that without the expressed permission of
24 Mr. and Mrs. Drews. Isn't that true?

25 A. I'm not aware if he is allowed to incur debt on the

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1 equity of a house that has a life estate on it.
2 Q. When you say he, who are you referring to ---
3 A. --- Mr. Lancaster ---
4 Q. --- Mr. Drews -- okay.
5 A. But we know that Mr. Lancaster, if he is required to
6 get that permission did occur that day.
7 Q. Right ---
8 A. And did use that money to loan it, interest free,
9 and at cost back to ---
10 Q. --- wasn't interest free, was it?
11 A. It was at cost.
12 Q. Okay. So, he didn't charge his uncle any more
13 interest than what his bank was charging him, right?
14 A. On the 100,000 dollars of equity.
15 Q. That's correct.
16 A. That's correct ---
17 Q. --- on any of the loans that he made to Mr. or Mrs.
18 Drews, he didn't charge either one of them more interest
19 than what his lender was charging him, isn't that true?
20 A. For a period of time, yes, but then the interest
21 rate goes to a fixed amount.
22 Q. Uh Huh.
23 A. And it was fixed for some period of time, so ---
24 Q. --- okay ---
25 A. --- so, there's no way to tell ---

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1 Q. --- All right, so you don't know ---

2 A. --- but we know he didn't report it so...

3 Q. And you have no information to dispute any of the
4 loans that Mr. Lancaster has testified he made to Mr.
5 and/or Mrs. Drews, correct?

6 A. I'm sorry, say that again.

7 Q. I said, you have no information to present to the
8 court today to dispute any of the loans that Mr.
9 Lancaster states and has testified to he made to Mr. or
10 Mrs. Drews?

11 A. No. The 60,000 dollars that was given to the Drews
12 I have -- don't have anything that shows that this fund
13 that was or was not made. All we have is Mr. Lancaster's
14 schedules.

15 Q. Right and his testimony under oath in court today,
16 correct?

17 A. That's correct.

18 Q. Okay. And haven't you come across in your vast
19 experience as a forensic accountant, situations where
20 relatives don't require one another to sign written
21 promissory notes incidence to loans they make with each
22 other?

23 A. I've seen many cases where promissory notes were not
24 signed and where the interest was well below the market
25 and that normally is because the I-R-S gets involved and

1 they're not treated as a true loan, an arm's length
2 transaction it causes a lot of problems with the I-R-S.
3 Not being deemed a true ---

4 Q. --- happens all the time, though doesn't it?
5 Doesn't it happen all the time that relatives loan each
6 other money without requiring the other to sign a
7 promissory note?

8 A. It does happen, yes.

9 Q. And this assignment of the 190,000 dollar mortgage
10 that Mr. Drews received from Charleston Antiques, he
11 assigned that to his wife, right, Effie?

12 A. On the date that it ---

13 Q. --- right, November 1, 2001, correct ---

14 A. --- signed it directly to his wife.

15 Q. And at that time Effie executed a promissory note in
16 favor of Mr. Lancaster for the entire amount of the note
17 -- excuse me for the entire amount of money Mr. Lancaster
18 claimed was owed. 50,912 dollars, correct?

19 A. That's correct.

20 Q. And that was the first time that a written
21 promissory note was executed by Mr. or Mrs. Drews,
22 correct?

23 A. It's the first one I'm aware of, yes.

24 Q. The collateral, the assignment of that 190,000
25 dollar note and mortgage specifically secured payment of

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1 that 50,912 dollar note, correct?

2 A. That's what it says, yes.

3 Q. Okay. And you have no evidence, today in court, to
4 suggest that Mr. Lancaster received one penny more than
5 he was entitled to with respect to the assignment of that
6 190,000 dollar note and mortgage. Isn't that true?

7 A. He was paid based on the -- what appears to be the
8 calculated interest rate on ---

9 Q. --- right, based on the 50,912 dollar note?

10 A. From that point forward, yes.

11 Q. Right. And the reason that Mr. Drews ended up
12 assigning the note and mortgage back to Effie Drews is
13 because that 50,912 dollar note had been paid in full,
14 correct?

15 A. It was assigned back when the money came in. He was
16 paid.

17 Q. Right. So, he got paid what he was entitled to be
18 paid pursuant to the terms of the promissory note. And
19 the rest of the money went back to Effie Drews who was
20 the holder of the balance of that 190,000 dollar note and
21 mortgage, correct?

22 A. Correct. It went back to Effie Drews and was then
23 used for the benefit of Mr. and Mrs. Drews. But an
24 outside party looking in at the public records would have
25 no idea -- would not be able to tell that that 190,000

1 dollar mortgage minus 50,000 dollars belonged to them.

2 Q. Well, an outside party looking at the public records
3 certainly could have read that assignment which
4 specifically said it was to secure the note from Mrs.
5 Drews to Mr. Lancaster isn't that true?

6 A. It does say it's to a secure note, yes.

7 Q. Now you seem to make issue about a loan that Mr.
8 Lancaster secured from South Carolina National Bank in
9 the amount of 100,000 dollars June 14, 1996. Are you
10 familiar with that loan?

11 A. I'm not making issue with it. It's ---

12 Q. --- okay ---

13 A. --- he gets a 100,000 dollar line of credit on the
14 Bainbridge house.

15 Q. Right. Have you come across any record to suggest
16 that Mr. Lancaster paid Mr. or Mrs. Drews any money as a
17 result of him securing that mortgage loan on Bainbridge
18 on June 14, 1996?

19 A. I don't have the record of how that money was used
20 or...

21 Q. Right but there's no indication on either of the
22 spreadsheets that you have, either plaintiff's 23 I think
23 or defendant's 6 that suggest that Mr. Lancaster paid any
24 money to Mr. or Mrs. Drews on June the 14, 1996, is
25 there?

- 1 A. No.
- 2 Q. Okay. You have no evidence today do you, Mr.
- 3 Livingston that Mr. Lancaster in any way participated
- 4 with respect to the transactions which occurred between
- 5 Dorsey Biller, Jessie Atkinson, Effie Drews, or Bob
- 6 Drews, do you?
- 7 A. No, I do not.
- 8 Q. Okay. On the Drews' tax returns, did Mr. and Mrs.
- 9 Drews itemize interest payments or did they utilize a
- 10 standard deduction?
- 11 A. In returns I've been provided, it looks like they
- 12 used a standard deduction ---
- 13 Q. --- okay ---
- 14 A. --- but the Schedule A itemization was filled out in
- 15 determining which would be better.
- 16 Q. Okay. So, if they used the standard deduction, then
- 17 that's what the I-R-S takes into consideration in
- 18 processing their returns, correct?
- 19 A. Oh, yes.
- 20 Q. So it doesn't matter what they put on the separate
- 21 schedule when they utilize a standard deduction, does it?
- 22 A. For computing the tax, no.
- 23 Q. Have you ever had a client fail to include interest
- 24 income on a tax return?
- 25 A. Yes.

1 Q. You have?

2 A. Uh Huh.

3 Q. Isn't it true that institutional lenders, for
4 example if you had your money in South Carolina National
5 Bank or First Citizens, you had a certificate of deposit
6 and they were paying you interest that they send you a
7 statement so that you have some statement as to what the
8 amount of interest is that's been earned on your
9 certificate deposit, or what not?

10 A. Yes, they send you a 1099.

11 Q. 1099, thank you. Mr. or Mrs. Drews wouldn't
12 necessarily have sent Mr. Lancaster a 1099, would they
13 have?

14 A. They may not have. Normally what matches that up
15 with the I-R-S is when a party reports interest expense
16 on a tax return, they report who they paid it to. And
17 then the I-R-S uses that to match it up with the
18 receiving individual's tax return.

19 But, since there does not appear to be reported on
20 the Drews tax return, I don't see any mechanism that the
21 I-R-S would use to match that up with Mr. Lancaster
22 receiving it.

23 Q. Now Mr. Livingston, you testified about the
24 disparity between defendant's exhibit 6 and plaintiff's
25 exhibit, and I'm not sure which plaintiff's exhibit you

1 were referring to. Was it 28?

2 A. I believe it was 28.

3 Q. Okay. Let me give you defendant's 6 and defendant's
4 28 [sic] and let me ask you this, the discrepancy arises
5 during the tax year or during the year -- during the
6 calendar year 1996, correct?

7 A. I think it's '95 and '96.

8 Q. Okay. Isn't it true that by the beginning of 1997,
9 that those 2 statements reconciled one another and were
10 consistent from the beginning of January 1997 up until
11 the time that Mr. Lancaster was paid in full in 2001?

12 A. That they reconcile?

13 Q. Well that the numbers reconcile. If you look at the
14 2 statements, it appears to me that starting on or about
15 January of 1997 that the amounts claimed as being due and
16 owing, were consistent on the 2 statements from that
17 point all the way until Mr. Lancaster was paid in full in
18 2001.

19 A. Yes. They do get to the same number. I'm not
20 arguing that they get the same ---

21 Q. --- okay ---

22 A. --- number. What I'm pointing out is they have the
23 same date, but it's completely different schedules. So
24 ---

25 Q. --- I understand.

1 A. --- So, when was it prepared?
2 Q. I understand. So, you're questioning when it was
3 ---
4 A. --- when it was prepared ---
5 Q. --- when it was prepared, okay ---
6 A. --- contemporaneously ---
7 Q. ---- but you're not suggesting that Mr. Lancaster got
8 any more money than he would have otherwise been entitled
9 as -- in accordance with both of those statements?
10 A. Correct.
11 Q. Now, you talked about -- this statement that you
12 prepared summary of present values and as I understand
13 it, basically what you did was to take the monies that
14 Mr. Lancaster reflected in a document he prepared as to
15 all of the monies that were paid to him by Mr. and or
16 Mrs. Drews and you reflected a rate of return of 2.67
17 percent to get a present value of that money of
18 112,330.05.
19 A. That's correct.
20 Q. That assumes that every single penny that was paid
21 by Mr. and Mrs. Drews' were invested in some investment
22 program which would have resulted in a rate of return of
23 2.67 percent, correct?
24 A. That assumes, yes, that that money would have been
25 -- if that money had been there and available at those

1 times, after the judgment accrued that's what the present
2 value of those amounts would be.

3 Q. But you don't know whether Mr. or Mrs. Drews would
4 have taken this money and, let's say, taken a trip to
5 Tahiti or to Paris, do you?

6 A. I don't know because they paid it to Mr. Lancaster.

7 Q. Right. So, you don't know what would have happened
8 to this money had they not paid it to Mr. Lancaster,
9 isn't that true?

10 A. Correct. I don't know what they would do with their
11 monies, but if it were there and available it could have
12 been invested at a conservative 2.67 percent.

13 Q. I was trying to understand your testimony and I
14 apologize if I didn't fully. But what I gleaned from
15 your testimony, you mentioned something about that you
16 have given credit to Mr. and Mrs. Drews an amount of
17 money basically equal to 80 percent of the proceeds from
18 the sale of the Nuffield Drive property or the Nuffield
19 Road property?

20 A. That's correct.

21 Q. So, you've given them 80 percent of those -- and
22 that was a gross number by the way 246,000, correct?

23 A. That's correct.

24 Q. So you didn't use the actual true number in terms of
25 the net proceeds that Mr. Lancaster actually received,

1 did you?

2 A. I'm sure there would have been some closing costs,
3 yes.

4 Q. But, you gave them 80 percent of that gross proceed
5 number, is that true?

6 A. That's correct.

7 Q. And that's based on Mr. and Mrs. Drews having
8 contributed 100,000 dollars?

9 A. That's correct.

10 Q. And how much money did you attribute to Mr.
11 Lancaster with regard to the purchase of Bainbridge?

12 A. 25.

13 Q. 25,000 dollars?

14 A. This is on Nuffield.

15 Q. I'm sorry, on Nuffield.

16 A. Yes.

17 Q. Right, but based on the 100,000 dollars that they
18 paid incident to the purchase of Bainbridge, correct?

19 A. The 100,000 that was given Mr. Lancaster, yes.

20 Q. Isn't it true that any monies that Mr. Lancaster
21 would have borrowed from any of his institutional
22 lenders, he would have to have paid back?

23 A. Oh, yes.

24 Q. Now, if Mr. and Mrs. Drews had a net worth of less
25 -- excuse me had a value of their estate less than 1.2

1 million dollars in 1992, the filing of a gift tax in the
2 amount of 90,000 dollars would have had no impact with
3 respect to taxes in the event of their death, would it
4 have?

5 A. If that was the only gift. I don't know if 1.2 is
6 the number when he died, I'd have to look that up ---

7 Q. --- okay ---

8 A. --- but, if they didn't go over that exclusion it
9 wouldn't be taxed.

10 Q. And because Mr. and Mrs. Drews completed or
11 allegedly completed a gift tax return, that gift tax
12 return isn't something that is necessarily provided to
13 the accountant to allow the accountant to prepare an
14 income tax return. Isn't that true?

15 A. That's correct.

16 Q. Because the gift has nothing to do with the filing
17 of an income tax return, isn't that true?

18 A. No, it does not.

19 Q. Okay. Mr. Livingston, does your calculation take
20 into consideration that Mr. Lancaster spent 15,000
21 dollars in making repairs to the Nuffield Road residence
22 after the purchase in 1995?

23 A. I haven't seen any documents about 15,000.

24 Q. Do you have any reason to dispute that Mr. Lancaster
25 made 15,000 dollars worth of repairs to the Nuffield Road

1 residence after he purchased it in 1995?

2 A. Can't confirm it or dispute it.

3 Q. Okay. In your years as a C-P-A forensic accountant,
4 haven't you seen numerous people make decisions that have
5 what you refer to as no economic advantage?

6 A. When it relates to -- you have to look at the reason
7 behind that. So, if I make a loan not for interest
8 there's -- if I make a transaction that I don't benefit
9 from, you want to look at what other factors are there
10 influencing it ---

11 Q. --- but isn't it ---

12 A. --- only because I may not make physical dollars on
13 paper, doesn't mean that there's some other advantage to
14 doing it.

15 Q. But isn't it true that people make decisions that
16 have no economic advantage all the time? Isn't that
17 true?

18 A. People make lots of decisions ---

19 Q. --- right. People invest in speculative stock,
20 stock options, all sorts of things like that, right?

21 A. Yes, which they expect to get a rate of return and
22 the more speculative, the more risk, the higher the
23 return.

24 Q. Right.

25 A. That makes economic sense. It may be a bad

1 investment, but it does make economic sense.

2 Q. In your mind?

3 A. To the person that was making it, yes.

4 Q. Now, how many times have you testified in court on
5 behalf of Mr. Lucey or Mr. Lucey's firm?

6 A. Never.

7 Q. Never? This is the first time?

8 A. Yes.

9 Q. What about Mr. Chellis [phonetic] in your office?

10 A. I don't know how many -- Mr. Chellis isn't with our
11 firm. I don't know ---

12 Q. --- okay, I'm sorry.

13 A. Okay.

14 Q. Let me ask you this, I notice some invoices that
15 have been reflected on the exhibit sheet. Do those
16 invoices include services rendered with respect to
17 forensic accounting incident to the transactions
18 involving Dorsey Biller and Jessie Atkinson?

19 A. I'm not aware of doing any significant work on the
20 tracing of those funds, but I'm sure there is some time
21 in there.

22 Q. Okay. Are you able to tell us how much?

23 A. Not without looking at detailed records, but I
24 couldn't imagine it's more than several hours.

25 MR. DODDS: No further questions, Your Honor, thank

1 you.

2 THE COURT: Thank you, very much.

3 MR. DODDS: Thank you, Your Honor.

4 THE COURT: Any redirect?

5 MR. LUCEY: Yes, Your Honor, briefly.

6 REDIRECT EXAMINATION

7 BY MR. LUCEY:

8 Q. If you'd turn to exhibit 73, you may be there you
9 were just asked about your invoices. Would you tell us
10 how much your invoices are?

11 [Whereupon, the witness reviews documents]

12 A. 5,964.

13 Q. In total?

14 A. Yes.

15 Q. Was this work necessary for the investigation and
16 tracing the assets in this matter?

17 A. Yes.

18 Q. Plaintiff moves exhibit 73 into evidence.

19 THE COURT: What number?

20 MR. LUCEY: 73, Your Honor.

21 THE COURT: Any objections?

22 MR. DODDS: No objection, Your Honor, other than
23 obviously my concern that it would -- it involves matters
24 that are not pertinent to this defendant.

25 THE COURT: He said it would be -- several hours.

1 MR. DODDS: Right.

2 THE COURT: Okay, 73 admitted with objection.

3 [Whereupon, plaintiff's exhibit number 73 is entered
4 into evidence by the court]

5 Q. [Mr. Lucey] Sir, let me show you defendant's exhibit
6 number 2. I made an erroneous response to the court a
7 few minutes go, I'd like you to correct it for me. This
8 is the defendant's copy of their alleged life estate on
9 Bainbridge Road. Do you see that?

10 [Whereupon, the witness reviews documents]

11 A. Yes.

12 Q. It doesn't -- it's not labeled life estate though,
13 is it?

14 A. No, it's labeled agreement.

15 Q. Right and there's no recording marks on this
16 document, is there?

17 THE COURT: What's the number of that?

18 MR. LUCEY: That's defendant's exhibit 2, Your
19 Honor.

20 THE COURT: All right, defendant's 2, okay.

21 A. Not on my copy, no.

22 Q. [Mr. Lucey] Let me show you plaintiff's copy of the
23 alleged life estate, plaintiff's exhibit 22. It's just
24 again, its labeled agreement, correct?

25 A. That's correct.

1 Q. And, there's no recording marks on that document is
2 there?

3 A. No, there's not.

4 Q. Let me ask you turn to plaintiff's exhibit 25, the
5 alleged life estate agreement relating to the Nuffield
6 property. Tell the court what that document is entitled,
7 please.

8 A. Plaintiff's exhibit number 25 is entitled memorandum
9 of lease and subordination agreement.

10 Q. You were asked about other liens, or all the liens
11 had been cleared up by the sale of East -- of the
12 original residence in '92. Let me ask you to turn to
13 plaintiff's exhibit 42, please.

14 [Whereupon, the witness reviews documents]

15 Q. Tell the court, if you would please, what this
16 document is.

17 A. Plaintiff's exhibit 42 is notice of federal tax
18 lien.

19 Q. In what year was that notice issued?

20 THE COURT: What number is that, now?

21 MR. LUCEY: 42, sir.

22 THE COURT: Plaintiff's number 42?

23 MR. LUCEY: 42.

24 THE COURT: All right, give me a chance to find it
25 please. Go ahead.

1 Q. [Mr. Lucey] What year was this tax notice issued,
2 sir?

3 A. Looks to be September of 2000.

4 Q. And this is -- I said note, this is actually a lien,
5 is it not?

6 A. It's notice of federal tax lien.

7 Q. Okay. And tell the court if you would please, what
8 3 years of unpaid taxes this lien reflects.

9 A. '95, '96, and '97.

10 Q. Let me ask you to turn to plaintiff's exhibit 72.

11 [Whereupon, the witness complies]

12 Q. Would you tell the court, not every document, there
13 are about 10 or 12 notices in there -- would you tell the
14 court what those various notices and what have you
15 consist of?

16 A. There are various correspondences with the I-R-S and
17 South Carolina Department of Revenue dealing with taxes
18 due, penalties, interest, and things of that nature.

19 Q. The first one is from the tax period 1995 which
20 would be post-sale of that residence?

21 A. Yes.

22 Q. Then there are various other years behind it?

23 A. Yes. Looks like the one is '97, '95, and then
24 there's just various correspondence back and forth
25 regarding tax liens and then there's just more notices

1 and liens and correspondence regarding tax liens.

2 Q. And there is a '97 tax lien it appears toward the
3 back of this document, about 7 pages before the back?

4 [Whereupon, the witness reviews documents]

5 A. I see '95, I see a '97 here another '97, yes.

6 Q. Now, if you would turn to exhibit 11 that you were
7 asked about, the assignment. The assignment of the
8 mortgage receivable from Charleston Antiques by Effie
9 Drews to Donald Lancaster, are you there?

10 A. Yes.

11 Q. There's a reference to another note, but there's no
12 description to the note, correct?

13 A. That's correct, the assignment from Mrs. Drews to
14 Mr. Lancaster does reference a note, but the note does
15 not appear to be part of the public records.

16 So, while the note may be 50,000, the mortgage that
17 was recorded and assigned was 190,000. Again, an outside
18 party looking in only knows that a note exists. Not that
19 it's only for 50,000.

20 Q. So an outside party can't tell there's an extra
21 100,000 of equity in that mortgage?

22 A. It's 190 for the mortgage, I believe. 50; so there's
23 about 140,000.

24 Q. And with reference to the standard deduction, Mr.
25 Drews only used that in 1 of 5 of his tax return years

1 that we were able to obtain, correct?

2 A. I'm sorry, Mr. Drews or Mr. Lancaster?

3 Q. Mr. Drews exhibits 63 through 67.

4 A. In 2001, he did not use the standard deduction, he
5 used the itemized one which again does not report -- it
6 only reports 65 dollars of interest expense that I can
7 see that might be related to the notes between parties.

8 In 2002, it does appear he reported the standard
9 deduction, but again the Schedule A is filled out in
10 determining which one is better and I don't see anywhere
11 in 2002 where the interest expense may be recorded on
12 this return.

13 Again in '03, looks like he uses the standard
14 deduction, but the Schedule A is still out in determining
15 that, again having been able to locate the interest
16 expense on that return. In 2004 and 2005 he does use the
17 standard deduction, but the Schedule A has not been
18 provided with these.

19 Q. And you were asked about documents making economic
20 sense and whether or not everybody -- doesn't --
21 everybody occasionally does a document that doesn't make
22 economic sense. In your forensic work, have you ever seen
23 a 100,000 dollar mortgage granted for no consideration at
24 all?

25 A. No.

1 Q. Thank you.

2 THE COURT: Any recross?

3 MR. DODDS: Just one question.

4 RECROSS-EXAMINATION

5 BY MR. DODDS:

6 Q. I don't see any filed liens in plaintiff's exhibit
7 72, Mr. Livingston. Could you show me any filed liens?

8 [Whereupon, the witness reviews documents]

9 A. I haven't seen anything filed, just correspondence
10 from the I-R-S and taxing authorities that there's tax
11 issues.

12 Q. Right, but no filed liens in plaintiff's exhibit 72?

13 A. I don't see any filed liens. I do not.

14 Q. Thank you, sir.

15 MR. DODDS: No further questions Your Honor.

16 MR. LUCEY: Nothing further, Your Honor.

17 THE COURT: You may step, thank you.

18 THE WITNESS: Thank you.

19 MR. LUCEY: Your Honor, the plaintiff is putting
20 into evidence with the defendant's consent, plaintiff's
21 exhibit 81 from the underlying litigation, which is a
22 September 9, 1996 stock subscription agreement for the
23 stock in Builder's Station. This was the basis of the
24 stock fraud suit and it is put into evidence to show when
25 the underlying right accrued.

1 [Whereupon, plaintiff's exhibit number 81 is marked
2 by the court reporter]

3 MR. DODDS: What's the number on that?

4 MR. LUCEY: 81.

5 MR. DODDS: 81. We don't have any objection to
6 that, Your Honor. We would simply remind the court that
7 our client, Mr. Lancaster, didn't have anything to do
8 with the sale of that stock. It's in Mr. Gordon's name.

9 [Whereupon, plaintiff's exhibit number 81 is entered
10 into evidence by the court]

11 MR. LUCEY: Permission for the witness to be
12 excused, Your Honor?

13 THE COURT: Yes, sir. Thank you Mr. Livingston,
14 you may be excused. Any objections?

15 MR. DODDS: No, Your Honor.

16 [Whereupon, the witness is excused and exits the
17 witness stand]

18 THE COURT: All right. Do you have any further
19 witnesses?

20 MR. LUCEY: No, sir. The plaintiff rests.

21 THE COURT: Okay. Do you have -- are you
22 anticipating witnesses?

23 MR. DODDS: Your Honor, I may. But I would like
24 to, -- if the court will entertain that the hour of the
25 day ---

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STATE OF SOUTH CAROLINA

COURT OF COMMON PLEAS

COUNTY OF CHARLESTON

DOCKET NO. 2010-CP-10-9096

FRANK GORDON, JR.

Plaintiff

vs.

DONALD LANCASTER

Defendant

TRANSCRIPT OF RECORD

June 14, 2013

Charleston, South Carolina

Volume 2 (of 2)

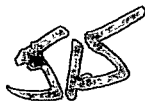
B E F O R E:

THE HONORABLE J.C. NICHOLSON, JR., JUDGE

A P P E A R A N C E S:

JUSTIN O. LUCEY, ESQ.
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PROCEEDINGS

THE COURT: Let me see where were we -- we are getting ready to hear your motions for a directed verdict, I presume, is that correct?

MR. DODDS: Yes, Your Honor.

THE COURT: All right. I'll be glad to hear you.

MR. DODDS: Thank you, Your Honor. If it pleases the court? The defendant Donald Lancaster would move for a directed verdict, Your Honor, in accordance with Rule 50 of the South Carolina Rules of Civil Procedure as to all causes of actions set forth in the second amended complaint on the ground that the judgment that the plaintiff is suing upon, Your Honor, is extinguished as being more than 10 years after its entry. Judge, initially I'd like to call your attention to paragraph 3 of the second amended complaint.

THE COURT: Let me find it, hold on.

MR. DODDS: Okay.

THE COURT: I've got it here somewhere.

[Whereupon, the court reviews documents]

THE COURT: All right, the second amended complaint. You ---

MR. DODDS: --- paragraph 3, Your Honor. And specifically ---

THE COURT: --- paragraph 3, okay.

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1 MR. DODDS: Yes, sir. And specifically with regard
2 to the language that's in parenthesis, he's referring to
3 the assignments that he had gotten that the plaintiff had
4 secured from the 2 different estates. He says, by these
5 assignments, plaintiff does not seek to enlarge or change
6 the judgment upon which he is suing.

7 Plaintiff is still collecting on the 2001-2002 trial
8 judgments. And I think that's important, Your Honor.
9 So, the basis of the plaintiff's claims against this
10 defendant is the 2001-2002 judgment.

11 THE COURT: What's the date of the judgment?

12 MR. DODDS: Your Honor, the initial -- there was
13 initially an order of judgment that was entered on
14 December 5, 2001.

15 THE COURT: Okay.

16 MR. DODDS: And this is all set forth in the
17 defendant's exhibit ---

18 THE COURT: --- what's the date of the assignment
19 ---

20 MR. DODDS: --- sir?

21 THE COURT: What's the date of the assignment?

22 MR. DODDS: The assignment was in November of 2001,
23 Your Honor.

24 THE COURT: November ---

25 MR. DODDS: --- excuse me, November of 2011.

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1 THE COURT: November 2011 was the assignment?
2 MR. DODDS: Yes, sir. There were 2 assignments.
3 THE COURT: Okay.
4 MR. DODDS: So the initial order of judgment was
5 entered December 5, 2001 and then there was an order
6 awarding attorney's fees that was entered March 15, 2002.
7 THE COURT: So your position is the judgment
8 expired on December 5, 2011, is that correct?
9 MR. DODDS: Yes, Your Honor and or alternatively
10 with respect to the additional order awarding attorney's
11 fees that that would have expired on March 16 of 2012.
12 THE COURT: Okay.
13 MR. DODDS: Judge, what I'd like to do is to draw
14 your attention to 3 different statutes. And I've given
15 you a copy of them and I won't be long with respect to.
16 the statutes. They're 15-39-30, Your Honor, entitled
17 Issuance of executions ---
18 THE COURT: --- let me -- I've read what you gave
19 me.
20 MR. DODDS: Okay.
21 THE COURT: And let me just ask you -- where the
22 Garrison case talks about the -- active energy during the
23 time period ---
24 MR. DODDS: Yes.
25 THE COURT: And the case is pretty well saying if

1 you start supplemental proceedings within the 10-year
2 period and then the 10-year period expires, the order
3 coming from the -- it doesn't avoid the circuit court or
4 issue an order after the 10-year period. My
5 understanding he started the lawsuit within the 10-year
6 period.

7 MR. DODDS: He filed the lawsuit within the 10-year
8 period ---

9 THE COURT: --- so, my question to you is very
10 simple. Why doesn't that -- if supplemental proceedings
11 prevent the statute from expiring ---

12 MR. DODDS: --- right ---

13 THE COURT: --- surely a lawsuit would stop the
14 statute from expiring under the active energy which
15 Garrison gave reference to in his case, so that's my
16 question.

17 MR. DODDS: I understand. And of course Garrison
18 was overruled by this case, Your Honor, Linder -- Linda
19 Mc Company Inc. vs. Shore ---

20 THE COURT: --- yes sir, I understand that. But
21 they didn't overrule what I was saying to you.

22 MR. DODDS: Well, let me, if I may, Your Honor ---

23 THE COURT: --- yes, sir ---

24 MR. DODDS: --- because I think ---

25 THE COURT: --- it was overruled on a different

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1 basis.

2 MR. DODDS: Right ---

3 THE COURT: --- but go ahead.

4 MR. DODDS: Yeah. Essentially what they said in
5 Linda Mc Company vs. Shore, Your Honor, number 1 if you
6 note they say we want this -- this is on paragraph 8,
7 Your Honor, of the opinion about middle of the sections.
8 [Reading]. We want to stress this is a narrow holding
9 limited to facts similar to those at issue in this case.

10 And Judge, the facts are important in that case.

11 This was a case ---

12 THE COURT: --- paragraph rule. I'll look at the
13 case itself. Subject matter jurisdiction?

14 MR. DODDS: Your Honor, if you'd take a look ---

15 THE COURT: --- I'm with you, go ahead ---

16 MR. DODDS: --- on paragraph 8 ---

17 THE COURT: --- okay ---

18 MR. DODDS: --- first of all they say, we want to
19 stress this is a narrow holding limited to facts similar
20 to those at issue in this case.

21 And the issue in that case, Judge, was the -- in
22 that case the judgment creditor had petitioned for
23 supplemental proceedings to determine if the judgment
24 debtors had any assets. They had petitioned for that
25 supplemental proceeding within 10 years of the entry of

1 the judgment. One day after 10 years, after the judgment
2 was entered, the circuit court issued an order to execute
3 and levy upon the debtors assets. And that is extremely
4 important, Your Honor, because we're talking about the
5 same action in which the judgment was rendered and we're
6 talking about a supplemental proceeding to execute and
7 levy.

8 And that's the only exception that was carved out in
9 Linda Mc v. Shore, Your Honor. If you look at it it talks
10 -- it says hence when a party has complied with the
11 applicable statutes as respondent did in this case and is
12 merely waiting on a court's order regarding execution and
13 levy, again regarding execution and levy, the 10-year
14 limitation found in section 15-39-30 is extended to when
15 the court finally issues an order.

16 So, this case did not overrule Carr v Guerard, Your
17 Honor. And I can talk about Carr v Guerard if you'd
18 like. But I think that case is very much analogous to
19 this case and if you would just bare with me, Your Honor.
20 In Carr a judgment creditor brought an action against a
21 judgment debtor, his wife, the judgment debtor's wife and
22 the judgment debtor's child to set aside money transfers
23 as fraudulent more than 10 years after the entry of the
24 judgment. In that case, the circuit court granted the
25 judgment creditor some re-judgment holding that -- in

1 reality the action was nothing more than an attempt to
2 collect on the judgment. And the South Carolina Supreme
3 Court in 2005, in Carr v Guerard said as soon as the
4 judgment became more than 10 years old, the judgment
5 creditor lost his judgment creditor's status.

6 THE COURT: I'll agree with that.

7 MR. DODDS: Right ---

8 THE COURT: --- I don't have an argument with you
9 on that. But, the question in this case he filed his
10 lawsuit prior to the expiration of the 10-year time
11 period.

12 MR. DODDS: Right.

13 THE COURT: Now you -- there's all kind of law that
14 says that would toll any type of statute.

15 MR. DODDS: Well, there is no toll in the statute,
16 Your Honor.

17 THE COURT: I understand, but they say it's not a
18 statute of limitations, but a 10-year expiration of the
19 Case --

20 MR. DODDS: --- right ---

21 THE COURT: Cases say it's not a statute of
22 limitations, but you tell me why filing a lawsuit doesn't
23 -- how can ---

24 MR. DODDS: --- because it's a new ---

25 THE COURT: --- how can you make this argument when

1 he filed within a 10 year period?

2 MR. DODDS: Because it's a different lawsuit, Your
3 Honor. This Linda Mc v Shore case ---

4 THE COURT: --- well ---

5 MR. DODDS: it carved out a specific exception for
6 execution and levy, Judge. That's all this case did. It
7 didn't say anything about ---

8 THE COURT: --- we got to talk about them in a
9 minute, okay?

10 MR. DODDS: Okay.

11 THE COURT: On what this case really is.

12 MR. DODDS: Right. What I'm saying, with all due
13 respect Your Honor, is that what the plaintiff is trying
14 to do is the exact same thing the plaintiff was trying to
15 do in Carr v Guerard ---

16 THE COURT: But in Carr, they filed after the 10
17 years.

18 MR. DODDS: That's true.

19 THE COURT: There's a difference.

20 MR. DODDS: That's true.

21 THE COURT: That's the distinction I'm trying to
22 make to you.

23 MR. DODDS: That's true, but the court didn't
24 distinguish that, Your Honor ---

25 THE COURT: --- but that wasn't before them because

1 filed after the 10 years. In the Carr case ---

2 MR. DODDS: --- right, but ---

3 THE COURT: --- in this case they filed before so
4 that issue hasn't been addressed in the context of our
5 discussion.

6 MR. DODDS: Well Judge, I'm just saying that if you
7 look to Linda Mc v Shore it is a very narrow holding and
8 it references specifically with regard to ---

9 THE COURT: --- look at the Linda case, okay.

10 MR. DODDS: Which one? I'm looking at it, Your
11 Honor.

12 THE COURT: Look at the Linda case paragraph 9 okay
13 ---

14 MR. DODDS: --- I've got it ---

15 THE COURT: --- I'll read it to you -- if a party
16 takes action to enforce a judgment within the 10-year
17 statutory period of active energy, the resulting order
18 will be affected even if issued after 10-year period has
19 expired.

20 MR. DODDS: Right.

21 THE COURT: I mean -- that's this case.

22 MR. DODDS: Well, to enforce the judgment, Your
23 Honor, is to execute and levy. They brought an
24 independent action against a different defendant ---

25 THE COURT: --- I understand, but your motion was

1 the 10-year statute and that's what I'm trying to
2 address, okay?

3 MR. DODDS: Right.

4 THE COURT: We'll talk about what this action is
5 shortly.

6 MR. DODDS: Okay. Well, if Your Honor -- and I
7 understand, but if -- our position is, with all due
8 respect to the court, is that with respect to the 3
9 statutes that I've cited, 15-39-30, 15-39-130, 15-35-A
10 (10) this judgment expired after 10 years. And that Linda
11 Mc in accordance with Carr v Guerard he's no longer --
12 his judgment is gone, he's no longer a creditor. All his
13 claims are extinguished with respect to this defendant.

14 And the only I would say with regard to the Linda
15 Mc v Shore case, Your Honor, is it specifically says it's
16 a very limited, very narrow holding. And it specifically
17 says trying to enforce their judgment and refers to
18 execution and levy. That's not what's going on here,
19 Judge. This is an independent action against a new
20 defendant where they're seeking relief other than
21 execution and levy. Thank you, Judge.

22 THE COURT: All right, based upon the Linda case
23 and what I just read to you where the parties took action
24 on your basis of 10 years expiration of the statute, your
25 motion is denied.

1 MR. DODDS: --- If you would ---

2 THE COURT: --- first of all let me back up, I'm
3 sorry, I'm sorry, Ms. Drawdy and Mr. Lucey I didn't give
4 you a chance to put something on the record, I apologize;
5 please do. You may feel different than what the court
6 says. You may have something else you want to add. I
7 didn't afford you that opportunity, I'm sorry.

8 MR. LUCEY: I would like to add something, Your
9 Honor.

10 THE COURT: Yes, sir ---

11 MR. LUCEY: --- not anything different, but your
12 ruling is not only consistent with the Linda Mc
13 [phonetic] case. But it's also consistent with the case
14 that Linda Mc [phonetic] decided in favor of when it was
15 decided how to handle the split of authority in South
16 Carolina, and that is the case of Hughes vs. Slater
17 [phonetic] from 50 years ago.

18 And what was interesting about the Hughes vs. Slater
19 [phonetic] case, Your Honor, it involved a similar
20 situation such as this where the judgment debtors kept
21 dying. And so, you kept having these estates open, you
22 kept having a new proceeding happening and then -- and
23 the same 10-year issue came up and they decided in the
24 petitioner's favor as the Linda Mc [phonetic] case did.
25 What I would like on the record, Your Honor, is this -- I

1 had the opportunity to review last night looking for
2 evidence in case Mr. Koons came to court today -- I had
3 the opportunity to review the file and I was refreshed in
4 my memory as to why it took us so long to get here and
5 this is reflected in the public records in these estates.

6 In the Drews' estate they refused to appoint an
7 executor, so we had to force an executor to get
8 appointed. We got one appointed; nothing could happen
9 until there was a person representing that estate. They
10 then moved to remove that executor. They re-filed that
11 motion 2 or 3 times over a period of 2007 to 2009.

12 And then we ran into a similar problem with the
13 administration of Mrs. Drews' estate. We were having a
14 problem identifying a defendant. But at all times, since
15 the Supreme Court denied cert in 2005, there has been a
16 proceeding going forward to collect. And the
17 supplemental proceedings were actually in parallel with
18 the claims that were filed against both estates.

19 But my memory is Judge Scarborough [phonetic]
20 indicated since the estates are open why don't you do the
21 discovery in those cases. And that's how we proceeded.
22 As soon as the plaintiff learned where the assets were,
23 they filed that suit in 2010.

24 THE COURT: When did you find out about Mr.
25 Lancaster's -- when did you find out he was a potential

1 defendant?

2 MR. LUCEY: Your Honor, we learned he was a
3 potential defendant when we finally got some discovery
4 after Mrs. Drews' estate got opened. Mr. Drews' didn't
5 bring documents to the supplemental proceedings, they
6 were held open, then he died then there was no
7 administrator ---

8 THE COURT: --- what year would this have been?

9 MR. LUCEY: That would have been late 2009 or early
10 2010.

11 THE COURT: When?

12 MR. LUCEY: Late 2009 or early 2010. Mrs. Drews
13 died, I believe in spring of 2009.

14 THE COURT: Okay, anything else you want to put
15 pursuant to the motion for directed verdict ---

16 MR. LUCEY: --- that's all, Your Honor. Thank you,
17 sir.

18 THE COURT: As I said earlier that motion is
19 denied. Do you have any witnesses ---

20 MR. DODDS: --- I do have one other motion, Your
21 Honor.

22 THE COURT: Okay, I'm sorry.

23 MR. DODDS: That's okay; I just wanted to address
24 that one because it related to all the causes of action.

25 The other motion for directed verdict, Your Honor, I have

1 is with respect to his cause of action for civil
2 conspiracy. And the basis for that directed verdict
3 motion, Your Honor, is that he has not pled special
4 damages specifically. And I think that it requires in
5 the case of Gordon v Busbee [phonetic] Your Honor, and
6 I've got a copy of the case that I can provide to you.

7 The court held that the plaintiff must plead
8 additional acts in furtherance of the conspiracy separate
9 and independent from other wrongful acts alleged in the
10 complaint. And failure to properly plead such acts will
11 merit the dismissal of the claim.

12 All he says with -- his civil conspiracy claim, Your
13 Honor, is 4 paragraphs. And all he says with respect to
14 that is he says the concerted action and activities by
15 defendant have proximately injured the plaintiff as above
16 described and have caused special damages.

17 THE COURT: Let me ask you a question just out of
18 curiosity. I agree the cases do say special damages ---

19 MR. DODDS: --- yes ---

20 THE COURT: --- and I think that's the law in this
21 state as far as civil conspiracy is concerned. What is
22 special damages -- what's your definition ---

23 MR. DODDS: --- well, you know it's interesting ---

24 THE COURT: --- what's your definition of special
25 damages versus general damages?

1 MR. DODDS: I don't know, but I can tell you what
2 our court has said, Judge. Special damages are not --
3 special damages are those elements of damages that are
4 natural, but not the necessary for usual consequence of
5 the defendant's conduct.

6 THE COURT: Tell me how that's different from
7 general damages. I've read that definition and I've
8 pondered over it ---

9 MR. DODDS: --- yeah, it ---

10 THE COURT: --- but tell me how that's different
11 from general damage.

12 MR. DODDS: General damages are inferred by the law
13 itself as they are the immediate, direct, and proximate
14 result of the act complained of.

15 THE COURT: And the special is what?

16 MR. DODDS: They say not the necessary or usual
17 consequence of the defendant's conduct.

18 THE COURT: Not the necessary and usual conduct?

19 MR. DODDS: Not the necessary or usual consequence
20 of the defendant's conduct. That's how they define ---

21 THE COURT: --- right ---

22 MR. DODDS: --- special damages. And they say
23 general damages are inferred by the law ---

24 THE COURT: --- so tell me why he hasn't shown
25 special damages, whatever that may be.

1 MR. DODDS: The -- my argument goes to the fact
2 that he hasn't pled any, Your Honor, which is what this
3 case he says has to do with. And if he fails to do it,
4 then the case is properly dismissed. Judge, this is the
5 case of Hackworth v. Greywood at Hammett, LLC [phonetic].

6 THE COURT: It said that defendant had proximately
7 injured the plaintiff and have caused special damages.

8 MR. DODDS: Right.

9 THE COURT: Is what he said. At the conclusion he
10 doesn't specify factually what the special damages are,
11 but he does say special damages.

12 MR. DODDS: That's true. But, what I am saying,
13 Your Honor, with all due respect is this case this
14 Hackworth v Greywood at Hammett, LLC [phonetic]
15 specifically says that -- special damages must be
16 specifically alleged in the complaint and it goes on to
17 say if a plaintiff merely repeats in civil conspiracy
18 claims the damages from another claim instead of
19 specifically listing special damages as part of their
20 civil conspiracy claim, the conspiracy claim should be
21 dismissed.

22 So, he doesn't specifically list his special
23 damages. He just concludes that there are special
24 damages and under this Hackworth v Greywood at Hammett
25 [phonetic] case, the claim is probably dismissed.



1 THE COURT: Let me see, what did he put in the
2 prayer? It says, together with -- he talks about in the
3 prayer...

4 [Whereupon, the court reads documents]

5 THE COURT: Okay.

6 MR. DODDS: I'm just saying, Your Honor, he didn't
7 specify what his special damages are and I think that's
8 what the cases require.

9 THE COURT: Okay. Thank you, Mr. Dodds.

10 MR. DODDS: Thank you, Your Honor.

11 THE COURT: Ms. Drawdy?

12 MR. LUCEY: Yes, Your Honor, plaintiff's special
13 damages, the general damages are the inability to collect
14 on a judgment and the removal of that money from the
15 estate that should have paid our judgment. The special
16 damages is the investigatory cost that we incurred to
17 locate those assets ---

18 THE COURT: --- what now?

19 MR. LUCEY: The investigatory cost we incurred to
20 locate those assets and was put into evidence yesterday
21 at just under 5,000 dollars by the accountant who
22 performed that service. And at this point in the ---

23 THE COURT: --- well, the problem is he says you
24 didn't plead them.

25 MR. LUCEY: I...

1 THE COURT: The cases say you're supposed to plead
2 them. All you said was a conclusion, there are special
3 damages. We are a fact based pleading state, if I
4 remember correctly.

5 MR. LUCEY: Yes, Your Honor, I believe there are
6 many cases that are -- that represent that as long as you
7 allege the special damages that is satisfactory. But at
8 this point, the special damages are in evidence. He
9 didn't move at the beginning of the trial, he's moving in
10 the middle or the end of trial.

11 The special damages are in evidence and to the
12 extent necessary plaintiff moves to amend their pleadings
13 to conform to the evidence which was introduced
14 yesterday. But it is plaintiff's position -- if it
15 simply alleges special damages, it has complied with
16 those pleading and it has in fact proved the special
17 damages in yesterday's evidence.

18 THE COURT: Mr. Dodds, he has moved to amend the
19 pleadings to conform to the evidence.

20 MR. DODDS: He can't do that judge ---

21 THE COURT: --- well, yes you can. I mean he can
22 do that. Your motion probably should have been made
23 months ago at some point in time. We are through the
24 trial now and I've ---

25 MR. DODDS: --- well ---

1 THE COURT: --- listened to some testimony ---

2 MR. DODDS: --- I understand ---

3 THE COURT: --- so how can I just say hey I'm going
4 to go back where he didn't plead this right, but he did
5 offer it into evidence and throw him out of court?

6 MR. DODDS: Well, on that cause of action you can,
7 Your Honor, because the cases say that you have to
8 specifically plead it.

9 THE COURT: I understand, but if you look at those
10 cases I would imagine those probably came up at either a
11 12(b)(6) motion or a summary judgment motion. And then
12 you get into amending a complaint. And I'll agree with
13 you, it's very poor pleadings, okay.

14 But I think that's the way most lawyers do it; they
15 state their conclusions rather than listing the facts.
16 Because sometimes when you start the complaints, you
17 don't really know what the facts are or how they are
18 going to develop.

19 MR. DODDS: I understand. Just so you know, Judge,
20 in the Hackworth [phonetic] case, it says after the
21 hearing the trial court granted Hackworth's motion to
22 dismiss and/or strike Greywood's [phonetic] civil
23 conspiracy cause of action. The trial court held
24 Greywood [phonetic] failed to properly plead its civil
25 conspiracy cause of action because Greywood [phonetic]

1 simply repeated verbatim the allegations and damages from
2 the ---

3 THE COURT: --- was that during the co-pleading?
4 The co-pleading case?

5 MR. DODDS: It's a 2009 decision ---

6 THE COURT: --- oh, that's not in our present
7 system. These younger lawyers don't even probably
8 remember co-pleadings.

9 MR. DODDS: I do, Judge.

10 THE COURT: I know you do; that's why I questioned
11 you. The rest of them wouldn't even know what co-
12 pleadings amount to.

13 Based upon the facts, the testimony I've heard and I
14 think the special damages investigator having complied
15 with the requirement of special damages, so your motion
16 is denied. And I'll grant his motion to conform the
17 pleadings to the evidence that's been offered as to amend
18 the pleadings to show the special damages he's asking for
19 as the investigative cost to locate the assets.

20 MR. DODDS: Thank you, Your Honor.

21 THE COURT: Okay. Any other motions?

22 MR. DODDS: No, Your Honor.

23 THE COURT: Do you have any further testimony?

24 MR. DODDS: No, Your Honor.

25 THE COURT: Do you have any reply testimony?

1 MR. LUCEY: No, Your Honor.

2 THE COURT: Okay. Let me ask if Mr. Lucey a
3 couple of questions. Let me look at your pleadings so
4 I'll know exactly what I'm talking about.

5 [Whereupon, the court reviews documents]

6 MR. LUCEY: And I do have a few comments prepared
7 for the court ---

8 THE COURT: --- your first -- I'll listen to your
9 comments. Your first cause of action is fraudulent
10 conveyance. Your second's a constructive trust and you
11 got civil conspiracy and you've got negligent aiding and
12 abetting. Is that correct?

