

THE STATE OF SOUTH
CAROLINA

In The Court of Appeals

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May 25 2021

SC Court of Appeals

APPEAL FROM RICHLAND COUNTY

Court of Common Pleas
Judge Robert Hood, Fifth Circuit

Case # 2020-CP-400-3810

Appellate # 2020-001708

Penn America Insurance Company and)	
Global Indemnity Group, LLC,)	
Plaintiffs/Counter-Defendants,)	
)	
v.)	
)	
Morris Beach Hutson a/k/a M.B. Hutson,)	
Defendant/Counter-Plaintiff,)	
)	
AND	)	Appellate’s Corrected,
	)	Amended, Paginated
Morris Beach Hutson a/k/a M. B. Hutson,)	
Third Party Plaintiff,	)	Reply Brief to
)	
v.	)	Respondents’:
)	
Penn America Ins. Co. & Global)	
Indemnity Group, LLC, Timothy J.	)	Penn America, et al;
Newton, Esq. of Murphy Grantland, P.A.;	)	Timothy J. Newton, Esq.,
& Christian Stegmaier, Esq. of Collins &	)	JR Murphy, Esq., and
Lacy P.C.,	)	John Grantland, Esq., of
Third Party Defendants,	)	Murphy Grantland, P.A. and
	)	Christian Stegmaier, Esq. of Collins
of whom Morris Hutson is the Appellant,	)	and Lacy, P.C.’s
	)	Initial Brief.
)	
and Penn America Ins. Co. & Global)	
Indemnity Group, LLC, Timothy J.	)	“Silver Bullet”
Newton, Esq., of Murphy Grantland,)	
P.A., & Christian Stegmaier, Esq. of)	
Collins & Lacy P.C., are the)	
Respondents.)	

1. The Legal Department of Penn America Insurance Company and Global Indemnity Insurance Company (hereinafter PAGI), Insurers of Hutson, and their South Carolina attorneys:

- (a) Christian Stegmaier, Esq. (of Collins & Lacy, P.C.), and
- (b) Timothy J. Newton, Esq., John Grantland, Esq. and J.R. Murphy, Esq. (of Murphy Grantland, P.A.),

CANNOT TAKE THE POSITION individually and/or corporately, in word nor in writing, that they did not know about the Extrinsic Fraud enacted upon the Court(s), underlying these cases of which they each had *all the documents and filings* made by TLC Holdings, LLC's attorneys, at both Turner Padgett Graham and Laney, and Womble, Carlyle, Sandridge and Rice (Thomas Harper, Esq.).

2. PAGI and their legal teams (named in #1, above) never filed any paper to the court that disclosed/reported/noticed the S. C. Courts of the Extrinsic Fraud Upon the Courts and fraud upon Appellant/Hutson which was their professional obligation as required by some (50) South Carolina Rules and Laws (see below).

3. South Carolina law # 27-33-30 required TLC Holdings, LLC and/or their attorneys to record the four hundred seventy (470) memberships with long-term use rights for the land (of over one (1) year):

"In order to give notice to third persons, any lease or agreement for the use or occupancy of real estate shall be recorded in the same manner as a deed of real estate. (SC # 27-33-30).

4. TLC Holdings, LLC, nor their attorneys fulfilled the requirements of this statute. Therefore, the Title Search completed (2011) via Hutson's attorney thru Williamson Research Services showed a "clear title."

5. Appellant/Hutson's sole purpose for signing the Lease Purchase Agreement was to develop the property and sell small lots and cabins. That purpose is/was clearly stated in the Lease Purchase Agreement (hereinafter LPA), the contract with TLC Holdings, LLC) as:

"The parties acknowledge that the Purchaser intends to develop and construct condominiums or other residential dwelling structures on certain portions of the unimproved Premises. In the event Purchaser closes on any one or more unimproved Sub-parcel(s) as referenced in this Section 1.3, Purchaser shall pay thirty-five percent(35%) of the gross profits from the sale of any and all residential dwelling units to the Seller which shall be applied to reduce the Purchase Price for the entire Premises." LPA, p. 3, ll. 10 – 15.

