

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

RECORD ON APPEAL

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SC Court of Appeals

BINDER 5 of 6

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,

v.

Timothy J. Newton, Esq.; Murphy & Grantland, P.A.; Christian Stegmaier, Esq.; and
Collins & Lacy P.C., Third Party Defendants,

of whom Morris Hutson is the Appellant,

and Penn America Insurance Company & Global Indemnity Group, LLC; Timothy J.
Newton, Esq.; Murphy & Grantland, P.A.; Christian Stegmaier, Esq.; and Collins & Lacy
P.C., are the Respondents.

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STATE OF SOUTH CAROLINA)
COUNTY OF CLARENDON)

COURT OF COMMON PLEAS

TLC HOLDINGS)
PLAINTIFF,)

TRANSCRIPT OF RECORD
15-CP-14-615

v.)

M.B. HUTSON,)
DEFENDANT.)

January 22-25, 2018
Manning, South Carolina

B E F O R E :

THE HONORABLE GEORGE M. MCFADDIN, JR., JUDGE;
AND JURY

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No.	Description	I.D./EVD.
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PW - R. ROARK - DIRECT

1 MR. GORDON: No, sir.

2 THE COURT: Sir, would you bring them in
3 please.

4 (WHEREUPON, the jury was returned to the
5 courtroom at approximately 9:39 a.m., and
6 the following proceedings commenced in
7 open court.)

8 THE COURT: Good morning to y'all.
9 Mr. Wilkerson, whenever you're ready.

10 MR. WILKERSON: Your Honor, the plaintiff
11 calls Ms. Renee Roark.

12 THE CLERK OF COURT: I need you to raise
13 your right hand, place your left hand on the Bible
14 and repeat your name please. Renee Roark.

15 WHEREUPON,

16 **RENEE ROARK,**
17 having been duly sworn by the Clerk, testified
18 as follows:

19 THE CLERK OF COURT: I want you to step
20 around and watch your step.

21 **DIRECT EXAMINATION**

22 BY MR. JOHNSON:

23 Q Good morning, Ms. Roark.

24 A Good morning.

25 Q I'm gonna kind of peep around this TV and look at

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1 you, okay, 'cause I want to make sure the jurors can
2 see you, okay?

3 A Yes, sir.

4 Q Am I pronouncing your name correctly?

5 A Yes.

6 Q Okay, Roark. All right. Ms. Roark, where do you
7 live?

8 A Manning, South Carolina.

9 Q Okay. How long have you lived here in Clarendon
10 County?

11 A For 18 years.

12 Q 18 years. And what do you do for a living?

13 A I'm a real estate agent.

14 Q A real estate agent?

15 A Yes, sir.

16 Q If I had ever been involved in a real estate
17 transaction how would you describe what it is that
18 you do?

19 A I work with buyers and sellers to find property
20 that they are looking for and help them with the
21 transaction from the beginning to the end.

22 Q Okay. And just generally, Ms. Roark, how are you
23 paid for what you do?

24 A Through commissions. Whenever the property sells
25 is when I get paid, the majority of the time.

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1 Q Okay. What is the name of the company for which
2 you work?

3 A Remax Summit.

4 Q Remax Summit?

5 A Summit, yes, sir.

6 Q And what type of real estate do you normally find
7 yourself working with?

8 A I would say probably 90 percent of my realty
9 business is residential, and the majority of the
10 residential is waterfront property on Lake Marion.

11 Q So you're very familiar with Lake Marion and the
12 surrounding area, correct?

13 A Yes, sir.

14 Q And you've been working, again, this area. Is
15 that what you've been doing for most of your 18
16 years?

17 A Yes, sir.

18 Q And in addition to your work as a realtor do you
19 have something else that you do?

20 A I am. I'm a real estate instructor with Carolina
21 School of Real Estate, and I have been teaching
22 pre-license classes predominantly which are classes
23 in which the people have to take in order to become
24 a licensed realtor, for the last five years.

25 Q So in order to do what you do you have to obtain

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1 a license from the State of South Carolina; is that
2 correct?

3 A That's correct.

4 Q And you actually teach the courses that those who
5 want one of those licenses have to go through; is
6 that right?

7 A That's correct.

8 Q Okay, all right. Now Ms. Roark, are you familiar
9 with a gentleman by the name of Mr. M.B. Hutson?

10 A Yes, sir.

11 Q And how is it that you know him?

12 A He contacted me about real estate, waterfront
13 real estate on Lake Marion in order to develop.

14 Q Okay. And do you know when this was?

15 A It was sometime in October of 2010.

16 Q Okay. Ms. Roark, I'm gonna hand up a collection
17 of documents.

18 MR. JOHNSON: And Your Honor, all of these
19 documents are in the book, but they have not yet
20 been admitted into evidence so we will go through
21 that, okay, and they're in this document.

22 MR. GORDON: What number is it?

23 MR. JOHNSON: I was gonna hand her all of
24 the collection that she'll be going through.
25 They're all, I had understood that they've only been

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1 ID'd, not admitted.

2 THE COURT REPORTER: What number is it?

3 MR. WILKERSON: Well, we have, I can give
4 you the list. That would be 13 and 14 are the only
5 ones that aren't ---

6 MR. JOHNSON: I also have 40, 42, 43, 41.

7 MR. WILKERSON: I think 13 and 14 are in
8 evidence without objection. I retract it, Your
9 Honor, these items are in evidence without
10 objection.

11 THE COURT: All right.

12 MR. GORDON: No objection, Your Honor.

13 THE COURT: Thank you, sir.

14 BY MR. JOHNSON:

15 Q So I've just handed you some documents and that
16 they are, as I said, in evidence and we're going to
17 discuss those and use them. First of all, I direct
18 your attention to Plaintiff's Exhibit Number 40.
19 You have that in front of you, Ms. Roark?

20 A Yes.

21 Q And as we go through this, Wanda is going to
22 bring these up on this screen and for all we know we
23 might be watching Let's Make a Deal over here, but
24 we're obviously going to be looking at your
25 documents, okay, so, but we'll just ask to you read

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1 the copy that you have.

2 A Yes.

3 Q Okay. Now what is this document, Exhibit 40?

4 A This is an email that I sent to a real estate
5 agent by the name of Kay Shire that was representing
6 the folks, the developers for North Shore
7 condominiums. And North Shore Condominiums are a
8 group of condominiums in Clarendon County off exit
9 102 that are waterfront.

10 Q Okay.

11 MR. JOHNSON: Will you bring up the
12 language of the email, Wanda.

13 BY MR. JOHNSON:

14 Q Okay. Now, so let's go back. This is an email
15 you sent and it references Mr. Hutson, correct?

16 A Yes.

17 Q Okay. So does this help you place in time when
18 you first heard from Mr. Hutson?

19 A Yes.

20 Q Okay. And so when would that have been?

21 A Sometime at the end of October of 2010.

22 Q Of 2010. So we're talking seven or plus years
23 ago, right?

24 A Correct.

25 Q Okay. Now, how did your contact with Mr. Hutson

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1 come about?

2 A He **called** me on the phone — I'm not exactly sure
3 how he got my name and number — and said he was
4 interested in some acreage, some waterfront acreage
5 on Lake Marion to develop.

6 Q Okay. Waterfront acreage on Lake Marion?

7 A Yes, sir.

8 Q Okay. Did he talk to you, did he give you more
9 specifics about what he wanted to do?

10 A He said that he had, he was finishing up several
11 projects, a marina and maybe some other
12 condominiums, or something of that nature, I don't
13 exactly remember, and that he was looking for
14 another project, waterfront project in South
15 Carolina.

16 Q Now when someone says I'm looking for waterfront
17 acreage on Lake Marion, what's that mean to you?

18 A It means commercial acreage because, and also
19 there's very few places that would even fit the bill
20 for Lake Marion because the majority of Lake Marion,
21 what can be developed is already developed.

22 Q Okay.

23 A Especially the waterfront section.

24 Q And does it tell you anything about the
25 sophistication of knowledge and experience of the

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1 person making that call?

2 A Yes. After we talked about different things and
3 we discussed how expensive waterfront property is on
4 Lake Marion, especially when you're talking about
5 acreage and the commercial aspect that goes along
6 with Santee Cooper in order to develop on Lake
7 Marion shores.

8 Q All right. Now this particular email we're
9 looking at, it really has nothing to do with TLC
10 Holdings, does it?

11 A No, sir.

12 Q All right. It just helps you place in time when
13 your first contact with Mr. Hutson was, right?

14 A Correct.

15 Q Because when he called you're looking wherever
16 you can find for property, right?

17 A Yes. And in this particular situation I knew
18 that the developer still owned an allotment, you
19 know, like ten or so units at North Shore
20 development and that they were willing to sell them
21 as an allotment; and that's kind of what he was
22 interested in, was seeing the property to see if he
23 would be interested in buying the remainder of the
24 unit at North Shore Condos that the developer still
25 owned.

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- 1 Q Okay. And with this particular property
2 evidently you had to register him as a—
3 A That's correct.
4 Q —a potential buyer?
5 A That's correct.
6 Q And so you obtained his name; is that correct?
7 A That is correct.
8 Q And you provided this particular lady who was
9 representing these other folks with his name; is
10 that right?
11 A That's correct.
12 Q And you used the name that he gave you; is that
13 right?
14 A That's correct.
15 Q And how did you spell Hudson when you sent that
16 over?
17 A H-U-D-S-O-N.
18 Q And is that the way he spelled his name to you?
19 A That's correct.
20 Q Okay, all right. Now this particular transaction
21 did not come to fruition; is that correct?
22 A That is correct.
23 Q In other words, it didn't happen, I should say.
24 A That's correct.
25 Q All right, now, did you eventually begin a

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1 discussion about the property we've been referring
2 to as Big Water Campground that's owned by TLC
3 Holdings?

4 A Yes.

5 Q And how did you, how were you aware that there
6 may be a possibility of a sale of that property?

7 A The other agent that is involved, Susan Stroman
8 and Kim Matthews, are good friends of mine. We
9 actually work for the same real estate company. And
10 when Mr. Hutson contacted me about waterfront
11 property, he was not specific about any particular
12 piece of property. However, as I stated before,
13 there were very few pieces of Lake Marion property
14 that could be developed in the way he wanted to
15 develop it. One of them was the remainder of North
16 Shore Condos which is how Kay Shire got involved.
17 The other was a piece of property that Kim Matthews'
18 father owned, which is Randolph's Landing, and so I
19 inquired about that. And whenever that would not
20 work or suit his needs, she told me that Susan
21 Stroman had been in contact with the sellers of Big
22 Water and that they expressed an interest in
23 possibly selling so that is where that came about.
24 Q Okay. And did you mention that to Mr. Hutson?
25 A I did.

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1 Q And did he appear to be interested?

2 A He did.

3 Q Okay. How did that conversation or discussion
4 about Big Water, how did that progress, what
5 happened next?

6 A I gave him the basic and I contacted Susan. She
7 provided the basic information about Big Water. I
8 sent him everything that is available on public
9 record. You know, you can go on the Clarendon
10 County website and look up any type of information
11 about any particular piece of property in Clarendon
12 County that you are interested in, and so I pulled
13 all the plats and all the information off of the
14 public website and emailed it to him. And whenever
15 I did, he showed an interest and he had additional
16 questions that he wanted answered prior to coming to
17 South Carolina to look at the property.

18 Q Did you know where he was?

19 A He told me he was from Chattanooga, Tennessee.

20 Q Okay, all right.

21 MR. WILKERSON: Let's look at Exhibit 13,
22 Wanda.

23 BY MR. WILKERSON:

24 Q And while she's pulling it up, can you just tell
25 us what this Exhibit 13 is?

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1 A This is an email that I sent to Susan Stroman and
2 Kim Matthews regarding questions that Mr. Hutson had
3 for the property at Big Water.

4 Q Okay. And this is — we're talking about a
5 period of time — well, what's the date of this
6 email?

7 A November the 10th of 2010.

8 Q So some two weeks or more after that last, the
9 first one we looked at, correct?

10 A Yes.

11 Q Okay. And we're talking about emails. Is that
12 that a common way for realtors in 2010 to
13 communicate?

14 A Yes, it's still a common way today because we
15 have documentation. You know, our job is to have
16 documentation on the transactions so that we can
17 help the buyers and sellers stay on track with
18 things.

19 Q Okay. And what was your purpose in sending this
20 email?

21 A To get information regarding Big Water Resort.

22 Q All right. I want to, it may be a little
23 strange, but for this particular email I'd like to
24 skip down to the bottom.

25 MR. WILKERSON: Wanda, the paragraph that

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1 begins "Okay".

2 BY MR. WILKERSON:

3 Q Renee, would you read that last paragraph.

4 A "Okay. Above is a copy and pasted from my buyers
5 email. As you can see, he means business so please
6 let's honor his wishes and keep everything
7 confidential. Let me know what I can do to help get
8 this information together ASAP. Thanks again, Renee
9 Roark."

10 Q Okay. So what you're saying there is the
11 information above, the words above, you actually
12 copied and pasted from an email you received from
13 Mr. Hudson, right?

14 A That is correct. I took the information that he
15 emailed me, the questions that he emailed me, and I
16 copied them and put them on the email, pasted them
17 on the email that I sent Susan so that no wording
18 was changed and I knew exactly what he was asking
19 for and Susan and Kim knew exactly what he was
20 asking for.

21 Q Okay, all right.

22 MR. WILKERSON: But next let's look --
23 with that in mind, well first, let's look at the
24 very first paragraph, Wanda, the larger one there.

25

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1 BY MR. WILKERSON:

2 Q Okay. Renee, would you read that paragraph.

3 A "I received an email from my client requesting
4 the following information. I stress to both of you
5 to not discuss anything regarding the possibility of
6 this transaction or any details we discussed
7 regarding this transaction with anyone other than
8 the owners or parties involved. As you will see
9 from my buyer's email, this is extremely important
10 for this transaction to take place. Let's work
11 diligently together to put this deal together for
12 all parties involved. I really appreciate your
13 help, willingness, and cooperation to this process.
14 I am sure this deal will not be easy and will
15 require a lot of time and effort, and I am confident
16 we can make it happen."

17 Q Okay. And those are actually your words?

18 A Those are actually my words.

19 Q Okay, so those are your words. And again,
20 obviously this need for confidentiality, he had, he
21 had stressed that to you; is that correct?

22 A Yes, sir.

23 Q Okay, all right. And so after that, and from
24 here on the rest are his words; is that correct?

25 A That's correct. Up until the very last paragraph

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1 that I just read.

2 Q All right, well let's look at the paragraph
3 numbered one. Okay. And I believe it says get a
4 survey plat and some other things; and you have
5 that, we have it here. Is there anything that
6 confirms that these were his words and not yours in
7 that paragraph?

8 A Yes, because my counterpart, Susan Stroman, I
9 have been in the real estate for business for 18
10 years, and they have been in the real estate
11 business a lot longer than I have. Therefore, if
12 that was my words I would not have had to tell her,
13 you know, what a plat is. He says in here, normally
14 they are about 18 inches by 24 inches. I mean, we
15 look at plats every day in our business so me
16 talking to another real estate agent, I would not
17 need to give them that bit of information. They are
18 professionals just like I am; they would know
19 exactly what I was talking about.

20 Q Okay. And but the gist, and the gist of this was
21 he's looking for a plat of the property, correct?

22 A Yes, with improvements which means all of the
23 buildings that, you know, the water system, the
24 sewer system, or whatever else may be on that
25 particular piece of property.

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1 Q Okay. All right, let's look at the paragraph
2 number two. In this paragraph there's another, more
3 instructions directly from Mr. Hutson, correct?

4 A Yes.

5 Q And he says there -- well, would you read that.

6 A "Make arrangements to have full access to all
7 buildings and have that access approved prior to my
8 arrival. I do not wish to be known, nor introduced
9 to anyone during my visit. If a contract is to be
10 submitted, one of my attorneys will provide the
11 special stipulations and you may provide the balance
12 of your standard real estate forms. Do not discuss
13 with anyone about anything regarding this project
14 other than the persons you need to ask questions to
15 and do not give out any information."

16 Q Okay. Can you -- what's that second sentence say
17 again?

18 A "I do not wish to be known, nor introduced to
19 anyone during my visit. If a contract is to be
20 submitted, one of my attorneys will provide the
21 special stipulations and you may provide the balance
22 on your standard real estate forms."

23 Q Okay. Now, in your experience is this common in
24 the way you do business as a realtor?

25 A This is not common in working with the normal

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1 average consumer in a real estate transaction. The
2 normal average consumer would not know the
3 difference — or to be begin with, would not know
4 the difference between our real estate forms, our
5 South Carolina standard forms, and any other forms.
6 One of the reasons why consumers work with realtors
7 is to make sure they have all the legal aspects of a
8 contract that they need in order to purchase a piece
9 of property for their protection. And in this
10 situation Mr. Hutson was very familiar with the
11 contract process, and he knew that we would need
12 special wording and special things in our South
13 Carolina contracts.

14 Q Okay. All right, let's move to the paragraph
15 number 3. Would you just read that.

16 A "Find out who is the most knowledgeable person in
17 regarding any and all improvements that have been
18 made to this property. Merely state that you have
19 an individual or company interested, and you need
20 certain information as soon as possible."

21 Q So again he states that he doesn't want anyone to
22 know who it is that's looking for this property,
23 correct?

24 A That is correct.

25 Q Okay, all right.

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1 MR. WILKERSON: We can just skip that one,
2 Wanda. If we can pull up number 4.

3 BY MR. WILKERSON:

4 Q Okay, all right. Let's look at number 4. Would
5 you read that one.

6 A "Find out how many lifetime memberships there are
7 and how long before all yearly memberships expire."

8 Q Okay. Did you know what he was referring to in
9 regard to these lifetime memberships?

10 A The only information I had provided him, which
11 was basic information that Susan Stroman originally
12 provided me. And in that information was, you know,
13 the type of campsites there was, how many cabins
14 there was, the number of campsites there, the
15 potential for future development, and that there was
16 lifetime memberships there. That's what they
17 originally did was sell lifetime memberships for the
18 campers to enjoy.

19 Q But in other words, as of November 10th, 2010,
20 Mr. Hutson knew that lifetime memberships were an
21 issue at this property; is that correct?

22 A He was -- yes, sir. I don't know about an issue,
23 but he was aware that the campground had lifetime
24 memberships.

25 Q Okay, all right. And the remainder of that

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1 paragraph, I don't know that you have to read it,
2 but what is it emphasizing there?

3 A "To not discuss any pros or cons with anyone
4 until he says different. To get this information as
5 soon as you can. Once obtained I will come there,
6 no need for me to come there without a plat and
7 information. I do not wish to meet anyone other
8 than yourself and please discuss with no one of my
9 arrival, no one. Do not discuss, nor give out any
10 information regarding the buyer or what the buyer
11 has in mind. I will video and take pictures while
12 there and send an engineer to do so. Let me know
13 how you are progressing. Please remember, strategy
14 is everything and gossip/leaks information is a
15 killer. I spend my time for money reasons." And I
16 don't know if you can see that, but he actually
17 underlined that last sentence in his email —

18 Q That he spend his time for money reasons.

19 A That's exactly right, in the email that he sent
20 me.

21 Q Okay, all right. So that email went out to the
22 ones that's named there who were Susan Stroman, Jill
23 James, and Kim Matthews, correct?

24 A That's correct.

25 Q And all of those were —

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1 A Licensed real estate agents.

2 Q And as far as you were concerned, they were
3 acting on behalf of the seller of the property,
4 right?

5 A That is correct.

6 Q Or the owner of the property?

7 A That's correct.

8 Q Okay, all right. Do you recall what happened, if
9 anything, after that, and you feel free to refer to
10 the exhibit 14.

11 A Yes. After that information I was not familiar
12 with lifetime memberships myself. I felt like that
13 was something that was above my legal comprehension
14 as a real estate agent so I inquired to help
15 Mr. Billy Coffey, which is a real estate attorney in
16 Manning, South Carolina.

17 MR. WILKERSON: Can you pull up, Wanda,
18 number 14.

19 BY MR. WILKERSON:

20 Q Okay, so this is an email to Mr. Coffey; is that
21 right?

22 A That's correct.

23 Q It actually states that it's to Claudia. Do you
24 know who that is?

25 A Claudia is his assistant. Everything that goes

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1 to Mr. Coffey goes through his secretary, and then
2 she, you know, makes sure that he gets it and he
3 responds accordingly.

4 Q So you are — this is a direct question from you
5 to a real estate attorney in Clarendon County?

6 A That's correct.

7 Q And at this time are you acting on your own or
8 are you acting on behalf of someone else?

9 A I'm acting on behalf of Mr. Hutson.

10 Q Okay. Because at this time he's your client; is
11 that right?

12 A He is my client, yes, sir.

13 Q And so you're trying to find information for him?

14 A That's correct.

15 Q And on his behalf you reached out to a real
16 estate attorney in Clarendon County to find out what
17 the impact of these lifetime memberships would be;
18 is that correct?

19 A That is correct.

20 Q Okay. And I guess the last part of that you
21 asked, you mention that it may be better for him to
22 speak directly with Mr. Hutson.

23 A That is correct.

24 Q Okay. And what's the date of that email?

25 A November 11th, 2010.

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1 Q So that's the day after you had sent the request
2 for information to Susan Stroman?

3 A Susan, that's correct.

4 Q Okay, all right. Now, do you know, do you recall
5 did you ever get a response from Mr. Coffey to this
6 email?

7 A Mr. Coffey called me on the phone and stated
8 that, you know, he would be glad to talk with Mr.
9 Hutson regarding these lifetime memberships and
10 explain to him the process of how they work or
11 answer any type of questions that he had.

12 Q Okay. Did you have any further conversations
13 with Mr. Coffey on this issue?

14 A Not that I can recall.

15 Q All right. Let's look next at Exhibit Number 41.
16 Can you tell us what this is.

17 A This is another email that was sent to Susan
18 Stroman regarding more questions that Mr. Hutson had
19 regarding Big Water campground.

20 Q Now this is actually a three page exhibit,
21 correct?

22 A That is correct.

23 Q And it's one of these email threads that contains
24 a copy of a conversation going back and forth,
25 right?

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1 A That is correct.

2 Q Okay. So we might understand it better if we go
3 to the end and come back?

4 A That's correct. You can look on page 2 first.

5 Q All right, so let's, on page 2 down about mid
6 range there's an email to Susan, correct?

7 A That is correct.

8 Q All right. Can you read that?

9 MR. WILKERSON: Wanda, if you can bring
10 that part up.

11 THE WITNESS: It's dated November 11th,
12 2010, at 9:55 a.m., and it says, "Susan, what
13 happens with a lifetime membership once the property
14 is transferred to another owner or entity? Do you
15 think the lifetime memberships will be a red flag
16 for title work? The lifetime memberships seem to be
17 an issue with my buyer. How do you suppose we get
18 around it to make this work. Can you also call
19 Mr. Jim Thigpen or ask one of his partners if they
20 have a map showing where all the improvements,
21 wells, tanks, water, sewer lines, parking pads,
22 etc., are on the property. There has to be some
23 engineering drawings somewhere for this information.
24 I will be happy to call the engineer that drew it
25 all out if you will get me the name and number.

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1 Thanks, Renee Roark."
2 BY MR. WILKERSON:
3 Q Okay. So from that we can gather that you and
4 Mr. Hutson had had a conversation about these
5 lifetime memberships; is that fair to say?
6 A That's correct.
7 Q Okay. And again, you're trying to find out more
8 information about these, correct?
9 A That is correct.
10 Q Okay. Now let's look at the response from
11 Ms. Stroman. And particularly, well — and that
12 bleeds between the two pages.
13 A It starts on page 1.
14 MR. WILKERSON: It starts on page 1,
15 Wanda.
16 BY MR. WILKERSON:
17 Q Particularly, she begins by explaining about the
18 engineering drawings, correct?
19 A That is correct.
20 Q Okay. And then she addresses these memberships,
21 correct?
22 A That's correct.
23 Q Can you read what, how she responds to your
24 questions about the memberships.
25 A "Memberships will transfer with the LLC. There

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1 may be a possibility of moving the membership
2 campground across the road keeping one address for
3 all the resort or buying the members out
4 individually."

5 Q And that goes to the next page. You can
6 continue, Ms. Roark.

7 A Okay. "The yearly fees are due in January. If
8 we were to go to contract by then, perhaps these
9 owners would mail out a letter to all members
10 January 1 stating that if their fees are not paid by
11 January 31st their membership is voided. I feel
12 certain that would eliminate some of them. On the
13 average you lose ten percent per year. Members
14 could also be given a credit to upgrade to something
15 else. There are lots of positives to the members.
16 January is the time to do whatever is to be done. I
17 think the owners will be flexible with the amount of
18 money paid for members. Remember, there is an
19 accounts receivable for over 200,000-dollars on the
20 books for financed members. With some creative
21 thinking we can figure out the member situation, but
22 we cannot ignore the members. Due to the economy
23 most of them would love to have their money back, or
24 at least some of it. There is always a few that
25 will be difficult. Thanks, Susan."

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1 Q Okay. So there, that's information that you
2 received about these memberships, and in the
3 course — well, let's go back to the first page of
4 this exhibit and let's see your response to her.

5 A "Thanks for the suggestions. I have forwarded
6 them to Mr. Hutson. I have also emailed him Billy
7 Coffey's number and suggested that he discuss the
8 legalities of it with him. I will let you know
9 about engineer drawings. Did you get my email from
10 last night? If there is anything I can do to help
11 to get information. Thanks, again."

12 Q So you're working hard to make this come together
13 at this point; aren't you?

14 A Correct.

15 Q Okay. And can you tell from this point and based
16 on the way you conduct business, would you have
17 provided this information about the memberships to
18 Mr. Hutson?

19 A Excuse me?

20 Q Would you have provided the information about the
21 memberships to Mr. Hutson?

22 A Yes, I would have.

23 Q Okay. All right, let's move to Exhibit 42. And
24 you really don't have to read all of this but, what
25 is that, what's that a record of?

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- 1 A Once again, this is a email feed to Mr. Billy
2 Timmons which is an engineer that specializes in
3 commercial development like underground utilities
4 and placing condominium units and things like that,
5 or buildings, anything. He pretty much does
6 commercial property on land so that the buyers will
7 know how the highest best use is for the property.
- 8 Q And again, I believe you're following up with
9 Mr. Hutson's request for a drawing of the property;
10 is that correct?
- 11 A That is correct.
- 12 Q And is this, in fact, a record that you did
13 receive that?
- 14 A That is -- well, I received the email from Mr.
15 Timmons. I emailed Mr. Timmons regarding the
16 drawing because we were told that he is the one, the
17 engineer that had the drawings on that property. So
18 I emailed Mr. Timmons and this is a feed, a email
19 feed, of my conversation with Mr. Timmons.
- 20 Q Okay, all right. Now it is now November 23rd of
21 2010, correct?
- 22 A That is correct.
- 23 Q Have you met your client yet?
- 24 A I have not.
- 25 Q You've been working with him about a month; is

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1 that correct?

2 A That is correct.

3 Q And you never laid eyes on him, correct?

4 A That is correct.

5 Q Did you, in fact, finally meet him face to face?

6 A I did meet him.

7 Q Okay. Tell us about that meeting, when and
8 where.

9 A After Mr. Hutson received all the information
10 that he had required, we agreed to meet at the Big
11 Water property on exit 102, the campground on
12 Thanksgiving day which happened to be November 25th
13 in 2010.

14 Q Okay. Why did you meet him on, why did you give
15 up your Thanksgiving day to meet with him?

16 A Because that's part of being a professional real
17 estate agent. You work whenever your client needs
18 you to work. And he was coming from out of town and
19 he had that day to meet with me so my husband and I
20 went to Big Water and met with him.

21 Q You carried your husband with you?

22 A I did.

23 Q Okay. Tell us about that meeting at Big Water
24 Campground. What did you do and what was discussed?

25 A We met Mr. Hutson there. We walked the property.

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1 We were not able to go into any of the buildings or
2 the facilities as, you know, it was off season and
3 Thanksgiving so there was really no one there
4 working; but that was the day that he could come so
5 we decided to go ahead and meet. We walked the
6 facility. I gave him, we went over the information
7 that I'd already provided him prior to him coming.
8 We went over the plats that I had pulled from the
9 public record and tried to place them with the
10 improvements, the infrastructure that were on the
11 property. We talked about the Santee Cooper portion
12 of the waterfront property. We looked at the docks.
13 We looked at the peers. We talked about potential
14 things that he could do to it, and he just kind of,
15 he picked my brain as a professional real estate
16 agent that had been selling real estate on Lake
17 Marion for ten years and I listened to him as to the
18 things that he was hoping to accomplish with this
19 property or that he had planned to accomplish with
20 this property.

21 Q Okay. And how did y'all leave it after that
22 meeting?

23 A After that meeting he left or did whatever. He
24 went his way and we went home, and he contacted me
25 that following Monday.

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1 Q Okay. And we might, could we refer to Exhibit
2 43, and tell us what this is Ms. Roark.

3 A This is a email feed, once again, from, or email
4 from me and Susan Stroman regarding more
5 information, more questions about the Big Water
6 Campground.

7 Q Okay. And you sent this email to Ms. Stroman,
8 correct?

9 A That is correct.

10 Q And when did you do that?

11 A Monday, November the 29th, 2010.

12 Q Okay. And so this was the Monday after
13 Thanksgiving, right? Got back to work and jumped
14 right on this?

15 A That is correct.

16 Q Okay, all right. And let's refer to Exhibit 44,
17 if we could, and please tell us what that is.

18 A This is another email feed between me and Susan
19 Stroman regarding additional questions that he
20 wanted regarding Big Water Campground.

21 MR. WILKERSON: Can you bring up the first
22 paragraph there, Wanda.

23 BY MR. WILKERSON:

24 Q Okay. You mentioned there something about a
25 confidentiality agreement.

PW - R. ROARK - DIRECT

1 A That is correct.

2 Q What do you, what's your statement about that?

3 A A confidentiality agreement is normally done in

4 the commercial business of real estate whenever a

5 buyer is requesting a lot of information regarding a

6 company, especially financials and things like that,

7 or things that a company uses in their day-to-day

8 operations because the sellers generally do not want

9 that information leaking out to the public, you

10 know, so they ask for a confidentiality statement.

11 And in this situation the sellers of Big Water had

12 asked Susan to get a confidentiality statement from

13 Mr. Hutson. We had talked about it many times, but

14 Mr. Hutson never signed one. He never, you know,

15 agreed to sign one. He never had a confidentiality

16 statement signed. So this email, Susan is still

17 saying, you know, we need a confidentiality

18 statement signed in order to continue to go forward

19 and provide him with this information. And I

20 expressed to her that I have asked Mr. Hutson about

21 a confidentiality statement several times, that he,

22 I have gotten nowhere with him, you know, that he's

23 not really, he's not signed one, he's not provided

24 one, he's not been interested in one that we, you

25 know, ones that we provided; and so therefore, we

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1 were not getting anywhere with the confidentiality
2 statement.

3 Q Despite his admonition or his demand to you that
4 he be kept confidential; is that right?

5 A That is correct.

6 Q Okay. Now, after this date which I believe that
7 date is November 29th.

8 A That's correct.

9 Q What was your involvement with the transaction
10 that brought Mr. Hutson into possession of the Big
11 Water Campground?

12 A My involvement was, as I stated earlier he was my
13 client. We **did** have a buyers/agency agreement
14 signed. He signed it with my brokerage that I
15 worked for at the time. So my, as he stated before
16 in the previous email, I did not **draw** up any kind of
17 contracts to purchase or anything like that. His
18 attorneys and the sellers' attorneys drew up all the
19 contracts between them, which is very unusual
20 because normally in the world of real estate, you
21 know, I would **be** the one or along with an attorney
22 to draw up the contracts to purchase. I would at
23 least get to see a copy of it. I never saw a copy
24 of the contract purchase between these two
25 individuals, between the buyer, or the buyer and the

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1 sellers. The only contract that we got was a
2 commission statement stating that they were willing
3 to pay us whenever this property closed and stated
4 how much the commission would be.

5 Q Were you ever paid?

6 A No, sir.

7 Q So even though you worked as Mr. Hutson's client
8 you were never paid?

9 A That is exact-- that's correct, yes.

10 Q Now, in all this time, and of course, when you
11 have a client you're bound by the professional
12 standards that apply to your profession about what
13 you can disclose about a client; is that correct?

14 A That is correct.

15 Q Okay. And all this time you were working for
16 Mr. Hutson and you, how did you understand that his
17 name was spelled?