13 MR. LUCEY: Yes, sir.

14 THE COURT: Everybody's been talking about the
15 judgment and the Statute of Elizabeth, but I'm not sure
16 where you have pled any of those, is that correct?

17 MR. LUCEY: I pled the Statute of Elizabeth, Your
18 Honor.

19 THE COURT: Where?

20 MR. LUCEY: In ---

21 THE COURT: --- you got first cause of action
22 fraudulent, second constructive ---

23 MR. LUCEY: --- fraudulent conveyance, Your Honor.

24 THE COURT: Fraudulent conveyance, all right.

25 MR. LUCEY: And in paragraph 37 says all the

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1 foregoing transfers were made for inadequate
2 consideration were fraudulent and made to defraud
3 creditors in or constituted -- and with preferential
4 damage to transfer ---

5 THE COURT: --- do you have a copy of the Statute
6 of Elizabeth?

7 MR. LUCEY: Yes I do, Your Honor.

8 THE COURT: Available -- and would you pull it out
9 and answer a couple of questions?

10 MR. LUCEY: Yes, sir.

11 THE COURT: Okay, code section 27-23-10 at the
12 bottom. If you prove it, it says to be clearly and
13 utterly void frustrated and no effect okay?

14 MR. LUCEY: Yes, sir.

15 THE COURT: So, in this particular case we've got
16 a third party purchase of this real estate in good faith
17 so what do you -- how you determine the damages because
18 the statute says you void the transaction?

19 Is your position the transaction, the sale of
20 Bainbridge property is voided therefore you're entitled
21 to damages? You can't retrieve the property because it's
22 already been sold to a third party individual -- I'm sure
23 he did it in bona fide good faith, okay? So you can't go
24 against that person. The property is no longer
25 available. And then you read down on the penalty and it

1 says the penalty is the forfeiture of 1 year's value of
2 lands and half goes to the estate and half goes to you.
3 So, under that theory what's your measure of damages?

4 MR. LUCEY: Your Honor, it's our reading
5 interpretation of the penalty that there actually can be
6 a misdemeanor or state penalty ---

7 THE COURT: --- Right ---

8 MR. LUCEY: --- assessed against the defendant ---

9 THE COURT: --- there can actually be jail time.

10 MR. LUCEY: In addition to, or in lieu of the civil
11 recovery or the civil outcome ---

12 THE COURT: --- right ---

13 MR. LUCEY: --- we consider that as a second
14 additional or independent available remedy and we did not
15 plea or seek his confinement or...

16 THE COURT: I understand.

17 MR. LUCEY: Yes, sir. And with regards to the
18 transactions, Your Honor, we have pled -- knowing that
19 some of the real estate has been sold we have pled to
20 recover the proceeds thereof. If it was a void
21 transaction, we don't have to go back and throw the
22 person out who now has the property. We can go against
23 the proceeds. In that regard, Your Honor, while I think
24 that the statute itself and the fraudulent conveyance
25 statute itself would entitle us to follow those proceeds

1 we additionally pled a constructive trust so the court
2 itself could use the constructive trust mechanism to
3 follow proceeds if it deemed necessary. We believe the
4 court can void the transaction and simply require a
5 return of the proceeds as opposed to a return of a
6 property that has now passed on to others.

7 THE COURT: Okay. Anything, comments you want to
8 add from the defendant to the question I asked? I'm just
9 trying to get a clear view of what he's asking the court
10 to do, okay.

11 MR. DODDS: Right, I understand. I do want to be
12 heard on the constructive trust, but I don't know that I
13 need to be heard on that now, Your Honor.

14 THE COURT: Okay, I just wanted to give you the
15 opportunity to address my question ---

16 MR. DODDS: --- I understand ---

17 THE COURT: --- if you had any comments.

18 MR. DODDS: Yes, sir.

19 THE COURT: All right. That covers the -- I guess
20 the first cause of action is your fraudulent conveyance,
21 so tell me about your second cause of action on
22 constructive trust. At some point in time, aren't you
23 going to have to make some type of election?

24 MR. LUCEY: Your Honor, my understanding of the law
25 is that I am forced to make that election when the court

1 rules. I am only entitled on the recovery, but I'm
2 entitled to get that recovery under 4 different theories
3 and then I can only get 1. I'd have to elect ---

4 THE COURT: --- I understand. At some point in
5 time you're going to have to elect. Do you want to
6 elect now or do you want to elect after the court rules?

7 MR. LUCEY: I'd prefer to elect after the court
8 rules, if it pleases the court.

9 THE COURT: Okay.

10 MR. LUCEY: Again, as I mentioned to Your Honor a
11 moment ago, a constructive trust really -- purely
12 dovetails with the fraudulent transfer claim. But simply
13 make sure the court has the legal mechanism to reach any
14 proceeds since the original property is gone. And that is
15 -- that is ---

16 THE COURT: --- your theory was you could do it
17 under the code section 27-23-10 even though the statute
18 doesn't specifically say that, but your theory is you can
19 do that.

20 MR. LUCEY: Yes.

21 THE COURT: Once the property has been sold to a
22 third party, bona fide purchase.

23 MR. LUCEY: Yes, sir Your Honor. And Your Honor ---

24 THE COURT: --- well then why do you need a
25 conservative trust? If your theory under the Statute of

1 Elizabeth is correct.

2 MR. LUCEY: In case the honored court disagreed
3 with my theory on the first cause of action.

4 THE COURT: Okay.

5 MR. LUCEY: It's purely an alternative claim.

6 THE COURT: Okay.

7 MR. LUCEY: And if I may Your Honor?

8 THE COURT: Yes, sir.

9 MR. LUCEY: Just -- I wanted to do this anyway -- I
10 wanted to make sure the court had my pre-trial brief. We
11 have emailed it and the court had told us it would be
12 provided to you so I want to make sure that's on the
13 record. And referencing that appended to that brief was
14 the preferential transfer statute, which we believe
15 dovetail with the Statute of Elizabeth and again with the
16 court's questions regarding the constructive trust.

17 And the preferential statute transfer statute --
18 simply say you can't make an assignment to the benefit of
19 your chosen creditors at the expense of the creditors you
20 don't like. Our public policy does not allow that and we
21 believe that if, in fact, a preferential transfer took
22 place then that would be almost like a de facto or an
23 automatic violation of the Statute of Elizabeth. And in
24 this case, Your Honor, I'd ask the court to at least
25 recognize even if it doesn't agree with the evidence that

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1 plaintiff attempted to put in yesterday and we believe he
2 did put in that in fact every -- a preferential transfer
3 is not just a passage of money. Every time a new
4 security interest is granted a mortgage instrument is in
5 fact a preferential transfer.

6 And so every one of these transactions was
7 potentially subject to being a potential preferential
8 transfer and we believe the number will prove the
9 preferential transfer. And the court will recall that
10 Mr. Lancaster himself testified at the end of his
11 testimony that at the time the 2001 assignment went to
12 him to secure his alleged 50,000 debt that was an
13 assignment substantially all of the debtors estate.

14 And under the preferential transfer statutes that
15 dovetail on the Statute of Elizabeth, that would have
16 been an illegal assignment. That would have been an
17 assignment in favor of a single creditor of the entire
18 estate to the exclusion of all the other creditors. Thank
19 you, sir.

20 THE COURT: Okay. All right, tell me about -- I'm
21 sorry, let me hear you on constructive trust.

22 MR. DODDS: Thank you, Your Honor.

23 THE COURT: We'll take them one at a time ---

24 MR. DODDS: --- yes, sir. ---

25 THE COURT: --- as we go through them.

1 MR. DODDS: Yes, sir. First of all, I don't think
2 that -- first of all the constructive trust statute
3 requires proof by clear and convincing evidence. That's
4 set forth in McNair v Ransford [phonetic] a 1998 decision
5 of the South Carolina Court of Appeals.

6 Judge, in that case the court said constructive
7 trust arises whenever a party has obtained money which
8 does not equitably belong to him or her in which party
9 cannot in good conscience retain or withhold from another
10 who is beneficially entitled to it as where money has
11 been paid by accident, mistake of thought fact, or fraud,
12 where it has been acquired through breach of trust or
13 violation of fiduciary duties. None of that describes
14 what happened with respect to Mr. Lancaster.

15 Judge, with regard to the monies that were paid in
16 1992, that was 4 years prior to the time that the cause
17 of action in favor of Mr. Gordon even arose with respect
18 to the judgment that he has secured, that his judgment
19 resulted from the sale of stock which occurred in
20 September 9 of 1996. This 100,000 dollars was paid to
21 Mr. Livingston [sic] in May of 1992. And I understand
22 there was a lot of confusion about this gift thing,
23 Judge, but the fact of the matter is we have to look at
24 it as it is and as it is and I don't think there's any
25 dispute about this. There was an agreement between Mr.

1 Lancaster and Mr. and Mrs. Drews that upon payment of
2 100,000 dollars he would give them the right to live in
3 the residence for their natural lifetime and he did that.
4 In my view, Your Honor, that's valuable consideration.

5 So, I don't see where Mr. Lancaster has engaged in
6 any of the things that give rise to constructive trust.
7 The money wasn't paid to him by accident, it wasn't any
8 sort of mistake of fact, there wasn't any fraud on his
9 part, there wasn't any sort of breach of -- a violation
10 of fiduciary duty or anything like that. The monies that
11 were paid to Mr. Lancaster were paid for him agreeing to
12 give them the life estate for their lifetime, which he
13 did.

14 40,000 dollars in loans, Your Honor, were paid
15 between 1993 and 1995 again, before this cause of action
16 in favor of Mr. Gordon even arose. The only other monies
17 that were paid to Mr. Drews were in 1999 when he paid 2
18 debts on behalf of this failed enterprise and I can't
19 remember which bank he was with.

20 But, 5,000 dollars was paid to one bank to settle a
21 claim against Builder's Station that Mr. Drews and Mr.
22 Beasley [phonetic], the other partner, had guaranteed and
23 15,000 dollars was paid to the second lender. And those 2
24 checks are in evidence. So typically a constructive
25 trust arises by operation of law and they talk about to

1 vindicate the right and justice or frustrate fraud. I
2 don't see where any of the things that give rise to
3 constructive trust can be imputed to Mr. Lancaster.

4 THE COURT: Okay. Thank you very much.

5 MR. LUCEY: May I be heard on the burden, Your
6 Honor?

7 THE COURT: Pardon?

8 MR. LUCEY: May I be heard on the burden please?

9 THE COURT: I've heard enough on -- I'd be glad for
10 you to put it on the record if you want to put it on the
11 record ---

12 MR. LUCEY: --- it's something I probably should
13 have covered when you asked me the questions about the
14 fraudulent transfers.

15 THE COURT: Right.

16 MR. LUCEY: But since the burden has come up and
17 since I've already said to the court constructive ---

18 THE COURT: --- the burden is a rebuttal
19 presumption it he meets one of -- B 1 through 11, is that
20 what you're referring to? If you meet -- under the
21 Statute of Elizabeth, if he meets any of those criteria
22 then the burden is presumption and he -- it's a rebuttal
23 presumption. I assume that's what you're talking about.

24 MR. LUCEY: Yes, Your Honor. A case just came down
25 this year that clearly illustrates ---

1 THE COURT: --- Uh huh ---
2 MR. LUCEY: --- the burden ---
3 THE COURT: --- Uh huh ---
4 MR. LUCEY: --- if I may approach the bench ---
5 THE COURT: --- yes, sir ---
6 MR. LUCEY: --- And hand the Windsor [phonetic]
7 case which is slightly older and the Judy [phonetic] case
8 to the court.
9 [Whereupon, Mr. Lucey provides documents to the
10 court]
11 MR. LUCEY: And Your Honor, the significance of
12 Windsor [phonetic] and Judy [phonetic] is this, in
13 Windsor [phonetic] the South Carolina Supreme Court
14 clearly states that if the transfer is to a family member
15 that the burden shifts -- whether it involves more ---
16 THE COURT: --- well the Statute of Elizabeth says
17 that.
18 MR. LUCEY: Yes.
19 THE COURT: I mean it says that.
20 MR. LUCEY: Okay.
21 THE COURT: Doesn't it?
22 MR. LUCEY: It does, but I think there's one more
23 additive here ---
24 THE COURT: --- here you reading from in Judy
25 [phonetic]?

1 MR. LUCEY: I'm in Windsor [phonetic], page 4, top
2 right hand corner.

3 [Whereupon, the court reviews documents]

4 THE COURT: Okay.

5 MR. LUCEY: And it says where transfers to members
6 of the family are attacked either upon the ground of
7 actual fraud or on account of their voluntary character,
8 the law imposes the burden on the transferee to establish
9 both a valuable consideration and the bona fides of the
10 transaction by clear and convincing evidence.

11 So, not only has the burden shifted, but they must
12 establish the bona fides by clear and convincing
13 evidence. The constructive trust is just a remedy for
14 that earlier violation. They had to establish that
15 everything we showed the court was bona fide not the
16 plaintiff.

17 And the Judy [phonetic] court, Your Honor, the Court
18 of Appeals just this year is simply an example of how
19 that rule announced by the Supreme Court is enforced. In
20 Judy [phonetic] a subsequent creditor was able to set
21 aside very old transfers because they did not -- because
22 the transferee did not meet its burden to establish --
23 the family member transferee did not meet its burden to
24 establish by clear and convincing evidence the bona fides
25 of the ancient transaction.

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1 THE COURT: Well, his position is they paid 100,000
2 dollars and in return he said he'd give them a place to
3 live. And that's all in writing as far as that
4 particular issue is concerned. Okay, go ahead, that's
5 fine. Let me hear you on civil conspiracy.

6 MR. LUCEY: Your Honor, civil conspiracy
7 contemplates simply that the -- in addition to the prior
8 accounts that the defendant took an active role in these
9 ---

10 THE COURT: --- let me tell you my problems with
11 civil conspiracy ---

12 MR. LUCEY: --- yes, sir ---

13 THE COURT: --- and let you address them. Okay?

14 MR. LUCEY: Yes, sir.

15 THE COURT: All of the conspiring occurred 3 or --
16 I don't know several years before you even had the cause
17 of action against this gentleman. And really, 8 years
18 before you even knew he existed.

19 So, how could they have been conspiring against your
20 client when your client wasn't even on the horizon when
21 all these transactions took place? The civil conspiracy
22 goes on at the same time trying to conspire and injure a
23 third party. So, how can you have civil conspiracy from
24 a time and the facts have been presented in this case is
25 my question to you.

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1 MR. LUCEY: Yes, sir. It's the plaintiff's
2 contention that the civil conspiracy was intended to hurt
3 the creditors, as a class, and we were in that class.
4 And, Your Honor, they actually ---

5 THE COURT: --- do you really think civil
6 conspiracy would go that far? You think you can conspire
7 to harm all the creditors?

8 MR. LUCEY: Yes ---

9 THE COURT: --- I mean civil conspiracy is sort of
10 personal.

11 MR. LUCEY: But secondly to address your point, the
12 1998 mortgage, right here, is after our cause of action
13 arose in 1996 and we show the court that Drews gave it
14 and Mr. Lancaster took it for no consideration. The only
15 possible purpose of that mortgage was to shelter an asset
16 in the public's eyes. They were encumbering that property
17 with one more mortgage.

18 No consideration was given; the 40,000 dollar
19 mortgage was still outstanding. That occurred during the
20 fall out of Builder's Station when they knew lawsuits
21 were coming. Builder's Station, we showed that collapsed
22 in the winter '96-'97 and we showed that this defendant
23 helped fund 2 of the settlements in June of 1999. So,
24 they were involved in that fall out, they knew it was
25 collapsing, our claim had already accrued and that is a

1 fraudulent ---

2 THE COURT: --- when do you think your claim
3 accrued?

4 MR. LUCEY: Our right to the cause of action
5 occurred, Your Honor, it was a stock fraud sale and it
6 was done -- the stock was sold in an illegal fashion.
7 So, that right accrued the day they sold it to us which
8 is why we put into evidence ---

9 THE COURT: --- but, you got a judgment in '01,
10 right?

11 MR. LUCEY: Yes.

12 THE COURT: Okay.

13 MR. LUCEY: But we put into evidence the
14 subscription agreement upon which was based, which was
15 September 1996.

16 THE COURT: Okay. All right.

17 MR. DODDS: I think Your Honor is correct in its
18 assessment with regard to the civil conspiracy action.
19 It talks about that there has to be specific overt acts
20 intended to damage the plaintiff -- excuse me the...

21 THE COURT: Well his position is it was intended to
22 damage all the creditors. The problem I have is that the
23 time it was done. Now, he's saying that later on there
24 was a conspiracy.

25 MR. DODDS: Right. He wasn't even a creditor then,

1 Judge.

2 THE COURT: I understand. He wasn't a creditor in
3 '01.

4 MR. DODDS: I'm sorry?

5 THE COURT: '01.

6 MR. DODDS: Right.

7 THE COURT: I understand he says a cause of action
8 accrued when they sold stock ---

9 MR. DODDS: --- right ---

10 THE COURT: --- technically he wasn't a creditor
11 until he got a judgment.

12 MR. DODDS: And nothing happened after that --
13 after he got his judgment. Everything that he's
14 complaining about occurred prior to the time that he got
15 his judgment with the exception of the money that Mr.
16 Lancaster received when the property got sold after that
17 date.

18 THE COURT: All right. Let me hear you, Ms. Drawdy
19 on the -- Mr. Lucey I'm sorry -- Ms. Drawdy I don't know
20 why I keep calling your last name; I apologize okay. Mr.
21 Lucey or Ms. Drawdy let me hear you on this negligent
22 aiding and abetting. My question to you is do you have
23 any cases that say aiding and abetting is an independent
24 cause of action in South Carolina?

25 MR. LUCEY: Your Honor, it is recognized by

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1 restatement of courts in several South Carolina ---

2 THE COURT: --- I ---

3 MR. LUCEY: --- cases; several South Carolina
4 cases.

5 THE COURT: Do you have a South Carolina case that
6 says that's an independent cause of action? I understand
7 it can be elements of other causes of actions, possibly.
8 Do you have anything that says hey, we have an aiding and
9 abetting negligent cause of action that stands
10 independent on its own feet in South Carolina?

11 MR. LUCEY: Your Honor, I believe the Vortex case
12 [phonetic] as cited in the memorandum -- the brief set of
13 case law ---

14 THE COURT: --- show me where we're talking about.
15 Vortex [phonetic]?

16 MR. LUCEY: The second bullet after examples of
17 aiding and abetting recognized by South Carolina. Vortex
18 [phonetic] was an aiding and abetting case in the context
19 of ---

20 THE COURT: --- what were the facts of the Vortex
21 [phonetic] case?

22 MR. LUCEY: It was a breach of fiduciary duty case,
23 Your Honor.

24 THE COURT: Yeah, but that was the cause of action.
25 Aiding and abetting wasn't the cause of action. Normally

1 aiding and abetting is encompassing other causes of
2 action. You've said it's independent. Am I -- do you
3 understand what I'm trying to ask you?

4 MR. LUCEY: The breach of fiduciary duty would be a
5 direct cause of action as the person who owed the duty,
6 but the aiding and abetting would be ---

7 THE COURT: --- I understand, but you haven't pled
8 it that way. You've pled it as if it's an independent
9 cause of action. I agree it can be used to prove other
10 cause of actions such as fiduciary or probably a lot of
11 other causes of action.

12 MR. LUCEY: I think the distinction what I'm trying
13 to annunciate is that it can be the cause of action to --
14 against the accomplice. There can be a principal who
15 breached the -- whatever the duty happens to be and there
16 can be an accomplice who didn't -- the duty ---

17 THE COURT: --- but then you're talking about
18 aiding in a principal theory. Supplemented by the aiding
19 and abetting, the action.

20 MR. LUCEY: I think there can be an accomplice but
21 that does not just -- doesn't rely on ---

22 THE COURT: --- I agree with you but that would
23 principal in agent wouldn't it when you sue the agent
24 based on the principal -- based on the agent's conduct.

25 MR. LUCEY: I'm speaking of an accomplice who's not

1 an agent who is simply in a co-role that either assists
2 or induces the breach of duty.

3 THE COURT: Pull up -- do you have a copy of the
4 Vortex [phonetic] case?

5 [Whereupon, Mr. Lucey reviews documents]

6 THE COURT: You got the Collins [phonetic] case?
7 I'm on the Collins case.

8 MR. LUCEY: Your Honor, I don't appear to have
9 either of those cases in the courtroom.

10 THE COURT: I didn't mean to cut you off. Anything
11 else you want to tell me on aiding and abetting?

12 MR. LUCEY: No, Your Honor.

13 THE COURT: Do you think it is an independent cause
14 of action?

15 MR. LUCEY: Yes, sir.

16 THE COURT: Okay. I'll be glad to hear you.

17 MR. DODDS: And I disagree quite predictably,
18 Your Honor. Judge, the only case ---

19 THE COURT: --- I knew you were going to disagree
20 with me. I wouldn't expect otherwise or otherwise you
21 wouldn't be a lawyer right?

22 MR. DODDS: Right. I think I'll take the
23 position of Your Honor.

24 THE COURT: You do? I'm not sure I'm taking that
25 position. I just wanted to hear what he -- I'm just

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1 telling him my difficulty and problem with his cause of
2 action.

3 MR. DODDS: I understand, Your Honor. I agree or my
4 position is there is no independent cause of action.
5 Judge, the case that I found was the Busbee -- Gordon v
6 Busbee [phonetic] case and I've given you a copy of that.
7 And that was a case ---

8 THE COURT: --- you did? Let me find it.

9 [Whereupon, the court reviews documents]

10 MR. DODDS: And I've given you a lot of cases so I
11 apologize, Judge.

12 THE COURT: Y'all have given me a lot of
13 information the last couple of days or the last day or
14 so. The Busbee case?

15 MR. DODDS: Yes, sir. It's Charles Gordon v
16 Jacqueline Busbee. It's a 2011 decision of the Court of
17 Appeals.

18 THE COURT: I've got it the Busbee -- Gordon v
19 Busbee.

20 MR. DODDS: Yes, sir.

21 THE COURT: Where are you reading from?

22 MR. DODDS: Judge, I'm reading -- my notes it says
23 -- if you get -- it talks about granted directed verdict.
24 Then it says several pages in aiding and abetting the
25 breach of fiduciary duty.



1 THE COURT: All right. Let me see.

2 MR. DODDS: At the top it says in big bold print
3 aiding and abetting a breach of fiduciary duty.

4 THE COURT: Okay. I'm with you; granting of
5 directed verdict.

6 MR. DODDS: Right. And it talks about the cause of
7 action that is asserted, Your Honor, is aiding and
8 abetting a breach of fiduciary duty. Interestingly it
9 cites the Vortex Sports [phonetic] case that Mr. Lucey
10 has referenced. But, he hasn't pled aiding and abetting
11 a breach of fiduciary duty, Your Honor.

12 But, what it does say with respect to that issue,
13 the elements for a cause of action of aiding and abetting
14 a breach of fiduciary duty or 1) a breach of a fiduciary
15 duty owed to the plaintiff. There's no such thing in this
16 case; the defendant's knowing participation in the breach
17 and damages. And it goes on to say the gravamen of the
18 claim is the defendant's knowing participation in the
19 fiduciary's breach.

20 So, number 1, Judge, I don't think it's an
21 independent cause of action. And if it is, Your Honor, I
22 would respectfully argue that the plaintiff has failed to
23 show Mr. Lancaster's knowing participation in the alleged
24 negligent acts.

25 THE COURT: Mr. Lucey anything else you would like

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1 to comment on the aiding and abetting?

2 MR. LUCEY: Only that we believe we showed
3 extensive knowing participation on ---

4 THE COURT: --- I'm sorry, what?

5 MR. LUCEY: Only that plaintiff believes they
6 produced evidence of extensive knowing participation by
7 the defendant in yesterday's testimony in evidence and
8 that we did not -- I think actually the Gordon v Busbee
9 case actually supports us, recognizes that there is an
10 aiding and abetting cause of action. That one was in the
11 context of fiduciary duty. We're in the context of
12 negligence.

13 THE COURT: Well, in the Gordon case was the
14 person, I guess Busbee, was he the fiduciary? What was
15 the relationship between him and the fiduciary?

16 MR. LUCEY: It's my understanding, Your Honor, that
17 he was a second player. He was not the -- he was not the
18 person that owed the duty. He was a second player. I
19 don't have the case in front of me to read the quote for
20 the court.

21 MR. DODDS: It was the power of attorney case;
22 Judge is what I'm reading. And I haven't read it cover
23 to cover, Judge but it talked about -- okay, I do
24 remember this case. As I recall, Judge, this was a power
25 of attorney that was granted to a third party who then

1 turned around and made a gift utilizing that power of
2 attorney. They said the power of attorney didn't
3 specifically authorize the gift and it was a breach of
4 fiduciary duty to have done so. The defendant was
5 charged with aiding and abetting the breach of the
6 fiduciary duty.

7 THE COURT: Okay. Thank y'all very much.

8 MR. DODDS: Thank you, Your Honor.

9 THE COURT: I appreciate y'all answering my
10 questions, so I guess it's my turn to listen to y'all
11 now? I'll be glad to listen to y'all. Did I cover all
12 your causes of action, Mr. Lucey?

13 MR. LUCEY: Yes, sir.

14 THE COURT: All right. Y'all want to make a very
15 brief closing statement?

16 MR. DODDS: Can I maybe just mention one other
17 thing, Your Honor?

18 THE COURT: Sure.

19 MR. DODDS: I didn't have a chance to comment. Mr.
20 Lucey, I think incident to his fraudulent conveyance
21 cause of action referenced this idea of a preferential
22 treatment. I think he's referring to section 27-25-10
23 when he does that. I may be mistaken. Is that correct,
24 Mr. Lucey?

25 MR. LUCEY: There's a group of 3 preferential

1 statutes. It's 25 -- 27-25-10, 27-25-30, and 27-25-20.
2 So, although I read them out of order there are 3
3 statutes right in a row relating to preferential
4 transfers.

5 MR. DODDS: Just briefly, Your Honor, for the
6 record. It's our position that the assignment from Mr.
7 Drews to his wife was not for the benefit of his
8 creditors. She certainly was not a creditor in that
9 scenario.

10 Likewise, Mrs. Drews' assignment to Mr. Lancaster
11 was not by an insolvent debtor since Mrs. Drews was not a
12 debtor vis-à-vis the plaintiff. And if the court recalls,
13 once that property was sold she recovered 130,000
14 dollars, which at that time, Your Honor, would have been
15 enough to satisfy the outstanding judgment to the
16 plaintiff.

17 THE COURT: Okay. Thank you, very much. Y'all
18 want to make a very brief opening [sic] statement?

19 MR. LUCEY: Yes, Your Honor and then ---

20 THE COURT: --- before we get to that, let me ask
21 you, what do you want to do about this I-R-S deal? Do
22 you want to wait and try to get it or what is your
23 pleasure on that? I know last Tuesday I said I'd give
24 you until July 15 to try to get it, if you want to get
25 it. But, now that you tried the case and done what you

1 wanted to do in your case do you still want to do that?

2 MR. LUCEY: Your Honor, we discussed it last night,
3 and we honestly believe the chance of actually getting a
4 meaningful response from the I-R-S now, 20 years later,
5 is ---

6 THE COURT: --- I think your problem is it's going
7 to be gone especially since the people filing are
8 deceased. I would assume they periodically purge their
9 records. They don't have a computer enough to hold it
10 all forever. I mean I don't know that; I just think your
11 odds of getting it are very limited.

12 MR. LUCEY: We agree, Your Honor, and we do not
13 want the record held open for that.

14 THE COURT: Okay. I just wanted to clarify that
15 because if you want to, I'll be happy to do that because
16 I told you last Tuesday I would do that.

17 MR. LUCEY: We actually think there's been plenty
18 of testimony about that alleged return here in the
19 courtroom.

20 THE COURT: Okay.

21 MR. LUCEY: Although I could do this...

22 THE COURT: Mr. Dodds, unless you want it for some
23 reason?

24 MR. DODDS: No, Your Honor. I agree. I think the
25 retention policy I-R-S, particularly in light of their

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1 death is long gone, Judge.

2 THE COURT: I don't know that, but I would be -- if
3 I was betting I would give you 2 to 1 odds on it.

4 MR. DODDS: I wouldn't bet you.

5 THE COURT: Yes, sir. I'd be glad to hear you very
6 briefly in closing statements.

7 MR. LUCEY: Yes, sir. Let me do 3 things at once
8 please ---

9 THE COURT: --- certainly ---

10 MR. LUCEY: --- to the extent that a motion is
11 required by the plaintiff for a judgment as a matter of
12 law for a directed verdict, I would ask the court to
13 incorporate our recent argument on the legal issues and
14 my brief closing as our motion in favor of judgment as a
15 matter of the law, Your Honor.

16 Secondly, rather than waiting on doing this during
17 our brief closing, to make one additional legal point if
18 I may. The court had asked some questions yesterday
19 regarding the meaning and significance of recording
20 implicitly on the issue of notice to the public. I'd
21 like to bring to the court's attention 2 South Carolina
22 cases that stand for the proposition that recording by
23 itself it not necessarily automatic notice to the public.
24 We believe that's important because we don't think that
25 somebody who's engaged in an otherwise fraudulent set of

1 activity should be able to whitewash their activities by
2 recording something somewhere where it's unlikely to ever
3 be found or seen. And I would bring to the court's
4 attention, specifically, the alleged life estate on the
5 Nuffield house. Yes, it was recorded, but did it say
6 life estate in the title? No ---

7 THE COURT: --- the first one wasn't recorded.

8 MR. LUCEY: --- The first one was not recorded ---

9 MR. DODDS: --- it was not.

10 MR. LUCEY: The second one was recorded, but it was
11 not recorded as a life estate. It was recorded as a
12 memorandum of lease subordination. Now, if somebody
13 happened to read the fine print somewhere buried in that
14 document, they would see that the lease is 1 dollar a
15 year or zero a year for the life of the tenant -- that
16 the Drews in theory could stay there for life.

17 But you have to get past the title of the document
18 and the first 5 paragraphs to know that this is not --
19 allegedly not a lease, it's a life estate. And, so Your
20 Honor, I bring the notice cases to the court's attention
21 to show the court that we don't believe that recording
22 automatically makes bad activities benign.

23 CLOSING ARGUMENTS

24 BY MR. LUCEY:

25 Your Honor, briefly, I believe the court's been

1 through the evidence in this case 3 times with 3
2 different witnesses. On the board in front of the court
3 is plaintiff's exhibit 74, which details a number of the
4 transactions.

5 Your Honor, for -- just so we all have a clear
6 record we had a second exhibit board in trial yesterday
7 which I handed a copy up to the court yesterday afternoon
8 at the court's request. I've marked that now as the
9 second financial chart -- I've marked that for
10 identification purposes as plaintiff's exhibit 82, so the
11 record will be clear what the second chart was.

12 [Whereupon, plaintiff's exhibit number 82 is marked
13 by the court reporter]

14 MR. LUCEY: Your Honor, to the extent that the court
15 isn't sure that plaintiff's have proven moral fraud at
16 the commencement of this 18 to 20 year scheme,
17 plaintiff's would like to point out to the court that
18 every one of these transactions in this 18 year scheme is
19 subject to independent scrutiny as to a fraudulent
20 transfer or a preferential transfer.

21 Half of those transactions took place after the
22 plaintiff's cause of action arose in this case. The
23 focus -- the first focus in the fraudulent transfer, I
24 believe should be the Windsor [phonetic] case and the
25 Judy [phonetic] case I just handed up to the court. Once

1 we showed that it was a transfer to a family member, the
2 burden was shifted to that family member to show bona
3 fides of the transaction. And what was the response of
4 the family member? For 18 years the response was, it was
5 a gift.

6 The family member swore on the witness stand that
7 he'd prepared a gift tax return -- he represented to the
8 nation that that transfer was a gift and that he
9 participated in filing that gift tax return with the
10 Internal Revenue Service. He walked across the street
11 and put it in the mail with the decedent.

12 We respectfully suggest, Your Honor, that having
13 contended for 18 years that it was a gift, that there was
14 no consideration that plaintiff can't come now and try
15 and prove that this was a bona fide business transaction.
16 That there was a bona fide deal -- quid pro quo that
17 actually occurred.

18 We believe he's estopped by his representations to
19 the public and in his deposition 18 years later. Why did
20 they change their story? They took a look at the
21 fraudulent conveyance law. They saw that if it's
22 inadequate consideration, it gets set aside. If it's a
23 gift, if you got creditors, you can't pay your debts and
24 you make a gift to a family member it gets set aside; end
25 of story. So, after 18 years they changed their story.

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1 When you get to the change of the story I personally
2 found Richard Livingston's testimony regarding the lack
3 of sense of these transactions to be very poignant, right
4 on point.

5 Using the very first transfer as an example, Your
6 Honor, why do they go through 4 steps to accomplish
7 something so easy? If Drews just needed 60,000 dollars
8 to buy a house, why didn't he borrow it? If Drews really
9 wanted to do this life estate deal, then why wasn't the
10 deed simply a joint purchase with a life estate to the
11 Drews' and the remainder interest to Donald Lancaster?
12 Those are easy transactions. Instead, they go through
13 the subterfuge of making all these transfers to hide the
14 judgment debtors' identity on this asset.

15 As Mr. Livingston said, why do in 4 steps what you
16 could've done in 1? Why do in 4 steps what common sense
17 would say do in 1? You can have a business transaction
18 and you can have a favor for a family member, but there's
19 no logic between inserting 3 more steps in the process
20 and doing a favor for a family member. You can do that
21 favor without being so convoluted.

22 I'd like to point out, on a similar line, Your
23 Honor, a huge omission in the testimony in evidence
24 yesterday; a huge omission. While there is evidence that
25 the judgment debtor had creditors and had complications,

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1 there was no evidence presented that he had any problems
2 on his credit report. There was no evidence presented
3 that he couldn't walk into any bank in the world and get
4 that 60,000 dollars.

5 And what the court was provided was the value of the
6 Meeting Street property, 1705 Meeting Street, and
7 implicitly the court knows if it looks at the evidence
8 that the Meeting Street property had no liens on it prior
9 to this subterfuge.

10 So, this debtor not only had the 100,000 dollars he
11 was taking out of the sale of his earlier residence,
12 Edgewater, he also had this unencumbered piece of
13 commercial property on Meeting Street. He could've gotten
14 money anywhere he wanted to buy a house. He didn't need
15 this defendant's help for the purchase of the house.

16 How do you know that Meeting Street, 1705 Meeting
17 Street was unencumbered? Because Meeting Street gets 3
18 mortgages to this defendants and then gets sold in 2001
19 for 2,005 -- 205,000 dollars. Out of that sale, 3 things
20 happened. There was a 190,000 dollar note, so we know
21 there's 15,000 left. There's testimony that about 11,000
22 dollars of that 15,000 got paid to this defendant in
23 partial satisfaction of alleged earlier obligations.
24 Okay, we're down to 4,000 dollars left from the sale of
25 that property. So we know there was no mortgage on that

1 property except for his mortgages. So, what does that
2 tell us? The judgment creditor -- there's no evidence he
3 didn't -- he couldn't have gotten his own house and
4 gotten his own mortgage. And he had tons of equity in his
5 commercial property; 205,000 of equity, yet they go
6 through this subterfuge for this alleged 60,000 dollars.

7 It's also important for the court just to analyze
8 the relationship of these transactions as was shown in
9 the evidence in the account. Drews gives the 100,000
10 dollars, he creates the equity in this real estate that
11 they hide the life estate in, they hide the ownership in.
12 Drews creates the equity. Immediately when the property
13 is in Mr. Lancaster's name, he puts an equity line on it
14 and gives the money secured from the equity line -- from
15 Mr. Drews' equity back to Mr. Drews. So, that 100,000
16 dollars almost half of it was returned within 3 years,
17 right back to Mr. Drews.

18 What we're left with is that he retained control of
19 his assets the entire time. This subterfuge regarding
20 the sale of the Meeting Street, the property in 2001 with
21 these 5 or 6 or 7 documents, again why did they do in 7
22 documents which could've been done in 1? There's only
23 one reason for it -- there's only one possible reason and
24 that was to hide the parties to the transactions. And
25 they over encumbered that note from Mrs. Drews so that

1 nobody -- nobody would know that the Drews' had equity in
2 that note. Now what the court has heard -- it's heard
3 the specifics of these transactions. Another thing it
4 hasn't heard, but it has seen, and if I were talking to a
5 jury I think I'd be able to invoke the jury's common
6 sense.

7 What the court can perceive is these mortgages --
8 the whole time there were creditors and these mortgages
9 would've been used to negotiate discounts with those
10 creditors. That was the purpose of those mortgages.
11 They were shielding the assets. How does the court know
12 that? Because this -- the decedent had a personal
13 guarantee out of a 100,000 dollar loan on the Builder's
14 Station investment that went bust at the end of '96.

15 The decedent guaranteed that 100,000 dollar note.
16 This defendant helped him fund the eventual settlement of
17 100,000 dollar guarantee with South Trust Bank for 15,000
18 dollars. How would one have gotten South Trust to take
19 15,000 dollars on a 100,000 dollar guarantee; show South
20 Trust Bank you've got no equity in any of your property?

21 And the court, we believe can apply the evidence in
22 this case and can draw that conclusion that that was the,
23 more than likely than not, purpose of these transactions.
24 And Your Honor, the -- as we've sent to the court with
25 the Windsor [phonetic] case, the burden shifted to them

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1 to prove the bona fide nature of these transactions. How
2 can they possibly prove the bona fide nature of a
3 fraudulent 100,000 dollar mortgage? There was never any
4 -- dollar given for this.

5 The first 40,000 -- which it's kind of convoluted
6 because the first 40,000 was a return of the decedents
7 money on the equity line taken out, on his equity that he
8 created in the Bainbridge property. So, it's hard to see
9 how there's really grounds for a 40,000 dollar mortgage.
10 But, to the extent that one wants to accept that there's
11 a legitimate 40,000 dollar mortgage -- 40,000 debt it's
12 protected by a 40,000 dollar mortgage. There was
13 absolutely no reason for this 100,000 dollar mortgage, it
14 was completely fraudulent. The only purpose could've
15 been to encumber the asset from the eyes of the world.

16 Since there can be no other purpose for that, Your
17 Honor, there's no way for this defendant to meet its
18 burden, to show the bona fide nature of this transaction.
19 We can take these transactions as a series because they
20 all do eventually intertwine or we take each one
21 individually, they can't show the bona fide nature of the
22 transaction. Defendant knew about the law suit in 2001
23 when he took this 50,000 dollar mortgage -- he knew about
24 my client's law suit, the stock fraud law suit in 2001
25 when he took a 50,000 dollar note from the wife and took

1 the preferential 180,000 dollar assignment from the wife
2 -- from the husband to the wife to him. He knew of the
3 existence of the stock fraud suit and at that time we
4 were the creditors that were in their eyes when those
5 transactions were taking place. And the court will
6 recall that the evidence was also that that transfer took
7 place 2 months before Judge Young's trial.

8 We would suggest to the court, not only is it not
9 credible to change the story from gift to valuable
10 consideration after 18 years and after you file a gift
11 tax return, we would further suggest to the court that
12 claiming you filed a gift tax return to protect yourself
13 and then not keeping a copy of the gift tax return is not
14 credible.

15 We would further suggest to the court that somebody
16 who says we didn't make a copy because the copier was
17 broken when in a deposition 2 years ago he said he kept
18 his eyes out for it when he went through the decedents
19 desk, that that's not credible. The court is aware that
20 there is legions of precedent including the 2005 United
21 States Supreme Court Reeves [phonetic] case that where a
22 defendant offers or proffers a reason -- a pretextual
23 reason for why he did something and that pretextual
24 reason is shown to be false, that the court is entitled
25 to take that as affirmative evidence of wrongdoing,

1 affirmative evidence of culpability. And we would
2 suggest to the court that that was shown on the witness
3 stand yesterday several times.

4 Furthermore, Your Honor, we ask the court to look at
5 this series of transactions and this evidence in light of
6 the capacity of the parties. Mr. Drews was allegedly an
7 acute business professional. Donald Lancaster is a 30-
8 year veteran as an accountant and an auditor. As the
9 court can see by the tax returns that are in evidence for
10 Mr. Lancaster, he's a very smart man.

11 There is legions of wealth in those tax returns that
12 he has earned off of his modest auditor's salary. He's a
13 smart man, he's meticulous, he's an accountant. How does
14 he get up there and deny knowing what a satisfaction of a
15 note is? But, take a -- more importantly, go to the 2005
16 tax returns. 2005 he receives a payoff, a large payoff,
17 on the Meeting Street property 36,000 dollars.

18 It includes 1,200 dollars of interest. There's no
19 interest reported -- according to his records there's no
20 interest reported to the federal government on Mr.
21 Lancaster's tax returns from this transaction. None.
22 2005 tax returns are in evidence and the testimony is in
23 evidence both by Mr. Lancaster and by the C-P-A, there's
24 no interest on that return. The Drews' returns are also
25 important. 2000 to 2005 are in evidence. Yes, he

1 eventually elected to use the standard exemption in most
2 of them when he finally files returns. But before doing
3 that, he filled out the itemized deductions in making
4 that decision; what expenses he had. Nowhere in those
5 returns is an interest expense relating to this alleged
6 50,000 dollar note.

7 So, in the only evidence this court has -- the only
8 direct evidence regarding whether or not this was a loan,
9 whether or not the parties treated this as a loan;
10 neither party do. Mr. Lancaster doesn't report the
11 income -- interest income. Mr. Drews does not report the
12 interest expense. Thank you, Your Honor.

13 THE COURT: Okay, Mr. Dodds?

14 MR. DODDS: I will be brief, Your Honor. If it
15 pleases the court. Likewise, Your Honor, with respect to
16 -- I would renew my motion for directed verdict at the
17 close of all evidence consistent with the arguments that
18 I made following the close of the plaintiff's case.

19 THE COURT: For the record, the court denies the
20 plaintiff's request for directed verdict as to liability
21 and denies the defendant's request for directed verdict.

22 MR. DODDS: Thank you, Your Honor. Judge, Mr.
23 Gordon bought stock in -- on September 9, 1996 incident
24 to a failed business venture. In 1996; that was 4 years
25 after Mr. Drews and Mrs. Drews -- Mr. Drews came to Mr.

1 Lancaster. He had sold his business. You heard
2 testimony from Mr. Biller that he was devastated after
3 Hurricane Hugo like so many other contractors. Sold his
4 business, sold his home, had 100,000 dollars to his name.
5 He came to his nephew who had done the exact same thing
6 for his parents; look, I'll buy the house, you can live
7 there don't worry about it. I'll pay the taxes, you pay
8 the electricity, you pay for your food. Stay there as
9 long as you like.

10 Mr. Drews came to him with that same proposition. I
11 suspect that's where he got the idea from is because Mr.
12 Lancaster had done the exact same thing for his parents;
13 4 years before this claim even potentially came about and
14 almost 9 years until his claim was reduced to a judgment.
15 He's got 100,000 dollars and a wife and that's it. He's
16 70 something years old, as is his wife. What is he going
17 to do? The only thing he knows is construction and he
18 just essentially went bankrupt on that.

19 He approaches his nephew and says look, I got
20 100,000 dollars, will you buy me a house -- buy a house
21 and let me live there -- let my wife and I live there for
22 the rest of our lives. He agreed to do that. He let
23 them pick out the house. They paid him 100,000, he put
24 60,000 dollars of his own money into that house and
25 bought that house and took title in his name. Mr. and

1 Mrs. Drews' attorney prepared that document, Your Honor,
2 that memorandum. That wasn't his attorney. He signed it
3 and he agreed to let them stay there for the rest of his
4 life, but he didn't prepare that document. And that's
5 exactly what he did; he spent 5,000 dollars of his own
6 money making some repairs so it would be fit for them to
7 live in. And they stayed there and he paid the taxes and
8 they stayed there until 1995 and he couldn't get up the
9 stairs.

10 He came to him again, the Drews came to him again
11 and said look, I can't get up the stairs. I need a
12 single floor house. He said go pick one out. They did
13 and he spent 125,000 dollars of his own money to buy them
14 another house and again their lawyer prepared another
15 agreement and he signed it. I don't know why the lawyer
16 called it a memorandum of lease and subordination.

17 If you look at the document, Judge, he says he's
18 giving them a life tenancy. Maybe that's what he was
19 thinking, 'I don't know. But, Mr. Lancaster didn't
20 prepare that document. Mr. Lancaster's attorney didn't
21 prepare that document. The Drews' attorney prepared it.
22 All Mr. Lancaster did was sign it. They lived there from
23 1995 until Mr. Drews died in 2007. Mrs. Drews lived
24 there until she died in 2010; 213 months, Your Honor,
25 they stayed in a residence owned by Mr. Lancaster based

1 on the 100,000 dollars that they had given him in 1992.
2 That equates to less than 500 dollars a month, Your
3 Honor. And I would suggest to the court that there's
4 nowhere in the city of Charleston that they could've
5 bought a home where they would've been safe and as
6 comfortable as they were for the amount of money that
7 they paid Mr. Lancaster. Mr. Lancaster did what he
8 thought was right, Your Honor, in an effort to assist his
9 aunt and his uncle.

10 Then what happens? They've got no income, Judge.
11 You talked -- you heard testimony about the sale of 623
12 Meeting Street, which was the only asset that Mr. and
13 Mrs. Drews had with the exception of 1705. They sold
14 623. Mr. Lancaster got no money -- he got about, I'm
15 sorry got about 1,800 dollars from the sale of 623
16 Meeting Street. Between '93 and '95, he had loaned Mr.
17 and Mrs. Drews 40,000 dollars.

18 He said they were living on credit cards. They had
19 social security coming in, a little bit of money from 623
20 and then when Mr. Biller bought the business and moved
21 the business to Mt. Pleasant, they had no income coming
22 in other than social security. He loaned them 40,000
23 dollars over the course of a couple of years between '93
24 and '95. When they sold 623 Meeting Street in 19 -- let
25 me make sure my facts are correct, Judge -- in 1996 he

1 got about 1,800 dollars, reducing the 40,000 dollars that
2 he was owed. He requested security of Mr. Drews and got
3 some security in the form of a 40,000 dollar mortgage.
4 No further monies were paid until 1999, Your Honor, when
5 he paid 5,000 dollars and 15,000 dollars to Mr. Drews to
6 settle a couple of debts that Builder's Station had.

7 I didn't want to get up and object during Mr.
8 Lucey's closing argument, Your Honor, but the fact of the
9 matter is there is no evidence whatsoever in the record
10 to say that Mr. or Mrs. Drews had the capacity to go out
11 and get a loan. The fact of the matter is the evidence
12 was he sold his business; he sold his house, paid off all
13 his liens to include some I-R-S liens and had 100,000
14 dollars.

