

THE STATE OF SOUTH CAROLINA  
In The Court of Appeals

---

APPEAL FROM RICHLAND COUNTY  
Court of Common Pleas

**RECEIVED**

Michael G. Nettles, Circuit Court Judge

---

SFP 15 2020

**SC Court of Appeals**

Case No. 2018-CP-400-6344

Appellate Case # 2019-001488

---

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 #2

Respondents.

---

APPELLANT'S RESPONSE TO RESPONDENTS' "JOINT RETURN TO  
APPELLANT'S MOTION TO ALLOW APPELLANT'S MOTION TO  
INCLUDE EVIDENCE FORMERLY FILED IN THIS APPEALS CASE  
PROVING EXTRINSIC FRAUD UPON THE APPEALS COURT BY THE  
RESPONDENTS."

---

Comes now the Appellant, MB Hutson, filing an Official Notice to the Court of Appeals:

---

***FRAUD IS PRESENTLY BEING PERPETRATED UPON THE HONORABLE APPEALS COURT, ITS JUDGES, AND ON THIS APPELLANT BY ALL THE RESPONDENTS: J. R. MURPHY, ESQ., TIMOTHY J. NEWTON, ESQ. AND NOW, ALSO INCLUDING CHRISTIAN STEGMAIER, ESQ., COUNSEL FOR PENN AMERICA INSURANCE COMPANY AND GLOBAL INDEMNITY.***

---

This is notice of actual, intentional fraud upon the Honorable Appeals Court and the Honorable Judges, who have the responsibility of making decisions and rulings based on what the officers of the court (now proving to all be dishonest) have been filing fraudulently. Additionally, these 'officers of the court' have repeated the same gross, blatant misrepresentations in the Common Pleas Court less than 10 days ago merely to tilt the scales of justice totally in their direction. Appellant has attached their: 1) Request for Injunction and 2) Complaint ( # 2020-cp-400-3810 ). This is criminally wrong and their Obstruction of Justice must be stopped. The sole purpose of not allowing Appellant's case to be fully heard (and believed—for the paper evidence has been submitted repeatedly, of which attorney Paton's work is only a part of) is due to Respondents and

Christian Stegmaier, Esq. (who is now representing the Insurance conglomerate Penn America and Global Indemnity.)

Respondents have cited rule 212, rule 210, rule 212 (b) SCACR and rule 211 as to why Appellants most recent motion should be turned down. However, Respondents fail to understand that active and intentional fraud upon the court and extrinsic fraud upon the court supersede the rules they cited. Fraud upon the court and judges prevent this Appellant from having his case heard or believed. Respondents are hiding behind Appellant's failed cases that are totally due to the underlying and on-going extrinsic fraud, as they so very well know. No one can win *any* case laced with hidden extrinsic fraud. The aggressive attorneys slaughter the poor defendant (in this case the Appellant) with concealment and their lack of disclosure. They are officers of the court with a legal duty to disclose fraud on the courts to the courts. This was intentionally contrived against the Appellant and innocent courts and judges by officers of the court!

Therefore, the Honorable Court should grant Appellant's motion and send the case to a jury. The Respondents (including Christian Stegmaier) allowed intentional continued fraud upon the court and extrinsic fraud to continue without disclosing what the Officers of the Court knew, and know, to be wrongful acts prohibited by the SCRPC for the practicing of law. They are defrauding the courts and the Appellant. How can the Appellant have a fair chance to prevail when he is intentionally being defrauded and lied about to the courts by these 'Officers of the Court?' Should the Respondents and Christian Stegmaier come clean and disclose the real facts, they know that the court

would throw them out. Therefore, they simply hide behind Appellant's lost cases and blame those losses on 'frivolous filings' or merely 'harassing filings' with no real content. Respondents' evasive actions cheat the Honorable Courts as well as this Appellant.

This Appellant begs the court to stop the on-going extrinsic fraud so this Appellant can get a fair and just trial.