18 A H-U-D-S-O-N.

19 Q Did you ever learn that there is another spelling
20 of that name?

21 A Throughout the process of different things that
22 came about — and I don't exactly recall exactly
23 when I found out that there may be possibility be an
24 H-U-T-S-O-N spelling of his name which in the legal
25 world of real estate, if you sign something illegal,

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1 then it's no longer valid. So, like I said, I'm
2 not, you know, exactly sure which way his name was
3 supposed to be spelled; but he told me H-U-D-S-O-N.

4 Q Is that unusual in your experience to have
5 someone misrepresent their name to you?

6 A That is very unusual in the world of real estate.
7 It almost makes us, people to show ID. So if you
8 work with a real estate agent and they ask to see
9 your ID, remember this transaction because that's
10 why.

11 Q When we were going through our documents I missed
12 one, one point, and I'd like to refer you back to
13 Exhibit 14, if you could. It was the second one, or
14 maybe the third one you discussed.

15 A Yes.

16 Q That's that first email to Susan-- well, no,
17 that's the first email to Mr. Coffey, correct?

18 A Correct.

19 Q When you sent that email there's a way you can
20 send the document at the same time, right?

21 A That is correct.

22 Q And you had a document sent with that email,
23 right?

24 A That is correct.

25 Q And what document did you send?

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1 A It was Susan Stroman's, she is a lifetime member
2 which is the other real estate agent that was
3 representing the sellers and Big Water, and it was
4 her actual lifetime membership because Mr. Hutson
5 wanted to see what they looked like. He wanted to
6 understand and we wanted to be able to explain to
7 him the best of our knowledge regarding lifetime
8 memberships. So she emailed me a copy or emailed me
9 a copy of her actual lifetime membership so that I
10 could provide it to Mr. Coffey for him to be able to
11 discuss it with Mr. Hutson.

12 Q Okay. So again, we're talking about this lady
13 Susan Stroman, and the jury is going to get to meet
14 her 'cause she's out here, right?

15 A Right.

16 Q And she was actually a member of Big Water?

17 A That's correct.

18 Q That a little bit coincidental, right, —

19 A That is correct.

20 Q —but it just so happened. So your client had
21 questions about these lifetime memberships and y'all
22 decided, let's show him exactly what it is, right?

23 A Exactly.

24 Q Did you provide a copy of Ms. Stroman's
25 membership agreement to Mr. Hutson?

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1 A I provided it to Mr. Coffey and I would presume
2 that Mr. Coffey provided it to Mr. Hutson or
3 discussed it with Mr. Hutson, you know, during their
4 conversations because if you look at the email
5 traffic further on, it says that Mr. Coffey has
6 discussed the stuff with Mr. Hutson and that he is
7 working on a contract for him.

8 Q Okay. Thank you, Ms. Roark, answer any questions
9 Mr. Gordon may have.

10 MR. GORDON: Thank you, Your Honor.

11 **CROSS-EXAMINATION**

12 BY MR. GORDON:

13 Q Ms. Roark.

14 A Hello.

15 Q I'm Frank Gordon. I represent Mr. Hutson.

16 A Yes, sir.

17 Q I've got a few questions that are gonna be a lot
18 like the ones you just answered.

19 A Okay.

20 Q Let me know if you can't hear me.

21 A Okay.

22 Q I'm gonna talk to you about the same exhibits
23 really, Ms. Roark, but mine have different numbers
24 on them, but I'll give you a copy of mine with the
25 different number. We'll be real confused about

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1 numbers and we'll pull them up on the screen also.
2 Let me ask you about something that you just
3 testified about, Ms. Roark. When Mr. Hutson first
4 came to talk to you back in the Fall of -- well, not
5 came, but talked to you over the phone I reckon, in
6 the Fall of 2010 he told you he was looking for
7 waterfront property to develop, correct?

8 A Correct.

9 Q And as you've indicated, there's not a whole lot
10 of that around here?

11 A Correct.

12 Q Or at least there wasn't back in 2010. There may
13 be more today.

14 A Well, there's a lot of waterfront property, but
15 not acreage that can be developed on Lake Marion
16 because a lot of the acreage that is still available
17 on Lake Marion is owned by Santee Cooper. And so in
18 order to develop Santee Cooper property, you have to
19 enter into a commercial lease with them and that
20 means you don't own the property at all. All you
21 would own is the improvements on it, and Mr. Hutson
22 really was not interested in not being able to own
23 the majority at least of the property that he had
24 improvements on.

25 Q And these folks, TLC, had a lease with Santee

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- 1 River Corporation; didn't they?
- 2 A Santee Cooper, yes, they did.
- 3 Q Santee Cooper Corporation for the waterfront
- 4 property —
- 5 A Correct.
- 6 Q —that we're talking about?
- 7 A That's correct.
- 8 Q And that waterfront, the campground was located
- 9 on that waterfront property, right?
- 10 A Just a portion of it, not, not, I don't recall
- 11 'cause I haven't seen a plat on it probably since
- 12 2010; but, you know, the majority of that property
- 13 that TLC holds is deeded property, means they own
- 14 it. So the lease portion is just a strip basically
- 15 on the waterfront property, and I cannot — I don't
- 16 recall how big that strip is so I cannot say that
- 17 some of the cabins and stuff that are waterfront are
- 18 not on deeded land or whether they're on leased
- 19 property. Like I said, I haven't looked at a plat,
- 20 you know, in a long time to be able to clarify that;
- 21 but there is leased property on that particular
- 22 piece of property, which is not uncommon for Santee
- 23 Cooper and on Lake Marion.
- 24 Q Okay. I'm sorry, the campground was on the
- 25 waterfront; wasn't it?

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1 A Yes, sir, it is.

2 Q Okay. Now, and you discussed the efforts that
3 Mr. Hutson went to back in the Fall of 2010 through
4 you to find out information about the property,
5 right?

6 A That is correct. He ---

7 Q I'm sorry, you don't have to say it all again.
8 You just discussed all that, right?

9 A We did, but his efforts were really, in other
10 words, he gave me the que-- I asked, he asked the
11 question and I provided the information or either
12 provided the person that he needed to talk to about
13 the information.

14 Q Yes, ma'am.

15 A He wasn't actually the one getting all this
16 information himself at first.

17 Q Right, yes, ma'am. And so you were working on
18 his behalf?

19 A That is correct.

20 Q And of course, like you just said a few minutes
21 ago you wanted this deal to go through so you would
22 get a commission?

23 A That's correct.

24 Q That's how you make money.

25 A Exactly right.

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1 Q If the deals don't close you don't make money.

2 A That is correct.

3 Q Okay. So you're helping him out. In that
4 process you folks in the real estate business have a
5 phrase for it, it's called due diligence; isn't it?

6 A That is correct.

7 Q And D-U-E, diligence, means basically trying to
8 find out what it is you're getting ready to buy.

9 A It's to provide him all of the information that I
10 can legally find out about a piece of property so
11 that he can make as my buyer the right choice for
12 him based on the information that I provide him.
13 Me, as the licensed agent, I don't help my buyers
14 make information. I just provide them all the
15 information that is available so that he can make an
16 educated decision about whether he needs to go
17 forward or the questions that he needs answered are
18 what he needs to have done in order for him to feel
19 confident enough for that transaction to close, and
20 that was what my role is as a real estate agent.
21 And it doesn't matter whether it's a ten thousand
22 dollar piece of property or a ten million dollar
23 piece of property, I treat everyone the same.

24 Q Yes, ma'am, 'cause you don't want your potential
25 buyers you're representing to close on a piece of

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1 property, and then after they close they find out
2 something bad about it and then they're unhappy.

3 A That's correct. Real estate is a reputation
4 business. And I only sell real estate in Clarendon
5 County and I live in Clarendon County, and you know,
6 I'm not going to do something -- as I tell
7 everybody, you're not gonna be walking in Wal-mart
8 and me going out the other door 'cause I don't want
9 to see you. That's not how I operate my business,
10 you know, as a professional realtor.

11 Q You know, believe or not, I was just getting
12 ready to ask you a question about Wal-Mart. The
13 question is, you wouldn't want to go in Wal-Mart and
14 buy a TV and take it home and plug it in and it
15 doesn't work, would you?

16 A Correct.

17 Q All right, the same idea. You don't want to buy
18 something and take it home and find out something is
19 wrong with it.

20 A That's correct.

21 Q Okay. You wouldn't want to buy something, take
22 it home and find out, well, this is a stink bomb,
23 it's defective, it's got problems with it and I
24 didn't find out about it during the due diligence?

25 A Well, real estate is a whole lot different than

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1 TVs. In other words, there are third parties
2 involved in real estate that have a whole lot more
3 legalities than I do as a realtor. Real estate
4 wise, if -- our job is as a professional realtor is
5 to guide the individuals to make sure all of these
6 I's are dotted and T's are crossed. In other words,
7 to make sure the title work is done, to make sure
8 any, you know, deficiencies as you're saying or bugs
9 that he was talking about that could prevent a buyer
10 from taking clear title, clear ownership to a piece
11 of property. That is the things that we rely on
12 real estate attorneys for. And so therefore, I
13 wasn't as confident about the lifetime membership
14 and how they work, so therefore, I brought a real
15 estate attorney in that could help me with that
16 process. And it's the same way, I write up or I
17 help get the buyer to the part of my profession, and
18 then I rely on a third party which is a title
19 abstractor or a real estate attorney to do the legal
20 things that I'm not licensed to do.

21 Q Yes, ma'am.

22 A And that's where we were. And so when a piece of
23 prop-- when a piece of property transfers ownership
24 that I have represented someone, the only thing that
25 I'm responsible for is my due diligence as far as

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1 making sure the contract was performed. In other
2 words, the buyer did all of, everything that he was
3 supposed to do, that he agreed to do within that
4 contract. As far as the bugs and that type of
5 thing, that's really beyond my scope of
6 professionalism; that relies on a third party.

7 Q Oh, yes, ma'am. And the folks that are doing the
8 deal need to do that kind of thing.

9 A I'm sorry?

10 Q I got you, I'm with you. Let's move to the next
11 question.

12 A Okay.

13 Q The next question is, I wanted to ask you about a
14 meeting you all had on Thanksgiving day in 2010.

15 Y'all actually met at the property?

16 A That's correct.

17 Q And you walked around some, you told. You walked
18 the property. You were not able to get into the
19 buildings. I think you mentioned that no one else
20 was there, right?

21 A I'm not, there were some campers there and people
22 like that, but there was no personnel there. You
23 know, the building at front wasn't open or anything
24 like that.

25 Q Okay.

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1 A It was Thanksgiving.
2 Q I'm sorry?
3 A I said because it was Thanksgiving, a holiday.
4 Q Right.
5 A Uh-huh.
6 Q And I think you mentioned y'all also talked about
7 the waterfront portion of the property and what
8 could be done with it?
9 A We talked about Santee Cooper's involvement in
10 the waterfront property as far as the lease was
11 concerned and how that would transfer with the
12 purchase of the property and, or at closing of the
13 property and that you would have to get permission
14 from Santee Cooper to do any type of improvements on
15 their leased portion, on the portion that Santee
16 Cooper owns. That, we did discuss that type of
17 thing. And then we discussed future improvements,
18 you know, what -- he had several different ideas.
19 He wanted to add some more boat docks and things
20 that were already there at the marina. He talked
21 about buying, building some condominiums, and
22 actually talked about moving the campground itself,
23 leaving the cabins that were there, but moving the
24 campground itself across the street because he had
25 all of this waterfront access. And so it would kind

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1 of be the best of both worlds, you know, for campers
2 as well as condominium owners to enjoy the facility.

3 Q To develop condos right there on the waterfront
4 and move the RV sites a little bit away off the
5 waterfront?

6 A That's correct. And not all of them, just some
7 of them, and leave the cabins where they were, but
8 only to develop -- he could only develop condos on
9 the deeded portion that he would have taken
10 ownership of. He could not, you know, build condos
11 on the leased portion that Santee Cooper owned.

12 Q And that's right along the water?

13 A Well, I don't know how big the marginal strip is
14 and it depends on the lay of the land, you know, as
15 far as how far up it came on, you know, the land. I
16 mean, you know, it's different for each piece of
17 property.

18 Q Okay. All right, well let's talk then about
19 these emails again for just a few minutes if you can
20 bear with me.

21 A Okay.

22 Q Let me ask you first about the one that's marked
23 Defendant's Exhibit Number 76.

24 MR. GORDON: May I approach the witness,
25 Your Honor?

PW - R. ROARK - CROSS

1 THE COURT: Yes, sir.

2 BY MR. GORDON:

3 Q I want to hand you a copy of this exhibit,
4 Ms. Roark, and I've highlighted some of it and I
5 want to help you -- I want you to help me read
6 through it. And we've got it on the TV so maybe the
7 folks on the jury can see and maybe they can't.
8 We'll read it out loud. You've already discussed
9 this exhibit a few minutes ago, ma'am. This was
10 Plaintiff's Exhibit 41.

11 A That's correct.

12 Q Yes, ma'am. This was the chain of emails.
13 Really, I think it's three emails. The first one --
14 of course, they're in reverse order. The first one
15 is from you to Ms. Stroman and then she responded
16 and then you sent another email, right?

17 A That's correct.

18 Q So let's start on page 2 of it, which is really
19 actually the first email. And at this time you're
20 representing Mr. Hutson and Ms. Stroman is
21 representing the sellers, TLC, Mr. Clarke,
22 Mr. Lovell, and Mr. Thigpen, right?

23 A That is correct.

24 Q All right. And you wrote to Ms. Stroman on
25 November 11th, 2010: "What happen with the lifetime

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1 memberships once the property is transferred to
2 another owner, entity? Do you think the lifetime
3 memberships will be a red flag for title work? The
4 lifetime memberships seem to be an issue with my
5 buyer. How do you suppose we get around it to make
6 this work?" So I want to -- that's the paragraph I
7 really want to ask you about there, ma'am, your
8 email. First the notion that the lifetime
9 memberships will be a red flag for title work. As
10 you told us you're not a legal expert and certainly
11 know a lot about real estate, selling, buying and
12 problems that arise, and that potentially was a
13 problem in your mind?

14 A It was not, I mean, yes, that was a concern of
15 Mr. Hutson. He is the one that asked, you know,
16 that talked about the red flags for title work where
17 the lifetime memberships are concerned.

18 Q Did you have any thoughts about that on his
19 behalf?

20 A I asked the question like he asked me to do.

21 Q Okay. And then the fourth sentence of that
22 paragraph, "How do you suppose we get around it to
23 make this work, the lifetime memberships?"

24 A Correct.

25 Q So you're asking Susan how can we get around the

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1 camper contract, right?

2 A I'm asking her how can we get clear title on this
3 property if there is lifetime memberships or what do
4 you suggest because, therefore, again, that's really
5 not a question that Susan and I can answer because
6 that's -- I mean, legally.

7 Q Right.

8 A You know, I would never advise my buyer and I'm
9 sure she wouldn't either on the possibilities of
10 doing something with a lifetime membership that we
11 are not familiar with as far as title and the legal
12 aspects of it.

13 Q Yes, ma'am. So let's look at her response on the
14 same day back to you which starts over on page 1 of
15 the exhibit and then goes over to page 2. And her
16 response on that issue -- I just want to direct your
17 attention to that second photograph that starts with
18 the word memberships.

19 A Yes, sir.

20 Q "Memberships will transfer with the LLC," and
21 again, we're talking about the camper memberships
22 also referred to in this case as the camper
23 contracts.

24 A Okay.

25 Q Okay? She says, "Those are gonna transfer with

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1 the sale of the LLC." The next sentence, "There may
2 be a possibility of moving the membership campground
3 across the road." Let's stop there for a minute.
4 And of course, you and Mr. Hutson had just talked
5 about that. Or, I'm sorry, you remember talking
6 about that about two weeks later on Thanksgiving?
7 A Correct.
8 Q Y'all discussed the possibility and Susan Stroman
9 mentioned the possibility on behalf of the sellers
10 that there might be a possibility of moving the
11 campground across the road.
12 A That's correct.
13 Q All right. And then she says, "Or buying the
14 members out individually." Buying back the camper
15 contracts?
16 A Our, whatever the remaining money that they had
17 paid in 'cause you have to remember these camp—
18 these contracts, these folks, even though these
19 contracts were 8400-dollars a piece, these folks
20 that had these contracts didn't write out an
21 8400-dollar check. Most of them put 840-dollars
22 down, okay, so there was a balance of it. So by
23 this time, say for instance, they had paid in, you
24 know, two or three thousand dollars on their
25 membership of that 8400-dollar contract, well, Susan

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1 had suggested that maybe since this was 2010 and,
2 you know, we'd already had the bubble by then, the
3 real estate market was not very good, that these
4 folks would consider or may consider getting
5 whatever money they had paid in back out.

6 Q They might be willing voluntarily just accept a
7 refund of what they'd put in and quit the
8 campground?

9 A Well, not necessarily quit. I mean, you know,
10 they still had access as we discussed yesterday for
11 the public; but they would no longer have a lifetime
12 membership there. However, they would receive the
13 money that they had already paid back. That was the
14 notion or the suggestion that may be one way to do
15 away with the lifetime memberships. But like I
16 said, this was just suggestions that she had, you
17 know, that may work in order -- if at this time
18 there was title issues. We did not know whether
19 there was gonna be title issues or not. That was
20 Mr. Hutson's concern at this particular point.

21 Q Okay. So one way, y'all discussed that, you said
22 do away with the lifetime memberships was maybe to
23 buy some of them back?

24 A Exactly.

25 Q And then the next sentence says, "The yearly fees

PW - R. ROARK - CROSS

1 are due in January. If we're going to go to
2 contract by then," — that means finish this deal by
3 then, right?

4 A That means put the deal together and have both
5 parties sign because there was no way possible that
6 we could possibly close within that time, but we
7 could have the resort, the Big Water Resort, under
8 contract which meant that Mr. Hutson was obligated
9 to the seller and the sellers were obligated to the
10 buyers and the seller could not sell it to anyone
11 else in the event someone else came along.

12 Q Okay. And so she's saying in this sentence, "The
13 yearly fees are due in January. If we were to go to
14 contract by then perhaps these owners" — and she's
15 talking about her clients in that phrase, right, TLC
16 and Mr. Clarke, Lovell -- "would mail out a letter."
17 She's talking about her clients, right, "these
18 owners"?

19 A I am not — okay, if we could go to contract by
20 then, January 1, perhaps these owners would not —
21 okay, yeah, I suppose that's who she's talking
22 about.

23 Q Okay. Would mail out a letter to all members —
24 that's campground members, right?

25 A Correct.

PW - R. ROARK - CROSS

1 Q January 1st, stating that if their fees -- they
2 had to pay annual fees each year, right?

3 A Correct.

4 Q If their fees are not paid by January 31st their
5 membership is voided. That's in Ms. Stroman's
6 sentence on behalf of her clients TLC, Clarke and
7 Lovell says, right?

8 A She said perhaps.

9 Q Perhaps, that's right.

10 A Okay, that's the key word there because she
11 doesn't know whether they would or not. She just
12 said maybe this is an option.

13 Q She --

14 A Perhaps means maybe.

15 Q She's representing them here, we've established
16 that.

17 A That is correct.

18 Q And so that will be another way to get rid of the
19 camp, the lifetime campground contracts; wouldn't
20 it?

21 A That's what she said. She said that their
22 membership would be voided if they -- but you know,
23 it's like anything else. If you have a life
24 insurance policy and you don't pay it by the due
25 date, then what happens to it?

PW - R. ROARK - CROSS

- 1 Q Well---
- 2 A What happens to the life insurance policy?
- 3 Q Her next sentence tells becomes voided ---
- 4 THE COURT: Hold on, ma'am.
- 5 THE WITNESS: So ---
- 6 THE COURT: Ma'am, please slow down.
- 7 THE WITNESS: Okay.
- 8 THE COURT: First of all, you don't get to
- 9 ask questions, okay?
- 10 THE WITNESS: I'm sorry.
- 11 THE COURT: I know you get into it.
- 12 You're talking over each other.
- 13 Proceed, sir.
- 14 BY MR. GORDON:
- 15 Q Let's go to the next sentence, Ms. Roark.
- 16 A Okay.
- 17 Q Ms. Stroman says, "I feel certain that would
- 18 eliminate some of them."
- 19 A Yes, that's what it says.
- 20 Q That would get rid of some of these lifetime
- 21 contracts; wouldn't it?
- 22 A Can I elaborate on that?
- 23 Q I mean, that's what it says, right?
- 24 A That is exactly what it says.
- 25 Q Okay.

PW - R. ROARK - CROSS

1 A Okay.

2 Q "On the average, you lose ten percent per year.
3 Members can also be given a credit, upgrade to
4 something else. There are a lot of positives to the
5 members. January is the time to do whatever is to
6 be done. I think the owners will be flexible with
7 the amount of money paid for the members." The
8 owners, those are her clients, would be flexible
9 with the amount of money paid to the owners, to the
10 members. That's to buy them out, right?

11 A I'm not exactly sure if she was talking about
12 owners as in TLC Holdings or if she was talking
13 about owners of the lifetime memberships because
14 she, you know, had talked about buying them out. In
15 other words, I thought that meant that they would be
16 happy to receive some money instead of none at all
17 or ---

18 Q This ---

19 A Yeah.

20 Q Ms. Stroman's gonna be next and we'll ask her.

21 A Okay.

22 Q Okay? She goes on in the next paragraph, "With
23 some creative thinking we can figure out the member
24 situation, but we cannot ignore the members. Due to
25 the economy most of them would love to have their

PW - R. ROARK - CROSS

1 money back, or at least some of it. There is always
2 a few that will be difficult." That's what she
3 wrote, right?

4 A That's correct.

5 Q All right. And then let's go to the back on the
6 first page of this Exhibit 76, ma'am. You responded
7 to that email also on the same day.

8 A That's correct.

9 Q And you said to her, "Thanks for the suggestions.
10 I have forward~~ed~~ed them to Mr. Hudson," right?

11 A That's correct.

12 Q All right. Let's go to Defendant's Exhibit 77.

13 MR. GORDON: May I approach the witness,
14 Your Honor?

15 THE COURT: Yes, sir.

16 BY MR. GORDON:

17 Q Okay, Ms. Roark, this was short. This is the
18 email you wrote -- actually, this kind of jumps
19 forward to December 8th but, by December 8th
20 Mr. Hutson was back to talking to you about a
21 different property; wasn't he, ma'am?

22 A Well, as I stated before, we talked about several
23 different properties because there are four that met
24 his criteria for what he wanted on Lake Marion.
25 This property that we're referring to is with Tim

PW - R. ROARK - CROSS

1 Matthews, and we had already discussed Randolph
2 Landing which was owned by her dad.

3 Q And you've said in this email to Kim Matthews who
4 is also a realtor, right?

5 A Correct.

6 Q Mr. Hutson is inquiring about other property --
7 that would be Randolph's Landing -- since Big Water
8 may not work out.

9 A Correct.

10 Q I want to ask you about another document, ma'am.
11 I don't think I need to really waste time going back
12 and forth. You've already talked about this fact.
13 This is in Defendant's Exhibit 78. Ms. Stroman
14 wanted Mr. Hutson to sign a confidentiality
15 agreement, right?

16 A That is correct.

17 Q She wanted that on behalf of her clients, right?

18 A That's correct.

19 Q And then let me ask you about one more document,
20 ma'am, Defendant's Exhibit 79.

21 MR. GORDON: May I approach the witness,
22 Your Honor?

23 THE COURT: Yes, sir.

24 BY MR. GORDON:

25 Q This one is brief also, Ms. Roark, and it also is

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1 two emails that are kind of in reverse order. And
2 let's look at the first email which was from the
3 fella named Billy Timmons who's, has an engineering
4 company here in Clarendon County. It's an email
5 from him to you on November 22nd, 2010, right?

6 A Correct.

7 Q And he writes to you, "Renee, please send me a
8 return email to verify that you got this." And he
9 said in the next sentence, "The layout shown is very
10 preliminary." Apparently he's attached a layout,
11 some type of flat drawing of something.

12 A That's what it appears, but I don't exactly
13 remember, and it doesn't show an attachment.

14 Q Is that generally what the word layout would mean
15 in your business?

16 A It would — yes, a layout would be improvements
17 on a piece of property.

18 Q Some kind of drawing showing —

19 A Some type of drawing, improvements on a piece of
20 property.

21 Q "The layout shown is very preliminary and to show
22 how many units could fit while keeping some RV, some
23 RV sites and cabins." That's what he wrote.

24 A Correct.

25 Q He's talking to you then about a drawing that

PW - R. ROARK - REDIRECT

1 would show how many condominium units can fit in
2 here while keeping some of the RV sites and the
3 cabins?

4 A That's correct.

5 Q And that would mean moving some of the RV sites
6 and the cabins like we've been talking about, right?

7 A Not the cabins, but RV sites.

8 Q Okay. And you forwarded that email to Mr. Hutson
9 also, right?

10 A Correct.

11 Q Those are all my questions for you, Ms. Roark.

12 A Okay.

13 MR. GORDON: I'd like to come get my last
14 piece of paper if that's all right, Your Honor.

15 THE COURT: Yes, sir.

16 MR. GORDON: Thank you.

17 THE COURT: Mr. Johnson.

18 MR. JOHNSON: Just briefly, Your Honor.

19 **REDIRECT EXAMINATION**

20 BY MR. JOHNSON:

21 Q Ms. Roark, just a followup on this question of
22 due diligence. Now projecting on forward, we kind
23 of quit talking about or we didn't have much after
24 the beginning of December between you and any of
25 these parties, right?

PW - R. ROARK - REDIRECT

1 A Correct.

2 Q Was there a time when, in fact, you basically
3 lost communication with Mr. Hutson?

4 A Yes. As time progressed and things weren't
5 really moving as quickly as he had originally
6 thought they were, whenever the closing date was
7 approaching I had several, you know, attempts to
8 communicate with Mr. Hutson and he did not reply to
9 me or Ms. Stroman; and then eventually he said we
10 weren't gonna be able to close at that particular
11 time.

12 Q Okay. Now as far as when you were involved
13 requesting information, were you ever denied any
14 information?

15 A I was never denied any information.

16 Q Okay. And this question of these lifetime
17 memberships, who was it that seemed to be really
18 antagonistic against going on with the lifetime
19 memberships?

20 MR. GORDON: Objection to antagonistic,
21 Your Honor.

22 MR. WILKERSON: Okay.

23 BY MR. WILKERSON:

24 Q Who was it that seemed to be opposed to
25 proceeding with a transaction, to proceeding with a

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1 deal that included lifetime memberships?

2 A Mr. Hutson.

3 Q Thank you. Nothing further.

4 MR. GORDON: Nothing further, Your Honor.

5 THE COURT: You may step down.

6 MR. JOHNSON: Your Honor, please.

7 THE COURT: Yes, sir.

8 MR. BYRD: We will call Ms. Susan Stroman.

9 THE CLERK OF COURT: Raise your right
10 hand, place your left hand on the Bible, repeat your
11 name please.

12 THE WITNESS: Susan Stroman.

13 WHEREUPON,

14 **SUSAN STROMAN,**

15 having been duly sworn by the Clerk, testified
16 as follows:

17 **DIRECT EXAMINATION**

18 BY MR. BYRD:

19 Q Good morning, Ms. Stroman

20 A Good morning.

21 Q Would you tell the jury your name please.

22 A Susan Stroman.

23 Q And you live in the area?

24 A I live in Elloree, South Carolina.

25 Q Okay. Tell us a little bit about your education,

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1 Ms. Stroman. If you would, begin with the high
2 school from which you graduated.

3 A I graduated from Orangeburg High School, went to
4 the University of Georgia for two years.

5 Q And thereafter any additional education?

6 A Quite a few real estate courses and completion of
7 my South Carolina broker's license.

8 Q Are you a registered real estate agent?

9 A Yes, sir, I am a licensed real estate broker.

10 Q And were you licensed in 2010 as a real estate

11 ---

12 A Yes, sir.

13 Q Okay. Tell us, if you would, a little bit about
14 your employment history; but I'm gonna ask you
15 specifically before you do that, in 2010 with whom
16 were you employed?

17 A I was employed with AgentOwned Realty in Santee,
18 South Carolina.

19 Q Now tell us a little bit generally about your
20 employment history beginning, if you would, when you
21 were licensed as a real estate agent.

22 A I was licensed as a real estate agent in 1986 and
23 was employed by Century 21 in Santee, South
24 Carolina, and have continually worked in the Santee
25 area for the past 32 years as a real estate agent

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1 and then later a broker.

2 Q Do you remember the first time that you ever
3 talked with Mr. M.B. Hutson?

4 A I talked with Mr. Hutson by phone in November of
5 2010.

6 Q And was that the first contact you had with him?

7 A I had contact with his broker Renee. That is the
8 first contact I'd had with Mr. Hutson.

9 Q Okay. So before that you'd been in contact with
10 Ms. Roark who was just up on the stand?

11 A Yes, sir.

12 Q Do you remember or is your recollection similar
13 to Ms. Roark's with regard to communications the two
14 of you had?

15 A Yes, sir.

16 Q When Ms. Roark asked you about your knowledge of
17 property that might be available for what Mr. Hutson
18 was looking for, how did you respond to that?

19 A Please repeat the question.

20 Q Yes, ma'am. Ms. Roark asked you if you knew any
21 property that might satisfy what Mr. Hutson was
22 looking for; is that correct?

23 A Yes, sir.

24 Q And do you recall what you told her?

25 A I told her that there were several properties at

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1 Exit 102 that were commercial, large tracts of
2 commercial property on Lake Marion and that I could
3 try to contact some of the owners and see if anyone
4 would be interested in selling.

5 Q Now you referenced Exit 102. That's the exit on
6 I-95?

7 A Yes, sir.

8 Q And is that the exit which is contiguous to Lake
9 Marion, the big lake?

10 A Yes, sir.

11 Q And there's an exit there that you can get off of
12 I-95 to get to the property which is the subject of
13 this litigation, that is, Big Water Campground; is
14 that correct?

15 A Yes.

16 Q Were there other properties that you were aware
17 of other than Big Water Resort?

18 A I was aware that the Northshore partners would
19 possibly sell some of their development because the
20 economy was taking a dive at that time and they
21 might be having some difficulties and they might be
22 willing to sell off some of their undeveloped
23 property, but I did not represent the partners. And
24 there was another mobile home park there, Cooper'
25 Landing, that Mrs. Cooper, Mrs. Love, I'm sorry,

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1 owned that I contacted Mrs. Love also.

2 Q Okay. And how did you happen to know about Big
3 Water Resort RV site?

4 A In 2009 my husband and I had contacted the owners
5 of the land, TLC Holdings, and had talked with Mr.
6 Lovell and Mr. Clark about the possibility of us
7 purchasing Big Water.

8 Q And were they willing to talk with you about that
9 possibility?

10 A They did talk with us about it, yes, sir.

11 Q And were you ultimately able to put any sort of
12 purchase together?

13 A No, sir.

14 Q And why is that, Ms. Stroman?

15 A We weren't given the appraisal on that property,
16 and it was just beyond our realm of being able to do
17 it. We could not do it.

18 Q You just were not financially able to ---

19 A Correct.

20 Q Okay. I would ask you, please, if we could pull
21 up exhibit 13. You see that document, Ms. Stroman?

22 A Yes, sir.

23 Q And you heard Ms. Roark testifying about that
24 communication?

25 A Yes, sir.

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1 Q Okay. And that is the email she sent to you and
2 Kim Matthews which included a cut and paste from
3 Mr. Hutson's email to her; is that correct?

4 A Yes, sir.

5 Q And did you receive that communication in
6 November?

7 A Yes, sir.

8 Q Okay. And did you respond to the questions that
9 Ms. Roark put to you about this piece of property?

10 A I do not recall.

11 Q Whether you did or not?

12 A I do not recall.

13 Q Okay. Do you recall that you had continuing
14 discussions with Ms. Roark about this piece of
15 property?

16 A Yes, sir.

17 Q Okay.

18 MR. BYRD: You can take that one down,
19 Ms. Johnson.

20 BY MR. BYRD:

21 Q Do you recall, Ms. Stroman, that you assisted in
22 providing the engineering drawings with regard to
23 that property?

24 A Yes, sir, I provided Mr. Billy Timmons' name and
25 phone number to Renee.

PW - S. STROMAN - DIRECT

1 Q Okay. And he is the engineer that had prepared
2 drawings with regard to that property?

3 A Yes, sir.

4 MR. BYRD: If you can put up Exhibit 14
5 please, ma'am.

6 BY MR. BYRD:

7 Q Ms. Stroman, did you know that Ms. Roark was
8 communicating with attorney Billy Coffey in Manning?

9 A Yes, sir.

10 Q Okay. And did you understand that Mr. Coffey was
11 representing Mr. Hutson as his lawyer?

12 A I knew that Mr. Hutson and Mr. Coffey were
13 discussing the legalities of the memberships.

14 Q Okay. Thank you, ma'am.

15 MR. BYRD: You can take that down,
16 Ms. Johnson, please. Exhibit 41, please, ma'am.

17 BY MR. BYRD:

18 Q Ms. Stroman, if you would take a minute or so and
19 review that email chain that Ms. Roark talked about
20 during her testimony.