6. Excerpts from PAGI's Laura Paton, Esq's citations of the following frauds:

45. *That Richard Clark and Steve Lovell controlled, owned and operated other corporate entities, hereinafter referred to as "John Doe Corporations", which were created to perform single purpose functions in order to effectuate the sole will of Messrs. Clark and Lovell.*
46. *That in or around December 2010, Defendant Hutson met with the TLC parties and advised the TLC parties that he sought to purchase the lake-front land at 5215 Dingle Pond Road, Summerton, SC, close the campground currently operating at the property, and develop water-front condominiums on the land.*
47. *That during the December 2010 meeting, the TLC parties advised Defendant Hutson that the property was owned by TLC Holdings and the campground business was owned by Big Water Resort, LLC ("BWR").*

48. *That during the December 2010 meeting the TLC parties advised Mr. Hutson that in order to purchase the land, he would be required to purchase BWR as well.*
49. *That during the December 2010 meeting, the TLC parties advised Mr. Hutson that there was water and sewer adjacent to the property for development but failed to disclose the moratorium of approximately 5 years preventing development of the property.*
50. *That during the December 2010 meeting the TLC parties advised Mr. Hutson that BWR had no known debt.*
51. *That during or after the December 2010 meeting the TLC parties advised Mr. Hutson that BWR had an annual income of approximately \$200,000.00.*
52. *That during and after the December 2010 meeting, the TLC parties concealed BWR's \$300,000 annual losses.*
53. *That during the December 2010 meeting the TLC parties advised Mr. Hutson that BWR had no accounting records.*
54. *That during the December 2010 meeting the TLC parties advised Mr. Hutson that the value of BWR was \$500,000 and the value of the land at 5215 Dingle Pond Road, Summerton, SC was \$6 million.*
55. *That TLC parties and Mr. Hutson negotiated for Mr. Hutson to lease the land with the option to purchase in 12 months for \$6 million or 24 months for \$7 million.*
56. *That during the December 2010 meeting the TLC parties and Mr. Hutson discussed the length of the Lease Purchase Agreement so that Mr. Hutson would have sufficient time to secure the necessary permits to develop the property.*

57. *That prior to executing the Lease Purchase Agreement and the Membership Interest Purchase Agreement (hereinafter collectively “the Agreements” attached as Exhibits A and B), Mr. Hutson searched the property title record; no liens or encumbrances were found.*

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59. *That prior to purchase by Mr. Hutson, the TLC parties received, but refused to pay, for the cost of installation of the underground power.*

60. *That prior to purchase by Mr. Hutson, the TLC parties did not disclose the outstanding bill for installation of underground power encumbering the land and BWR.*

61. *That subsequent to the December 2010 meeting, the TLC parties and Mr. Hutson executed the Membership Interest Purchase Agreement for BWR and a Lease Purchase Agreement for the property at 5215 Dingle Pond Road, Summerton, SC (hereinafter collectively “the Agreements”).*

62. *That the Membership Interest Purchase Agreement includes a representation by the TLC knowledge of the Sellers threatened.”*

63. *That the Membership Interest Purchase Agreement includes a representation by the TLC parties that, “Seller represents, warrants and covenants to Purchaser as follows: “(the business is) In compliance with all laws regulations and orders applicable to its business.”*

64. *That the Membership Interest Purchase Agreement includes a representation by the TLC parties representing that they had “good and marketable title to all of its properties and assets.”*

65. *That the Lease Purchase Agreement includes representations by the TLC parties ensuring that they have good and marketable title to the land at 5215 Dingle Pond Road, Summerton, SC.*

FOR A FIRST CAUSE OF ACTION

(Fraud or, in the Alternative, Negligent Misrepresentation – Failure to Disclose Encumbrances on the Property as to the TLC Parties)

66. *That prior to execution of the Agreements, the TLC parties knew that there were approximately 700 “Retail Membership Agreements” encumbering the property.*

68. *That the TLC parties knowingly and / or negligently failed to disclose and / or concealed information that the Retail Membership Agreements provided that each holder: 1) a right to use campground facilities, and services solely for members recreational and enjoyment, (emphasis supplied), 2) this right to use the facilities ranges from 5 years up*

69. *That the TLC parties advised Mr. Hutson that the Retail Membership Agreements could be terminated / divested such that he could proceed with development of the property.*

71. *That the TLC parties had a statutory duty to record the encumbrances pursuant to Sections 27-32-10 through 27-32-250 of the 1976 Code are designated as Article 1 of Chapter 32, Title 27, and entitled 'Vacation Time Sharing Plans'."*

72. *That Mr. Hutson and his attorney performed title searches with the Clarendon County Register of Deeds prior to purchase and no encumbrances as to the time shares were found.*

73. *That the TLC parties had a pecuniary interest in knowingly and / or negligently concealing the encumbrances on the property to induce Mr. Hutson to enter into the Agreements to secure a maximum profit to the TLC parties and to disgorge a failing business.*

75. *That in relying on the fraudulent representations and / or negligent misrepresentations, Mr. Hutson did materially change his position entering into the Agreements without*

knowledge of the timeshares believing, as was represented by the TLC parties, that the property was unencumbered.