**Appellant demands** that the clerk hand this official complaint and sworn affidavit immediately and directly to the proper honorable Judge or Judges in order that these unconscionable illegal acts are stopped! These 'Officers of the Court', who have sworn under oath to uphold the law are subverting it for personal gain and to protect the crimes of fellow attorneys. Yet they have fully engaged their firms in the Extrinsic Fraud upon the courts as they do not work as individual attorneys, but as partners and teams. Respondents should be severely and speedily sanctioned. Appellant will, once again, prove that Extrinsic Fraud is active in this Appellate Case # 2019-001488 ( MB Hutson vs. Murphy, Esq., and Newton, Esq., Penn America Insurance Company and Global Indemnity).

The following is supporting evidence that all of their filings in Appellant Court are thereby fraudulent, by way of Extrinsic Fraud, and illegal. That is Obstruction of Justice, Fraud Upon the Courts, Defamation against this Appellant and prevents Appellant from both receiving justice and having his case fully heard:

1. All Respondents are totally aware that TLC Holdings, LLC defrauded Appellant some years ago out of millions of dollars. (There is no statute of limitations for murder nor Extrinsic Fraud upon the courts and judges.)

2. On March 30, 2016, ( # 2015-CP-140615 ) Attorney Laura Paton prepared and cited approximately seventy-seven (77) counts of fraud against TLC Holdings, LLC and those frauds were circulated around to all Respondents since Penn America and Global Indemnity hired attorney Paton to investigate, study and represent their insured, MB Hutson. Her findings are made a part of this report/notice and have been filed into the Honorable Court of Appeals and repeatedly referenced in arguments. No lawyer, court, nor individual, has ever refuted those 77 counts, nor has any Respondent including Stegmaier ever challenged her work.

3. TLC Holdings, LLC's attorneys prepared all contracts and related documents as stated in open deposition by the owner/president of TLC Holdings, LLC. (See attached page of deposition of Richard U. Clark.) Those fraudulent contracts are at the base of all these lost cases that Respondents refer to. TLC's attorneys (opposing this Appellant, then Defendant) never disclosed to any court, nor any Federal or S. C. state judge, that they were defrauding the Courts via their well crafted, underlying and undisclosed Extrinsic Fraud. According to numerous rules of law cited below, and: **South Carolina Appellate Court Rule 407:**

page (7) in the middle of paragraph (3) "For example, a lawyer who commits fraud in the conduct of a business is subject to discipline for engaging in conduct involving dishonesty, fraud, receipt or misrepresentation. See also **SCRPC Rule 8.4.**

Attorneys, “Officers of the Court” designed, conspired and committed Extrinsic Fraud in three Federal Courtrooms, and in approximately four Common Pleas Judges. They sequestered and convinced Hutson’s attorneys and PAGI attorneys to cooperate with the fraud...and they did, instead of defending Hutson, the insured. This was designed to defraud this Appellant, whom they snared with fraudulent contracts, and subsequently who thereby could *never* win a case.

It is time for Justice!

4. The lawyer's representing TLC Holdings, LLC sued Appellant Hutson in Federal and State Courts. NEVER did any of their attorneys disclose to any Judge or Court the plotted fraud that they had schemed against this Appellant. Therefore, this Appellant lost all of those cases due to that Extrinsic Fraud.

5. The TLC attorneys fully understood that Appellant, at that time, did not recognize the fraud nor the extrinsic fraud. Well described in Attorney Paton’s document attached.

6. In addition, Respondent Newton, Esq. of Murphy Grantland, P.A., was actively representing Penn America and Global Indemnity Insurance Companies (PAGI), when he wrote Appellant a 16 paragraph email (copy attached), clearly recognizing the Extrinsic Fraud ( # 16) while refusing to expose it in the courts. He was attempting to blame PAGI for having to “approve” it. (See paragraph following Item # 16 in that email where Newton suggests Frank Gordon might get PAGI’s

permission to move on reversing the Extrinsic Fraud and/or having the Consent Order and Summary Judgment reversed which had sealed the fraudulent contracts under a slick 'res judicata'.) *However*, in his efforts to slip out of reporting the fraud to the courts, by using SCRPC Rule 1.6 ( a ) to justify non-disclosure to the tribunal, Newton failed to consider Rule 1.6 (b), which states “a lawyer may reveal information relating to the representation of a client to the extent the lawyer reasonably believes necessary: AND ( Rule 1.6 ( b ) (3) to prevent the client from committing a crime or FRAUD that is reasonably certain to result in substantial injury to the financial interests or property of another...) Newton goes on to encourage Hutson to pursue it on his own. (Copy attached.)