21 A Yes, sir.

22 Q All right. Those emails indicate some of them
23 are to you and some are from you. Are those emails
24 actually what they reflect, communications between
25 you and Ms. Roark?

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1 A Yes.

2 Q All right.

3 MR. BYRD: Ms. Johnson, if you could pull
4 up Exhibit 43 please. And could you blow that up
5 just a little bit for me, Ms. Johnson, so we can
6 read it.

7 BY MR. BYRD:

8 Q All right. In that exhibit that's an email from
9 Ms. Roark to you, is that correct, Ms. Stroman?

10 A Yes, sir.

11 Q And she's asking you to provide the following
12 information with regard to Big Water: "Square
13 footage of all the buildings on the Big Water
14 property, name of appraiser that did the last
15 appraisal on Big Water, is it possible for
16 Mr. Hutson to see last appraisal that was done?"
17 Now were you aware that there was an appraisal on
18 that property?

19 A Yes, sir.

20 Q And I believe you'd actually seen that appraisal
21 when you and your husband were talking to them about

22 —

23 A Yes.

24 Q ---buying that property? And that was an
25 appraisal that had been given to the owners of Big

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- 1 Water Resort; is that correct?
- 2 A That's correct.
- 3 Q Do you happen to recall what the appraised value
- 4 was in that appraisal?
- 5 A To the best of my knowledge it was
- 6 7 million-dollars.
- 7 Q Okay. And then the question was the name of an
- 8 MAI commercial appraiser. Do you know what MAI
- 9 stands for, Ms. Stroman?
- 10 A No, sir.
- 11 Q Okay. But it is a title that is given to
- 12 appraisers, is it?
- 13 A I do not know.
- 14 Q Okay. And did you know the name of an appraiser
- 15 in the area that you could provide?
- 16 A Yes, sir.
- 17 Q And who was that?
- 18 A Dwight Stewart in Manning.
- 19 Q Okay. And also you were asked the name of the
- 20 person or company that did the sewer system for Big
- 21 Water. Did you know the answer to that question?
- 22 A I knew the engineer only, Billy Timmons.
- 23 Q And that was Billy Timmons ---
- 24 A Correct.
- 25 Q ---in Manning?

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1 A Right.

2 Q And he's a registered engineer, correct?

3 A Yes, sir.

4 Q Okay. Now, we know that you had requested that
5 Mr. Hutson sign a confidentiality agreement before
6 you provided this information; is that correct?

7 A Yes, sir.

8 Q Did you ever get such a confidentiality
9 agreement?

10 A Not, not that I can recall.

11 Q Did you honor the request from Ms. Roark to keep
12 this matter confidential?

13 A Yes, sir.

14 MR. BYRD: Ms. Johnson, if you can please
15 pull up Exhibit number 44.

16 BY MR. BYRD:

17 Q Take a minute to familiarize yourself of that
18 exhibit. That's some more conversation about the
19 confidentiality agreement that you were requesting,
20 correct?

21 A Yes, sir.

22 Q And Ms. Roark says that she's gonna see if she
23 can get Mr. Billy Coffey, attorney Billy Coffey, to
24 provide that. Do you know, I think you've just
25 answered that that was never provided?

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1 A The confidentiality agreement, I do not recall
2 ever having received one.

3 Q Okay.

4 MR. BYRD: Ms. Johnson, if you can pull up
5 exhibit 26 please, ma'am.

6 BY MR. BYRD:

7 Q Ms. Stroman, I've just handed up to you what has
8 been marked and entered into evidence in this case
9 Exhibit Number 26. And you see, this is an email
10 from you to Steve Lovell and Richard Clark, —

11 A Yes.

12 Q —correct?

13 A Yes, sir.

14 Q And you say, "Hi, Richard and Steve, please
15 notice this offer has not been past Coffey's desk at
16 all." And by that time you knew Billy Coffey was
17 Mr. Hutson's lawyer; is that right?

18 A Evidently.

19 Q Okay. And it also says that he is not aware of
20 the offer, that your comment to Richard Clark and
21 Steve Lovell, correct?

22 A Yes, sir.

23 Q And then you state, "After reviewing this I found
24 several typos in paragraph 15.3 and 15.4. The word
25 seller should be buyer in all sentences. I also did

PW - S. STROMAN - DIRECT

1 not see where he is getting any upfront" -- I'm
2 sorry -- "any money upfront on the members except
3 ten dollars." Now had Mr. Hutson communicated to
4 you how he was gonna close this transaction, whether
5 it was gonna be a cash deal or what?

6 A My first knowledge of the buyer was that he had
7 planned to pay cash for this property.

8 Q Okay. So you felt it important to note to
9 Mr. Clark and Mr. Lovell that this agreement
10 provided no cash other than ten dollars?

11 A Correct.

12 Q And this is something that you received from
13 Andrew Tucker, yet another Hutson law-- I beg your
14 pardon, Mr. Hutson's lawyer in Tennessee?

15 A Yes, sir.

16 Q Okay. Do you know how Mr. Tucker knew to send
17 the agreement to you?

18 A I would assume that Mr. Hutson gave him my
19 information.

20 Q Okay. You had not had any communication before
21 that time with Andrew Tucker, had you?

22 A Not that I can recall.

23 Q Okay.

24 MR. BYRD: If you can pull up Exhibit 46
25 please, Ms. Johnson.

PW - S. STROMAN - DIRECT

1 BY MR. BYRD:

2 Q I'm gonna hand you now, Ms. Stroman, Exhibit
3 Number 46. If you would take a minute to
4 familiarize yourself with that. And Ms. Stroman,
5 you see this is December the 7th, the next day after
6 you had forwarded the first draft to Richard Clark
7 and Steve Lovell, correct?

8 A Yes, sir.

9 Q And you had noted some typographical errors which
10 were in the first draft, that is, December 6th
11 draft, correct?

12 A Yes, sir.

13 Q And you communicated to Mr. Tucker those
14 typographical errors?

15 A I do not recall.

16 Q Okay. Do you recall receiving the second draft
17 of this contract from December the 7th?

18 A Yes, sir.

19 Q And Mr. Tucker, again, is communicating directly
20 with you, and at that time you were representing —

21 A The sellers.

22 Q ---the sellers, okay. Thank you. And here he
23 says, "Attached please find the revised lease
24 purchase agreement to be signed by the sellers."

25 Now if you would look, —

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1 MR. BYRD: If you could pull up the second
2 page, Ms. Johnson, of this contract.

3 BY MR. BYRD:

4 Q In the lower right hand of that page are the
5 initials of Mr. Hutson, correct?

6 A Yes, sir.

7 Q And if you would look at all of the pages of that
8 agreement, has Mr. Hutson initialed every page?

9 A Yes, sir.

10 Q And if you would go please to page 21 of that
11 document. And actually Mr. Hutson has already
12 signed that agreement, correct?

13 A Yes, sir.

14 Q And it's December the 6th, 2010, he signed it and
15 his initials are at the bottom, correct?

16 A Yes, sir.

17 Q Thank you, ma'am. After these two drafts, the
18 one on December the 6th of 2010 and the one on
19 December 7th, 2010, did you have any further
20 involvement in this transaction that you recall?

21 A The only involvement I had after that was a
22 commission agreement that Mr. Hutson brought by my
23 real estate office and presented us with. It was
24 for Renee and myself and a witness to sign.

25 Q Okay. And Mr. Hutson brought that to you?

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- 1 A Yes, sir.
- 2 Q And it provided a commission?
- 3 A I do not recall if it was faxed to me by Renee or
4 if Mr. Hutson actually brought it by, I don't
5 remember.
- 6 Q All right. Did you put Mr. Clark in contact with
7 Mr. Hutson directly?
- 8 A Yes, sir. At some point in the first of November
9 Renee asked me that his client, or emailed me or
10 called me, I don't recall, and said that his client
11 would like for the contract to be taken private and
12 would like to discuss with Richard to see directly
13 and would they agree to do that. So I called
14 Mr. Clark and asked him would he agree to talk with
15 Mr. Hutson and meet with him and his attorney, and
16 he said, yes, I will, give him my phone number.
- 17 Q So Mr. Clark authorized you to give Mr. Hutson
18 Mr. Clark's telephone number; is that correct?
- 19 A Yes, sir.
- 20 Q All right. And as far as you know, other than
21 the real estate commission agreement that you
22 received that Mr. Hutson had signed, was there any
23 further involvement in this transaction as far as
24 you were concerned?
- 25 A None.

PW - S. STROMAN - CROSS

1 Q Thank you, Ms. Stroman, and answer any questions
2 that Mr. Gordon might have of you.

3 THE COURT: Yes, sir.

4 MR. GORDON: Thank you, Your Honor.

5 **CROSS-EXAMINATION**

6 BY MR. GORDON:

7 Q Good morning, Ms. Stroman.

8 A Hi.

9 Q I'm Frank Gordon. I represent Mr. Hutson in this
10 case, and I just have a few questions for you,
11 ma'am. Mainly I want to ask about one exhibit.
12 You've testified already in this case at a
13 deposition, right, ma'am?

14 A Yes, sir.

15 Q And you testified that you were asked who were
16 you working for at that time period from the initial
17 contact to when he came down in November, when
18 Mr. Hutson came down to the property. Your answer
19 was, the seller: Question, did Mr. Clark authorize
20 you to act on TLC's behalf? The answer was,
21 verbally. That's the true testimony that he gave,
22 right?

23 A Yes, sir.

24 Q So I want to ask you about Exhibit 76.

25 MR. GORDON: If we can pull that up, Your

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1 Honor. May I approach the witness?

2 THE COURT: Yes, sir.

3 BY MR. GORDON:

4 Q Ms. Stroman, I'm gonna give you a copy.

5 MR. BYRD: Is this Defendant or Plaintiff?

6 MR. GORDON: I'm sorry, Defendant's
7 Exhibit 76.

8 BY MR. GORDON:

9 Q Ms. Roark and I were just talking about it a few
10 minutes ago, you probably heard us, so this won't be
11 too out of the blue for you. This is the three
12 emails, the three email chain, so if we can start on
13 the second page we'll start with the first email.
14 And that's an email from Ms. Roark to you, right?

15 A Yes, sir.

16 Q And you see where I'm talking about there where
17 she says Susan, comma?

18 A Yes, sir.

19 Q Okay. And this is November 11th, 2010 so this is
20 before Thanksgiving. And she asks you, "Susan, what
21 happens with the lifetime membership once the
22 property is transferred to another owner/entity. Do
23 you think the lifetime memberships will be a red
24 flag for title work. The lifetime memberships seem
25 to be an issue with my buyer. How do you suppose we

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1 get around it to make this work." That's what she
2 asked you, right, a couple of questions there.

3 I really want to focus on the last
4 question. "How do you suppose we get around it to
5 make this work." 'Cause that's a part of what you
6 were responding to in your email response, right?

7 A Yes, sir.

8 Q How so we get around the lifetime memberships.
9 And your email responses starts on the first page
10 and goes over to the second page. And your email, I
11 think, it's the same day, November 11th, 2010. Says
12 to Ms. Roark — I'm looking at the second paragraph,
13 ma'am. I think I've highlighted it on your copy
14 too. It says, "Memberships will transfer with the
15 LLC." So that's, again, the camper membership
16 agreements?

17 A Yes, sir.

18 Q And you wrote in the next sentence, "There may be
19 a possibility of moving the membership campground
20 across the road." That means moving some of the RV
21 sites across the road, right?

22 A Yes, sir.

23 Q And in this context in light of what Ms. Roark
24 has told us, what y'all are discussing here since
25 Mr. Hutson wanted to develop waterfront property is

PW - S. STROMAN - CROSS

1 moving some of the RV sites off the waterfront
2 property and across the road so he can develop
3 condominiums there, right?

4 A Yes, sir.

5 Q And the sentence goes on to say, well, it says,
6 "There may be a possibility of moving the membership
7 campground across the road or buying the members out
8 individually." What was that about, buying the
9 members out individually?

10 A Each member had paid a large sum of money. I
11 would say anywhere from 4,000 to 8,000-dollars for
12 their membership, and at this time the economy was
13 pretty well beginning to tank in our area and it was
14 a possibility that some of the members would have
15 taken their money back and relinquish their
16 membership.

17 Q Okay. And that would get rid of some of the
18 double lifetime or single lifetime membership
19 contracts that were ---

20 A Yeah, that was my suggestion.

21 Q Yes, ma'am. The next sentence, we're on to the
22 second page there now, ma'am. "Yearly fees are due
23 in January. If we were" — that's the campground
24 members fees. They have to pay annual fees, two or
25 three hundred dollars probably back then in each

PW - S. STROMAN - CROSS

- 1 year in January, right?
- 2 A Yes, sir.
- 3 Q That's on top of the 8,400-dollars they've
- 4 already paid, right?
- 5 A Yes, sir.
- 6 Q And that they had to pay that every January,
- 7 right?
- 8 A Yes, sir.
- 9 Q And there was a penalty if you didn't pay it on
- 10 time, right?
- 11 A I don't recall.
- 12 Q Okay. Well, your letter here, your email says,
- 13 "The yearly fees are due in January. If we were to
- 14 go to contract by then, perhaps these owners" —
- 15 that's Mr. Clark, Lovell, Thigpen, and TLC, right?
- 16 A Yes, sir.
- 17 Q "Perhaps they would mail out a letter to all
- 18 members January 1 stating that if their fees are not
- 19 paid by January 31 their membership is voided."
- 20 That's what that sentence says, right?
- 21 A Yes, sir.
- 22 Q That would get rid of some lifetime and double
- 23 lifetime camper contracts on this property; wouldn't
- 24 it?
- 25 A Possibly.

PW - S. STROMAN - CROSS

1 Q They don't pay in 30 days 300-dollars they lose
2 their whole 8,400-dollar investment, or however much
3 money they invested ---

4 A Yes, sir.

5 Q ---'cause their membership is voided?

6 A Yes, sir.

7 Q The next sentence says, "I feel certain that
8 would eliminate some of them." That's what you
9 wrote?

10 A Yes, sir.

11 Q You felt certain that sending them a letter on
12 January 1 telling them, if you don't pay three
13 hundred bucks by January 31, some of them wouldn't
14 do it and that would get rid of some lifetime,
15 double lifetime membership contracts, right?

16 A Yes, sir.

17 Q And then on the average you lose ten percent per
18 year. That's because folks just quit paying 'cause
19 they don't want come there anymore for whatever
20 reason, right?

21 A Yes, sir.

22 Q And again, you're trying to address this concern
23 Ms. Roark has said, how do you suppose we get around
24 these lifetime membership contracts, right?

25 A Yes, sir.

PW - S. STROMAN - CROSS

1 Q Well, one of the ways that you're telling her
2 that she ought to think about and share with her
3 client Mr. Hutson, some people are gonna drop out
4 anyway, right?

5 A Yes, sir.

6 Q The next sentence says, Members can also be given
7 a credit to upgrade to something else." What might
8 that be, condo or ---

9 A Condominium.

10 Q ---a week or two at a condo that's gonna take the
11 place of the RV site?

12 A Yes, sir.

13 Q Okay. And there are a lot positives to the
14 members. January is the time to do whatever is to
15 be done, that is, to send them the letter saying pay
16 your dues or your contract is terminated, right?

17 A Yes, sir.

18 Q And you say, "I think the owners," -- again,
19 that's your clients, TLC, Clark, Lovell, Thigpen,
20 right?

21 A Yes, sir.

22 Q I think the owners will be flexible with the
23 amount of money paid for members; that is, they'd be
24 flexible with the amount of money they might need to
25 spend out of their pocket to buy back some of these

PW - S. STROMAN - CROSS

1 camper contracts. That's what you're talking about
2 there, right?

3 A No, sir, I didn't read it that way.

4 Q Well, you wrote it so tell us what it means.

5 A To the best of my recollection, —

6 Q Yes, ma'am.

7 A —the Big Water, LLC, consisted of the members;
8 and when LLC transferred over, that was members, not
9 real estate.

10 Q Right.

11 A And that the amount paid for the members, Big
12 Water, LLC, could be flexible; in other words, they
13 could be negotiable on what they receive for the
14 membership, the LLC.

15 Q Okay. All with a purpose towards thinking
16 towards buying them out and somebody got to pay for
17 it one way or another, right?

18 A Yes, sir.

19 Q And the next sentence says, "Remember, there is
20 an accounts receivable." What is an accounts
21 receivable? What does that mean?

22 A That means money that is still owed to Big Water,
23 LLC, from memberships that were sold on credit.

24 Q Okay. So there's money that's supposed to come
25 in that you're waiting on?

PW - S. STROMAN - CROSS

- 1 A Right.
- 2 Q That's called accounts receivable?
- 3 A Yes, sir.
- 4 Q You say, "Remember, there is an accounts
5 receivable for over two hundred thousand dollars on
6 the books for financed members." In other words,
7 you're reminding Ms. Roark there's still some money
8 that has to be paid by these campers who bought
9 their memberships over time, who financed their
10 memberships, and perhaps that could just be forgiven
11 and they would quit." That would get rid of some
12 other camper contracts, right?
- 13 A I don't recall how —
- 14 Q Okay. The next paragraph, "With some creative
15 thinking we can figure out the membership situation,
16 the member situation, but we cannot ignore the
17 members. Due to the economy, most of them would
18 love to have their money back, or at least some of
19 it. There is always a few that will be difficult."
20 And you wrote that in November of 2010 before
21 Mr. Hutson purchased this property, right?
- 22 A Mr. Hutson never purchased this property.
- 23 Q Before he signed the contract to purchase it.
24 You wrote that, correct?
- 25 A Yes, sir.

PW - S. STROMAN - REDIRECT

1 Q "There's always a few campground members that
2 would be difficult," right?

3 A Sure.

4 Q Wouldn't be able to buy them all out?

5 A Right.

6 Q Some of them might even file a class action one
7 day, you never know.

8 A (There was no response.)

9 Q Right?

10 A Yes, sir.

11 Q And Ms. Roark in her response to your email said,
12 "Thanks for these suggestions. I have forwarded
13 them to Mr. Hutson," right?

14 A Yes, sir.

15 Q Thank you, Ms. Stroman.

16 MR. GORDON: Thank you, Your Honor.

17 THE COURT: Yes, sir.

18 **REDIRECT EXAMINATION**

19 BY MR. BYRD:

20 Q Ms. Stroman, these ideas or thoughts that
21 Mr. Gordon just asked you about, those were your
22 ideas, correct?

23 A Correct.

24 Q They had not been suggested to you by Mr. Clark
25 or Mr. Lovell, had they?

1 A No, sir.

2 Q So that was your creativity —

3 A Yes, sir.

4 Q —and suggesting; is that right?

5 A Yes, sir.

6 Q I have no further questions. Thank you, Ma'am.

7 MR. GORDON: Nothing further, Your Honor.

8 THE COURT: You may get down, ma'am, thank
9 you.

10 All right, gentlemen, we've been at this,
11 and ladies, approximately two hours, perhaps even
12 longer for them, so let's break now until about
13 roughly 20 minutes until 12. Please do not
14 deliberate, think about, talk about this case.

15 (WHEREUPON, the jury was removed from the
16 courtroom at 11:26 a.m. and a break was
17 taken.)

18 (WHEREUPON, the jury was returned to the
19 courtroom at approximately 11:43 a.m.,
20 and the following proceedings commenced
21 in open court.)

22 THE COURT: Mr. Wilkerson.

23 MR. BYRD: If Your Honor please.

24 THE COURT: Yes, sir.

25 MR. BYRD: The plaintiff would call

State of South Carolina)
County of Clarendon)

In The Court of Common Pleas
Third Judicial Circuit
2015-CP-14-0615

TLC Holdings, LLC; Richard)
Clark; Jimmy S. Lovell,)
Plaintiffs,)

vs.)

Transcript of Record

M.B. Hutson, a/k/a)
M.B. Hudson,)
Defendant.)

January 26, 2018
Manning, South Carolina

B E F O R E:

The Honorable George M. McFaddin, Jr., Judge, and a jury

A P P E A R A N C E S:

R. Wayne Bryd, Esquire
William Johnson, Esquire
John S. Wilkerson, III, Esquire
Attorneys for the Plaintiffs

Francis J. Gordon, Esquire
Andrew B. Spradlin, Esquire
Attorneys for the Defendant

Elizabeth B. Harris, CVR-M-CM
Circuit Court Reporter

I N D E X

<u>Witness/Description</u>	<u>Page No.</u>
Jury Charge	3
Verdict	29
Certificate Page.	31

E X H I B I T S

<u>No.</u>	<u>Description</u>	<u>Ev.</u>
C-1	Jury Question	27

1 in, the jurors?

2 (THE JURY ENTERS AT 1:53 P.M.)

3 CLERK OF COURT: Madame Forelady, have you reached a
4 verdict?

5 FOREPERSON: Yes, ma'am.

6 THE COURT: A unanimous verdict?

7 FOREPERSON: Yes, ma'am.

8 (A PAUSE.)

9 THE COURT: Madame Clerk would you please publish this
10 verdict?

11 VERDICT

12 CLERK OF COURT: On case number 2005-CP-15-1615, TLC
13 Holdings, LLC; Richard Clark; Jimmy S. Lovell as plaintiff
14 vs. M.B. Hutson, a/k/a M.B. Hudson, defendant. As to the
15 claims of any or all plaintiffs, we, the jury, unanimously
16 find for the plaintiffs, and the verdict in the amount of
17 3.5 million actual damages. Signed Latisha R. Canty,
18 foreperson, dated January 26, 2018.

19 THE COURT: All right. Thank you, ma'am.

20 Anything from the attorneys?

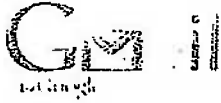
21 MR. WILKERSON: Nothing for plaintiff, Your Honor.

22 MR. GORDON: Not right at this moment, Your Honor.

23 THE COURT: Okay.

24 MR. GORDON: Before the jury is discharged.

25 THE COURT: I understand. I understand. Okay.



Susan Stroman <thestromanteam@gmail.com>

Request regarding Big Water

2 messages

Renee Roark <reneeroark@hotmail.com>

Wed, Nov 10, 2010 at 9:26 PM

To: Susan Stroman Jill James <thestromanteam@gmail.com>, Kim Matthews <kimmatthews192@msn.com>

Susan and Kim,

I received any email from my client requesting the following information. I STRESS to BOTH of you to NOT discuss anything regarding the possibility of this transaction or any details we discuss regarding this transaction with anyone other than the owners/parties involved. As you will see from my buyers email, this is extremely important for this transaction to take place. Let's work diligently together to put this deal together for ALL parties involved! I really appreciate your help, willingness, and cooperation in this process. I am sure this deal will not be easy and will require A LOT of time and effort but I am confident we can make it happen!

1. Get a survey plat, normally they are about 18 inches by 24 inches. Hopefully, it will show by scale all buildings and docks including any pools and all camping spaces. Would like to see every improvement located and showed on this survey plat.
2. Make arrangements to have full access to all buildings and have that access approved prior to my arrival. I do not wish to be known nor introduced to anyone during my visit, if a contract is to be submitted, one of my attorneys will provide the special stipulations and you may provide the balance on your standard real estate forms. Do not discuss with anyone about anything regarding this project other than the persons you need to ask questions to and do not give out any information.
3. Find out who is the most knowledgeable person is regarding any and all improvements that have been made to this property. Merely state that you have an individual or company interested and you need certain information as soon as possible.
4. Find out how many lifetime memberships there are and how long before all yearly memberships expire.

Do not discuss any pros and cons with anyone until I say different. Get this information as soon as you can, once obtained I will come there. No need for me to come there without the plat and information. I do not wish to meet anyone other than yourself and please discuss with no one of my arrival. No One. Do not discuss nor give out any information regarding the buyer or what the buyer has in mind. I will video and take pictures while there or send an engineer to do so. Let me know how you are progressing. Please remember, strategy is everything and gossip/leaks information is a killer. I spend my time for money reasons.

OK..above is copy & pasted from my buyers email! As you see, he means business so please let's honor his wishes and keep everything confidential! Let me know what I can do to help get this information together asap!

Thanks again!
 Renee Roark, Realtor ☺
 Multi-Million Dollar Producer
 Re/Max by the Lake
 Manning, South Carolina

803-460-4373 -cell

<https://mail.google.com/mail/u/0/?ui=2&ik=1d1ed56b32&view=pt&q=reneeroark%40hot...> 5/18/2015

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Outlook.com Print Message

Page 1 of 1

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Big Water life time membership info.

From: **Renee Roark** (reneeroark@hotmail.com)
Sent: Thu 11/11/10 10:52 AM
To: **Claudia** (claudia@coffeychandlerkent.com)
1 attachment
Big Water membership.pdf (920.9 KB)

Mr. Coffey,

Attached is Susan's lifetime membership info. regarding Big Water camp ground. My buyer is concerned about the "life time" members and the impact they can have on the future development of the property. In other words, in your opinion, what is the easiest, legal way to terminate the lifetime memberships of Big Water? Will these memberships have an impact on obtaining clear title for the property?

Would it be better for you to call him and talk to him OR draft an email to him? Please let me know your thoughts. I can also give him your number if you would rather him call you.

Thanks,

*Renee Roark, Realtor ☎
Multi-Million Dollar Producer
Re/Max by the Lake
Manning, South Carolina*

*803-460-4373-cell
803-433-7355 ext.104 -office
803-236-0871-home*

*www.reneeroark.lakemarionproperty.com
reneeroark@hotmail.com*

Steve Lovell

From: Susan Stroman [thestromanteam@gmail.com]
 Sent: Monday, December 06, 2010 5:32 PM
 To: Steve Lovell; Richard Clark
 Subject: Fwd: Big Water Resort
 Attachments: 20101206155547419.pdf

Follow Up Flag: Follow up
 Flag Status: Flagged

Hi Richard and Steve,
 Please notice this offer has not been past Coffey's desk at all. He is not aware of the offer.
 After reviewing this, I found several typo's in paragraph 15.3 & 15.4 The word "Seller" should be "Buyer" in all sentences.
 I also don't see where he is giving any money upfront on the members (except for \$10.00)
 Let's talk around 1-2pm if possible. I should get a revised copy tomorrow am. I look forward to hearing your thoughts on this one! Good Evening, Susan

----- Forwarded message -----
 From: Andrew Tucker <tucker@aflegal.com>
 Date: Mon, Dec 6, 2010 at 3:54 PM
 Subject: Big Water Resort
 To: thestromanteam@gmail.com

an,

Attached, please find the Lease Purchase Agreement for M. B. Hudson for the Big Water Resort in Summerton, SC. Please have executed by the Seller and return to me at your earliest convenience.

With kindest regards,

Andrew Tucker
 Law Office of Andrew F. Tucker
 385 2nd Avenue, Suite 1
 Dayton, Tennessee 37321
 (423) 570-0506
 (423) 428-9014 fax

--
 Susan Stroman
 Broker Associate
 803-505-2674 CELL
 803-854-0104 OFFICE
 803-854-0015 FAX

[Print](#)[Close](#)**RE: Questions!**

From: **Renee Roark** (reneeroark@hotmail.com)
 Sent: Thu 11/11/10 11:19 AM
 To: Susan Stroman (thestromanteam@gmail.com)

Thanks for the suggestions. I have forwarded them to Mr. Hudson. I also emailed him Billy Coffey's number and suggested that he discuss the legalities of it with him. I will let you know about the engineer drawings.

Did you get my email from last night? Is there anything I can do to help find the information?

Thanks again,

*Renee Roark, Realtor ☺
 Multi-Million Dollar Producer
 Re/Max by the Lake
 Manning, South Carolina*

*803-460-4373-cell
 803-433-7355 ext.104 -office
 803-236-0871-home*

*www.reneeroark.lakemarionproperty.com
reneeroark@hotmail.com*

Date: Thu, 11 Nov 2010 11:08:57 -0500
 Subject: Re: Questions!
 From: thestromanteam@gmail.com
 To: reneeroark@hotmail.com

The engineered drawings are all in the administration building, we can look at them, but we can not remove them. I will have to get the office manager to get them out when we need them. the Drawings are large and one on each system. They are down to one copy. I have the manual for the water sytem in my possession.

Memberships will transfer with the LLC. There may be a possiblity of moving the membership campground across the road (keeping one address for all the resort) or buying the members out

individually. The yearly fees are due in Jan., If we were to go to contract by then, perhaps these owners would mail out a letter to all members Jan 1 stating that if their fees are not paid by Jan 31, their membership is voided. I feel certain that would eliminate some of them. On the average, you lose 10% per yr. Members could also be given a credit to upgrade to something else. There are a lot of positives to the members. January is the time to do whatever is to be done. I think the owners will be flexible with the amount of money paid for members. Remember there is an accounts receivable for over 200K on the books for financed members.

With some creative thinking, we can figure out the member situation, but we cannot ignore the members. Due to the economy, most of them would love to have their money back, or at least some of it. There is always a few that will be difficult.

Thanks, Susan

On Thu, Nov 11, 2010 at 9:55 AM, Renee Roark <reneeroark@hotmail.com> wrote:

Susan,

What happens with the lifetime membership once the property is transferred to another owner/entity? Do you think the lifetime memberships will be a red flag for title work? The life time memberships seem to be an issue with my buyer. How do you suppose we get around it to make this work?

Can you also call Jim Thigpen or ask one of the partners if they have a map showing where all the improvements (wells, tanks, water/sewer lines parking pads, etc) are on the property? There HAS to be some engineering drawings somewhere with this information. I will be happy to call the engineer that drew it all out if you will get me the name & number>

Thanks,

*Renee Roark, Realtor ☺
Multi-Million Dollar Producer
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Susan Stroman
Broker Associate
803-505-2674 CELL
803-854-0104 OFFICE
803-854-0015 FAX

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RE: Big Water Concept

From: **Renee Roark** (reneeroark@hotmail.com)

Sent: Tue 11/23/10 10:04 AM

To: timmonsengr@ftc-i.net

Mr. Timmons,

The email did go to my junk folder! I have forwarded your email to Mr. Hudson for his review.
Thank you for your help.

Talk to you soon!

*Renee Roark, Realtor ☺
Multi-Million Dollar Producer
Re/Max by the Lake
Manning, South Carolina*

*803-460-4373-cell
803-433-7355 ext.104 -office
803-236-0871-home*

www.reneeroark.lakemarionproperty.com
reneeroark@hotmail.com

From: TimmonsEngr@ftc-i.net
To: ReneeRoark@hotmail.com
Subject: Big Water Concept
Date: Mon, 22 Nov 2010 18:09:44 -0500

Renee,

Please send me a return email to verify that you got this.

The layout shown is very preliminary and to show about how many units could fit while keeping some RV sites and the cabins.

The number of units is subject to utilizing offsite water and sewer as we have discussed and also to getting all the regulatory approvals from County, DHEC, etc.

Let me know if you have any questions.

Thanks,

Billy

Timmons Engineering
P.O. Box 927
16-C N. Brooks St.
Manning, SC
Phone: 803-435-4243
Fax: 803-435-2647

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More questions!

From: **Renee Roark** (reneeroark@hotmail.com)
Sent: Mon 11/29/10 10:07 AM
To: Susan Stroman (thestromanteam@gmail.com)

Good Morning Susan,

Please email me the following information regarding Big Water!

1. Square footage of all the buildings on the Big Water property.
2. Name of appraiser that did the last appraisal on Big Water. Is it possible for Mr. Hudson to see the last appraisal that was done?
3. Name of a MAI (commercial) appraiser in our area, if you know one.
4. Name of person/company that did the sewer system for Big Water.

Mr. Coffey has sent Mr. Hudson the first draft of the contract. We are making progress, hopefully we continue forward!