76. *That, as a result of such fraudulent and / or negligent misrepresentations, Mr. Hutson has been damaged, and continues to be damaged, and has suffered pecuniary loss as a direct and proximate result of his reliance on the TLC parties representations.*

77. *Therefore, as a direct and proximate result of the TLC parties' actions, Mr. Hutson is entitled to actual, direct, consequential, incidental, special, and punitive damages as aforesaid, all in an amount to be determined by the trier of fact and any attempts in any contractual agreement for the limitation or disclaimer of same or any other waiver or other limitation are null, void, unenforceable, and subject to rescission as a matter of law.*

FOR A SECOND CAUSE OF ACTION

(Fraud, or in the Alternative, Negligent Misrepresentation – Material Misrepresentation as to Financial Position as to the TLC Parties)

78. *That prior to execution of the Agreements, the TLC parties advised Mr. Hutson that the value of BWR was \$500,000 and the value of the land at 5215 Dingle Pond Road, Summerton, SC was \$6 million.*

79. *That prior to execution of the Agreements, the TLC parties advised Mr. Hutson that BWR had an annual income of approximately \$200,000.00.*

80. *That prior to execution of the Agreements, the TLC parties did not advise Mr. Hutson that BWR was operating at a substantial loss upwards of \$300,000 per year, outstripping its income.*

82. *That prior to execution of the Agreements, the TLC parties knew that the operating expenses of BWR exceeded its income.*

86. That Mr. Hutson had a right to rely, and did rely, on the various representations of the TLC parties' as to the condition of their business and its encumbrances, including, but not limited to, those representations expressly outlined in the Agreements signed by the TLC parties.

90. *That as a result of the TLC parties' intentional, active, willful, wonton, and / or reckless and / or negligent misrepresentations and / or concealments, inducing Mr. Hutson to enter into the Agreements, he has suffered irreparable harm including, but not limited to, significant financial harm.*

91. *Therefore, as a direct and proximate result of the TLC parties' actions, Mr. Hutson is entitled to actual, direct, consequential, incidental, special, and punitive damages as aforesaid, all in an amount to be determined by the trier of fact and any attempts in any contractual agreement for the limitation or disclaimer of same or any other waiver or other limitation are null, void, unenforceable, and subject to rescission as a matter of law..*

FOR A THIRD CAUSE OF ACTION

(Defamation / Libel Per Se as to the TLC parties)

92. *That on or about April 3, 2014, the TLC parties wrote to the members of the Big Water Resort Campground the letter at Exhibit C.*

93. *That in their correspondence, the TLC parties included untrue statements impugning Mr. Hutson's performance as one-time owner of Big Water Resort.*

94. *That the TLC parties' correspondence was made with actual and / or implied malice and intended to degrade and reduce the character and / or reputation of Mr. Hutson to others.*

AS A FOURTH CAUSE OF ACTION AGAINST THE TLC PARTIES

(Breach of Contract Accompanied by a Fraudulent Act, or, in the alternative, Breach of Contract)

96. *That the TLC entities and Defendant Hutson entered into the Agreements as outlined above.*

97. *That the Agreements contained certain provisions as outlined above including, but not limited to:*

- a) Warranties as to good and marketable title to all its properties and assets;*
- b) Seller represents, warrants and covenants to Purchaser as follows : . . further, there are no actions, suits, or proceedings, either at law or equity . . . or to the knowledge of Sellers, threatened;*
- c) Seller represents, warrants and covenants to Purchaser as follows:
(e.) In compliance with all laws, regulation and orders applicable to its business”*

98. *That in breach of the afore mentioned Agreements, the TLC entities:*

- a) Did not have marketable title and, in fact, such title was encumbered by timeshares;*
- b) That a substantial outstanding debt was owed Black Water Electric which could lead to litigation;*

99. *This constitutes a breach of the Agreements with Mr. Hutson and accompanying this breach was the fraudulent acts: . . .*

100. The TLC entities either knew or should have known of said defects, all of which proximately caused the damage herein above and hereinafter described and entitles Mr. Hutson to punitive damages.

