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THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CLARENDON COUNTY
Family Court of the Third Judicial Circuit

Francis Segars-Andrews, Family Court Judge

RECEIVED

MAY 11 2007

SC Court of Appeals

Case No. 2004-DR-14-243 & 315

William Robert Simpson, Jr.....Appellant,

v.

Becky H. Simpson and Wade Ingle, Defendants,
of Whom Becky H. Simpson is ,Respondent.

RECORD ON APPEAL

VOLUME III

(Simpson II)

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May 6, 2007

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ORIGINAL

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STATE OF SOUTH CAROLINA
COUNTY OF CLARENDON

IN THE FAMILY COURT FOR THE
THIRD JUDICIAL CIRCUIT

DOCKET NO: 2004-DR-14-243

WILLIAM R. SIMPSON, JR.,
Plaintiff,
vs.
ECKY H. SIMPSON,
Defendant.

**MOTION INFORMATION AND
COVER SHEET**

Defendant's Attorney: Jan L. Warner, Esquire
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E-mail: janwarner@janwarner.com

Plaintiff's Attorney: Scott L. Robinson
Bar No:
Address: P.O. Box 138
Phone: 803-435-8894
E-Mail:

2004 SEP 21 PM 12 44
CLARENDON COUNTY, SC

MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I & III)
FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III)

SECTION I: Hearing Information

Nature of Motion: Vacate order & request Court Reporter Needed ☐ Yes / ☒ No

SECTION II: Motion Type

Written motion attached
Form Motion --

I hereby move for relief or action by the court as set forth in the attached proposed order.

Signature of Attorney for ☒ Plaintiff / ☐ Defendant

9/20/04
Date Submitted

SECTION III: Motion Fee

PAID - AMOUNT: \$25

Exempt: ☐ Rule to Show Cause in Child or Spousal Support ☐ Domestic Abuse or Abuse and Neglect
☐ Indigent Status ☐ State Agency vs. Indigent Party ☐ Sexually Violent Predator Act
☐ Post-Conviction Relief ☐ Motion for Stay in Bankruptcy
☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRPC)
☐ Proposed Order submitted at request of Court or reduced to writing from motion made in open
Court per judge's instructions. Name of Court Reporter: _____
☐ Other: Petition for Guardian *ad Litem*

JUDGE'S SECTION

Motion Fee to be paid upon filing of the
attached Order
Other: _____

JUDGE

Code: _____ Date: _____

CLERK'S VERIFICATION

Collected by: _____

Date Filed: _____

MOTION FEE COLLECTED: _____

CONTESTED - AMOUNT DUE: _____

CA/233(1/2003)



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STATE OF SOUTH CAROLINA)
COUNTY OF CLARENDON)

WILLIAM R. SIMPSON, JR)

Plaintiff,)

Vs.)

BECKY H. SIMPSON)

Defendant)
_____)

IN THE FAMILY COURT FOR THE
~~ELEVENTH~~ JUDICIAL CIRCUIT

DOCKET NO: 2004-DR-14-243

MOTION TO VACATE
ORDER AND SET ASIDE
AGREEMENT
CERTIFIED TRUE COPY
OF ORIGINAL FILED IN THIS OFFICE
DATE 9-21-04

To Scott L. Robinson, attorney for Plaintiff above named

Scott L. Robinson
CLERK OF COURT
CLARENDON COUNTY, SC

2004 SEP 21 PM 12 44

DEULAH
CLERK OF COURT
CLARENDON COUNTY, SC

YOU WILL PLEASE TAKE NOTICE THAT pursuant to Rule 60 (b)(1), (2) and (3), South Carolina Rules of Civil Procedure, Defendant by and through the undersigned counsel, hereby moves for the issuance of an order relieving Defendant from and vacating the Decree of Separate Maintenance and Support dated August 20, 2004 and filed August 24, 2004 (Exhibit 1) and setting aside purported Property and Separation Agreement dated July 30, 2004 that was purportedly approved by that Order (Exhibit 2).

The grounds for this Motion are that the foregoing agreement and order were procured by and through fraud and misrepresentation on Defendant and this Court, together with other misconduct based upon which Defendant, through excusable neglect, signed an agreement while she was undergoing psychotherapy and taking medications and without receiving full financial disclosure, and likewise allowed an order to be issued for the same reasons. Defendant has now secured counsel and evidence of which she was not aware previously and which prevented her from moving for reconsideration under Rule 59.

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This Motion is also based upon the grounds that Rule 20, SCRFC was not complied with; that Plaintiff and Defendant were not physically separated and were cohabitating in the same home at the time the agreement was signed and at the time the order executed, together with the attached affidavit and Exhibits and such other grounds as may be apparent at the hearing of this matter.