Thanks,

*Renee Roark, Realtor ☺
Multi-Million Dollar Producer
Re/Max by the Lake
Manning, South Carolina*

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803-236-0871-home*

*www.reneeroark.lakemarionproperty.com
reneeroark@hotmail.com*

Date: Fri, 19 Nov 2010 11:21:13 -0500
Subject: Fwd: Convenient Store Lease

From: thestromanteam@gmail.com
To: reneeroark@hotmail.com

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

From: **Fax Server** <chas.fax@agentowned.com>
Date: Fri, Nov 19, 2010 at 9:41 AM
Subject: Incoming Fax Message
To: "thestromanteam@gmail.com" <thestromanteam@gmail.com>

This message was received via FAXCOM, a product from Biscom Inc. <http://www.biscom.com/>

-----Fax Reception Report-----

Received Time: 11/19/2010 09:39
Result: OK
Description: All pages received OK
Result Code: 0000
Pages Received: 3
Remote TSI: 8038540015
Connect Time: 1 minutes, 33 seconds
Routing ID: 6695
Fax Line: 2
Fax Server: Enterprise1

The fax is included as a PDF image attachment

--
Susan Stroman
Broker Associate
803-505-2674 CELL
803-854-0104 OFFICE
803-854-0015 FAX

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ELECTRONICALLY FILED - 2021 Feb 12 2:48 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4003810

Steve Lovell

From: Susan Stroman [thestromanteam@gmail.com]
Sent: Tuesday, December 07, 2010 11:12 AM
To: Steve Lovell; Richard Clark
Subject: Fwd: Big Water Resort
Attachments: 20101207090806360.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

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

From: Andrew Tucker <tucker@aftlegal.com>
Date: Tue, Dec 7, 2010 at 9:09 AM
Subject: Re: Big Water Resort
To: thestromanteam@gmail.com

Susan,

Attached, please find the revised Lease Purchase Agreement to be signed by the Sellers. Please feel free to contact me if there are any questions.

With kindest regards,

Andrew Tucker
 Law Office of Andrew F. Tucker
 385 2nd Avenue, Suite 1
 Dayton, Tennessee 37321
 (423) 570-0506
 (423) 428-9014 fax

--
 Susan Stroman
 Broker Associate
 803-505-2674 CELL
 803-854-0104 OFFICE
 803-854-0015 FAX

Attachment to Exhibit 46 omitted
(draft of Lease Purchase Agreement)

Exhibit

34

1 (WHEREUPON, Defense Exhibits Nos. 1
2 through 70 were marked for identification
3 only.)

4 THE COURT: If you'd bring the jury in
5 please, sir.

6 (WHEREUPON, the jury was returned to the
7 courtroom at approximately 9:32 a.m., and
8 the following proceedings commenced in
9 open court.)

10 THE CLERK OF COURT: Ms. Hines, you need
11 to take a seat in the inside of the jury box. Thank
12 you, ma'am.

13 THE COURT: Members of the jury, today we
14 have a deposition that's going to be placed into the
15 record by way of the lawyer asking questions and an
16 assistant reading the answers into the record.
17 You're to give it the same treatment or as if it was
18 live testimony from the witness today, you
19 understand?

20 Any other comments about that, gentlemen?

21 MR. GORDON: No, sir.

22 THE COURT: I'm ready, sir.

23 MR. GORDON: Your Honor, at this time the
24 defendant calls Ms. Bonnie Youmans to the stand by
25 its deposition. As Your Honor indicated the

DW - B. YOUMANS - DEPOSITION

1 deposition is sworn deposition testimony that she
2 has already given in this matter, and Ms. Elliott is
3 going to read the answers and I'm gonna ask the
4 questions. Thank you, Your Honor.

5 Ms. Elliott, if you would, we're going to
6 start on Page 5. We'll start on line 17 there,
7 ma'am.

8 (Deposition is read into the record.)

9 THE COURT: Let's go over to page 44 on
10 line 2.

11 (Continued reading of deposition.)

12 MR. GORDON: Let's go over to page 45,
13 line 5.

14 (Continued reading of deposition.)

15 MR. GORDON: We're on page 47 down to line
16 21.

17 (Continued reading of deposition.)

18 MR. GORDON: Let's go to page 52, line 14.

19 (Continued reading of deposition.)

20 MR. GORDON: Page 57, line 1.

21 (Continued reading of deposition.)

22 MR. GORDON: Let's go down to page 63,
23 line 13.

24 (Continued reading of deposition.)

25 MR. GORDON: All right. And that's the

DW - B. YOUMANS - DEPOSITION

1 conclusion, Your Honor, again, of Bonnie Youmans,
2 one of the plaintiffs in the class action case and
3 that was given on January 21st, 2015.

4 THE COURT: All right, sir.

5 MR. GORDON: Thank you.

6 THE COURT: Let us all break until,
7 approximately ten minutes to 11:00. Ladies and
8 gentlemen, no discussion, no deliberation, no
9 discussion about this case. Thank you.

10 (Court's Exhibit Number 2, deposition of
11 Bonnie Youmans was marked and made a part
12 of the record.)

13 (WHEREUPON, the jury was removed from the
14 courtroom at 10:38 a.m. and a recess was
15 taken from the proceedings.)

16 MR. GORDON: By agreement of the parties
17 the Defense exhibits have been received into
18 evidence. That will be Big Water Resort Defense
19 exhibits 1 through 31, 33 through 41, 48, 58 through
20 79.

21 THE COURT: All right, sir.

22 (WHEREUPON, Defense Exhibits Nos. 1
23 through 31, 33 through 41, 48, 58 through
24 79 were admitted into evidence.)

25 THE COURT: Sir, would you bring the jury

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

William Reed, Donna Reed, Bonnie) CIVIL ACTION NO.:
Youmans, Jane Yates, Phillip) 2:14-cv-01583-DCN-WWD
Caulder, all individually and)
for the benefit of all others)
similarly situated,)
Plaintiffs,)
vs.)
Big Water Resort, LLC, TLC)
Holdings, LLC, Richard Clark,)
James Thigpen, Jimmy "Steve")
Lovell, and Ocoee, LLC,)
Defendants/Third-Party)
Plaintiffs,)
vs.)
M.B. Hutson a/k/a M.B. Hudson,)
Third-Party Defendant.)

* * * * *

DEPOSITION OF: BONNIE YOUMANS
DATE TAKEN: Wednesday, January 21, 2015
TIME: 1:39 p.m.
PLACE: Suite 450
4000 Faber Place
North Charleston, SC 29401
REPORTED BY: TERI L. SAMPSON, RPR,
Notary Public and Certified
Live Note Reporter

* * * * *

POST OFFICE BOX 21784
CHARLESTON, SOUTH CAROLINA 29413-1784

1 NORTH CHARLESTON, SC, WEDNESDAY, JANUARY 21, 2015

2 1:39 P.M.

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

4
5 WHEREUPON,

6 BONNIE YOUMANS,

7 being first duly sworn, testified as follows:

8 EXAMINATION

9 BY MR. WILKERSON:

10 Q Miss Youmans, my name is John Wilkerson. I
11 am a lawyer. You just sat in during Miss Reed's
12 deposition, I believe?

13 A Uh-huh (affirmative).

14 Q Maybe a portion of Mr. Reed's. I don't
15 recall when you came in.

16 A No.

Start → 17 Q You were not here then. I am going to take
18 your deposition. You have taken an oath now and that's
19 a very important thing. You understand that has legal
20 consequences and it's very important that we get
21 truthful responses from you.

22 A Yes, sir, the best I can.

23 Q If you don't know an answer, tell me you
24 don't know. I don't want you to make something up.
25 That would be just as bad as telling me something

1 that's not true. Let's make sure that we communicate
2 specifically and clearly about what you do know and
3 what you don't know.

4 A Okay.

5 Q That's my purpose today, is to find out what
6 you do know and what you don't know.

7 A Okay.

8 Q Give us your full name, please.

9 A Bonnie Lee Hoff Youmans.

10 Q And Bill Youmans is your husband?

11 A He is deceased, but he was my husband.

12 Q When did Mr. Youmans pass away?

13 A October 27, 2006.

14 Q I'm sorry.

15 You and your husband purchased this
16 membership in Big Water Resort. You purchased it
17 together, did you not?

18 A Yes, we did.

19 Q And you purchased it in 2004?

20 A Correct.

21 Q What is it that drew you and your husband to
22 Big Water to start with?

23 A Well, we were camping at Santee state park
24 and we had a friend that went over there for a weekend
25 trip and she thought we would like something like that

1 the question is objectionable, but --

2 MR. HAMRICK: So nothing is wrong with the
3 form. It is just a speaking objection in
4 violation of deposition --

5 MR. WILKERSON: No, sir. I am objecting to
6 the form of the question.

7 MR. HAMRICK: I think I'm allowed to ask you
8 what's the problem with the form so I can restate
9 it in a proper form.

10 MR. WILKERSON: And I told you what I think
11 is the problem with the form.

12 BY MR. HAMRICK:

13 Q All right. Miss Youmans, let me ask you a
14 question that doesn't have to do with that document.

15 A Get rid of it.

16 Q Because you answered my question. I
17 appreciate it. When you did find out that Mr. Hutson
18 was planning to offer for sale to the general public
19 part of the land where the resort is, how did that make
20 you feel?

21 A I didn't like it.

22 Q Why didn't you like it?

23 A Because I mean, I just didn't like it. It's
24 not what the original plan was. It was supposed to be
25 rentals.

Start

1 Q And is it your understanding -- was it your
2 understanding that the original plan that you just
3 referred to was that the entire property would be for
4 the exclusive use of the members of the resort?

5 A And the campground.

6 Q In your mind was it contradictory to that
7 original plan to allow parcels of the property to be
8 sold off to the general public?

9 A Well, I think if I understand it correctly,
10 they don't really own the land. They would own the
11 cabin itself. They wouldn't own the piece of land that
12 the cabin was put on to my understanding.

13 Q And if that had been the arrangement, was it
14 your understanding that that cabin would no longer be
15 available to members of the resort?

16 A Correct.

17 Q And you didn't believe that was the original
18 deal that you signed up for?

19 A No, sir.

20 Q If that had happened would it have made the
21 resort property shrink so to speak, smaller area?

22 A If you are going to start building new
23 cabins, I think they should be for members only, not
24 for the general public.

25 Q All right. Thank you ma'am. Those are all

1 the questions I have at this time.

2 A Keep going and I might say something wrong.

3 MR. PADGET: I have no further questions.

4 MR. WILKERSON: Nothing further. Thank you.

5 (Deposition concluded at 3:09 p.m.)
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Exhibit

35

Page 1

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:)
MORRIS B. HUTSON a/k/a) Case No.:
M.B. HUDSON,) 14-00165-jw
) CHAPTER 11
Debtor.)

THE 2004 EXAMINATION OF MORRIS B. HUTSON was taken as a witness pursuant to the Federal Rules of Civil Procedure, at 9:30 a.m. on Friday, the 31st day of January 2014, at the offices of Womble Carlyle, Five Exchange Street, in the City of Charleston, State of South Carolina, before Janice O. Darby, Registered Professional Reporter and Notary Public in and for the State of South Carolina.

Janice Ohlendorf Darby, RPR
(843) 814-7666 jodarby@comcast.net

A P P E A R A N C E S

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Janice Ohlendorf Darby, RPR
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1 MORRIS B. HUTSON

2 having been duly sworn, was called as a witness
3 herein and was examined and testified as follows:

4
5 (Exhibit Nos. 1 and 2 marked
6 for identification.)

7 E X A M I N A T I O N

8 BY MR. SUMMERALL:

9 Q Mr. Hutson, we met earlier. I'm Charles
10 Summerall. I'm one of the lawyers representing TLC
11 Holdings, LLC, in connection with the bankruptcy
12 case.

13 A And I don't remember you, but anyhow.

14 Q No, I just meant we met earlier this
15 morning. You and I have never met before today.

16 A Oh, okay.

17 Q Let me offer you one instruction. This
18 is a so-called bankruptcy Rule 2004 examination, and
19 I want you to know at any time during the
20 examination you can ask the lawyers asking you
21 questions for any clarifications, definitions or
22 explanations of any words, questions or documents
23 presented to you during the course of this
24 examination. Do you understand that?

25 A That I can ask questions? I hear what

1 A I can prove it.

2 Q What I'm talking about, because, again,
3 you keep tapping this drawing --

4 A Yes.

5 Q As of this point in time, what I'm trying
6 to distinguish is the deal that's described in the
7 Lease Purchase Agreement and the settlement
8 agreement versus the deal that's described in this
9 drawing that you keep tapping, because I want this
10 to be clear when she types it up.

11 What I hear you saying, but I want you to
12 tell me if this is right, is that the viable deal at
13 this point in time is what is described in this
14 drawing?

15 A That's correct, for several reasons.

16 Q You're entitled to explain this now
17 and/or later in the examination. But what you're
18 saying that's feasible for you to do as a deal is
19 what's described in this drawing?

20 A It's the only way for everybody to make
21 money. They make more money than what the property
22 is appraised for. I make money for the first time.

23 What happens, the taxes on this
24 property -- and Richard is sitting here in this
25 room -- I would estimate to be \$40,000 a year,

1 county taxes. They have been paying that all along
2 from the day that I bought this place. But I think
3 it's \$40,000. Could be \$43,000. And then there's
4 about \$20,000 which, thank goodness, they reduced
5 down by making some sort of application, which
6 Santee Cooper -- they reduced that to about \$9,000,
7 I think he told me, about \$9,000 or \$10,000, which
8 is helpful.

9 But by getting rid of this much of the
10 land and making a profit, that allows Big Water to
11 come in here and pave and improve and enhance with
12 cable vision and a variety of things this property
13 here. So if we have less RV sites, we can get more
14 for them.

15 Now, I've got to tell you what needs to
16 happen, which he is not going to like to hear, and
17 it's a fact -- I remind you again. I've been here
18 three years. I have developed property before.

19 The problem is TLC came up with this
20 grand plan of selling memberships. How many? 900
21 families. How in God's world they ever got 900
22 families to agree to spend \$8,000 to \$12,000 a piece
23 to buy. And they bought these memberships. And
24 I've got a membership right here, in these files
25 here. And what it reads is one thing. But what it

1 does is totally different. It's nothing more than a
2 bogus contract. It is not worth the paper it's
3 written on. And let me explain to you why.

4 Just envision this, if you will. If you
5 bought a membership and you paid \$12,000 for it, and
6 you had a right to come to the campground almost
7 anytime you wanted to and bring guests. And then
8 upon your death you give it to your children. We're
9 talking 80 years here approximately.

10 Big Water started losing money the minute
11 they got through selling the memberships. Every
12 year. And I'm saying this right in front of Mr.
13 Clark. And I'm under oath. And based on the
14 depositions right here, and based on the girl that
15 used to operate this place, this place has lost
16 money ever since -- right after they took the
17 windfall profit. They called it an initiation fee.
18 But basically it was monies paid for the right to
19 come use the campground.

20 Now, when those people bought their
21 memberships, they were promised all godly kinds of
22 things. If you will examine some of these papers,
23 they were promised golf carts. They were promised
24 water parks. They were promised commissions to get
25 other people to buy. They were promised free

1 camping for a life plus life.

2 The people speak for themselves. But
3 I've had hundreds of people come to me and blame me
4 for going up on the prices. Well, I didn't have no
5 choice. Because when I came into it, they were
6 tired of it. They had lost all the money they
7 wanted to. And to prove to you that they were tired
8 of it, Steve, who is an owner, in his deposition he
9 says they are tired of losing money. They've been
10 subsidizing \$200,000 to \$300,000 a year for about
11 three years or four years.

12 Now, envision this. I'm asking you.
13 Forget about this subdivision. Let's just talk
14 about the original sale. The original sale, all of
15 this over here is just RV sites (indicating). 120
16 RV sites inside here. You had a little security
17 office which needs to be torn down. All of this
18 back here existed just like it does now.

19 If I sell you a membership for
20 approximately 80 years and I'm going to honor that
21 membership for 80 years, when in fact months after I
22 sell it to you I'm sneaking over here trying to
23 market the property for sale for whatever reason --
24 I don't care if it's a campground.

25 So this gentleman right here comes along

1 and he wants to buy it, because he wants to develop
2 it. And I say to him, you know what you can do?
3 You can refer to paragraph 12 in this contract, this
4 membership, and it says that you have a right to go
5 up whatever amount you want to go up on these
6 people.

7 Now, remember the spirit of this
8 contract. Those people were buying that for a
9 lifetime. They were buying it for their children.
10 And now all of a sudden, wham, the prices go up.
11 What do they do? How are they protected? They are
12 not. They've got nothing.

13 So I was told by TLC that, and I'm under
14 oath, just go up on the prices. They'll drop out.
15 If they drop out, they caused the breach. It
16 relieves you from liability.

17 What they didn't think about, I bought
18 the memberships, but I didn't buy, nor did I agree,
19 to any liability based on those memberships. Do you
20 follow?

21 So when people would come to me to sue
22 me, and many did -- I've had many meetings. I've
23 tried to protect TLC. TLC would have been long sued
24 before now had it not been for me in the last three
25 years.

1 able to sell 900. That's the first time I heard
2 that about four days ago.

3 Q Just to make sure I understand you, are
4 you saying the membership is down now from 900 to
5 100?

6 A That's right. That's based on -- And
7 this is the way it works. I hate to admit it, but
8 it's a good thing. It's not a bad thing. The
9 problem is you've got a lot of angry people. Let me
10 tell you why it's good and then I'll tell you why
11 it's bad.

12 The good side is you get to bring in new
13 people that will pay two or three times more per RV
14 site and the members are getting it for free. Do
15 you follow? Big Water had to start making money.
16 They had to get out from under this thing. So
17 there's the motive, if you're looking to
18 investigate, the motive for them to sell this
19 property to God only knows who was because the bleed
20 of \$300,000 every 12 months. They had to get out
21 from under it. They had no way but to sell it. And
22 they demonstrated that by attempting to sell it
23 almost immediately. They took the money and ran
24 basically.

25 What they did, they subsidized for about

1 three years, four years. I don't know exactly how
2 many years, because nobody wants to talk to me about
3 that.

4 But I will tell you that Bill Padget has
5 contracts that Richard or Steve or Thigpen has
6 submitted to him that go back to 2005 trying to
7 desperately sell all of this property. Not just pay
8 off the mortgage. Sell it all.

9 I was told by TLC you might can only have
10 10 or 12 campgrounds in here. Can you imagine?
11 These people that paid \$9 million winds up with nine
12 or ten campsites? If that's not theft, I've never
13 heard of it.

14 Bottom line is the members are up in arms
15 now. Rightfully so. Tom sort of felt like that I
16 was the reason because I sent out that postcard. I
17 sent out the postcard because the members had been
18 wronged. And you've got a lot of people in the law
19 enforcement area there. If you'll notice in some of
20 those letters, you know, you're dealing with cops,
21 law enforcement, detectives. Law enforcement
22 normally don't get paid much, unless they are FBI,
23 I'm assuming. Therefore, when they put out \$10,000
24 and they are promised two lifetimes, 80 years, and
25 they find out TLC is sneaking around trying to sell

1 the property in six months after that, who in the
2 world would believe that TLC had any interest
3 whatsoever in honoring an 80-year contract? Nobody.
4 Nobody. That's the bottom line.

5 Therefore, what needs to happen -- and I
6 made the suggestion to Tom recently -- I said, I
7 think this will work. Now, I have a summary that I
8 have not showed you about the class action. I
9 outline it. And guess who wants it worse in the
10 world? Bill Padget. What's that law firm's name?

11 MR. HARPER: Finkle firm.

12 A Right. They are in Columbia. He wants
13 to take the class action. Okay. But he doesn't
14 have his facts all together. He's had a lot of
15 people call him. He doesn't have it all put
16 together. He's hoping and praying and asking me --
17 He has asked me to write him a summary of this
18 thing. And I have done that now, but I have not
19 delivered it to him. But it's here in your file to
20 read and review.

21 But I don't care how you look at this
22 thing. It was a fraudulent sale. It was nothing
23 but a scam.

24 Now, I am told by the state that the
25 state could view this as a timeshare. If so, the

1 owners could possibly face jail time for some of the
2 stuff that's been done.

3 BY MR. SUMMERALL:

4 Q Who has told you that?

5 A An attorney.

6 Q Who was that? Is that Bill Padget or
7 somebody else?

8 A Alan -- Reid Smith.

9 Q I know Reid. In Columbia?

10 A That's right. Reid read the contracts.
11 Reid looked at that thing and said, you know, I
12 think that's going to be viewed by the state --
13 They've already tried to view it like that, call it
14 a timeshare. That's what they called it.

15 But the bottom line is, he says if that
16 goes under timeshares, those people will go to jail
17 for this. I didn't ask him why. I didn't make any
18 more comment about it, because I have no interest in
19 that. I just want to get the thing developed. And
20 I have the ability to get it developed. But I
21 can't --

22 Q Pursuant to this drawing?

23 A Right. Well, one closing would knock it
24 out. While Richard is here and sometime during this
25 day, I would like to introduce some additional

1 things that could get them more money faster.

2 Q And that's what you were saying --

3 A I'm not meaning more than \$6 million.

4 But more money faster.

5 Q And that's what you were saying earlier,
6 things that are not shown on this drawing?

7 A That is correct. But I've got them up
8 here (indicating). If I explain them to you, if you
9 don't think it makes sense, tell me I'm stupid. I
10 will not be offended. But I know a way that we
11 could even better this thing. Should have proposed
12 it in the first proposal. But now since I've got to
13 start over, I can propose it now.

14 But I think in their minds they view this
15 as another two years. Let me tell you, my friends,
16 I've been tied up with this thing for two years due
17 to TLC. You know what? I have not ever been given
18 one single dollar for damages. I have never been
19 offered, hey, Mr. Hutson, we're sorry that we
20 screwed you up over there on the electric. We're
21 sorry that you paid all of those thousands of
22 dollars that you weren't supposed to pay and it was
23 our fault. They don't want to talk about it. They
24 don't want to talk about it. And we're sorry we
25 mentioned about a sewer line that was over here that

Page 52

1 had a moratorium on it that you couldn't tie into.
2 And we're sorry that we put you under a contract
3 which was entrapment that you had to perform in
4 seven months when, in fact, you couldn't because you
5 have to get Clarendon County approval, and Clarendon
6 County approval will not let you pave a road unless
7 you talk about water and sewer. And they will not
8 take the application because there was a moratorium
9 on the sewer.

10 You tell me how I'm going to progress
11 under those situations. You know what? From that
12 very contract, which is the most reasonable, then
13 instead of being reasonable with me, they made it
14 tough. They called in the smartest man in the world
15 that can draw a contract (indicating).

16 MR. HARPER: Let the record reflect
17 he's pointing to Tom Harper.

18 A I was convinced that I should have signed
19 that consent order, and I should have never signed
20 it. That's the worst mistake I did. But I did it
21 honestly trusting these people, just like these 900
22 families did. That's what they did. They gave
23 their \$10,000 or \$12,000 and they are still making
24 payments on that stuff I think as I speak, some that
25 were financed by some Alliance company. They

1 trusted, they believed that they had for 80 years
2 the right to camp here for 80 years for free. It
3 was impossible. I calculated it. For them to allow
4 that to happen, to honor the contract, it would have
5 cost them \$24 million to keep subsidizing this place
6 and it's losing money in order for that to happen.

7 Now, do you think they were inclined to
8 do that or they were wanting to dump the property in
9 a matter of months after they got their windfall
10 profit? I don't need to ask anybody that question.
11 I believe I know the answer to it.

12 I'm not calling them thieves. They are
13 either very forgetful people or they are
14 unreasonable. Because if you give a man a job to do
15 and you handcuff him and give him broken equipment
16 and put him on a deadline to accomplish it, it is
17 hard for him to accomplish it.

18 I have done more with this property --
19 Let me tell what I have accomplished. I've gotten
20 250 written agreements for sewer tie-ins. I have
21 accomplished literally the approval of this
22 subdivision, which would cut the tax down to almost
23 \$20,000 a year. Big Water Resort could make enough
24 money to come in here and pave all the roads and put
25 sewer all the way across in this area, which gives

1 them better collateral, assuming they finance this
2 part right here (indicating).

3 The problem is, gentlemen, there is no
4 way in God's world to finance this property when
5 it's appraised at \$3.5 million and when it's losing
6 \$300,000 a year. You tell me one bank that would go
7 in and make a loan like that. You've got nobody
8 that would do that.

9 They had to go in there, I believe --
10 Based on the depositions, they say that they've got
11 about \$7 million in it. How much of that windfall
12 profit they just stuck over here in this? Nobody
13 can tell me that. I've asked, but I do not get an
14 answer.

15 I don't care. I don't care if they made
16 a hundred million dollars. I don't care. I just
17 want to make a nice little chunk of money here and
18 own the campground and make the members happy. And
19 my way of proposing that ain't much.

20 But they come off the price a million
21 dollars, which they've lost no money, out of my
22 subdivision I'll give a million dollars, which I
23 shouldn't -- I've got more heart than I've got good
24 sense. We can take the \$2 million if we act quick
25 enough, sign an agreement with Bill Padget who is

1 anxious to take the class action suit, and the class
2 action may never get filed.

3 Q You're talking about if TLC would come
4 off the sales price a million dollars?

5 A That's what I proposed to this handsome
6 man at this end of the table that's got so much more
7 hair than I've got.

8 It makes sense. It's the right thing to
9 do. The people would not get all of their money
10 back. But you know what? It would make them
11 happier. And it would keep letters from lawyers
12 coming in, and the potential now has escalated to a
13 point if something is not done in a manner of days,
14 I'm telling you what, I guarantee you they are going
15 to be faced with a \$20 million lawsuit if not more.

16 So I'll tell you anything you want to
17 know, but it's all about hurrying with this thing.
18 If we could work out something, one of my first
19 demands would be to keep Jim Thigpen out of the
20 picture, because people don't like him and they
21 don't respect him. He asked the most stupid
22 question to me the other night. He said name me one
23 person -- you name me one person who talks bad about
24 me. He's serious as a heart attack. I said, one
25 person? I said, what about your two partners? They

1 are wanting to kick you out. Is there any reason
2 for that? He said, well, that's just a
3 misunderstanding. I said, what about the judges
4 over there in Sumter that sued you? They don't say
5 the nicest things about you. I didn't tell him. I
6 bet I could have named a hundred people that think
7 that Jim Thigpen is the biggest crook in Summerton.
8 He is.

9 Anyhow, that's who they used to head this
10 up. Now, think about it. If, in fact, Thigpen had
11 two sets of books, he was stealing from them. And
12 he probably was. He was stealing from them. I
13 believe he got the \$20,000 -- good possibility --
14 for what they paid for supposedly a little
15 additional use of a septic tank.

16 But these members were promised the use
17 of a motel that sits right there. That didn't
18 happen. They were promised a water park. That
19 didn't happen. They were promised an 800-foot golf
20 course. That didn't happen. Some of those letters
21 have drawings attached to them, and those drawings
22 were drawn by the salespeople selling for TLC.

23 They were promised golf carts. They were
24 promised commissions if they brought in other
25 people. They were promised -- Some of the contracts

1 I see the salesman actually wrote on the contract
2 you'll never be charged any fee for camping. And
3 that was subject to, if you inquire with the people
4 that bought that contract, that they would get
5 somebody else to come in and buy.

6 It was not -- It was a bad situation, and
7 they are in a bad situation right now. I know
8 Richard. I have spoken to him many times over the
9 phone. He has always been very respectful to me.
10 And I've always tried to be very honest with him. I
11 can tell you that they want out of this deal. But I
12 can assure him that this thing is going to get real
13 nasty soon if we can't reach a settlement on it
14 right away. And I do mean right away.

15 When I leave this meeting, Bill is going
16 to have a copy of my summary that he has bugged me
17 for a week about. And I promised to give it to him.

18 Now, I have already -- I took the
19 privilege of suggesting the proposal, because I know
20 the class action is coming, the proposal about what
21 if we had \$2 million to give them. You know, they
22 lost millions. A lot more than that. But if they
23 could get back \$2 million and didn't have to go to
24 court -- you see what I'm saying? Like an
25 out-of-court settlement, you know, that might could

Page 58

1 stop the whole thing. That's the only way it's
2 going to stop it, because it's going to get nasty
3 real quick.

4 And that law firm over there, and Richard
5 should already know, they don't play around with
6 you. They is as tough on you as Tom Harper. And
7 that's tough. No jokes aside.

8 This is something that we all can -- I'm
9 not talking about you lawyers. I guess you-all make
10 money by being here. Richard can recover his money
11 here. I can make money here.

12 MR. SUMMERALL: Let me say this, and
13 we can take a break anytime you need to, I will have
14 questions for you later, but I'm going to turn it
15 over to Wayne Byrd at this point.

16 (Discussion off the record.)

17 BY MR. SUMMERALL:

18 Q I just want to get these marked. We now
19 have the copies back of the folders that you brought
20 with you today, along with a copy of that drawing
21 that you've been referring to.

22 A Yes.

23 Q And we are going to mark all of that as
24 composite Exhibit No. 3 to this examination. And I
25 know I asked you this earlier, but that's the

1 Q Do you remember the address?

2 A No, sir.

3 Q Were you living in a house?

4 A Yes, sir. I think I was staying with
5 some people who owned the property, because they had
6 about 150 wild horses.

7 Q Wild horses?

8 A Wild horses. That's the best kind of
9 horse to get ahold of to train for somebody.

10 Q And you were living in their residence?

11 A Mm-hmm, in a little -- one of their
12 little tiny houses.

13 Q On December 15, 2010, Mr. Hutson, what
14 was your net worth?

15 A 2010? I was broke.

16 Q Did you have any assets?

17 A No, sir.

18 Q What about your vehicle that you were
19 driving? Did you own that?

20 A Yeah, I told you that's the only asset I
21 had just about. I had a few horses.

22 Q Was it paid for?

23 A It was paid for.

24 Q What kind of vehicle was that?

25 A It was a 250 diesel Ford.

1 They talked to the insurance company, the lawyers
2 out of Atlanta, and it actually looked like it was a
3 pretty good case.

4 But still, with that, I mentioned that.
5 But at the same time I said unequivocally this has
6 got to be developed. This has got to be developed.
7 With this kind of money, it's got to be developed.
8 I said how much money is it losing or is it making.
9 Richard said, let's just say it's not making a
10 profit. And that's the only thing --

11 Q At the very least he told you in that
12 initial meeting in Dayton that this campground was
13 not making any money?

14 A He said it's not making a profit. For
15 all I know, had I went down there and found out,
16 they had like 23 people working there when they only
17 needed two. I thought, wow, you know, that's a
18 quick fix. And I'm not joking. That's how many
19 people they had working there.

20 Q I'm going to ask you about that in a few
21 minutes, but I want to go back to this meeting.

22 You in fact told them initially the deal
23 was going to be a cash deal. You were going to buy
24 that property and you were going to pay cash for it?

25 A No, sir.

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:)
MORRIS B. HUTSON a/k/a) Case No.:
M.B. HUDSON,) 14-00165-jw
) CHAPTER 11
Debtor.)

THE 2004 EXAMINATION OF MORRIS B. HUTSON was taken as a witness pursuant to the Federal Rules of Civil Procedure, at 9:30 a.m. on Tuesday, the 4th day of February 2014, at the offices of Womble Carlyle, Five Exchange Street, in the City of Charleston, State of South Carolina, before Janice O. Darby, Registered Professional Reporter and Notary Public in and for the State of South Carolina.

Janice Ohlendorf Darby, RPR
(843) 814-7666 jodarby@comcast.net

A P P E A R A N C E S

WOMBLE CARLYLE SANDRIDGE & RICE
Attorneys at Law
Five Exchange Street
Charleston, SC 29401
BY: MR. CHARLES P. SUMMERALL, IV

WOMBLE CARLYLE SANDRIDGE & RICE
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Myrtle Beach, SC 29578
BY: MR. R. WAYNE BYRD

OFFICE OF THE UNITED STATES TRUSTEE
Trial Attorney
1835 Assembly Street, Suite 953
Columbia, SC 29201
BY: MS. ELISABETTA G. GASPARINI (by phone)

Also present:
MR. RICHARD CLARKE

Reported by:
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By Mr. Summerall	575

EXHIBITS:

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No. 20 Big Water Campground map	369
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No. 22 Insurance declaration page	409
No. 23 11/20/13 e-mail from Mr. Harper	412
No. 24 12/9/13 letter from Mr. Harper	416
No. 25 12/10/13 letter from Mr. Harper	417
No. 26 12/20/13 e-mail from Mr. Hutson	417
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No. 41 6/25/13 letter by Ms. Rose	567
No. 42 10/22/13 letter by Ms. Rose	567
No. 43 2/3/14 letter from Mr. Johnson	577
No. 44 11/21/13 e-mail from Mr. Hutson	593

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1 MORRIS B. HUTSON
2 having been previously sworn, was called as a
3 witness herein and was examined and testified as
4 follows:
5

6 E X A M I N A T I O N

7 BY MR. BYRD:

8 Q Mr. Hutson, you were just speaking
9 plurally about motions that we are going to file.
10 Do you now have an attorney in the bankruptcy
11 matter?

12 A I don't have an attorney as of yet. I
13 spoke with an attorney yesterday, and I'm actually
14 supposed to get with him sometime this afternoon,
15 but I don't know what time this is going to get
16 over.