AS A FIFTH CAUSE OF ACTION AGAINST THE TLC PARTIES

(Violation of the South Carolina Unfair Trade Practices Act S.C. Code § 39-5-10, et seq.)

102. *The TLC parties and the John Doe Corporations, and each of them, through their acts and omissions including, but not limited to, the following particulars, conducted unfair and deceptive practices within the meaning of S.C. Code Section 39-5-140(a) and 27-31-430, S.C. Code of Laws as amended:*
- a) In failing to disclose the Vacation Time Shares encumbering the property;*
 - b) In failing to record the memberships as required pursuant to*
 - c) In failing to pay and subsequently hiding the debt owed to Black River Electric;*
 - d) in failing to provide any additional consideration for subsequent attempts to modify their agreement;*
 - e) in failing to properly disclose the true conditions of the business and properties at issue in the Agreements and putting them into the stream of commerce;*
 - f) in making false representations as to the condition of the business and properties at issue in the Agreements and/or representations as to the condition of the business and properties at issue in the Agreements in reckless disregard as to the truth of the representations; and*
 - g) In failing to analyze and preserve reserves for maintenance and operation of the business and concealing same.*

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104. *Mr. Hutson is a person within the meaning of S.C. Code Section 39-5-140(a) and has suffered actual, direct, and proximate damages as a direct and proximate result of unfair and deceptive acts of the TLC parties, in an amount to be determined by the trier of fact.*

107. *Mr. Hutson is entitled to be compensated pursuant to S.C. Code Section 39-5- 140(a) for the above-described actual, incidental, consequential, and special damages, as well as costs, interest, and attorney's fees, and to recover three (3) times these damages by reason of the knowing and willful nature of the unfair and deceptive acts by Defendants and any attempts in any contractual agreement for the limitation or disclaimer of warranties, or any other waiver or other limitation, are null, void, unenforceable, and subject to rescission as a matter of law.*

AS A SIXTH CAUSE OF ACTION

(Amalgamation, Alter Ego Liability and Piercing the Corporate Veil as to the TLC Parties and the John Doe Corporations)

108. *The TLC parties, by and through various instrumentalities and alter-egos and other companies to be named at a later date were the original developers and / or operators of BWR.*

109. *That the TLC parties, with their John Doe Corporations, combined and joined together through various instrumentalities, alter egos, and amalgamated entities, to facilitate to process of developing BWR, encumbering BWR with various debts, and concealing such debts from Mr. Hutson.*

111. *The TLC parties and the John Doe Corporations created and controlled these sham entities for the sole purpose of enabling it to transact a portion of its business under an alternate corporate guise and to avoid claims such as those set forth herein. These entities, and each of them, were merely a facade for the operations of Messrs. Lovell and Clark to achieve their financial goals and to perpetrate the activities more particularly described herein.*

115. *The sham entities established by the TLC parties and / or the John Doe Corporations were and are characterized by one or more of the following: (1) being undercapitalized; (2) failing to observe corporate formalities; (3) failing to pay dividends; (4) Insolvency;*

(5) Lack(ed) proper records; (6) siphoning of funds by its members and/or affiliates; and (7) was used as a mere facade for the operation of the dominant shareholders, members, associates, and affiliates.

116. Upon information and belief, each shared the same mailing / emailing address, the TLC parties and the John Doe Corporations directly received payment and disbursed payment for obligations relating to the sham entities, the sham entities had no shareholders and/or officers of their own, no separation of accounting and bookkeeping functions, and/or the TLC parties and the John Doe Corporations directly contracted for the sham entities in the name of the TLC parties and the John Doe Corporations.

117. The TLC parties and the John Doe Corporations directed and oversaw the fraudulent / negligent actions described herein.

119. At the time BWR and the Lease-Purchase Agreement were offered and placed into the stream of commerce by the TLC parties and the John Doe Corporations, the faulty defects and deficiencies heretofore described were hidden and concealed through the acts and omissions of the TLC parties and the John Doe Corporations.

