

THE STATE OF SOUTH CAROLINA  
In the Court of Appeals

APPEAL FROM RICHLAND COUNTY  
Court of Common Pleas

The Honorable Michael G. Nettles, Circuit Court Judge

**RECEIVED**  
JUL 02 2020  
SC Court of Appeals

Appellate Case No. 2019-001488

MB Hutson/MB Hudson, .....Appellant,

v.

Penn America Insurance Company,  
Global Indemnity Group, Inc.,  
Timothy J. Newton, Esq., J.R. Murphy, Esq.,  
John Doe #1, John Doe #2, .....Respondents.

**RESPONDENTS PENN AMERICA INSURANCE COMPANY AND  
GLOBAL INDEMNITY GROUP, INC.’S MOTION FOR EXTENSION OF TIME  
TO FILE RETURN TO APPELLANT’S “EMERGENCY MOTION”**

Pursuant to Rule 240 of the South Carolina Appellate Court Rules, Respondents Penn America Insurance Company and Global Indemnity Group, Inc. (collectively “Respondents PAIC”), respectfully request an extension of the deadline for filing and serving its Return to Appellant’s “Emergency Motion to Have Open Hearing Due to Respondents Committing Extrinsic Fraud on the South Carolina Court of Appeals and Its Judges.” As grounds for the motion, Appellant states as follows:

1. Appellant, who is representing himself *pro se* in this appeal, sent counsel for Respondents PAIC a PDF document entitled “Appellate’s [sic] Emergency Motion to Have Open

Hearing Due to Respondents Committing Extrinsic Fraud on the South Carolina Court of Appeals and Its Judges” via e-mail on Sunday, June 21, 2020. (See **Exhibit A**, attached hereto, Appellant’s E-mails and Emergency Motion).

2. Appellant’s Emergency Motion is dated July 1, 2020 (a future date at the time it was sent on June 21), is not signed, and does not include a certificate of service. (See id.).

3. Section (g)(4) of the South Carolina Supreme Court’s Amended Order regarding Operation of the Appellate Courts During the Coronavirus Emergency, Appellate Case No. 2020-000447 (as amended May 29, 2020), provides for service using an attorney’s AIS e-mail address between lawyers admitted to practice law in this state. While this Order does not explicitly permit service via e-mail by or upon *pro se* litigants, Respondents PAIC are hesitant to rely upon such a technicality to ignore Appellant’s Motion and risk a claim that any subsequent Return may be untimely.

4. In the event that Appellant was attempting to and properly served his Emergency Motion via e-mail upon counsel for Respondents PAIC on June 21, 2020, then Rule 240(e), SCACR would require a Return to the motion to be filed with ten days of the date of service, which is July 1, 2020.

5. At the time of this filing, the South Carolina Appellate Case Management System does not reflect that Appellant’s “Emergency Motion” has been filed with the Court. Counsel for Respondents PAIC has further verified with the Clerk’s Office that no such filing is the queue waiting to be posted to the Case Management System.

6. Appellant has a history of e-mailing a draft version of a filing he intends to make to counsel for the opposing party and later filing something *similar* with the Court, such that

Respondents PAIC are unsure whether and what motion Appellant may ultimately file with the Court. Indeed, Appellant may abandon the motion altogether.

7. In light of the foregoing, Respondents PAIC respectfully request that they be granted an extension to file their Return to Appellant's Emergency Motion until ten (10) days after the date on which it receives an executed copy of Appellant's Emergency Motion from either Appellant or the Court.

Respectfully submitted,  
COLLINS & LACY, P.C.



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ATTORNEYS FOR RESPONDENTS PENN  
AMERICA INSURANCE COMPANY AND  
GLOBAL INDEMNITY GROUP, INC.