17 Q Is it that attorney who would constitute
18 "we" with you that intend to file three motions in
19 the bankruptcy court?

20 A He would certainly be a help to doing
21 that, yes.

22 Q If you are not successful in engaging an
23 attorney, do I understand that you're going to be
24 pro se filing motions?

25 A I would have -- I would be left with no

1 If you would, tell me what Richard Clark,
2 Steve Lovell or TLC Holdings, LLC, did --

3 A Or Jim Thigpen.

4 Q I'm not worried about Jim Thigpen right
5 now. I want to know about Richard Clark, Steve
6 Lovell and TLC Holdings. Tell me everything that
7 they did that gives rise to some sort of class
8 action against them.

9 A Would you like for me to start from the
10 beginning to the end on the class action?

11 Q Well, I would like for you to tell me
12 everything they did between the time they were
13 selling those membership contracts until December
14 15, 2010. Anything that happened after that, I'm
15 not concerned about.

16 A Okay. I began to get information almost
17 immediately, just the same as I provided to you with
18 some of the lawyer letters in our last deposition.
19 But I began to get a lot of one-on-one with members
20 telling me that they were going to sue on a class
21 action because TLC had not done them right.

22 I walked over one day by the swimming
23 pool, and I saw four or five men there standing
24 there together. This is last summer. So I walked
25 up to them. I heard them using the words "class

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1 action." So I walked up to them, spoke to them.
2 And then they got into a conversation. One is a
3 realtor over in Manning. I can't -- One runs a sign
4 company.

5 Q What were their claims?

6 A Their claims were that they had been
7 promised a golf course.

8 Q A golf course?

9 A A golf course. They had been promised a
10 water park, an actual water park on the 57 acres.
11 They had been promised golf carts. They had been
12 promised free camping for life. They had been
13 promised new tennis courts. They had been promised
14 that the motel had been bought by TLC and was going
15 to be made a part or was made a part in case they
16 had an overflow in Big Water Resort. And a variety
17 of other things. None of which I put them up to.
18 I'm just telling you what I was told.

19 Q Let me ask you about this swimming pool
20 event. Was that when you had shut the swimming pool
21 down and people raised so much cane and made you
22 open the pool again?

23 A I shut the swimming pool down because
24 lightning struck our pump. I drove 600 miles to get
25 a pump. The pump was down and then to get it hooked

1 name?

2 A No, sir, I did not. I said in Columbia.

3 Q No, you told me Atlanta. You have since
4 talked about Bill Padget.

5 A No, I've only talked about Bill Padget.

6 Q You didn't talk about driving to Atlanta
7 on Friday to meet with him?

8 A No. What you're thinking of is a long
9 time ago when I talked about the 1983 statute. The
10 only person I've talked to about the class action is
11 Bill Padget.

12 Now, Bill Padget wanted me to get a
13 summary and get to him, which I have not done.

14 Q Mr. Hutson, I have a question. Have you
15 ever talked to anybody about selling timber on any
16 of this land?

17 A Never.

18 Q Never talked to anyone about it? Not
19 just on this property, but on any land that TLC may
20 have on the other side of the highway?

21 A Never negotiated, never, ever brought the
22 subject up ever in my life.

23 Q Did you ever date a woman named Delilah,
24 Mr. Hutson?

25 A Yes. She is a wonderful person.

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1 Q Are you still dating her?

2 A No.

3 Q What is her full name?

4 A Delilah Greene.

5 Q What's her middle initial?

6 A I don't know.

7 Q Is there an E on Green?

8 A Yes.

9 Q That's from a movie. How many E's in
10 Green? G-r-e-e-n, is there an E at the end or not?

11 A There is an E at the end, yes, there is.
12 I know why you're asking that.

13 Q We are going to end the day on some
14 unpleasant stuff, Mr. Hutson.

15 Mr. Hutson, is there a warrant out for
16 your arrest in Bradley County, Tennessee, for a bad
17 check?

18 A I don't know of anything about anything
19 like that.

20 Q Have you ever bounced a check for
21 \$25,000?

22 A No. No.

23 Q Mr. Hutson, you said that the information
24 on the internet is all from your ex-wife?

25 A And friends.

1 Q And friends. The stuff on the
2 internet --

3 A Now, there are some things that once
4 somebody starts having that done to them, other
5 people like at Big Water Resort who have a dislike
6 for me because I have raised the rates because I had
7 to, they will go there and -- Everybody Googles
8 everybody now. So you can say anything. You can
9 type anything you want to on there, and it can be
10 exaggerated. Somebody else can put their name on
11 it. I mean, everybody in this room, I can type
12 anything I want to about them. There's nothing you
13 can do about it. And good Lord, it's all over the
14 website. Everybody. Millions and millions of
15 people on the website right now because of
16 ex-spouses and various people.

17 Q Has Delilah Greene ever been arrested in
18 conjunction with working with you?

19 A Never. That girl has the cleanest record
20 that you can find of anybody in the world.

21 Q Why did you think I was going to ask
22 about her then?

23 A Because I know there's something on the
24 website about she and I, but it was a crock of
25 nothing.

1 UNITED STATES BANKRUPTCY COURT
 2 FOR THE DISTRICT OF SOUTH CAROLINA
 3
 4

5 IN RE:)
 6 MORRIS B. HUTSON a/k/a) Case No.:
 7 M.B. HUDSON,) 14-00165-jw
 8) CHAPTER 11
 9 Debtor.)
 10) February 17th, 2014
 11) VOLUME III
 12)
 13
 14
 15

16 The continued 2004 Examination of MORRIS B.
 17 HUTSON, taken before Josie Allen, Professional Court
 18 Reporter and Notary Public, at the Womble Carlyle Law
 19 Firm, Five Exchange Street, Charleston, South Carolina
 20 29401, on February 17th, 2014, commencing at 9:39 a.m.
 21
 22
 23
 24

25 SOUTHEASTERN TRANSCRIPT * (843) 762-2442

TLC Holdings 0005961960

1 APPEARANCES

2

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7 csummerall@wcsr.com

8

9 Thomas L. Harper, Jr., Attorney at Law

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11

12

13

14 TURNER PADGET GRAHAM & LANEY, P.A.

15 R. Wayne Byrd, Attorney at Law

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17 Myrtle Beach, SC 29578

18 wbyrd@turnerpadget.com

19

20

21

22 Telephonically:

23 Richard Clark

24

25

1 INDEX TO EXAMINATION

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2 HUTSON, MORRIS B. (sworn)

3

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8 INDEX TO EXHIBITS

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February 14th e-mail

10 Exhibit Number 46 609

M.B. Hutson Motion for Extension

11 Exhibit Number 47 612

Information for Initial Debtor Review

12 Exhibit Number 48 617

BWR, Inc. January Expenses

13 Exhibit Number 49 624

E-mail, Lease Purchase Agreement

14 Exhibit Number 50 635

E-Mail, Re: Letter for the County

15 Exhibit Number 51 648

From the Desk of M.B. Hutson

16 Exhibit Number 52 667

Schedule of Underlying Insurance

17 Exhibit Number 53 678

Rule 2004

18 Exhibit Number 54 697

Check Numbers 1537 and 1555

19 Exhibit Number 55 709

Amended B7; Statement of Financial Affairs

20 Exhibit Number 56 709

Amended List of Creditors

21 Exhibit Number 57 712

Promissory Note

22 Exhibit Number 58 780

Motion to Dismiss

23

24

25

1 (MORRIS B. HUTSON, having been first duly
2 sworn, testified as follows:)

3 EXAMINATION BY MR. BYRD:

4 Q All right. Mr. Hutson, you wanted to make a
5 statement before we got started?

6 A Yes.

7 Q All right.

8 THE WITNESS: A couple of things: One, I'd
9 like to get a copy of the deposition. I don't mind
10 paying for it. I don't know how to go about getting
11 it, but I'd like to have a copy of it.

12 MR. BYRD: Okay.

13 THE WITNESS: Two, y'all asked two days of
14 depositions, which lasted about eight to nine hours
15 each. It's possible that I might have said things
16 that weren't totally accurate. I did the best that I
17 could. A lot of times, I had to estimate things, and
18 I just want that to be on the record.

19 Number three, I spoke with Tom Harper over
20 the weekend, and it appears that I will be able to do
21 what we spoke about, Tom, the other day, and that's in
22 reference to having an early closing on the
23 subdivision, that \$2 million, which probably could
24 happen in the next month and a half. I've got to get
25 the one submittal. I've actually got a meeting with

TLC Holdings 00059963

Page 634

1 A I didn't know that at the time. I knew it
2 back when I submitted my application in 2011. That's
3 when I was informed. Then I contacted DHEC to double
4 check, and that's when they told me they would not
5 accept my application. Now, do you really think I
6 would submit an application for water and sewer when I
7 already knew that there was a moratorium on it? Now I
8 understand why you're asking the question, but I've
9 answered it.

10 Q Okay. Thank you, sir. Now, let's go back to
11 December the 15th, 2010. Mr. Hutson, you have told me
12 that on that date you were broke, your words. I asked
13 you what your net worth was, and you told me on
14 December the 15th, 2010 you were broke. Now, is that
15 a true statement?

16 A Well, how do you define "broke"?

17 Q Well, I asked you what your net worth was.
18 You said you're broke. You were broke. I assumed
19 that at the very least --

20 A Well, that's an assumption but go ahead.

21 Q Well, you asked me and I'm telling you.

22 A All right.

23 Q You were broke. That means your liabilities
24 either equal or exceed your assets, correct? You
25 didn't have any money, did you?

TLC Holdings 000634964

1 A I didn't have very much money, no.

2 Q All right. Now, let's look at a different
3 document.

4 (Exhibit Number 50 was marked.)

5 Q Exhibit Number 50, you see that's your e-mail
6 on November the 21st, 2013?

7 A It is.

8 Q To Mr. Harper? Do you see up at the top?

9 A I see it is. I see the page, and I see it's
10 Exhibit 50.

11 Q All right. Now, here's my question for you
12 right now: On December the 15th, 2010, you were broke
13 to use your terminology.

14 A Uh-huh.

15 Q Since December the 15th, 2010, you have had
16 no employment whatsoever except running that
17 campground; isn't that right?

18 A That is correct.

19 Q Okay. And you have suggested that you paid
20 several hundred thousand dollars to Richard Clark, to
21 Steve Lovell, and Jim Thigpen and/or TLC Holdings,
22 Inc., correct?

23 A I didn't suggest that; I stated that as a
24 fact.

25 Q As a fact, okay. And you also said you spent

CLASS ACTION

20

CLASS ACTION:

- A. Memberships were sold netting TLC MILLIONS
- B. Immediately afterward--- TLC attempted to sell the property although the membership contracts were for not less than 40 and in most cases 80 years with 900-1200 families. Little or no consideration was given to the members regarding the spirit of the contracts, promises made, in fact, the goal became to sell the property due to losing money.
- C. Proposed to MBH (by realtor representing TLC and others), that the campground could be cut down to a bare minimum of 10-15 RV sites total
- D. TLC was fully aware that BWR was losing \$200-400 thousand per year as TLC was having to subsidize that loss each year.
- E. MBH NEVER ASSUMED LIABILITY of MEMBERSHIP CONTRACTS and never consented to such (NOTE: TLC continues to collect monies from members even though they have sold the business and have attempted to market the property with no conditions for BWR to remain a campground.)
- F. TLC made it a point NOT to openly list property and attempted to keep it quiet to the members, fearing a class action suit
- G. TLC structured the membership sales whereby the majority of the monies was taken up front and made multiple promises to innocent members and never carried through with those promises
- H. MBH has been contacted by several attorneys suggesting that they were going to do a class action in the past; also, have had many members threatening class actions in the last 18 months.
- I. TLC has broken their commitment and the spirit of the contracts regarding memberships while using BWR as a straw corporation
- J. FRAUD EXAMPLES: Verbal incentive promises include: build a water park, purchase and use of old motel next door (current Lenora's), compensation to certain members for acquiring other members, free nights of camping and free cabin usage, free use of the club house (yet charged for family get-togethers and weddings). There are many other examples, and points of issues that is unrelated to the purpose of this deposition that need not be discussed.

23

- K. It was suggested to MBH by TLC to hike the rates (paragraph 12 of the member contracts) which would consequently cause members to not pay their dues, fall into default and drop out of their contracts thereby reducing the potential of a class action lawsuit;
- L. There are a variety of members that are with law enforcement and associated with the court systems, and other members with professional jobs that feel that they have been scammed.
- M. I, too, entered into contracts with TLC unaware of many facts (to which TLC was aware) that constituted entrapment, fraudulent statements, and other unethical conduct which cost me money and time and prevented my getting speedy approvals. This estimated loss is \$300,000 to \$400,000 at a minimum.
- N. TLC has admitted to me that the reason for the failure of BWR and it not becoming "self-sustaining" and the loss of income each year was caused by poor planning and miscalculation as to their goals,
- a) There was a necessity to obtain 1,500 or MORE memberships to make BWR solvent.
 - b) Based on simple arithmetic and viewing the number of membership agreements that did and DO exist, there is no way possible that the existing memberships could sustain BWR nor sustain TLC's need for money after their having taken the windfall from the initial contact sales (millions of so-called "initiation fees"), considering that BWR ("straw company" for TLC) could not even maintain a break-even point with the given number of members.
 - c) Even with complete denials about what has been acknowledged and talked about (TLC to MBH) the only possible solution TLC has, or had, was to dump the project.
 - d) NOW, I am faced with having to restructure BWR in order to accomplish two things:
 - 1) STOP THE LOSS OF MONEY caused by unhappy members
 - 2) NOW faced with paying TLC \$6 Million Dollars for a property (appraised for only \$3,600,000+) and that has a HISTORY of consistently losing money due to unhappy members and unmet goals.

3:3

Therefore, there was a specific motive and need for TLC to market and close the property as soon as, and as quietly as, possible with little concern or care for their legal obligations to the members. Most contracts were for a period of 80-90 years (two lifetimes). There is overwhelming evidence that TLC never intended to keep its obligations to the members nor the spirit of its obligations, for the members and I both believe and are convinced that this membership deal was nothing more than a fraudulent scam full of broken promises, no lack of interest to perform, and determined acts to get out from its obligations by selling the business and property to ANYbody and to be used for ANY purpose, whether it was campground related, or not.

It appears that contracts that I personally entered into with TLC were full of entrapment, misrepresentations, trickery, full of intentional non-disclosures, and one sided in the very same fashion that the membership agreements read. It is apparent that there is a pattern with both the way TLC deals with the membership issues as well as the issues concerning myself.

How could any company require and accept \$10K per month with their promise to provide good title (of which they did not have) while offering this property for me to purchase with an acreage release? Additionally, it is not feasible, nor fair for TLC to require me, the buyer, to pave roads restricting me to a time element when, in fact, any such improvements require Clarendon County approval plus the approval of DHEC (South Carolina Department of Health and Environmental Control). Might add, Clarendon County refuses to accept ANY application while litigation is ongoing with a subject property which was the case when the \$10K per month was being paid. All the contracts have been one sided, having multiple penalties for me (as the buyer) when TLC has no consequences for what they stole from the members and what they prevented, and/or entrapped, me from accomplishing. Unless something changes drastically, immediately, for the betterment of myself, as buyer, giving me the opportunity to get my required approvals and members be compensated for their damages by TLC (as a company) and its shareholders individually, for they were the engineers and drivers of the scheme, I will not hesitate to pursue all legal remedies and support the members one hundred percent. This chaotic and cruel, one-sided gouge should come to an end.

Exhibit

36

"V"

November 9, 2015

ATTENTION: Paul A Weissenstein, Attorney NOTICE
 106 Broad Street
 Sumter, SC 29150

Dear Mr. Weissenstein:

I retained your services approximately two and a half years ago to represent me from being evicted from my Big Water Resort and the Plaintiff was TLC Holdings, LLC, as well as for legal advise regarding obtaining all necessary approval permits from Clarendon County in order to develop, subdivide and sell to the public those divided lots to home owners wanting to build and borrow money for construction with permanent financing at the BIG Water Resort Property.

I provided you with all contracts and information regarding my relationship with TLC and asked that you defend me from being evicted. I have a copy of your brief that you prepared and filed with the court and I know that you did everything that you could think of.

Unfortunately, you overlooked a very major but simple defense that could have saved me from being evicted and could have prevented me from loosing nearly two (2) million dollars as well as preventing me from spending thousands of dollars and hard work going through the approval process for the subdivision. As you recall, you accompanied me on several of the town hall meetings helping speed up the approval process in order that I close concurrently with TLC and my home buyers. I will list the simple items that you over looked:

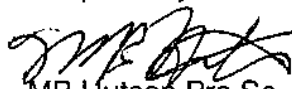
1. In the Lease Purchase Agreement, it clearly states that for each day that TLC continues to have bad title due to liens on said property to be purchased, I would be entitled to one day extension for each day that any defect remains against the title. You totally ignored and missed that as a defense.
2. In addition, you had a copy of the Membership Interest Purchase Agreement of the BWR Business and fully understood that there were memberships for a right to use that property, which was, in fact, a campground. Those memberships should have been recognized by you, as an attorney, as long term leases and as title defects as they were for one and/or two lifetimes for the sole use of the property. That "sole use" was nothing more than hundreds of long-term leases for one to two life times which amounts to approximately fifty-five (55) years of a **title defect, which you should have known**. This title defect was recently discovered in a document received by me from a title insurance company. Acting on this knowledge would have been your perfect defense to the eviction attempt. As a licensed attorney, you should have quickly recognized TLC's default.

If you had recognized these issues and advised me accordingly, which is that I would never be able to have a clear title to close in the next fifty (50) years or more, it would have saved me from losing approximately two million dollars and the direct costs and embarrassment of the eviction process. The defect caused by the memberships was caused by TLC, but it was THE PRECISE way to have defended me from the evection, since their not being able to provide clear title, made TLC initially the party guilty of default. In addition, if you had recognized the long term defect in being able to acquire good title, which you admitted you did not earlier this month in our phone conversation, all my work and expenses for two years or more that I put into getting approvals, engineering work, and paying TLC, as well as yourself, could have been prevented... if you had just paid attention.

Consequently, I have spoken to the Commission on Attorney Misconduct (SC) and prefer to settle this issue with you and your malpractice insurance carrier. I will hold off from filing a complaint with the State Bar (part of the Supreme Court) while you send me the name and contact information of your insurance company. I will wait until November 11, 2015, for you to email me that information. Time is of the essence regarding this matter.

If I do not hear from you, I plan to file appropriate complaints with the Commission on Attorney Misconduct and a civil suit in the Court of Common Pleas by the first of next week for damages.

Respectfully Submitted on this 9th day of November, 2015


MB Hutson Pro Se
803 308 2714

Reply all | Delete | Junk | ...

PRINT JOB



Hutson <hutson4444@gmail.com>

Today, 2:37 PM
ods06535cpc

Reply all |

Inbox

This item will expire in 30 days. To keep this item longer, apply a different label.

Label: 30 days Delete CPC mailbox (1 month) Expires: 11/15/2018 1:37 PM

Begin forwarded message:

*Status expires
in December 2015*

From: pwlaw@ftc-i.net

Date: December 3, 2015 at 4:19:47 PM EST

To: hutson4444@gmail.com

Subject: Re: Proof and final Request to Settle this mess caused by you. 5:00 deadline today.

Dear Mr. Hutson,

I received your email from this morning. My recollection of the telephone conversation that we had last month is different than as set forth in your email.

I believe that I provided you with competent legal representation in your efforts to retain Big Water Resort. I do not believe that I have any liability to you as a result of my efforts on your behalf.

As a result of your email I am contacting my malpractice carrier and request that you give me until Tuesday, December 8th to provide additional response.

Yours very truly,

A. Paul Weissenstein, Jr.

2373

Exhibit

37

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF SUMTER

RECORDED

2018 OCT 18 PM 2:40 Civil Action No. 2018-CP-43-1583

MB Hutson/MB Hudson,

JAMES C. CAMPBELL
CLERK OF COURT
SUMTER COUNTY, S.C.

Plaintiff,

PLAINTIFFS RESPONSE TO DEFENDANTS

vs.

MOTION TO

DISMISS OR SUMMARY

Paul Weissenstein (Attorney)/

Paul Weissenstein, John Doe 1, John Doe 2

JUDGEMENT

Defendant.

CLARIFICATIONS

DEFENDANTS # 1. Plaintiff clearly defines the definition of Malpractice where a Jury will fully understand the term "Legal Malpractice". In addition, Defendant's malpractice created *res judicata* due to his inability to read and understand contracts, thereby causing Plaintiff multiple damages and long-term suffering. Plaintiff's attorney in Tennessee, as Defendant alleges, was not and did not cause the *res judicata* and did not recommend Plaintiff to execute the Fraudulent Settlement Agreement and Consent Order, and was not Plaintiff's attorney after January 2011. Plaintiff engaged defendant on October 25th of 2011. Should Defendant have a problem with Plaintiff's first attorney who has an office in the State of Tennessee and resides in the same State, Defendant has the right to bring such person into the legal circle.

DEFENDANTS # 2. Defendant alleges that Plaintiff was aware of the "title defects". Plaintiff disputes this claim therefore this becomes a question of facts requiring this case be forwarded to a providence of a jury, as Plaintiff has demanded.

DEFENDANTS # 3. Had Defendant not grossly malpractice Plaintiff by not understanding the contracts and other evidence in hand, justice could have been properly rendered by way of the court and jury in 2011 or 2012 resulting in a positive verdict in favor of Plaintiff. A Jury can

only decide this #3 dispute. Again, this is a factional decision and it requires a Jury's providence to make those decisions and not the Honorable Judge for Plaintiff has demanded a Jury Trial.

DEFENDANTS #4.

Defendant makes a disputed allegation. Therefore, the Court must allow a Jury's providence to make that decision. Plaintiff has demanded a Jury Trial. Plaintiff was not aware of every allegation alleged in this suit prior to September 4, 2015. To the contrary, Plaintiff *began* to understand the malpractice as outlined in Plaintiff's Notice to Defendant of November 9th, 2015, (Exhibit "V"). Given the three year statue to file a complaint after giving Notice, the statue would have expired on November 9, 2018, to file a suit based on the Notice of November 9th, 2015. A suit was filed on September 4, 2018, (well within the statue) and an Ammended Suit was filed on October 3, 2018, also within the statue of 30 days to amend a Complaint. At the time of the Notice (11/9/2015) Plaintiff had not yet learned of the *res judicata* created by the Settlement Agreement. The full understanding of the *res judicata* created by that Settlement Agreement and Consent Order was not realized until Plaintiff's Federal Court, Third Party Defendant role, during 2016. Therefore this suit contains those additional allegations, as substantiated by Federal Court Rulings and the Expert Witness Affidavit.

This process of figuring out what all had transpired was like putting a puzzle together piece by piece as Defendant Paul Weissenstein never brought to Plaintiff's attention anything: mistakes, clues of wrong doing, statements confessions of malpractice. Since this subject is apparently disputed, this becomes a question for a Jury. Therefore, the statue was in place until middle of November 9, 2018, but the clock stopped when the suit was filed September 4, 2018.

Rule 56 SCRCP states as follows:

"Supporting Factual Positions. A party asserting that a fact cannot be or is genuinely disputed must support the assertion by:

(A) citing to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations

(including those made for purposes of the motion only), admissions, interrogatory answers, or other materials; or

(B) showing that the materials cited do not establish the absence."

Amended Complaint contains evidence to refute a Rule 56 challenge, as follows:

1. Attorney Mark Hardee's sworn affidavit clearly indicates malpractice by Defendant, (Exhibit 1 of Ammended Complaint), and
2. Plaintiff has outlined numerous occurrences of malpractice by the Defendant, with evidence(s) attached to the Amended Complaint, including, but not limited to:
 - a. Defendant's failure to recognize: i.) defective title, ii.) failure to recognize TLC Holdings LLC's fraud, iii.) suggesting and recommending Plaintiff's execution of the Fraudulent Settlement Agreement and Consent Order.
 - b. Defendant's failure to recognize TLC's attorneys committing fraud upon the Court.
 - c. Defendant's failure to recognize Plaintiff's Big Water Resort business had no long-term lease on any property on which to operate and honor some 740 family memberships.
 - d. Defendant's failure to recognize that said property could not be developed as planned by Plaintiff and sub-divided into private family residences due to the cloud on the TLC Holdings, LLC's title by Retail Membership Agreements.
 - e. Defendant's failure to recognize (even after Plaintiff's execution of the Fraudulent Settlement Agreement and Consent Order) that TLC Holdings, LLC's property could only be developed after 70+ years, due to Retail Family Memberships (RFM). Yet, Defendant continued to represent Plaintiff by attending Clarendon Planning Board Meetings to acquire necessary permits for Plaintiff to develop. Defendant did not recognize that TLC Holdings' property could never be developed due to RFM's "right to use" all the property creating defective title and preventing any construction loans or lot loans.
 - f. Plaintiff paid thousands of dollars to Defendant for skill and knowledgeable representation. Plaintiff relied upon Defendant as a seasoned, skillful and experienced attorney.

- g. Plaintiff's attorney, Paul Weissenstein violated the "breach of fiduciary duty."
- h. Plaintiff's attorney, Paul Weissenstein violated "breach of the duty to provide skillful and competent representation to Plaintiff" and "gross negligence."
- i. When TLC Holdings LLC brought an eviction action against Plaintiff, Hutson retained Defendant to defend and prosecute valuable counterclaims against TLC Holdings, LLC. Defendant, instead, waltzed Plaintiff into a *res judicata* noose.
- j. Plaintiff was not properly advised of the application and effect of the release, consequently, Plaintiff offered to end the litigation by settling and ended up being wrongfully evicted and sued by TLC Holdings, LLC in both state and federal courts without any recourse.

Plaintiff hired Defendant Paul Weissenstein to represent him since Weissenstein advertised he handled "Real Estate" issues including closings and the Plaintiff did not understand hidden issues that the contracts might hold. HOWEVER, Defendant fell far below the standard of care expected of attorneys in similar situations at the time, including failing to advise Plaintiff that the existence and effect of the long term leases would prevent him from *ever* developing ANY of the property in his lifetime as Plaintiff intended. Defendant also failed to inform the Plaintiff that his ultimate default of the Settlement Agreement and Consent Order was inevitable, and he would forever be barred from prosecuting and using as a defense the fraud perpetrated on Plaintiff by TLC Holdings, LLC and their attorneys (who committed "Fraud Upon the Court") due to the imbedded *res judicata* which was not fully disclosed to Plaintiff until Federal Court proceedings of 2016.

WHEREFORE, Plaintiff, having

- a sworn Expert Witness Affidavit (attached) which provides evidence that Defendant is guilty of Malpractice, and

in addition to pure evidence, has filed multiple pieces of scintilla evidence (filed in the Amended Complaint), which requires this complaint to be heard by a jury,

RESPECTFULLY PRAYS to the Honorable Judge asking that Defendant's Motion filed on October 3, 2018, by Defendant's attorney for Dismissal or for Summary Judgment be emphatically DENIED.

Respectfully Submitted on this 15th day of October, 2018.

A handwritten signature in black ink, appearing to read 'MB Hutson', with a long horizontal line extending to the right.

MB Hutson, Plaintiff

803 308 2714
P.O. Box 2755
Orangeburg, South Carolina 29116

A Copy of this Motion has been placed in the United States Post Office and mailed on the 15th day of October, 2018 to:

Attorney for the Defendant, Steven Kropski,
P.O. Box 22528
Charleston, South Carolina 29413.
843 972 9400.

Exhibit

38

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF CLARENDON	)	Civil Action No. 2015-CP-14-0615
TLC Holdings, LLC, Richard Clark, and	)	
Jimmy S. Lovell,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	AMENDED COMPLAINT
	)	(JURY TRIAL DEMANDED)
M. B. Hutson a/k/a M. B. Hudson,	)	
	)	
Defendant.	)	
_____	)	

The Plaintiffs, upon information and belief, would respectfully show unto this Honorable Court as follows:

JURISDICTION AND VENUE

1. Plaintiff TLC Holdings, LLC is a limited liability company organized and existing pursuant to the laws of the State of South Carolina.
2. Plaintiff Richard Clark is a resident of the state of Tennessee.
3. Plaintiff Jimmy “Steve” Lovell is a resident of the state of Florida.
4. Defendant M. B. Hutson a/k/a M. B. Hudson is a resident of Orangeburg County, South Carolina.
5. Venue is proper in this Court pursuant to S.C. Code Ann. § 15-7-30(C) because Defendant resided in Clarendon County at the time the cause of action arose, and the most substantial part of the alleged acts giving rise to the cause of action occurred in Clarendon County.
6. This Court has jurisdiction over the parties and the subject matter of this action.

FACTUAL ALLEGATIONS

7. Plaintiffs Clark and Lovell are two of the three former members of Big Water Resort, LLC. James Thigpen is the third former member. Big Water Resort, LLC operated the Big Water Resort campground on the shores of Lake Marion. Big Water Resort, LLC began selling memberships in the campground in 2003 and eventually sold over 1,000 memberships.

8. Plaintiff TLC Holdings, LLC owns the land on which the Big Water Resort campground is located. Plaintiffs Clark and Lovell, along with James Thigpen, are the three members of TLC Holdings, LLC.

9. In December 2010, Plaintiffs Clark and Lovell, along with James Thigpen, sold their membership interests in Big Water Resort, LLC to Defendant Hutson, making Hutson the sole member of that LLC. Clark, Lovell, and Thigpen financed Hutson's purchase of the LLC under a promissory note payable to the three of them by Hutson.

10. Also in December 2010, Plaintiffs TLC Holdings, LLC, Clark, and Lovell, along with Thigpen, entered into a lease-purchase agreement with Defendant Hutson, under which TLC Holdings LLC, Clark, Lovell, and Thigpen agreed to sell certain property to Hutson. This property included the land on which the Big Water Resort campground was located.

11. Subsequent to these transactions, Defendant Hutson operated the Big Water Resort campground until early 2014.

12. When Hutson lost access to the Employer Identification Number ("EIN") assigned to Big Water Resort, LLC, he set up a new operating entity, BWR, Inc. d/b/a Big Water Resort, a South Carolina corporation, and thereafter operated the campground under that entity.

13. After the creation of BWR, Inc., all of Hutson's activities related to the operation of Big Water Resort Campground were performed in his capacity as an executive officer, director, agent and/or shareholder of BWR, Inc.

14. In December 2011, Plaintiff TLC Holdings, LLC instituted an action in Clarendon County Court of Common Pleas against Defendant Hutson for breach of the lease-purchase agreement, seeking damages and ejectment.

15. In March 2012, the parties to the lease-purchase agreement entered into a Settlement Agreement. The terms of the Settlement Agreement imposed many duties on Defendant Hutson, including the duty to make certain improvements to the campground property and the duty to make certain payments to Plaintiff TLC Holdings, LLC. The Settlement Agreement was approved by, and incorporated into, a consent order signed by the Honorable George C. James, Jr. in April 2012.

16. In February 2013, counsel for Plaintiffs Clark, Lovell, and TLC Holdings, LLC notified Defendant Hutson that he was in default of the lease-purchase agreement and Settlement Agreement.

17. Counsel for Plaintiffs Clark, Lovell, and TLC Holdings, LLC sent Hutson another default letter on December 10, 2013, notifying him that he had failed to cure the defaults outlined in the February 2013 default letter and that they would proceed with filing an affidavit of default.

18. In a postcard dated December 18, 2013 and addressed to current and former members of the Big Water Resort campground, Defendant Hutson stated the following:

I purchased the Big Water Resort business in 2010. I have since come to realize that members were scammed by paying thousands of dollars to Big Water Resort when formerly owned by TLC, Holdings [sic]. Those monies totaled about 5 million dollars paid by members when they signed their individual contracts to TLC, Holdings [sic] owned Big Water Resort. There was no feasible way that Big Water Resort could furnish the contractual benefits and the spirit as outlined

in the contract, nor did TLC, Holdings [sic] have any desire to fulfill their end of the contract in actuality, nor in spirit.

I, and others, will seek to demand a refund from TLC Holdings, by way of a class action lawsuit, charging TLC, Holdings [sic] with fraud and possible racketeering for the five million plus triple damages. Any existing or former member wanting to join this lawsuit may do so by contacting me at Big Water Resort as soon as possible or dialing [redacted]. I, too, have been scammed by TLC, Holdings [sic] as a member and purchaser of Big Water Resort. I will be able to put any member in touch with the attorney. The suit will be filed in the next ten days. Anyone who joins stands a good chance of recovering their money. I know that hundreds of members are convinced they were scammed. It appears that hundreds will join this effort. I am told that the statute runs from time of discovery of the scam. Let's join together now and get our money back.