15 What happened in 2001? And that seems to be the
16 focus of concern and I understand why. At that point,
17 Judge, Mr. Lancaster had no executed promissory notes of
18 any kind. He had the promise of his aunt and uncle to
19 repay him. In 2001, uncle decides to sell 1705 Meeting
20 Street. He sells it for 210,000 dollars; he takes back a
21 note in the amount of 190,000 dollars a note and
22 mortgage. He goes to his attorney, Mr. Koon. Mr. Koon
23 prepares a promissory note for Mrs. Drews to sign in the
24 amount of 50,912 dollars. Mrs. Drews signs a written
25 promissory note for 50,912 dollars. In consideration of

1 Mrs. Drews assuming that entire obligation, Mr. Drews
2 assigned that note to her to secure that note and Mr.
3 Lancaster had had security for the note ever since 623
4 sold.

5 And let's talk about those mortgages, Your Honor.
6 If you recall when Mr. Lancaster got on the stand, he
7 didn't even get the mortgages when they were done. The
8 mortgages were prepared by Mr. Drews' attorney and that's
9 not something that gets signed by Mr. Lancaster.

10 Judge, if you look as to where those mortgages go
11 back, I noticed that at least one of them goes back to
12 Mr. Drews -- after recording please send -- going back to
13 Mr. Drews. None of those mortgages came to Mr. Lancaster
14 and he testified that he didn't know about those
15 mortgages until well after the time when they were
16 rendered. He satisfied those mortgages in 2001 because
17 that was the only way that that property could be sold.
18 That's when he learned about those mortgages; in 2001.

19 You've already heard my arguments, Your Honor with
20 respect to the conspiracy issue. This idea that he
21 somehow conspired with Mr. Drews prior to December 5 of
22 2001 when Mr. Drews secured his judgment I think is a
23 stretch and respectfully, Your Honor, do not believe that
24 it is meritorious. Likewise, Your Honor with respect to
25 the issue of aiding and abetting negligence on the part

1 of Mr. Drews, I don't think a cause of action exists in
2 that regard, Judge. He hasn't pled aiding and abetting
3 a breach of a fiduciary duty which I do believe is a
4 cause of action in South Carolina.

5 With regard to the constructive trust issue, Your
6 Honor, it seems to me that the sorts of wrongdoing that
7 are addressed with respect to the imposition of a
8 constructive trust are not the sort of things that Mr.
9 Lancaster engaged in.

10 Mr. Lancaster is a bright man, Your Honor, but to
11 suggest that he's somehow participated in what -- in some
12 of the things that Mr. Drews participated in to the
13 extent he did, I don't see that, Judge. I mean, what did
14 he do -- what did he participate in that brings him here
15 to court and makes him responsible to the plaintiff? He
16 loaned to his -- he gave them a house for which he got
17 100,000 dollars. He loaned the money and got paid back.
18 He didn't get a penny more than what he was otherwise
19 owed in accordance with the loans that he made.

20 This idea that he somehow was a knowing participant
21 with respect to Mr. Drews is all based on this idea about
22 the mortgages. Those mortgages weren't something that he
23 prepared or his lawyer prepared. That was something that
24 Bob Drews did, Your Honor. He never even got -- didn't
25 find out about them until he had to satisfy them incident

1 to the sale and that was in 2001. We believe that there
2 was valuable consideration; valuable consideration with
3 respect to the 100,000 dollars that was paid, valuable
4 consideration in return being the life -- the right to
5 live in these homes which they did for some 18 years.

6 With respect to the monies that he was paid back,
7 Your Honor the consideration was the loans that he would
8 make -- excuse me, the loans that he had made; initially
9 the 40,000 and then the 2 loans totaling 20,000 in 1999.
10 Thank you, Your Honor.

11 THE COURT: Okay. Thank you very much. I'm going
12 to ask the 2 of y'all to prepare me 2 separate orders.
13 If you would, Mr. Dodds if you'll prepare the first one,
14 and I want you to address the -- the court's going to
15 find that the plaintiff has failed to prove any
16 constructive trust. And the second cause of action
17 failed to prove civil conspiracy on the third cause and
18 failed to prove any negligent aiding and abetting as to
19 fiduciary or what any other relationship as to aiding and
20 abetting on those 3 causes of action. And the factual
21 basis that you feel they are not appropriate, if you
22 would Mr. Dodds.

23 MR. DODDS: Yes, Your Honor.

24 THE COURT: And you can call it a supplemental
25 order.

1 MR. DODDS: Yes, sir.

2 THE COURT: Now, as to the first cause of action,
3 Mr. Lucey I want you to -- anything you want to put in to
4 supplement the court's findings is fine. But I
5 specifically want to make the following findings of facts
6 and you may enumerate them.

7 In referring to South Carolina code section 27-23-
8 10, the statute says that showing 2 or more of the
9 following creates a rebuttal presumption. That's only as
10 to child support, but the court's going to address some
11 of those issues that they refer to in the code section.

12 And, first of all I'd like to say that there was a
13 close relationship between the transferer and the
14 transferee in all the transactions, i.e. uncle and
15 nephew. The transfers were not disclosed or concealed
16 and the initial 100,000 was substantially all of Mr.
17 Drews' assets at that time.

18 It seems like throughout this process there's been a
19 concerted effort on Mr. Drews' part accompanied by the
20 defendant to conceal assets to the public and there was a
21 in this court's opinion a departure from the usual method
22 of doing business in those transfers. Now, factually I'm
23 going to go through and try to enumerate why the court's
24 finding those factors that the court just referred to as
25 appropriate. The customary way a life estate would have



1 been established would have been for the defendant¹ to
2 transfer a deed to Mr. and Mrs. Drews giving them a life
3 estate with the remainder of being with Mr. Lancaster
4 however, in this situation that was not done. Even
5 though there was a memorandum of some sort, it was not
6 recorded -- and the court is of the opinion it was not
7 recorded to give public a notice of that transfer of the
8 100,000 dollars. That is, in the court's opinion, is a
9 major departure from the usual method of doing business.

10 Now another departure from the usual method of doing
11 business was in relation to these mortgages, especially
12 the 100 and the 20,000 dollar mortgage. Maybe the 40,000
13 dollar would have been appropriate on the Meeting Street
14 property, but the other 2 mortgages were entirely not
15 appropriate.

16 It is a violation of the usual method of doing
17 business in a business transaction where you put 190,000
18 dollars on the public records to secure a 40,000 dollar
19 loan when the public would view those records and
20 determine that the creditor was not -- didn't have any
21 assets and the defendant was an accomplice in that aspect
22 even though, I think the defendant had knowledge of it.
23 I don't think it's believable with his background, with
24 his training, and his business experience that he was not
25 aware of it and obviously he was aware of it when he had

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1 to satisfy those 3 mortgages when the Meeting Street
2 property was sold. In the time frame on some of those --
3 and especially on plaintiff's exhibit number 24, I
4 believe which is the memorandum the court was referring
5 to, referred to a power of attorney and there was no
6 power of attorney in existence at the time. And some of
7 the transfers were made and then some of them recorded 6
8 months or better later that were not contemporaneous.
9 None of the transfers on the transfer of the financial
10 data was contemporaneous.

11 And the court does not find it believable on direct
12 examination the defendant appeared to not understand
13 anything about notes and mortgages or anything else.
14 However, on direct he was very knowledgeable about basis
15 about any question that his defense counsel asked him and
16 even knew the cap on the gift tax at the time of the
17 transfer of the 100,000 dollars, I believe 1.2 million
18 dollars; he was very knowledgeable.

19 The court finds that his failure to testify that he
20 was not aware of any of this and didn't know anything
21 about notes and mortgages and how this functions, the
22 court does not find believable. The issue about the
23 neither party showing any payment of interest by the
24 Drews on the tax return, the '05 tax return, the
25 defendant didn't show any return of interest. The court

1 finds it was a concerted effort by both parties to hide
2 all these transactions from any view of the public either
3 by recording in the Register Mesne Conveyance, tax
4 return, or any other methods to avoid any finding those
5 assets by any creditor.

6 Mr. Lucey, I'm not going to -- let me see -- I
7 believe I already said there was no contemporaneous
8 consideration at the time of closing on any of the
9 mortgages. It adds -- I believe the expert testified on
10 the assignment of the 190,000 to the wife immediately to
11 the defendant, there's nothing recorded in the
12 courthouse. The court finds that that was -- there's no
13 other reason except to hide those assets.

14 I think I've already said this; neither party has
15 treated the money as a loan on their tax returns. And
16 Mr. Lucey, if you will -- I'm not going to enumerate all
17 of the expert's opinions as to the no valid reasons on
18 all the transfers that he testified to. I'll let you
19 break that out on the factual finding by the court.

20 MR. LUCEY: Yes, sir.

21 THE COURT: I may have already said this, but the
22 transfer of the initial 100,000 was substantially all of
23 the debtor's assets at the time and the court is of the
24 opinion it was done to hide those assets. If it wasn't
25 done for that reason, they would have followed the

1 routine of establishing a life estate by deed. And I'm
2 not saying the buying a house and putting up his share of
3 the money, I believe it was 60,000 dollars or 40; I don't
4 remember the exact figure, that that could have been
5 enforced by contract. But, I think the court is of the
6 opinion it was done by that reason to conceal the assets.

7 If you will make those findings of facts and any
8 other findings of facts that you feel is appropriate and
9 also the -- as I said earlier, the expert's opinion as to
10 why there's no bona fide nature of the transactions on
11 those findings. I'm not going to sit here and enumerate
12 all of them. You may add that plus anything else that
13 you think is appropriate on that first cause of action.

14 Now, I can let y'all very briefly comment on the
15 damages or I can ask you to send me a short -- very short
16 memorandum as to the damages if you find it appropriate.
17 My problem is I'm supposed to meet somebody in 5 minutes
18 so what I was going to ask you to do if you could just
19 send me a 2 or 3 page letter of memorandum on your view
20 of the damages. Is there anything else?

21 MR. LUCEY: No, sir. Are you in Charleston next
22 week, sir?

23 THE COURT: Pardon?

24 MR. LUCEY: Are you in Charleston next week?

25 THE COURT: I'll be here, but I'll be leaving

1 Wednesday.

2 MR. LUCEY: Can we agree to get the damages memo in
3 by Tuesday so we can --

4 MR. DODDS: I don't have any objection to that.

5 MR. LUCEY: Thank you.

6 THE COURT: Are you going to email them to me?

7 MR. LUCEY: Yes, sir.

8 THE COURT: Because I'm actually leaving the
9 country Wednesday. I won't be back until July the 5th.

10 MR. DODDS: We would be happy to do that, Your
11 Honor.

12 THE COURT: Can you email them to me Monday, so
13 I'll have a chance to reply to you Tuesday?

14 MR. DODDS: By the end of the day, Monday?

15 THE COURT: Yes, by the end of the day Monday.

16 MR. LUCEY: Yes, sir.

17 THE COURT: And that way I can at least read the
18 emails and email you back.

19 MR. LUCEY: Yes, sir.

20 THE COURT: And I just want you to address the
21 issue of the damages.

22 MR. LUCEY: Yes, sir.

23 THE COURT: All right, anything else?

24 MR. LUCEY: Nothing from the plaintiff, Your Honor.

25 MR. DODDS: No, Your Honor.

1 THE COURT: Now let me ask one question of Mr.
2 Lucey. I understand your expert put the present day
3 value of 222,262.21 and I'm not -- I can tell you this,
4 I'm not going with his evaluation of the real estate
5 okay, the 357,000.

6 MR. LUCEY: Yes, sir.

7 THE COURT: Okay?

8 MR. LUCEY: Yes.

9 THE COURT: So, you don't need to address 357,000
10 in your letter.

11 MR. LUCEY: Yes, sir.

12 THE COURT: All right. Thank you very much.

13 MR. DODDS: Thank you, Your Honor.

14 MR. LUCEY: Thank you, Your Honor.

15 [Whereupon, the trial concludes]
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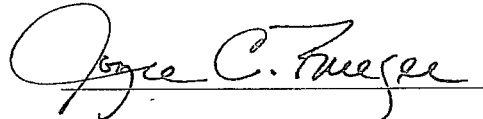
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C E R T I F I C A T E

I, the undersigned, Joyce C. Rueger, Official
Circuit Court Reporter for the Ninth Judicial Circuit of
the State of South Carolina, do hereby certify that the
foregoing is a true, accurate, and complete Transcript of
Record of the proceedings had and evidence introduced in
the trial of the captioned case, relative to appeal, in
the Court of Common Pleas for Charleston County, South
Carolina on the 14th day of June, 2013.

I do further certify that I am neither of kin,
counsel, nor interest to any party hereto.

June 30, 2014



Joyce C. Rueger, CVR-M
Court Reporter

STATE OF SOUTH CAROLINA) COURT OF COMMON PLEAS
COUNTY OF CHARLESTON) NINTH JUDICIAL CIRCUIT

FRANK GORDON, JR.,) TRANSCRIPT OF RECORD
PLAINTIFF,) 2010-CP-10-9096
V.) 2011-CP-10-8840
DONALD LANCASTER,)
DEFENDANT.)

OCTOBER 30, 2013

CHARLESTON, SOUTH CAROLINA

B E F O R E:

THE HONORABLE J. C. NICHOLSON, JR., JUDGE

A P P E A R A N C E S:

JUSTIN LUCEY, ESQUIRE

ATTORNEY FOR THE PLAINTIFF

JOHN J. DODDS, III, ESQUIRE

(ATTORNEY FOR THE DEFENDANT

SHARON L. VIZER

CIRCUIT COURT REPORTER



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NO EXHIBITS WERE INTRODUCED

1 Wednesday, October 30, 2013

2 THE COURT: Frank Gordon vs. Donald Lancaster.

3 It's a motion to reconsider.

4 MR. LUCEY: Good morning.

5 THE COURT: Good morning.

6 MR. DODDS: Good morning, Your Honor.

7 THE COURT: All right. Who is here for the
8 respective parties?

9 MR. DODDS: Your Honor, John Dodds on behalf of the
10 defendant, Donald Lancaster.

11 THE COURT: Okay.

12 MR. LUCEY: Justin Lucey on behalf of the
13 plaintiff, Your Honor.

14 THE COURT: All right, Mr. Dodds. I believe it's
15 your motion. I'll be glad to hear you.

16 MR. DODDS: It is, Your Honor. Thank you. Your
17 Honor, the defendant, Mr. Lancaster, filed a motion
18 pursuant to Rule 52(b) and Rule 59(e) of the South
19 Carolina Rules of Civil Procedure asking the Court to
20 alter or amend its judgment and to modify certain
21 conclusions and findings made in its order.

22 Judge, as you may recall, there were actually two
23 cases that were consolidated for trial just prior to the
24 trial that you heard nonjury in June of 2013. For some
25 reason there was never a written order issued so the



1 clerk still shows this as being two separate cases, but I
2 think Mr. Lucey would agree with me that they were
3 consolidated for purposes of trial. The point being,
4 Your Honor, is that we have filed the identical motion in
5 each of the two cases by virtue of the fact the clerk
6 still has it as two separate cases.

7 THE COURT: All right. What case number did we
8 proceed under? It was 8840, right?

9 MR. DODDS: Judge, that was one of the cases.

10 THE COURT: Or 9096? Which one did we proceed
11 under; do you remember?

12 MR. DODDS: Well, your order actually references
13 both case numbers, Judge.

14 THE COURT: Okay.

15 MR. DODDS: Judge, let me just point out, if I may.
16 With respect to the second amended complaint, paragraph
17 three -- and it had to do with some assignments that the
18 plaintiff had received from other co-defendants who were
19 previously released from the case, but the importance of
20 the statement and the amended complaint is for purpose of
21 my argument.

22 THE COURT: Okay.

23 MR. DODDS: He says by these assignments plaintiff
24 does not seek to enlarge or change the judgment upon
25 which he is suing. Plaintiff is still collecting on the

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1 2001, 2002 trial judgments that he received.

2 As you may recall, Your Honor, the plaintiff in
3 this case secured a judgment against the -- against
4 Mr. Lancaster's uncle, a Mr. Robert Drews, in December of
5 2001. December 5, 2001, he secured a money judgment, and
6 then subsequently, March 15, 2002, he received an award
7 of attorney's fees in that same case.

8 Mr. Gordon, the plaintiff, brought an action, Your
9 Honor, alleging several causes of action, all of which
10 were dismissed with the exception of the fraudulent
11 conveyance action upon which Your Honor granted judgment.
12 The basis of the debt upon which the fraudulent
13 conveyance action was brought was the December 5, 2001
14 judgment and the March 15, 2002 award of attorney's fees
15 in that specific case.

16 One of the defenses we raised, Your Honor, was that
17 the December 5, 2001 and March 15, 2002 judgments had
18 expired prior to the time this case was heard. We had
19 argued that Section 15-39-30 of the Code of Laws of South
20 Carolina, Your Honor, essentially provided that the
21 judgment expired within 10 days -- within 10 years after
22 its original entry. These judgments having been December
23 5, '01 and March 15, 2002 had expired 10 years
24 thereafter. And we believe that also to be consistent,
25 Your Honor, with Section 15-39-130 that dealt with

1 returns by the sheriff's department which in relevant
2 part says, And in any event on the first day of the term
3 at which the active energy of the process shall cease as
4 provided by law he shall return the process, if it has
5 not been before returned, as fully executed. And it
6 references the expiration of the judgment after 10 years.

7 Judge, I argued two cases before you at the trial.
8 One was the South Carolina Supreme Court decision in
9 Linda Mack Company vs. Shore, a decision that was
10 rendered December 29, 2010, and I want to emphasize, Your
11 Honor, that the Court in Linda Mack said, We want to
12 stress that this is a narrow holding limited to facts
13 similar to those at issue in this case.

14 Interestingly, in the Linda Mack case the --

15 THE COURT: What was the cite on the case again?

16 MR. DODDS: I'm sorry, Your Honor. It's Linda Mack
17 Company vs. Shore. I actually made some copies for you,
18 Judge.

19 THE COURT: Okay. All right. Thank you very much.
20 I appreciate it.

21 MR. DODDS: Yes, sir, Your Honor.

22 And it was an interesting case, Your Honor, and I
23 understand why the Supreme Court said it's limited to its
24 facts. A judgment had been issued in the Linda Mack case
25 in 2005 -- excuse me, Your Honor, 1995. The judgment

1 creditor initiated supplemental proceedings prior to the
2 expiration of the 10 year period for the judgment.

3 One day after the 10 year period had expired,
4 Judge, the master-in-equity issued an order allowing
5 plaintiff to levy upon the assets of the judgment debtor,
6 one day after the 10 year period had expired.

7 And again, the Court said, We want to stress this
8 is a narrow holding limited to the facts similar to those
9 at issue. And they say, Hence, when a party has complied
10 with the applicable statutes, as respondent did in this
11 case, and is merely waiting on a Court's order regarding
12 execution of levy the 10 year limitation found in Section
13 15-39-30 is extended to when the Court finally issues an
14 order. To hold otherwise would put those trying to
15 enforce their judgments at the mercy of the court system
16 to conclude the matter within the 10 year period.

17 They go on to say, In this case the judgment was
18 entered June 2, 1995, and the order was issued June 3,
19 2005. While the order came after the 10 year period a
20 petition for supplemental proceedings was filed before
21 the 10 year period expired; therefore, the judgment had
22 active energy on June 3, 2005 because that order was the
23 result of the supplemental proceedings filed during the
24 10 year period.

25 So they were -- they had filed supplemental

1 proceedings based on a judgment that they got in 1995.

2 Contrarily, Your Honor, the plaintiff did not have
3 a judgment against Mr. Lancaster, the defendant in this
4 case. The plaintiff was seeking to set aside transfers
5 involving Mr. Lancaster and his uncle based on a
6 fraudulent conveyance claim, the debt being the
7 underlying judgment from 2001 and 2002, which we believe
8 had expired.

9 In other words, Judge, the plaintiff wasn't
10 enforcing his judgment by execution and levy on
11 Mr. Gordon's assets -- excuse me, on Mr. Drew's assets.
12 This was an independent action against Mr. Gordon --
13 excuse me, against Mr. Lancaster. It wasn't an action
14 with regard to Mr. Drews. He had no judgment against
15 Mr. Lancaster, Your Honor.

16 Judge, this case is very much like the Supreme
17 Court's case in Carr V. Gerard, and I've provided you a
18 copy. It's a 2005 decision of the South Carolina Supreme
19 Court wherein essentially the Judge, the Court rules that
20 the plaintiff lost his status as a judgment creditor when
21 the judgment became more than 10 years old, and therefore
22 lacked standing to bring an action under the Statute of
23 Elizabeth to void a transfer of property.

24 And they basically said, A fraudulent transfer
25 action more than 10 years after the judgment was an

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1 impermissible attempt to circumvent the bar to executing
2 on an expired judgment.

3 Now, I will tell you that the action that was
4 brought in Carr to set aside the fraudulent conveyance
5 was brought more than 10 years after the day of the
6 original entry of judgment. But the Court didn't get
7 hung up on that issue. It just said that the judgment
8 expired and therefore the plaintiff was barred from
9 pursuing a fraudulent conveyance claim. And the Court
10 said, Look, if we allow this plaintiff to bring this
11 action more than 10 years after the entry of the original
12 judgment essentially what he is doing is seeking to
13 collect on a judgment that is more than 10 years old,
14 after the is judgment expired.

15 And there were other cases, Your Honor, that talk
16 about there's no tolling of the 10 year period. Both the
17 federal courts and the state courts have interpreted to
18 say, Look, it's 10 years from the date the judgment was
19 originally entered with the clerk of court.

20 So our position, Your Honor, our primary position
21 is, with respect to December 5, 2001 and March 15, 2002
22 judgments, that those judgments expired because --

23 THE COURT: What was the second judgment, March 15
24 what?

25 MR. DODDS: Yes, Your Honor. It was March 15,

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1 2002, award of attorney's fees.

2 THE COURT: Attorney's fees?

3 MR. DODDS: Yes, sir, Your Honor, in the same case
4 that the December 5, 2001 judgment had been entered.

5 THE COURT: Okay.

6 MR. DODDS: I'm happy to answer any questions you
7 may have, Your Honor.

8 THE COURT: Refresh my memory on the dates in this
9 case. When was the action filed?

10 MR. DODDS: Judge, the action was actually filed in
11 2010.

12 THE COURT: Okay.

13 MR. DODDS: There was an amended complaint that was
14 -- a second amended complaint, I believe, that was filed
15 just prior to you hearing the case in June of this year.

16 THE COURT: So the judgment was entered on December
17 5th, '01, the action was filed 2010; is that correct?

18 MR. DODDS: That's correct, Your Honor.

19 THE COURT: When was it served?

20 MR. DODDS: It would have been served --

21 THE COURT: Shortly thereafter?

22 MR. DODDS: Yes, Your Honor.

23 THE COURT: You know when it was filed in 2010?

24 MR. LUCEY: It was November 2nd, Your Honor.

25 THE COURT: November 2nd. Okay.

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1 MR. DODDS: Sounds right.

2 THE COURT: Okay.

3 MR. DODDS: Judge, I've got various and other
4 arguments as well and I'll be substantially more brief
5 with regard to those.

6 Judge, as you may recall, Mr. Lancaster accepted a
7 hundred thousand dollar payment from Mr. Drews in 1992 in
8 consideration of which, our position, was that
9 Mr. Lancaster allowed his aunt and uncle to live in two
10 separate homes that he owned for some 18 years.

11 Judge, the basis of the judgments that were
12 procured by the plaintiff were as a result of the sale of
13 stock by Mr. Lancaster's uncle on a failed business
14 venture. That occurred in 1996, that the stock was sold
15 by Mr. Drews and another gentleman to the plaintiff's
16 mother, and that ultimately resulted in these judgments
17 in 2001 and 2002.

18 So with respect to the hundred thousand dollars
19 that was paid to Mr. Lancaster, clearly the plaintiff is
20 a subsequent creditor. And pursuant to Mathis V. Burton,
21 Your Honor, it's a 1995 decision of South Carolina
22 Supreme Court, it's 460 S.E.2d 406, subsequent creditors
23 may have conveyances set aside when the conveyance was,
24 quote, voluntary, that is without consideration and it
25 was made with the view to future indebtedness or with an

1 actual fraudulent intent on the part of the grantor to
2 defraud creditors, and then they say it requires actual
3 moral fraud.

4 So our position, Your Honor, with regard to the
5 hundred thousand dollar payment that was made by
6 Mr. Drews to Mr. Lancaster was that that hundred thousand
7 dollars, that there was valuable consideration, that the
8 valuable consideration was the defendant, Mr. Lancaster,
9 agreeing to allow his aunt and uncle to live, initially
10 in a home that he purchased.

11 If you recall, he accepted a hundred thousand
12 dollars from his aunt and uncle and then he went out and
13 spent his own money, Judge. He spent another \$25,000 of
14 his own money and then made about 14,000, \$15,000 worth
15 of repairs. So he allowed his aunt and uncle to live
16 there, and then when they became infirmed and couldn't go
17 upstairs, they needed to find a single-story home, he
18 went out and found a subsequent home which he purchased
19 with his own money, not any monies contributed by the
20 aunt or uncle because he had to sell the first house
21 before -- he was not able to sell the first house before
22 he purchased the second home so --

23 THE COURT: He sold it subsequently --

24 MR. DODDS: He did, Your Honor --

25 THE COURT: And generated some income from it, if I

1 remember correctly, didn't he?

2 MR. DODDS: Yes, Your Honor.

3 THE COURT: Over and above the hundred thousand?

4 MR. DODDS: Yes, sir. That's correct.

5 THE COURT: Okay.

6 MR. DODDS: Yes. So with regard to the hundred
7 thousand dollar payment, Your Honor, our position is that
8 there was valuable consideration because he allowed his
9 aunt and his uncle to live in the home. Then he
10 subsequently made loans to his aunt and uncle between
11 1993 and 1995, again, before the claim upon which
12 plaintiff secured his judgment arose, to the tune of
13 \$40,000. So similarly, Judge, our position is, with
14 regard to the \$40,000, is that Mr. Lancaster, that there
15 was valuable consideration, that Mr. Lancaster had made
16 loans to his aunt and uncle of \$40,000.

17 The other issue, Your Honor, that I think is
18 important is Mr. Drews and his wife, the aunt and uncle,
19 sold their home in 1992. That generated the hundred
20 thousand dollars that was paid to Mr. Lancaster that he
21 used to buy the home.

22 The only evidence in the record, Your Honor, is
23 that any subsequent creditor claims, anything of that,
24 didn't come about until 2000. I know there's some
25 findings in your order but there's nothing in the record

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1 that says anything about any creditor claims or monies
2 owed by Mr. Drews or his wife until around 2000 when he
3 began having correspondence with the IRS.

4 When he sold his house in 1992 he satisfied any and
5 all claims that were outstanding at that time. That's
6 why he only wound up with a hundred thousand dollars, is
7 because he paid off various and sundry tax liens and
8 other obligations leaving basically a hundred thousand
9 dollars of unencumbered money.

10 So the \$40,000 between 1993 and 1995, again,
11 Mr. Gordon as the plaintiff would have to show no
12 valuable consideration and moral fraud or actual fraud,
13 and we think that there's nothing in the record.

14 THE COURT: I don't remember which transaction it
15 was but wasn't there one transaction where it went to the
16 wife and there was no money transferred --

17 MR. DODDS: Yes, sir.

18 THE COURT: And put a mortgage on the books for
19 some 75, \$80,000 --

20 MR. DODDS: Yes, sir. That happened in 2001, Your
21 Honor.

22 THE COURT: Okay.

23 MR. DODDS: Yep, and that was when the uncle sold
24 his property on Meeting Street. He took back a 190,000
25 dollar mortgage, he assigned that mortgage to his wife

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1 and then his wife gave a partial assignment to
2 Mr. Lancaster for the balance that was owed him at that
3 time which was about \$50,912. But that happened in
4 November of '01, and understandably prior to the December
5 5, 2001 judgment.

6 THE COURT: Right.

7 MR. DODDS: So just prior to the time that that
8 occurred. You're absolutely correct. But that was in
9 2001, Your Honor. And all the monies that were paid to
10 Mr. Lancaster, the hundred thousand dollars in 1992,
11 there was \$40,000 in loans between '93 and '95.

12 Then in June of 1999 Mr. Lancaster actually paid an
13 additional \$20,000 to two separate creditors of his
14 uncle. He paid \$15,000 to one bank and \$5,000 to another
15 bank to relieve his uncle of responsibilities per the
16 failed business venture.

17 So the only monies that were paid to or on behalf
18 of the uncle subsequent to the time that this claim arose
19 in favor of the judgment was the \$20,000, and that was
20 paid to two separate banks that relieved the uncle of
21 responsibility under a guarantee agreement. So our
22 position is, with regard to the \$20,000 that was paid in
23 1997 -- excuse me, 1999, Your Honor, that there was
24 valuable consideration for that.

25 Judge, there are various and sundry findings that

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1 I'll be very quick about.

2 THE COURT: I've read them in your --

3 MR. DODDS: You read them. Okay.

4 THE COURT: I read them in your motion. I can read
5 those again. Okay?

6 MR. DODDS: Yes, sir.

7 THE COURT: You pretty well laid out the factual
8 findings that you dispute and I'll review them. Okay?

9 MR. DODDS: All right, sir. Will that become part
10 of the record, Your Honor?

11 THE COURT: Unless there's just one you want to
12 specifically talk about but they were itemized pretty
13 well in your motion.

14 MR. DODDS: No, your Honor. I'm satisfied that if
15 the motion becomes part of the record and that you've
16 read them, Your Honor --

17 THE COURT: Let me ask you one question. The
18 judgment was entered when? December the 5th, '01; is
19 that correct?

20 MR. DODDS: That's correct, Your Honor.

21 THE COURT: Which would mean 10 years it expired, I
22 guess December 5th, 2011; is that correct?

23 MR. DODDS: Yes, Your Honor.

24 THE COURT: This action was filed November the 2nd,
25 2011, which is about nine years, but your position is

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1 conveyances were all prior to 10 years?

2 MR. DODDS: Yes, sir.

3 THE COURT: As far as the statute of limitations is
4 concerned?

5 MR. DODDS: Yes, sir, Your Honor, and the other --

6 THE COURT: He didn't ask -- was not living on the
7 note itself.

8 MR. DODDS: Exactly, Your Honor, and that I think
9 is the key ingredient with regard to the Linda Mack case,
10 is that the Court said, Look, we're going to limit our
11 holding to the specific facts of this case, and that was
12 a case where the owner of the judgment, the judgment
13 creditor had actually filed supplemental proceedings --

14 THE COURT: Let me just ask you this question. I
15 know he was setting aside -- trying to set aside
16 conveyances because he thought they were fraudulent so he
17 could collect on his judgment against Mr. Lancaster.

18 MR. DODDS: Yes, sir.

19 THE COURT: Technically it's not supplemental
20 proceedings.

21 MR. DODDS: Right.

22 THE COURT: But technically he's trying to set
23 aside a prior -- conveyances that he felt like were
24 fraudulent and he did that within the 10 year time before
25 the statute expired.

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1 MR. DODDS: I grant you that, Your Honor.

2 THE COURT: And so that's my problem with your
3 argument.

4 MR. DODDS: Right. Well, you know, the only
5 authority that he can point to in an effort to defeat the
6 issue of the expiration of the judgment is the Linda Mack
7 case, and that case basically says we're going to limit
8 it to the specific facts of this case and because the
9 judgment creditor had filed supplemental proceedings
10 prior to the expiration of 10 years, and although the
11 Court's order levying upon assets came one day after the
12 expiration of the 10 year period they said, Look, it
13 still had active energy. He had done what he was
14 supposed to do with regard to his judgment prior to the
15 expiration of the 10 years. In this case, Judge --

16 THE COURT: Hadn't he done the same thing in this
17 case? That's the problem I have. He did the same thing
18 in this case. He brought it within the 10 years to set
19 aside what he alleged to be fraudulent conveyance so he
20 would have access to collect his judgment.

21 MR. DODDS: Right. He should have done it sooner,
22 Your Honor, under the statute.

23 THE COURT: When do you think he should have done
24 it?

25 MR. DODDS: As soon as possible. As soon as his

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1 judgments became unappealable, became final judgments he
2 had the ability to initiate supplemental proceedings. In
3 fact, as I recall --

4 THE COURT: But how do you supplemental proceed
5 fraudulent conveyance without getting the conveyance to
6 set aside first? I mean --

7 MR. DODDS: He should have brought this lawsuit
8 sooner than nine years after the judgment was rendered in
9 his case. He waited nine years before he brought this
10 judgment -- before he brought this action to set aside
11 these conveyances.

12 And, you know, in the Linda Mack case they had
13 their judgment and they filed for supplemental
14 proceedings, and the Court said, We're not going to let
15 one day cause a problem for you because you did what you
16 needed to do.

17 THE COURT: And he did everything within the 10
18 years and the Court just didn't sign the order.

19 MR. DODDS: Right.

20 THE COURT: I mean, sometimes it takes a week, 10
21 days before the order is signed and filed.

22 MR. DODDS: Right.

23 THE COURT: I understand that.

24 MR. DODDS: Yeah. I just think that -- and the
25 Court --

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1 THE COURT: We don't have that in this situation.

2 MR. DODDS: We don't.

3 THE COURT: He filed the lawsuit within the 10
4 years to set aside the conveyance.

5 MR. DODDS: Yep.

6 THE COURT: Go ahead.

7 MR. DODDS: I was going say, you know, it's
8 interesting because Justice Pleicones was the author of
9 the decision in Carr V. Gerard where he basically said,
10 Look, 10 years is 10 years and that's it and it expires.
11 We're not going to allow you to bring a fraudulent
12 conveyance action to basically circumvent the statute
13 which says your judgment expires in 10 years because the
14 practical effect of it -- and it's interesting what he
15 says, Judge. He says, Although at this point Carr is
16 seeking only to set aside the money transfers he admits
17 that his next step would be to seek to attach the subject
18 funds. The only way for him to do that would be to try
19 to execute on its judgment which is stale. It would be a
20 meaningless exercise to permit -- to permit the setting
21 aside of the transfer -- transfers despite Carr's
22 inability to actively take any subsequent action.

23 So what they are saying is we're not going to let
24 you do that. Your judgment is expired.

25 THE COURT: Well, wasn't in Carr he had filed

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1 outside the 10 years, didn't he?

2 MR. DODDS: Yes, sir. That's true.

3 THE COURT: And in the other case he filed inside
4 the 10 years.

5 MR. DODDS: That is true. That is true.

6 THE COURT: Okay.

7 MR. DODDS: And, you know, the only thing I would
8 point to and I'll end it, Judge, is that Pleicones and --
9 Justice Pleicones and Justice Beatty both filed
10 dissenting opinions in the Linda Mack case.

11 THE COURT: Have you found any cases, apparently
12 not in South Carolina, anywhere that would address the
13 issue if you got a judgment, you filed for the fraudulent
14 conveyance to set it aside within the 10 years, go back
15 to the time of the conveyances -- or the 10 years start
16 at the time of conveyances or the time of the judgment?
17 You basically want the Court to say the 10 years started
18 at the time of the conveyances.

19 MR. DODDS: It's kind of like what Justice
20 Pleicones and Justice Beatty said in their dissent is
21 that, Look, if you want to change the statute that's the
22 legislature that needs to do that not the Court.

23 Judge, there are a couple other cases that I'll
24 just mention. One is Homeport Rentals vs. Moore.
25 Basically, it said the enforcement period cannot be

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1 tolled for any reason.

2 There's another case, Commercial Credit vs. Riddle.
3 The 10 year enforcement period was not tolled until the
4 time that the creditor was charged with facts to put it
5 on notice of the debtor's fraudulent conveyance. They
6 are saying, Look, there is no tolling. If you don't know
7 about the fraudulent conveyance too bad. The 10 years is
8 still running and 10 years is 10 years.

9 That's Commercial Credit vs. Riddle, Your Honor.
10 That's a 1999 decision of the South Carolina Court of
11 Appeals. That actually was a foreign judgment. It said
12 the 10 year enforcement period applicable to creditors
13 whose action to execute a domesticated judgment against
14 the debtor's property ran from the date of entry of the
15 South Carolina judgment as opposed to the date of entry
16 of the original foreign judgment. Strong public policy
17 limited life of the judgment to 10 years.

18 THE COURT: Okay.

19 MR. DODDS: Thank you, Your Honor.

20 THE COURT: Thank you so very much, Mr. Dodds.

21 MR. DODDS: Yes, sir.

22 THE COURT: Yes, sir?

23 MR. LUCEY: I know Mr. Dodds doesn't mean to but he
24 makes me sound a little slack in waiting nine years but
25 we actually didn't wait nine years. This went up on

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1 appeal and we won the appeal in late 2005. It came back
2 down and we did start supplemental proceedings against
3 Mr. Drews. We had an order of the local courts getting
4 this going and he showed up at his supplemental
5 proceeding without all the documents we needed to
6 discover --

7 THE COURT: When did you do supplemental
8 proceedings?

9 MR. LUCEY: I can't tell the filing date. I will
10 tell the Court that I believe we examined Mr. Drews under
11 oath in the 2007 in a supplemental proceeding. So they
12 were pending. We filed within, say, a year after the
13 case began.

14 THE COURT: Well, how many of these conveyances
15 that you are wanting to set aside based on that were
16 within the 10 years, if you accept his argument?

17 MR. LUCEY: If you accept his argument a number of
18 these conveyances actually occurred within the 10 year
19 period and I will get to that --

20 THE COURT: From the time you filed initially for
21 supplemental proceedings.

22 MR. LUCEY: Within 10 years of -- yes, of the
23 supplemental proceedings.

24 THE COURT: Okay.

25 MR. LUCEY: And a number of them also occurred

1 after these judgments were entered. So we actually have
2 12, 13 years of transfers that we attack in this case,
3 but let me come back to the facts in just one second.

4 THE COURT: Okay.

5 MR. LUCEY: It's just to stay procedurally for a
6 second, Your Honor.

7 So we filed the supplemental proceedings against
8 Mr. Drews, examined him in this Court. He didn't bring
9 the documents and before we could finish examining him,
10 before we could reconvene he died. So after his death
11 there was a two year fight about the opening of the
12 wife's -- excuse me. After he died we continued on in
13 supplemental discovery.

14 THE COURT: Let me stop you for just a second,
15 okay? I don't remember any of this at the trial, about
16 the supplemental. I remember he died but did that come
17 out at the trial?

18 MR. LUCEY: Yes, Your Honor, I believe it did
19 because the Court took judicial notice of the
20 assignments, and the assignments had the history of those
21 estates within them and you asked us questions about them
22 in the trial.

23 THE COURT: Okay. I just want to know because I
24 don't want to get into new information on a
25 reconsideration.

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1 MR. DODDS: I agree the Court did take judicial
2 notice of the assignments, Your Honor. Whether or not
3 they were introduced in evidence I can't recall off the
4 top of my head.

5 THE COURT: Okay. I just don't remember.

6 MR. LUCEY: And the Court admitted Mr. Drews's
7 supplemental testimony in its entirety.

8 THE COURT: Okay. Fine.

9 MR. LUCEY: So we then went in these same
10 proceedings to depose his wife, who's now the
11 administrator of his estate, to find out where the assets
12 are. She died two days before her deposition. We
13 already had a claim pending against Mr. Drews's estate
14 for our prior judgments. We filed a petition against
15 Mrs. Drews -- Mrs. Drews's estate.

16 We then went on to depose other witnesses that
17 might know something about these assets. And we deposed
18 the nephew in the Spring of 2010. That's when we learned
19 about the assets, transfers that gave rise to the cause
20 of action that we promptly filed later that year on
21 November 2nd, 2010. So we were diligent the entire
22 time --

23 THE COURT: I think your argument was knew or
24 should have known when the 10 years ran at trial, wasn't
25 it? You didn't really know about the conveyances in

1 2010, if I remember; is that correct?

2 MR. LUCEY: We didn't know about them until 2010.

3 THE COURT: Right. Okay.

4 MR. LUCEY: And we were fine within 10 years of the
5 judgment. And so we actually had open supplemental
6 proceedings as to the Drews's estate and open claims as
7 to both estates at the time this action was filed. And
8 out of a matter of precaution we filed this action both
9 in the probate court, following up on the petition, the
10 claimed petitions, and in circuit court.

11 THE COURT: Tell me why -- and I don't remember
12 this. I know they were consolidated, but why do we have
13 two cases, two case numbers?

14 MR. LUCEY: Because in case there was a legal issue
15 as to whether or not the plaintiff needed to be pursuing
16 this case through the probate court with their
17 jurisdiction or through the jurisdiction of the circuit
18 court, so we filed them in both courts to make sure there
19 wouldn't be a legal issue and they were consolidated for
20 trial. The complaints are virtually identical, Your
21 Honor.

22 THE COURT: Let's do this. If you'll do me an
23 order -- I know they have been consolidated, but let's
24 just basically take the older case and consolidate them
25 under the case number of 8840.

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1 MR. LUCEY: Yes, sir.

2 THE COURT: So for the records downstairs it will
3 be just one case number, otherwise we are going to have
4 this problem continually.

5 MR. DODDS: I agree, Your Honor. Thank you.

6 THE COURT: Okay.

7 MR. LUCEY: Yes, sir.

8 THE COURT: All right. Go ahead. I'm sorry. I
9 didn't mean to interrupt you.

10 MR. LUCEY: Yes, sir. And with regards to the 10
11 year limitation, the law of the land was as Mr. Dodds
12 represented it prior to the Linda Mack Company, Inc.
13 case. Judgments just evaporated in the middle of
14 proceedings at 10 years. They did just evaporate. The
15 Supreme Court of this State decided that was an error in
16 2010, and the law of this State is now that if you
17 implemented the proceeding to proceed on that judgment
18 within the 10 year period the 10 years won't bar you.

19 Mr. Dodd reads to the Court a statement of the
20 Court earlier in their order which says basically it's
21 limiting its facts to the -- limiting its holding to the
22 facts of the Linda case; however, he stops short. It's
23 not a model of clarity from our appellate court, and they
24 not always are, but in their conclusion section, in their
25 holding section they say, quote, Furthermore, if a party

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1 takes action to enforce a judgment within the 10 year
2 statutory period of active energy the resulting order
3 will be effective even if issued after the 10 year period
4 has expired. End quote.. That is a blanket holding. We
5 fall into that.

6 THE COURT: I think that case is sort of referring
7 to the traditional supplemental proceedings execution.
8 You didn't execute. You weren't supplemental
9 proceedings. Actually, you were setting aside fraudulent
10 conveyances outside the 10 years.

11 MR. LUCEY: Yes, Your Honor.

12 THE COURT: Which is different from all the facts
13 in the cases you've given me.

14 MR. LUCEY: Yes, Your Honor, and as part of our
15 execution we had executed against the decedents' estates.
16 We had supplemental proceeding against both decedent
17 estates, both of which were still open and pending at the
18 time we filed the lawsuit. It was one collective legal
19 effort we followed.

20 And it's important, I believe, for the Court to
21 note that it took judicial notice of the assignment from
22 both of those estates. So to the extent which the claim
23 to recoup the assets hadn't passed through those estates,
24 we owned those estates at the time of trial.

25 And, Your Honor, that's a legal issue. The Court

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1 has already heard those arguments once and ruled on them.
2 There is no legal precedent, new legal precedent here
3 before the Court that would change its prior ruling. So
4 with that --

5 THE COURT: Well, don't get me wrong. I can change
6 my ruling if I think I was wrong, okay?

7 MR. LUCEY: I understand that --

8 THE COURT: All right. Go ahead.

9 MR. LUCEY: -- but I'm just making the point there
10 is no legal precedent for the Court to consider on this
11 particular issue.

12 Moving on to the factual arguments, Your Honor.

13 THE COURT: Let me ask you this. His motion is
14 very specific about the facts. Did you respond to that
15 in writing, because I haven't looked --

16 MR. LUCEY: No, sir, I did not.

17 THE COURT: Would you mind just going through each
18 factual and respond to it in writing because I'm going to
19 take it under advisement and review these cases, and just
20 respond to his factual findings. He took exception to
21 some of the factual findings, and if I'm wrong on those
22 factual findings I'll be happy to change them. But will
23 you address them?

24 MR. LUCEY: Yes, sir.

25 THE COURT: If you would, just in writing to me.

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1 You can do it by letter form.

2 MR. LUCEY: Absolutely, but may I address some of
3 the more global factual issues first?

4 THE COURT: Yeah, that's fine. That's fine. Yeah.
5 There's five pages of them. I don't want to go through
6 all of them, okay?

7 MR. LUCEY: The first and most important issue on
8 the factual questions is this, Your Honor. The Court's
9 initial and most dominant conclusion announced to the
10 counsel and the parties at the close of evidence was, I
11 don't believe the defendant. He is not credible. And,
12 Mr. Lucey, I'm instructing you to put that in your order.
13 And I put it in the order. It's in paragraph 73.

14 And almost every issue of fact they raised is an
15 issue of credibility. Let's look at the biggest one.
16 They say, well, you can't attack the '92 transfer because
17 it's for consideration for the life estate. Well, we
18 proved at trial from 19 years they said there was no
19 consideration, there was no obligation, and there was --
20 it was a gift.

21 THE COURT: I remember your chart. I don't need to
22 see it again, okay.

23 MR. LUCEY: In fact, the defendant testified he
24 could have bought stocks with that money. He didn't have
25 to buy the house. And he testified in the same way at

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1 trial. So it's an issue of credibility. Was there a
2 viable consideration for that transfer or not? He says
3 there was.

4 THE COURT: Let me expound upon that. If I
5 remember correctly, he was a CPA.

6 MR. LUCEY: Yes, sir.

7 THE COURT: And some of the things that were done
8 between him and the uncle I don't think a CPA -- in my
9 opinion, a CPA should have known better.

10 MR. LUCEY: Correct.

11 THE COURT: Okay. And that to me went towards his
12 credibility, especially when they filed that mortgage and
13 there no money passed hands.

14 MR. LUCEY: Yes, sir.

15 THE COURT: And I don't remember which transaction
16 it was.

17 MR. LUCEY: It was all the transactions.

18 THE COURT: Well, okay.

19 MR. LUCEY: Every one on that chart. In fact, the
20 Court held in court and had us put in the order that
21 there was no contemporaneous consideration for any one of
22 the transactions. In fact, the Court may recall, they
23 executed a bogus hundred thousand dollar mortgage that
24 never had anything -- any claim of transaction related to
25 it at all so the creditors would think that their

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1 property was incumbered.

2 THE COURT: Yeah. I remember that.

3 MR. LUCEY: It was part of a long pattern.

4 THE COURT: And that was sort of what I was talking
5 about, the hundred thousand dollar bogus mortgage.

6 MR. LUCEY: Yes, sir. And the Court will recall
7 they claimed it was a life estate but they never created
8 a life estate in the normal ways one goes about creating
9 it. The alleged life estate for the first house was
10 never recorded. The alleged life estate for the second
11 house was recorded but it was called a memorandum of a
12 lease, again, a deceptive practice. The deceptive
13 practices and the lack of consideration went on and on.

14 And to further refresh the Court's memory, what we
15 essentially showed was that the original hundred thousand
16 dollars that was transferred and then used to buy the
17 first house created a certain amount of equity in that
18 house which was then used by the parties to funnel the
19 money back to the decedent. And he, in fact, was just
20 borrowing back his own money. There was no transfers
21 between these parties.