**RESPONDENTS PENN AMERICA  
INSURANCE COMPANY AND GLOBAL  
INDEMNITY GROUP, INC.'S MOTION FOR  
EXTENSION OF TIME TO FILE RETURN TO  
APPELLANT'S "EMERGENCY MOTION"**

Columbia, South Carolina  
July 1, 2020

# **EXHIBIT A**

**From:** H Hutson <hutson4444@gmail.com>  
**Sent:** Sunday, June 21, 2020 8:31 PM  
**To:** Tim J. Newton <tnewton@murphygrantland.com>; J. R. Murphy <jrmurphy@murphygrantland.com>; Christian Stegmaier <cstegmaier@collinsandlacy.com>  
**Subject:** Fwd: Emergency Filing

CONTINUATION:

3. Hutson letter to Bill Lyles (10-23-18)
4. Paton's Complaint (Aug 8, 2016)
5. Mark Hardee Affidavit (8-8-2018)

----- Forwarded message -----

**From:** H Hutson <hutson4444@gmail.com>  
**Date:** Sun, Jun 21, 2020 at 8:25 PM  
**Subject:** Emergency Filing  
**To:** Tim J. Newton <tnewton@murphygrantland.com>, J. R. Murphy <jrmurphy@murphygrantland.com>, Christian Penn Amer <cstegmaier@collinsandlacy.com>  
[APP-PA et al. Emergency Motion.pdf \(188K\)](#)

Exhibits Attached to filing will be:

1. 402 Rule
2. Newton's Letter dated 8/23/2018
- 3.

THE STATE OF SOUTH CAROLINA  
In The Court of Appeals

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APPEAL FROM RICHLAND COUNTY  
Court of Common Pleas

Michael G. Nettles, Circuit Court Judge

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Case No. 2018-CP-400-6344

Appellate Case # 2019-001488

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MB Hutson/ MB Hudson

Appellant.

v.

Penn America Insurance Company,  
Global Indemnity Group, Inc.,  
Timothy J. Newton, Esq. and  
J. R. Murphy, Esq., John Doe #1 and  
John Doe #2APP-PA et al. Emergency Motion.doc

Respondents.

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**APPELLATE’S EMERGENCY MOTION TO HAVE OPEN HEARING DUE TO  
RESPONDENTS COMMITTING EXTRINSIC FRAUD ON THE SOUTH  
CAROLINA COURT OF APPEALS AND ITS JUDGES**

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The United States Court of Appeals for the Sixth Circuit has delineated five (5) elements of conduct that constitute extrinsic fraud upon the court:

1. “On the part of an officer of the court;”
2. “That is directed to the ‘judicial machinery’ itself;”
3. “That is intentionally false, willfully blind to the truth, or is in reckless disregard for the truth;”

4. "That is a positive averment or is concealment when one is under a duty to disclose;" and
5. "That deceives the court."

*--Demjanjuk v. Petrovsky, 10 F.3d 338, 348 (6th Cir. 1993)*

Appellant makes this EMERGENCY MOTION due the fact that Respondents Tim Newton, J R Murphy and Christian Stegmaier, Esq. as attorney for the respondent insurance companies, are actively perpetrating extrinsic fraud against the Honorable Appeals Court and the Honorable Judges. Such extrinsic fraud and concealment disgraces and damages the Honorable Court system and is a direct attack to prevent justice for this Appellant. In addition, extrinsic fraud creates irreparable harm to both the Court and Honorable Judges including irreparable harm to the Appellant. This motion is time sensitive due to the fact that this fraud is active and prevents Appellant the opportunity from his case being heard and believed. These Respondents are licensed in the State of South Carolina and each took an oath (required by the South Carolina Appellate Court Rule 402 K). Appellant lists evidence below that shows Respondent's ( including Christian Stegmaier, Esq.) are actively carrying out extrinsic fraud upon the Honorable Appellate Court, as they did formerly on the lower court with Judge Nettles, by actively plotting against this Appellant's cry to be heard in order to protect themselves from professional and financial repercussions for their breaking the professional oath and the SC Rules for Professional Conduct:

1. Respondents Tim Newton, Esq., J R Murphy, Esq. and Christian Stegmaier, Esq. for Penn America Insurance Company / Global Indemnity Group, Inc. *all* had copies of attorney Laura Paton's filing prepared on August