19. In conjunction with the preparation of the aforementioned postcard, Hutson embarked upon a course of conduct designed in whole or in part to attempt to persuade TLC Holdings, LLC and its principals to forbear their right to have Hutson evicted from the Big Water Resort Campground and to avoid the loss of revenue stream Hutson and BWR, Inc. had enjoyed by virtue of their operation of the campground.

20. In furtherance of this scheme to attempt to persuade TLC Holdings, LLC and its principles to forbear their rights, Hutson prepared one or more outlines of alleged malfeasance committed by TLC Holdings, LLC and/or its principals which he circulated to one or more persons containing false and defamatory statements, a copy of which is attached as Exhibit 1, and presented the same to TLC Holdings LLC and/or its counsel with an offer to withhold the information contained in said outline from others, including attorneys, if TLC Holdings and its principals would agree to forbear their rights to evict Hutson and BWR, Inc. from the campground property.

21. Additionally, Hutson presented these false, defamatory and misleading statements, both written and orally, to counsel he had consulted to pursue class action litigation, and this false, defamatory and misleading information was ultimately incorporated into a

Complaint filed against the Plaintiffs herein et al., which allegations were shortly thereafter voluntarily withdrawn by counsel who filed them when presented with actual factual data and information totally refuting said allegations.

22. In March 2014, the Honorable George C. James, Jr. issued an order ruling that the Settlement Agreement and consent order should be enforced. Specifically, he ordered that the lease–purchase agreement was terminated and that Defendant Hutson was required to vacate the property. Hutson vacated the property later that month.

23. In April 2014, a group of campground members brought a putative class action in federal court against Plaintiff TLC Holdings, LLC; Plaintiff Clark; Plaintiff Lovell; James Thigpen; and Big Water Resort, LLC (“class action defendants”). The campground members alleged that, among other things, the class action defendants breached the members’ membership contracts; that Clark and Lovell defrauded the campground members; and that Clark and Lovell siphoned funds from the resort.

FOR A FIRST CAUSE OF ACTION
(LIBEL)

24. The foregoing allegations are incorporated by reference as if fully repeated verbatim herein.

25. Defendant Hutson made false and defamatory statements about Plaintiffs in the December 2013 postcard and thereafter as alleged above.

26. Defendant Hutson distributed this postcard to hundreds of campground members and was the party at fault for the publication of the false and defamatory statements, which publication was not privileged. He further distributed false and defamatory statements in writing and orally to others, including counsel who incorporated said information into a pleading,

portions of which were ultimately withdrawn. Hutson was not represented by these counsel and his publication to them and others was not privileged.

27. The false statements made by Defendant Hutson about Plaintiffs were defamatory in that they tended to degrade and disgrace Plaintiffs, reduce the reputation and character of Plaintiffs in the estimation of their friends, acquaintances, business associates, and/or the public, and accuse Plaintiffs of impropriety and criminal activity.

28. In publishing the statements, Defendant Hutson acted with recklessness and/or wantonness toward Plaintiffs' rights.

29. The false and defamatory statements made by Defendant Hutson about Plaintiffs have caused Plaintiffs to suffer damages.

FOR A SECOND CAUSE OF ACTION
SLANDER

30. The foregoing allegations are incorporated by reference as if fully repeated verbatim herein.

31. Defendant Hutson made false and defamatory oral statements about Plaintiffs as alleged above.

32. Defendant Hutson made false and defamatory statements orally to campground members and others, including counsel who incorporated said information into a pleading, portions of which were ultimately withdrawn. Hutson was not represented by these counsel and his publication to them and others was not privileged.

33. The false statements made by Defendant Hutson about Plaintiffs were defamatory in that they tended to degrade and disgrace Plaintiffs, reduce the reputation and character of Plaintiffs in the estimation of their friends, acquaintances, business associates, and/or the public, and accuse Plaintiffs of impropriety and criminal activity.

34. In publishing the statements, Defendant Hutson acted with recklessness and/or wantonness toward Plaintiffs' rights.

35. The false and defamatory statements made by Defendant Hutson about Plaintiffs have caused Plaintiffs to suffer damages.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs are entitled to and pray for the following relief:

- a) Entry of judgment in favor of Plaintiffs on all causes of action against Defendant;
- b) An award to Plaintiffs of actual damages from Defendant in an amount to be determined at trial;
- c) An award to Plaintiffs of punitive damages from Defendant in an amount to be determined at trial;
- d) An award to Plaintiffs of costs, pre-judgment interest, and fees from Defendant;
- e) A jury trial on all issues so triable; and
- f) For such other relief as this Honorable Court may deem just and proper.

{Signature Page Follows}

TURNER PADGET GRAHAM & LANEY P.A.

By: s/ Carlyle R. Cromer
R. Wayne Byrd
Turner Padget Graham & Laney P.A.
P.O. Box 2116
Myrtle Beach, South Carolina 29578
Telephone: (843) 213-5500
Facsimile: (843) 213-5620
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John S. Wilkerson, III
Richard S. Dukes, Jr.
Carlyle R. Cromer
Turner Padget Graham & Laney P.A.
P.O. Box 22129
Charleston, South Carolina 29413
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E-mail: jwilkerson@turnerpadget.com
rdukes@turnerpadget.com
ccromer@turnerpadget.com

ATTORNEYS FOR PLAINTIFFS

November 29, 2016

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF CLARENDON	)	Civil Action No. 2015-CP-14-0615
	)	
TLC Holdings, LLC, Richard Clark, and	)	
Jimmy S. Lovell,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	CERTIFICATE OF MAILING
	)	
M. B. Hutson a/k/a M. B. Hudson,	)	
	)	
Defendant.	)	
	)	

I, Carlyle R. Comer, an attorney at Turner Padgett Graham & Laney P.A., certify that I have caused to be served a copy of the below listed documents upon Defendant and Defendant's attorney via email and U. S. Mail, postage prepaid, on November 29, 2016, addressed as follows:

1. Amend Complaint; and
2. Certificate of Mailing.

Served Upon:

Laura Paris Paton, Esq.
N. Kieth Emge, Jr., Esq.
R. Michael Ethridge, Esq.
Matthew T. Hemingway, Esq.
Carlock Copeland & Stair, LLP
40 Calhoun Street, Suite 400
Charleston, SC 29401

M.B. Hutson a/k/a M.B. Hudson
P.O. Box 2755
Orangeburg, SC 29116

s/Carlyle Cromer
Carlyle R. Cromer

Charleston, South Carolina

November 29, 2016

Wednesday, Feb. 17, 2021

CASE NUMBER 2020-CP-400-3310

Re: Notice to the Honorable Judge Robert Hood of the State of South Carolina:

Dear Judge Hood,

I am putting you on notice that I plan to file a complaint against you for the following reasons:

1. For participating, conspiring with, and allowing Murphy Grantland, P.A.'s Tim Newlin, JR Murphy, Esq., and John Grantland, Esq., (who formerly represented Penn America Insurance Company and Global Indemnity) and Collins and Lacy, P.C.'s Christian Stegmaier, Esq., who currently represent Penn America Insurance Company and Global Indemnity, to openly commit fraud, lying to yourself, as Judge within the Court while in session without appropriate consequences, and despite your having stated that you "have the ability to know when someone is lying to you," (thereby, and specifically permitting, conspiring with, and/or condoning their extrinsic fraud while you were presiding the the court, where there was:
 - A) probable cause, and
 - B) solid evidence submitted by myself thereto, clearly proving the same.

2. Sir, you did nothing to prevent this abuse to the Court nor to this Pro SE and permitted illegal actions within your court.

I do not believe that immunity protects any person, even a sitting Judge, from being sued when that Judge participated in allowing extrinsic fraud and lies by a defendant (in this case Christian Stegmaier, Esq.) to be blatantly told to the Honorable Judge in his own Courtroom when there is paper evidence supporting the truth and discrediting Stegmaier's claims, albeit he is an officer of the court, not to even mention the changes that have been made to the transcript tape after the court session.

Since you, Judge Hood, have been professionally involved with the Attorney General's Office for years and fully understand the law and conspired with the above named attorneys and Penn America and Global Indemnity to defraud the Defendant Hutson, myself, I see no option for my recourse except a suit.

Respectfully,



M. B. Hutson

State of South Carolina	)	
	)	In the Court of Common Pleas
County of Richland	)	
	)	
Penn America Insurance	)	
Company, et al.,	)	
	)	
Plaintiffs,	)	2020-CP-40-03810
	)	
versus	)	October 15, 2020
	)	
Morris Beach Hutson,	)	Columbia, South Carolina
et al.,	)	
	)	
Defendants.	)	
	)	

TRANSCRIPT OF RECORD

B E F O R E:

The Honorable Robert E. Hood

A P P E A R A N C E S:

John Grantland, Esq.
Tim Newton, Esq.
Christian Stegmaier, Esq.
Laura Baer, Esq.
Attorneys for the Plaintiffs

Morris Beach Hutson,
Self-Represented Defendant

FOR COPIES CONTACT: DeeAnne Varnadoe
Official Court Reporter
Fifth Judicial Circuit, At-Large
dvarnadoe@sccourts.org

I N D E X

Motion for Injunction 4

Motion for Amended Cross-Complaint 54

Third-Party Defendants' Motion 55

Motion to Stay 58

Certificate 78

E X H I B I T S

FOR THE PLAINTIFF:

(WHEREUPON, no exhibits were introduced during
this proceeding.)

FOR THE DEFENDANT:

(WHEREUPON, no exhibits were introduced during
this proceeding.)

P R O C E E D I N G S

THE COURT: All right. The first case on the docket this morning is Penn America Insurance Group and Global Indemnity versus Morris Beach Hutson, 2020-CP-40-03810.

Mr. Stegmaier, good morning. Mr. Grantland, good morning. Good to see you both.

And are you ...?

MR. NEWTON: Tim Newton.

THE COURT: Tim Newton. Okay. Good morning.

And you are Mr. Hutson; is that correct?

MR. HUTSON: Yes, sir.

THE COURT: Good morning. How are you?

MR. HUTSON: All right.

THE COURT: All right. Mr. Hutson, if you would, please, sir, raise your right hand.

MR. HUTSON: Your Honor, I have a request.

THE COURT: Okay.

MR. HUTSON: I'd like for not only I to be sworn in, but the lawyers.

THE COURT: Okay. And so if you would, please, raise your right hand.

Do you swear or affirm the information you are going to give this Court will be the truth, the whole truth and nothing but the truth, so help you, God?

MR. HUTSON: I do indeed.

1 **THE COURT:** Okay. I will not be swearing in the
2 lawyers unless they become witnesses in the hearing because
3 under their oath they are required to tell me the truth and
4 they have a duty of candor to the Court under the Rules of
5 Professional Responsibility ---

6 **MR. HUTSON:** Your Honor ---

7 **THE COURT:** --- found in the Appellate Court Rules.

8 **MR. HUTSON:** Your Honor, considering the fact that
9 they're in violation of those codes, I still would, for the
10 record, have them sworn in.

11 **THE COURT:** Okay. Your request is denied. Thank you.

12 **MR. HUTSON:** All right. Thank you.

13 **THE COURT:** Okay. And then what -- let's see.

14 So the first thing up is a motion for injunction
15 by the plaintiff; is that right?

16 **MR. STEGMAIER:** Yes, sir.

17 **THE COURT:** Are you arguing that, Mr. Stegmaier?

18 **MR. STEGMAIER:** I am, sir.

19 **THE COURT:** Okay. So, when y'all are arguing, you are
20 welcome to pull your mask down. If you don't want to,
21 that's okay, too. I want you to do whatever you're more
22 comfortable with, but I just want to make sure that Madame
23 Court Reporter can hear you clearly whichever way you do
24 it. Okay?

25 **MR. STEGMAIER:** Yes, sir.

1 **THE COURT:** I know it's difficult to talk for extended
2 periods of time with a mask on, so you are welcome to take
3 them down -- any of you are -- while you're arguing.

4 Okay. Whenever you're ready, sir.

5 **MR. STEGMAIER:** I appreciate your accommodation.

6 **THE COURT:** No problem.

7 **MR. STEGMAIER:** May it please the Court, sir?

8 I am Christian Stegmaier of Collins and Lacy and
9 we represent in this case the plaintiffs Penn America and
10 Global Indemnity Group.

11 Just to orient the Court, Penn America is
12 obviously the insurance carrier and Global Indemnity is the
13 parent to Penn America; and the reason why they're both
14 parties of interest is there's a pending appeal in the
15 Court of Appeals where they were both defendants in an
16 action that Collins and Lacy was retained to represent them
17 that Mr. Hutson had brought back in December of 2018.

18 We had transmitted to the Court copies -- an
19 identical binder that I have in front of me -- copies of
20 every sheet of paper that has been filed with the court
21 with regard to the motions that are pending before the
22 Court today, including all of the exhibits. So in the
23 event that the Court takes the matter under advisement, you
24 will have everything printed out.

25 **THE COURT:** Okay.

1 **MR. STEGMAIER:** I know printing out things can be a
2 challenge sometimes in chambers.

3 **THE COURT:** Correct.

4 **MR. STEGMAIER:** There are, like I said, six matters
5 pending before the Court today. For purposes of sequence,
6 as the Court has noted, we have a motion for preliminary
7 injunction. The defendant has filed what defendant
8 characterizes as a cross-complaint; obviously, that's a
9 counterclaim motion for injunction. The third is third
10 party defendants, which would be Murphy and Grantland,
11 defendant's motion to dismiss or, in the alternative, a
12 motion for summary judgement. The fourth would be Penn
13 America's motion to stay, dismiss, or strike, which is
14 emulative of the Murphy and Grantland third party
15 defendant's motion. The fifth is Penn America's motion to
16 strike the answer. And then the sixth is Penn America's
17 amended motion to strike this notice of fraud that is filed
18 by the -- by the defendant in this case.

19 And, sir, I know you're not hesitant to tell me
20 this, but in the event that I'm telling you anything that
21 you already know or already have heard, let me know.

22 **THE COURT:** I'll speak up.

23 **MR. STEGMAIER:** Certainly.

24 With regard to the motion for temporary
25 injunction --

1 **THE COURT:** Penn America's motion for temporary
2 injunction.

3 **MR. STEGMAIER:** Yes.

4 The bottom line version is this. Mr. Hutson
5 pursued a bad faith action and lost, and that was here in
6 Richland County and Judge Nettles decided it. He lost for
7 multiple reasons and he has elected to appeal to the Court
8 of Appeals, which is certainly his right.

9 But instead of letting the appellate process take
10 its course, Mr. Hutson spent much of the summer threatening
11 me, our firm Collins and Lacy, our client, and I would add
12 as well, the court system both at the trial court level and
13 the appellate level. Mr. Hutson is less than honest and he
14 has been told time and again by both federal and state
15 court judges that he has no case, and he has also been
16 sanctioned. Nevertheless, Mr. Hutson persists litigating
17 the same argument over and over again. I'll say succinctly
18 that we don't take kindly to threats and we want them to
19 stop, and that's the purpose for our filing this motion for
20 temporary injunction.

21 Simply stated, Mr. Hutson is a vexatious
22 litigant. And what we're asking for today is the entry of
23 a temporary injunction that precludes Mr. Hutson from
24 filing any additional matters or filing any additional
25 action regarding the subject matter until the incident

1 appeal is disposed of by the Court of Appeals and possibly
2 by the Supreme Court in the event that there's a petition
3 for writ of certiorari.

4 For purposes of, again, of orienting the Court as
5 to why we're here and what this is all about and the basis
6 for our assertion that Mr. Hutson is a vexatious litigant,
7 let me go briefly through the long history that exists with
8 regard to Mr. Hutson and this matter that originally
9 emanated from Clarendon County.

10 In December 2010, there was a land deal involving
11 Big Water Resort -- again, that's in Clarendon County. Mr.
12 Hutson entered into two different agreements: one with Big
13 Water Resort, LLC, and the other with this entity known as
14 TLC Holdings. The principles of both of these corporations
15 are one and the same and, of course, they're outlined in
16 our brief. Mr. Hutson bought or entered into a membership-
17 interest purchase agreement with Big Water Resort, and then
18 he entered into a lease purchase agreement with TLC
19 Holdings.

20 The first action was in December 2011 and that
21 was an ejectment action brought by TLC Holdings. Mr.
22 Hutson had defaulted on the lease purchase agreement and
23 that was the original action that was brought. Mr. Hutson
24 filed a counterclaim that asserted among other things
25 misrepresentation, fraud, material omissions on the part of

1 TLC Holdings. The matter was litigated and was ultimately
2 resolved by a settlement agreement and, probably more
3 importantly, a consent order that was entered in on
4 April 13, 2012. We note that Mr. Hutson was represented by
5 counsel, Paul Weissenstein, and then later Chip Burn
6 (PHONETIC). We know that Mr. Hutson defaulted on the terms
7 of this 2012 settlement agreement and that there was an
8 action to enforce or a motion to enforce the agreement, and
9 Judge James, now Justice James, entered an order on March
10 21, 2014, enforcing the settlement agreement. And what's
11 important about that is Judge James held that TLC Holdings'
12 alleged global assurances and the important disclosures
13 that Mr. Hutson said weren't made and that were asserted in
14 his defenses and were the basis of his counterclaim, had
15 been disposed of or foreclosed in the settlement agreement.
16 This is the first instance where a state court judge -- a
17 sitting circuit court judge -- states that there can't be
18 any relitigation of these claims that Mr. Hutson once had
19 propounded against TLC Holdings. We note that with regard
20 to this action in front of Judge James, Mr. Hutson was
21 again represented by counsel, this time by H. Freeman
22 Belser.

23 The second action arose in April of 2014. This
24 time it was a federal class action in the Charleston
25 division in front of Judge Norton. This action was brought

1 by TLC Holdings. In the midst of TLC Holdings' efforts to
2 evict Mr. Hutson from Big Water Resort, Mr. Hutson sent a
3 postcard to the membership asserting among other things
4 fraud by TLC Holdings. TLC Holdings obviously didn't take
5 kindly to this and a group of members sued TLC Holdings in
6 front of a district court, again in April of 2014. TLC
7 Holdings third-partied Mr. Hutson into the case for
8 equitable indemnification. TLC Holdings and Mr. Hutson
9 ultimately filed cross-motions for summary judgement. At
10 this point -- and we want to note this because this is
11 important -- with regard to the defense of this case, Mr.
12 Hutson was represented, but with regard to the prosecution
13 of the counterclaims the carrier said we're not going to
14 represent you and you can either hire a lawyer or you're
15 going to be pro se. So with regard to these counterclaims,
16 which, again, were just a relitigation of the initial
17 claims of fraud and misrepresentation and all of those
18 other things as it relates to TLC Holdings, Mr. Hutson was
19 pro se.

20 The magistrate ultimately recommended that TLC
21 Holdings' motion be granted, which Judge Norton adopted.
22 TLC Holdings sought sanctions against Mr. Hutson, which
23 initially were not granted; however, Mr. Hutson sought
24 reconsideration and asserted again the existence of fraud
25 that he said he could prove, but ultimately were never

1 demonstrated. And again, that's very important because I
2 know you know from your private practice and your
3 experience that Judge Norton is a patient person and gives
4 everybody a lot of leeway and understands due process. And
5 Judge Norton gave Mr. Hutson the opportunity to prove this
6 fraud or this misrepresentation or whatever you want to
7 characterize it as, but again it wasn't demonstrated. The
8 more specific language from Judge Norton's order is
9 encompassed in our motion, which we would refer to the
10 Court. But by virtue of the fact that Mr. Hutson, although
11 given the opportunity, didn't end up demonstrating the
12 existence of this fraud, Judge Norton held sanctions were
13 appropriate and granted the same. We know that Penn
14 America settled the third party claims in the class action
15 and also paid the sanctions. Mr. Hutson was dismissed from
16 this case in April of 2018.

17 The third action was a state court action that
18 was brought in December of 2015, and, again, like I said,
19 it was a defamation action and was brought in Clarendon
20 County and this time Judge Cothran had jurisdiction over
21 this matter. This goes back to the postcard that had been
22 sent out by Mr. Hutson as to TLC Holdings and alleging the
23 fraud. TLC Holdings filed a separate action against Mr.
24 Hutson for the statements he made on the postcard. And
25 again, Mr. Hutson raised these same counterclaims again as

1 it relates to fraud and misrepresentation, et cetera, that
2 were raised in the class action. Mr. Hutson was
3 represented in the defamation action by virtue of the
4 insurance he had purchased through Penn America, but,
5 again, with regard to his counterclaims he was pro se and
6 not represented. TLC Holdings moved for summary judgement,
7 which the Judge granted. And the Judge wrote in the order
8 that Mr. Hutson's counterclaims either were or could have
9 been raised in the prior state court litigation and he
10 released all such claims by virtue of the settlement
11 agreement. That's what Judge Cothran wrote, so this is a
12 second instance where a state court judge -- a sitting
13 circuit court judge -- told Mr. Hutson that his claims
14 against TLC Holdings for fraud and misrepresentation were
15 no longer viable. The case proceeded to trial and it
16 resulted in a three and a half million dollar verdict
17 against Mr. Hutson. Mr. Hutson was represented in that
18 defense and, ultimately, after the verdict, the case was
19 mediated to resolution. Penn America paid that claim and
20 Mr. Hutson was advised of that settlement on December 4,
21 2018.

22 The day after being told of the settlement of
23 that defamation claim, he brought another action, this time
24 bad faith against the carrier, Penn America, as well as
25 Global Indemnity. And I've skipped to the fifth claim, so

1 let me talk just a little bit about the fourth claim before
2 I talk about this bad faith action.

3 In June 2016, there was a declaratory judgement
4 action that had been brought as to the coverage and the
5 coverage responsibilities of Penn America concerning the
6 class action matter as well as the defamation claims. Mr.
7 Newton of Murphy and Grantland was retained to represent
8 Penn America and filed an action regarding the coverage.
9 That matter, however, was resolved three months after
10 filing in September 2016, where Mr. Hutson entered into a
11 settlement agreement with Penn America. And this part is
12 important, just as important as the settlement agreement
13 and consent order as to the first action, but with regard
14 to the coverage action, Penn America paid Mr. Hutson the
15 sum of \$9500 in exchange for a release that released or
16 discharged Penn America and, among others, its lawyers from
17 any claims involving the class action and the defamation
18 action. And these claims were delineated within the
19 release to include, among others, bad faith, breach of
20 contract, et cetera, and anything that could be related to
21 such claims. Mr. Hutson again signs another release saying
22 in addition to releasing his claims against TLC Holdings
23 that he's released his claims against Penn America as well
24 as its lawyers.

25 So that brings us back to the fifth action that I

1 want to discuss briefly here. You've got the December 2018
2 action and the action was filed the day after the
3 defamation claim had been resolved. There, Mr. Hutson
4 brought a bad faith claim against the carrier and counsel,
5 and Judge Nettles this time had jurisdiction over this
6 matter. And in this case Mr. Hutson asserted breach of
7 contract, bad faith, fraud, misrepresentation, negligence,
8 legal malpractice, tortuous interference with attorney-
9 client relationship. Murphy and Grantland was a defendant
10 in that case.

11 **THE COURT:** Was he pro se on that one?

12 **MR. STEGMAIER:** I'm sorry, sir.

13 **THE COURT:** Did he represent himself on that case?

14 **MR. STEGMAIER:** He was represented by -- he
15 represented himself.

16 **THE COURT:** Okay.

17 **MR. STEGMAIER:** He was pro se.

18 **THE COURT:** Thank you.

19 **MR. STEGMAIER:** Murphy and Grantland was a defendant
20 in addition to Penn America and Global Indemnity. Murphy
21 and Grantland appeared pro se and Penn America at that
22 point hired Collins and Lacy. So we got into this game
23 long after the defamation case, long after the class
24 action, long after the original action involving the
25 ejectment.

1 After a period of litigation, Murphy and
2 Grantland and Penn America filed motions for summary
3 judgement, which in this courtroom we argued and Judge
4 Nettles granted. Judge Nettles held among other things
5 that the release that was signed by Mr. Hutson as to Penn
6 America in 2016 as it related to the declaratory judgement
7 action operated as a release from any liability and that
8 summary judgement was appropriate. I would note, too, as
9 well that in addition to the release, Judge Nettles went
10 through every one of those causes of action and disposed of
11 them on the merits, too, as well. This is the third state
12 court judge -- the third state court judge -- to tell Mr.
13 Hutson his claims relating to TLC Holdings had been
14 litigated and disposed of. So at this point in time Mr.
15 Hutson, unsatisfied with Judge Nettles' disposition,
16 appeals the matter to the Supreme Court -- I'm sorry -- to
17 the Court of Appeals. And again, that's his -- that's his
18 right created by the constitution as well as the statutes.

19 So we have been litigating that matter in the
20 Court of Appeals for quite some time, and then during the
21 course of the pendency of that appeal we start getting
22 these e-mails from Mr. Hutson rendering this purely -- that
23 can be characterized as threatening, and we have outlined
24 them verbatim in the brief to the Court starting at page
25 twelve of our motion. But stating succinctly, we've got

1 probably five or six instances of communications directly
2 to me telling us about how we're involved in some sort of
3 extrinsic fraud to the court. And, of course, this
4 emanates back to the original allegations and the original
5 counterclaim against TLC Holdings that Mr. Hutson
6 ultimately released with regards to the ejectment action.
7 And again, and I'll just bring it up, when we get to the
8 action in federal district court, Judge Norton on a motion
9 to reconsider says, "Show me what you've got", and Mr.
10 Hutson doesn't perform and doesn't do it. And so, again,
11 Judge Norton who is a patient person says that your motion
12 for reconsideration was done in bad faith and that's where
13 those sanctions got.

14 So the entire summer we get these e-mails from
15 Mr. Hutson telling us how we're going to get sued, that I'm
16 going to sue you, and suit is imminent. And this is
17 characteristic of Mr. Hutson; he does a lot of threatening
18 and then a lot of times doesn't do anything about it. He's
19 made misrepresentations ---

20 **MR. HUTSON:** Objection. Could he -- could Mr.
21 Stegmaier read one of those so-called threatening letters?

22 **THE COURT:** Sure.

23 **MR. HUTSON:** For the record.

24 **MR. STEGMAIER:** Again, we claim reference to the
25 reading. All right. So Mr. Hutson asks, so we're going to

1 let him.

2 With regard to a July 8th transmission to the --
3 I'll tell you what, this is a better one. On July 16, 18,
4 19 of 2020, Mr. Hutson sent three versions of his reply to
5 a return to an emergency motion filed with the Court of
6 Appeals.

7 **MR. HUTSON:** Your Honor, excuse me. That's not
8 reading one of the letters -- the harassing letters.

9 **THE COURT:** He's going to get to it.

10 **MR. HUTSON:** That's something different.

11 **THE COURT:** He's going to get to it.

12 **MR. HUTSON:** I filed that in court.

13 **THE COURT:** Go ahead ---

14 **MR. HUTSON:** He's dodging reading the e-mail.

15 **THE COURT:** Go ahead, Mr. Stegmaier.

16 **MR. STEGMAIER:** I'd ask the Court to direct Mr. Hutson
17 not to interrupt during my presentation and I promise I
18 won't do the same with him.

19 So included with two of the drafts that he filed
20 with the Court of Appeals: "Should this Honorable Appeals
21 Court take no action to stop the ongoing extrinsic fraud by
22 these respondents and officers of the court, appellant will
23 be forced to view this inaction as the Honorable Court co-
24 conspired with these officers of the court and against this
25 appellant. These lawyers and officers of the court must be

1 stopped. This argument has been going on for years. If
2 the appellate court does not act to clear the court of
3 fraud, the appellant must consider all means which may be
4 open to him, even possibly contacting local and national
5 news departments." (AS READ) So he's threatening the
6 Court of Appeals in that transmittal.

7 But with regard to an e-mail, I'll cite one
8 example. On July 8, 2020, Mr. Hutson sends me an e-mail
9 and says, "I can use the internet among other methods and I
10 could name every person, every law firm, every lawyer, as
11 well as every person who has assisted in plotting to
12 defraud me including persons who work for Penn America and
13 Global Indemnity. Should anyone refer to my actions as
14 defamation, I welcome any new lawsuit that allows me to
15 further expose the injustice carried out by the following."
16 And he lists the names of a series of lawyers including
17 Collins and Lacy.

18 And these are just examples of one of the many e-
19 mails that Mr. Hutson or the filings that Mr. Hutson has
20 filed during the course of the -- during the course of the
21 summer.

22 And, you know, ---

23 **MR. HUTSON:** Your Honor, is it proper for me to ---

24 **THE COURT:** No, sir.

25 **MR. HUTSON:** --- respond for a moment?

1 **THE COURT:** No, sir. You can reply in a moment.

2 **MR. HUTSON:** All right. And one other question,
3 please, sir. The amount of time that he takes -- and
4 there's three of them so it will probably take each of them
5 -- if I could be allowed that same amount of time.

6 **THE COURT:** We don't have time limits. Thank you very
7 much.

8 **MR. HUTSON:** Thank you.

9 **MR. STEGMAIER:** I'm in the home stretch, sir.

10 **THE COURT:** I wasn't placing a time limit on you, Mr.
11 Stegmaier.

12 **MR. STEGMAIER:** I appreciate it, sir.

13 **THE COURT:** Yes, sir.

14 **MR. STEGMAIER:** So this is -- this was our thinking.
15 We get a multitude of communications from Mr. Hutson during
16 the course of this litigation and during the pendency of
17 the appeal, and the appeal is the proper mechanism for the
18 dispute or for the disposition of this dispute, and in the
19 interim we're getting all these e-mails telling us how
20 we're participating in an extrinsic fraud involving events
21 that Collins and Lacy had nothing to do with ten years ago
22 at this point and it doesn't make any logical sense to us.

23 So we decided to use the rights that are given to
24 us under the Rules of Civil Procedure and file this
25 injunction to just say, Listen, we've got this appeal

1 that's going on in the Court of Appeals. Mr. Hutson is
2 aggrieved by the decision of Judge Nettles. That's fine.
3 We'll let a panel of three in the Court of Appeals dispose
4 of this, but in the interim we don't have to put up with
5 all of this. And it's vexatious and we have provided to
6 the Court the law that supports the notion that with regard
7 to vexatious litigants, it gives -- in addition to all
8 these actions that we've detailed for the Court, there are
9 multiple other actions including one that you presided over
10 some time ago. And so we've got a history of a litigant
11 that just won't take no for an answer and just keeps
12 relitigating the same issue over and over and over again.
13 We note that by virtue of the findings we have sought this
14 injunctive relief. Today you're sitting as a court of
15 equity and we note that in South Carolina a court of equity
16 may properly intervene to prevent continued, vexatious
17 litigation.

18 And so simply what we're asking today is for the
19 Court to issue an order precluding or prohibiting Mr.
20 Hutson from just hauling off and filing actions like the
21 counterclaims that have been filed in response to this
22 case, which are again just a relitigation of the matter
23 that is already pending in front of the Court of Appeals.

24 I'll just note this, too, as well with regard to
25 factor test or a four-factor test that this Court can use

1 and exercise. It emanates from the 4th Circuit because
2 there is no South Carolina authority specifically
3 addressing the factors to be considered in determining
4 whether or not this injunction is subsequently warranted,
5 so we'll note this. This is the Cromer (PHONETIC) matter
6 that was decided by the Fourth Circuit. "The court must
7 weigh all relevant circumstances including, number one, the
8 parties' history of litigation, in particular whether he's
9 filed vexatious, harassing, duplicative lawsuits." That's
10 number one and we think that's been satisfied.

11 "Whether the party has a good faith basis for
12 pursuing the litigation or simply intending to harass." We
13 think all Mr. Hutson is doing is harassing us.

14 Number three, "To the extent of the burden on the
15 courts and the other parties resulting from the parties'
16 filings." Look at the binder we sent the Court. This is
17 just a response to the motion for injunctive relief and
18 alternative sanctions.

19 Our position is this. This is the least the
20 Court can do. You are the gatekeeper as it relates to the
21 docket here in Richland County and if you were to take a
22 look and we would invite the Court to take a look at the
23 Court of Appeals' docket involving the appeal from Judge
24 Nettles. There are a multitude of filings by Mr. Hutson
25 that are well, well outside the Rules of Appellate

1 Procedure that have no basis, that have no relation to any
2 rule; and he's doing the same thing in this case by filing
3 this notice of fraud and all these other matters that he's
4 filing. He knows what he's doing. He knows what he's
5 doing and he's harassing us, and Judge Norton has noted
6 this before and has sanctioned him. And just looking
7 objectively at what has already been litigated and how it's
8 been disposed, there is no good faith basis for this to
9 continue at this time in a court of common pleas here in
10 Richland County.