120. That the TLC parties and the John Doe Corporations, knew or should have known of the existence of the said defects and deficiencies, which were unknown by and / or concealed from Mr. Hutson.

121. These hidden defects, including, but not limited to, defective, un-marketable title and outstanding and oppressive debts, which unbeknownst to Mr. Hutson, rendered the business and the Lease-Purchase Agreement undevelopable and worthless.

124. As a direct and proximate result thereof, the TLC parties and the John Doe Corporations are liable to the Plaintiffs for actual, incidental, consequential, special and punitive damages, all in an amount to be determined by the trier of fact, and any attempts in any contractual agreement for the limitation or disclaimer of warranties, or any other waiver or other

limitation, are null, void, unenforceable, and subject to rescission as a matter of law.

CANNONS & RULES violated by Respondents, Officers of the Court:

I. CANNON (3) d: “The trial court has the inherent authority, within the exercise of sound judicial discretion, to dismiss an action when a plaintiff has perpetrated a fraud on the court, or where a party refuses to comply with court orders”. Kornblum v. Schneider, 609So. 2d 138, 139 (Fla. 4th DCA 1992)”.

(1) A judge who receives information indicating a substantial likelihood that another judge has committed a violation of this Code should take appropriate action. A judge having knowledge* that another judge has committed a violation of this Code that raises a substantial question as to the other judge's fitness for office shall inform the appropriate authority.*

(2) A judge who receives information indicating a substantial likelihood that a lawyer has committed a violation of the Rules of Professional Conduct contained in Rule 407, SCACR, should take appropriate action. A judge having knowledge* that a lawyer has committed a violation of the Rules of Professional Conduct that raises a substantial question as to the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects shall inform the appropriate authority.*

II. SCRPC, Rule 1.6 p. 81 (2016 ed) Wherein "a lawyer shall not reveal information unless the client gives informed consent.

III. Case Law states that when a judge acts as a trespasser of the law, and/or does not follow the law, he then loses subject matter jurisdiction and that Judge’s Orders are void, of no legal force or affect.

IV. 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."**

V. South Carolina 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". (Emphasis mine.)**

VI. SCRPC, Rule 8.3 (b) and cmt. 1. "As a self-regulating profession, lawyers are expected to report serious misconduct by other lawyers to appropriate disciplinary authorities. The duty to report the misconduct of others extends even to misconduct by another lawyer in the same firm".

VII. Canon 2: A Judge Should Avoid Impropriety and the Appearance of Impropriety in all Activities:

(A) Respect for Law. A judge should respect and comply with the law and should act at all times in a manner that promotes public confidence in the integrity and impartiality of the judiciary.

VIII. CANNON (3) d,2: *The trial court has the inherent authority, within the exercise of sound*

judicial discretion, to dismiss an action when a plaintiff has perpetrated a fraud on the court, or where a party refuses to comply with court orders". Kornblum v. Schneider, 609So. 2d 138, 139 (Fla. 4th DCA 1992)".

- (A) A judge who receives information indicating a substantial likelihood that another judge has committed a violation of this Code should take appropriate action. A judge having knowledge* that another judge has committed a violation of this Code that raises a substantial question as to the other judge's fitness for office shall inform the appropriate authority.*
- (B) A judge who receives information indicating a substantial likelihood that a lawyer has committed a violation of the Rules of Professional Conduct contained in Rule 407, SCACR, should take appropriate action. A judge having knowledge* that a lawyer has committed a violation of the Rules of Professional Conduct that raises a substantial question as to the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects shall inform the appropriate authority.*

IX. Lawyer's Oath South Carolina Appellate Court Rule 402 (k) SCRPC p. 1, ll. 10-11.

"To opposing parties and their counsel, I pledge fairness, integrity and civility, not only in court, but also in all written and oral communications."

NOTE: CASE Law also states that when a judge acts as a trespasser of the law, when a judge does not follow the law, he then loses subject matter jurisdiction, and the Judge's orders are void, of no legal force or affect._

X. 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.

XI. South Carolina Rules of Professional Conduct: (SCRPC)

A. Rule 8.3. Reporting Professional Misconduct (p. 404):

"A lawyer who knows that another lawyer has committed a violation of the Rules of Professional Conduct that raises a substantial question as to that lawyer's honesty, trustworthiness or fitness as a lawyer in other respects shall inform the appropriate professional authority".