8, 2016, who was hired by Penn America and Global Indemnity Group to represent Appellant, in a Counter Complaint against TLC Holdings, LLC, in favor of Appellant which clearly outlined the depth of the underlying fraud and extrinsic fraud upon the courts. Respondents engaged and paid attorney Paton to zealously investigate, develop a defense for and represent this Appellant in SC State Court. Paton stated that she prepared the attached document based on her investigation and her review of all contracts, paperwork and legal records. Her attached document clearly shows in detail that TLC Holdings, LLC's attorneys committed the initial and underlying extrinsic fraud. Respondents Newton and Murphy filed a complaint to terminate Appellant's insurance in the middle of the Federal Court suit that reflects their blatant efforts to distance themselves from the underlying fraud and possible subsequent litigations. Laura Paton, Esq. (SC) and Frank Gordon, Esq. (NC) were both then hired by the insurance companies to represent this Appellant against TLC Holdings, LLC in SC state court. The insurance companies and all the attorneys then knew of the underlying Extrinsic Fraud. Yet, they allowed the extrinsic fraud to go undisclosed to the court systems. At that point, Respondents had an "insured" (this Appellant) being sued by attorneys who orchestrated and perpetrated the original Extrinsic Fraud upon the Court. Since this Appellant's attorneys and insurance companies (Respondents in this Appellate case) did not choose the professional and ethical action of disclosing the crime of Extrinsic Fraud by fellow attorneys, they consequently lost all the cases which were against this Appellant. This left Appellant with a \$3.5M judgment and

millions in losses. At that time, Appellant was unaware of the fraud that had been discovered by these Respondents. Through the original Extrinsic Fraud, TLC Holdings' attorneys had purposefully and without disclosure, trapped Appellant into becoming responsible for \$22M and other damages.

Respondent Tim Newton, Esq. openly admitted to Appellant that he, and the insurance companies which he represented (Respondents), had become fully aware of that underlying fraud through their investigations and studying the documents. Respondents, however, refused to expose the fraud and the extrinsic fraud carried out by TLC Holdings' attorneys in the courts which was not only illegal, but prevented the various judges from ruling properly and with justice because they were unaware of and never heard the undisclosed parties' voice, the original extrinsic fraud carried out by TLC Holdings, LLC and their attorneys. Laura Paton ( hired by Penn America and Global Indemnity prepared and typed this attached response based on her professional and personal investigation. She then emailed it to Appellant to electronically execute the same for filing, which she filed.

2. All Respondents were aware that Tim Newton, Esq. (who represented Penn America and Global Indemnity at that time) wrote the attached sixteen (16) paragraph letter ( herein attached ) written by Newton on August 13, 2018, to Appellant. Respondent Newton fully understood what he was writing, which was to advise and equip Appellant to file a lawsuit against those entities which he (Newton) was about to negotiate a settlement with on behalf of the Insurance Companies. In that email, Respondent Newton even

sites case law that he had researched ( see item16 ) regarding *Chewning v. Ford Motor Co.*, 354 S.C. 72, 579 S.E, 2s 605 ( 2003 ), adding at the bottom of the 16 paragraph letter, "*If you need the documents supporting the above, let me know*". The letter speaks for itself clearly outlining that Newton, who was counsel for Penn America and Global Indemnity, knew or should have known, of the extrinsic fraud of which such fraud is required to be disclosed and reported to the tribunal legal department by all attorneys.

*"It hard to see why TLC and its lawyers should not have, in good faith, simply told you (and the court ) that the Big Water Resort property was undevelopable because it was already obligated to double lifetime memberships as a private club. It appears that could easily have averted the entire fiasco. Since attorneys were involved, and it resulted in your inability to present your case in court, and possibly led to the sanctions order and judgment against you, there might possibly be extrinsic fraud on the court to support setting aside the Consent Order. See Chewning v. Ford Motor Co. 354 S.C. 72, 579 S. E. 2d 605 (2003). However, that is something you would have to follow up with on your own. I can't undertake that. Possibly Frank could file a motion if Penn-America approves it, but he and I both have agreed to put everything on hold until the mediation".*

3. When Appellant informed Newton (who was then still representing the insurance companies) that he was going to expose the 16 point letter to Penn America (now also a Respondent), Newton threatened to sue Appellant. Newton also stated that if Appellant did show his 16 point letter to the Insurance Company or any other party, "Appellant would not be or could not be a Christian". In a later conversation, Newton stated that if Appellant did expose the letter "*It would be like throwing me under the bus.*" Shortly after the letter was exposed to the Insurance Companies, Penn America and Global fired Respondents Newton and Murphy ( Murphy & Grantland). Thus, Christian Stegmaier, Esq. of Collins and Lacy P.C. became counsel for Penn America / Global Indemnity. After now

having received information, documents and other real evidence, Stegmaier has admittedly had many discussions with Newton and Murphy, who willfully are violating and continuing to violate SCRCP Rules. Never has anyone ever written a letter to Appellant advising him that even though Appellant is the insured, Penn America and Global made the decision not to defend Appellant in order to remove the extrinsic fraud and consequently, Appellant would be irreparably harmed and destroyed due to a business decision to overlook the extrinsic fraud.