11 So for those reasons as well as the reasons I
12 have articulated within our brief to the Court, we would
13 respectfully ask the Court to issue that order at least
14 during the pendency of the appeal before the Court of
15 Appeals.

16 **THE COURT:** All right.

17 **MR. STEGMAIER:** Thank you, sir.

18 **THE COURT:** Mr. Grantland, do you need to be heard on
19 that issue?

20 **MR. GRANTLAND:** Your Honor, I can -- I'll be very
21 brief.

22 **THE COURT:** Okay.

23 **MR. GRANT LAND:** Our firm was unfortunately coverage
24 counsel for Penn National, and this is the second -- when
25 Penn America filed the injunction, Mr. Hutson filed a

1 third-party complaint ---

2 **THE COURT:** And brought you in.

3 **MR. GRANT LAND:** And brought us in. So this is the
4 second -- this is the second lawsuit against my firm. And
5 as Mr. Stegmaier said, Mr. Hutson had an opportunity to
6 litigate all -- everything he has said in this third-party
7 complaint that is before you, he has said before to Judge
8 Nettles. Judge Nettles heard it all and he took it under
9 advisement; he dismissed it and he granted summary
10 judgement. He's appealed that. I mean, under 12(b)(8)
11 this should be dismissed because there's another action
12 that is pending. And that's the only thing I want to add.

13 **THE COURT:** Okay. Thank you.

14 Mr. Newton, do you need to say anything? You
15 don't have to, but you can if you want to.

16 **MR. NEWTON:** Not at this time, but I may have
17 something later.

18 **THE COURT:** Okay. That's fine.

19 All right. Now, Mr. Hutson. Now it's your turn.

20 **MR. HUTSON:** Good morning again, Your Honor. I want
21 to thank you and all of the court staff that has tried to
22 make the court run safe.

23 **THE COURT:** We've done our best to limit who all is in
24 here.

25 **MR. HUTSON:** Thank you.

1 **THE COURT:** People are only sitting next to each other
2 if they want to sit next to each other.

3 **MR. HUTSON:** I hope this virus will leave us and we
4 can again have a great economy.

5 Your Honor, this case goes far beyond just a
6 simple injunction. I want to talk about a few things and I
7 need to read a few things to get it in the record. But at
8 the end of it, I'm going to present you with actual
9 documents that these third party defendants, respondents,
10 plaintiffs, state themselves that proves the extrinsic
11 fraud. And then I can also provide an additional document
12 and I'm going to read and provide to you --

13 Sir, may I give you a copy of this right here?

14 **THE COURT:** Show it to Mr. Stegmaier first, please.

15 **MR. HUTSON:** I'm going to give him a copy of it. Do
16 you want him to have it first?

17 **THE COURT:** Uh-huh. (AFFIRMATIVE RESPONSE)

18 **MR. HUTSON:** All right.

19 (WHEREUPON, a document is presented to Mr.
20 Stegmaier.)

21 **MR. HUTSON:** How about any other -- any other
22 attorneys that would care to have a copy?

23 **MR. STEGMAIER:** Mr. Hutson, I see this is all
24 highlighted. Do you want your copy back?

25 **MR. HUTSON:** I'm sorry?

1 **MR. STEGMAIER:** That's all highlighted. I'm asking if
2 this is the one you're reading from.

3 **MR. HUTSON:** We're going to go by it as we progress.

4 **MR. STEGMAIER:** Mr. Hutson, all of your notes are in
5 here. Would you like your notes?

6 **MR. HUTSON:** I'll be happy to have it back.

7 **THE COURT:** All right.

8 (WHEREUPON, a copy is presented to the Court.)

9 **MR. HUTSON:** And Your Honor, first of all, I've never
10 had an injunction in my life against me for harassing
11 anybody. The whole purpose of this injunction is to and
12 was to prevent me from suing them. And the reason that I
13 wanted or I felt it necessary to sue them was because in
14 Judge Nettles' court they conducted fraud upon the court.

15 Now, fraud upon the court, means just this. This
16 great big book that he's got right there, it's true what
17 he's saying. Those are my cases that I lost. That's
18 correct. That's true. A lot of those cases were lost with
19 Penn America's own lawyers representing me, so I couldn't
20 win a case with a lawyer or without a lawyer.

21 But again, this is a much greater issue here than
22 just a request for an injunction because I don't deserve
23 it. That's why I was asking if he would read the letters
24 because each letter that I send them I'm saying and I'm
25 asking them to stop doing what they're doing. And what is

1 it they're doing, Judge? They are committing extrinsic
2 fraud against me which, in effect, creates defamation
3 against me and it prevents me from having my cases heard.
4 And, Your Honor, if you're -- and I know that you are --
5 but if extrinsic fraud exists, a person cannot have a case
6 heard. Period. So what that does is the plaintiff that is
7 taking -- that is moving forward with this extrinsic fraud
8 creates or causes the scales of justice to go in his favor.
9 And so I'm pro se, yes, but I've got as many rights as any
10 one of those three gentlemen sitting over there. As a
11 matter of fact, I have a right to go to federal court for
12 civil violations with these same people.

13 So I want to talk about a couple of things here
14 because this is very important. It's far more -- this is
15 not just a simple injunction and I think it's worth reading
16 into the records. This was written by the United States
17 Court of Appeals for the Sixth Circuit, and it is as
18 follows. What it reads is, the five elements of conduct
19 that constitute extrinsic fraud, Your Honor, upon the court
20 -- and then they name them A, B, C, D, E.

21 Number one, it has to be an officer of the court
22 involved in it; that's a lawyer.

23 Number two, that it is directed at the judicial
24 machinery itself, meaning that if they're given false
25 information or fraudulent information, they just created

1 fraud upon the court, but the judge is not in a position to
2 answer that properly and rule in a just manner.

3 Number C, that is intentionally false -- and I
4 can prove that -- and willfully blind to the truth -- and I
5 can prove that today in writing from them -- or in reckless
6 disregard for the truth. And Judge, these three gentlemen
7 I'm going to show you right here on their own writing that
8 they are liars. It's not right that they're just good guys
9 and I'm the bad guy here. They are liars.

10 And then C that it deceives the court -- I mean,
11 E, that it deceives the court.

12 Now, in addition to that, I considered filing a -
13 - this has bothered me so much over the past years because
14 it wasn't only them doing extrinsic fraud. TLC Holdings'
15 lawyers were the authors of the fraud. And I had a lawyer
16 by the name of Laura Patton who filed in court 77 counts of
17 fraud that TLC Holdings and their attorneys perpetrated
18 against me causing me to lose millions of dollars. So this
19 is not just something -- I don't dislike these people. I'm
20 not that type individual.

21 **THE COURT:** All right. Cut -- let's start moving
22 towards the specific things you want me to hear as ---

23 **MR. HUTSON:** Yes, sir.

24 **THE COURT:** --- opposed to the big 20,000 foot view.

25 **MR. HUTSON:** All right. This has been so disturbing

1 until I honestly contemplated suicide to get out from under
2 this stress because it won't quit. These people right
3 here, they will not stop filing papers that are fraudulent.
4 Now, let me give a definition of what's fraudulent.

5 **THE COURT:** I understand what's fraudulent under the
6 law and ---

7 **MR. HUTSON:** I need to read it, Judge, for the
8 records, please.

9 They filed a petition -- and sir, you have a copy
10 of that petition -- and in it they supply all those papers
11 right there, all those lost cases, and they say that those
12 cases were lost simply because they're frivolous and
13 they're harassing.

14 Okay. With that in mind, let's just stop for
15 just a moment and on page three, on the fifth paragraph,
16 5(a), Penn America -- Judge, that's the plaintiff -- Penn
17 America who are those two gentlemen right over there, they
18 were actively representing Penn America. They wrote me a
19 letter and I have that letter attached, sir, to that
20 paperwork that you got. I'm going to read a sentence in
21 this and let's see if you make a little something out of
22 it. Now, this letter was written to me on a voluntary
23 basis. They did not represent me, but I'm going to read
24 the letter. All right. It reads: Since attorneys were
25 involved and it resulted -- now listen closely -- and it

1 resulted in your inability to present your case in court.
2 Now, it didn't say that -- and this is Penn America writing
3 these letters, so it didn't say that my cases were lost
4 because they were frivolous. It says here that it resulted
5 in your inability to present your case in court and
6 possibly led to the sanctions. That's the very thing that
7 they were just talking about, that I'm a bad guy and that's
8 why I got sanctions. I got sanctions because the lawyers
9 represented TLC Holdings and they continued with the
10 conspiracy to defraud the court. They created this thing -
11 - they offered this and these people continued to conspire
12 with it for personal gain and benefit at my expense.

13 And today I'd like to bring this thing to an end.
14 I want this -- I want these people -- now, for instance, if
15 they were going to file for an injunction, here's what the
16 law -- and I've got a lot of case law cited, Your Honor,
17 right there in that paper that you're looking at -- the law
18 requires them to do certain things. Number one, what they
19 would have to do when they file their motion for an
20 injunction, they would have to disclose -- and this is
21 according to written law that's right here in this paper --
22 stating that my cases were lost due to the fact that I did
23 not have the ability to have my cases heard because of
24 lawyers, the lawyers being the lawyers of Turner Padgett.
25 They had already offered the entire extrinsic fraud. There

1 were 77 counts of it. And I'm going to remind the Court
2 that at no time, and up until this very moment, have these
3 people objected to one thing that Laura Patton -- and I
4 want to add this, too, that Laura Patton was hired by the
5 plaintiff Penn America. She was paid by Penn America, so
6 she researched the entire files including the federal cases
7 as well as some of the common pleas, and she reached the
8 determination that she personally filed and I
9 electronically signed it.

10 But now, I want to go toward the liars -- Well,
11 back to the affidavit and to their application for an
12 injunction. Judge, they're not entitled to file for an
13 injunction because the use of their evidence is cloaked
14 with fraud. Why is it fraud? It's because they say these
15 cases were lost because they were frivolous. That is a
16 lie. These cases were lost according to Penn America's own
17 lawyer, in red writing right here and on his own letterhead
18 and his letter is attached to the back of this paper where
19 it plainly reads, "since attorneys were involved and it
20 resulted in your inability to present your case in court
21 and possibly led to the sanctions". He just painted a
22 picture that I got sanctions because I was a bad person. I
23 got sanctioned because I was unaware of the ongoing
24 extrinsic fraud.

25 So one day in a conversation I had with Mr.

1 Newton, he got -- one has to wonder why would anybody write
2 such an incriminating letter, because I didn't -- I didn't.
3 Nobody made him do it. And the letter is from page -- the
4 whole letter with his letterhead on it and where he signed
5 it starts on page 12, if you'll excuse the handwriting on
6 12, and he cites seven different case laws supporting the
7 letter that he wrote to me. Now, he wrote me that letter
8 for a reason. I mean, everybody seems to keep asking that
9 question, well, why would Penn America's own lawyers when
10 they're actively representing Penn America, what in God's
11 world would possess them to write such a letter? Because
12 there was a lot of study put into this letter and there was
13 a lot of research put into it, and in paragraph 15 it's
14 pretty strong. And I don't want to read the rest of them
15 because they are less important.

16 What's important here is these gentlemen filed an
17 application for an injunction against me where I can't file
18 a lawsuit against them, which would violate my
19 constitutional rights.

20 **THE COURT:** You already filed a lawsuit against them.

21 **MR. HUTSON:** Sir?

22 **THE COURT:** You already filed a lawsuit against them.

23 **MR. HUTSON:** I had to.

24 **THE COURT:** Yeah, I know. And that case is on appeal.

25 **MR. HUTSON:** That's correct. But since they turned

1 around and sued me and used -- they sued me with a
2 complaint, Judge, as well as filed a motion for an
3 injunction. And their excuse for the injunction can't
4 stand because they're lying. They're saying that they need
5 the injunction because I am filing frivolous lawsuits.
6 Right here, Penn America's own lawyer puts in writing
7 nothing about a frivolous lawsuit. They say because the
8 attorneys were involved. And if you look back at the US --
9 the United States Appeals Court, they say the first item
10 that constitutes extrinsic fraud brought upon the court --
11 same thing -- is since attorneys were involved I was not
12 able to have my case heard in court. And that's been the
13 case, Judge, and I was so naive in the beginning that I
14 never knew that. As a matter of fact, I didn't know that
15 these gentlemen right here were defrauding me until after
16 Mr. McNeil from Murphy and Grantland wrote this letter.

17 Now, just before I explain why he wrote this
18 letter, I want to show a blatant lie. If you will again
19 refer to the first thing where on paragraph 16, "since
20 attorneys were involved and it resulted in your inability
21 to present your case in court and possibly led to the
22 sanctions", he was just talking negative about the
23 sanctions. This lawyer was representing Penn America the
24 plaintiff and, Judge, it's right here in this letter and
25 it's addressed to me and he signed it. He e-mailed it to

1 me. And he says here that it led to the sanctions order
2 and judgement against you, there might possibly be
3 extrinsic fraud. Well, why he bothered to use the word --
4 lawyers are slick. He started this sentence off and this
5 paragraph off by saying "since lawyers were involved".
6 Well, what did that have to do with anything? He knew. He
7 helped -- he had -- a long time ago he knew that the
8 lawyers had defrauded me.

9 They hid 22 million dollars worth of hidden debt
10 as one of the fraudulent acts that they did. It was
11 horrendous. They sold me property that had no title. I
12 was paying \$10,000 a month for the right to buy a property
13 at a six million dollar purchase price. But I don't want
14 to get off subject because that's what they'd like for me
15 to do. This is what they brought in last time to Judge
16 Nettle's court.

17 So, Judge, they could not possibly file for an
18 injunction in this honorable court because everybody is
19 under rules including yourself. They knew that they should
20 not lie and misrepresent that the reason -- because they
21 had this letter that Mr. Newton wrote. They had it. You
22 didn't hear them mention that letter today. Nobody in this
23 courtroom heard that. Do you know why? They didn't want
24 that.

25 Well, I'm going to read something else that's

1 even worse because it makes them out to be blatant liars.
2 And I'm going to refer to page 17. Your Honor, this is the
3 same person that wrote the first letter. He wrote it about
4 two ---

5 **THE COURT:** I can read. You don't need to ---

6 **MR. HUTSON:** All right. I'm going to read it into the
7 records. Now he's had a change of heart.

8 **THE COURT:** And the next part of the letter he said
9 that Penn America has never admitted that there's been
10 extrinsic fraud upon the court.

11 **MR. HUTSON:** That's right. At no point.

12 **THE COURT:** I already read it.

13 **MR. HUTSON:** Okay. But the record doesn't know it and
14 that's all I'm trying to do is get it in the record because
15 I have a feeling that I'm going to need that as soon as I
16 can get it.

17 At no point -- and this is Tim Newton writing to
18 me, Mr. Hutson, and it's the second letter. Now, notice
19 where he puts this tiny sentence. He doesn't -- it's an
20 important sentence. Why wouldn't he put it at the
21 beginning of this letter? He hid it. He slipped it in, in
22 the middle. And he says that at no point has Penn America
23 or its counsel ever acknowledged the existence of fraud
24 upon the court.

25 Judge, right back here where Mr. Newton wrote his

1 first letter he clearly states that my cases could never be
2 heard. In other words, back then TLC Holdings and their
3 lawyers were aware that there was so much fraud going on
4 that they didn't even -- they knew that I didn't even know
5 that there was a hidden 22 Million Dollar obligation that I
6 had for a business that I was buying, which was totally
7 impossible. What they were trying to do was dump the
8 property because they were losing \$350,000 a year. Mr.
9 Newton knows that. He and I have had hundreds of telephone
10 conversations about it. This is not brand new to them.
11 These other lawyers, they know about this.

12 Okay. Now, considering the fact that Mr. Newton
13 -- they're all right there together. Two of them is in the
14 same law firm. Considering the fact that Mr. Newton writes
15 the letter that since lawyers were involved and you did not
16 have a right to have your cases heard -- how can they --
17 and they know. They've got a copy of this letter. I've
18 circulated it many times. How could they possibly go
19 before you to enjoin me from filing a lawsuit against them?
20 How many have I filed? Two. All those letters that I've
21 written to them I've asked them to stop committing
22 extrinsic fraud because why, Judge?

23 I'm going to give you another page to review.
24 Excuse my delay but it's very worthwhile.

25 (WHEREUPON, Mr. Hutson reviews his notes.)

1 **MR. HUTSON:** And I appreciate you telling me that time
2 was of essence in this hearing because this is an important
3 case. What you've got here, Judge, is you've got extrinsic
4 fraud actively ---

5 **THE COURT:** Okay. If you start repeating yourself,
6 then we're going to start -- we're going to start stopping
7 your argument. You need to start saying something new. I
8 have followed your argument from the moment that you made
9 it. The issue before the Court at this point in time is
10 whether or not an injunction should be issued in regards to
11 you filing a same or similar lawsuit against the parties in
12 this case that is currently on appeal. That is the only
13 issue right now, so ---

14 **MR. HUTSON:** I understand that ---

15 **THE COURT:** --- your argument should be based upon
16 injunction law and not based upon the arguments that you
17 are making.

18 **MR. HUTSON:** By them filing a fraudulent application
19 for an injunction -- and, Judge, Rule 215 of the American
20 Bar Association, and you're probably a member of that in
21 this court, plainly reads on page two starting with (b), a
22 Judge having knowledge that a lawyer has committed a
23 violation of the Rules of Professional Conduct that raises
24 a substantial question regarding the lawyer's honesty ---

25 **THE COURT:** I know what the rule says.

1 **MR. HUTSON:** Okay. It says that the Judge has an
2 obligation to report it.

3 **THE COURT:** That's actually not what the rule says,
4 but that's fine.

5 **MR. HUTSON:** Sir?

6 **THE COURT:** That's actually not what the rules says,
7 but that's fine.

8 **MR. HUTSON:** Well, I could go back here again and look
9 at it.

10 **THE COURT:** Well, you would actually need to read the
11 rules that apply in this courtroom, which would be the
12 South Carolina Rules -- Appellate Court Rules on Judicial
13 Canons, which does not say that it shall be reported. It
14 says the Judge having knowledge --like personal knowledge,
15 like no doubt about it, first-hand information -- that a
16 lawyer has done something that involves dishonesty, fraud -
17 - and I think there's one other word -- shall deal with the
18 appropriate authority or the appropriate body. So that
19 means I could basically do anything I wanted to do with it.

20 **MR. HUTSON:** All right. So you're familiar with 215.

21 **THE COURT:** 215 is not the rule. We're in South
22 Carolina. It's an Appellate Court Rule found under the
23 Judicial Canons, which are under the South Carolina
24 Appellate Court Rules. 215 is an ABA rule. I'm not a
25 member of the ABA. Stop making assumptions about me.

1 **MR. HUTSON:** Okay. I'm not. I was just simply asking
2 because I have no way of knowing.

3 But any time -- there's one thing that the court
4 can't tolerate and can't put up with and that is the
5 extrinsic fraud upon the court.

6 **THE COURT:** I agree with that. But you haven't shown
7 me any of that.

8 **MR. HUTSON:** Okay. The two letters that I just read
9 you, that doesn't clue you at all?

10 **THE COURT:** The two letters that you just read me are
11 an e-mail between --

12 **MR. HUTSON:** Penn America.

13 **THE COURT:** Yeah. And you. I understand what they
14 said. I understood what they said before you read them
15 because I read them when you handed them up.

16 **MR. HUTSON:** All right. Well, let me ---

17 **THE COURT:** I understand what they say. The issue
18 before the Court is should you be precluded from filing any
19 other matters or lawsuits against these parties based upon
20 similar allegations until the appeal is over. That's the
21 only issue.

22 **MR. HUTSON:** Your Honor, as long as they continue
23 their extrinsic fraud I have no choice but to try to defend
24 myself because ---

25 **THE COURT:** You have already sued them. You have

1 already lost. Your case is on appeal.

2 **MR. HUTSON:** Not this case. That's the case over
3 Judge Nettles.

4 **THE COURT:** Yes, I'm aware of that. You understand
5 that I have the ability to follow all these arguments in my
6 head. I can almost recite to you what Mr. Stegmaier ---

7 **MR. HUTSON:** I'm impressed.

8 **THE COURT:** --- and you have said to me. But, you
9 know, you haven't told me anything. Your argument about
10 the injunction is there can't be an injunction because
11 they're committing extrinsic fraud upon the court.

12 **MR. HUTSON:** That's a true statement.

13 **THE COURT:** I understand that's your argument. That
14 doesn't mean it's true; that's your argument. So show me
15 where there's extrinsic fraud upon the court in regards to
16 the injunction.

17 **MR. HUTSON:** The extrinsic fraud upon this court is
18 the fact that they filed an application and the reason that
19 they filed it and they attached to the application is
20 because -- they're filing it because they can't tolerate
21 all these frivolous lawsuits. And the reason that I sued
22 them was because they ---

23 **THE COURT:** Sued them this time or sued them last
24 time?

25 **MR. HUTSON:** It's only been two suits, Judge.

1 **THE COURT:** That's fine. Which one are you referring
2 to?

3 **MR. HUTSON:** I sued them based on the fact of what
4 Penn America's lawyers wrote to me that none of my cases
5 were lost other than the fact that I had the inability --

6 **THE COURT:** That's your December 2018 lawsuit.

7 **MR. HUTSON:** Yes, sir. That's not my opinion. That's
8 a lawyer -- a trained, skilled lawyer.

9 **THE COURT:** So you sued them based upon that in
10 December of 2018. You sued Penn America ---

11 **MR. HUTSON:** Judge, I sued them ---

12 **THE COURT:** Stop interrupting me or this hearing will
13 end quickly.

14 **MR. HUTSON:** All right.

15 **THE COURT:** Now, I am attempting to have the patience
16 of Job in this hearing, but you are wearing it thin.

17 The question is you sued them in December of
18 2018. You sued in December 2018 and you sued Penn America
19 and Murphy and Grantland, correct?

20 **MR. HUTSON:** Correct.

21 **THE COURT:** You sued them for bad faith, breach of
22 contract, fraudulent misrepresentation and legal
23 malpractice, at least, just to name a few; is that correct?

24 **MR. HUTSON:** That is correct.

25 **THE COURT:** And you had a full-blown hearing on those

1 issues, which probably all resulted around you believing
2 that they were committing extrinsic fraud based upon these
3 letters that you've shown me from August of 2018 and
4 November of 2018. And you had a full-blown hearing in
5 front of Judge Nettles. I would assume Judge Nettles is a
6 fairly patient man and I assume you made the same or
7 similar arguments to him.

8 **MR. HUTSON:** I did not.

9 **THE COURT:** Okay.

10 **MR. HUTSON:** I didn't present the papers. I did not
11 target -- and it seems like since I'm pro se I'm very
12 unprofessional. I'm just trying to defend myself. You
13 have to hit it right on top of the nail before the court
14 will accept it as something. So what I did was I put this
15 court on notice that there was extrinsic fraud ongoing.
16 And then I had provided you the letter that states that my
17 cases were not lost by being frivolous and written by Penn
18 America's lawyers -- their own lawyers while they were
19 actively representing them.

20 **THE COURT:** Okay. So the record is clear, the
21 statement that he is referring to and basing this entire
22 argument off of is this: "There might possibly be
23 extrinsic fraud on the court to support setting aside your
24 consent order." There might possibly be. There might
25 possibly be a hurricane this weekend also, but there's not

1 one forecast.

2 And then three months later, the same lawyer
3 writes Mr. Hutson again and says, "At no point has Penn
4 America or its counsel ever acknowledged the existence of
5 fraud upon the court. We are not aware of any judicial
6 order finding that fraud upon the court was committed.
7 Further, we are not aware of any active extrinsic fraud
8 that was committed in the trial of the defamation case."

9 **MR. HUTSON:** Judge ---

10 **THE COURT:** So what does that have to do with the
11 injunction?

12 **MR. HUTSON:** It has to do with -- and it's not just a
13 suggestive piece of writing. Here he's vividly clear,
14 "Since attorneys were involved and it resulted in your
15 inability to represent -- to present your cases in court".
16 There is nothing that is opinionated by that. That's a
17 written fact and he supported it with case law. We have to
18 accept that as a fact. He wrote it. He signed it. It's
19 on his letterhead. I'm supposed to ---

20 **THE COURT:** I understand that you believe what you
21 believe, Mr. Hutson, but that doesn't make it real. It
22 says, "Since attorneys were involved, and it resulted in
23 your inability to present your case in court, and possibly
24 led to the sanctions order and judgement against you, there
25 might possibly be extrinsic fraud on the court to support

1 setting aside the consent order."

2 **MR. HUTSON:** Maybe he was thinking about not extrinsic
3 fraud but fraud upon the court, so he used the word
4 "possibly". But the thing of it is, he did it for a reason
5 and we never did get to the reason of why this letter was
6 written.

7 **THE COURT:** What does it have to do with the
8 injunction? That's what I don't understand.

9 **MR. HUTSON:** Because they wanted me -- I'm just trying
10 to show you their integrity. They wanted me to hurry and
11 they provided me with the law to file a suit against TLC
12 Holdings since the upcoming mediation was just a month
13 away. They wanted to intimidate. They wanted me -- to
14 intimidate me and Mr. Newton's hopes was that TLC Holdings
15 would take less money because they were going to present
16 this new evidence of my lawsuit. So that's why he wrote
17 this letter to me.

18 **THE COURT:** You know, that's a whole lot of
19 speculation.

20 **MR. HUTSON:** You can't give me another reason why he
21 wrote me this letter.

22 **THE COURT:** You can't give me any evidence that
23 anything you just said was true.

24 **MR. HUTSON:** Your Honor ---

25 **THE COURT:** And I still don't understand what it has

1 to do with the injunction.

2 **MR. HUTSON:** The injunction is cloaked with fraud.

3 They ---

4 **THE COURT:** So when they say you -- there was a 2014
5 order signed by Judge James that says no more litigation of
6 the claims against TLC Holdings, that was fraudulent? That
7 statement was not true? So if I read this file and find a
8 2014 order of Judge James, then they're telling me the
9 truth and you're not.

10 **MR. HUTSON:** They're telling it the way it is, but the
11 problem is at that time I was having the same problem. I
12 didn't even know the definition of extrinsic fraud.

13 **THE COURT:** So when they say there's a 2014
14 enforcement order by Judge James, that was true; is that
15 right?

16 **MR. HUTSON:** That's right. But that ---

17 **THE COURT:** Okay. And then in 2014 -- in 2014,
18 there's a class action in Charleston with Judge Norton ---

19 **MR. HUTSON:** Your Honor ---

20 **THE COURT:** --- where Judge Norton gave you a chance
21 to make your arguments, but you got sanctioned by Judge
22 Norton ---

23 **MR. HUTSON:** Your Honor ---

24 **THE COURT:** --- based upon a lawsuit with TLC
25 Holdings; is that right?

1 **MR. HUTSON:** Might we speak of the ---

2 **THE COURT:** Is that true or not true?

3 **MR. HUTSON:** --- last question? You asked me the
4 question ---

5 **THE COURT:** Is that true or not true?

6 **MR. HUTSON:** You don't want to go back to the first
7 one that you asked me?

8 **THE COURT:** The question is, is it true or not true?

9 **MR. HUTSON:** I'd have to think a moment about that.
10 I'm very clear on the one that Judge James signed. And do
11 you know what he ordered me to do?

12 **THE COURT:** What?

13 **MR. HUTSON:** He ordered me -- in that consent order he
14 ordered me to develop the property. If you read Mr.
15 Newton's letter, he cites that it was impossible for me to
16 comply with his order because it required me to develop
17 property that the members had two 70-years lifetime of use.
18 Tim Newton, Penn America's lawyer wrote that. It's right
19 there. It's right there in the letter. So I couldn't
20 comply with it. My point is that injunction -- that
21 consent order was fraudulent. Everything about it was
22 fraudulent because I didn't know. I did not know --

23 **THE COURT:** And so when you got sued in December of
24 2015 in Clarendon County for sending out the postcard,
25 didn't you raise the fact that it was fraudulent in your

1 counterclaim against TLC Holdings?

2 **MR. HUTSON:** No, sir. I was hired -- they hired me a
3 lawyer.

4 **THE COURT:** Yeah, and then you filed a pro se
5 counterclaim and raised those claims.

6 **MR. HUTSON:** No, sir.

7 **THE COURT:** That's not true?

8 **MR. HUTSON:** That's not true.

9 **THE COURT:** So I'm going to tell you what, I'm going
10 to tell you what right here. If I read all of this and
11 what Mr. Stegmaier told me is true, you're going to be in
12 contempt of this court.

13 **MR. HUTSON:** Please read it.

14 **THE COURT:** I will.

15 **MR. HUTSON:** Please read it.

16 **THE COURT:** I will stop everything I'm doing for a
17 week and read this entire file.

18 **MR. HUTSON:** I appreciate it.

19 **THE COURT:** And if I do and what they're telling me is
20 true, you're going to be in contempt of this court.

21 **MR. HUTSON:** Well, let me ask you this, Judge. If you
22 read it and you find out I'm telling the truth, what I just
23 read about that they're lying about ---

24 **THE COURT:** If I read it and you're telling the truth,
25 then I'm going to have them in here and they know that. I

1 don't know this gentleman on the end, but I know these two
2 gentlemen right here and they know me and they know I do
3 not play around with lawyers who ---

4 **MR. HUTSON:** I'm not lying about a thing.

5 **THE COURT:** --- misrepresent things to me.

6 **MR. HUTSON:** I haven't written -- they don't have
7 anything in writing that I've lied about. I've got stuff
8 in writing that blatantly ---

9 **THE COURT:** Show me the counterclaims in the 2015
10 Clarendon County case. We're going to deal with this right
11 now.

12 **MR. HUTSON:** That's good. Thank you, Judge.

13 **MR. NEWTON:** Your Honor, if I may, I'd like to speak
14 on this when we have a chance.

15 **THE COURT:** Yeah, anybody that wants to speak I'll
16 give them an opportunity to speak.

17 (WHEREUPON, the Court reviews the file.)

18 **MR. HUTSON:** Your Honor, Mr. Newton on paragraph 16 is
19 referring to that very case.

20 **MR. STEGMAIER:** Do you mind if we resolve one thing
21 before we ---

22 **THE COURT:** Sure.

23 **MR. STEGMAIER:** Sir, I believe the inquiry was you
24 wanted to see the answer and the complaint and the pro se
25 counterclaim for the action in Clarendon County brought by

1 TLC Holdings versus Mr. Hutson.

2 **THE COURT:** In the late 2015.

3 **MR. STEGMAIER:** Yes, sir.

4 **THE COURT:** And early 2016.

5 **MR. STEGMAIER:** What I'm handing up to the court is
6 under -- is civil action number 2015-CP-14-0615 and I'm
7 going to hand up what has been captioned as Answer to
8 Amended Complaint and Pro Se Counterclaims; and then
9 there's a second document here, again, filed with the
10 Clarendon County Clerk of Court, Jury Trial Remanded,
11 Objection and Response by Defendant asking that Plaintiff's
12 Motion be denied regarding Defendant's Counterclaims, and
13 that's a pro se filing as well.

14 **THE COURT:** All right.

15 **MR. STEGMAIER:** May I approach, sir?

16 **THE COURT:** Yes, sir.

17 **MR. STEGMAIER:** Thank you, sir.

18 And I'll note that both of these documents that
19 were handed up were attachments or exhibits to a motion
20 today that we had filed -- Penn America and Collins and
21 Lacy -- captioned as Motion to Strike Defendant's Notice of
22 Extrinsic Fraud and Memorandum to Defendant's Amended
23 Cross-Complaint and our Request for Sanctions.

24 (WHEREUPON, the Court reviews the documents.)

25 **MR. HUTSON:** Your Honor, may I say something?

1 **THE COURT:** In just a moment.

2 **MR. HUTSON:** I didn't hear you.

3 **THE COURT:** In just a moment.

4 **MR. HUTSON:** Okay.

5 **THE COURT:** Whoa. For a first cause of action as a
6 counterclaim, fraud by TLC Holdings.

7 **MR. HUTSON:** Who filed that?

8 **THE COURT:** You did.

9 **MR. HUTSON:** Are you sure I signed it?

10 **THE COURT:** Well, your attorney signed on page 9 --

11 **MR. HUTSON:** She prepared that.

12 **THE COURT:** --- and I'm now reading on page 13.

13 **MR. HUTSON:** Laura Patton prepared that, Your Honor.

14 **THE COURT:** Right. And ---

15 **MR. HUTSON:** 77 counts of fraud.

16 **THE COURT:** That's right. And let's see ---

17 **MR. HUTSON:** But it was never heard ---

18 **THE COURT:** And it looks like she refused to sign it
19 and it's signed on page 25 by M. B. Hutson, pro se as to
20 the counterclaims.