B. Additionally, "Mandatory Duty to Report Serious Misconduct" (p. 406):

"As a self-regulating profession, lawyers are expected to report serious misconduct by other lawyers to appropriate disciplinary authorities. The duty to report the misconduct of others extends even to misconduct by another lawyer in the same firm". (emphasis mine.)

XII. SOUTH CAROLINA RULES OF PROFESSIONAL CONDUCT (p. 408 – 409):

Rule 8.4. Misconduct: "It is PROFESSIONAL MISCONDUCT for a lawyer TO...":

- "commit a criminal act involving moral turpitude";
- "engage in conduct involving dishonesty, fraud, deceit or misrepresentation";
- "engage in conduct that is prejudicial to the administration of justice"

PAGI's attorney Tim Newton, Esq. lays out fraud and extrinsic fraud upon the Court in email, AS FOLLOWS: (original format maintained)

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 Judgment

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 d
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).
6. The campground membership agreements I have seen do not specify what particular property is included in "BWR's present and future campground recreation facilities."
7. The Lease-Purchase Agreement pertains to all of TLC's property at the Campground 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,

Tim N.

XIII. RULE 3.3: CANDOR TOWARD THE TRIBUNAL

- a. A lawyer shall not knowingly:
 - i. make a false statement of fact or law to a tribunal or fail to correct a false statement of material fact or law previously made to the tribunal by the lawyer;
 - ii. fail to disclose to the tribunal legal authority in the controlling jurisdiction known to the lawyer to be directly adverse to the position of the client and not disclosed by opposing counsel; or
 - iii. offer evidence that the lawyer knows to be false. If a lawyer, the lawyer's client, or a witness called by the lawyer, has offered material evidence and the lawyer comes to know of its falsity, the lawyer shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal. A lawyer may refuse to offer evidence, other than the testimony of a defendant in a criminal matter, that the lawyer reasonably believes is false.

b. A lawyer who represents a client in an adjudicative proceeding and who knows that a person intends to engage, is engaging or has engaged in criminal or fraudulent conduct related to the proceeding shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal.

XIV: Offering Evidence

[5] Paragraph (a)(3) requires, that the lawyer refuse to offer evidence that the lawyer knows to be false, regardless of the client's wishes. This duty is premised on the lawyer's obligation as an officer of the court to prevent the trier of fact from being misled by false evidence. A lawyer does not violate this Rule if the lawyer offers the evidence for the purpose of establishing its falsity.

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1. No judge has reported these attorneys' intentional fraud upon the court in Hutson's cases, even though Canon rules and South Carolina Rules of Professional Conduct require that judges report such illegal actions.
 2. The Officers of the Court, through their intentional lack of reporting have damaged Appellant/Hutson fiscally and impaired his quality, and most likely his length of life in addition to other damages yet to be determined.
 3. Therefore, all papers filed (in the Common Pleas and the Appellant Courts) by PAGI's attorneys are tainted and cloaked with fraud. This is due to PAGI's attorneys claiming that all legal filings by Appellant/Hutson are frivolous, while continuing to cover their failure to expose the Extrinsic Fraud that caused Appellant's loses.
 4. PAGI and their attorneys fully understood that since Extrinsic Fraud prevents one (in this situation, Hutson) from 'presenting their case' and tilts the scales of justice totally in the favor of those who created and/or fail to expose the Extrinsic Fraud, it has made it impossible for Appellant /Hutson to win any of those tainted cases in court.
 5. All PAGI'S attorneys understand that they have committed serious violations and have broken countless rules and laws that would cause them to lose their licenses to practice law. However, in hope of defeating a Pro Se (Hutson), and escaping their just and due consequences for not reporting the Extrinsic Fraud (and its original conspirators—fellow attorneys), to the proper authorities they actively continue to deny that they knew. That, in itself, constitutes extrinsic fraud for they KNEW or SHOULD HAVE KNOWN.

ANOTHER EXAMPLE OF EXTRINSIC FRAUD UPON THE COURT:

1. A police officer is standing at an intersection watching traffic.
2. A citizen approaches the officer asking for directions.
3. All of a sudden, a deranged man steps off a bus in the intersection and starts shooting toward the officer and the Citizen.
4. Seeing that the officer does not take any action, and fearing for his life, the citizen, who happens to be licensed and legally armed, jerks out his pistol, shooting the deranged shooter, killing him.
5. Since the officer is required to write up a police report, he takes out his pad and writes that "Citizen shot the deranged man," but intentionally leaves out the crucial facts/evidence that citizen was defending himself (self-defense) because the officer on the scene failed to draw and stop the initial shooter. Therefore, the officer was protecting his own indiscretion and failure to act.