22 And as to the judgment in this case, even if one
23 ignores the original hundred thousand dollar transfer the
24 monies we prove that were fraudulently transferred exceed
25 the amount of judgment that the Court granted us. The

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1 Court will recall that we presented a CPA and presented
2 the present value of those transfers at a very
3 conservative interest rate of 2.67 percent over the
4 lifespan of this case, and the present value of all of
5 those transfers and the profits on the second house. We
6 ignored the profit on the first house. The profit on the
7 second house exceeds the amount of the judgment in this
8 case. So even if we were wrong on the hundred thousand,
9 which we're not, even if we were wrong we have still
10 proved our case.

11 With regards to the hundred thousand dollars
12 itself, the testimony at trial was that the decedent's
13 business had failed, that he had creditors after him, not
14 just the IRS, and that he was living off of his credit
15 cards and he was completely financially insecure. And
16 through that testimony we were able to show -- and, of
17 course, the pattern of the later transactions, too, but
18 through that testimony we were able to show the moral
19 fraud required for a subsequent creditor to set aside a
20 prior transfer.

21 And again, these all went to issues of fact upon
22 which the Court found the defendant had no credibility.
23 And, Your Honor, we don't believe there is any basis to
24 overturn the Court's finding. Notwithstanding that, as
25 to whether or not there's a particular error on a

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1 particular fact within the order, we're happy to address
2 that for the Court, as the Court has instructed in
3 writing. Thank you.

4 THE COURT: Okay. Thank you so very much.

5 Mr. Dobbs, anything very briefly?

6 MR. DOBBS: Two just quickly, Your Honor, and I'm
7 going to hit it on the head. Judge, our position is in
8 South Carolina the only way to act upon a judgment is
9 through execution and levy. To collect upon a judgment
10 you have to execute and you have to levy, and I know it's
11 part of the record, Your Honor, that the plaintiff did
12 that back December 12, 2003.

13 You can't even go to a supplemental proceeding in
14 this State, Your Honor, unless you have filed an
15 execution and levy and the sheriff returned to you a
16 nulla bona. Our courts won't allow that. So, Judge, he
17 didn't have a judgment against my client. He had a
18 judgment against Mr. Gordon, and that judgment expired.
19 That judgment was the foundation of his claim to set
20 aside these transactions. And unfortunately for him, and
21 that's a legislative issue, we think, Judge --

22 THE COURT: Well, what about his argument that he
23 didn't know about these conveyances until he took the
24 deposition of your client in 2010 pursuant to the other
25 lawsuit --

1 MR. DODDS: Well, you know, and I think this ✓
2 Commercial Credit vs. Riddle case, Your Honor, 1999
3 decision, 512 S.E.2d 123, is right on point. And it
4 said -- again, it said the 10 year enforcement period
5 applicable to the creditor's action ran from the date of
6 entry of South Carolina judgment. Okay.

7 Then it goes on and says the 10 year period was not
8 tolled until the time that creditor was charged with
9 facts to put it on notice of the defendant's fraudulent
10 conveyance. You know, it's unfortunate that he didn't
11 know about it. He could have taken action earlier, in
12 our opinion, to attempt to find out about it.

13 THE COURT: But he still took it within the 10
14 years. I don't see what the nine years, whether he did
15 it in two years, three years, four years is material. He
16 did it within the 10 years.

17 MR. DODDS: But that as relates to matters over a
18 judgment he doesn't have yet. In other words, I think
19 what they are referring to with regard to the active
20 energy is the judgment that was secured.

21 THE COURT: Right.

22 MR. DODDS: And the only reason they let it stay in
23 Linda Mack is because he had filed execution and levy,
24 had a supplemental proceeding and they were just waiting
25 on the judge's order.

1 THE COURT: Well, what if he on the lawsuit on the
2 supplemental proceedings, if he had just amended the
3 complaint and set aside the -- set aside the fraudulent
4 conveyance rather than bring a new lawsuit; would that
5 have made a difference?

6 MR. DODDS: As long as it was prior to the
7 expiration of 10 years from his judgment, Your Honor, he
8 would have been golden.

9 THE COURT: Well, in essence, he did the same
10 thing. He even brought a separate lawsuit.

11 MR. DODDS: That's true but unfortunately the
12 judgment expired before he got to the point where a final
13 decision was rendered where you determine that there were
14 fraudulent conveyances.

15 THE COURT: You don't think the filing of a service
16 was sufficient to toll that statute?

17 MR. DODDS: No, sir. I don't think there's
18 anything by way of statutes --

19 THE COURT: Once you file and served it within the
20 10 years you don't think that tolled it?

21 MR. DODDS: No, sir. No, sir. I don't think --

22 THE COURT: You think you had to have all the
23 proceedings done within the 10 years, including the
24 trial?

25 MR. DODDS: I think he would have had to have your

1 order issued, Your Honor, determining that there were
2 fraudulent conveyances prior to the expiration of 10
3 years from the entry of his judgments.

4 THE COURT: Well, but there again -- I don't mean
5 to be arguing with you, but there again, he filed almost
6 actually just a year and few weeks prior to the 10 year
7 deadline. It's beyond his control if the Court couldn't
8 get to it within that year. So, I mean, your argument,
9 if they had tried this case within the 10 years it would
10 have been good; is that your argument?

11 MR. DODDS: What I'm saying, Judge, is if --

12 THE COURT: If he had tried it and I issued my
13 order within the 10 years it would be good --

14 MR. DODDS: As long as his judgment was good and
15 didn't expire he had a basis -- he had a debt that he
16 could claim was a basis to set aside a fraudulent
17 conveyance. When the judgment expired that debt was
18 gone, and therefore he couldn't maintain an action to set
19 aside fraudulent conveyance.

20 THE COURT: All right.

21 MR. DODDS: You are not arguing with me, Judge. I
22 appreciate the opportunity to address you. It's an
23 interesting point.

24 THE COURT: It is.

25 MR. DODDS: It really is.

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1 THE COURT: But thank you all so very much.

2 MR. DODDS: It's a pleasure, Your Honor.

3 MR. LUCEY: If I may, Your Honor, as an additional
4 sustaining ground I remind the Court that our assignment
5 from the judgment debtor's estate included a confession
6 of judgment within a year or two of our final judgment
7 and that claim was included within our amended complaint,
8 so we had it covered in both directions.

9 THE COURT: Okay.

10 MR. LUCEY: Thank you, sir.

11 THE COURT: All right. Thank you all very much.

12 (WHEREUPON, the hearing was concluded.)

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I, Sharon L. Vizer, Official Court Reporter for the
Ninth Judicial Circuit of the State of South Carolina, do
hereby certify that the foregoing is a true, accurate and
complete transcript of record of all the proceedings had
and the evidence introduced in the hearing of the
captioned case in Circuit Court on the 30th day of
October 2013.

I do further certify that I am neither of kin, counsel
nor have an interest to any party hereto.

August 6, 2014


SHARON L. VIZER

CIRCUIT COURT REPORTER



The State of South Carolina,

COUNTY OF CHARLSTON

The Note of R.R. DREWS, a/k/a
RUDOLPH ROBERT DREWS to DONALD W. LANCASTER

secured by the Mortgage of R.R. DREWS, a/k/a RUDOLPH ROBERT DREWS

to DONALD W. LANCASTER

which Mortgage is dated the 15th day of April

, 19 98

and is recorded in Book B302 page 220

RMC Office for Charleston

I hereby declare said Mortgage together with the said Note, forever satisfied, and the lien of the said Mortgage, on the property therein described forever discharged.

WITNESS my hand and seal this 5th day of November

A.D. 19 2001

Donald W. Lancaster (Seal)
DONALD W. LANCASTER

Signed, sealed and delivered
in the presence of

Kenyu Koon

Lorena Blacklock

The State of South Carolina,

Charleston

County

PERSONALLY appeared before me the undersigned witness

and made oath that he saw the above named, DONALD W. LANCASTER

, sign, seal and as his act and deed deliver

the foregoing written Deed of Satisfaction of Mortgage, and that he with

the other witness

witnessed the execution thereof.

Kenyu Koon

Sworn to before me this 5th
day of November A.D. 2001

Lorena Blacklock
Notary Public for South Carolina

My Commission Expires 1-5-03

1627



State of South Carolina,

County.

Mortgage of

To

Satisfaction of Mortgage

Recorded this day of

A. D. 19

at o'clock M., across the face

of the record of the Mortgage Recorded in

Book page

Fee \$

R. M. C. or Clerk Court C. P. & G. S.

County, S. C.

WYLLIE, THOMAS & COMPANY, CO.
Charleston, S. C.

(This affidavit to be used in case of loss of original Instrument.)

The State of South Carolina,

County of Charleston

Personally appeared before me

DONALD W. LANCASTER

who, being duly sworn, deposes and says that he is the bonafide owner and holder of the within Note and Mortgage, that the same has not been assigned, hypothecated or otherwise disposed of, and that the same has been lost or destroyed, and after diligent search cannot be found. That deponent has full authority to execute and deliver the within Satisfaction of Mortgage.

Sworn to before me this 5th

day of

November

A.D. 1901

DONALD W. LANCASTER

Notary Public for South Carolina

My Commission Expires 1-5-03

625

H261PG620

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

MORTGAGE TO REAL ESTATE

TO ALL WHOM THESE PRESENTS MAY CONCERN:

IN THE STATE AFORESAID-SEND GREETING:

WHEREAS, I, the said R. R. DREWS a/k/a RUDOLPH ~~EDWARD~~ ~~DREWS~~ (hereinafter also styled the mortgagor) in and by my certain Note or obligation bearing even date herewith, stand firmly held and bound unto DONALD W. LANCASTER (hereinafter also styled as the mortgagee) in the penal sum of FORTY THOUSAND AND 00/1000 (\$40,000.00) DOLLARS, conditioned for the payment in lawful money of the United States of American of the full and just sum of FORTY THOUSAND AND 00/1000 (\$40,000.00) DOLLARS, payable with interest thereon at the annual rate of Seven (7.00) Per Cent Per annum, payable on demand.

NOW, KNOW ALL MEN, that the said, R. R. DREWS a/k/a RUDOLPH ~~EDWARD~~ ~~DREWS~~ in consideration of the said debt, and for the better securing the payment thereof, according to the conditions of said Note, which with all its provisions is hereby made a part hereof; and also in consideration of Three Dollars to the said mortgagee in hand well and truly paid, by the said mortgagee, at and before the sealing and delivery of these Presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these Presents does grant, bargain, sell and release unto the said DONALD W. LANCASTER, his Heirs and Assigns, forever, the following described property to-wit:

All that certain piece, parcel or tract of land, with the building and improvements thereon, situate, lying and



629

W261PG621

being in the County of Charleston, State of South Carolina, BEGINNING at a stone bound situated at the intersection of the Easterly edge of the right-of-way now or formerly of the Atlantic Coast Line Railroad Company with the Southerly line of lands formerly owned by Planter's Fertilizer Company and running North 65 degrees 16' 30" East 112.55 feet to a stone bound on the Easterly side of Meeting Street Road, thence along said Easterly side of said Meeting Street Road South 20 degrees 01' East 300' point, thence, in a Southerly direction along a line parallel to the Northern line of said property 119.00 feet, more or less, to the Southerly line now or formerly of the right-of-way of the Atlantic Coast Line Railroad, thence North 1 degree 01' West along said Easterly line of said right-of-way a distance of 300 feet, more or less, to the point of BEGINNING.

Subject to any and all restrictions, covenants, conditions, zoning ordinances, rights-of-way and easements of record, if any, affecting said land.

This being the same property as conveyed to A. B. Brown &/s/ a Rudolph Robert Brown by deed of Effie D. Brown, dated May 27, 1992 and recorded on May 28, 1992 in the Office of the Registrar of Meane Conveyances for Charleston County, South Carolina in Book 6-210 at Page 491.

Mortgagee's address: 1305 Valmont Street
Mount Pleasant, SC 29464

REASON with all and singular the rights, interests, benefits and appurtenances to the said premises being, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the said Premises unto the said RONALD W. LANCHESTER, his heirs and assigns forever.

AND I do hereby bind myself and my heirs, executors and administrators, to procure or execute any further necessary assurances of title to the said premises, the title to which is unencumbered, and also to warrant and forever defend all and singular the said Premises unto the said mortgagee, RONALD W. LANCHESTER, his heirs and assigns, from and against me and my heirs,

630

RRH

The State of South Carolina,

COUNTY OF CHARLSTON

The Note of R.R. DREWS, a/k/a
RUDOLPH ROBERT DREWS to DONALD W. LANCASTER

secured by the Mortgage of R.R. DREWS, a/k/a RUDOLPH ROBERT DREWS

to DONALD W. LANCASTER

which Mortgage is dated the _____ day of _____, 19____
and is recorded in Book M261 page 620

RMC Office for Charleston

I hereby declare said Mortgage together with the said Note, forever satisfied, and the lien of
the said Mortgage, on the property therein described forever discharged.

WITNESS my hand and seal this 5th day of November A.D. 19 2001

Donald W. Lancaster (Seal)
DONALD W. LANCASTER

Signed, sealed and delivered
in the presence of

Lorena Blacklocke

The State of South Carolina,

Charleston County

PERSONALLY appeared before me the undersigned witness Kerry A. Koon

and made oath that he saw the above named, DONALD W. LANCASTER

, sign, seal and as his act and deed deliver

the foregoing written Deed of Satisfaction of Mortgage, and that he with

the other witness

witnessed the execution thereof.

Kerry A. Koon

Sworn to before me this 5th
day of November A.D. 19

Lorena Blacklocke
Notary Public for South Carolina
My Commission Expires 1-5-03

631



State of South Carolina,
_____ County.

Mortgage of _____
To _____

Satisfaction of Mortgage

Recorded this _____ day of _____
A. D. 19____
at _____ o'clock _____ M., across the face
of the record of the Mortgage Recorded in
Book _____ page _____,
Fee \$ _____

R. M. C. or Clerk Court C. P. & G. S.

_____ County, S. C.

(This affidavit to be used in case of loss of original Instrument.)

The State of South Carolina,

County of Charleston

Personally appeared before me

DONALD W. LANCASTER

who, being duly sworn, deposes and says that he is the bonafide owner and holder of the within Note and Mortgage,
that the same has not been assigned, hypothecated or otherwise disposed of, and that the same has been lost or
destroyed, and after diligent search cannot be found. That deponent has full authority to execute and deliver the
within Satisfaction of Mortgage.

Sworn to before me this 5th

day of

November

A.D. 19

2001

Donald W. Lancaster

Notary Public for South Carolina

My Commission Expires 1-5-03

DONALD W. LANCASTER

The State of South Carolina,
COUNTY OF Charleston

Form 197-A
MORTGAGE OF REAL ESTATE
With Insurance, Tax Receivers and Attorney's Clauses, adapted for
Execution to Corporations or to Individuals
587653 Revised 1980

TO ALL WHOM THESE PRESENTS MAY CONCERN:

IN THE STATE AFORESAID — SEND GREETING:

WHEREAS I the said R.R. Drews A/K/A Rudolph Robert Drews

(Hereinafter also styled the

mortgagor) in and by my certain Note or obligation bearing even date herewith, stand firmly held and bound unto

Donald W. Lancaster

hereinafter also styled the mortgagee) in the sum of one hundred thousand & no/100 (\$100,000.00)

_____ Dollars,
as evidenced by and according to the terms and conditions of a Promissory Note of even date herewith, as in and by the said Note and Conditions(s)
thereof, reference being thereunto had, will more fully appear.

NOW, KNOW ALL MEN, that the said R.R. Drews, A/K/A Rudolph Robert Drews
in consideration of the said debt, and for the better securing the payment thereof, according to the conditions of the said Note; which with all its
provisions is hereby made a part hereof; and also in consideration of Three Dollars to the said mortgagor in hand well and truly paid, by the said
mortgagee, at and before the sealing and delivery of these Presents, the receipt whereof is hereby acknowledged, have granted, bargained, sold
and released, and by these Presents do grant, bargain, sell and release unto the said Donald W. Lancaster the
following described property, to wit:

See Exhibit "A"

633



BK B 302PG221

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the said Premises unto the said Mortgagee, its heirs, successors, and assigns forever.

AND Mortgageor do(es) hereby bind Mortgageor's heirs, successors, executors and administrators, to procure or execute any further necessary assurances of title to the said premises, the title to which is unencumbered, and also to warrant and forever defend all and singular the said Premises unto the said mortgagee, mortgagee's heirs, successors, and assigns, from and against Mortgageor and Mortgageor's heirs, successors, executors and administrators and all persons lawfully claiming, or to claim the same or any part thereof

AND IT IS AGREED, by and between the parties hereto, that the said mortgageor, mortgageor's heirs, successors, executors or administrators, shall keep the buildings erected, or to be erected on said premises, insured against loss or damage by fire, for the benefit of the said mortgagee, for an amount not less than the value of the buildings in such company as shall be approved by the said mortgagee, and shall deliver the policy to the said mortgagee, and in default thereof, the said mortgagee, mortgagee's heirs, successors, or assigns, may effect such insurance and reimburse themselves under this mortgage for the expense thereof, with interest thereon, from the date of its payment. And it is further agreed, in the event of other insurance and contribution between the insurers, that the said mortgagee, mortgagee's heirs, successors, or assigns shall be entitled to receive from the aggregate of the insurance moneys to be paid, a sum equal to the amount of the debt secured by this mortgage.

AND IT IS AGREED, by and between the said parties, that if the said mortgageor, mortgageor's heirs, successors, executors, administrators or assigns, shall fail to pay all taxes and assessments upon the said premises when the same shall first become payable, then the said mortgagee, mortgagee's heirs, successors, or assigns, may cause the same to be paid, together with all penalties and costs incurred thereon, and reimburse themselves under this mortgage for the sums so paid, with interest thereon, from the dates of such payments.

AND IT IS AGREED, by and between the said parties, that upon any default being made in the payment of the interest on the said Note, or of the insurance premiums, or of the taxes, or of the assessments hereinabove mentioned, when the same shall severally first become payable, or in any other of the provisions of this mortgage, that then the entire amount of the debt secured, or intended to be secured hereby, shall forthwith become due, at the option of the said mortgagee, mortgagee's heirs, successors, or assigns, although the period for the payment of the said debt may not then have expired.

AND IT IS AGREED, That if the holder of the Note secured hereby is compelled to pay any taxes upon the debt represented by said note, or by this mortgage, then, and in that event, unless the said taxes are paid by some party other than the said holder, that then the entire amount of the debt secured, or intended to be secured, shall forthwith become due at the option of the said mortgagee, mortgagee's heirs, successors, or assigns, although the period for its payment may not then have expired.

AND IT IS AGREED, by and between the said parties, that, should legal proceedings be instituted for the collection of the debt secured hereby, then and in that event, the said mortgagee, mortgagee's heirs, successors, or assigns, shall have the right to have a Receiver appointed of the rents and profits of the above described premises, with power to forthwith lease out the said premises anew if he should so elect, who, after deducting all charges and expenses attending such proceedings, and the execution of the said trust as Receiver, shall apply the residue of the said rents and profits towards the payment of the debts secured hereby.

634

AND IT IS FURTHER AGREED, by and between the said parties, that should legal proceedings be instituted for the foreclosure of this mortgage, or for any purpose involving this mortgage, or should the debt hereby secured be placed in the hands of an attorney at law for collection, by suit or otherwise, that all costs and expenses incurred by the mortgagee, mortgagee's heirs, successors, or assigns, including a reasonable counsel fee (of not less than ten per cent of the amount involved) shall thereupon become due and payable as a part of the debt secured hereby, and may be recovered and collected hereunder.

PROVIDED, ALWAYS, and it is the true intent and meaning of the parties to these Presents, that when the said mortgagor, mortgagor's heirs, successors, executors or administrators shall pay, or cause to be paid unto the said mortgagee, mortgagee's certain attorneys, heirs, successors or assigns, the said debt, with the interest thereon, if any shall be due, and also all sums of money paid by the said mortgagee, mortgagee's heirs, successors or assigns, according to the conditions and agreements of the said note, and of this mortgage and shall perform all the obligations according to the true intent and meaning of the said note and mortgage, and the conditions thereunder written, then this Deed of Bargain and Sale shall cease, determine and be void, otherwise it shall remain in full force and virtue.

AND IT IS LASTLY AGREED, by and between the said parties, that the said mortgagor is to hold and enjoy the said premises until default of payment shall be made.

WITNESS Mortgagor's Hand and Seal, this 15th day of April in the year of our Lord one thousand nine hundred and ninety-eight and in the two hundred and twenty-first year of the Sovereignty and Independence of the United States of America.

Signed, sealed and delivered in the presence of

(1) Charles D. Hutto
(2) Capt J. D. Fendler

R. R. Drews (L. S.)

R. R. Drews, A/K/A.
Rudolph Robert Drews

STATE OF SOUTH CAROLINA,
County of CHARLESTON

BEFORE ME personally appeared the undersigned witness and made oath that (s)he saw the within named Mortgagor sign, seal, and as Mortgagor's act and deed, deliver the within written Deed; and that (s)he, with the other witness above subscribed, witnessed the execution thereof.

Sworn to before me, this 15th

day of APRIL A. D. 1998
(3) Capt J. D. Fendler (L. S.)
Notary Public for South Carolina

(1 or 2) Charles D. Hutto
(Signature of 1st or 2nd Witness)

My Commission Expires: 10/22/2001

STATE OF SOUTH CAROLINA
County of

I, the Undersigned Notary Public, do hereby certify unto all whom it may concern, that Mrs. _____, wife of the within named Mortgagor, did this day appear before me, and upon being privately and separately examined by me, did declare that she does freely, voluntarily and without any compulsion, dread or fear of any person or persons whomsoever, renounce, release and forever relinquish unto the within named Mortgagee, Mortgagee's heirs, successors, and assigns all her interest and estate, and also all her right and claim of Dower, of, in or to all and singular the premises within mentioned and released.

Given under my Hand and Seal, this
day of _____ A. D. 19_____
(3) _____ (L. S.)
Notary Public for South Carolina
My Commission Expires: _____

(Signature of Wife)

635

"Ex. A"

BB 302PG223

ALL that certain piece, parcel or tract of land, with the building and improvements thereon, situate, lying and being in the County of Charleston, State of South Carolina, BEGINNING at a stone bound situated at the intersection of the Easterly edge of the right-of-way now or formerly of the Atlantic Coast Line Railroad Company with the Southerly line of lands formerly owned by Planter's Fertilizer Company and running North 65 degrees 16'30" East 112.55 feet to a stone bound on the Westerly side of Meeting Street Road, thence along said Westerly side of said Meeting Street Road South 20 degrees 4' East 300' point, thence, in a Westerly direction along a line parallel to the Northern line of said property 118.50 feet, more or less, to the Easterly line now or formerly of the right-of-way of the Atlantic Coast Line Railroad, thence North 1 degree 41' West along said Easterly line of said right-of-way a distance of 300 feet, more or less, to the point of BEGINNING.

LRAD
4-15-98

Subject to any and all restrictions, covenants, conditions, zoning ordinances, rights-of-way and easements of record, if any, affecting said land.

This being the same property as conveyed to R.R. Drews a/k/a Rudolph Robert Drews by deed of Effie D. Drews, dated May 27, 1992 and recorded on May 28, 1992 in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina in Book G-214 at page 491.

Mortgagee's address: 1305 Fairmont Street
Mount Pleasant, SC 29464

636

R. R. Drew's
2 Nuffield Rd
Wass SC 29407

BB 302PG224

FILED

B 302-220

98 MAY -4 AM 11:29

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

11.00
Postage .50
11.50 B

The State of South Carolina,

TO

Mortgage of Real Estate

Filed _____ day of

A. D. 19

at _____ o'clock _____ M.,

and recorded in Book

Page _____ Fee \$

R. M. C. or Clerk Court C. P. & G. S.

County, S. C.

Recorded this _____ day of

, 19

in Book _____ Page

Fee, \$

County, S. C.

637

8 BK K 387PG182

26/02/16

BK U329PG634

The State of South Carolina.

Form 197-A
MORTGAGE OF REAL ESTATE
With Insurance, Tax Receivers and Attorney's Clauses, adapted for
Execution to Corporations or to Individuals
667020 Revised 1999

COUNTY OF CHARLESTON

TO ALL WHOM THESE PRESENTS MAY CONCERN:

IN THE STATE AFORESAID — SEND GREETING.

WHEREAS I the said R.R. Drews, a/k/a Rudolph Robert Drews

(Hereinafter also styled the

mortgagor) in and by my certain Note or obligation bearing even date herewith, stand firmly held and bound unto

Donald W. Lancaster

hereinafter also styled the mortgagee) in the sum of

Twenty Thousand and 00/100 (\$20,000.00)

Dollars

as evidenced by and according to the terms and conditions of a Promissory Note of even date herewith, as in and by the said Note and Conditions thereof, reference being thereunto had, will more fully appear.

PAID IN FULL AND SATISFIED. THIS 6th DAY OF NOVEMBER, 2001.

Witness:

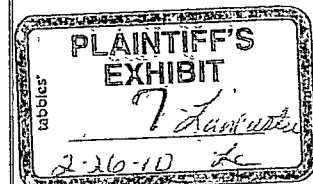
[Signature]

[Signature]
DONALD W. LANCASTER

NOW, KNOW ALL MEN, that the said R.R. Drews, a/k/a Rudolph Robert Drews in consideration of the said debt, and for the better securing the payment thereof, according to the conditions of the said Note; which with all its provisions is hereby made a part hereof; and also in consideration of Three Dollars to the said mortgagor in hand well and truly paid, by the said mortgagee, at and before the sealing and delivery of these Presents, the receipt whereof is hereby acknowledged, have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said Donald W. Lancaster, the following described real property, to wit:

SEE EXHIBIT "A"

638



BK K 387PG183

BK U329PG635

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the said Premises unto the said Mortgagee, its heirs, successors, and assigns forever.

AND Mortgageor do(es) hereby bind Mortgageor's heirs, successors, executors and administrators, to procure or execute any further necessary assurances of title to the said premises, the title to which is unencumbered, and also to warrant and forever defend all and singular the said Premises unto the said mortgagee, mortgagee's heirs, successors, and assigns, from and against Mortgageor and Mortgageor's heirs, successors, executors and administrators and all persons lawfully claiming, or to claim the same or any part thereof.

AND IT IS AGREED, by and between the parties hereto, that the said mortgageor, mortgageor's heirs, successors, executors or administrators, shall keep the buildings erected, or to be erected on said premises, insured against loss or damage by fire, for the benefit of the said mortgagee, for an amount not less than the value of the buildings in such company as shall be approved by the said mortgagee, and shall deliver the policy to the said mortgagee, and in default thereof, the said mortgagee, mortgagee's heirs, successors, or assigns, may effect such insurance and reimburse themselves under this mortgage for the expense thereof, with interest thereon, from the date of its payment. And it is further agreed, in the event of other insurance and contribution between the insurers, that the said mortgagee, mortgagee's heirs, successors, or assigns shall be entitled to receive from the aggregate of the insurance moneys to be paid, a sum equal to the amount of the debt secured by this mortgage.

AND IT IS AGREED, by and between the said parties, that if the said mortgageor, mortgageor's heirs, successors, executors, administrators or assigns, shall fail to pay all taxes and assessments upon the said premises when the same shall first become payable, then the said mortgagee, mortgagee's heirs, successors, or assigns, may cause the same to be paid, together with all penalties and costs incurred thereon, and reimburse themselves under this mortgage for the sums so paid, with interest thereon, from the dates of such payments.

AND IT IS AGREED, by and between the said parties, that upon any default being made in the payment of the interest on the said Note, or of the insurance premiums, or of the taxes, or of the assessments hereinabove mentioned, when the same shall severally first become payable, or in any other of the provisions of this mortgage, that then the entire amount of the debt secured, or intended to be secured hereby, shall forthwith become due, at the option of the said mortgagee, mortgagee's heirs, successors, or assigns, although the period for the payment of the said debt may not then have expired.

AND IT IS AGREED, That if the holder of the Note secured hereby is compelled to pay any taxes upon the debt represented by said note, or by this mortgage, then, and in that event, unless the said taxes are paid by some party other than the said holder, that then the entire amount of the debt secured, or intended to be secured, shall forthwith become due at the option of the said mortgagee, mortgagee's heirs, successors, or assigns, although the period for its payment may not then have expired.

AND IT IS AGREED, by and between the said parties, that, should legal proceedings be instituted for the collection of the debt secured hereby, then and in that event, the said mortgagee, mortgagee's heirs, successors, or assigns, shall have the right to have a Receiver appointed of the rents and profits of the above described premises, with power to forthwith lease out the said premises anew if he should so elect, who, after deducting all charges and expenses attending such proceedings, and the execution of the said trust as Receiver, shall apply the residue of the said rents and profits towards the payment of the debts secured hereby.

637

EXHIBIT "A"

ALL that certain piece, parcel or tract of land, with the building and improvements thereon, situate, lying and being in the County of Charleston, State of South Carolina, BEGINNING at a stone bound situated at the intersection of the Easterly edge of the right-of-way now or formerly of the Atlantic Coast Line Railroad Company with the Southerly line of lands formerly owned by Planter's Fertilizer Company and running North 65 degrees 16'30" East 112.55 feet to a stone bound on the Westerly side of Meeting Street Road, thence along said Westerly side of said Meeting Street Road South 20 degrees 4' East 300' point, thence, in a Westerly direction along a line parallel to the Northern line of said property 118.50 feet, more or less, to the Easterly line now or formerly of the right-of-way of the Atlantic Coast Line Railroad, thence North 1 degree 41' West along said Easterly line of said right-of-way a distance of 300 feet, more or less, to the point of BEGINNING.

Subject to any and all restrictions, covenants, conditions, zoning ordinances, rights-of-way and easements of record, if any, affecting said land.

This being the same property as conveyed to R.R. Drews a/k/a Rudolph Robert Drews by deed of Effie D. Drews, dated May 27, 1992 and recorded on May 28, 1992 in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina in Book G-214 at page 491.

Mortgagee's address: 1305 Fairmont Street
Mount Pleasant, SC 29464

AND IT IS FURTHER AGREED, by and between the said parties, that should legal proceedings be instituted for the foreclosure of this mortgage, or for any purpose involving this mortgage, or should the debt hereby secured be placed in the hands of an attorney at law for collection, by suit or otherwise, that all costs and expenses incurred by the mortgagee, mortgagee's heirs, successors, or assigns, including a reasonable counsel fee (of not less than ten per cent. of the amount involved) shall thereupon become due and payable as a part of the debt secured hereby, and may be recovered and collected hereunder

PROVIDED, ALWAYS, and it is the true intent and meaning of the parties to these Presents, that when the said mortgagor, mortgagor's heirs, successors, executors or administrators shall pay, or cause to be paid unto the said mortgagee, mortgagee's certain attorneys, heirs, successors or assigns, the said debt, with the interest thereon, if any shall be due, and also all sums of money paid by the said mortgagee, mortgagee's heirs, successors or assigns, according to the conditions and agreements of the said note, and of this mortgage and shall perform all the obligations according to the true intent and meaning of the said note and mortgage, and the conditions thereunder written, then this Deed of Bargain and Sale shall cease, determine and be void, otherwise it shall remain in full force and virtue.

AND IT IS LASTLY AGREED, by and between the said parties, that the said mortgagor is to hold and enjoy the said premises until default of payment shall be made.

WITNESS Mortgagor's Hand and Seal, this 1st day of July in the year of our Lord one thousand nine hundred and ninety-nine and in the two hundred and twenty-third year of the Sovereignty and Independence of the United States of America.

Signed, sealed and delivered in the presence of

(1) [Signature]
(2) [Signature]

[Signature] (L S)
[Signature] (L S)
R.R. Drews, a/k/a
Rudolph Robert Drews

STATE OF SOUTH CAROLINA,
County of Charleston

BEFORE ME personally appeared the undersigned witness and made oath that (s)he saw the within named Mortgagor sign, seal, and as Mortgagor's act and deed, deliver the within written Deed; and that (s)he, with the other witness above subscribed, witnessed the execution thereof.

Sworn to before me, this 1st day of July A D 19 99
(3) [Signature] (L S)
Notary Public for South Carolina
My Commission Expires 1-5-03

[Signature]
(Signature of 1st or 2nd Witness)

STATE OF SOUTH CAROLINA
County of

I, the Undersigned Notary Public, do hereby certify unto all whom it may concern, that Mrs. , wife of the within named Mortgagor, did this day appear before me, and upon being privately and separately examined by me, did declare that she does freely, voluntarily and without any compulsion, dread or fear of any person or persons whomsoever, renounce, release and forever relinquish unto the within named Mortgagee, Mortgagee's heirs, successors, and assigns all her interest and estate, and also all her right and claim of Dower, of, in or to all and singular the premises within mentioned and released.

Given under my Hand and Seal, this day of A. D. 19
(3) (L S)
Notary Public for South Carolina
My Commission Expires

(Signature of Wife)

64

OK U329PG637 BK K 387PG184

Handwritten signature
MAY 11

BK U329PG638

BK K 387PG186

FILED

U329-634

99 JUL -1 PM 4:24

DODDS & HENNESSY, L.L.P.
ATTORNEYS AT LAW

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

Handwritten initials
NVR-I
CPV

Handwritten
10.000

Handwritten
Sec 5.0 A

The State of South Carolina.

TO

Mortgage of Real Estate

Filed _____ day of _____
A. D. 19 _____
at _____ o'clock M.,
and recorded in Book _____
Page _____ Fee \$ _____
R. M. C. or Clerk Court C. P. & C. S.
County, S. C.
Recorded this _____ day of _____
_____ 19 _____
in Book _____ Page _____
Fee, \$ _____
County, S. C.

FILED

K387-182

2001 NOV -8 AM 10:14

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

SATISFACTION

Handwritten signature

8 BK K 387PG063

110246 Spence

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ASSIGNMENT

For good and valuable consideration, the receipt whereof is hereby acknowledged, the undersigned Rudolph Robert Drews hereby grants, sells, bargains, conveys and assigns unto Effie D. Drews, that certain mortgage of Charleston's Antiques District, LLC, to Rudolph Robert Drews dated November 7th, 2001, and recorded in the RMC Office for Charleston County in Book H387, Page 431.

WITNESS my hand and seal this 7th day of November,

2001.

Loren Blacklocke
Loren Blacklocke

Rudolph Robert Drews
Rudolph Robert Drews

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I LORENA BLACKLOCKE, do hereby certify that
(print name of notary)

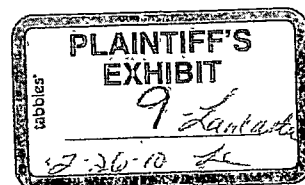
RUDOLPH ROBERT DREWS

personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This 7th day of November, 2001.

Loren Blacklocke
(notary signs here)
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 1-5-03
(fill in)

643



DODDS & HENNESSY, L.L.P.
ATTORNEYS AT LAW

NKRI

4/15/1

BK K 387PG064

ast
6.0
A

FILED

K387-63

2001 NOV -8 AM 10:33

CHARLIE LYBRAND
REGISTER
/ CHARLESTON COUNTY SC

ASSIGNMENT

644

re 10246 Spencer

BKH 387PG431

The State of South Carolina,

COUNTY OF CHARLESTON

Form 197-A
MORTGAGE OF REAL ESTATE
With Insurance, Tax Receivers and Attorney's Clauses, adapted for
Execution to Corporations or to Individuals
557890 Revised 1980

TO ALL WHOM THESE PRESENTS MAY CONCERN:

IN THE STATE AFORESAID — SEND GREETING:

WHEREAS the said CHARLESTON'S ANTIQUES DISTRICT, LLC

(Hereinafter also styled the

mortgagor) in and by its certain Note or obligation bearing even date herewith, stand firmly held and bound unto

RUDOLPH ROBERT DREWS

hereinafter also styled the mortgagee) in the sum of

One Hundred Ninety Thousand and 00/100 (\$190,000.00)

as evidenced by and according to the terms and conditions of a Promissory Note of even date herewith, as in and by the said Note and Conditions(s) Dollars, thereof, reference being thereunto had, will more fully appear

NOW, KNOW ALL MEN, that the said mortgagor in consideration of the said debt, and for the better securing the payment thereof, according to the conditions of the said Note; which with all its provisions is hereby made a part hereof; and also in consideration of Three Dollars to the said mortgagor in hand well and truly paid, by the said mortgagee, at and before the sealing and delivery of these Presents, the receipt whereof is hereby acknowledged, have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said RUDOLPH ROBERT DREWS, the following described real property, to wit:

SEE EXHIBIT "A" HERETO.

WR

WR

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the said Premises unto the said Mortgagee, its heirs, successors, and assigns forever.

AND Mortgageor do(es) hereby bind Mortgageor's heirs, successors, executors and administrators, to procure or execute any further necessary assurances of title to the said premises, the title to which is unencumbered, and also to warrant and forever defend all and singular the said Premises unto the said mortgagee, mortgagee's heirs, successors, and assigns, from and against Mortgageor and Mortgageor's heirs, successors, executors and administrators and all persons lawfully claiming, or to claim the same or any part thereof.

AND IT IS AGREED, by and between the parties hereto, that the said mortgagor, mortgagor's heirs, successors, executors or administrators, shall keep the buildings erected, or to be erected on said premises, insured against loss or damage by fire, for the benefit of the said mortgagee, for an amount not less than the value of the buildings in such company as shall be approved by the said mortgagee, and shall deliver the policy to the said mortgagee, and in default thereof, the said mortgagee, mortgagee's heirs, successors, or assigns, may effect such insurance and reimburse themselves under this mortgage for the expense thereof, with interest thereon, from the date of its payment. And it is further agreed, in the event of other insurance and contribution between the insurers, that the said mortgagee, mortgagee's heirs, successors, or assigns shall be entitled to receive from the aggregate of the insurance moneys to be paid, a sum equal to the amount of the debt secured by this mortgage.

AND IT IS AGREED, by and between the said parties, that if the said mortgagor, mortgagor's heirs, successors, executors, administrators or assigns, shall fail to pay all taxes and assessments upon the said premises when the same shall first become payable, then the said mortgagee, mortgagee's heirs, successors, or assigns, may cause the same to be paid, together with all penalties and costs incurred thereon, and reimburse themselves under this mortgage for the sums so paid, with interest thereon, from the dates of such payments.

AND IT IS AGREED, by and between the said parties, that upon any default being made in the payment of the interest on the said Note, or of the insurance premiums, or of the taxes, or of the assessments hereinabove mentioned, when the same shall severally first become payable, or in any other of the provisions of this mortgage, that then the entire amount of the debt secured, or intended to be secured hereby, shall forthwith become due, at the option of the said mortgagee, mortgagee's heirs, successors, or assigns, although the period for the payment of the said debt may not then have expired.

AND IT IS AGREED, That if the holder of the Note secured hereby is compelled to pay any taxes upon the debt represented by said note, or by this mortgage, then, and in that event, unless the said taxes are paid by some party other than the said holder, that then the entire amount of the debt secured, or intended to be secured, shall forthwith become due at the option of the said mortgagee, mortgagee's heirs, successors, or assigns, although the period for its payment may not then have expired.

AND IT IS AGREED, by and between the said parties, that, should legal proceedings be instituted for the collection of the debt secured hereby, then and in that event, the said mortgagee, mortgagee's heirs, successors, or assigns, shall have the right to have a Receiver appointed of the rents and profits of the above described premises, with power to forthwith lease out the said premises anew if he should so elect, who, after deducting all charges and expenses attending such proceedings, and the execution of the said trust as Receiver, shall apply the residue of the said rents and profits towards the payment of the debts secured hereby

AND IT IS FURTHER AGREED, by and between the said parties, that should legal proceedings be instituted for the foreclosure of this mortgage, or for any purpose involving this mortgage, or should the debt hereby secured be placed in the hands of an attorney at law for collection, by suit or otherwise, that all costs and expenses incurred by the mortgagee, mortgagee's heirs, successors, or assigns, including a reasonable counsel fee (of not less than ten per cent of the amount involved) shall thereupon become due and payable as a part of the debt secured hereby, and may be recovered and collected hereunder.

PROVIDED, ALWAYS, and it is the true intent and meaning of the parties to these Presents, that when the said mortgagor, mortgagor's heirs, successors, executors or administrators shall pay, or cause to be paid unto the said mortgagee, mortgagee's certain attorneys, heirs, successors or assigns, the said debt, with the interest thereon, if any shall be due, and also all sums of money paid by the said mortgagee, mortgagee's heirs, successors or assigns, according to the conditions and agreements of the said note, and of this mortgage and shall perform all the obligations according to the true intent and meaning of the said note and mortgage, and the conditions thereunder written, then this Deed of Bargain and Sale shall cease, determine and be void, otherwise it shall remain in full force and virtue.

AND IT IS LASTLY AGREED, by and between the said parties, that the said mortgagor is to hold and enjoy the said premises until default of payment shall be made.

WITNESS Mortgagor's Hand and Seal, this 7th day of November in the year of our Lord

~~two thousand and one~~ and in the two hundred and twenty-sixth

year of the Sovereignty and Independence of the United States of America CHARLESTON'S ANTIQUES DISTRICT, LLC

Signed, sealed and delivered in the presence of

By: Shirley D. Lawrence (L S)

Its: president, member (L S)

(1) [Signature]

(2) [Signature]

STATE OF SOUTH CAROLINA,
County of Charleston

BEFORE ME personally appeared the undersigned witness and made oath that (s)he saw the within named Mortgagor sign, seal, and as Mortgagor's act and deed, deliver the within written Deed; and that (s)he, with the other witness above subscribed, witnessed the execution thereof.

Sworn to before me, this

day of

A. D. 2001

(1 or 2)

(Signature of 1st or 2nd Witness)

(3) [Signature] (L S)

Notary Public for South Carolina

My Commission Expires:

11-22-05

STATE OF SOUTH CAROLINA
County of

I, the Undersigned Notary Public, do hereby certify unto all whom it may concern, that Mrs. _____, wife of the within named Mortgagor, did this day appear before me, and upon being privately and separately examined by me, did declare that she does freely, voluntarily and without any compulsion, dread or fear of any person or persons whomsoever, renounce, release and forever relinquish unto the within named Mortgagee, Mortgagee's heirs, successors, and assigns all her interest and estate, and also all her right and claim of Dower, of, in or to all and singular the premises within mentioned and released.

Given under my Hand and Seal, this

day of

A. D. 19

(3) _____ (L S)

(Signature of Wife)

Notary Public for South Carolina

My Commission Expires:

647

ALL that certain piece, parcel or tract of land, with the building and improvements thereon, situate, lying and being in the County of Charleston, State of South Carolina, BEGINNING at a stone bound situated at the intersection of the Easterly edge of the right of way now or formerly of the Atlantic Coast Line Railroad Company with the Southerly line of lands formerly owned by Planter's Fertilizer Company and running North 65 degrees 16'30" East 112.55 feet to a stone bound on the Westerly side of Meeting Street Road, thence along said Westerly side of said Meeting Street Road South 20 degrees 4' East 300' to a point, thence, in a Westerly direction along a line parallel to the Northern line of said property 118.50 feet, more or less, to the Easterly line now or formerly of the right of way of the Atlantic Coast Line Railroad, thence North 1 degree 41' West along said Easterly line of said right of way a distance of 300 feet, more or less, to the point of BEGINNING.

This being the identical property conveyed to mortgagor by mortgagee by deed dated 11/6/01 and recorded simultaneously herewith in the RMC Office for Charleston County.

TMS#:464-06-00-008

*Mortgagor's Address: 2 Naeffels Rd
Charleston, SC 29407*

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ASSIGNMENT

In consideration of the assumption of the balance due under a note or notes to Donald W. Lancaster and other valuable consideration, the receipt whereof is hereby acknowledged, the undersigned Rudolph Robert Drews hereby grants, sells, bargains, conveys and assigns the within note to Effie ^{D.} Drews.

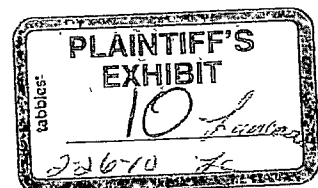
WITNESS my hand and seal this 7th day of Nov.

2001.

Angusson
Lerna Blacklocke

Rudolph R. Drews
Rudolph Robert Drews

649



South Carolina

\$ 190,000.00November 7, 19 2001

FOR VALUE RECEIVED, the undersigned promise (s) to pay to the order of _____

RUDOLPH ROBERT DREWSat Charleston, South Carolina, in lawful money of the United States of America,
the principal sum of

One Hundred Ninety Thousand and 00/100 (\$190,000.00) Dollars, together with interest at the rate of ten percent (10.00%) per annum; payable in one hundred twenty (120) equal, consecutive monthly installments of principal and interest of Two Thousand Five Hundred Ten and 86/100 (\$2,510.86) Dollars, commencing December 7, 2001, and continuing the 7th day of each month thereafter until fully paid.

Any payment received after the 17th day of the month when due shall include a late charge of five percent (5.00%) of the payment amount. and an additional five (5.00%) percent for each additional subsequent 10 day period.

This note may be prepaid during the first five years only with holder's written consent. Thereafter, the note may be prepaid only with a prepayment charge of twenty (20%) percent of the outstanding principal balance unless a lower charge is agreed to in writing by the holder.

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate or bankrupt courts, or under foreclosure proceedings under the mortgage securing this note, then all cost of collection, including a reasonable sum for attorney fee shall be added hereto as attorney's fees secured and collectible as the principal hereof.

The undersigned expressly agree jointly and severally to remain and continue bound for all

650

8
BK K 387PG065

Re 10246 Spence

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ASSIGNMENT

For good and valuable consideration, the receipt whereof is hereby acknowledged, the undersigned Effie D. Drews, hereby grants, sells, bargains, conveys and assigns unto Donald W. Lancaster, that certain mortgage of Charleston's Antiques District, LLC, to Rudolph Robert Drews dated November 7th, 2001, and recorded in the RMC Office for Charleston County in Book H387, Page 431.

This assignment is made to secure the repayment of a Note to the said Donald W. Lancaster dated November 6, 2001, and shall become null and void upon payment in full of the Note.

WITNESS my hand and seal this 7th day of November, 2001.

Lorena Blacklocke
Lorena Blacklocke

Effie D. Drews
EFFIE D. DREWS

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I LORENA BLACKLOCKE, do hereby certify that
(print name of notary)

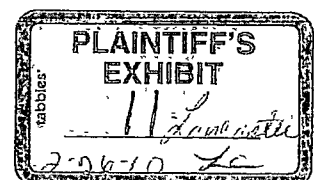
EFFIE D. DREWS

personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This 7th day of November, 2001.

Lorena Blacklocke
(notary signs here)
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 1-5-03
(fill in)

651



DODDS & HENNESSY, L.L.P.
ATTORNEYS AT LAW

NKRI

[Handwritten signature]

BK K 387PG066

as of
6.0

A

FILED

K387-65

2001 NOV -8 AM 10:35

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

ASSIGNMENT

652

BOOK L 557PG890

*Book Buren
re 12/02*

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

ASSIGNMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned DONALD W. LANCASTER do hereby grants, sells, bargains, conveys and assigns unto EFFIE D. DREWS, that certain mortgage of CHARLESTON'S ANTIQUE DISTRICT, LLC to RUDOLPH ROBERT DREWS dated November 7, 2001, and recorded in the RMC Office for Charleston County in Book H387 at Page 431.