21 **MR. HUTSON:** She electronically signed it for me. She
22 prepared that, Laura Patton. Laura Patton was all over it
23 until the insurance company decided -- and may I present
24 you with a letter? This is why they stopped trying -- this
25 is when they really started trying to defraud me.

1 May I approach just to give these to the young
2 lady? It's a two-page letter.

3 **THE COURT:** Sure.

4 **MR. HUTSON:** I'll give them a copy of it.

5 This is the reason right here why they stopped.
6 The umbrella company was going to sue them and their lawyer
7 wrote them a letter telling them they were going to sue
8 them and they wanted the case settled. They didn't care
9 about whether I got justice or not.

10 (WHEREUPON, the Court reviews the document.)

11 **THE COURT:** That's not what this letter says at all.

12 **MR. HUTSON:** What does that letter say, Your Honor?

13 **THE COURT:** Basically, why aren't y'all settling the
14 case?

15 **MR. HUTSON:** They had an opportunity to settle it.
16 They did have an opportunity to settle it.

17 Your Honor, the most important thing about it is
18 the law requires these lawyers to report -- to report
19 extrinsic fraud. Had they gone to the judge before we went
20 to a jury trial -- and I was required to go to that jury
21 trial and I was required ---

22 **THE COURT:** Which one are you talking about now?

23 **MR. HUTSON:** The jury trial in Manning.

24 **THE COURT:** The one in Clarendon?

25 **MR. HUTSON:** Clarendon County.

1 **THE COURT:** Where you lost and got a three and a half
2 million dollar verdict against you?

3 **MR. HUTSON:** Yes, sir. I was required to go there.
4 They knew all along, Judge, that extrinsic fraud existed.
5 They refused to report it to the judge and, consequently,
6 they could have saved themselves a three and a half million
7 dollar judgement.

8 **THE COURT:** Well, I'm going to tell you that the word
9 "know" is a very important word. You throw around the word
10 know and knew like people say, How are you doing?, or, How
11 is your day? And the word know and the word knew in the
12 law, they have meanings. To know that something or that
13 someone is lying or that there is fraud is a lot different
14 standard than "I think" or "it could be" or "I have actual
15 evidence of".

16 **MR. HUTSON:** Your Honor ---

17 **THE COURT:** I mean, people appear in front of me --
18 thousands of people have appeared in front of me, mostly in
19 criminal court, and my guess is a fair percentage of those
20 people lied to me.

21 **MR. HUTSON:** Including the judge -- the lawyers.

22 **THE COURT:** No, I didn't say that. You said that.

23 **MR. HUTSON:** I said that. But that's why they built
24 that law.

25 **THE COURT:** And -- but there's only a few people that

1 I can prove lied to me, because when they stood up and
2 said, "I work at John Doe Car Detailing Shop", sometimes I
3 go and pick up the phone and call John Doe Car Detailing
4 Shop or ask somebody to do so and it's not true that they
5 work there.

6 **MR. HUTSON:** Judge, I don't lie about anything that
7 I've presented to you today.

8 **THE COURT:** No, but you're accusing -- I didn't say
9 you were. This is not about -- I'm not saying you're
10 lying. I'm saying your use of the word "know" and "knew",
11 it gets thrown around haphazardly.

12 All right. Anything else on the injunction?

13 **MR. HUTSON:** I'm asking you to not put a temporary or
14 a permanent injunction against me because I'm still
15 actively involved in litigation with these people. I am --
16 this litigation has got nothing to do with this injunction
17 that they want. And they're asking for an injunction
18 because they're being harassed. I'm being harassed because
19 of all the filings and the papers that they're sending me.

20 **THE COURT:** Well, my guess is if you would have let
21 the Appellate Court case takes it course of action, then we
22 ---

23 **MR. HUTSON:** I would have, Your Honor.

24 **THE COURT:** --- wouldn't --- then none of us would be
25 sitting here right now.

1 **MR. HUTSON:** No, sir. They sued me. I didn't sue
2 them.

3 **THE COURT:** And I -- they have the right to sue you,
4 but my guess is if you had let the Appellate Court process
5 takes its course and filed your briefs and your briefs only
6 and created a record on appeal -- I'm not an appellate
7 court lawyer, but, I mean, there's a record on appeal that
8 gets created, there's briefs, there's reply briefs ---

9 **MR. HUTSON:** Judge, I've gotten ---

10 **THE COURT:** --- and let those things take place -- and
11 you keep talking over me even though I've told you not to -
12 - and if you had followed all of that, I mean, I can't
13 imagine that insurance companies are looking at these
14 lawyers and saying, "Let's go spend more money just to sue
15 Mr. Hutson because we don't have anything else to do", when
16 they're already paying for an appeal to go through.

17 **MR. HUTSON:** Your Honor, all that they would have had
18 to have done was report the fraud. If they had reported
19 it, the judge -- if they had reported it before it went
20 into a jury trial, the jury -- the judge would have thrown
21 it out.

22 **THE COURT:** Okay. So what is your motion for a
23 temporary injunction and amended cross-complaint mean?

24 **MR. HUTSON:** My motion is a reasonable motion. All
25 I'm asking is if they sue me again, that you require them

1 to disclose, like, multiple -- I could cite, like, 75 laws.
2 I've got, like, 10 or 11 or 13 right there, but in my other
3 filings I've got, maybe, 50. I'm asking you to order them
4 to disclose like they are required to do by law that my
5 cases were never heard in court because of extrinsic fraud.

6 **THE COURT:** All right. And then ---

7 **MR. HUTSON:** I'm not trying to hurt these people.

8 **THE COURT:** Okay.

9 **MR. HUTSON:** They're damaging me.

10 **THE COURT:** I didn't say you were. All right.

11 And then Mr. Grantland, you have a third-party
12 defendant motion.

13 **MR. GRANTLAND:** Your Honor, yes. This is --
14 everything that Mr. Hutson has said, with all due respect,
15 has been said before Judge Nettles and was denied and is on
16 appeal. And our point is that this third-party complaint
17 against us in this case should likewise be dismissed under,
18 if nothing else, 12(b)(8) since there's another action
19 that's pending. Everything he said -- all the criticism of
20 my friend and colleague and partner Tim Newton, everything
21 he has said he has said before and it's been heard
22 patiently by Judge Nettles and was denied and is on appeal.
23 And he has no right to bring this -- to sue us again.

24 And, Your Honor, when you do issue an order in
25 this case, I'd like -- if there's any way possible -- for

1 an order that he cannot bring another claim against us or
2 Collins and Lacy without an attorney because we'll be sued
3 again, I feel certain. And that's our biggest concern is
4 that he's going to sue us again and he needs an order that
5 says you can't sue anybody again without a lawyer.

6 **THE COURT:** All right. Thank you.

7 **MR. GRANTLAND:** That's essentially it. You've heard
8 everything you need to hear, Your Honor.

9 **THE COURT:** Thank you, Mr. Grantland.

10 Do you want to respond to that, Mr. Hutson?

11 **MR. HUTSON:** Yes, sir.

12 **THE COURT:** Okay.

13 **MR. HUTSON:** Your Honor, I am indigent because of this
14 extrinsic fraud. I'm literally fighting for my life. I'm
15 not here just to be amusing the Court or taking up the
16 Court's time. This is serious. Your court, by them lying
17 to you in writing -- and that's not something that may be
18 or may not be. They're saying that those cases are
19 frivolous. Penn America's lawyer is writing and saying
20 that I lost them because my cases were not heard due to
21 some attorneys and extrinsic fraud. Now, that's totally
22 different. If they had wanted you to know, Judge, that Mr.
23 Hutson's case and all these cases that we were saying that
24 were frivolous and he lost them really -- we were wrong and
25 he lost them because he was defrauded, they wouldn't win a

1 thing and they know it and that's why they're doing what
2 they're doing. They're tricking this court this very
3 moment. They're tricking you. They're lying to you. They
4 constantly lie to me. I've showed where they were trying
5 carefully to retract what they didn't say when, in fact,
6 they did say it. It's clear as glass.

7 **THE COURT:** "There might possibly be" is the clear as
8 glass.

9 **MR. HUTSON:** If you read ---

10 **THE COURT:** I read it. I read it.

11 **MR. HUTSON:** If you read the letter ---

12 **THE COURT:** I read it four times.

13 **MR. HUTSON:** If you read the letter, he cites 16
14 different items where I was taken advantage of and ---

15 **THE COURT:** By the TLC Holdings people.

16 **MR. HUTSON:** Right. But it prevented me from having
17 my cases heard.

18 **THE COURT:** Right. I understand that.

19 **MR. HUTSON:** And then when they got involved instead
20 of reporting it ---

21 **THE COURT:** You've said it 17 times at least.

22 **MR. HUTSON:** Judge, that's so critically important.
23 They have a duty ---

24 **THE COURT:** You don't need to say it again.

25 **MR. HUTSON:** --- to report it.

1 **THE COURT:** I heard you the first time.

2 All right. Mr. Stegmaier, your motion to stay is
3 what?

4 **MR. STEGMAIER:** It's emulative of the motion that was
5 filed by Murphy and Grantland, defendants.

6 Our position is this, that we sought -- we sought
7 different relief as it relates to this counterclaim. Our
8 position is, listen, we filed a motion for injunction
9 because he's a vexatious litigant. And what we got in
10 response was a counterclaim relitigating what is already on
11 appeal at the Court of Appeals.

12 **MR. HUTSON:** That's not true.

13 **THE COURT:** Please stop shouting out in court.

14 **MR. HUTSON:** Yes, sir.

15 **MR. STEGMAIER:** It's our position, and it's just like
16 Mr. Grantland said, that for Rule 12(b)(8), res judicata,
17 the fact that this has already been litigated, we're
18 seeking either a motion to stay, dismiss, or strike these
19 counterclaims. And if you believe that you've got the
20 power as well, if you're inclined to dismiss, we want it
21 just completely struck from the record. I mean, he's sued
22 Collins and Lacy, he's sued me personally, and this is just
23 -- these are baseless grounds and I certainly don't want
24 that attached to me.

25 **THE COURT:** All right.

1 **MR. HUTSON:** May I respond to that?

2 **THE COURT:** Yes, you may.

3 **MR. HUTSON:** Thank you, sir.

4 This gentleman, Christian Stegmaier, when I met
5 him I thought he was a fine person. It was no time that he
6 began to -- he told me that he was going to sue Murphy and
7 Grantland over the phone, but they decided that they were
8 going to work together. But the bottom line is this, and
9 he knows. He had a copy of the letter that I showed you.
10 He has both copies of it. And not only that, he has the
11 entire file.

12 By looking at the file -- and, by the way, I did
13 file a suit of malpractice against Paul Weissenstein and I
14 did get an expert witness lawyer who specializes in
15 preparing expert witnesses, Mark Hardy; and he signed and
16 provided me that with my application. That wasn't a
17 frivolous lawsuit. They've already offered me some money
18 to settle it.

19 And I don't deserve an injunction against me.
20 I've never had an injunction against me for harassment in
21 my life. I don't deserve this because their foundation and
22 their application is fraudulent and the Court can't
23 possibly condone what they're doing.

24 **MR. STEGMAIER:** Briefly in response.

25 Number one, Mr. Hutson has a history of

1 misrepresenting and misleading. On two occasions with
2 regards to this action, Mr. Hutson sends two e-mails
3 telling me how he had talked to the clerk of court and that
4 the judge had been assigned to this matter and that a
5 hearing was imminent. That certainly wasn't the case.

6 **MR. HUTSON:** That's a -- that's a lie.

7 **MR. STEGMAIER:** And then he ---

8 **MR. HUTSON:** I sent him a copy.

9 **MR. STEGMAIER:** Wait ---

10 **MR. HUTSON:** I sent him a copy.

11 **THE COURT:** Be quiet.

12 **MR. STEGMAIER:** I'm saying these things because
13 they're illustrative of the way he operates. Judge Norton
14 said the same thing. And I never once had a conversation -
15 - I knew enough not to get on the phone with him because we
16 get into situations like this. I never once said that Penn
17 America was going to sue Murphy and Grantland. That is a
18 straight-up mistruth.

19 I'm glad to talk about the Weissenstein suit
20 because Judge Curtis in that case last year granted summary
21 judgement in favor of Mr. Weissenstein. She held ---

22 **THE COURT:** The lawyer.

23 **MR. STEGMAIER:** Yes, the lawyer that he sued.

24 **THE COURT:** I don't know that guy so I just wanted to
25 make sure that was the lawyer.

1 **MR. STEGMAIER:** I'm sorry. I apologize.

2 With regard to -- you know, Mr. Hutson talks
3 about this 20 million dollar obligation he didn't know
4 anything about. Judge Curtis held that there was ample
5 evidence that Mr. Hutson was aware of the lifetime
6 memberships such that his counterclaim against TLC Holdings
7 for fraud would have necessarily failed. And with regard
8 to that summary judgement, it's on appeal, so he lost that
9 case, too, as well.

10 **MR. HUTSON:** Your Honor ---

11 **THE COURT:** Now you may speak.

12 **MR. HUTSON:** That -- those were total lies. Number
13 one --

14 **THE COURT:** He's reading Judge Curtis' order, so if I
15 go and read Judge Curtis' order, that's not what it says?

16 **MR. HUTSON:** He's talking about a different case.

17 **THE COURT:** Yeah, I know. That's what I'm talking
18 about.

19 **MR. HUTSON:** Right. He's talking about a different
20 case.

21 **THE COURT:** I know you don't believe that I can track
22 everything that's happening ---

23 **MR. HUTSON:** I know ---

24 **THE COURT:** --- because I haven't lived it, but what
25 he just told me is here's what happened. You told me the

1 proof that I haven't filed frivolous lawsuits is I got Mark
2 Hardy to sign an expert witness ---

3 **MR. HUTSON:** No, sir.

4 **THE COURT:** --- against Paul somebody, whose name I
5 don't know what it is because I've never met him, and I
6 sued him and they've already offered to pay me some money
7 to make that go away.

8 **MR. HUTSON:** That's got nothing to do with this case.

9 **THE COURT:** That's what you just said ten -- five
10 minutes ago.

11 **MR. HUTSON:** I know it. I simply said it because ---

12 **THE COURT:** No, no. I'm not through. That's what you
13 said on the record in this courtroom five minutes ago to
14 try to convince me that you're not a vexatious litigator.

15 **MR. HUTSON:** That's right.

16 **THE COURT:** Okay. And what Mr. Stegmaier just said in
17 response is, that's funny, Judge, because they've already
18 had a summary judgement in that case and Judge Curtis -- I
19 assume he means Kristi Curtis -- but Judge Curtis wrote an
20 order granting summary judgement, which means you lose and
21 the other side wins, finding that there was no genuine
22 issue of material fact as to whether or not legal
23 malpractice occurred and Mr. Stegmaier just read through
24 the order. And then you just stood up and said that Mr.
25 Stegmaier is lying.

1 **MR. HUTSON:** He is, and let me explain. He read to
2 you -- he told you just a moment ago, and it's in the
3 record, that I had sent him a letter stating that a judge
4 had been assigned to the case and ---

5 **THE COURT:** That's a different issue.

6 **MR. HUTSON:** No, it's one where he told a lie. I got
7 the ---

8 **MR. STEGMAIER:** I can forward the Court the e-mail.

9 **MR. HUTSON:** Listen, Judge, I sent him a copy on e-
10 mail what the judge -- what the clerk ---

11 **THE COURT:** Athena?

12 **MR. HUTSON:** Athena sent me. She had scheduled a
13 female attorney {sic} and I don't remember her name now on
14 a certain date. I copied him with that information when he
15 told me he didn't believe it because he couldn't find it.
16 I then wrote her back an e-mail and said that Mr. Stegmaier
17 thinks that I'm telling a lie, and she writes back and
18 says, I'm sorry but we just had to reschedule things, but
19 yes, it was scheduled. I e-mailed him a copy of it. So
20 the mere fact that he would bring that up -- all he's
21 trying to do is paint a smoke cloud. And this motion for
22 an injunction is nothing but a smoke cloud because they're
23 using extrinsic fraud to try to get an injunction against
24 me. That can't stand.

25 **THE COURT:** Okay.

1 Mr. Newton, you haven't had an opportunity to
2 speak today. If you would like to speak, you are more than
3 welcome to speak. You don't have to, but I want to give
4 you the opportunity to if you would like to, sir.

5 **MR. NEWTON:** I would like to, Your Honor.

6 **THE COURT:** Okay.

7 **MR. NEWTON:** The first thing I want to say is Mr.
8 Stegmaier and Mr. Grantland have nothing to do with this.
9 They're doing their job. Mr. Stegmaier was hired after Mr.
10 Hutson sued me. I'm the only one who did anything that
11 could possibly have to do with his, so-called, extrinsic
12 fraud. So I'm the guy. That's the first thing.

13 Second thing. I saw where he was going with this
14 -- Mr. Hutson -- in his addendum that he filed on October
15 13th, which would have been two days ago. So I filed a
16 response and it didn't get out until late in the afternoon
17 yesterday, but pretty much everything he has said today has
18 been answered fully in that response that I filed
19 yesterday. It's called, "Third-Party Defendants Newton and
20 Murphy and Grantland's Response to Hutson's Addendum of
21 Law" filed yesterday.

22 Now, I just want to give a little bit of
23 background here. There was all this ongoing litigation and
24 Penn America didn't get notified of this until 2016. By
25 that time, he had already lost the eviction action and

1 Judge James' order had already come down, and his
2 counterclaims in the class action -- because what happened
3 was when he was getting evicted he sent out this postcard
4 telling everybody that TLC Holdings was a scammer, which
5 caused the campground members to sue TLC Holdings and then
6 he -- and then TLC Holdings third-partied him.

7 So his -- TLC Holdings' motion for summary
8 judgement against his counterclaims in the class action
9 before Judge Norton were already scheduled for a hearing.
10 It had been referred by a magistrate judge, Mary Gordon
11 Baker (PHONETIC). So by the time we first hear about it,
12 it was already before her for a hearing. And Judge Mary
13 Gordon Baker heard him out completely. You can read her
14 order and it's on Westlaw. Let me see if I can find it
15 here. It's dated -- I think it's April 5, 2016.

16 So in that order you'll see that she heard him
17 out -- Mr. Hutson -- and he talked about extrinsic fraud
18 and fraud, and she finally ruled. She found there was no
19 evidence of fraud inducing him to enter into the consent --

20 **THE COURT:** Hold on a minute.

21 (WHEREUPON, there is a brief off-the-record
22 conversation with parties from the next case.)

23 **THE COURT:** I apologize, Mr. Newton. Thank you.

24 **MR. NEWTON:** So by the time, Penn America gets
25 involved this is all water under the bridge, basically.

1 And a few months later, Judge Norton issues his
2 order finding no fraud.

3 But the important thing about those orders is it
4 said all this fraud that Mr. Hutson alleges has to do with
5 the original land deal. He says TLC Holdings tricked him
6 with all these things -- and by the way, the so-called 77
7 counts, which were just paragraphs, allegedly offered by
8 Laura Patton, that all had to do with that, too.

9 So by the time we really get involved there was
10 three orders saying he wasn't defrauded. And so the class
11 action goes forward and we finally settle it with sanctions
12 and pay sanctions. The defamation case goes forward and
13 it's tried, and that's important. The trial has already
14 occurred in January 2018. It gets a three and a half
15 million dollar judgement.

16 Six months later or so he's threatening to sue
17 Penn America because we were trying to get an appellate
18 bond and couldn't, and he was trying to sue Paul
19 Weissenstein. There was a bunch of things going on and we
20 were trying to mediate the case. And all of a sudden, Mr.
21 Hutson gives me all this stuff, some of which looked to be
22 new information; and I filed it so you can look at it. It
23 includes this affidavit of Mark Hardy who was talked about,
24 but he later filed in the Weissenstein matter. And it
25 depicts a hand drawing of -- it was an attachment

1 apparently to the settlement agreement back in 2012 that
2 shows the campground on -- it shows Mr. Hutson's proposed
3 development that was part of that consent order on the
4 campground. But, of course, the campground had lifetime
5 memberships in it and that concerned me because I thought,
6 Well, wait a minute. How can you have a consent order
7 between the landlord and tenant -- or whatever or buyer or
8 seller because it was a lease-purchase -- that doesn't
9 involve the campground members; and as part of that consent
10 order, Mr. Hutson was supposed to develop part of it for
11 condos. So that concerned me because I hadn't read about
12 that in any of these prior orders; I hadn't seen it before.

13 And so, you know, the other thing that Mr. Hutson
14 told me and he gave -- you can see his memos that I filed
15 with Judge Nettles -- and by the way, all of this was said
16 before Judge Nettles.

17 But what I'm trying to get at here is he's saying
18 that we're committing fraud on this court, so that's an
19 important thing. I'm not about fraud -- let's just put it
20 that way. I'm not about lying and I'm not about fraud. So
21 when I saw that I was a little concerned that maybe there
22 was something and he is pro se. I don't want to be part
23 of any fraud on the court and, second of all, it was
24 actually in Penn America's interest because if he could
25 have proved that somehow he was defrauded, well, TLC

1 Holdings was suing him for defamation so he had a truth
2 defense.

3 **THE COURT:** I mean, it would have been in -- I mean,
4 Penn America is the one writing all the checks for all this
5 stuff.

6 **MR. NEWTON:** Right.

7 **THE COURT:** So it would have been in Penn America's
8 interests legally for TLC Holdings to be committing fraud
9 and for Penn America to be able to prove that.

10 **MR. NEWTON:** Right.

11 **THE COURT:** Am I missing the logic?

12 **MR. NEWTON:** Correct.

13 **THE COURT:** Okay.

14 **MR. NEWTON:** And so once I saw that, I got concerned.
15 I just -- I felt like there might be a possibility that
16 there was a miscarriage of justice here and somebody missed
17 something. And so I let him know. And I said, Look,
18 here's all these things that you've told me and that's what
19 the e-mail is.

20 **THE COURT:** That's the August e-mail, right?

21 **MR. NEWTON:** Yes. And then, you know, I just -- when
22 I saw that there was some things I thought hadn't been --
23 that might actually have to do with fraudulent inducement
24 to enter into this settlement agreement, I felt like he
25 needs to know that he can go get a lawyer and see if he can

1 do something about it, then great. That's what the e-mail
2 was about. But it doesn't -- and I think you'll see in my
3 filing yesterday, I highlighted all the qualifying terms:
4 if, possibly, might, possibly -- whatever. I didn't say I
5 knew about any extrinsic fraud. What I did know was that
6 there were some things that concerned me that he might be
7 able to prove at some point if he was right. But it's a he
8 said/she said because the prior case was a settlement
9 agreement. How am I supposed to know what Weissenstein and
10 TLC Holdings' lawyers agreed to? I don't know. All I know
11 is that I see something that -- you know, there's a
12 development being planned on this campground that's subject
13 to lifetime memberships and owned by parties who aren't
14 before the court.

15 So then what he did was he circulated this
16 proposed complaint against TLC Holdings -- John Wilkerson
17 was representing TLC Holdings at the time and said if you
18 do that, then we're going to sue you for defamation and
19 seek sanctions. He turns to the ground then and decides to
20 blackmail us. He uses my e-mails and says I'm lying.

21 Now, I -- and you've already pointed it out, but
22 I didn't contradict myself and I said that before Judge
23 Norton. He raised the same issue. He said that my e-mail
24 -- that my letter contradicts my e-mail. And I actually
25 attached the transcript before Judge Nettles and you can

1 read it. He raised it before Judge Nettles. That one
2 sentence where it says, "since lawyers were involved", I'm
3 talking about public record. TLC Holdings was represented
4 by Tom Harper at the time and it led to his inability to
5 present his counterclaims. That's exactly what Judge
6 James' order said. So I'm not -- that doesn't have
7 anything to do with fraud. It has to do with possibly why,
8 if he can set aside his consent order, it might affect what
9 we're doing.

10 He then said today that we're saying that he lost
11 all his cases because of frivolous and harassing filings.
12 That's not what we're saying. He lost all his cases
13 because he signed a release. He signed a release and it
14 was a conditional release, but it was a release, and that's
15 why all of his cases got lost. There was nothing we could
16 do about it. Nothing. It was two years before we ever got
17 involved. What we're saying is that all his filings in
18 this case and before the Court of Appeals in Judge Nettles'
19 case are frivolous and harassing. And they are because
20 this has already been raised. I've briefed this thing,
21 like, five or six times. You'll see it if you see the
22 attachments.

23 He said that we knew all along that there was
24 extrinsic fraud and you picked up on that. In fact, I
25 attached the documents where he brought it to my attention.

1 It was August of 2018 when I heard this, six or seven
2 months after the trial.

3 So the bottom line here is, you know, Penn
4 America is asking for an injunction and Mr. Hutson's
5 defense appears to be that I'm committing fraud upon the
6 court. I think that's a serious matter and I wanted to
7 address that. There is no fraud on the part of anybody
8 that I know of other than there is something that concerns
9 me about that settlement order and he can take that up with
10 TLC Holdings today if he wants to.

11 This was something where I acted to -- I was
12 concerned about the things that he is alleging that I
13 wasn't. He says -- I didn't want to see him get defrauded
14 and he was pro se, so I wanted to make sure that he had an
15 opportunity to protect his rights. I didn't have any duty
16 to tell the Court. I didn't represent him. It's on
17 appeal. There was nothing I could do, but I told him.

18 **THE COURT:** You have no personal knowledge of it.

19 **MR. NEWTON:** Right.

20 **THE COURT:** There's a big difference in you knowing --
21 it's like with a child. You know that the child drove the
22 car because you know you didn't drive the car and there's
23 ten extra miles on the car, so either the car was stolen or
24 the child drove the car. That's knowing something as
25 opposed to thinking I know where my child is right now

1 without a GPS locator on her phone, obviously. I mean,
2 that's the difference. And the difference is true
3 knowledge is -- the way I read your August 2018 e-mail is,
4 here's all the potential issues and you need to go find
5 yourself a good lawyer because I can't represent you on
6 those things; that's not what I've been retained to do.

7 **MR. NEWTON:** Right.

8 **THE COURT:** So you're putting them out there, laying
9 them out, and giving the possibilities and saying, Hey, you
10 need to go find representation to look into these things.

11 So I think I'm tracking with what you're saying.

12 **MR. HUTSON:** May I respond to that, Your Honor?

13 **THE COURT:** Yes, sir. Briefly. I have about --
14 multiple other hearings to get to this morning.

15 **MR. HUTSON:** Judge, the -- once I got this letter from
16 Tim Newton, then I realized that Tim Newton was part of the
17 fraud. So I asked him about -- he admitted to me over the
18 phone that he knew about the extrinsic fraud. And I said,
19 When did you know about it? And he says real quickly, Oh,
20 I just learned about it today. And I said, Well, why don't
21 you report it? And he says, verbatim, quote, because we
22 lawyers don't do each other like that; somebody might go to
23 jail. He knew about the fraud. These two gentlemen knew
24 about the fraud and the extrinsic fraud, and they've tried
25 to use my cases that -- and Penn America's own lawyer

1 writes Tim Newton and he clearly states in there that I
2 lost those cases because my cases were not heard. That's a
3 whole lot different than saying that my cases are -- need
4 to have an injunction because they're harassing.

5 **THE COURT:** You're not talking about -- you're talking
6 about two different things.

7 **MR. HUTSON:** He also threatened to sue me and also
8 told me that if I divulged this letter that he wrote that I
9 was not a Christian and that was like throwing him under
10 the bus because he would lose everything, including his
11 right to practice law. And I have conferred with the bar
12 association and they have a great interest in this whole
13 case, among other people.

14 So I'm just saying for right now the application
15 that they used without disclosing that these cases were not
16 -- that these cases became invalid because of a lack of my
17 ability and for them to be heard in court. That's a whole
18 lot different picture than saying that we need an
19 injunction because they're fraudulent.

20 I'm not trying to harass these people. I've
21 never had an injunction against me for harassment by
22 anybody in my life. And all I want them to do is just
23 start telling the truth. The truth. The truth. I'm
24 entitled as a human being to have the truth. Don't file
25 something and pretend like it's genuine when, in fact, they

1 know darn well it's not. That's fraud upon the court.
2 They've got to stop doing it. That's all my injunction is
3 asking, that you order them not to do it. Then we won't
4 have a problem. And if Mr. Newton -- he was there at the --
5 - Tim Newton himself appeared at a private meeting with the
6 judge at the jury trial on the defamation -- and by the
7 way, Laura Patton told me I was within my rights to file
8 that postcard, but nevertheless, Newton had ample
9 opportunity to speak to the judge right up front and say
10 there's extrinsic fraud going on because he knew about it
11 then. He wouldn't do it because he wanted to protect his
12 fellow attorneys and Penn America fired him over it.

13 **THE COURT:** All right.

14 **MR. NEWTON:** Your Honor ---

15 **THE COURT:** Last word.

16 **MR. NEWTON:** Yes. The thing about lawyers don't do
17 that way and somebody could go to jail, I saw that coming.
18 It's in my brief filed yesterday. That's two completely
19 separate conversations that had to do with two completely
20 different things. I never said anything remotely like that
21 to Mr. Hutson. I never said that I'm worried about my bar
22 license or anything like that. What I did say at one point
23 when he tried to blackmail Penn America was, "Mr. Hutson, I
24 was trying to look out for you and why are you trying to
25 throw me under the bus"? I was angry, but I never said all

1 this garbage that he constantly says that I said on the
2 phone.

3 **MR. HUTSON:** Judge, he said exactly what I just said.

4 **MR. NEWTON:** No, let me finish.

5 **THE COURT:** You already made your argument.

6 **MR. NEWTON:** He just said that I knew about his fraud.
7 What happened was I told you about the trial. It was six
8 months before this e-mail and before he told me this. We
9 just had a recent case before the Supreme Court, Palmetto
10 Point, and it has to do with all these insurers trying to
11 intervene in construction defect actions to allocate
12 between resulting damage and faulty work. I argued that
13 before the Supreme Court, by the way, and that intervention
14 motion had to do with that because just before trial, Mr.
15 Hutson put something else out on the internet defaming TLC
16 Holdings. They moved to amend and wanted to include that
17 in the trial and we said, No, wait a minute, that's after
18 the policy period and it's not going to be covered, so
19 we're going to have to allocate. So I filed a motion -- I
20 argued that before Judge -- I think it was Cothran at the
21 time -- but TLC Holdings then withdrew that claim and we
22 also withdrew our motion to intervene. That was months
23 before he told me about the campground being -- the
24 development being on the campground or anything like that.

25 **MR. HUTSON:** A quick response on that, Your Honor?

1 **THE COURT:** You've got to say something new.

2 **MR. HUTSON:** The statement they made about his lack of
3 knowledge is untrue. The bottom line is they filed an
4 application or an injunction that is fraudulent.

5 **THE COURT:** You've said that more than 20 times.

6 **MR. HUTSON:** No court should allow them to file an
7 injunction without disclosing what -- they are requiring
8 about 50 different rules in the bar association and the
9 lawyer conduct to expose and to disclose to the court.
10 They violated every one of those and they know it. And for
11 that reason I'm asking that no motion be granted for them,
12 even a temporary injunction. I've not harassed these
13 people. I've not --

14 **THE COURT:** Okay. You're repeating yourself.

15 All right. I'm going to read all this stuff. I
16 need to read the things that were recently filed. Probably
17 end of next week is the best case scenario.

18 **MR. STEGMAIER:** Would the Court be interested in a
19 proposed order?

20 **THE COURT:** Let me get through everything and then
21 we'll send out communication about that.

22 **MR. STEGMAIER:** Understood, sir.

23 **THE COURT:** Okay. Thank you all. Have a good day.

24 **MR. HUTSON:** Thank you for your time.

25 **THE COURT:** Yes, sir.

(WHEREUPON, the hearing in the above-
entitled matter was concluded.)

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THIS TRANSCRIPT WAS PREPARED FOR MORRIS BEACH HUTSON

THE STATE OF SOUTH CAROLINA

In the Court of Appeals

APPEAL FROM RICHLAND COUTY

Court of Common Pleas

Robert E. Hood, Circuit Court Judge

Case No.: 2018-CP-40-03810

Appellate Case No. 2020-001708

M. B. Hutson Appellant,

v.

Penn America Insurance Company & Global Indemnity Group, LLC;
Timothy J. Newton, Esq.; Murphy Grantland, P.A.; Christian
Stegmaier, Esq.; and Collins & Lacy P.C. Respondents.

CERTIFICATE OF COMPLIANCE

The undersigned certifies that this Amended Record on Appeal contains all material proposed to be included by any of the parties and not any other material, nor any material believed to be immaterial to this Record on Appeal, to the best of my knowledge.

Submitted this 28th day of October, 2021, by:



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