How could that Appellant get a fair trial?

However, PAGI and their attorneys essentially did the same thing to Appellant/Hutson. They did not take action to stop, nor to report, TLC Holdings, LLC's attorneys from continuing the Extrinsic Fraud that they had originally created. Instead PAGI's attorneys collaborated with TLC Holdings, LLC and their attorneys. The PAGI attorneys are cowards and liars; badged law breakers rather than law upholders and have thereby become party to committing Obstruction of Justice, preventing Appellant/Hutson from ever having had his cases truly heard in Court -- intentionally to speed the process of getting Appellant's case 'off PAGI's books' while fully understanding that they were setting up this Appellant to be permanently and irreparably damaged with indigency and disgrace.

South Carolina Appellate Court Rule 407: page (7) (8) paragraph (5) states:

"A lawyer's conduct should conform to the requirements of the law, both in professional service to clients and in the lawyer's business and personal affairs. A lawyer should use the law's procedures only for legitimate purposes and not to harass or intimidate others. A lawyer should demonstrate respect for the legal system and for those who serve it, including judges, other lawyers and public officials. While it is a lawyer's duty, when necessary, to challenge the rectitude of official actions, it is also a lawyer's duty to uphold legal process."

Rule 3.3. Candor Towards the Tribunal:

“(b) A lawyer who represents a client in an adjudicative proceeding and who knows that a person intends to engage, is engaging or has engaged in criminal or fraudulent conduct related to the proceeding shall take reasonable remedial measures, including, if necessary, disclosure to the tribunal.”

Association of Certified Fraud Examiners (ACFE), World Headquarters-The GREGOR BUILDING, Austin, Texas states:

“ Criminal Fraud Charges;(page (8) second paragraph)... "This is because one of the elements of civil fraud requires that the defendant knew that the statement was false and intended the victim to rely upon it.”

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"

Respondents are now using Appellant's “failed” cases (which were due solely to the hidden extrinsic fraud on their part) as a defense to prevail for their client, PAGI, stating that

Appellant's cases were frivolous, as well. They are creating this defense to hide their own actions of conspired, extrinsic fraud and deception against both the courts and the Appellant/Hutson. Prosecuting a defense against this Appellant and concealing evidence by way of extrinsic fraud to prevent Appellant from being heard is "Obstruction of Justice".

Appellant's losses in the courts at the hands of these Respondents for failing to execute their duty to report fraud upon the court by their peers and colleagues is inexcusable and should be dealt with sternly.

FACTS

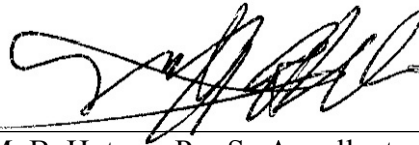
1. All Respondents had copies of all TLC Holdings LLC court filings, depositions and pleadings. Since Appellant was the insured, Respondents had a legal obligation to research and study all documents.
2. Penn America/Global Indemnity's Murphy Grantland were aware of the extrinsic fraud upon the courts perpetrated against Appellant as well as the Courts and Judges.
3. PAIG's Atty. Laura Paton wrote/cited (77) counts of fraud perpetrated by TLC and their lawyers. All Respondents had access her work and both an obligation and opportunity to study and investigate those researched claims, but instead they concealed them in all the Courts, *including* both the Federal and Common Pleas Judges, thereby advancing the extrinsic fraud upon the courts and fraud against this Appellant.
4. Other evidence of the fraud and extrinsic fraud was in the attorney prepared \ (of which Respondents had copies, for the Family Members who had *sole use of TLC's properties for up to two life times*. Those contracts had secretly arranged the contract preventing Appellant from having legal access to the 108 acres preventing Appellant from being legally able to honor some (470) family memberships of which caused Appellant to be sued by the Family Memberships.
5. In addition, Murphy Grantland's Timothy Newton brings to Appellant's attention in his August 13, 2018 letter that he wrote to Appellant while representing Penn America which consisted of (16)