WITNESS our Hands and Seals this 24 day of September, 2005

IN THE PRESENCE OF:

[Signature]

[Signature: Donald W. Lancaster]
DONALD W. LANCASTER

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

PERSONALLY APPEARED BEFORE ME, the undersigned witness, who, upon oath, deposes and says that he/she saw the within named DONALD W. LANCASTER, sign, seal, and deliver the within instrument and that he/she with the other witness witnessed the same.

SWORN to before me this
24 day of September, 2005

[Signature]
Notary Public for South Carolina
My commission expires 11-22-05

[Signature: Kourt Menden]

Assignee's Address: *2 Northside Rd
Char SC 29407
653*



BK L 557PG891

RECORDER'S PAGE

NOTE : This page **MUST** remain
with the original document



Filed By:

Dodds & Hennessy, L.L.P.

Attorneys at Law

P.O. Box 298

Charleston

SC 29402

DW
bmm

FILED

October 7, 2005

12:09:49 PM

BK L 557PG890

Charlie Lybrand, Register
Charleston County, SC

DESCRIPTION	AMOUNT
ASSIGNMENT	\$ 6.00
Postage	
TOTAL	\$ 6.00

DRAWER:

A - bmm

DO NOT STAMP BELOW THIS LINE

654

BOOK 5 V557PG613

Blackburn
ME 12402

01-02
X
STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

SATISFACTION OF MORTGAGE

The Note of CHARLESTON'S ANTIQUES DISTRICT, LLC to RUDOLPH ROBERT DREWS secured by the Mortgage CHARLESTON'S ANTIQUES DISTRICT, LLC to RUDOLPH ROBERT DREWS which Mortgage is dated the 7TH day of NOVEMBER, 2001 and is recorded in Book H387 at Page 431 in the RMC Office for Charleston County and thereafter assigned to EFFIE D. DREWS in Book L557 890 at Page 65 and by assignment recorded simultaneously herewith in said State, having been paid in full, it does hereby declare said Mortgage together with the said Note, forever satisfied, and the lien of the said Mortgage on the property therein described forever discharged.

WITNESS its hand and seal this 26 day of September, 2005.

J. R. P. Drews
WITNESS #1

[Signature]
WITNESS #2

Effie D. Drews
EFFIE D. DREWS

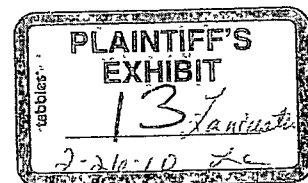
STATE OF SOUTH CAROLINA]
COUNTY OF CHARLESTON]

The within instrument was acknowledged before me by its maker.

SWORN to before me this 26
day of September, 2005

[Signature]
Notary Public for SC
My commission expires: 11-22-05

655



OK FF V557PG614

STATE OF SOUTH CAROLINA]
COUNTY OF CHARLESTON]

PERSONALLY appeared before me EFFIE D. DREWS who, being duly sworn, deposes and says that they are the bonafide owner and holder of the within Note and Mortgage, that the same has not been assigned, hypothecated or otherwise disposed of, and that the same has been lost or destroyed, and after diligent search cannot be found. That deponent has full authority to execute and deliver the within Satisfaction of Mortgage.

Effie D. Drews
EFFIE D. DREWS

SWORN to before me this 26
day of September, 2005.

[Signature]
Notary Public for South Carolina
My commission expires: 11-2-06

656

BK  V557PG615

RECORDER'S PAGE

NOTE: This page MUST remain
with the original document



Filed By:

Dodds & Hennessy, L.L.P.

Attorneys at Law

P.O. Box 298

Charleston

SC 29402

*best
DWS*

FILED

October 12, 2005

1:33:01 PM

BK  V557PG613

Charlie Lybrand, Register
Charleston County, SC

DESCRIPTION	AMOUNT
SATISFACTION	\$ 5.00
Postage	

TOTAL	\$ 5.00

DRAWER:

	A - bmm

DO NOT STAMP BELOW THIS LINE

657

South Carolina

\$ 50,912.00

November 7, 1998 2001

FOR VALUE RECEIVED, the undersigned promise (s) to pay to the order of _____

DONALD W. LANCASTER

at MOUNT PLEASANT, South Carolina, in lawful money of the United States of America,
the principal sum of

Fifty Thousand Nine Hundred Twelve and 00/100 (\$50,912.00) Dollars,
together with interest at the rate of five percent (5.00%) per
annum, payable in one hundred twenty equal, consecutive monthly
installments of principal and interest of Five Hundred Forty and
00/100 (\$540.00) Dollars, commencing December 6, 2001, and
continuing the sixth day of each month until fully paid.

This note may be prepaid without penalty.

January 6, 2002 DWL

9-22-05, Paid in full \$34,726.12

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate or bankrupt courts, or under foreclosure proceedings under the mortgage securing this note, then all cost of collection, including a reasonable sum for attorney fee shall be added hereto as attorney's fees secured and collectible as the principal hereof.

The undersigned expressly agree jointly and severally to remain and continue bound for the payment of the principal and interest provided for by the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid under and by virtue of the obligation to pay provided for in this note, or any change or changes by way of release or surrender of any collateral held as security for this note and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of the undersigned.

Presentment, protest, and notice are hereby waived.

It is expressly agreed and declared that this note is given for an actual loan of Fifty Thousand
Nine Hundred Twelve and 00/100 (\$50,912.00) Dollars

This note is secured by a mortgage of even date conveying property in Charleston
County, South Carolina.

Witness the hand and seal of each of the signers hereof.

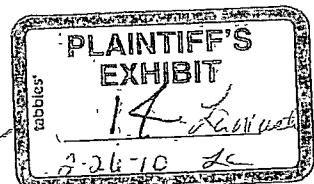
Witness

[Signature]

[Signature] (LS)
EPHRAIM D. DREWS

D. (LS)

658



EX L 255 Pg 44.6

THE NATIONAL BUREAU OF SOUTH CAROLINA

Blank Check Open End Mortgage

State of South Carolina

County of Charleston

1. Words Used In This Document

A. Mortgage: This document, which is dated May 16, 1995, is called the "Mortgage".

2. Marggo: Donald W. Lancaster will sometimes be called "Marggo" and sometimes simply "I", "Me", "my", "mine", "myself", and "us" refer to the Marggo. Marggo's residence address is [redacted] Mt. Pleasant SC 29464

C. Lender: The National Bank of South Carolina will be called "Lender" and sometimes simply "you." "Your" and "yours" refer to Lender. Lender is a national banking association which was formed and which exists under the laws of the United States of America. Lender's address is P.O. Box 1299, Charleston SC 29402-1299

D. Notes: The Blank Check credit account application signed by Donald W. Lancaster and dated May 16, 1995, will be called the "Note". The Note shows that I have promised to pay Lender the amount outstanding under my open end credit account from time to time. This amount shall not exceed Fifty Thousand and No/100s Dollars (\$ 50,000.00) at any one time plus finance charges or interest at the rate agreed to in the Note. You and I agree that the amount outstanding under the Note may vary from time to time by increases up to the maximum amount stated above and decreases down to no outstanding amount or assumed finance charges or interest. Regardless of the amount outstanding at any time and regardless of whether there is any amount outstanding, it is your and my intention that this Mortgage shall remain in effect until the fact of the events listed in Paragraph 18 of this Mortgage has occurred. Finance charges or interest under the Note will be deferred, accrued, or capitalized.

E. Property: The property that is described below in the section entitled "Description Of The Property" will be called the "Property".

II. My Transfer To You Of Rights In The Property

On this date, because you loaned me the money or agreed to loan me money in the future for which I gave you the Note, I mortgage, grant and convey the Property to you, your successors and assigns, subject to the terms of the Mortgage. This means that by signing this Mortgage, I am giving you those rights that are stated in this Mortgage and also those rights that the law gives to lenders who hold mortgages on real property. I am giving you these rights to protect you from possible losses that might result if I fail to:

A. Pay all the amounts that I owe you as stated in the Note and any future advances made under Paragraph 17 of this Mortgage.

B. Pay, with interest or finance charges, any amounts that you spend under this Mortgage to protect the value of the Property and your rights in the Property.

C. Keep all of my other promises and agreements under the Note under this Mortgage.

This Mortgage secures any renewals, extensions, refinancings, and/or modifications of the Note.

III. Description Of the Property

A. The Property which I mortgage, grant, and convey to you, your successors and assigns, is located in Charleston County, and has the following legal description:

ALL that certain piece, parcel or lot of land, with buildings and improvements thereon, situate, lying and being in Sandhurst Subdivision, City of Charleston, County of Charleston, State of South Carolina, known and designated as Lot 12 Block M Sandhurst Subdivision, as shown on a plat of Sandhurst Subdivision made by E.M. Seabrook, Jr., dated June 22, 1964, and recorded in the R.M.C. Office for Charleston County in Plat Book R, Page 147; said lot having such size, shape, dimensions, buttings and boundings as by reference to said plat will more fully appear.

THIS being the same property conveyed to the Mortgagor herein by deed of William L. Joye, Jr., and Karen Joye Payne dated of even date and to be recorded simultaneously herewith; and being the same property conveyed to William L. Joye, Jr.; and Karen Joye Payne by deed of distribution of William L. Joye, Jr., Personal Representative of the Estate of Dorothy O. Joye (Charleston County Probate File 94ES10-1248) dated January 31, 1995, and recorded February 6, 1995, in Book G252, Page 595, in the R.M.C. Office aforesaid. TMS # 352-07-00-032

STREET ADDRESS: 2 Nuffield Road
Charleston SC 29407

The Property also includes the following:

g. All buildings and other improvements that are located on the property, described in Paragraph III.A;

C. All rights in other property have in favor of the property described in Paragraph B.A. These rights are known as "accrued rights, and the purchase price is added to the property";

D. All rents or royalties from the property described in Paragraph B.1.A;

2. The title of and the right and equity, water, water rights and water mark that are part of the property described in Paragraph 1(A):

F. As rights that I have in the land which lies in the streets or roads in front of, or next to, the property described in Paragraph G.A.

4. All the above-mentioned property shall be on the property described in paragraph 3.A and B. and, to the extent owned by her, the respondent.

14. All of the rights and property described in Paragraphs D.B. through F. that I acquire in the future; and

1. All improvements of whatever kind made to the property described in Paragraph 1.B. through F. and Paragraph 1.D. of this Mortgage shall be deemed to be improvements on the Property and shall be subject to the terms of this Mortgage. You shall maintain and defend the title to the Property, together with the improvements, against the claims of all third parties.

You, your successors and assigns, are to have and to hold the Property, right to the terms of this Mortgage.

PLAINTIFF'S
EXHIBIT

19. Kaniasta

2-26-10 Le

12. **Notice of Default or Foreclosure.** Any notice that must be given to me under this Mortgage shall be given by the lender or by another person designated by me in writing to the lender or by another person designated by me in writing to the lender or by another person designated by me in writing to the lender. I agree to give you a notice of my default or of my foreclosure. Any notice that must be given to you under this Mortgage shall be given by mailing it to your address stated in Paragraph 1.C. of this Mortgage. A notice will be mailed to you at a current address if you give me a notice of the current address. A notice required by this Mortgage is given when it is mailed or when it is delivered according to the requirements of this Paragraph 12.
13. **Law That Governs This Mortgage.** South Carolina law governs this Mortgage. If any term of this Mortgage or of the Note conflicts with the law, all other terms of this Mortgage and of the Note will remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.
14. **"Due-on-Sale": Agreement About Assumption Of This Mortgage And About Lender's Rights If Mortgagee Transfers The Property Without Meeting Certain Conditions.** If I sell or transfer all or part of the Property or any rights in the Property, any person to whom I sell or transfer the Property may take over all of my rights and obligations under this Mortgage (known as an "assumption of the Mortgage") if certain conditions are met. Those conditions are:
- (a) I give you prior written notice of the sale or transfer;
 - (b) you agree that the person's credit is satisfactory;
 - (c) the person agrees to pay interest or finance charges on the amount owed to you under the Note and under this Mortgage at whatever rate you require; and
 - (d) the person signs an assumption agreement that is acceptable to you and obligates the person to keep all of the promises and agreements made in the Note and in this Mortgage.
- If I sell or transfer the Property and each of the conditions in (a), (b), (c), and (d) of this paragraph is satisfied, you will release me from all my obligations under the Note and under this Mortgage.
- If I sell or transfer the Property and the conditions in (a), (b), (c), and (d) of this Paragraph are not satisfied, I will still be fully obligated under the Note and under this Mortgage, and you may require me to pay the entire unpaid balance of what I owe you under the Note and this Mortgage. However, you will not have the right to require me to pay what I owe you under the Note and this Mortgage as a result of certain transfers if the Property is my home. Those transfers are:
- (i) the creation of liens or other claims against the Property that are inferior to this Mortgage;
 - (ii) a transfer of rights in household appliances to a person who provides me with the money to buy these appliances, in order to protect that person against possible losses;
 - (iii) a transfer of the Property to surviving co-owners, following the death of a co-owner, when the transfer is automatic according to law, or to my spouse or children or to relatives who will occupy the Property upon my death;
 - (iv) leasing the Property for a term of three (3) years or less, as long as the lease does not include an option to buy; or
 - (v) any other transfer described in an applicable law or regulation which prohibits you from requiring me to pay the entire unpaid balance as a result of such a transfer.
15. **Foreclosure.** If (a) I fail to pay the Note when due or you require immediate payment of the unpaid balance of the Note because an event listed in the Note has occurred, (b) the prospect of my performance under the terms of this Mortgage is significantly impaired, or (c) you reasonably believe that your ability to realize on the Property is significantly impaired, then you can exercise any rights which the law gives you, including foreclosing this Mortgage, and you can purchase the Property at a foreclosure sale if you are the highest bidder.
- I agree that if a suit is brought to collect what I owe you or to foreclose this Mortgage, I will be liable for reasonable expenses incurred by you in realizing on the Property, and for reasonable attorney's fees not in excess of fifteen percent (15%) of the unpaid debt, and that these expenses will be recovered by this Mortgage. If the proceeds of the foreclosure sale are not enough to pay what I owe you under the Note and this Mortgage and the expenses involved in a suit to collect what I owe you and/or to foreclose this Mortgage, then I will be personally liable for the difference.
16. **Receiver of Funds.** If you start an action to collect the debt secured by this Mortgage or to foreclose this Mortgage, then you have the right to have a receiver appointed of the rents and profits of the Property. This receiver will apply any rents or profits collected first toward any costs or expenses incurred in connection with the appointment of the receiver, next to any costs or expenses incurred in the execution of duties as receiver, and finally to the payment of the debt secured by this Mortgage.
17. **Future Advances.** Upon my request, you, at your option, prior to discharge of this Mortgage, may make future advances to me which will be secured by this Mortgage (known as "future advances"). Any such future advances, together with interest or finance charges on these future advances, will be secured by this Mortgage. The maximum principal amount which this Mortgage can secure, not including any amounts you advance under Paragraph 5 of this Mortgage, is the amount stated in 1.D.
18. **Your Obligation To Discharge This Mortgage When The Note And Mortgage Are Paid In Full.** When you have been paid all amounts due under the Note and under any notes or loan agreements for future advances and under this Mortgage, and I have terminated my open end line of credit account secured by this Mortgage in accordance with the Note, and otherwise fully performed under the Note, this Mortgage and any other agreement secured by this Mortgage, you will discharge this Mortgage. I will not be required to pay you for this discharge, but I will pay all costs of recording the discharge in the proper official records.
19. **When Terms Made A Part Of Mortgage.** The terms of the Note and any other notes or loan agreements for future advances are made a part of this Mortgage.
20. **Changing This Mortgage.** This mortgage may be changed only if you and I both give our written consent.
21. **Waiver Of Homestead.** To the extent allowed by law, I waive all right of homestead exemption in the Property.

BY SIGNING THIS MORTGAGE, I AGREE TO ALL OF THE ABOVE.

Witness

Walter P. Hutchinson

[Signature]

Donald W. Smith

[Signature]

State of South Carolina
County of Charleston

Probate

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within-named Donald W. Lancaster sign, seal, and as his/her act and deed, deliver the within-written Mortgage and that (s)he with the other witness named above the execution thereof.

Way P. Hutchinson

(Seal)

Sworn to before me this 16th
day of May, 19 95

10. Hiler (Seal)
(Notary Public for South Carolina)

My Commission Expires: 10/24/04

State of South Carolina

Probate

County of _____

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within-named _____ sign, seal, and as his/her act and deed, deliver the within-written Mortgage and that (s)he with the other witness named above the execution thereof.

(Seal)

Sworn to before me this _____

day of _____, 19 _____

(Notary Public for South Carolina)

My Commission Expires: _____

Please return to:

Way Hutchinson
147 Waggoo Creek Dr
Suite 601
Charleston SC 29412

(Em)

FILED

L255-446
95 MAY 17 AM 11:10

CHARLIE C. LYBRAND
REGISTER
CHARLESTON COUNTY SC

10.60 B

661

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, THAT, ROBERT B. AVERY, in the State aforesaid, for and in consideration of the sum of ONE HUNDRED SIXTY THOUSAND AND NO/100S (\$160,000.00), to me in hand paid at and before the sealing of these presents by DONALD W. LANCASTER, in the State aforesaid, for which the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said DONALD W. LANCASTER, his heirs and assigns, forever, in fee simple, the following described real property, to-wit:

ALL that lot, piece or parcel of land, situate in the City of Charleston, State of South Carolina, and known as Lot 22, Block A, Charlestowne Estates, Section 1, as shown and designated on a plat dated May, 1973, entitled "Plat of an Extension of Charlestowne Estates, Section 1, St. Andrews Parish, Charleston, South Carolina" by W. L. Gaillard, L. S., dated and recorded in Plat Book R, Page 94.

This being the same property as conveyed to Robert B. Avery by deed of Richard H. Lee and Virginia G. Lee dated July 15, 1980 and recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina in Book W-122 at Page 263.

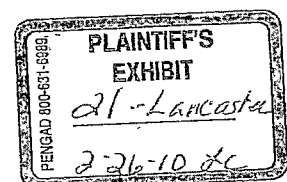
Grantee's Address: 17 Bainbridge Drive, Charleston, SC 29407

TMS #: 415-03-00-135

TOGETHER with all and singular, the Rights, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises

1
662



before mentioned unto the said DONALD W. LANCASTER, his Heirs and Assigns forever.

AND I do hereby bind myself, and my Heirs, Personal Representatives, Executors and Administrators, to warrant and forever defend, all and singular, the said Premises unto the said DONALD W. LANCASTER, his Heirs and Assigns, against me and my Heirs, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

WITNESS my Hand and Seal, this 22nd day of May in the year of our Lord one thousand nine hundred and ninety-two (1992) and in the two hundred and sixteenth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

Diane C. Jaeger
Lee W. Ailshie

Robert B. Avery
ROBERT B. AVERY

SOUTH CAROLINA)

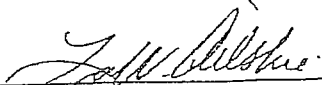
PROBATE

COUNTY OF CHARLESTON)

PERSONALLY appeared before me _____ and made oath that _____ saw the within named ROBERT B. AVERY, sign, seal, and as his act and deed, deliver the within written Deed, and that _____ with Lee W. Ailshie witnessed the execution thereof.

Diane C. Jaeger

SWORN to before me, this 22nd
day of May, 1992.


NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 10-31-98



STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

AGREEMENT

WHEREAS, on May 22, 1992, Donald W. Lancaster, ~~R. R. Drews and Effie D. Drews~~ purchased the real property known as Lot 22, Block A, Charlestowne Estates Subdivision, Section I, Charleston County, South Carolina, from Robert B. Avery for the purchase price of \$160,000.00; and

WHEREAS, it is the intent of the parties hereto to grant R. R. Drews and Effie D. Drews a life estate in the hereinafter described real property;

This Agreement is entered into this 22nd day of May, 1992, by and between Donald W. Lancaster, R. R. Drews and Effie D. Drews.

That DONALD W. LANCASTER, in consideration of the sum of TEN (\$10.00) AND NO/100S DOLLARS and love and affection for my uncle and aunt, to me in hand paid by R. R. DREWS AND EFFIE D. DREWS in the State aforesaid (the receipt of which is hereby acknowledged) has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the said R. R. DREWS AND EFFIE D. DREWS, a life estate in fee simple, in the following described real property, to-wit:

ALL that lot, piece or parcel of land, situate in the City of Charleston, State of South Carolina, and known as Lot 22, Block A, Charlestowne Estates, Section I, as shown and designated on a plat dated May, 1973, entitled "Plat of an Extension of Charlestowne Estates, Section I, St. Andrews Parish, Charleston, South Carolina" by W. L. Gaillard, L. S., dated and recorded in Plat Book R, Page 94.

TOGETHER with all and singular, the Rights, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said R. R. DREWS AND EFFIE D. DREWS, a life estate in fee simple.

And Witness my hand and seal this 22nd day of May, 1992

Jimmy A. Hoover

[Signature]

ACKNOWLEDGED:

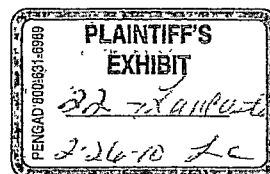
R. R. Drews

R. R. Drews

Effie D. Drews

Donald W. Lancaster

Donald W. Lancaster



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STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

Personally appeared before me TAMMY A. HOOVER who, after
being duly sworn, says that s/he saw DONALD W LANCASTER sign
the within written Agreement and as his act and deed deliver the same, and that
s/he with LEE W. AILSHIE witnessed the execution thereof.

Tammy A. Hoover

Sworn to before me this 22ND
day of MAY, 1992

Lee W. Ailshie
Notary Public for South Carolina
My Commission Expires: _____

666

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, THAT WE, WILLIAM L. JOYE, JR. and KAREN JOYE PAYNE, in the State aforesaid, for and in consideration of the sum of ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/HUNDREDS DOLLARS (\$125,000.00) to us in hand paid at and before the sealing of these presents by DONALD W. LANCASTER in the State aforesaid, the receipt of which is hereby acknowledged, have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said DONALD W. LANCASTER, his Heirs and Assigns forever, the following described real property, to wit:

ALL that certain piece, parcel or lot of land, with buildings and improvements thereon, situate, lying and being in Sandhurst Subdivision, City of Charleston, County of Charleston, State of South Carolina, known and designated as Lot 12 Block M Sandhurst Subdivision, as shown on a plat of Sandhurst Subdivision made by E.M. Seabrook, Jr., dated June 22, 1964, and recorded in the R.M.C. Office for Charleston County in Plat Book R, Page 147; said lot having such size, shape, dimensions, buttings and boundings as by reference to said plat will more fully appear.

THIS being the same property as was conveyed to the Grantors herein by deed of distribution from William L. Joye, Jr., Personal Representative of the Estate of Dorothy O. Joye (Charleston County Probate File 94ES10-1248), dated September 4, 1994, and recorded February 6, 1995, in Book G252, Page 591, in the R.M.C. Office for Charleston County.

TMS # 352-07-00-032

PROPERTY STREET ADDRESS: 2 Nuffield Road
Charleston SC 29407

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TOGETHER with all and singular the Rights, Member, Heridita-
ments and Appurtenances to the said Premises belonging or in
anywise incident or appertaining.

TO HAVE AND HOLD, all and singular, the said Premises before
mentioned unto the said DONALD W. LANCASTER, his Heirs and Assigns
forever.

AND we do hereby bind ourselves, our Heirs, Assigns, Executors
and Administrators, to warrant and forever defend, all and
singular, the said Premises unto the said DONALD W. LANCASTER, his
Heirs and Assigns, against us and our Heirs, and all persons
whomsoever lawfully claiming, or to claim the same or any part
thereof.

WITNESS our Hands and Seals, this 16th day of May in the year
of our Lord One Thousand Nine Hundred and Ninety-Five and in the
two hundred and eighteenth year of the Sovereignty and Independence
of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Witness

Witness

Witness

Witness

William L. Joye, Jr. (L.S.)
WILLIAM L. JOYE, JR.

Karen Joye Payne (L.S.)
KAREN JOYE PAYNE

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STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, did depose and say that s/he saw the within named WILLIAM L. JOYE, JR. sign, seal and, as his act and deed, deliver the within written Deed, and that s/he with the other subscribing witness witnessed the execution thereof.

W. Ray P. Hutchinson

SWORN TO BEFORE ME THIS
16th day of May, 1995.

[Signature]
Notary Public of South Carolina

My Commission Expires: 7-1-2001

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STATE OF GEORGIA)

COUNTY OF Cobb)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, did depose and say that s/he saw the within named KAREN JOYE PAYNE sign, seal and, as her act and deed, deliver the within written Deed, and that s/he with the other subscribing witness witnessed the execution thereof.

David J. Mahi

SWORN TO BEFORE ME THIS

15 day of May, 1995.

Farrell C. Deaton

Notary Public of Georgia

My Commission Expires: _____

Notary Public, Cobb County, Georgia.
My Commission Expires May 26, 1997.

lease return TV.

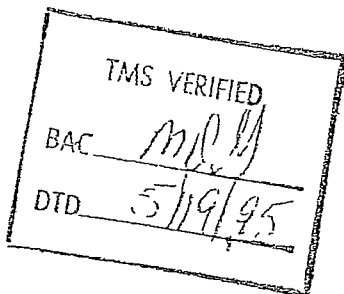
Roy Hutchins

147 Wappoo Creek Dr
Suite 601

Charleston SC 29412

(Encl)

[Handwritten signature]
AMV



EX L 255PG131

FILED

L 255-127 /
95 MAY 17 AM 11:10

CHARLES C. LYBRAND
REGISTER
CHARLESTON COUNTY SC

10.00

325.00

137.50

472.50 B

Recorded this 17 day of May 1995
in Property Record Card

[Handwritten signature]
Auditor Charleston County

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STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) AGREEMENT OF PURCHASE
 AND
 SALE OF REAL PROPERTY

THIS AGREEMENT OF PURCHASE AND SALE OF REAL PROPERTY (hereinafter the "Agreement") is made and entered by and between WILLIAM L. JOYE, JR. and KAREN J. PAYNE (hereinafter the "Sellers"), whose address is 2058 Country Manor Drive, Mount Pleasant, South Carolina 29464, and DONALD W. LANCASTER (hereinafter the "Buyer"), whose address is 17 Bainbridge Drive, Charleston, South Carolina 29407, for the purchase of real property described below upon the terms and conditions hereinafter set forth:

TERMS AND CONDITIONS

1. PROPERTY. Sellers agree to sell, and Buyer agrees to purchase, that certain piece, parcel or lot of land situate, lying and being in the City of Charleston, Charleston County, South Carolina, together with the buildings and improvements thereon, located at 2 Nuffield Road, Charleston, SC 29407 (hereinafter the "Property").

2. PURCHASE PRICE. Buyer shall pay Sellers, or on Sellers' behalf, as the full purchase price for the Property the sum of One Hundred Twenty-Five Thousand and No/Hundreds Dollars (\$125,000.00) in installments as follows:

(a) One Thousand Dollars (\$1,000.00) as an earnest money deposit paid upon execution of this contract to William L. Joye, Jr., said deposit to be held in escrow; and

(b) One Hundred Twenty-Four Thousand and No/Hundreds Dollars (\$124,000.00), payable in cashier's check or other certified funds at the closing.

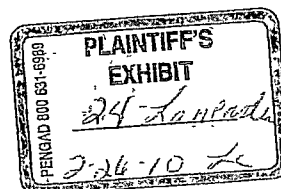
3. CLOSING. (a) The sale and purchase contemplated by this Agreement shall be closed by delivery to Buyer of a properly executed and acknowledged general warranty deed in exchange for payment to Sellers of the Purchase Price as hereinabove provided. The general warranty deed shall convey to Buyer a good, marketable, fee simple title to the Property subject only to the following:

(i) real property taxes not yet due and payable;

(ii) easements and restrictions of record, including existing zoning and governmental restrictions and owner association assessments, if applicable, that do not materially or adversely affect the use of the Property for residential purposes.

(b) Closing of title shall be held at the office of Buyer's

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4/27/95

closing attorney on or before May 15, 1995.

4. POSSESSION. Sellers shall give possession to Buyer on or before the day of the loan closing and conveyance, provided title has passed. Possession by Buyer before closing or by Sellers after closing shall be subject to the terms of a separate rental agreement to be executed by the parties hereto prior to closing or occupancy.

5. CLOSING COSTS; PRORATION. (a) Sellers shall provide or pay for preparation of the deed, cost of deed stamps, and all costs necessary to deliver a marketable title, including, without limitation, recording of satisfactions of mortgages or other liens, and property taxes to the day of closing. Seller expressly authorizes the closing attorney to deduct from the proceeds due Sellers upon closing such amounts as are necessary to satisfy mortgages or other liens on the Property (including, without limitation, state and federal estate and/or inheritance taxes) in order to convey a good, marketable fee simple title to Buyer.

(b) Buyer shall pay all other closing costs, including, without limitation, property insurance, title examination, recording fees and property taxes from the day after closing forward. If assignable, the hazard insurance policy for the Property shall be assigned to Buyer, and Buyer shall continue coverage under such policy. All property taxes, insurance premiums and assessments (if any) shall be prorated between Sellers and Buyer as of the date of closing using a 365-day year.

6. TERMITE REPORT. Sellers shall obtain, at Sellers' expense not to exceed One Hundred Twenty-Five Dollars (\$125), a current Wood Infestation Report (CL-100) for the Property from a licensed pest control operator showing the Property to be free of infestation with no structural repairs required. Buyer acknowledges that such report specifically excludes hidden areas and areas not readily accessible; and that the inspection for fungi and fungi damage commonly called water-damaged wood, rot or decay is limited to the crawl space portion of the improvements.

7. WARRANTIES. Buyer acknowledges that Sellers make no guarantee or warranty of any kind, express or implied, as to the physical condition of the Property or of the conditions or existence of improvements, services, appliances or systems serving the Property, or as to merchantability or fitness for a particular purpose as to the Property or the improvements thereon, and any express or implied warranty is hereby disclaimed by Sellers. Notwithstanding the foregoing, Sellers warrant that Sellers own fee simple, marketable and insurable record title to the Property subject only to the exceptions set forth in Paragraph 5 herein.

8. DEFAULTS. (a) In the event of a default in the

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performance of any obligations of Buyer hereunder, Sellers shall be released from any further obligations to Buyer pursuant to this Agreement and shall be entitled to retain Buyer's earnest money deposit, it being the intention and agreement of the parties hereto that it the amount of the earnest money deposit shall act as a fair measure of compensation for actual damages incurred by Sellers as a result of Buyer's default.

(b) In the event of a default in the performance of any of the obligations of Sellers hereunder, Buyer shall be entitled either (i) to terminate this Agreement and receive a refund of the earnest money deposit and any other previously paid installment and shall be entitled to reimbursement from Sellers of the costs actually incurred by Buyer in connection with the closing, such as Buyer's loan application fee, credit report, appraisal fee, survey and title examination; or (ii) to bring an action against Sellers for specific performance of this Agreement or for any other remedy or combination of remedies available at law or in equity.

(c) In the event of litigation pertaining to the breach of this Agreement by either party, the prevailing party shall be entitled to all costs of such legal action and attorneys' fees.

9. ENTIRE AGREEMENT. The parties further covenant and agree that this written instrument expresses the entire agreement between the said parties, and there is no other agreement, oral or otherwise, varying or modifying the terms of this Agreement. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective heirs, successors, assigns, and personal representatives. This Agreement may be changed only by a written instrument signed by both parties.

10. REAL ESTATE COMMISSION. Sellers and Buyer represent to each other that no real estate broker or agent is involved or due a commission in this transaction.

11. INSURANCE; RISK OF LOSS. Sellers shall maintain adequate insurance coverage on the Property during the term of this Agreement and through the closing date. Risk of loss or damage to the Property by fire or other casualty until the day of closing shall be the responsibility of Sellers. In the event of loss of damage to the Property, Sellers shall have the option of restoring the Property to its current condition within thirty (30) days after the closing date, with the date of closing and possession to be extended accordingly. If the Property is not restored within said period, then either party shall have the right to terminate the Agreement by written notice to the other party. In such case, both parties shall execute a written release of the other from this Agreement, and each party shall be responsible for payment of its own costs incurred in anticipation of closing.

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4/27/95

12. APPLICATION OF EARNEST MONEY DEPOSIT. The earnest money deposit shall be held in escrow by William L. Joye, Jr., who shall retain the earnest money deposit on behalf of Sellers upon closing. In the event the closing does not occur because of Buyer's default, William L. Joye, Jr. shall retain the earnest money deposit on behalf of Sellers in accordance with Paragraph 8(a) above. In the event the closing does not occur because of Sellers' default, then William L. Joye, Jr. shall return said deposit to Buyer in accordance with Paragraph 8(b) above. In the event Sellers and Buyer do not agree on the manner of disbursement of the earnest money deposit, then Sellers agree to forward such deposit to Martin Law Firm, 147 Wappoo Creek Drive, Suite 601, Charleston SC 29412, and Martin Law Firm shall have the right to disburse same in accordance with its interpretation of this Agreement, in which case Sellers and Buyer agree to indemnify and hold harmless Martin Law Firm from and against all costs, fees and expenses incurred by Martin Law Firm in the performance of its duties hereunder, including, without limitation, attorney's fees incurred in the defense of any action arising hereunder. Sellers and Buyer agree that Martin Law Firm does not assume any responsibility for performance or non-performance by either Sellers or Buyer of the terms of this Agreement.

13. MULTIPLE COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall constitute an original and collectively shall constitute one and the same Agreement. Each party hereto acknowledges receipt of a copy of this Agreement.

14. AGREEMENT LEGALLY BINDING. THIS AGREEMENT IS A LEGALLY BINDING CONTRACT BETWEEN SELLERS AND BUYER, AND HAS BEEN PREPARED BY MARTIN LAW FIRM AT THE REQUEST OF BUYER. SELLERS ACKNOWLEDGE THAT THEY HAVE HAD THIS AGREEMENT REVIEWED BY LEGAL COUNSEL OF THEIR CHOICE PRIOR TO EXECUTION.

RD
4-27-95

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ____ day of April, 1995.

Witness

William L. Joye, Jr.

Witness

Witness

Karen J. Payne

Witness

Witness

[Signature]
J. Taylor

Witness

[Signature]
R. R. Drews, as attorney-in-
fact for Donald W. Lancaster

4/27/95

[Signature]
4/27/95

15
[Signature]

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

MEMORANDUM OF LEASE
 AND SUBORDINATION AGREEMENT

THIS MEMORANDUM OF LEASE, entered as of this 17th day of May, 1995, by and among Donald W. Lancaster, ~~1885 Fairbank Avenue~~, Mount Pleasant SC 29464 (hereinafter the "Lessor"), and R. R. Drews and Effie D. Drews, ~~1885 Fairbank Avenue~~ Drive, Charleston SC 29407 (hereinafter the "Lessees"), witnesseth as follows:

WHEREAS, Lessor owns real property including buildings and improvements located at ~~1885 Fairbank Avenue~~, Charleston SC 29407 (TMS # 352-07-00-032), which property is more particularly described on **Exhibit A** attached hereto and incorporated herein by reference (hereinafter the "Property"), the deed to which Property was dated and recorded May 17, 1995, in Book L255, Page 127, in the R.M.C. Office for Charleston County; and

WHEREAS, Lessor has executed a mortgage in favor of the National Bank of South Carolina (hereinafter "NBSC"), which mortgage, dated and recorded May 17, 1995, in Book L255, Page 446, in the R.M.C. Office for Charleston County, constitutes a first and paramount lien on the Property; and

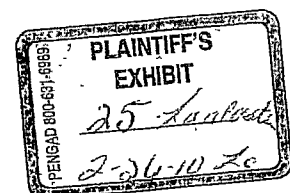
WHEREAS, Lessor has leased the Property to Lessees pursuant to terms and conditions set forth in an unrecorded lease, a memorandum of which the parties hereto have agreed to place on the public record;

NOW, THEREFORE, in consideration of the sum of Ten and No/Hundreds Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessees hereby agree as follows:

1. Term of Lease. Lessor has granted to Lessees, and Lessees have received from Lessor, a life tenancy in the Property beginning as of the date hereof.

2. Subordination of Lease to Mortgage. Lessees acknowledge that Lessor has executed a mortgage to NBSC, which mortgage constitutes a first and paramount lien on the Property; and Lessees hereby subordinate their leasehold interest in the Property to the lien of the NBSC mortgage.

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IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the date first written above.

LeRoy P. Hutchinson
Witness
[Signature]
Witness

"LESSOR"
Donald W. Lancaster
Donald W. Lancaster

LeRoy P. Hutchinson
Witness
[Signature]
Witness

"LESSEES"
R. R. Drews
R. R. Drews
Effie D. Drews
Effie D. Drews

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

Before me, the undersigned notary public, personally appeared the undersigned witness, who, being duly sworn, deposed and said that he saw DONALD W. LANCASTER sign, seal and as his act and deed deliver the foregoing instrument, and that he together with the other witness witnessed the execution thereof.

LeRoy P. Hutchinson
Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this 30 day of May, 1995.

[Signature]
Notary Public for South Carolina
My Commission Expires: 10/24/04

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

Before me, the undersigned notary public, personally appeared the undersigned witness, who, being duly sworn, deposed and said that he saw R. R. DREWS sign, seal and deliver the foregoing instrument, and that he together with the other witness witnessed the execution thereof.

Way P. Hutchinson
Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this 30 day of May, 1995.

Dee Hild
Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

Before me, the undersigned notary public, personally appeared the undersigned witness, who, being duly sworn, deposed and said that he saw EFFIE D. DREWS sign, seal and deliver the foregoing instrument, and that he together with the other witness witnessed the execution thereof.

Way P. Hutchinson
Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this 30 day of May, 1995.

Dee Hild
Notary Public for South Carolina
My Commission Expires: 10/24/04

EXHIBIT A

ALL that certain piece, parcel or lot of land, with buildings and improvements thereon, situate, lying and being in Sandhurst Subdivision, City of Charleston, County of Charleston, State of South Carolina, known and designated as Lot 12 Block M Sandhurst Subdivision, as shown on a plat of Sandhurst Subdivision made by E.M. Seabrook, Jr., dated June 22, 1964, and recorded in the R.M.C. Office for Charleston County in Plat Book R, Page 147; said lot having such size, shape, dimensions, buttings and boundings as by reference to said plat will more fully appear.

THIS being the same property conveyed to Donald W. Lancaster by deed of William L. Joye, Jr. and Karen Joye Payne dated May 17, 1995, and recorded May 17, 1995, in Book L255, Page 127 in the R.M.C. Office for Charleston County; and being the same property conveyed to William L. Joye, Jr. and Karen Joye Payne by deed of distribution from William L. Joye, Jr., Personal Representative of the Estate of Dorothy O. Joye (Charleston County Probate File 94ES10-1248), dated January 31, 1995, and recorded February 6, 1995, in Book G252, Page 591, in the R.M.C. Office for Charleston County.

Please return to:

Roy Hutchinson

John Austin & Associates

147 Wappler Creek Drive

Suite 601

Charleston SC 29412

(Em)

Had V

BK

Z255PG123

10-00B

FILED

Z255-119

95 JUN -1 AM 11:38

CHARLES C. LIBRAND
REGISTER
CHARLESTON COUNTY SC

681

a. Settlement Statement

U.S. Department of Housing
and Urban Development



OMB No. 2502-0265

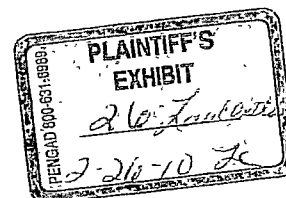
4 Type of Loan 1 ☐ FHA 2 ☐ FinHA 3 ☐ Conv Unins 4 ☐ VA 5 ☒ Conv Ins			6 File Number 	7 Loan Number 	8 Mortgage Insurance Case Number

2. Note. This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p o c)" were paid outside the closing, they are shown here for informational purposes and are not included in the totals.

D Name and Address of Borrower Donald W. Lancaster 1305 Fairmont Avenue Mount Pleasant SC 29464	E Name and Address of Seller 	F Name and Address of Lender National Bank of South Carolina 170 Meeting Street Charleston SC 29401

3 Property Location [REDACTED] Drive Charleston SC 29407 TMS # 415-03-00-135	11 Settlement Agent LeRoy P. Hutchinson Place of Settlement 147 Wappoo Creek Drive Suite 601 Charleston SC 29412	1 Settlement Date 5/12/95

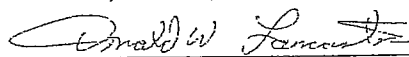
J Summary of Borrower's Transaction		K Summary of Seller's Transaction	
100 Gross Amount Due From Borrower		400 Gross Amount Due To Seller	
101 Contract sales price		401 Contract sales price	
102 Personal property		402 Personal property	
103 Settlement charges to borrower (line 1400)	177.00	403.	
104		404	
105		405	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106 City/town taxes to		406 City/town taxes to	
107 County taxes to		407 County taxes to	
108 Assessments to		408 Assessments to	
109		409	
110		410	
111		411	
112		412	
120 Gross Amount Due From Borrower	177.00	420 Gross Amount Due To Seller	
200 Amounts Paid By Or In Behalf Of Borrower		500 Reductions In Amount Due To Seller	
201 Deposit or earnest money		501 Excess deposit (see instructions)	
202 Principal amount of new loan(s)	79,250.00	502 Settlement charges to seller (line 1400)	
203 Existing loan(s) taken subject to		503 Existing loan(s) taken subject to	
204 Closing costs--Line 120	177.00	504 Payoff of first mortgage loan	
205		505 Payoff of second mortgage loan	
206		506	
207		507	
208		508	
209		509	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210 City/town taxes to		510 City/town taxes to	
211 County taxes to		511 County taxes to	
212 Assessments to		512 Assessments to	
213		513	
214		514	
215		515	
216		516	
217		517	
218		518	
219		519	
220 Total Paid By/For Borrower	79,427.00	520 Total Reduction Amount Due Seller	
300 Cash At Settlement From/To Borrower		600 Cash At Settlement To/From Seller	
301 Gross amount due from borrower (line 120)	177.00	601 Gross amount due to seller (line 420)	
302 Less amounts paid by/for borrower (line 220)	(79,427.00)	602 Less reductions in amt due seller (line 520)	
303 Cash ☐ From ☒ To Borrower	79,250.00	603 Cash ☐ To ☐ From Seller	



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L. Settlement Charges				Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price \$ @ % =					
Division of Commission (line 700) as follows:					
701 \$	to				
702 \$	to				
703. Commission paid at Settlement					
704.					
800. Items Payable In Connection With Loan					
801 Loan Origination Fee	% to	none required by NBSQ			
802 Loan Discount	% to				
803 Appraisal Fee	to	none required by NBSQ			
804 Credit Report	to				
805 Appraiser's Inspection Fee					
806 Express Mail / Courier Fee to					
807 VA Funding Fee					
808 Underwriting Fee	to				
809 Application Fee	to				
810 Tax Service Fee	to				
811 DOC Prep/Review Fee	to				
812	to				
813					
814					
900. Items Required By Lender To Be Paid In Advance					
901 Interest from	to	@ \$ / day			
902 Mortgage Insurance Premium for		months to			
903 Hazard Insurance Premium for		years to	P.O.C.		
904 Flood Insurance Premium for		years to			
905.					
1000. Reserves Deposited With Lender					
1001 Hazard Insurance	months@ \$	per month			
1002 Mortgage Insurance	months@ \$	per month			
1003 City property taxes	months@ \$	per month			
1004 County property taxes	months@ \$	per month			
1005 Annual assessments	months@ \$	per month			
1006 Flood Insurance	months@ \$	per month			
1007	months@ \$	per month			
1008	months@ \$	per month			
1100. Title Charges					
1101 Settlement or closing fee	to				
1102 Abstract or title search	to				
1103 Title examination	to				
1104 Title Insurance binder	to				
1105 Document preparation	to				
1106 Notary fees	to				
1107 Attorney's fees	to	Martin Law Firm	140.00		
(includes above items numbers: 1101, 1102, 1103)					
1108 Title Insurance	to	none required by NBSQ			
(includes above items numbers:)					
1109 Lender's coverage	\$				
1110 Owner's coverage	\$				
1111					
1112					
1200 Government Recording and Transfer Charges					
1201 Recording fees: Deed \$		Mortgage \$ 10.00	Releases \$	10.00	
1202 City/county tax/stamps Deed \$		Mortgage \$			
1203 State tax/stamps Deed \$		Mortgage \$			
1204					
1300. Additional Settlement Charges					
1301 Survey	to	none required by NBSQ			
1302 Pest Inspection	to	none required by NBSQ			
1303 Photocopies to Charleston County R.M.C. Office			17.00		
1304					
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)				177.00	

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.


Borrower Donald W. Lancaster

Seller

Borrower

Seller

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed according to this statement.

Settlement Agent LeRoy R. Hutchinson

Date

5-15-95

Applicable to FHA Insured and VA Guaranteed Loans

WARNING: It is a crime to knowingly make false statements on this or any other similar form. Penalties upon conviction can include a fine or imprisonment. For details Title 18 U.S. Code Section 1001 and Section 1010.

1. Settlement Statement

U.S. Department of Housing
and Urban Development



OMB No. 2502-0265

B. Type of Loan 1. ☐ FHA 2. ☐ FmHA 3. ☐ Conv Unins 4. ☐ VA 5. ☒ Conv Ins			6. File Number [Redacted]	7. Loan Number [Redacted]	8. Mortgage Insurance Case Number [Redacted]

2. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p o c)" were paid outside the closing, they are shown here for informational purposes and are not included in the totals.

D. Name and Address of Borrower Donald W. Lancaster [Redacted] Mount Pleasant SC 29464	E. Name and Address of Seller William L. Joye, Jr. Karen Joye Payne [Redacted] Mount Pleasant SC 29464	F. Name and Address of Lender National Bank of South Carolina 170 Meeting Street Charleston SC 29401

3. Property Location [Redacted] Charleston SC 29407 TMS # 352-07-00-032	11. Settlement Agent LeRoy P. Hutchinson Place of Settlement 147 Wappoo Creek Drive Suite 601 Charleston SC 29412	1. Settlement Date [Redacted]

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower	125,000.00	400. Gross Amount Due To Seller	125,000.00
101. Contract sales price		401. Contract sales price	
102. Personal property	694.00	402. Personal property	
103. Settlement charges to borrower (line 1400)		403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower	125,694.00	420. Gross Amount Due To Seller	125,000.00
200. Amounts Paid By Or In Behalf Of Borrower		500. Reductions In Amount Due To Seller	
201. Deposit or earnest money	1,000.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	10,750.00	502. Settlement charges to seller (line 1400)	590.10
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	none
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes to none		510. City/town taxes to none	
211. County taxes to none		511. County taxes to none	
212. Assessments to none		512. Assessments to none	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	11,750.00	520. Total Reduction Amount Due Seller	590.10
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount due from borrower (line 120)	125,694.00	601. Gross amount due to seller (line 420)	125,000.00
302. Less amounts paid by/for borrower (line 220)	(11,750.00)	602. Less reductions in amt. due seller (line 520)	(590.10)
303. Cash ☒ From ☐ To Borrower	113,944.00	603. Cash ☒ To ☐ From Seller	124,409.90

Borrower receives benefit of Seller's real property tax exemption for 1991.