***SCRCP Rule 4.1 Truthfulness In Statements to Others***

*In the course of representing a client a lawyer shall not knowingly:*

*(a) make a false statement of material fact or law to a third person;*

*or*

*(b) fail to disclose a material fact when disclosure is necessary to avoid assisting a criminal or fraudulent act by a client, unless disclosure is prohibited by Rule 1.6.*

Respondents were aware of Appellant's suffering and the impending doom and irreparable harm to Appellant should they choose not to expose the underlying Extrinsic Fraud when they discovered it, yet they chose NOT to defend insured, Appellant, as the attached case law clearly sets a precedent for them so to do. Respondents Newton, Murphy, Penn America and Global Indemnity simply elected not to defend *while fully understanding* that if Respondents did not defend Appellant, by exposing the Extrinsic Fraud enacted against him, it would doom Appellant. Respondents chose to protect the perpetrators, "fellow attorneys" and merely engage in "a fake show of representing this Appellant," i.e. they pretended to represent Appellant while ignoring their professional and moral responsibility to expose the underlying Extrinsic Fraud they discovered . By

choosing to conceal the crime, rather than expose it, these Respondents became equally guilty of the Extrinsic Fraud. Their engagement therein remains active to this day and upon this Honorable Appellate Court. Respondents had a moral and legal obligation to inform Appellant that Penn America, et. al., Appellant's insurance company(s), had simply *made a business decision not to defend* ( to get this case off their books ) Appellant although they were required to --by law--, nor did any of the Respondents advise Appellant that due to their joint decision not to defend Appellant, he would be ruined despite Appellant having had paid all premiums for full protection. See: Discovered and cited by Respondent Newton in his 16 point letter of August 13, 2018, received by Appellant via email (and attached). *Not one* of the Respondents had the courage to advise the Appellant that his doom was going to be directly and consequentially caused by the Insurance company(s) choosing not to defend/disclose the underlying Extrinsic Fraud. All Respondents understood that they could be hauled into court as a result of their supporting TLC's attorneys' Extrinsic Fraud. Nevertheless, they chose to take the risk and become part and parcel to the Extrinsic Fraud: *they were each, and thereby all, concealing critical, criminal information from the Courts* while fully understanding the fatal consequences to the insured, this Appellant. Respondents pretended that they were defending the Appellant. However, they knew full well they would never win. Their farce continues to this day and in this honorable Appellate court. The Respondents still refuse to disclose to the Appeals Court that they orchestrated a mission to hush all knowledge about the fraud initiated by their fellow attorneys and that they "professionally" concealed that truth as they appeared before

many Circuit, State, and now Appellate Judges. Respondents concealed the attorney plotted and executed plan against Appellant in the courts.

3. On October 23, 2018, Appellant writes the attached letter to the mediator (Bill Lyles) located in Charleston, South Carolina, putting him on notice regarding the extrinsic fraud and copied Tim Newton. Appellant is told at that time to stay away from any settlement. At this point, all Respondents had full knowledge of the extrinsic fraud yet simply looked the other way and took steps to prohibit the Appellant/insured from interfering. Appellant, who should have won all of his cases, instead, found himself at the hands of the Respondents as he remained the victim of the on-going Extrinsic Fraud. These Respondents, by their avoidance of duty, became part and parcel of the fraud's proliferation. It continues now, even in this Appellate Court! Respondents have concealed these facts to protect fellow attorneys, prevent legal punishment on the attorney group(s) and thereby cementing Appellant's losses in court and making Appellant their sacrifice on the bloody alter of self pride and the perpetuation of fraud to protect fellow attorneys. Appellant has filed an official complaint with the South Carolina Bar. The Bar wrote back and said they would wait to see what the Court was going to do or act upon prior to them taking any actions. Now it is up to the Appellate Court:

Appellant asks that the Honorable Appeals Court:

1. set down a live hearing requiring the Appellant, Tim Newton, JR Murphy and Christian Steigmaier be sworn in and allow Appellant and Judges to examine each individual. Hopefully, this action may

encourage the lawyers to tell the truth and no longer conceal pertinent information, bringing this case to an end, as all courts carry the responsibility to require lawyers to be truthful and faithful to their oath;