paragraphs the following: paragraph (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. How fraudulent was it to sell a on-going campground of which TLC had recollected some \$6M dollars in advance from all Members for sole use for two life times when the new owner (Appellant) had no legal right to said property for two life times. Obviously, Murphy Grantland was totally aware of that fraud and extrinsic fraud upon the Courts when Appellant was sued in court. Appellant did not grasp that he had been defrauded some (77) times since TLC's attorneys drew the Lease Purchase Agreement for (24) months as well as the Family Membership ownership of the campground with no land for the Members to have sole use of. Appellant leaned much later that he had been defrauded (77) times and all Respondents and Defendants continued the fraud by way of conspiracy.

Reparations can remedy financial losses, but not reduced years of life. May the Appellate Court or the Common Pleas Judges rise above the fray and administer justice. The Respondents' illegal case, laden with fraud and corruption against Appellant and the courts demands that this Appellate Court, Common Pleas reverse this case for a jury trial, in its entirety. Otherwise, this Honorable Courts will intentionally allow Extrinsic Fraud to continue to corrupt the Judicial System, as unknowingly Judges before them have done.

Appellant *has clearly proven that* this case must be SEND IT TO A JURY: (1) a sworn Affidavit, and (2) evidence presented of Respondent's, Officers of the Court, having LIED, DECEIVED, and COMMITTED FRAUD AND EXTRINSIC FRAUD. WITNESSES AND DEFENDANTS (current and former PADI ATTORNEYS) NEED TO TESTIFY IN FRONT OF A JURY. Appellant DEMANDS A JURY TRIAL and NOT to be thrown out by a Summary Judgment.

Submitted May 25th, 2021.

A handwritten signature in black ink, appearing to read 'M. B. Hutson', written over a horizontal line.

M. B. Hutson, Pro Se Appellant
Post Office Box 2755
Orangeburg, SC 29116-2755
(803) 308-2714
hmr226621@gmail.com

RECEIVED

May 25 2021

SC Court of Appeals

THE STATE OF SOUTH
CAROLINA

In The Court of Appeals

APPEAL FROM RICHLAND COUNTY

Court of Common Pleas
Judge Robert Hood, Fifth Circuit

Case # 2020-CP-400-3810

Appellate # 2020-001708

Penn America Insurance Company and)
Global Indemnity Group, LLC,)
Plaintiffs/Counter-Defendants,)

v.)

Morris Beach Hutson a/k/a M.B. Hutson,)
Defendant/Counter-Plaintiff,)

AND)

Morris Beach Hutson a/k/a M. B. Hutson,)
Third Party Plaintiff,)
PROOF OF SERVICE)

PROOF OF SERVICE

v.)

Penn America Ins. Co. & Global)
Indemnity Group, LLC, Timothy J.)
Newton, Esq. of Murphy & Grantland,)
P.C.; & Christian Stegmaier, Esq. of)
Collins & Lacy P.A.,)
Third Party Defendants,)

of whom Morris Hutson is the Appellant,)

and Penn America Ins. Co. & Global)
Indemnity Group, LLC, Timothy J.)
Newton, Esq., of Murphy Grantland,)
P.C., & Christian Stegmaier, Esq. of)
Collins & Lacy P.A., are the)
Respondents.)

PROOF OF SERVICE

I certify that on May 25, 2021, I have electronically re-served the **Appellate's AMENDED, Combined, Reply Brief to all Respondents' Initial Briefs with pagination** to

(1) the Appellate Court to meet the guidelines for filing during the Corona-virus pandemic and also electronically and respectfully to all parties listed on the Notice of Appeal and their counsel:

(1) Penn America Insurance Company & Global Indemnity Group, LLC, to;
PAGI's attorneys at Collins and Lacy P.C.:

(a) Christian Stegmaier, Esq. at cstegmaier@collinsandlacy.com; &

(b) Laura Baer, Esq.: at lbaer@collinsandlacy.com; and to

(2) T. J. Newton, Esq. at tnewton@murphygrantland.com;
J.R. Murphy, at jrmurphy@murphygrantland.com; and
John Grantland at jgrantland@murphygrantland.com.

on May, 25, 2021.

s/ M B Hutson
M B Hutson, Pro Se
Post Office Box 2755
Orangeburg, S.C. 29116-2755
(803) 308 – 2714;
hutson4444@gmail.com