Attorney authored fraud must be put to an end in this Appellate Court. Documents are being collected by this Appellant to accompany a copy of this notice to the following governmental individuals and entities:

Governor Henry McMaster, Columbia, South Carolina

Attorney General Josh Stein, Columbia, South Carolina

Common on Lawyer Conduct, Barbara Hinson, Columbia, South Carolina

Commission on Judicial Conduct, Jody W. Gilgamesh, Columbia, S. C.

Office of Disciplinary Counsel, P.O. Box 12159, Columbia, South Carolina

Commission on Lawyer Conduct, John S. Nichols, Columbia, S. C.

South Carolina Law Enforcement ( SLED )

Time is of the essence.

## RULES AND LAWS ON FRAUD AND EXTRINSIC FRAUD

I. 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;"
5. "That deceives the Court."

II. "Extrinsic fraud is fraud that induces one not to present a case in court or deprives one of the opportunity to be heard or is not involved in the actual issues.

[1] More broadly, it is defined as: fraudulent acts which keep a person from obtaining information about his/her rights to enforce a contract or getting evidence to defend against a lawsuit. This could include destroying evidence or misleading an ignorant person about the right to sue. Extrinsic fraud is distinguished from "intrinsic fraud," which is the fraud that is the subject of a lawsuit.

[2] Extrinsic fraud often involves fraud on the court, but may arise in other contexts. Extrinsic fraud does not mean merely lying or perjury, nor misrepresentations,

nor intrinsic fraud, nor "to matters that could have been raised during the divorce proceeding."

[3] "It must involve collateral ... circumstances such as:

-bribery of a judge or juror,

-fabrication of evidence by an attorney,

-preventing another party's witness from appearing,

-intentionally failing to join a necessary party, or

-misleading another party into thinking a continuance had been granted...."

"Extrinsic fraud may occur in real estate transactions or financing, such as when a lender forces a homeowner to lose his or her real property in a foreclosure through acts"

**III. SCRPC Rule 3.3. Candor Towards the Tribunal:** "One who intentionally conceals critical evidence for the sole purpose of self preservation at the cost of disgracing, deceiving, plotting and defrauding the Honorable Court, **is creating Extrinsic Fraud upon the court**".

**IV. Rule 402, Attorney Oath:** I do solemnly swear (or affirm) that:

-- *"I will employ for the purpose of maintaining the causes confided to me only such means as are consistent with trust and honor and the principles of professionalism, and will never seek to mislead an opposing party, the Judge or Jury by a false statement of fact or law".* "I will employ for the purpose of maintaining the causes confided to me only such means as are consistent with trust and honor and the principles of

professionalism, and will never seek to mislead an opposing party, the judge, or jury by a false statement of fact or law”;

THEREFORE, these attorneys acted in full knowledge of the fraud and Extrinsic Fraud being perpetrated upon the courts *and* total disregard for RULE 402, WHICH THEY SWORE IN THEIR OATH TO UPHOLD.

**V. Conspiracy ( 18 U.S. C. 371):** A combination or agreement to accomplish an unlawful purpose, or to use illegal means in accomplishing a lawful purpose.

**VI. U.S. Code 1324c.** Penalties for document fraud:

"Falsely make for purposes of this section, the term “falsely make” means to prepare or provide an application or document, with knowledge or in reckless disregard of the fact that the application or document contains a false, fictitious, or fraudulent statement or material representation, or has no basis in law or fact, or otherwise fails to state a fact which is material to the purpose for which it was submitted"

*-- Respondent's prepared papers to protect their client and themselves which were fraudulent due to the concealed knowledge and their intentional failure to disclose that prevented Appellant/Defendant's cases being heard while deceiving the courts and judges.*

**CONCLUSION**

The attorneys, officers of the court, have been so busy covering up the criminal actions of their fellow attorney's non-disclosure of existing, extrinsic fraud upon the courts, that they have totally failed to responsibly represent this Appellant, who is now in the Appellate Court seeking justice for having been defrauded by scheming attorneys representing multi-millionaires and corporate giants, covering their own path with even *more* fraud upon the courts. In Respondent Newton's own words to Appellant Hutson, for why he (Newton) didn't just report the Extrinsic Fraud, Newton replied: "we lawyers just don't do each other that way...someone might go to jail." So where is justice?