2. order a stay all other Appellate actions or pending actions regarding this case until this EMERGENCY MOTION can be heard and ruled on;
3. Take a bold stand to not only prevent this extrinsic fraud from continuing, but also send a message through the legal system, and in fact, throughout the country that the ethics outlined in the SCRCF (for South Carolinians) and other professional national and state standards are for ALL attorneys to adhere to. Courts cannot administer justice when officers of the Court are committing extrinsic fraud inside the Courts and placing pleadings in the United States mail to the Honorable Appeals Court. Fraud is illegal and being pushed by the attorneys intentionally via the USPS is not at all acceptable in these United States. How can we expect law and order when those who oversee it do not?
4. Take immediate action to set examples for other lawyers. These lawyers should not carry a badge designating them as "Officer of the Court."

Appellant has provided sufficient evidence to fully establish these allegations.

July 1, 2020

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M B Hutson, Pro Se  
Post Office Box 2755  
Orangeburg, South Carolina 29116-2755  
(803) 308-2714

**CERTIFICATE OF SERVICE**

I, the undersigned, attorney for Respondents Penn America Insurance Company and Global Indemnity Group, Inc., do hereby certify that I have this date served the foregoing RESPONDENTS PENN AMERICA INSURANCE COMPANY AND GLOBAL INDEMNITY GROUP, INC.'S MOTION FOR EXTENSION OF TIME TO FILE RETURN TO APPELLANT'S "EMERGENCY MOTION" by causing the same to be deposited in a United States Postal Service mailbox, postage prepaid, addressed to the following:

MB Hutson/MB Hudson  
Post Office Box 2755  
Orangeburg, SC 29116  
*Pro Se Appellant*

John R. Murphy, Esquire  
Timothy J. Newton, Esquire  
Murphy & Grantland, P.A.  
Post Office Box 6648  
Columbia, SC 29260  
*Pro Se Respondents*

**RECEIVED**  
JUL 02 2020  
SC Court of Appeals



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ATTORNEYS FOR RESPONDENTS PENN  
AMERICA INSURANCE COMPANY AND  
GLOBAL INDEMNITY GROUP, INC.

Dated: July 1, 2020



Christian Stegmaier | D: 803.255.0454 | E: cstegmaier@collinsandlacy.com

July 1, 2020

**VIA U.S. MAIL AND EMAIL**

The Honorable Jenny A. Kitchings  
South Carolina Court of Appeals  
1220 Senate Street  
Columbia, SC 29201  
[ctappfilings@sccourts.org](mailto:ctappfilings@sccourts.org)

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SC Court of Appeals

**Re: MB Hutson/MB Hudson v. Penn America Insurance Company, Global Indemnity Group, Inc., Timothy J. Newton, Esq., J.R. Murphy, Esq., John Doe #1, and John Doe #2**  
**Appellate Case No. 2019-001488**  
**Claim No. 16011284**  
**C&L File No. 000774-01021**

Dear Ms. Kitchings:

Please find enclosed for filing the unbound original and one (1) copy of **Respondents Penn America Insurance Company and Global Indemnity Group, Inc.'s Motion for Extension of Time to File Return to Appellant's "Emergency Motion"** in the above referenced matter. Please file the original and return a clocked copy of same in an envelope provided for your convenience.

Pursuant to the Supreme Court's Amended Order "re: Operation of the Appellate Courts During the Coronavirus Emergency" (2020-05-29-02, Appellate Case No. 2020-000447), we have not included any additional copies nor a filing fee for this Motion. If any additional copies or the filing fee are required, please let us know.

By copy of this letter and enclosure, we are serving same on all parties.

Thank you for your time and attention. Should you have any questions or concerns, please do not hesitate to contact us.

Respectfully,

A handwritten signature in black ink, appearing to read "C. Stegmaier".

Christian Stegmaier

CS/net  
Encl.

The Honorable Jenny A. Kitchings

July 1, 2020

Page 2

cc (via U.S. Mail and email):

M. B. Hutson, Appellant *pro Se*

John Robert Murphy, Esquire, Murphy & Grantland, P.A.

Tim Newton, Esquire, Murphy and Grantland, PA

Hasler  
FIRST-CLASS MAIL  
07/01/2020  
US POSTAGE \$002.20



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011E11673897

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SC Court of Appeals



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