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L. Settlement Charges				Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700 Total Sales/Broker's Commission based on price \$ @ % =					
Division of Commission (line 700) as follows: no brokers retained					
701 \$	to				
702 \$	to				
703. Commission paid at Settlement					
704.					
800. Items Payable In Connection With Loan					
801. Loan Origination Fee	% to	none required by NBSC			
802. Loan Discount	% to				
803 Appraisal Fee	to	paid by NBSC p.o.c.			
804. Credit Report	to				
805. Appraiser's Inspection Fee					
806. Express Mail / Courier Fee to					
807. VA Funding Fee					
808. Underwriting Fee	to				
809. Application Fee	to				
810 Tax Service Fee	to				
811 DOC Prep/Review Fee	to				
812.	to				
813.					
814					
900. Items Required By Lender To Be Paid In Advance					
901. Interest from	to	@ \$ / day			
902 Mortgage Insurance Premium for		months to			
903. Hazard Insurance Premium for		years to	p.o.c.		
904. Flood Insurance Premium for		years to			
905.					
1000. Reserves Deposited With Lender					
1001. Hazard Insurance	months@\$	per month			
1002. Mortgage Insurance	months@\$	per month			
1003 City property taxes	months@\$	per month			
1004. County property taxes	months@\$	per month			
1005 Annual assessments	months@\$	per month			
1006 Flood Insurance	months@\$	per month			
1007.	months@\$	per month			
1008.	months@\$	per month			
1100. Title Charges					
1101. Settlement or closing fee	to		180.00		
1102 Abstract or title search	to	Ashley Title and Abstract Agency			
1103 Title examination	to				
1104. Title insurance binder	to				
1105. Document preparation	to	Martin Law Firm (deed, p/a)		100.00	
1106. Notary fees	to				
1107. Attorney's fees	to	Martin Law Firm	150.00		
(includes above items numbers 1101, 1103)					
1108 Title Insurance	to	none required by NBSC			
(includes above items numbers)					
1109 Lender's coverage	\$				
1110 Owner's coverage	\$				
1111					
1112					
1200 Government Recording and Transfer Charges					
1201. Recording fees: Deed \$ 10.00 ; Mortgage \$ 10.00 ; Releases \$ 5.00			20.00	5.00	
1202 City/county tax/stamps: Deed \$; Mortgage \$				462.50	
1203. State tax/stamps, Deed \$; Mortgage \$					
1204. City of Charleston transfer fee			112.50		
1300. Additional Settlement Charges					
1301 Survey	to	none required by NBSC			
1302. Pest Inspection	to	none required by NBSC			
1303 Photocopies to Ashley Title and Abstract Agency			31.40		
1304 Express mail charge to Federal Express				22.60	
				241.00	590.10
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)					

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Borrower Donald W. Lancaster

Borrower

Seller

Seller

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent LeRoy P. Hutchinson

Date

Applicable to FHA Insured and VA Guaranteed Loans.

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine or imprisonment. For details Title 18 U.S. Code Section 1001 and Section 1010.

First Citizens Bank SM

Member F.D.I.C.

No. 2163950-532

Mr. Donald W. Lancaster

May 15, 1995

REMITTER

FIRST CITIZENS BANK 7250 DOLLARS

7250.00

PAY

DOLLARS \$

TO
THE
ORDER
OF

Martin Law Firm

CASHIER CHECK

FIRST CITIZENS BANK AND TRUST COMPANY OF SOUTH CAROLINA

AUTHORIZED SIGNATURE

⑈0002163950⑈

3000652147

Purchased By
Donald Lancaster

Exchange
Collected

Give Reason
If Not Collected

Official Check

WACHOVIA

68-7687531

3000652147

37,500.00

To replace this Official Check for any reason you will require an
Identifying Agreement or a Bond.

Date: 5-15-95

Pay To The Order Of: **Martin Law Firm**

THE SUM \$37500.00

Wachovia Bank of North Carolina, N.A. Raleigh, NC

For: Donald W. Lancaster

Authorized Agent of Paying Bank

⑈3000652147⑈ 998002⑈

Nuffield Basis

5/15/95	NBSC Mortgage		\$79,250.00	
	First Citizens (checking)		7,250.00	
	Wachovia (Equity Line)		<u>37,500.00</u>	
				\$124,000.00
12/30/95	Effie D. Drews (deposit)	3623		<u>1,000.00</u>
				\$125,000.00
5/15/95	Title Search	Closing	\$180.00	
	Attorney's Fee	Closing	150.00	
	Recording Fees	Closing	20.00	
	City of Chas. Tsf. Fee	Closing	312.50	
	Photocopies	Closing	31.50	
5/22/95	Martin Law Firm	RRD	<u>97.50</u>	
				<u>791.50</u>
	Total			\$125,791.50
	Improvements (see schedule)			\$13,542.03
	Total			<u><u>\$139,333.53</u></u>

Improvements

5/13/95	Piggly Wiggly	Cash	\$2.10	keys
5/26/95	A/C & Refrigeration	RRD	19.72	new air return
5/26/95	A/C & Refrigeration	RRD	19.41	new air return
6/02/95	Sears	RRD	247.39	garage door opener
6/05/95	General Electric	RRD	49.90	oven rack
6/09/95	SC Electric & Gas	RRD	383.88	water heater
6/10/95	Charleston Hardware	RRD	60.14	plumbing
6/10/95	Lowe's	RRD	427.69	rugs, shelving
6/10/95	Lowe's	RRD	170.42	sink & lumber
6/12/95	Southern Lumber	RRD	117.25	sheetrock, plywood
6/14/95	Glidden Company	RRD	13.50	paint for sink
6/15/95	FASTSIGNS	RRD	52.47	street sign
6/15/95	Levinson Electric	RRD	17.76	switches
6/18/95	Lowe's	RRD	178.42	cabinet & sink
6/26/95	Williams Carpet Co.	RRD	821.69	carpet
6/27/95	Home Depot	RRD	142.60	oak floor, misc.
6/27/95	Marshall Drywall	RRD	150.00	drywall finishing
6/28/95	Radio Shack	RRD	16.94	phone connections
6/30/95	Southern Lumber	RRD	205.47	chair rail
6/30/95	Comm. Public Works	RRD	500.00	water tap fee
6/30/95	Southern Lumber	RRD	49.71	plywood
6/30/95	Buck Lumber	RRD	318.14	lumber
7/01/95	Coastal Lumber	RRD	16.02	stain
7/01/95	Radio Shack	RRD	10.59	surge protector
7/03/95	Ted Lansing Corp.	RRD	12.35	roof felt
7/03/95	Roberts Supply Co.	RRD	5.62	filter coat
7/07/95	Southern Lumber	RRD	32.46	lumber
7/12/95	Ging & Co.	RRD	72.35	lumber
7/12/95	Lane's Painting	RRD	480.00	painting
7/12/95	Charleston Hardware	RRD	16.62	dryer connection
7/12/95	Hughes Lumber	RRD	54.80	hardware
7/13/95	Billy Hilton	RRD	470.00	water line for sprinkler
7/15/95	Home Depot	RRD	465.76	chandelier
7/19/95	Charleston Hardware	RRD	7.62	W/D connectors
7/19/95	Charleston Hardware	RRD	14.03	W/D connectors
7/21/95	USA TV	RRD	1,683.28	refrigerator
7/25/95	Charleston Hardware	RRD	7.00	disposal parts
7/26/95	General Electric	RRD	161.28	stove repair
8/01/95	Dan's Fan City	RRD	12.17	parts
8/01/95	Charleston Hardware	RRD	5.55	hardware
8/01/95	Home Depot	RRD	178.08	wiring, lights
8/02/95	Lowe's	RRD	202.53	cabinet, Shelving
8/04/95	Bird Sales, Inc.	RRD	311.64	hardware
8/04/95	JCPenny	RRD	97.31	window dressing
8/05/95	Low Country Pawn	RRD	63.60	saw for floor work
8/07/95	Home Depot	RRD	33.13	lights
8/08/95	Ray Helms	RRD	75.00	garage door operator
8/09/95	Charleston Hardware	RRD	12.97	hardware
9/05/95	Bird Paints	RRD	29.67	paint
10/24/95	SC Electric & Gas	RRD	5,046.00	air conditioning
	Total			

\$13,542.03

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South Carolina

\$ 50,912.00November, ~~19~~ 2001

FOR VALUE RECEIVED, the undersigned promise (s) to pay to the order of _____

DONALD W. LANCASTER

at MOUNT PLEASANT, South Carolina, in lawful money of the United States of America,
the principal sum of

Fifty Thousand Nine Hundred Twelve and 00/100 (\$50,912.00) Dollars,
together with interest at the rate of five percent (5.00%) per
annum, payable in one hundred twenty equal, consecutive monthly
installments of principal and interest of Five Hundred Forty and
00/100 (\$540.00) Dollars, commencing ~~December 6, 2001~~, and
continuing the sixth day of each month until fully paid. *E.D.P.*

This note may be prepaid without penalty.

January 6, 2002 DWT

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate or bankrupt courts, or under foreclosure proceedings under the mortgage securing this note, then all cost of collection, including a reasonable sum for attorney fee shall be added hereto as attorney's fees secured and collectible as the principal hereof.

The undersigned expressly agree jointly and severally to remain and continue bound for the payment of the principal and interest provided for by the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid under and by virtue of the obligation to pay provided for in this note, or any change or changes by way of release or surrender of any collateral held as security for this note and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of the undersigned.

Presentment, protest, and notice are hereby waived.

689

It is expressly agreed and declared that this note is given for an actual loan of Fifty Thousand
Nine Hundred Twelve and 00/100 (\$50,912.00) Dollars

SM R 27-065

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ASSIGNMENT

For good and valuable consideration, the receipt whereof is hereby acknowledged, the undersigned Effie D. Drews, hereby grants, sells, bargains, conveys and assigns unto Donald W. Lancaster, that certain mortgage of Charleston's Antiques District, LLC, to Rudolph Robert Drews dated November 7th, 2001, and recorded in the RMC Office for Charleston County in Book H387, Page 431.

This assignment is made to secure the repayment of a Note to the said Donald W. Lancaster dated November 6, 2001, and shall become null and void upon payment in full of the Note.

WITNESS my hand and seal this 7th day of November, 2001.

Lorena Blacklocke
Lorena Blacklocke

Effie D. Drews
EFFIE D. DREWS

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I LORENA BLACKLOCKE, do hereby certify that
(print name of notary)

EFFIE D. DREWS

personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This 7th day of November, 2001.

Lorena Blacklocke
(notary signs here)
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 1-5-03
(fill in)

670

U.S. AIR FORCE

24 MAR 1966

const
6.0

11

FILED

K387-65

200/101-8 2110-35

U.S. AIR FORCE
OFFICE OF THE
JOINT CHIEFS OF STAFF

ASSIGNMENT

681

Loans to R.R. Drews

PLAINTIFF'S
EXHIBIT
28-Lamp
226707C

1995-96

RRD Note -- 3/01/95							Rev. 2/03/97	
\$40,000 compounded annually @ 7.00% from 3/01/95, date of the note								
Interest through 2/28/95 remains due on loan before note --					\$2,291.40	(See "A")		
		No. Days	7% / 365	Interest current	Interest cumulative	Total Balance Due		
Forward								
02/28/1995	\$40,000				\$3,603.49			
01/31/1996		Bainbridge settlement			(\$1,237.96)			
02/01/1996		Bainbridge Insurance 2/96			(\$46.33)			
03/01/1996		Bainbridge Insurance 3/96			(\$27.80)			
03/01/1996	\$40,000				\$2,291.40	\$42,291.40	(\$2,291.40)	paid interest 8/03/96
=====								
1995								
03/31/95	\$40,000	31	0.00019178	\$237.81		\$40,000.00	(\$237.81)	paid interest 8/03/96
04/30/95	\$40,000	30	0.00019178	230.14		\$40,000.00	(\$230.14)	paid interest 8/03/96
05/31/95	\$40,000	31	0.00019178	237.81		\$40,000.00	(\$237.81)	paid interest 8/03/96
06/30/95	\$40,000	30	0.00019178	230.14		\$40,000.00	(\$284)	paid interest 8/03/96
							(\$100.00)	paid interest 11/29/96
							(\$127.30)	paid interest 2/03/97
07/31/95	\$40,000	31	0.00019178	237.81	\$65.11	\$40,065.11	(\$172.70)	paid interest 2/03/97
08/31/95	\$40,000	31	0.00019178	237.81	\$302.91	\$40,302.92		
09/30/95	\$40,000	30	0.00019178	230.14	\$533.05	\$40,533.05		
10/31/95	\$40,000	31	0.00019178	237.81	\$770.86	\$40,770.86		
11/30/95	\$40,000	30	0.00019178	230.14	\$1,000.99	\$41,001.00		
12/31/95	\$40,000	31	0.00019178	237.81	\$1,238.80	\$41,238.80		
				\$2,347.39	=====			
1996								
(\$40,000 + \$2,347 1995 interest = \$42,347)								
1/31/96	\$42,347	31	0.00019178	\$251.76	\$251.76	\$41,490.56		
2/29/96	\$42,347	29	0.00019178	235.52	\$487.28	\$41,726.08		
3/31/96	\$42,347	31	0.00019178	251.76	\$739.04	\$41,977.84		
4/30/96	\$42,347	30	0.00019178	243.64	\$982.68	\$42,221.48		
5/31/96	\$42,347	31	0.00019178	251.76	\$1,234.44	\$42,473.24		
6/30/96	\$42,347	30	0.00019178	243.64	\$1,478.08	\$42,716.88		
7/31/96	\$42,347	31	0.00019178	251.76	\$1,729.84	\$42,968.64		
8/31/96	\$42,347	31	0.00019178	251.76	\$1,981.60	\$43,220.40		
9/30/96	\$42,347	30	0.00019178	243.64	\$2,225.24	\$43,464.04		
10/31/96	\$42,347	31	0.00019178	251.76	\$2,477.00	\$43,715.80		
11/30/96	\$42,347	30	0.00019178	243.64	\$2,720.64	\$43,959.44		
12/31/96	\$42,347	31	0.00019178	251.76	\$2,972.40	\$44,211.20		
				366	\$2,972.40	=====		

623 Meeting
 sold 8/3/96?
 \$3,000 interest
 paid

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97-98

RRD Note -- 3/01/95							Rev. 12/31/98
\$40,000 compounded annually @ 7.00% from 3/01/95, date of the note							
				INTEREST →		BALANCE	
1997	(Original \$40,000 + \$1,539 1995 interest outstanding at 12/31/96 + \$2,972 1996 interest = \$44,511)						
1/31/97	\$44,511	31	0.00019178	\$264.63	\$264.63	\$40,116.39	(\$148.24) remaining from \$400 interest paid 7/18/97
2/28/97	\$44,511	28	0.00019178	239.02	\$503.64	\$40,355.40	
3/31/97	\$44,511	31	0.00019178	264.63	\$768.27	\$40,620.03	
4/30/97	\$44,511	30	0.00019178	256.09	\$1,024.36	\$40,876.12	(\$3,000.00) principal paid 5/10/97
	(\$41,276 balance at 4/30/97 - \$3,000 principal paid 5/10/97 = \$38,276)						
5/31/97	\$38,276	31	0.00019178	227.56	\$1,251.92	\$38,103.68	
6/30/97	\$38,276	30	0.00019178	220.22	\$1,472.13	\$38,323.89	
7/31/97	\$38,276	31	0.00019178	227.56	\$1,699.69	\$38,551.45	
8/31/97	\$38,276	31	0.00019178	227.56	\$1,927.25	\$38,779.01	
9/30/97	\$38,276	30	0.00019178	220.22	\$2,147.47	\$38,999.23	
10/31/97	\$38,276	31	0.00019178	227.56	\$2,375.02	\$39,226.78	
11/30/97	\$38,276	30	0.00019178	220.22	\$2,595.24	\$39,447.00	
12/31/97	\$38,276	31	0.00019178	227.56	\$2,822.80	\$39,674.56	
		365		\$2,822.80			
1998	\$39,674.56	(Balance at 12/31/97)					
01/31/1998	\$39,675	31	0.00019178	\$235.87	\$235.87	\$39,910.43	
02/28/1998	\$39,675	28	0.00019178	213.05	\$448.92	\$40,123.48	
03/31/1998	\$39,675	31	0.00019178	235.87	\$684.79	\$40,359.35	
04/30/1998	\$39,675	30	0.00019178	228.26	\$913.05	\$40,587.61	
05/31/1998	\$39,675	31	0.00019178	235.87	\$1,148.93	\$40,823.49	
06/30/1998	\$39,675	30	0.00019178	228.26	\$1,377.19	\$41,051.75	
07/31/1998	\$39,675	31	0.00019178	235.87	\$1,613.06	\$41,287.62	
08/31/1998	\$39,675	31	0.00019178	235.87	\$1,848.94	\$41,523.49	
09/30/1998	\$39,675	30	0.00019178	228.26	\$2,077.20	\$41,751.76	
10/31/1998	\$39,675	31	0.00019178	235.87	\$2,313.07	\$41,987.63	
11/30/1998	\$39,675	30	0.00019178	228.26	\$2,541.33	\$42,215.89	
12/31/1998	\$39,675	31	0.00019178	235.87	\$2,777.21	\$42,451.77	
		365		\$2,777.21			

1999-2000-2001

RRD LOANS

6/07/99 balance + \$5,000 to RD to pay off First Citizens + \$15,000 to SouthTrust

Interest Rate 7%, calculated daily

Payment due on 1st, by 10th

	Balance 1st of Month	# Days	Daily Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Month-End Balance	Payment Amount	Due Date	Payment Date
1999	\$42,451.77	(Balance at 12/31/98)					\$42,451.77			
01/31/1999	\$42,452	31	0.00019178	7.00%	\$252.38	\$252.38	\$42,704.15			
02/28/1999	\$42,452	28	0.00019178	7.00%	\$227.96	\$480.34	\$42,932.11			
03/31/1999	\$42,452	31	0.00019178	7.00%	\$252.38	\$732.73	\$43,184.50			
04/30/1999	\$42,452	30	0.00019178	7.00%	\$244.24	\$976.97	\$43,428.74			
05/31/1999	\$42,452	31	0.00019178	7.00%	\$252.38	\$1,229.35	\$43,681.12			
6/1 - 6/07/99	\$42,452	7	0.00019178	7.00%	\$56.99	\$1,286.34	\$43,738.11			
"	\$20,000.00						\$63,738.11			
6/8 - 6/30/99	\$63,738.11	23	0.00019178	7.00%	\$281.15	\$1,567.49	\$64,019.26	\$450.00	07/01/1999	07/12/1999
7/1 - 7/31/99	\$63,569.26	31	0.00019178	7.00%	\$377.93	\$1,945.42	\$63,947.19	\$450.00	08/01/1999	08/03/1999
8/1 - 8/31/99	\$63,497.19	31	0.00019178	7.00%	\$377.50	\$2,322.92	\$63,874.69	\$450.00	09/01/1999	09/03/1999
9/1 - 9/30/99	\$63,424.69	30	0.00019178	7.00%	\$364.91	\$2,687.83	\$63,789.60	\$450.00	10/01/1999	10/07/1999
10/1 - 10/31/99	\$63,339.60	31	0.00019178	7.00%	\$376.57	\$3,064.40	\$63,716.17	\$450.00	11/01/1999	11/15/1999
11/1 - 11/30/99	\$63,266.17	30	0.00019178	7.00%	\$364.00	\$3,428.40	\$63,630.17	\$450.00	12/01/1999	12/06/1999
12/1 - 12/31/99	\$63,180.17	31	0.00019178	7.00%	\$375.62	\$3,804.02	\$63,555.78	\$450.00	01/01/2000	
		365			\$3,804.02					

	Balance 1st of Month	# Days	Daily Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Month-End Balance	Payment Amount	Due Date	Payment Date
2000	\$63,555.78	(Balance at 12/31/99)					\$63,555.78	\$450.00	01/01/2000	01/07/2000
1/1 - 1/31/00	\$63,105.78	31	0.00019178	7.00%	\$375.18	\$375.18	\$63,480.96	\$450.00	02/01/2000	02/04/2000
2/1 - 2/29/00	\$63,030.96	29	0.00019178	7.00%	\$350.55	\$725.73	\$63,381.51	\$450.00	03/01/2000	03/08/2000
3/1 - 3/31/00	\$62,931.51	31	0.00019178	7.00%	\$374.14	\$1,099.87	\$63,305.65	\$450.00	04/01/2000	04/05/2000
4/1 - 4/30/00	\$62,855.65	30	0.00019178	7.00%	\$361.63	\$1,461.50	\$63,217.28	\$450.00	05/01/2000	05/10/2000
5/1 - 5/31/00	\$62,767.28	31	0.00019178	7.00%	\$373.16	\$1,834.67	\$63,140.45	\$450.00	06/01/2000	06/05/2000
6/1 - 6/30/00	\$62,690.45	30	0.00019178	7.00%	\$360.68	\$2,195.35	\$63,051.13	\$450.00	07/01/2000	07/10/2000
7/1 - 7/31/00	\$62,601.13	31	0.00019178	7.00%	\$372.18	\$2,567.53	\$62,973.31	\$450.00	08/01/2000	08/04/2000
8/1 - 8/31/00	\$62,523.31	31	0.00019178	7.00%	\$371.71	\$2,939.24	\$62,895.02	\$450.00	09/01/2000	09/06/2000
9/1 - 9/30/00	\$62,445.02	30	0.00019178	7.00%	\$359.27	\$3,298.51	\$62,804.29	\$450.00	10/01/2000	10/05/2000
10/1 - 10/31/00	\$62,354.29	31	0.00019178	7.00%	\$370.71	\$3,669.22	\$62,725.00	\$450.00	11/01/2000	11/02/2000
11/1 - 11/30/00	\$62,275.00	30	0.00019178	7.00%	\$358.29	\$4,027.52	\$62,633.30	\$450.00	12/01/2000	12/06/2000
12/1 - 12/31/00	\$62,183.30	31	0.00019178	7.00%	\$369.69	\$4,397.21	\$62,552.99	\$450.00	01/01/2001	
		366			\$4,397.21			\$5,850.00		

	Balance 1st of Month	# Days	Daily Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Month-End Balance	Payment Amount	Due Date	Payment Date
2001	\$62,552.99	(Balance at 12/31/00)					\$62,552.99	\$450.00	01/01/2001	01/08/2001
1/1 - 1/31/01	\$62,102.99	31	0.00019178	7.00%	\$369.22	\$369.22	\$62,472.21	\$450.00	02/01/2001	02/01/2001
2/1 - 2/28/01	\$62,022.21	28	0.00019178	7.00%	\$333.05	\$702.26	\$62,355.25	\$450.00	03/01/2001	03/05/2001
3/1 - 3/31/01	\$61,905.25	31	0.00019178	7.00%	\$368.04	\$1,070.30	\$62,273.29	\$450.00	04/01/2001	04/04/2001
4/1 - 4/30/01	\$61,823.29	30	0.00019178	7.00%	\$355.69	\$1,426.00	\$62,178.99	\$450.00	05/01/2001	05/04/2001
5/1 - 5/31/01	\$61,728.99	31	0.00019178	7.00%	\$366.99	\$1,792.99	\$62,095.98	\$450.00	06/01/2001	06/04/2001
6/1 - 6/30/01	\$61,645.98	30	0.00019178	7.00%	\$354.67	\$2,147.66	\$62,000.65	\$450.00	07/01/2001	07/02/2001
7/1 - 7/31/01	\$61,550.65	31	0.00019178	7.00%	\$365.93	\$2,513.59	\$61,916.58	\$450.00	08/01/2001	08/06/2001
8/1 - 8/31/01	\$61,466.58	31	0.00019178	7.00%	\$365.43	\$2,879.02	\$61,832.01	\$450.00	09/01/2001	09/05/2001
9/1 - 9/30/01	\$61,382.01	30	0.00019178	7.00%	\$353.16	\$3,232.18	\$61,735.17	\$450.00	10/01/2001	10/04/2001
10/1 - 10/31/01	\$61,285.17	31	0.00019178	7.00%	\$364.35	\$3,596.53	\$61,649.52	\$450.00	11/01/2001	11/08/2001
11/1 - 11/30/01	\$61,199.52	30	0.00019178	7.00%	\$352.11	\$3,948.64	\$61,551.63	\$10,639.63	12/01/2001	11/09/2001
Transfer to EDD Loan	\$50,912.00				\$0.00	\$3,948.64	\$50,912.00	\$0.00		
		334			\$3,948.64			\$15,589.63		

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South Carolina National

Open End Mortgage

State of South Carolina

County of Charleston

I. Words Used In This Document

A. Mortgage — This document, which is dated June 12, 1992, 19, will be called the "Mortgage".

B. Mortgagor — DONALD W. LANCASTER will sometimes be called "Mortgagor" and sometimes simply "I", "me", "my", "mine" and "us" refer to the Mortgagor. Mortgagor's residence address is Charleston, SC 29407.

C. Lender — The South Carolina National Bank will be called "Lender" and sometimes simply "you", "your" and "yours" refer to Lender. Lender is a national banking association which was formed and which exists under the laws of the United States of America.

Lender's address is Charleston, SC 29402.

D. Note — The open end line of credit account agreement signed by DONALD W. LANCASTER and dated June 12, 1992 will be called the "Note". The Note states that I have promised to pay Lender the amount outstanding under my open end line of credit account from time to time (my credit obligation) which is not to exceed FORTY THOUSAND AND 00/100 Dollars (\$40,000) at any one time plus finance charges or interest at the rate agreed to in the Note. You and I agree that the amount outstanding under the Note may vary from time to time by increases up to the maximum amount stated above plus finance charges or interest and decreases down to no outstanding amount or accrued finance charges or interest. Regardless of the amount outstanding at any time and regardless of whether there is any amount outstanding, it is your and my intention that this Mortgage shall remain in effect until the last of the events listed in Paragraph 18 of this Mortgage has occurred.

Finance charges or interest under the Note will be deferred, accrued, or capitalized.

E. Property — The property that is described below in the section entitled "Description Of The Property" will be called the "Property".

II. My Transfer To You Of Rights In The Property

On this date, because you loaned me the money or agreed to loan me money in the future for which I gave you the Note, I mortgage, grant and convey the Property to you, your successors and assigns, subject to the terms of the Mortgage. This means that by signing this Mortgage, I am giving you those rights that are stated in this Mortgage and also those rights that the law gives to lenders who hold mortgages on real property. I am giving you these rights to protect you from possible losses that might result if I fail to:

- Pay all the amounts that I owe you as stated in the Note and any future advances made under Paragraph 17 of this Mortgage.
- Pay, with interest or finance charges, any amounts that you spend under this Mortgage to protect the value of the Property and your rights in the Property.
- Keep all of my other promises and agreements under the Note under this Mortgage.

This Mortgage secures any renewals, extensions, refinancings, under modifications of the Note, and any substitutions for the Note.

III. Description Of The Property

A. The Property which I mortgage, grant, and convey to you, your successors and assigns, is located in Charleston County and has the following legal description:

ALL that lot, piece or parcel of land, situate, lying and being in the City of Charleston, State of South Carolina, and known and designated as Lot 22, Block A, Charlestowne Estates, Section I, as shown on a plat dated May, 1973, entitled "Plat of an Extension of Charlestowne Estates, Section I, St. Andrews Parish, Charleston, South Carolina" by W. L. Gaillard, L. S., dated May, 1973 and recorded in Plat Book R, Page 94, RMC Office for Charleston County, S. C.

BEING the same property conveyed to the mortgagor herein by deed of Robert B. Avery dated May 22, 1992, recorded May 27, 1992 in Book F-214, page 523 RMC Office aforesaid.

The Property also includes the following:

- All buildings and other improvements that are located on the property described in Paragraph III.A;
- All rights in other property I have as owner of the property described in Paragraph III.A. These rights are known as "easements, rights and appurtenances attached to the property";
- All rents or royalties from the property described in Paragraph III.A;
- All mineral, oil and gas rights and profits, water rights and water stock that are part of the property described in Paragraph III.A;
- All rights that I have in the land which lies in the streets or roads in front of, or next to, the property described in Paragraph III.A;
- All fixtures that are now or in the future will be on the property described in Paragraphs III.A. and B. and, to the extent allowed by law, all replacements of and additions to those fixtures;
- All of the rights and property described in Paragraphs III.B. through F. that I acquire in the future; and
- All replacements of and additions to the property described in Paragraphs III.B. through F. and Paragraph III.H.

You, your successors and assigns, are to have and to hold the Property, subject to the terms of this Mortgage.

W-254-07 (Rev. 8/88)

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PENGAD 800-631-6880

PLAINTIFF'S
EXHIBIT

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IV. My Right To Mortgage The Property And My Obligation To Defend Ownership Of The Property

I promise that except for the "exceptions" listed in any title insurance policy which insures your rights in the Property and the "exceptions" listed below:

- A. I lawfully own the Property in fee simple;
- B. I have the right to mortgage, grant and convey the Property to you, your successors and assigns;
- C. There are no outstanding liens, claims or charges against the Property; and
- D. There are no present violations of any restrictions which apply to the Property.

Exceptions _____

BK A215PG8A7

I give a general warranty of title to you. This means that I will be fully responsible for any losses which you suffer because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend the title to the Property against any and all claims of such rights.

Promises

I promise and I agree with Lender as follows:

1. Compliance With Condominium Or Planned Unit Development Documents

If the Property is a unit in a condominium project or a planned unit development, I will fulfill all of my obligations under the declaration, by-laws, regulations, and other documents that create or govern the condominium project or planned unit development, and I will not take any action or consent to any action which would adversely affect your rights as the holder of this Mortgage without your prior written consent.

2. My Obligation To Pay Charges And Assessments And To Satisfy Claims Against The Property

I will pay all taxes, assessments, fines, and any other charges that may be imposed on the Property. I will do this by making payments, when they are due, directly to the persons entitled to them. (In this Mortgage, the word "person" means any person, organization, governmental authority, or other party.) If you request me to do so, I will give you a receipt which shows that I paid such taxes, assessments, fines and charges.

3. My Obligation To Obtain And To Keep Hazard Insurance On The Property

I will obtain hazard insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire; hazards normally covered by "extended coverage" hazard insurance policies, and other hazards for which you require coverage. The insurance must be in the amounts and for the periods of time required by you.

I may choose the insurance company, but my choice is subject to your approval. You may not refuse to approve my choice unless the refusal is reasonable. All of the insurance policies and renewals of those policies must include what is known as a "standard mortgage clause" to protect you. The form of all policies and the form of all renewals must be acceptable to you. You will have the right to hold the policies and renewals.

I will pay the premiums on the insurance policies by paying the insurance company directly when the premium payments are due. If you require, I will promptly give you all receipts of paid premiums and all renewed notices that I receive.

If there is a loss or damage to the Property, I will promptly notify the insurance company and you. If I do not promptly prove to the insurance company that the loss or damage occurred then you may do so.

The amount paid by the insurance company is called "proceeds". I agree that you can use the proceeds either to repair or to restore the damaged Property or to reduce the amount that I owe to you under the Note and this Mortgage.

If any proceeds are used to reduce the amount which I owe to you under the Note and this Mortgage, that use will not delay the due date or change the amount of any of my payments under the Note.

4. My Obligation To Maintain The Property And To Comply With Restrictions

I will keep the Property in good repair. I will not destroy, damage or substantially change the Property, and I will not allow the Property to deteriorate. I will comply with any applicable restrictions which govern the Property.

5. Your Right To Take Action To Protect The Property

If I fail to pay all necessary taxes, insurance premiums, assessments, fines, and other charges in connection with the Property, you may pay them for me. If you do, I will repay you for these amounts including a finance charge or interest at the rate agreed to in the Note. Any such amounts which you pay for me can be added to the debt secured by this Mortgage.

Although you may take action under this Paragraph 5, you do not have to do so.

6. Your Rights To Inspect The Property

You, and others authorized by you, may enter on and inspect the Property at any reasonable times.

7. Condemnation Of The Property

I give you the right to any money paid me which may be necessary to repay the amount I owe you, if any government agency or anyone else authorized by law takes the Property or any part of it.

If any such money is used to reduce the amount which I owe you under the Note and this Mortgage, that use will not delay the due date or change the amount of any of my payments under the Note.

8. Continuation Of My Obligations

You may allow a person who takes over my rights and obligations to delay or to change the amount of the payments due under the Note. Even if you do this, however, that person and I will both still be fully obligated under the Note and under this Mortgage unless the condition stated in Paragraph 14 below, has been met.

You may allow those delays or changes for a person who takes over my rights and obligations, even if you are requested not to do so. You will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Mortgage, even if you are requested to do so.

9. Continuation Of Your Rights

Even if you do not exercise or enforce any right of yours under this Mortgage or under the law, you will still have all of those rights and may exercise and enforce them in the future.

10. Your Ability To Enforce More Than One Of Your Rights

Each of your rights under the Note and this Mortgage is separate. You may exercise and enforce one or more of those rights, as well as any of your other rights under the law, one at a time or all at once.

11. Obligations Of Mine And Of Persons Taking Over My Rights Or Obligations; Agreements Concerning Captions; Construction

Subject to the terms of Paragraph 14 below, any person who takes over my rights or obligations under this Mortgage will have all of my rights and will be obligated to keep all of my promises and agreements made in this Mortgage. Similarly, any person who takes over your rights or obligations under this Mortgage will have all of your rights and will be obligated to keep all of your agreements made in this Mortgage.

687.

If more than one person signs this Mortgage as Mortgagor, each of us is fully obligated to keep all of Mortgagor's promises and obligations contained in this Mortgage. You may enforce your rights under this Mortgage against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under the Note and under this Mortgage. However, if one of us does not sign the Note, then: (a) that person is signing this Mortgage only to give that person's rights in the Property to you under the terms of this Mortgage; and (b) that person is not personally obligated to make payments or to act under the Note.

- ☐ If this loan is checked, this is a third party Mortgage which means that the Mortgagor has not signed the Note and is therefore not personally obligated to make payments or act under the Note. However, I as Mortgagor understand that I am signing this Mortgage to give you my rights in the Property under the terms of this Mortgage even though I may not receive any of the money advanced under the Note.

Initial: _____

The options and title of this Mortgage are for convenience only. They may not be used to interpret or to define the terms of this Mortgage.

Any terms defined in this Mortgage include the masculine, feminine, and neuter genders and the singular and plural.

12. Agreements About Giving Notices Required Under This Mortgage

Any notice that must be given to me under this Mortgage will be given by delivering it or by mailing it addressed to me at the address designated by me as my residence address in Paragraph 1.B. of this Mortgage. A notice will be delivered or mailed to me at a different address if I give you a notice of my different address. Any notice that must be given to you under this Mortgage will be given by mailing it to your address stated in Paragraph 1.C. of this Mortgage. A notice will be mailed to you at a different address if you give me a notice of the different address. A notice required by this Mortgage is given when it is mailed or when it is delivered according to the requirements of this Paragraph 12.

13. Law That Governs This Mortgage

South Carolina law and any applicable federal law govern this Mortgage. If any term of this Mortgage or of the Note conflicts with the law, all other terms of this Mortgage and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

14. Agreements About Lender's Rights If Mortgagor Transfers The Property Without Lender's Prior Written Consent ("Due-On-Sale")

If I sell or transfer all or part of the Property or any rights in the Property without your prior written consent, I will still be fully obligated under the Note and under this Mortgage, and you may, at your option, declare all unpaid amounts secured by this Mortgage immediately due and payable and require me to pay the entire unpaid balance of what I owe you under the Note and this Mortgage. However, you will not exercise this option if prohibited by law. Notwithstanding any sale or transfer, I will continue to be obligated under the Note and this Mortgage unless you release me from my obligations in writing.

15. Foreclosure

If (a) I fail to pay the Note when due or you require immediate payment of the unpaid balance of the Note because an event listed in the Note has occurred, or I have sold or transferred the Property or any rights in it without your prior written consent, (b) the prospect of my performance under the terms of this Mortgage is significantly impaired, or (c) you reasonably believe that your ability to realize on the Property is significantly impaired, then you can exercise any rights which the law gives you, including foreclosing this Mortgage, and you can purchase the Property at a foreclosure sale if you are the highest bidder.

I agree that if a suit is brought to collect what I owe you or to foreclose this Mortgage, I will be liable for reasonable expenses incurred by you in realizing on the Property, and for reasonable attorney's fees not in excess of fifteen percent (15%) of the unpaid debt, and that these expenses will be secured by this Mortgage. If the proceeds of the foreclosure sale are not enough to pay what I owe you under the Note and this Mortgage and the expenses involved in a suit to collect what I owe you under to foreclose this Mortgage, then I will be personally liable for the difference.

16. Receiver Of Rents

If you start an action to collect the debt secured by this Mortgage or to foreclose this Mortgage, then you have the right to have a receiver appointed of the rents and profits of the Property. This receiver will apply any rents or profits collected first toward any costs or expenses incurred in connection with the appointment of the receiver, next to any costs or expenses incurred in the execution of duties as receiver, and finally to the payment of the debt secured by this Mortgage.

17. Future Advances

In addition to advances to be made in the future under the line of credit evidenced by the Note, upon my request, you, at your option, prior to discharge of this Mortgage, may make additional future advances to me which will be secured by this Mortgage (known as "future advances"). Any such future advances, together with interest or finance charges on these future advances, will be secured by this Mortgage if I execute a note or loan agreement which says that the future advances are secured by this Mortgage. The maximum principal amount which this Mortgage can secure, not including any amounts you advance under Paragraph 5 of this Mortgage, is the amount stated in Paragraph 1.D.

18. Your Obligation To Discharge This Mortgage When The Note And Mortgage Are Paid In Full

When you have been paid all amounts due under the Note and under any notes or loan agreements for future advances and under this Mortgage, and I have terminated my open end line of credit account secured by this Mortgage in accordance with the Note, and otherwise fully performed under the Note, this Mortgage and any other agreement secured by this Mortgage, you will discharge this Mortgage. I will not be required to pay you for this discharge, but I will pay all costs of recording the discharge in the proper official records.

19. Note Remains A Part Of Mortgage

The terms of the Note and any other notes or loan agreements for future advances are made a part of this Mortgage.

20. Changing This Mortgage

This mortgage may be changed only if you and I both give our written consent.

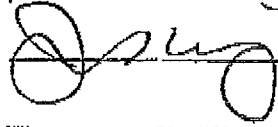
21. Waiver Of Homestead

To the extent allowed by law, I waive all right of homestead exemption in the Property.

By signing this Mortgage, I agree to all of the above.

Witnesses:







DONALD W. LANCASTER (Sole)

(Sole)

Box 915, Mt. Pleasant, S. C. 29465.
State of South Carolina
County of Charleston } Probate

BK A215PG889

10.00
10.00
10.00

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named _____ Mortgagee
sign, seal, and as (his)(her)(their)(its) act and deed, deliver the within written Mortgage and that (s)he with the other witness named above witnessed the execution thereof.

Leslie VanHoy

Seem to before me this 12th
day of June 1992
Notary Public for South Carolina (Seal)
My commission Expires 8-10-93

State of South Carolina
County of _____ } Probate

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named _____
sign, seal, and as (his)(her)(their)(its) act and deed, deliver the within written Mortgage and that (s)he with the other witness named above witnessed the execution thereof.

Seem to before me this _____ (Seal)
day of _____ 19____
Notary Public for South Carolina (Seal)
My commission Expires: _____

LT
9/8/91

FILED

A215-886
92 JUN 17 AM 8:36

ROBERT W. KING
REGISTER
CHARLESTON COUNTY SC

659

Notice of Federal Tax Lien

District NORTH-SOUTH CAROLINA
Serial Number 560070083

For Optional Use by Recording Office

2000 SEP 8 10:00
2000 SEP 8 10:00

As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Name of Taxpayer RUDOLPH R & EFFIE D DREWS

Residence 2 NUFFIELD RD
CHARLESTON, SC 29407-3319

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of the lien is refilled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
1040	12/31/1995		11/29/1999	12/29/2009	20736.47
1040	12/31/1996		11/17/1997	12/17/2007	1281.10
1040	12/31/1997		11/29/1999	12/29/2009	34971.28

Place of Filing REGISTER OF MESNE CONVEYANCE
CHARLESTON PO BOX 726
CHARLESTON, SC 29402

Total \$ 56988.85

This notice was prepared and signed at Greensboro, NC, on this,

the 01st day of September, 2000.

Signature for BETSY WOOD
Title ACS 56-01-0008

(NOTE: Certificate of officer authorized by law to take acknowledgment is not essential to the validity of Notice of Federal Tax Lien
Rev. Rul. 71-466, 1971-2 C.B. 409)

Part 1 - Kept By Recording Office

Form 668(Y)(c) (Rev. 8-97)
CAT. NO 50025X

700



State of South Carolina)
County of Charleston)

BK K 255PG109

MORTGAGE OR REAL PROPERTY

BK Z270PG298

THIS MORTGAGE, made this 15th day of May, 1995

among Donald W. Lancaster (hereinafter referred to as Mortgagor)
and THE NATIONAL BANK OF SOUTH CAROLINA (hereinafter referred to as Mortgagee):

WITNESSETH THAT, WHEREAS, Mortgagor is indebted to Mortgagee for money loaned for which Mortgagor has executed and delivered to Mortgagee one or more applications, obligations or agreements (Note(s)) with the original Note being in the principal sum of Seventy-Nine Thousand Two Hundred Fifty Dollars (\$ 79,250.00)

AND, WHEREAS, to induce the making of said loan/Notes and in consideration of advances made and which may be made by Mortgagee to Mortgagor as evidenced by said various Notes of even date herewith or pursuant to Notes executed in the future, Mortgagor has agreed to secure said debt and interest thereon evidenced by said Notes and all renewals and extensions thereof, together with (in accordance with Section 29-3-50, Code of Laws of South Carolina, 1976, as may be amended) any future advances that may subsequently be made in connection with said Notes or by Mortgagee, and all renewals and extensions thereof, as well as all other indebtedness of Mortgagor or Mortgagee, now due or to become due or hereafter contracted, provided however that the total amount of existing indebtedness and future advances outstanding at any one time may not exceed 200% of the principal amount of the Note or

Dollars (\$ _____)

whichever is greater, plus or together with interest thereon, attorneys' fees, and court costs and to secure the performance of the undertakings prescribed in the Notes and this Mortgage by the conveyance of the premises hereinafter described. Interest on said Notes will be deferred, accrued, or capitalized.

NOW, THEREFORE, in consideration of the aforesaid loan and the sum of Three Dollars (\$3.00) cash in hand paid to Mortgagor, the receipt of which is hereby acknowledged, Mortgagor hereby grants, sells, conveys, assigns and releases to Mortgagee, its successors and assigns, the following described premises located

in Charleston County, South Carolina:

ALL that lot, piece or parcel of land, situate in the City of Charleston, State of South Carolina, and known as Lot 22, Block A, Charlestowne Estates, Section I, as shown and designated on a plat dated May 1973, entitled "Plat of an Extension of Charlestowne Estates, Section I, St. Andrews Parish, Charleston, South Carolina" by W. L. Gaillard, L. S., recorded in Plat Book R, Page 94, in the R.M.C. Office for Charleston County.

THIS being the same property conveyed to the Mortgagor herein by deed of Robert B. Avery dated May 22, 1992, and recorded May 22, 1992, in Book F214, Page 523, in the R.M.C. Office aforesaid.

TMS # 415-03-00-135

PROPERTY STREET ADDRESS: [REDACTED]
Charleston SC 29407

Together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any-wise incident or appertaining. Including but not limited to all buildings, improvements, fixtures, or appurtenances now or hereafter erected thereon, including all apparatus, equipment, fixtures, or articles, whether in single units or centrally controlled, used to supply heat, gas, air conditioning, water, light, power, refrigeration, ventilation or other services, and also together with any screens, window shades, storm doors and windows, screen doors, awnings, stoves and water heaters (all of which are declared to be a part of said real estate whether physically attached thereto or not).

0123-0001-001

28 0742578150 - 001

701



TO HAVE AND TO HOLD the same with all privileges and appurtenances thereunto belonging to Mortgagee, its successors and assigns, forever, for the purpose hereinafter set out and Mortgagor covenants with Mortgagee, its successors and assigns, that Mortgagor is seized of, and has the right to convey, the premises in fee simple; that the premises are free and clear of all encumbrances except as disclosed in writing to the Mortgagee at the time this Mortgage is given; and that Mortgagor will warrant and defend title to the premises against the lawful claims of persons whomsoever.

MORTGAGOR COVENANTS with Mortgagee, its heirs, successors and assigns as follows:

1. **NOTE PAYMENTS.** Mortgagor shall make timely payments of principal and interest on the above mentioned Note(s) in the amounts, in the manner and at the place set forth therein. This Mortgage secures payment of said Note(s) according to its terms, which are incorporated herein by reference.

2. **TAXES.** Mortgagor shall pay all taxes, charges and assessments which may become a lien upon the premises hereby conveyed before any penalty or interest accrues thereon and shall promptly deliver to Mortgagee (at its request) official receipts evidencing payment thereof. In the event of the passage after the date of this Mortgage of any law imposing a federal, state, or local tax upon Mortgage or debts secured thereby, the whole principal sum (plus or together with interest) secured by this Mortgage shall, at the option of Mortgagee, its successors and assigns, without notice become immediately due and payable.

3. **INSURANCE.** Mortgagor shall continually maintain hazard insurance of such types and amounts and in such companies as Mortgagee may from time to time reasonably require on the improvements now or hereafter located on the premises and shall promptly pay all premiums therefore when due. All insurance policies and renewals thereof shall be held by Mortgagee subject to the rights of the holder of the first mortgage lien, if any, and have attached thereto loss payable clauses in favor of and in a form acceptable to Mortgagee. In the event of loss, Mortgagor shall give immediate notice thereof by mail to Mortgagee, who may make proof of loss. Each insurance company is hereby directed to make payment for such loss directly to Mortgagee (instead of Mortgagor and Mortgagee jointly), and the insurance proceeds, or any part thereof, may be applied by Mortgagee, at its option, to the debt hereby secured or for the repair or restoration of the premises. If the insurance proceeds are applied to the debt, it may be applied upon the portion last falling due or in such other manner as Mortgagee may determine. In the event of foreclosure of this Mortgage or other transfer of title to the premises in extinguishment of the indebtedness secured hereby, all right, title and interest of Mortgagee in any insurance policies then in force shall pass to the Mortgagee.

4. **REPAIRS.** Mortgagor will keep the premises in as good order and repair as they are now (reasonable wear and tear excepted) and will not commit or permit any waste or any other state of facts whereby the value of the premises might be impaired.

5. **COMPLIANCE WITH LAWS.** Mortgagor shall promptly comply with any applicable legal requirements of the State of South Carolina or other governmental entity, agency or instrumentality relating to the use or condition of the premises.