Tuesday, September 15, 2020



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

**Proof of Service on Next Page:**

## Fwd: Setting aside the Judgement

Mr. H <hmr226621@gmail.com>  
 Mon 8/13, 12:52 PM  
 ods06535cpc

Reply all

inbox

This item will expire in 24 days. To keep this item longer, apply a different label.

Label: 30 days Delete CPC mailbox (1 month) Expires: 9/12/2018 12:52 PM

Begin forwarded message:

From: "Tim J. Newton" <tnewton@murphygrantland.com>  
 Date: August 13, 2018 at 10:49:58 AM EDT  
 To: "Mr. H" <hmr226621@gmail.com>  
 Subject: RE: Setting aside the Judgement

Mr. Hutson,

I need to remind you that I don't represent you and I can't represent you because I represent Penn-America. To the extent there is a common interest, I note the following:

1. Renee Roark testified at trial in the defamation action that you contacted her in October 2010 looking for waterfront property to develop.
2. Susan Stroman admitted at trial sending you an e-mail dated November 11, 2010 in which she indicated the campground could possibly be moved or the members bought out. However, she denied having said that on behalf of TLC.
3. The alleged lease between Big Water Resort, LLC and TLC Holdings, LLC, if it existed, was never recorded, although it was for a term of more than a year.
4. The membership agreements between the campground members and Big Water Resort, LLC were never recorded. Possibly they should have been, since they granted campground members a rights to use Big Water Resort, LLC's facilities for life plus the lifetime of a survivor. See S.C. Code s 27-33-30 (requiring "any . . . agreement for the use . . . of real estate" to be recorded).
5. There is some case law indicating lifetime memberships are for the duration of the club member, and can only be terminated for cause. Paul Gabrillis, Inc. v. Dahl, 154 Or. App. 388, 961 P.2d 865 (Or. Ct. App. 1998); Martin v. Town & Country Dev., Inc., 230 Cal. App. 422, 41 Cal. Rptr. 47 (Cal. Ct. App. 1964).



0 of 0

...

- ✓ 7. The Lease-Purchase Agreement pertains to all of TLC's property at the Big Water Resort site.
  - ✓ 8. The Membership Interest Purchase Agreement in Big Water Resort, LLC does not specify what property is subject to the campground membership agreements.
  - ✓ 9. The Settlement Agreement dated March 30, 2012 is between TLC Holdings, LLC (and its principals) and Hutson only. TLC is represented as the landlord, and Hutson is represented as the tenant. Big Water Resort, LLC and the campground members are not parties.
  - ✓ 10. The Settlement Agreement, in para. 5, obligates Hutson to submit a Qualified Plat for a proposed subdivision "as shown on Exhibit 'A' attached hereto." There are provisions for an acreage release, and it appears the payments owed to TLC may be paid from the proceeds of the subdivision and sale of parcels of the property.
  - 11. The copy of this Settlement Agreement that was made an exhibit at Hutson's bankruptcy deposition had two hand drawings immediately after the last page, which reads "Exhibit A." These drawings depict the approximate location of the proposed development as being on the campground parcel.
  - ✓ 12. Despite the language in the Lease-Purchase Agreement and the Settlement Agreement that the subdivision and sale pertained to unimproved portions of the property, the letter that TLC's attorney Tom Harper submitted to the Clarendon County Planning Commission with TLC's approval depicts a development on the campground property.
  - ✓ 13. The Consent Order filed April 13, 2012 incorporates the Settlement Agreement but does not otherwise mention Big Water Resort, LLC or the campground members. It reads as if it pertains to a mere landlord-tenant dispute.
  - ✓ 14. Bonnie Youmans testified at trial (by way of her deposition) that she thought all of TLC's property was part of the Big Water Resort campground and she would have considered it a violation of the campground memberships to have developed condominiums on the campground property. This testimony was unopposed.
  - ✓ 15. I can see how you could argue that the Consent Order is invalid because it attempts to adjudicate the rights of parties not before it. If you were ordered to develop property that was subject to lifetime use rights, that probably should have been brought to the court's attention. Furthermore, I can see how you could argue you did not realize you were being obligated to violate the rights of the campground members by developing since TLC never specified exactly which property was subject to the campground memberships.
  - ✓ 16. It's 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.
- ✓ I highly recommend that you get a lawyer involved, even if it's a pro bono lawyer. If you need the documents supporting the above, let me know.

Tim N.



0 of 0

**M & G****Murphy & Grantland, P.A.**

Tim J. Newton, Esquire

[tnewton@murphygrantland.com](mailto:tnewton@murphygrantland.com)

Post Office Box 6648

Columbia, South Carolina 29260

803-782-4100 ext. 1242

803-454-1242 dd

803-782-4140 fax

[www.murphygrantland.com](http://www.murphygrantland.com)

*Please be advised that this e-mail and any files transmitted with it are confidential attorney client communications or may otherwise be privileged or confidential and are intended solely for the individual or entity to whom they are addressed. If you are not the intended recipient, please do not read, copy or retransmit this communication but destroy it immediately. Any unauthorized dissemination, distribution or copying of this communication is strictly prohibited.*

**From:** Mr. H <[hmr226621@gmail.com](mailto:hmr226621@gmail.com)>**Sent:** Saturday, August 11, 2018 9:04 PM**To:** Tim J. Newton <[tnewton@murphygrantland.com](mailto:tnewton@murphygrantland.com)>**Subject:** Setting aside the Judgement

PLEASE BE ADVISED THAT THIS E-MAIL AND ANY FILES TRANSMITTED WITH IT ARE CONFIDENTIAL ATTORNEY CLIENT COMMUNICATION OR MAY OTHERWISE BE PRIVILEGED OR CONFIDENTIAL AND ARE INTENDED SOLELY FOR THE INDIVIDUAL OR ENTITY TO WHO THEY ARE ADDRESSED



THE STATE OF SOUTH CAROLINA  
In The Court of Appeals

APPEAL FROM RICHLAND COUNTY  
Court of Common Pleas

Michael G. Nettles, Circuit Court Judge

**RECEIVED**

Case No. 2018-CP-400-6344

SEP 15 2020

Appellate Case # 2019-001488

**SC Court of Appeals**

MB Hutson/ MB Hudson

Appellant.

v.

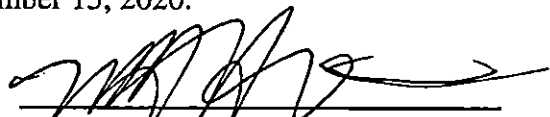
Penn America Insurance Company,  
Global Indemnity Group, Inc., Timothy  
J. Newton, Esq., J.R. Murphy, Esq., John  
Doe #1 and John Doe #2,

Respondents,

**PROOF OF SERVICE**

I certify that the *"APPELLANT HEREBY REPORTS FRAUD PRESENTLY BEING PERPETRATED UPON THE HONORABLE APPEALS COURT, ITS JUDGES AND THIS APPELLANT BY ALL RESPONDENTS, AND NOW ALSO INCLUDING CHRISTIAN STEGMAIER, ESQ., COUNSEL FOR PENN AMERICA INS. CO. AND GLOBAL INDEMNITY,"* with a copy of this Proof of Service was served on Penn America Insurance Company, Global Indemnity Insurance Company, to the insurance companys' attorney of record, Christian Stegmaier, Esq., at 1330 Lady Street, 6<sup>th</sup> Floor, Columbia, South Carolina, with a copy to Christian Stegmaier, *and also to* J.R. Murphy, Esq. and Timothy J. Newton, Esq., both of Murphy and Grantland, P.A. (both acting as Pro Se, of record), at 4406 B Forest Drive, Columbia SC, all on Tuesday, September 15, 2020.

September 15, 2020

  
MB Hutson, Pro Se

(803) 308-2714

Post Office Box 2755, Orangeburg, S C 29116-2755