6. **CONDEMNATION AWARD.** Any award for the taking of, or damages to, all or any part of the premises or any interest therein upon the lawful exercise of power of eminent domain shall be payable to Mortgagee who may apply the same so received to the portion of the debt hereby secured last falling due or in such other manner as Mortgagee may determine.

7. **PAYMENTS BY MORTGAGEE.** If Mortgagor shall be in default in the timely performance of any obligation under this Mortgage or the Note(s) hereby secured or in the timely performance of any obligation imposed by a prior mortgage, or the Note(s) thereby secured or otherwise, Mortgagee at its option may expend for the account of Mortgagor such sums as may be necessary to cure any such default. Further, Mortgagee may, at its option, expend for the account of Mortgagor such sums, expenses and fees as may become necessary or be incurred for the protection of the premises, for the protection of the lien of this Mortgage and for the maintenance and execution of this Mortgage. Any amounts so expended shall be deemed principal advances secured by this Mortgage, shall bear interest from the time expended at the rate prescribed in the Note(s) hereby secured and shall be due and payable on demand. However, Mortgagee shall be under no obligation to do any of the foregoing, and its failure to do so shall not be construed as a waiver of any default hereunder.

8. **TRANSFER OF THE PROPERTY ASSUMPTION.** If all or any part of the property or an interest therein is sold or transferred by Borrower without Mortgagee's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to the Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Mortgagee may, at Mortgagee's option for any reason, declare all sums secured by the Mortgage to be immediately due and payable.

9. **MORTGAGOR'S CONTINUING OBLIGATION.** It is understood and agreed that all advances heretofore, now and hereafter made by Mortgagee to Mortgagor, and all indebtedness now and hereafter owed by Mortgagor to Mortgagee, and any other present or future indebtedness or liability of Mortgagor to Mortgagee, whether as principal debtor, surety, guarantor, endorser or otherwise, will be secured by this instrument until it is satisfied of record. It is further understood and agreed that Mortgagee, at the written request of Mortgagor, will satisfy this mortgage whenever: (1) Mortgagor owes no indebtedness to Mortgagee, (2) Mortgagor has no liability to Mortgagee, (3) Mortgagor requests satisfaction in writing, and (4) Mortgagee has not agreed to make any further advances or advances to Mortgagor. The Mortgagor shall remain liable for full payment of the principal and interest on the Note(s) (or any advancement or obligation) secured hereby, notwithstanding any of the following: (a) The sale of all or a part of the premises, (b) the assumption by another party of the Mortgagor's obligation hereunder, (c) the forbearance or extension of time for payment or performance of any obligation hereunder, whether granted to Mortgagor or a subsequent owner of the property, and (d) the release of all or any part of the premises securing said obligations or the release of any party who assumes payment of the same. None of the foregoing shall in any way affect the full force and effect of the lien of this Mortgage or impair Mortgagee's right to a deficiency judgment (in the event of foreclosure) against Mortgagor or any party assuming the obligations hereunder.

10. **WAIVER OF HOMESTEAD, REDEMPTION AND APPRAISAL RIGHTS.** The Mortgagor does hereby expressly waive, release and discharge any and all homestead exemption, right of redemption or right of appraisal in the event of foreclosure, as allowed by the laws of the State of South Carolina, until the entire amount under all Notes secured hereby are paid in full.

WAIVER OF APPRAISAL RIGHTS, IF ALLOWED BY LAW. If in the event of foreclosure of this Mortgage a deficiency judgment is requested against Mortgagor, and if at the time of such foreclosure the laws of South Carolina allow and authorize an obligated party to knowingly waive statutory appraisal rights, Mortgagor agrees to and does hereby waive any and all rights of appraisal as to the property in connection with the foreclosure of the subject property and Mortgagee's right to seek a deficiency judgment against Mortgagor in the event the debt hereby secured is not satisfied from the net sales proceeds from the foreclosure sale.

11. **DEFAULT.** Failure to make any payments, perform any acts required by the Note(s) or this instrument shall constitute default by the Mortgagor.

12. **ASSIGNMENTS OF RENTS, LEASES AND PROFITS.** Mortgagor hereby sets over, assigns, transfers and grants a security interest in any and all rents, issues, and profits of the said premises herein described, provided, however, that so long as no Default has occurred, Mortgagor shall be entitled to collect and retain all such rents, issues and profits. In the event of Default, all rents,

EX 2270PS300

leases and profits shall be payable and delivered to Mortgagee and Mortgagee hereby authorizes Mortgagee to notify any and all tenants of this assignment and that all payments of rent, leases and profits should be made directly to Mortgagee.

13. APPOINTMENT OF RECEIVER. Upon the event of a Default, Mortgagee shall be entitled to the appointment of a receiver of the rents, leases, and profits of the herein described property, with power to receive and recover the same, to dispossess tenants, to lease the premises, to operate and manage the premises, to pay the taxes and assessments thereon, to keep the same insured, and to make all necessary repairs thereon, and with such other powers as may be necessary. The receiver, after deducting all charges and expenses attending execution of such duties as receiver, shall apply the residue of said rents, leases and profits to the payment of all sums hereby secured or of any deficiency which may arise after applying the proceeds of the sale of the said premises to the amount due, including interest, costs, and expenses of such foreclosure and sale. Mortgagee and the receiver shall be entitled to review and have access to the books and records used in the operation and maintenance of the subject property.

14. ENVIRONMENTAL MATTERS. Mortgagee agrees to indemnify and hold Mortgagee harmless from and against, and to reimburse Mortgagee with respect to, any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including reasonable attorney's fees and court costs) of any and every kind or character, known or unknown, fixed or contingent, asserted against or incurred by Mortgagee at any time and from time to time by reason or arising out of any violation of any federal, state or local health, safety, or environmental laws, ordinances, and regulations, requiring the removal of, or otherwise regulating the maintenance, storage, transportation or disposal of any hazardous substance or any other toxic substances, asbestos, contaminants, petroleum products, or radioactive materials. The provisions of this paragraph shall survive the satisfaction or release of this Mortgage and the satisfaction of the Note(s) and shall continue thereafter in full force and effect.

The Mortgagee shall pay when due the cost of providing to Mortgagee, at Mortgagee's request from time to time, a then-current environmental site assessment, audit or survey of the property described in this Mortgage, which shall be prepared by an environmental person or company acceptable to Mortgagee, in Mortgagee's sole discretion; provided, however, that Mortgagee shall make such request no more frequently than once every year unless the note is being renewed, extended, modified, or accelerated, or unless Mortgagee is required by any laws, regulation, order or other directive from any regulatory agency having jurisdiction over Mortgagee to obtain any such assessment more frequently than once a year. If Mortgagee fails to pay the cost of any assessment or the cost of any remediation to the subject property to correct deficiencies highlighted in an assessment, when due, Mortgagee may pay such cost on Mortgagee's behalf and the same shall constitute principal under the Note and be secured by the subject property, and shall be due and payable on demand. Mortgagee's failure to pay such amount (with all accrued interest) in full within ten (10) days of the date of such demand shall constitute an event of default entitling the Mortgagee to accelerate the maturity of the Note.

15. APPRAISAL. Mortgagee shall pay when due the cost of providing to Mortgagee, at its request, from time to time, a then-current appraisal of the market value of the property prepared by an appraiser acceptable to Mortgagee, in its sole discretion; provided, however, that Mortgagee shall make such request no more frequently than once every two (2) years, unless Mortgagee is required by any law, regulation, order or other directive from any regulatory agency having jurisdiction over Mortgagee to obtain any such appraisal more frequently than every two (2) years. If Mortgagee fails to pay such costs when due, Mortgagee may pay such costs on Mortgagee's behalf and the same shall constitute principal under the Note, shall bear interest at the applicable rate provided in the Note, and shall be due and payable on demand. Mortgagee's failure to pay such amount (with all accrued interest) in full within ten (10) days of the date of such demand shall constitute an event of default entitling the Mortgagee to accelerate the maturity of the Note.

16. DEFINITIONS. As used herein the terms "Mortgagor," "Mortgagee" and other terms shall refer to the singular, plural, neuter, masculine and feminine as the context may require and shall include, be binding upon and inure to the benefit of their respective heirs, successors, legal representatives and assigns.

AND IT IS AGREED by and between the parties that in the case of foreclosure of this Mortgage, by suit or otherwise, the Mortgagee shall recover of the Mortgagor a sum as attorney's fees as set out in said Note(s) which shall be secured by this Mortgage, and shall be included in judgment of foreclosure.

BUT THIS CONVEYANCE IS MADE UPON THIS SPECIAL CONDITION: If, however, there shall be a default in the performance of any of the covenants, terms and conditions of this Mortgage, or under the Note(s) or any advance secured hereby, all sums owing to Mortgagee hereunder or under said Note(s), regardless of maturity and without notice, shall immediately become due and payable at the option of Mortgagee, and Mortgagee may foreclose this Mortgage by Judicial Proceedings.

IN WITNESS WHEREOF, this Mortgage has been duly signed, sealed and delivered by Mortgagor the day and year first above written.

LeRoy P. Hutchinson (SEAL)
Donald W. Lancaster (SEAL)

_____ (SEAL)

State of South Carolina)
County of Charleston)

PROBATE

PERSONALLY appeared before me LeRoy P. Hutchinson and made oath that (s)he saw the within-named Donald W. Lancaster sign, seal, and as his act and deed, deliver the within-written Mortgage of Real Property; and, that (s)he with Eric A. Main witnessed the execution thereof.

SWORN to before me this 15th day of May, 1995
Notary Public for South Carolina (L.S.)
My Commission Expires: 10/24/04
LeRoy P. Hutchinson

Z270PG30

DE

601-5567

95 MAY 15 PM 4:38

CHARLIE C. LYBRAND
REGISTER
CHARLESTON COUNTY SC

PAD - SAFETY LED

THE NATIONAL RANGERS OF SOUTH CAROLINA
of Sumter, S.C.

Supervisor

WITNESS:

JUN 24 1938

State of South Carolina
County of _____

TO

**THE NATIONAL BANK
OF SOUTH CAROLINA**

Mortgage of Real Estate

Received and properly indexed in _____

this _____ day of _____

A.D. 19

and Recorded in Book _____, Page _____.

County, S.C.

Sumner Printing Co., Inc.

LEAD

2270-298

95 JUN 27 AM 8:46

OFFICIAL REGISTER
MAY 1963

SATISFACTION

IV. My Right To Mortgage The Property And My Obligation To Defend Ownership Of The Property

I promise that except for the "exceptions" listed in any title insurance policy which insures your rights in the Property and the "exceptions" listed below:

A. I lawfully own the Property in fee simple;

B. I have the right to mortgage, grant and convey the Property to you, your successors and assigns,

EX 11 270PG359

C. There are no outstanding liens, claims or charges against the Property; and

EX C 320PG091

D. There are no present violations of any restrictions which apply to the Property.

Exceptions _____

I give a general warranty of title to you. This means that I will be fully responsible for any losses which you suffer because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend the title to the Property against any and all claims of such rights.

Promises

I promise and I agree with Lender as follows:

1. Compliance With Condominium Or Planned Unit Development Documents

If the Property is a unit in a condominium project or a planned unit development, I will fulfill all of my obligations under the declaration, by-laws, regulations, and other documents that create or govern the condominium project or planned unit development, and I will not take any action or consent to any action which would adversely affect your rights as the holder of this Mortgage without your prior written consent.

2. My Obligation To Pay Charges And Assessments And To Satisfy Claims Against The Property

I will pay all taxes, assessments, fines, and any other charges that may be imposed on the Property. I will do this by making payments, when they are due, directly to the persons entitled to them. (In this Mortgage, the word "person" means any person, organization, governmental authority, or other party.) If you request me to do so, I will give you a receipt which shows that I paid such taxes, assessments, fines and charges.

3. My Obligation To Obtain And To Keep Hazard Insurance On The Property

I will obtain hazard insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies, and other hazards for which you require coverage, at any time, including flood hazards, earthquake hazards and environmental hazards. The insurance must be in the amounts and for the periods of time required by you.

I may choose the insurance company, but my choice is subject to your approval. You may not refuse to approve my choice unless the refusal is reasonable. All of the insurance policies and renewals of those policies must include what is known as a "standard mortgagee clause" to protect you. The form of all policies and the form of all renewals must be acceptable to you. You will have the right to hold the policies and renewals.

I will pay the premiums on the insurance policies by paying the insurance company directly when the premium payments are due. If you require, I will promptly give you all receipts of paid premiums and all renewal notices that I receive.

If there is a loss or damage to the Property, I will promptly notify the insurance company and you. If I do not promptly prove to the insurance company that the loss or damage occurred then you may do so.

The amount paid by the insurance company is called "proceeds." I agree that you can use the proceeds either to repair or to restore the damaged Property or to reduce the amount that I owe to you under the Note and this Mortgage.

If any proceeds are used to reduce the amount which I owe to you under the Note and this Mortgage, that use will not delay the due date or change the amount of any of my payments under the Note.

4. My Obligation To Maintain The Property And To Comply With Restrictions

I will keep the Property in good repair. I will not destroy, damage or substantially change the Property, and I will not allow the Property to deteriorate. I will comply with any applicable restrictions which govern the Property.

5. Your Right To Take Action To Protect The Property

If I fail to pay all necessary taxes, insurance premiums for the types of insurance required by you under Paragraph 3 (including flood and earthquake insurance premiums), assessments, fines, and other charges in connection with the Property, you may pay them for me. If you do, I will repay you for these amounts including a finance charge or interest at the rate agreed to in the Note. Any such amounts which you pay for me can be added to the debt secured by this Mortgage. If the amounts relate to insurance or other protection of the Property, you may choose the insurance company or other company providing the services.

Although you may take action under this Paragraph 5, you do not have to do so.

6. Your Rights To Inspect The Property

You, and others authorized by you, may enter on and inspect the Property at any reasonable times.

7. Condemnation Of The Property

I give you the right to any money paid me which may be necessary to repay the amount I owe you, if any government agency or anyone else authorized by law takes the Property or any part of it.

If any such money is used to reduce the amount which I owe you under the Note and this Mortgage, that use will not delay the due date or change the amount of any of my payments under the Note.

8. Continuation Of My Obligations

You may allow a person who takes over my rights and obligations to delay or to change the amount of the payments due under the Note. Even if you do this, however, that person and I will both still be fully obligated under the Note and under this Mortgage unless the condition stated in Paragraph 14 below, has been met.

You may allow those delays or changes for a person who takes over my rights and obligations, even if you are requested not to do so. You will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Mortgage, even if you are requested to do so.

9. Continuation Of Your Rights

Even if you do not exercise or enforce any right of yours under this Mortgage or under the law, you will still have all of those rights and may exercise and enforce them in the future.

10. Your Ability To Enforce More Than One Of Your Rights

Each of your rights under the Note and this Mortgage is separate. You may exercise and enforce one or more of those rights, as well as any of your other rights under the law, one at a time or all at once.

11. Obligations Of Mine And Of Persons Taking Over My Rights Or Obligations; Agreements Concerning Ceptions; Construction

Subject to the terms of Paragraph 14 below, any person who takes over my rights or obligations under this Mortgage will have all of my rights and will be obligated to keep all of my promises and agreements made in this Mortgage. Similarly, any person who takes over your rights or obligations under this Mortgage will have all of your rights and will be obligated to keep all of your agreements made in this Mortgage.

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BY 11 27066360 K C 3206092

If more than one person signs this Mortgage as Mortgagor, each of us is fully obligated to keep all of Mortgagor's promises and obligations contained in this Mortgage. You may enforce your rights under this Mortgage against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under the Note and under this Mortgage. However, if one of us does not sign the Note, then, (a) that person is signing this Mortgage only to give that person's rights in the Property to you under the terms of this Mortgage, and (b) that person is not personally obligated to make payments or to act under the Note.

☐ If this box is checked, this is a third party Mortgage which means that the Mortgagor has not signed the Note and is therefore not personally obligated to make payments or act under the Note. However, I as Mortgagor understand that I am signing this Mortgage to give you my rights in the Property under the terms of this Mortgage even though I may not receive any of the money advanced under the Note. Initials: _____.

The captions and titles of this Mortgage are for convenience only. They may not be used to interpret or to define the terms of this Mortgage.

Any terms defined in this Mortgage include the masculine, feminine, and neuter genders and the singular and plural.

12. Agreements About Giving Notices Required Under This Mortgage

Any notice that must be given to me under this Mortgage will be given by delivering it or by mailing it addressed to me at the address designated by me as my residence address in Paragraph 1 B of this Mortgage. A notice will be delivered or mailed to me at a different address if I give you a notice of this Mortgage and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

13. Law That Governs This Mortgage

South Carolina law and any applicable federal law govern this Mortgage. If any term of this Mortgage or of the Note conflicts with the law, all other terms of this Mortgage and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Mortgage and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

14. Agreements About Lender's Rights If Mortgagor Transfers The Property Without Lender's Prior Written Consent ("Due-On-Sale")

If I sell or transfer all or part of the Property or any rights in the Property without your prior written consent, I will still be fully obligated under the Note and under this Mortgage, and you may, at your option, declare all unpaid amounts secured by this Mortgage immediately due and payable and require me to pay the entire unpaid balance of what I owe you under the Note and this Mortgage. However, you will not exercise this option if prohibited by law. Notwithstanding any sale or transfer, I will continue to be obligated under the Note and this Mortgage unless you release me from my obligations in writing.

15. Foreclosure

If (a) I fail to pay the Note when due or you require immediate payment of the unpaid balance of the Note because an event listed in the Note has occurred, or I have sold or transferred the Property or any rights in it without your prior written consent, (b) the prospect of my performance under the terms of this Mortgage is significantly impaired, or (c) you reasonably believe that your ability to realize on the Property is significantly impaired, then you can exercise any rights which the law gives you, including foreclosing this Mortgage, and you can purchase the Property at a foreclosure sale if you are the highest bidder.

I agree that if a suit is brought to collect what I owe you or to foreclose this Mortgage, I will be liable for reasonable expenses incurred by you in realizing on the Property, and for reasonable attorney's fees not in excess of fifteen percent (15%) of the unpaid debt, and that these expenses will be secured by this Mortgage. If the proceeds of the foreclosure sale are not enough to pay what I owe you under the Note and this Mortgage and the expenses involved in a suit to collect what I owe you and/or to foreclose this Mortgage, then I will be personally liable for the difference.

16. Receiver Of Rents

If you start an action to collect the debt secured by this Mortgage or to foreclose this Mortgage, then you have the right to have a receiver appointed of the rents and profits of the Property. This receiver will apply any rents or profits collected first toward any costs or expenses incurred in connection with the appointment of the receiver, next to any costs or expenses incurred in the execution of duties as receiver, and finally to the payment of the debt secured by this Mortgage.

17. Future Advances

In addition to advances to be made in the future under the line of credit evidenced by the Note, upon my request, you, at your option, prior to discharge of this Mortgage, may make additional future advances to me which will be secured by this Mortgage (known as "future advances"). Any such future advances, together with interest or finance charges on these future advances, will be secured by this Mortgage if I execute a note or loan agreement which says that the future advances are secured by this Mortgage. The maximum principal amount which this Mortgage can secure, not including any amounts you advance under Paragraph 5 of this Mortgage, is the amount stated in Paragraph 1 D.

18. Your Obligation To Discharge This Mortgage When The Note And Mortgage Are Paid In Full

When you have been paid all amounts due under the Note and under any notes or loan agreements for future advances, and under this Mortgage, and I have terminated my open end line of credit account secured by this Mortgage in accordance with the Note, and otherwise fully performed under the Note, this Mortgage and any other agreement secured by this Mortgage, you will discharge this Mortgage. I will not be required to pay you for this discharge, but I will pay all costs of recording the discharge in the proper official records.

19. Note Terms Made A Part Of Mortgage

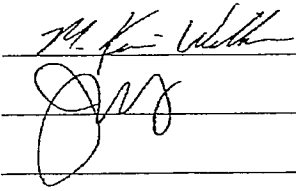
The terms of the Note and any other notes or loan agreements for future advances are made a part of this Mortgage.

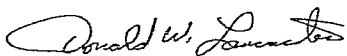
20. Changing This Mortgage

This mortgage may be changed only if you and I both give our written consent.

By signing this Mortgage, I agree to all of the above.

Witnesses:




DONALD W. LANCASTER (Seal)

(Seal)

707

~~Jack Mauldin, Box 915, Mt. Pleasant, SC 29465~~

State of South Carolina)

) Probate

County of Charleston)

BK C 320PG093

BK H 270PG361

1970
10/20/04
A

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Donald W. Lancaster sign, seal, and as (his) (her) (their) (its) act and deed, deliver the within written Mortgage and that (s)he with the other witness named above witnessed the execution thereof

M. K. W.

Sworn to before me this 14th

day of June, 1996

(Seal)

Notary Public for South Carolina

My commission Expires: 8-9-2003

State of South Carolina)

) Probate

County of _____)

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named _____ sign, seal, and as (his) (her) (their) (its) act and deed, deliver the within written Mortgage and that (s)he with the other witness named above witnessed the execution thereof

(Seal)

Sworn to before me this _____

day of _____, _____

(Seal)

Notary Public for South Carolina

My commission Expires: _____

Lee
Lee

Lee Dugan

W

FILED

N270-358

96 JUN 18 AM 8:39

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

pat
5-0
c

FILED

C320-90

99 FEB -4 AM 8:37

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

SATISFACTION

708

State of South Carolina)

TITLE TO REAL ESTATE

County of CHARLESTON)

KNOW ALL MEN BY THESE PRESENTS, that **DONALD W. LANCASTER**, (hereinafter called "Grantor"), in consideration of **ONE HUNDRED EIGHTY THREE THOUSAND AND 00/100 Dollars (\$183,000.00)**, to the Grantor in hand paid at and before the sealing of these presents, by **EDWARD J. SIMMONS AND DELORIS SIMMONS** (hereinafter called Grantee) in the State aforesaid, the receipt of which is hereby acknowledged, has granted, bargained, sold, and released, and by these presents does grant, bargain, sell and release unto

EDWARD J. SIMMONS AND DELORIS SIMMONS, THEIR HEIRS AND ASSIGNS FOREVER, ALL MY RIGHT, TITLE AND INTEREST, IN AND TO THE FOLLOWING DESCRIBED PROPERTY, TO-WIT:

ALL THAT LOT, PIECE OR PARCEL OF LAND, WITH THE BUILDINGS AND IMPROVEMENTS THEREON, SITUATE IN THE CITY OF CHARLESTON, STATE OF SOUTH CAROLINA, AND KNOWN AS LOT 22, BLOCK A, CHARLESTOWNE ESTATES, SECTION I, AS SHOWN AND DESIGNATED ON A PLAT DATED MAY, 1973, ENTITLED "PLAT OF AN EXTENSION OF CHARLESTOWNE ESTATES, SECTION I, ST. ANDREWS PARISH, CHARLESTON, SOUTH CAROLINA" BY W.L. GAILLARD, L.S., DATED AND RECORDED IN PLAT BOOK R, PAGE 94.

BEING THE SAME PROPERTY CONVEYED TO DONALD W. LANCASTER BY DEED OF ROBERT B. AVERY DATED MAY 22, 1992 AND RECORDED MAY 27, 1992 IN BOOK F-214, PAGE 523 IN THE RMC OFFICE FOR CHARLESTON COUNTY, SOUTH CAROLINA.

This conveyance is made subject to any restrictions, reservations, zoning ordinances or easements that may appear of record on the recorded plats or on the premises.

Grantee's Address: **[REDACTED]**
CHARLESTON, SC 29407

TMS No.: 415-03-00-135

TOGETHER with all and singular the rights, members, hereditaments and

705



appurtenances to said premises belonging or in any wise incident or appertaining;

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the Grantee, and the Grantee's heirs and assigns forever. And the Grantor do hereby bind the grantor and the grantor's heirs or successors, executors and administrators to warrant and forever defend all and singular said premises unto the Grantee and the Grantee's heirs or successors and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Any reference to this instrument to the singular shall include the plural, and vice versa. Any reference to one gender shall include the others, including the neuter. Such words of inheritance shall be applicable as are required by the gender of the Grantee.

WITNESS the Grantor's hands and seals this the 14th day of JANUARY, 1999.

SIGNED, SEALED AND DELIVERED
in the presence of:

[Signature: Anne M. Anderson]
[Signature: Linda J. Turner]

[Signature: Donald W. Lancaster] (SEAL)
DONALD W. LANCASTER

State of South Carolina)
County of CHARLESTON)

ACKNOWLEDGMENT

I, DANIEL J. DUGAN , a Notary, do hereby certify that DONALD W. LANCASTER personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS to before me this 14th day of JANUARY, 1999.

[Signature: Daniel J. Dugan] (SEAL)
Notary Public for South Carolina
My Commission Expires: 12-12-2006

DANIEL J. DUGAN, ESQUIRE
2154 NORTH CENTER STREET
SUITE A-103
NORTH CHARLESTON, SC 29406

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.

2. The property is being transferred BY DONALD W. LANCASTER
TO EDWARD J. SIMMONS AND DELORIS SIMMONS ON 1/14/993. Check one of the following: *The DEED is*

- (a) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
- (b) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as distribution to a trust beneficiary.
- (c) _____ EXEMPT from the deed recording fee because (exemption# _____)
(Explanation If required) _____

(If exempt, please skip items 4-6, and go to item 7 of this affidavit.)

4. Check one of the following if either item 3(a) or item 3(b) above has been checked.

- (a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ 183,000.00 *200*
- (b) _____ The fee is computed on the fair market value of the realty which is \$ _____
- (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____

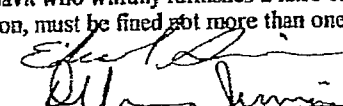
5. Check YES or NO to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES," the amount of the outstanding balance of this lien or encumbrance is \$ _____

6. The DEED Recording Fee is computed as follows:

- (a) 183,000.00 the amount listed in item 4 above
- (b) _____ the amount listed in item 5 above (no amount place zero)
- (c) _____ Subtract Line 6(b) from Line 6(a) and place the result.

7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: GRANTEE

8. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.


 Grantor, Grantee, or Legal Representative
 connected with this transaction
EDWARD J & DELORIS SIMMONS

Print or Type Name here

 Sworn to before me this 14th
 day of JANUARY 19 99
David J. Dyer
 Notary Public for SOUTH CAROLINA
 My Commission Expires: 12-12-2006

Don Dugan

h
mlv

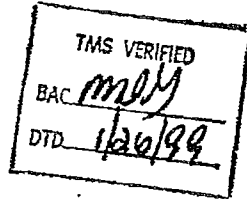
BK R 318PG013

FILED

R318-10

99 JAN 20 AM 8:38

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC



Recording Fee	<u>10.00</u>
State Fee	<u>475.80</u>
County Fee	<u>201.30</u>
Postage	<u> </u>
TOTAL	<u>687.10</u> A

Recorded this 20 day of JAN Year 99
On Property Record Card
James A. Massey
Auditor Charleston County

RUDOLPH ROBERT DREWS
2 Nuffield Road
Charleston, SC 29407

TO: Jerry Gambrell

FAX: 723-7070

FROM: Rad

FAX: 556-9523

DATE: Oct. 18, 2001

OF PAGES w/cover: One

I have signed a contract for the sale of 1705 Meeting St.,
the closing date is set for Nov. 7, 2001. Please try to have
the SC. tax people squared away by 11-7-01 & notify me SAP.

I have an appointment with Dorsey Butler Oct. 23, 01,
apparently he has located some of the info we need, I will
keep you informed on the findings

Rad

713



REC 387PG775

10246 Spence

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON) TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, THAT I, R.R. DREWS, a/k/a RUDOLPH ROBERT DREWS, in the State aforesaid for and in consideration of the sum of Two Hundred Five Thousand and 00/100 (\$205,000.00) Dollars to me in hand paid at and before the sealing of these presents by CHARLESTON'S ANTIQUES DISTRICT, LLC, in the State aforesaid and the receipt whereof is hereby acknowledged, have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said CHARLESTON'S ANTIQUES DISTRICT, LLC, its successors and assigns forever, the following described real property, to wit:

ALL that certain piece, parcel or tract of land, with the building and improvements thereon, situate, lying and being in the County of Charleston, State of South Carolina, BEGINNING at a stone bound situated at the intersection of the Easterly edge of the right of way now or formerly of the Atlantic Coast Line Railroad Company with the Southerly line of lands formerly owned by Planter's Fertilizer Company and running North 65 degrees 16'30" East 112.55 feet to a stone bound on the Westerly side of Meeting Street Road, thence along said Westerly side of said Meeting Street Road South 20 degrees 4' East 300' to a point, thence, in a Westerly direction along a line parallel to the Northern line of said property 118.50 feet, more or less, to the Easterly line now or formerly of the right of way of the Atlantic Coast Line Railroad, thence North 1 degree 41' West along said Easterly line of said right of way a distance of 300 feet, more or less, to the point of BEGINNING.

SUBJECT to any and all restrictions, covenants, conditions, zoning ordinances, rights of way and easements of record, if any, affecting said land.

This being the identical property conveyed to R.R. Drews, a/k/a Rudolph Robert Drews, by deed of Effie D. Drews, dated May 27, 1992, and recorded May 28, 1992, in the RMC Office for Charleston County in Book G214, page 491.

TMS#:464-06-00-008



74

IMG 387PG776

GRANTEE'S ADDRESS:

1600 Meeting St
Char SC 29405

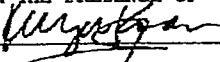
TOGETHER with all and singular, the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said CHARLESTON'S ANTIQUES DISTRICT, LLC, its Successors and Assigns forever.

AND I do hereby bind myself, my Heirs, Executors and Administrators, to warrant and forever defend, all and singular, the said Premises unto the said CHARLESTON'S ANTIQUES DISTRICT, LLC, its Successors and Assigns, against me and my Heirs, and all persons whosoever lawfully claiming or to claim the same or any part thereof.

WITNESS my Hand and Seal, this 5th day of November in the year of our Lord two thousand one and in the two hundred and twenty-sixth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF



_____

R.R. DREWS,
a/k/a RUDOLPH ROBERT DREWS

715

ENG 387PG777

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON) ACKNOWLEDGMENT

I LORENA BLACKLOCKE, do hereby certify that
(print name of notary)

R.R. DREWS, a/k/a RUDOLPH ROBERT DREWS

personally appeared before me this day and acknowledged the due
execution of the foregoing instrument.

This 5th day of November, 2001.

Lorena Blacklocke
(notary signs here)
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 1-5-03
(fill in)

716

IMG 387PG778

STATE OF SOUTH CAROLINA }
COUNTY OF CHARLESTON }

AFFIDAVIT

Date of Transfer of Title
Closing Date 11-7-01

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property is being transferred BY RR Dress a.k.a. Rudolph Robert Dress
TO Sharon L. Spence ON 11-7-01
Charleston Antique District LLC
3. Check one of the following: The DEED is
(A) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
(B) ☐ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as distribution to a trust beneficiary.
(C) ☐ EXEMPT from the deed recording fee because: (Exemption #)
(If Exempt, please skip items 4-6, and go to item 7 of this affidavit.)
4. Check one of the following if either item 3 (a) or item 3(b) above has been checked.
(A) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ 205,000.00
(B) ☐ The fee is computed on the fair market value of the realty which is \$
(C) ☐ The fee is computed on the fair market value of the realty as established for property tax purposes which is \$
5. Check YES ☐ or NO ☒ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES," the amount of the outstanding balance of this lien or encumbrance is \$
6. The DEED Recording Fee is computed as follows:
(A) ☒ the amount listed in item 4 above.
(B) ☐ the amount listed in item 5 above. (no amount place zero)
(C) ☐ subtract line 6(b) from line 6(a) and place the result.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as:
8. Check if Property other than Real Property is being transferred on this Deed.
(A) ☐ Mobile Home
(B) ☐ Other
9. DEED OF DISTRIBUTION - ATTORNEY'S AFFIDAVIT: Estate of
deceased CASE NUMBER . Personally appeared before me the undersigned attorney who, being duly sworn, certified that (s)he is licensed to practice law in the State of South Carolina; that (s)he has prepared the Deed of Distribution for the Personal Rep. in the Estate of deceased and that the grantor(s) therein are correct and conform to the estate file for the above named decedent.
10. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sworn this 6th Day of Nov. 20 01
Sharon L. Spence
Notary Public for SC
My Commission Expires 1-5-03Signed R. R. Dress
Grantor, Grantee, or Attorney that prepared this form
R. R. Dress
Type or Print Name here

777

RECORDER'S PAGEThis page **MUST** remain with
the original document.DODDS & HENNESSY, LLP
ATTORNEYS AT LAW

MG 387PG779

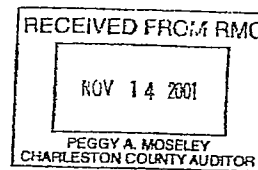
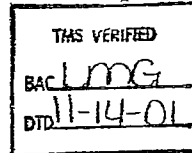
Recording
Fee 10.00State
Fee 533.40County
Fee 225.50

Postage

TOTAL 768.50

A

FILED

6387-775
2001 NOV -8 AM 10:32
CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

(843) 953-4800 2 Courthouse Square Charleston, SC 29401

718

8 BK K 387PG065

Re 10246 Spence

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ASSIGNMENT

For good and valuable consideration, the receipt whereof is hereby acknowledged, the undersigned Effie D. Drews, hereby grants, sells, bargains, conveys and assigns unto Donald W. Lancaster, that certain mortgage of Charleston's Antiques District, LLC, to Rudolph Robert Drews dated November 7th, 2001, and recorded in the RMC Office for Charleston County in Book H387, Page 431.

This assignment is made to secure the repayment of a Note to the said Donald W. Lancaster dated November 6, 2001, and shall become null and void upon payment in full of the Note.

WITNESS my hand and seal this 7th day of November, 2001.

Lorena Blacklocke
Lorena Blacklocke

Effie D. Drews
EFFIE D. DREWS

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I LORENA BLACKLOCKE, do hereby certify that
(print name of notary)

EFFIE D. DREWS

personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This 7th day of November, 2001.

Lorena Blacklocke
(notary signs here)
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 1-5-03
(fill in)

719

27



DODDS & HENNESSY, L.L.P.
ATTORNEYS AT LAW

BK K 387PG066

asst
6.6
A

FILED

K387-65

2001 NOV -8 AM 10:35

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

ASSIGNMENT

720

1705 Meeting St. Final payment

9-23-05

1705 Bal. 9-20-05 \$138,261.99
20% Penalty 27,652.50
Less Service over Office Balance \$165,914.49
Paid in full Amount to note 35,621.12
Net Offered 9-23-05 \$130,293.37

Conc'd I. note Bal. 34,721.12
+ orig. debt. v. 28450 900.00
Paid in full 35,621.12
9-23-05

DODDS & HENNESSY, L.L.P.

FILE #: RE12402

AMOUNT: \$130,293.37

DATE: 09/22/05

CODE:

34657

PAYEE: -- EFFIE D. DREWS

CK #: 34657

ALT:

SELLER(S) -- CHARLESTON'S ANTIQUES DISTRICT, LLC (Lee Spencer)

BUYER(S) -- WILLIAM JAMES LYNCH, JR. and WILLIAM T. BLACKBURN, JR.

PROPERTY LOCATION --

1705 MEETING STREET ROAD, CHARLESTON, SC 29405

CHARLESTON COUNTY

Mortgage Payoff #1



DETACH AND RETAIN THIS STATEMENT

DODDS & HENNESSY, L.L.P.

REAL ESTATE ESCROW ACCOUNT

1 N. ADGERS WHARF

CHARLESTON, SC 29401

(843) 577-3025

BANK OF AMERICA

2992 SC

67-448-539

FILE #: RE12402

34657

ONE HUNDRED THIRTY THOUSAND TWO HUNDRED NINETY-THREE AND 37/100 DOLLARS ***

DATE

09/22/05

AMOUNT

*****\$130,293.37*

EFFIE D. DREWS

1
HE
ER

034657

AUTHORIZED SIGNATURE

Details on back

Amount: \$130,293.37
Account: 771534892
Bank Number: 05390448

Sequence Number: 6300177287
Capture Date: 09/30/2005
Check Number: 34657

Handwritten: To Effie D. Drews a/c No 57041

DODDS & HENNESSY, L.L.P.
REAL ESTATE ESCROW ACCOUNT
1 N. ADGERS WHARF
CHARLESTON, SC 29401
(843) 577-3025

BANK OF AMERICA
2902 SC
67-448-533

34657

FILE #: RB12402 34657

ONE HUNDRED THIRTY THOUSAND TWO HUNDRED NINETY-THREE AND 37/100 DOLLARS ***

DATE 09/22/05 AMOUNT *****\$130,293.37*

PAY TO THE ORDER OF: EFFIE D. DREWS

Handwritten Signature: [Signature]

AUTHORIZED SIGNATURE

0013029337

Vertical text on left: PAY TO THE ORDER OF

Vertical text on right: DRAWN ON BANK

The security features listed below, as well as those not listed, exceed industry guidelines.

Security Features:

- Microprint
- Security Thread
- Watermark
- Color Shifting Ink
- Ultraviolet Features
- Chemical Sensitivity Paper
- Stamps or Labels that appear with pressure
- 3D Security Features
- Advanced Security Features
- Advanced Security Features
- Advanced Security Features

Vertical text on left: FEDERAL RESERVE BOARD OF GOVERNORS

BANK OF AMERICA
10530001964 E0250 01 P01
69/30/05

— Tran 00066 09/30/2005 14:23
— Entity NSC CC 7291500 Tr 00610
— Account 000771534892
— R/TB 540570139
— Official Check Sale \$130,293.37
— N DRL SC***** 10/06 09/01

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE

ENDORSE HERE
Handwritten: Effie D. Drews
Exchanged for Cashier's Check

Amount: \$130,293.37
Account: 1641000272
Bank Number: 11400001

Sequence Number: 8230104953
Capture Date: 10/19/2005
Check Number: 161879

Bank of America

Cashier's Check

No. 0161879

VOID AFTER 60 DAYS
OCTOBER 18, 2005

Bank of America
Center
7231599 80619 1641000272

Remitter (Purchased By)
KIDDE & KENNEDY, L.L.P.

Pay ****ONE HUNDRED THIRTY THOUSAND TWO HUNDRED NINETY-THREE DOLLARS AND 37 CENTS**** \$ ****130293.37****

To
The
Order
Of ****JAMES P. DUFFY****

40-14-3774B 07-2003

Bank of America, N.A.
San Antonio, Texas

Authorized Signature
James P. Duffy

0161879

THE ORIGINAL DOCUMENT HAS REFLECTIVE WATERMARK ON THE BACK. THE ORIGINAL DOCUMENT HAS REFLECTIVE WATERMARK ON THE BACK.

0161879

10/18/2005
886686666661288
10192005
0530-0020-6
ENT=3502 TRC=3520 PK=07

10/18/2005
10192005
0530-0020-6
ENT=3502 TRC=3520 PK=07

724



First Federal

P.O. Box 118068
N. Charleston, South Carolina 29423-8068

67-7194
2532

046473

10/17/2005

PAY TO THE
ORDER OF

FIRST SOUTH EAST

\$130,000.00

*****\$130,000.00*****

Remitter: EFFIE D. DREWS
1208

FIRST FEDERAL OF CHARLESTON
CHARLESTON, S.C.

Handwritten Signature
AUTHORIZED SIGNATURE

046473

FIRST SOUTHEAST
Investor Services, Inc.
Member NASD/SIPC

RECEIPT OF CHECKS/SECURITIES

ACCOUNT INFORMATION

Account #:

[REDACTED]

Rep:

C. Hughes

Rep #:

161

Customer Name:

Effie D. Drews

Date Received:

10-17-05

CHECKS RECEIVED

CHECK #:	AMOUNT:	FUNDS RECEIVED FOR:
046473	130,000	☐ Money Market ☐ Trade ☐ Alliance Capital Reserve ☐ Fee ☐ Other ☐ IRA Contribution Tax Year

SECURITIES

QUANTITY	DESCRIPTION	CERTIFICATE#	CUSIP#

WHITE - ATTACH TO CHECK/CERTIFICATE

CANARY - RR COPY

PINK - CLIENT COPY

Registered Representative:

Carolyn A. Hughes

725

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

AFFIDAVIT OF R. ROBERT DREWS

Personally appeared before me, R. Robert Drews, who first being duly sworn, says:

1 My name is R. Robert Drews and the testimony in this Affidavit relates to matters
of fact as to which I am competent to testify as I am over the age of eighteen years
and am not affected by anything which would affect my ability to testify.

2 On April 16, 1999, Justin O'Leary, Esq., J.D. and John G. Brown, Jr., J.D.
commenced a lawsuit suit on behalf of Frank Gordon, Jr. and Dorothy Gordon
(collectively referred to as "Gordon") against me and another person. The lawsuit
filed in the Court of Common Pleas for the Ninth Judicial Circuit in Charleston
County, Civil Action No. 99 CP-10-1497 was styled, *Frank Gordon, Jr. as
Attorney-in-Fact for Dorothy Gordon vs. Rudolph Robert Drews and Raymond
Beasley* and will be referred to herein as "the Gordon lawsuit".

3 On December 5, 2001, a judgment in the amount of \$103,482.62 was rendered
against me in the Gordon lawsuit.

4 After an unsuccessful appeal, an itemized statement of costs was entered on
September 28, 2005.

5 This Affidavit concerns my current financial status.

6 I am the title owner of a 1995 Buick Century automobile which has a value of
approximately \$5,000. Donald Lancaster, my nephew, has a lien on this vehicle.

I, along with my wife, have a life tenancy in our home located at 2 Nutfield Road.

726



GORI
01

7743.00

8 I receive \$918.00 per month in Social Security benefits and have no other monthly income

9 I do not own any stocks

10 I do not own any bonds

11 I do not own any Certificates of Deposit or other types of investments or accounts

12 I am not the beneficiary of anyone's Last Will and Testament to my knowledge

13 I do not have any safe deposit boxes

14 I hold a checking account at First Citizens Bank and the approximate average balance is \$350.00

15 I have no savings accounts

16 Other than a professional negligence claim against Kerry Koon, an attorney in Charleston which relates to and arises from the above mentioned judgment, I own no other assets or real property of significant value other than those identified in this Affidavit

Further Affiant sayeth not

R. P. Dicks

SWORN to before me this

6 day of January 2008

NOTARY PUBLIC FOR SOUTH CAROLINA

My commission expires

727

OFFICIAL CHECK		101854681	
Account No. 407-001 Charleston	Property's RUC	RBC	Centura
Pay to the order of	Amount	Date February 13, 2007	
CD Withdrawal	\$50,041.69***	RBC OF 50,041.69***	
To the Order of		Banker \$50,041.69***	
Jessica D. Atkinson		Authorized Signature	
		The signature is required for amounts of \$10,000.00 or more	
RUC 101854681			

074803962
 074803962
 074803962
 074803962
 074803962

ORIGINAL
 DOCUMENT

ORIGINAL
 DOCUMENT

ORIGINAL
 DOCUMENT

1. NOT FOR CASH
 2. NOT FOR CASH
 3. NOT FOR CASH
 4. NOT FOR CASH
 5. NOT FOR CASH
 6. NOT FOR CASH
 7. NOT FOR CASH
 8. NOT FOR CASH
 9. NOT FOR CASH
 10. NOT FOR CASH

199962
 01-07
 NNB-COL50441,5126



Jessie D. Atkinson
 South Carolina
 For deposit only
 Dorsey R. B. Miller

728

OFFICIAL CHECK

City/Branch 407-001 Charleston

Preparer's Initials RBJ

Description

Amount

CD Withdrawal

\$50,041.69***



RBC Centura
RBC Centura Bank

101854681

25-1554/440

Date February 12, 2007

Pay

Dollars \$50,041.69***

to the Order of

Jessie D. Arkinson

DRAWER: RBC Centura Bank

NON-NEGOTIABLE

CUSTOMER COPY

Authorized Signature

Two signatures required for amounts of \$10,000.00 or more

Used By: Travelers Express Company, Inc. P.O. Box 9472, Minneapolis, MN 55480

Drawee: Huntington National Bank, Columbus, OH

779

Certificate Account Withdrawal Authorization

Depositor authorizes withdrawal, and acknowledges receipt, of funds from the account indicated below.

Date 2/13/07

City/Branch 407-001

Principal Amount \$ 50,000.00

Depositor Jessie D Atkinson

Interest Amount \$ 41.69

Depositor Jessie D Atkinson

Penalty Amount \$

Jessie D Atkinson
AUTHORIZED BANK SIGNATURE

Total Withdrawal Amount \$ 50,041.69

Tran Codes: 57-Partial Withdrawal with Penalty 63-Partial Withdrawal without Penalty
75-Payout with Penalty 73-Payout without Penalty

CITY # ACCOUNT NUMBER

TRAN CODE
73

B24 (Rev. 3-02)

OFFICIAL CHECK

City/Branch 407-001 Charleston

Preparer's Initials RBJ

101854681

Description	Amount
CD Withdrawal	\$50,041.69***



25-1554/440

Date February 13, 2007

Pay \$50,041.69*** Dollars \$50,041.69***

to the Order of Jessie D. Atkinson

DRAWER: RBC Centura Bank

NON NEGOTIABLE
CUSTOMER COPY

Authorized Signature

Two signatures required for amounts of \$10,000.00 or more

Used By: Travelers Express Company, Inc., P.O. Box 9476, Minneapolis, MN 55420 Drawer: Huntington National Bank, Columbus, OH

730

ACCOUNT WITHDRAWAL AUTHORIZATION

Depositor authorizes withdrawal, and acknowledges receipt, of funds from the account indicated below.

Date 2/13/07

City/Branch 407-001

Depositor Jessie D Atkinson

Principal Amount \$ 50,300.00

Interest Amount \$ 41.69

Depositor Doc C. Smith 109-034

Penalty Amount \$ 1

Russ D. Smith
SIGNATURE

AUTHORIZED BANK SIGNATURE

Total Withdrawal Amount \$ 50,041.69

Tran Codes: 57-Partial Withdrawal with Penalty 63-Partial Withdrawal without Penalty
75-Payout with Penalty 73-Payout without Penalty

CITY #	ACCOUNT NUMBER	TRAN CODE
		<u>73</u>

CUSTOMER COPY

731

STATE OF SOUTH CAROLINA

IN THE PROBATE COURT

INVENTORY AND APPRAISEMENT

COUNTY OF: CHARLESTON

IN THE MATTER OF: RUDOLPH ROBERT
DREWS7

CASE NUMBER: 2007ES10-1518

☒ ORIGINAL☐ SUPPLEMENTAL #

Personal Representative (s): SHIRRESE B. BROCKINGTON, ESQ.

Decedent's Social Security Number: [REDACTED]

Was there a will? ☒ YES ☐ NO

Decedent's Date of Death: 9/25/2007

Domicile at death:

Chas
(county)SC
(state)

The undersigned, being sworn, states: That the following schedules contain a complete and accurate inventory and appraisal of all real and personal property of this estate so far as the undersigned is informed. that he/she has estimated and/or appraised all listed property at its fair market value, according to the best of his/her knowledge and ability.

SWORN to me this 5 day of

February 20 10

My Commission Expires: 10/20/12

Notary Public for South Carolina

My Commission Expires: 10/20/12

Attorney: _____

Address: _____

E-Mail: _____

Phone: _____

Signature: _____

Name: SHIRRESE B. BROCKINGTON, ESQ.

Address: P.O. Box 31312
Charleston, SC 24917

E-Mail: sbb@bonllc.net

Telephone (O): (843) 571-5000

(H): _____

Signature: _____

Name: _____

Address: _____

E-Mail: _____

Telephone (O): _____

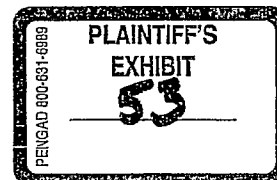
(H): _____

For estates of decedents, the gross fair market valuation of all assets, regardless of situs, should be given as of the date of death. List all out-of-state assets on appropriate schedules. A Supplemental Inventory should be utilized for correcting, adjusting or adding to an original inventory. A qualified and disinterested appraiser may be employed to ascertain the value of any asset, the value of which may be subject to reasonable doubt. If an appraiser is employed, his/her name and address should be indicated with the item or items he/she appraised.

Within ninety (90) days following appointment, a copy of the inventory and appraisal shall be sent to each interested person who requests it, and the original inventory filed with the Probate Court.

RECAPITULATION

	Non-Probate	Probate
Schedule A - Real Estate	\$	\$ -0-
Schedule B - Stocks and Bonds		-0-
Schedule C - Notes Due Decedent and Cash		-0-
Schedule D - Insurance on Person's Life: Part 1 - Payable to Estate		-0-
Part 2 - Payable to Beneficiary		-0-
Schedule E - Jointly Owned Property		-0-
Schedule F - Other Miscellaneous		Unknown
Other Assets Payable to Estate		
Schedule G - Transfers during Decedent's life		-0-
Schedule H - Powers of Appointment		-0-
Schedule I - Annuities and Retirement Accounts		-0-
TOTAL GROSS VALUE	\$	-0-
ENCUMBRANCES	(	-0-)
TOTAL NET WORTH	\$	-0-



NOTE: WHEN COMPLETING THE FOLLOWING SCHEDULES, PLEASE REMEMBER TO LIST ALL ASSETS, REGARDLESS OF SITUS. ALL OUT-OF-STATE ASSETS MUST BE DISCLOSED.

SCHEDULE A - Real Estate (All interest in real property except those held with right of survivorship) (If none, so state) (For jointly owned property with right of survivorship, see schedule E)

Item No.	Description (include county and state)	Tax Assessor's Fair Market Value for year of Decedent's Death	Appraised Value	Appraised Value of Decedent's Interest
	None identified as of filing			

TOTAL SCHEDULE A
(also enter under recapitulation, page 1) \$ -0-

SCHEDULE B - Stocks and Bonds (If none, so state.) (For jointly owned property with right of survivorship, see schedule E)

Item No.	Description	Face Value	Appraised Value
	None identified as of filing		

TOTAL SCHEDULE B
(also enter under recapitulation, page 1) \$ -0-

SCHEDULE C - Notes due to Decedent, and Money on hand and in banks (If none, so state.) (For jointly owned property with right of survivorship, see schedule E)

Item No.	Description	Value
	None identified as of filing	

TOTAL SCHEDULE C
(also enter under recapitulation, page 1) \$ -0-

(If more space is required, insert tax schedules on additional sheets of same size.)

139

SCHEDULE D - Insurance (If none, so state.)**Part 1 - Life Insurance Payable to the Estate**

Item No.	Description	Value
	None identified as of filing	

TOTAL PART 1

(also enter under recapitulation, page 1)

\$ -0-

Part 2 - Life Insurance Payable to Beneficiaries

Item No.	Description	Beneficiary	Value
	None identified as of filing		

TOTAL PART 2

(also enter under recapitulation, page 1)

\$ -0-

SCHEDULE E - Jointly owned Property (with right of survivorship) (If none, so state.)

NOTE: You must complete Schedule E if the Decedent owned any property jointly with right of survivorship at the time of death, whether or not the decedent's interest is included in the gross estate.

Percentage includible:

1 - Joint interest held by decedent and spouse - the amount included is one-half (50%) of the value in all cases.

2 - Other joint interest - Generally you must include the full value of the jointly owned property in the gross estate. However, the full value should not be included if you can show that a part of the property originally belonged to the other tenant(s). The amount included is the amount of the decedent's contribution to the joint account(s).

Item No.	Description	Joint Owner(s)	Percentage Includible	Appraised Value of Decedent's Interest
	None identified as of filing			

TOTAL SCHEDULE E

(also enter under recapitulation, page 1)

\$ -0-

(If more space is required, insert tax schedules or additional sheets of same size.)

[illegible]

TOTAL SCHEDULE F

(also enter under recapitulation, page 1)

\$ Unknown

NOTE: FOR SCHEDULES G, H, AND I. LIST VALUES ONLY IF PAYABLE TO ESTATE.

SCHEDULE G - Transfers During Decedent's Life - Transfers intended to take effect at death. United States Government Bonds "Payable at Death", Trust created by Decedent in which income for life was retained, power to revoke or other incidents of ownership retained, life insurance transfers. Lifetime transfers of real property in which decedent retains a life estate or other incidents of ownership.

Did Decedent make any transfers during lifetime as described above?

☐ YES ☒ NO

If "yes" please give date and type of transfer and list total amount payable to estate.
(If more space is required, insert additional sheet of same size)

None identified as of filing

TOTAL SCHEDULE G

Enter amounts payable to estate under recapitulation, page 1)

\$ -0-

(If more space is required, insert tax schedules or additional sheets of same size.)

735

SCHEDULE H - Powers of Appointment - Property, both real and personal, over which Decedent possessed a Power of Appointment whether Testamentary or otherwise.

Did Decedent possess a Power of Appointment? ☐ YES ☒ NO

If "yes", did Decedent exercise the power of appointment in favor of estate? ☐ YES ☒ NO

If "yes", please describe and list total amount payable to estate. \$ _____
(If more space is required, insert additional sheets of same size)

TOTAL SCHEDULE H

(also enter amounts payable to estate under recapitulation, page 1)

\$ -0-

SCHEDULE I - Annuities and retirement (IRA's, 401(k), Etc.)

Did Decedent own any accounts as described above? ☐ YES ☒ NO

If "yes", is the estate designated as the beneficiary of these accounts? ☐ YES ☒ NO

-- "yes", please describe and list total amount payable to estate. \$ _____
 more space is required, insert additional sheets of same size.)

None identified as of filing

TOTAL SCHEDULE I \$ -0-
(also enter amounts payable to estate under recapitulation, page 1)

(also enter amounts payable to estate under recapitulation, page 1)

ENCUMBRANCES - (e.g., mortgages, liens, judgments, etc , but not general debts of the estate) - List specific assets encumbered.

[illegible]

TOTAL ENCUMBRANCES (also enter under recapitulation, page 1) \$ -0-

(also enter under recapitulation, page 1)

(To be executed by the Probate Court Judge in those cases where it appears that the estate is NOT REPORTABLE to the South Carolina Tax Commission under the provisions of the Estate Tax Laws of the State of South Carolina, i.e , the total gross value is indicated to be less than prescribed limits.)

It appears from the foregoing record of the above captioned estate on file in the Probate Court of this county, such estate is not reportable to the South Carolina Department of Revenue.

Executed this day of , 20 .

_____, Probate Judge

(If more space is required, insert tax schedules or additional sheets of same size.)

STATE OF SOUTH CAROLINA)

COUNTY OF: CHARLESTON)

IN THE MATTER OF: RUDOLPH ROBERT DREWS)

IN THE PROBATE COURT

INFORMATION TO HEIRS AND DEVISEES

CASE NUMBER: 2007ES10-15 **FILE**
2010 FEB -8 PM 2:44

PROBATE COURT
CHARLESTON COUNTY

On October 15, 2009, Application/Petition was made to the Probate Court of Charleston County, at (address), 84 Broad St., Charleston, SC 29401, for the (check all that apply):

INFORMAL

FORMAL

☒ PROBATE OF WILL
☐ APPOINTMENT

☐ TESTACY
☐ APPOINTMENT

in the above matter.

(Complete is applicable) The decedent's will dated 2/11/2004, and codicil(s) dated n/a, was/were presented.

This notice is being sent to persons who have or may have some interest in the estate.

Bond HAS ☐ HAS NOT ☒ been filed.

My application/petition was granted within the past thirty days on **October 15, 2009**.

****Disclaimer: This form is required to be sent to all potential heirs of the deceased. Receipt of this form does not mean that you will inherit from the deceased. You may review the file in the Probate Court or see an attorney if you desire further information.**

Applicant / Personal Representative Name:

Address: Shirrese B. Brockington, Esq.
P.O. Box 31312 Charleston, SC 29417

Telephone (O): (843) 571-5000

(H): _____

Applicant / Personal Representative Name: _____

Address: _____

Telephone (O): _____

(H): _____

Attorney: _____

Address: _____

Telephone: _____

STATE OF SOUTH CAROLINA)

COUNTY OF: CHARLESTON)

IN THE MATTER OF: RUDOPH ROBERT)
DREWS)

IN THE PROBATE COURT

FILE
PROOF OF DELIVERY

2010 FEB -8 PM 2:45

CASE NUMBER: 2007ES10-1518

PROBATE COURT
CHARLESTON COUNTY

On the 5th day of February, 2010, I mailed or delivered the following document, Information to Heirs and Devises

- ☒ A copy of which is attached hereto and incorporated herein, or
☐ The original of which is on file with the court and incorporated herein,

Delivery was accomplished by the following method (check appropriate box):

- ☐ personal delivery ☒ ordinary first class mail
☐ certified mail ☐ registered mail

to each of the following persons at the address shown:

NAME	ADDRESS
Effie Drews	c/o Kerry Koon, Esq. 147 Wappoo Creek Dr., Ste. 203 Charleston, SC 29412
ank Gordon	c/o Justin O. Lucey, Esq. P.O. Box 806 Mt. Pleasant, SC 29465
Jessie D. Atkinson	5125 Old Washington Course Hollywood, SC 29449
Drew A. Putt	323 Yadkin Dr. Raleigh, NC 27609

SWORN to before me this 5 day of February, 20 10

Notary Public for South Carolina

My Commission Expires: 12/31/2012

Signature: Shirrese B. Brockington

Name: SHIRRESE B. BROCKINGTON, ESQ.

Address: P.O. Box 31312
Charleston, SC 29417

Telephone (O): (843) 571-5000

(H):

E-mail: sbb@bonllc.net

Signature: _____

Name: _____

Address: _____

Telephone (O): _____

(H): _____

E-mail: _____

DORSEY ALTON BILLER
SCDL [REDACTED] Ph 803-849-9218
Mt Pleasant, SC 29464

4050
67-776/582
BRANCH 107077

25 MAR 2012
Date

PAY to the order of JESSIE ADKINSON \$ 7084.12

SIXTH HUNDRED EIGHTEEN AND 12/100 Dollars

WACHOVIA
Wachovia Bank, N.A.
wachovia.com

For FD Fmt

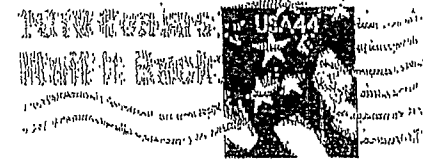
4050

COI ONAL CLASSIC

740

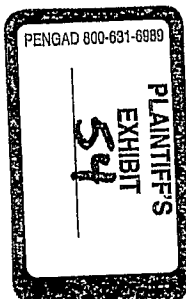
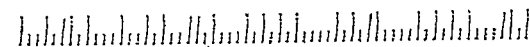
Dorsey Biller
[REDACTED]
Mt Pleasant, SC 29464-9734

CHARLESTON SC 29404
20 MAR 2012 PM 2 T



JESSIE ADKINSON
5125 OLD WASHINGTON COURSE
HOLLYWOOD, SC 29449

2344513226



STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON



BP0120328

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, that I, DONALD W. LANCASTER, (the "Grantor"), for and in consideration of the sum of TWO HUNDRED FORTY-SIX THOUSAND AND 00/100 (\$246,000.00) DOLLARS, to the Grantor in hand paid, before the sealing of these presents MATTHEW L. PETERSON AND MELEANA PETERSON, in the State aforesaid, the receipt and sufficiency of which are hereby acknowledged, have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said MATTHEW L. PETERSON AND MELEANA PETERSON, as Joint Tenants with Right of Survivorship, and not as Tenants in Common, (the "Grantees"), their heirs and assigns, all of my right, title and interest in and to the following described property, to wit:

See Attached Exhibit "A" for Legal Description

Grantee's Mailing Address:

[REDACTED]

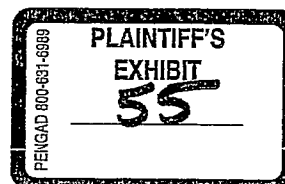
Charleston, SC 29407

TOGETHER with, all and singular, the rights, members, hereditaments, and appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, All and singular, the said Premises before mentioned unto the said Grantees MATTHEW L. PETERSON AND MELEANA PETERSON, as Joint Tenants with Right of Survivorship, and not as Tenants in Common, their heirs and assigns, forever.

AND subject to any and all Restrictive Covenants, Easements, Rights-of-Way and Conditions, the said Grantor does hereby bind himself and his heirs and assigns, to warrant and forever defend, all and singular, the said Premises unto the said Grantees, their heirs and assigns, against himself and his heirs and assigns, and all persons whomsoever lawfully claiming or to claim the same or any part thereof.

741



[Handwritten signature]

The singular number as used herein shall include the plural. Wherever there is reference in the covenants and agreements herein contained to any of the parties hereto, the same shall be construed to mean the parties hereto, as well as the heirs, representatives successors, and assigns of the same.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed in his name this 29th day of April, 2010.

[Signature]
Witness #1 Sign Here

[Signature]
DONALD W. LANCASTER

[Signature]
Notary Sign Here as Witness #2

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned Witness and made oath that (s)he saw the within named Grantor, DONALD W. LANCASTER sign, seal and as his act and deed, deliver the within written instrument, and that (s)he along with the other subscribing witness herein, witnessed the execution hereof.

[Signature]
signature / Witness #1

SWORN to before me this 29 day of April, 2010

[Signature] (Seal)
Notary Public for State of South Carolina

My commission expires: 11/3/15

"EXHIBIT A"
LEGAL DESCRIPTION

ALL that certain piece, parcel or lot of land, together with the buildings and improvements thereon, situate, lying and being in SANDHURST SUBDIVISION, City of Charleston, County of Charleston, State of South Carolina, known and designated as LOT 12, BLOCK M, SANDHURST SUBDIVISION, as shown on a Plat of Sandhurst Subdivision made by E. M. Seabrook, Jr., dated June 22, 1964 and recorded in the RMC Office for Charleston County, SC in Plat Book R, at Page 147; said lot having such size, shape, dimensions, buttings and boundings as will by reference to said Plat more fully and at large appear.

TMS # 352-07-00-032

This conveyance is subject to any and all Restrictions, Covenants, Easements, Rights-of-Way, Matters and Conditions of record affecting said property, including without limitation, the matters set forth on the Plat referred to above, as the same may affect the within property; rules and regulations of applicable governmental authorities; real property taxes for the year of delivery hereof.

This being the same property conveyed to Donald W. Lancaster by Deed of William L. Joye, Jr. And Karen Joye Payne dated May 15, 1995, recorded in the RMC Office for Charleston County, SC in Deed Book L-255, Page 127.

742

DWL

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

Date of Transfer of Title
CLOSING DATE: 4/29/10
AFFIDAVIT

Grantee, Grantor or Legal Representative
DENNIS E. O'NEAL
Print Name

SWORN to before me

this 29 day of April, 2010.

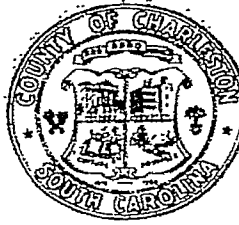
Notary Public for State of SC

My commission expires:

743

RECORDER'S PAGE

NOTE: This page MUST remain
with the original document



Filed By:

O'NEILL & PHIPPS
ATTORNEY AT LAW L.L.C.
P.O. BOX 160
MT. PLEASANT SC 29465

RECORDED

Date: May 4, 2010

Time: 9:22:09 AM

Book	Page	DocType
0120	328	Deed

Charlie Lybrand, Register
Charleston County, SC

MAKER:

LANCASTER DONALD W

Note:

RECIPIENT:

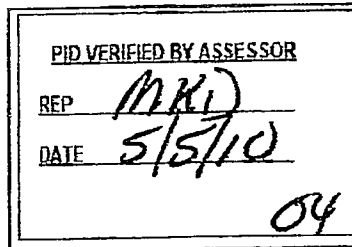
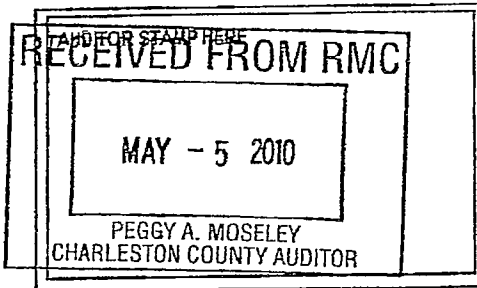
PETERSON MATTHEW L AL

of Pages: 5

Recording Fee	\$ 10.00
State Fee	\$ 639.60
County Fee	\$ 270.60
Extra Pages	\$ -
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 920.20

Original Book:

Original Page:



DRAWER Drawer 1
CLERK KLH



0120
Book



328
Page



05/04/2010
Recorded Date



5
Pgs



Original Book



Original Page



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Doc Type



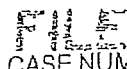
09:22:09
Recorded Time

STATE OF SOUTH CAROLINA

COUNTY OF: CharlestonIN THE MATTER OF: Effie D. Drew

IN THE PROBATE COURT

INVENTORY AND APPRAISEMENT



CASE NUMBER:

2010 ES10-00494

2010 JUN 29 AM 11:56

PROBATE COURT
CHARLESTON COUNTY☐ SUPPLEMENTAL #

Personal Representative(s):

Jessie D. Atkinson

Decedent's Social Security Number:

[REDACTED]

Decedent's Date of Death:

02-02-10Was there a will? ☒ YES ☐ NO

Domicile at death:

Charleston

(county)

S.C.

(state)

The undersigned, being sworn, states: That the following schedules contain a complete and accurate inventory and appraisement of all real and personal property of this estate so far as the undersigned is informed. That he/she has estimated and/or appraised all listed property at its fair market value, according to the best of his/her knowledge and ability.

SWORN to me this

29th

day of

June20 10

Mary Q. Hollenbaugh
 My Commission Expires: 7/29/11

Signature:

Jessie D. Atkinson

Name:

5125 10th Washington Course

Address:

Hollywood S.C. 29449

E-Mail:

Telephone (O):

(H):

Signature:

Name:

Address:

E-Mail:

Telephone (O):

(H):

Attorney:

Address:

E-Mail:

Telephone:

For estates of decedents, the gross fair market valuation of all assets, regardless of situs, should be given as of the date of death. List all out-of-state assets on appropriate schedules. A Supplemental Inventory should be utilized for correcting, adjusting or adding to an original inventory. A qualified and disinterested appraiser may be employed to ascertain the value of any asset, the value of which may be subject to reasonable doubt. If an appraiser is employed, his/her name and address should be indicated with the item or items he/she appraised.

Within ninety (90) days following appointment, a copy of the inventory and appraisement shall be sent to each interested person who requests it, and the original inventory filed with the Probate Court.

RECAPITULATION

Non-Probate

Probate

Schedule A - Real Estate	3	\$	0
Schedule B - Stocks and Bonds			0
Schedule C - Notes Due Decedent and Cash			47,062.25
Schedule D - Insurance on Person's Life: Part 1 - Payable to Estate	74,31.31		23,084.02
Part 2 - Payable to Beneficiary	184.03		
Schedule E - Jointly Owned Property			6,500.00
Schedule F - Other Miscellaneous			
Other Assets Payable to Estate	291,31.23		
Schedule G - Transfers during Decedent's life			0
Schedule H - Powers of Appointment			0
Schedule I - Annuities and Retirement Accounts			
TOTAL GROSS VALUE		\$	0
ENCUMBRANCES		(	0
TOTAL NET WORTH		\$	354,600.84

245



NOTE: WHEN COMPLETING THE FOLLOWING SCHEDULES, PLEASE RE-MEMBER TO LIST ALL ASSETS, REGARDLESS OF SITUS. ALL OUT-OF-STATE ASSETS MUST BE DISCLOSED.

SCHEDULE A - Real Estate (All interest in real property except those held with right of survivorship) (If none, so state.) (For jointly owned property with right of survivorship, see schedule E)

Item No.	Description (include county and state)	Tax Assessor's Fair Market Value for year of Decedent's Death	Appraised Value	Appraised Value of Decedent's Interest
NONE				

TOTAL SCHEDULE A

(also enter under recapitulation, page 1)

\$ 0.00

SCHEDULE B - Stocks and Bonds (If none, so state.) (For jointly owned property with right of survivorship, see schedule E)

Item No.	Description	Face Value	Appraised Value
NONE			

TOTAL SCHEDULE B

(also enter under recapitulation, page 1)

\$ 0.00

SCHEDULE C - Notes due to Decedent, and Money on hand and in banks (If none, so state.) (For jointly owned property with right of survivorship, see schedule E)

No.	Description	Value
1	Personal check Wesley A. Biller	7084.12
2	Cash on Hand	2500.00
3	Refund - Knology	11.79
4	Refund - Blue Cross Blue-shield	110.34

TOTAL SCHEDULE C

(also enter under recapitulation, page 1)

\$ 9706.25

(If more space is required, insert tax schedules or additional sheets of same size)

746

SCHEDULE D - Insurance (If none, so state.)
Part 1 - Life Insurance Payable to the Estate

SCHEDULE D		
Part 1 - Life Insurance Payable to the Estate		Value
Item No.	Description	
1	AARP LIFE INSURANCE	2508.02
		\$ 2508.02

TOTAL PART 1:
(also enter under recapitulation, page 1)

[illegible]

TOTAL PART 2
(also enter under recapitulation, page 1)

SCHEDULE E - Jointly owned Property (with right of survivorship) (If none, so state.)
NOTE: You must complete Schedule E if the Decedent owned any property jointly with right of survivorship at the time of death, whether or not the decedent's interest is included in the gross estate.
Percentage Includible:
Surviving spouse - the amount included is one-half (50%) of the value in all cases.
Other beneficiary - the amount included is the value of the property in the gross estate. However, the full value should not be included if the property is jointly owned with the surviving spouse.

Contribution to the joint account(s).	Percentage	Appraised Value of
1 - Joint interest held by decedent and spouse - the amount included is one-half (50%) of the value in all cases.		
2 - Other joint interest - Generally you must include the full value of the jointly owned property in the gross estate. However, the full value should not be included if you can show that a part of the property originally belonged to the other tenant(s). The amount included is the amount of the decedent's		

[illegible]

TOTAL SCHEDULE E
(also enter under recapitulation, page 1)

(If more space is required, insert tax schedules or additional sheets of same size)

747

[illegible]

(also enter under recapitulation, page 1)

\$ 6,500.00

SCHEDULE G - Transfers During Decedent's Life - Transfers intended to take effect at death. United States Government Bonds "Payable on Death", Trust created by Decedent in which income for life was retained, power to revoke or other incidents of ownership retained, life insurance transfers. Lifetime transfers of real property in which decedent retains a life estate or other incidents of ownership.

☒ YES ☐ NO

(If more space is required, insert additional sheets.)		
~~APRIL 25, 2010~~	~~AAFP Life INS.~~	~~POD~~
~~MARCH 17, 2010~~	~~N.V. Life INS. Co.~~	~~POD~~
OCTOBER 11, 2007	WACHOVIA CHECKING Acct.	POD
OCTOBER 11, 2007	CERTIFICATE OF DEPOSIT	POD Wachovia
NOVEMBER 14, 2007	CERTIFICATE OF DEPOSIT	POD

(also enter amounts payable to estate under recapitulation, page 1)

\$ 29,141.23

SCHEDULE H - Powers of Appointment - Property, both real and personal, over which Decedent possessed a Power of Appointment whether Testamentary or otherwise.

Did Decedent possess a Power of Appointment? ☐ YES ☒ NO

If "yes", did Decedent exercise the power of appointment in favor of estate? ☐ YES ☐ NO

If "yes", please describe and list total amount payable to estate.
(If more space is required, insert additional sheets of same size) -

\$ _____

TOTAL SCHEDULE H

(also enter amounts payable to estate under recapitulation, page 1)

\$ 0.00

SCHEDULE I - Annuities and retirement (IRA's, 401(k), Etc.)

Did Decedent own any accounts as described above? ☐ YES ☒ NO

If "yes", is the estate designated as the beneficiary of these accounts? ☐ YES ☐ NO

If "yes", please describe and list total amount payable to estate.
(If more space is required, insert additional sheets of same size.) -

\$ _____

TOTAL SCHEDULE I

(also enter amounts payable to estate under recapitulation, page 1)

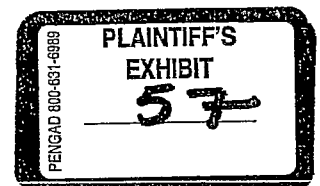
\$ 0.00

Accounting for R Robert Drews and Effie E Drews
by Dorsey Biller

13 December 2010

Received 22 February 2007	\$50,000.
Dispersed to RRD 24 March 2007	\$10,000.
Dispersed to RRD 5 July 2007	\$4000.
Dispersed to EED 11 October 2007	\$5000.
Dispersed to EED 30 November 2007	\$2000.
Dispersed to EED 3 February 2008	\$3000.
Dispersed to EED 3 April 2008	\$3500.
Dispersed to EED 11 July 2008	\$5000.
Dispersed to EED 22 November 2008	\$2000.
Dispersed to EED 30 March 2009	\$2000.
Dispersed to EED 22 August 2009	\$3000.
Dispersed to EED 30 October 2009	\$2000.
Dispersed to EED 18 February 2010	\$2000.
Estimated accrued interest	\$584.12
Dispersed to the estate 25 March 2010	\$7084.12

750.





11 NOV 16 10:12:11 STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON IN THE MATTER OF: RUDOLPH ROBERT DREWS	IN THE PROBATE COURT CASE NO.: 2007-ES-10-1518
STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON IN THE MATTER OF: EFFIE D. DREWS	IN THE PROBATE COURT CASE NO.: 2010-ES-00-00494
STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON FRANK GORDON, JR., as Attorney-in- Fact for DOROTHY GORDON, Plaintiff, vs. JESSIE B. ATKINSON, Individually, and as Personal Representative of the Estate of EFFIE D. DREWS; DONALD W. LANCASTER; and SHIRRESE BROCKINGTON as Special Administrator of the Estate of Rudolph Robert Drews, Defendants.	IN THE COURT OF COMMON PLEAS FOR THE NINTH JUDICIAL CIRCUIT CASE NO: 2010-CP-10-9096

CONFESSION OF JUDGMENT, ASSIGNMENT, AND SETTLEMENT AGREEMENT

In conformity with S.C. Code Ann. § 15-35-350, *et. seq.*, the Estate of Rudolph Robert Drews (the "Estate"), by its Special Administrator, Shirrese Brockington, hereby agrees and

confesses judgment to and in favor of Frank Gordon, Jr. as attorney-in-fact for Dorothy Gordon ("Gordon"), a creditor of the Estate of Rudolph Robert Drews, as follows:

1. The Estate has objectively reviewed the documentation and records available in this and the related actions (Gordon v. Atkinson, et al., Case Number 10-CP-10-9096, In Re: Estate of Rudolph Robert Drews, Case No. 07-ES-10-1518, and In Re: Estate of Effie D. Drews, Case NO. 2010-ES-00-00494) and finds evidence that the Deceased Rudolph Robert Drews conveyed assets out of his name prior to death in an effort to avoid judgment creditors and further concedes that a trier of fact would likely conclude the Decedent's foregoing actions were a violation of the Statute of Elizabeth.

2. The Estate seeks to achieve judicial economy and, in fairness to the Estate's creditors, avoid additional costs that would be incurred in a jury trial.

3. As such, the Estate concedes that the \$100,000.00 gift, received on or about May 1992, from the Deceased Rudolph Robert Drews to his nephew Donald Lancaster constitutes a portion of the monies used by Lancaster to purchase the property that the Deceased Rudolph Robert Drews resided in at the time of his death, which is located at 2 Nuffield Road, Charleston, South Carolina.

4. The Estate further concedes that the Deceased Rudolph Robert Drews made to his nephew Donald Lancaster during the time that Gordon's underlying action had accrued and/or Gordon's Judgment was entered against the Deceased other transfers the amounts of which are yet to be determined.

5. The Estate hereby assigns any claim it may have against non-settling transferees, e.g., Donald Lancaster, to Frank Gordon.

6. The Estate jointly and severally confesses judgment to Gordon in the amount of \$293,703.43 (two hundred ninety three thousand, seven hundred and three dollars and 43/100), said judgment constituting settlement of the matter giving rise to this cause of action.

7. Plaintiff acknowledges that there are no assets presently in the Estate of Rudolph Robert Drews and hereby covenants not to execute on any estate asset other than that which may be recovered from non-settling transferees, e.g., Donald Lancaster.

8. Gordon agrees to immediately dismiss the Estate as to the above referenced matter and the related actions (Gordon v. Atkinson, et al., Case Number 10-CP-10-9096, In Re: Estate of Rudolph Robert Drews, Case No. 07-ES-10-1518, and In Re: Estate of Effie D. Drews, Case No. 2010-ES-00-00494), pursuant to the attached proposed order, and will enter a dismissal with prejudice following the conclusion of all litigation and collection as to Donald Lancaster.

9. The Estate consents and agrees that this Confession of Judgment may be entered against the Estate in any court of competent jurisdiction, wherever located.

10. The Estate further agrees and confirms that the aforesaid amount of this Confession of Judgment is justly owed to Gordon.

11. The Estate has read and understands this Confession of Judgment and freely and voluntarily enters into this Confession of Judgment.

12. As part of the consummation of this resolution, the Special Administrator shall close the Estate of Rudolph Robert Drews but shall retain the right to reopen the Estate by supplemental petition, should the need arise.

13. Contemporaneously herewith, Gordon is resolving its claims with the Estate of Effie D. Drews and Jessie Atkinson; as part thereof, Gordon has agreed to promptly pay the entirety of the Special Administrator's fees.

WHEREFORE, an authorized agent of the Estate, having first been duly sworn, set her hand and seal this 9th day of November, 2011, in the presence of the below named witnesses.

Witness:

Mary Adell Healy

Estate of Rudolph Robert Drews

Shirrese Brockington, Spec Admin
By: Shirrese Brockington
Its: Special Administrator

Witness:

Carol L. Pince

Frank Gordon, Jr., as Attorney-In-Fact for
Dorothy Gordon

Justin O'Toole Lucey, PA
By: Justin O'Toole Lucey, PA
Its: Attorneys



STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON IN THE MATTER OF: RUDOLPH ROBERT DREWS	IN THE PROBATE COURT CASE NO.: 2007-ES-10-1518 11 NOV 17 PM 3:39
STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON IN THE MATTER OF: EFFIE D. DREWS	IN THE PROBATE COURT CASE NO.: 2010-ES-00-00494
STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON FRANK GORDON, JR., as Attorney-in- Fact for DOROTHY GORDON, Plaintiff, vs. JESSIE B. ATKINSON, Individually, and as Personal Representative of the Estate of EFFIE D. DREWS; DONALD W. LANCASTER; and SHIRRESE BROCKINGTON as Special Administrator of the Estate of Rudolph Robert Drews, Defendants.	IN THE COURT OF COMMON PLEAS FOR THE NINTH JUDICIAL CIRCUIT CASE NO: 2010-CP-10-9096

SETTLEMENT AGREEMENT AND ASSIGNMENT

The Estate of Effie D. Drews, by its Personal Representative Jessie Atkinson and Jessie Atkinson, Individually, (collectively "Settling Parties") and Frank Gordon, Jr. as Attorney-in-Fact for Dorothy Gordon ("Gordon") hereby agree to the following:

755

1. The Estate has reviewed the allegations and records available in this and the related actions (Gordon v. Atkinson, et al., Case Number 10-CP-10-9096, In Re: Estate of Rudolph Robert Drews, Case No. 07-ES-10-1518, and In Re: Estate of Effie D. Drews, Case NO. 2010-ES-00-00494) that the Deceased Rudolph Robert Drews conveyed assets out of his name prior to death to Effie Drews in an effort to avoid judgment creditors and that the Decedent's foregoing actions were a violation of the Statute of Elizabeth; and that the Effie Drews estate assets should be available to satisfy creditors, prior to disbursement to heirs and beneficiaries, Jessie Atkinson included.

2. Settling Parties represent that, except for potential claims relating to other transferees e.g., Donald Lancaster, the attached inventory of the Estate of Effie Drews, dated June 29, 2010, is a true and accurate inventory of the decedent's assets.

3. The Estate seeks to achieve judicial economy and, in fairness to the Estate's creditors, avoid additional costs that would be incurred in a jury trial.

4. Settling Parties hereby agree to immediately pay \$60,000.00 to Gordon to settle his claim against Settling Parties.

5. Further, Settling Parties hereby assign any claim they may have relating to the foregoing actions against Donald Lancaster, Dorsey Biller and any other non-Settling Parties to Frank Gordon.

6. In exchange, Gordon agrees to immediately dismiss the Settling Parties as to the above referenced matter and the related actions (Gordon v. Atkinson, et al., Case Number 10-CP-10-9096, In Re: Estate of Rudolph Robert Drews, Case No. 07-ES-10-1518, and In Re: Estate of Effie D. Drews, Case No. 2010-ES-00-00494), pursuant to the attached proposed order, and will

enter a dismissal with prejudice following the conclusion of all litigation and collection as to non-settling parties.

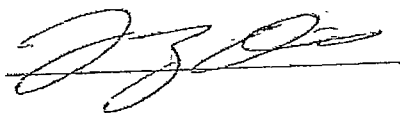
7. Further, Plaintiff hereby covenants not to execute on any settling party asset other than that which may be recovered from non-settling parties, e.g. Donald Lancaster, his privies and his transferees.

8. Settling Parties have read and understand this Agreement and Assignment and voluntarily enter into this Agreement and Assignment.

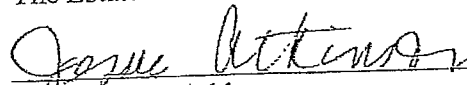
9. Contemporaneously herewith, Gordon is resolving its claims with the Estate of Rudolph Robert Drews; as part thereof, Gordon has agreed to promptly pay the entirety of the Special Administrator's fees.

WHEREFORE, an authorized agent of the Estate, having first been duly sworn, set her hand and seal this 17 day of November, 2011, in the presence of the below named witnesses

Witness:



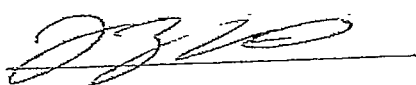
The Estate of Effie Drews



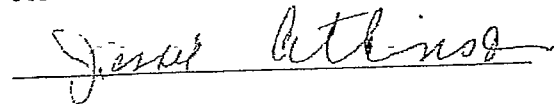
By: Jessie B. Atkinson

Its: Personal Representative

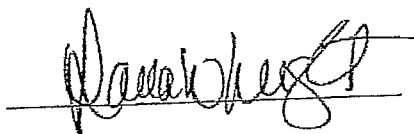
Witness:



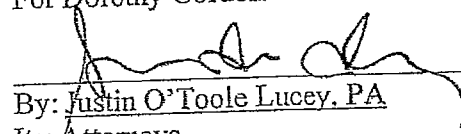
Jessie Atkinson, Individually



Witness:



Frank Gordon, Jr., as Attorney in Fact
For Dorothy Gordon



By: Justin O'Toole Lucey, PA

Its: Attorneys

STATE OF SOUTH CAROLINA

COUNTY OF:

Charleston

IN THE MATTER OF:

Effie D. Dreno

IN THE PROBATE COURT

INVENTORY AND APPRAISEMENT

CASE NUMBER:

2010 ES10-00494

2010 JUN 29 AM 11:56

PROBATE COURT
CHARLESTON COUNTY☐ SUPPLEMENTAL #

Personal Representative (s):

Jessie D. Atkinson

Decedent's Social Security Number:

Decedent's Date of Death:

02-07-10

Domicile at death:

Was there a will?

☒ YES☐ NOCharleston
(county)S.C.
(state)

The undersigned, being sworn, states: That the following schedules contain a complete and accurate inventory and appraisement of all real and personal property of this estate so far as the undersigned is informed: that he/she has estimated and/or appraised all listed property at its fair market value, according to the best of his/her knowledge and ability.

SWORN to me this

29th

day of

June

2010

My Commission Expires:

7/29/11

Signature:

Name:

Address:

E-Mail:

Telephone (O):

(H):

Jessie D. Atkinson

5125 Old Washington Course

Hollywood S.C. 29449

Attorney:

Address:

E-Mail:

Telephone:

Signature:

Name:

Address:

E-Mail:

Telephone (O):

(H):

For estates of decedents, the gross fair market valuation of all assets, regardless of situs, should be given as of the date of death. List all out-of-state assets on appropriate schedules. A Supplemental Inventory should be utilized for correcting, adjusting or adding to an original inventory. A qualified and disinterested appraiser may be employed to ascertain the value of any asset, the value of which may be subject to reasonable doubt. If an appraiser is employed, his/her name and address should be indicated with the item or items he/she appraised.

Within ninety (90) days following appointment, a copy of the inventory and appraisement shall be sent to each interested person who requests it, and the original inventory filed with the Probate Court.

RECAPITULATION

Non-Probate

Probate

Schedule A - Real Estate

Schedule B - Stocks and Bonds

Schedule C - Notes Due Decedent and Cash

Schedule D - Insurance on Person's Life:

Part 1 - Payable to Estate

Part 2 - Payable to Beneficiary

Schedule E - Jointly Owned Property

Schedule F - Other Miscellaneous

Other Assets Payable to Estate

Schedule G - Transfers during Decedent's life

Schedule H - Powers of Appointment

Schedule I - Annuities and Retirement Accounts

TOTAL GROSS VALUE

ENCUMBRANCES

TOTAL NET WORTH

	Non-Probate	Probate
Schedule A - Real Estate	\$ 0	\$ 0
Schedule B - Stocks and Bonds		\$ 97,061.25
Schedule C - Notes Due Decedent and Cash		\$ 2508.02
Schedule D - Insurance on Person's Life:		
Part 1 - Payable to Estate	\$ 7431.31	
Part 2 - Payable to Beneficiary	\$ 784.83	
Schedule E - Jointly Owned Property		\$ 16,500.00
Schedule F - Other Miscellaneous	\$ 29131.23	
Other Assets Payable to Estate		\$ 0
Schedule G - Transfers during Decedent's life		\$ 0
Schedule H - Powers of Appointment		\$ 0
Schedule I - Annuities and Retirement Accounts		
TOTAL GROSS VALUE	\$ 35,460.84	
ENCUMBRANCES		
TOTAL NET WORTH	\$ 35,460.84	

758

NOTE: WHEN COMPLETING THE FOLLOWING SCHEDULES, PLEASE RE-MEMBER TO LIST ALL ASSETS, REGARDLESS OF SITUS. ALL OUT-OF-STATE ASSETS MUST BE DISCLOSED.

SCHEDULE A - Real Estate (All interest in real property except those held with right of survivorship) (If none, so state.) (For jointly owned property with right of survivorship, see schedule E)

Item No.	Description (include county and state)	Tax Assessor's Fair Market Value for year of Decedent's Death	Appraised Value	Appraised Value of Decedent's Interest
None				

TOTAL SCHEDULE A

(also enter under recapitulation, page 1)

\$ 0.00

SCHEDULE B - Stocks and Bonds (If none, so state.) (For jointly owned property with right of survivorship, see schedule E)

No.	Description	Face Value	Appraised Value
None			

\$ 0.00

TOTAL SCHEDULE B

(also enter under recapitulation, page 1)

SCHEDULE C - Notes due to Decedent, and Money on hand and in banks (If none, so state.) (For jointly owned property with right of survivorship, see schedule E)

No.	Description	Value
1	Personal Check Dorsey A. Bitter	7084.12
2	Cash on hand	2500.00
3	Refund - Knology	11.79
4	Refund - Blue Cross Blue-shield	110.34

\$ 9706.25

TOTAL SCHEDULE C

(also enter under recapitulation, page 1)

(If more space is required, insert tax schedules or additional sheets of same size.)

759

SCHEDULE D - Insurance (If none, so state.)
Part 1 - Life Insurance Payable to the Estate

Part 1 - Life Insurance Payable to the Estate

[illegible]

TOTAL PART 1:

(also enter under recapitulation, page 1)

Part 2 - Life Insurance Payable to Beneficiaries

[illegible]

TOTAL PART 2.

(also enter under recapitulation, page 1)

SCHEDULE E - Jointly owned Property (with right of survivorship) (if none, so state.)

NOTE: You must complete Schedule E if the Decedent owned any property jointly with another person, regardless of whether the decedent's interest is included in the gross estate.

Decedent's includible: _____ **Amount included is one-half (50%) of the value in all cases.** **However, the full value should be included if the decedent owned the property solely.**

Percentage includible: The amount included is one-half (50%) of the value in all cases.

Percentages includible:

- 1 - Joint interest held by decedent and spouse - the amount included is one-half (50%) of the value in all cases.
- 2 - Other joint interest - Generally you must include the full value of the jointly owned property in the gross estate. However, the full value should not be included if you can show that a part of the property originally belonged to the other tenant(s). The amount included is the amount of the decedent's contribution to the joint account(s).

	Percentage	Appraised Value of

[illegible]

TOTAL SCHEDULE E

(also enter under recapitulation, page 1)

(If more space is required, insert tax schedules or additional sheets of same size.)

760

SCHEDULE F - Miscellaneous Personal Property - (tangible personal property, employment bonus or award, interest in a partnership or unincorporated business, articles or collections having either artistic or intrinsic value, etc.) (If none, so state.) (For jointly owned property with right of survivorship, see schedule E.)

[illegible]

TOTAL SCHEDULE F
(also enter under recapitulation, page 1)

NOTE: FOR SCHEDULES G, H, AND I. LIST VALUES ONLY IF PAYABLE TO ESTATE.

NOTE: FOR SCHEDULES G, H, AND I, LIST ALL

SCHEDULE G - Transfers During Decedent's Life - Transfers intended to take effect at death. United States Government Bonds "Payable on Death", Trust created by Decedent in which income for life was retained, power to revoke or other incidents of ownership retained, life insurance transfers, lifetime transfers of real property in which decedent retains a life estate or other incidents of ownership.

Did Decedent make any transfers during lifetime as described above? ☒ YES ☐ NO

If "yes" please give date and type of transfer and list total amount payable to estate:
(If more space is required, insert additional sheet of same size.)

(If more space is required, insert additional sheet of lined paper.)

~~APRIL 28, 2007~~	~~ANRP LIFE INS.~~	~~WAD~~	~~2558.62~~
~~WEDNESDAY 12, 2007~~	~~N.V. LIFE INS. Co.~~	~~Red~~	~~1558.33~~
OCTOBER 11, 2007	WACHOVIA CHECKING Acct.	POD	4599.66
OCTOBER 11, 2007	CERTIFICATE OF DEPOSIT	POD Wachovia	11,148.44
NOVEMBER 14, 2007	CERTIFICATE OF DEPOSIT	~~Red~~ POD	10,493.13

TOTAL SCHEDULE G
(also enter amounts payable to estate under recapitulation, page 1)

(If more space is required, insert tax schedules or additional sheets of same size.)

761

SCHEDULE H - Powers of Appointment - Property, both real and personal, over which Decedent possessed a Power of Appointment whether Testamentary or otherwise.

Did Decedent possess a Power of Appointment? ☐ YES ☒ NO

If "yes", did Decedent exercise the power of appointment in favor of estate? ☐ YES ☐ NO

If "yes", please describe and list total amount payable to estate
(If more space is required, insert additional sheets of same size.)

\$ _____

TOTAL SCHEDULE H

(also enter amounts payable to estate under recapitulation, page 1)

\$ 0.00

SCHEDULE I - Annuities and retirement (IRA's, 401(k), Etc.)

Did Decedent own any accounts as described above? ☐ YES ☒ NO

If "yes", is the estate designated as the beneficiary of these accounts? ☐ YES ☐ NO

If "yes", please describe and list total amount payable to estate.
(If more space is required, insert additional sheets of same size.)

\$ _____

TOTAL SCHEDULE I

(also enter amounts payable to estate under recapitulation, page 1)

\$ 0.00

762

STATE OF SOUTH CAROLINA
IN THE
COURT OF APPEALS

Appeal from the Court of Common Pleas
For Charleston County
Honorable J. C. Nicholson, Jr., Circuit Judge
Civil Action Nos.: 2010-CP-10-9096
And 2011-CP-10-8840
Appellate Case Tracking No. 2014-001247

RECEIVED
NOV 09 2015
SC Court of Appeals

Frank Gordon, Jr., Individually and as Trustee
of Dorothy S. Gordon (Deceased) Trust,

Respondent,

v.

Donald W. Lancaster,

Appellant.

**Rule 210(g), SCACR, Certificate of Counsel
(Volume II)**

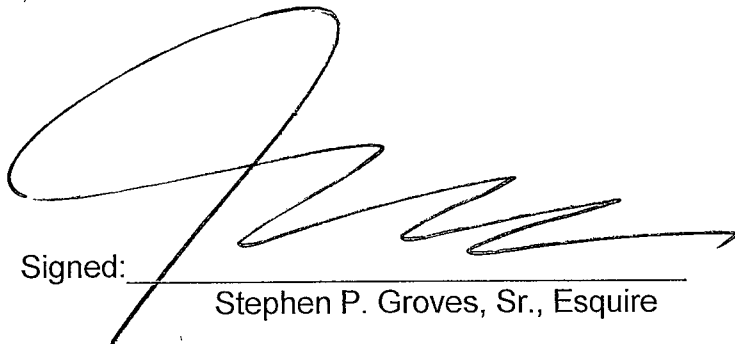
Stephen P. Groves, Sr., Esquire
S.C. Bar No. 007854
NEXSEN PRUET, LLC
205 King Street, Suite 400
Charleston, South Carolina 29401
Telephone: 843.720.1725
Telecopier: 843.414.8206
E-Mail: SGroves@nexsenpruet.com

John J. Dodds, III, Esquire
S.C. Bar No. 001707
CISA & DODDS
858 Lowcountry Boulevard, Suite 101
Mount Pleasant, South Carolina 29464
Telephone: 843.881.6530
E-Mail: john@cisadodds.com

Attorneys for the Appellant

762A

I, Stephen P. Groves, Sr., Esquire, hereby certify, pursuant to Rule 210(g), SCACR, that this **Record on Appeal (Volumes I, II, and III)** contains all of the material and documentation proposed to be included by any of the parties and not any other material.


Signed: _____
Stephen P. Groves, Sr., Esquire

Charleston, South Carolina

22 October 2015

762B