PARTIES AND JURISDICTION

1. Becky H. Simpson (Wife) married William R. Simpson, Jr., on September 3, 1989 when she was 17 years of age.

2. Two (2) children were born of this marriage, William Robert Simpson, III on July 30, 1991 and Lynda Kaitlin Simpson on June 26, 1995.

3. Wife and Husband physically separated on or about August 6, 2004, not on July 27, 2004 as fraudulently stated in that agreement.

4. In early 2004, Wife was diagnosed with a bipolar mental disorder which has been exacerbated over the years by Husband's continuous intimidation and placing stress on her. Wife has been taking a number of medications including, but not limited to Depocote, Risperdal and Welbutrin, and was taking the same at the time the agreement was signed and when she was before this Court.

5. Husband removed Wife from the family health insurance in early 2004, telling Wife she was "breaking him" because of her needs for treatment and medications.

6. Since that time, Wife has been going to the Mental Health Clinic in Manning, South Carolina where she is on a low-income plan that provides her with free medication because Husband would not pay for the same. Previously,

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for the same reasons, her family physician was been getting samples of medication for her because Husband has failed and refused to provide insurance and funds for her to secure necessary treatment and medication.

7. Throughout the marriage, Husband has caused Wife to be totally dependent upon him, has not shared any information about his holdings, has berated her, intimidated her, placed undue stress upon her, and has made her life miserable. Early in the marriage he rubbed her face in chicken excrement to teach her who was boss, and the relationship continued in that fashion since that time.

8. Despite her efforts to become educated and employed (she married husband at age 17), Husband has refused to be supportive of her, in order to keep her under his thumb and dependent upon him financially and otherwise. She worked at Clarendon Hall, first in the lunchroom and then as a preschool teacher for three year olds.

9. Husband has taken control of both of the children of this marriage and turned them against the Wife, just as Husband directed Wife to turn the children against their paternal grandmother, Daisy Simpson, after Daisy Simpson brought a matrimonial action against the Husband's father and Husband that is pending in this Court, Docket Number 03-DR-14-128.

10. The situation between Wife and Husband reached intolerable limits on or about the 27th or 28th of July, 2004 at which time Wife told Husband she wanted him out of the house. Since Wife had no money and Husband refused to provide funds to her, she was unable to secure independent counsel. Husband told Wife his attorneys, who not only represent him in this action, but also

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represent him and his father in the Daisy Simpson action, would prepare the agreement.

11. Therefore, while they were still living together in the same house as Husband and Wife, Husband caused Wife to go to his lawyer's office on or about July 30, 2004, knowing she was dependent, had no money with which to hire an attorney, was heavily medicated and vulnerable, and would sign anything to be out from under Husband's control. In addition, Husband's attorneys knew that Wife had been diagnosed with a bipolar mental illness and was heavily medicated as, when Daisy Simpson's lawyers attempted to depose her herein in 03-DR-14-128, Husband's attorneys secured a physician's statement attesting to her instability (Exhibit 3) and represented to counsel that Defendant could not appear at deposition on at least two occasions (Exhibit 4).

12. Despite Wife's condition, Husband and his lawyer met Wife and her grandfather at Husband's lawyer's office and, for three and a half (3.5) to four (4) hours, provided various drafts of agreements to Wife for her to sign and intimidated and threatened her.

13. Wife had absolutely no knowledge of Husband's holdings, income, or debts, even though she contributed her services and funds and efforts to the relationship since they married on September 3, 1989.

14. Husband's counsel also knew that Husband and Wife were still living together under the same roof at the time the Agreement was signed.

15. Page 1, Paragraph 3 of the Agreement, falsely states that Husband and Wife "...are no longer living together and they never intend to reside together again. The Husband and Wife last resided together as Husband and Wife on or



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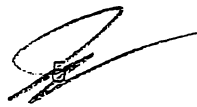
about July 27, 2004." This representation is false and was known by these parties and Husband's counsel to be false when the Agreement was prepared and signed by the vulnerable, unrepresented Wife.

16. Wife had no money with which to hire an attorney, and was never told that if she brought an action against Husband, based upon her economic and circumstances, the Court could award her temporary and permanent attorney's fees and suit money.

17. Paragraph 5, Page 2 of the Agreement falsely represents that Wife had an opportunity to review the Agreement with a lawyer of her choice but chose not to do so, as Wife did not have the funds to hire counsel and was not offered funds with which to do so. In addition, Wife asserts that Mr. Robinson knew about her medication and illness during the discovery process in the Daisy Simpson case when her deposition was put off twice because of "instability."

18. As of July 30, 2004, Wife had never seen a financial statement or financial declaration of her Husband. While she signed tax returns, she did not understand the same and was not given copies. Wife did not know her Husband's income, and did not know the extent of his holdings at the time the agreement was signed on July 30, 2004 or on when the Court held the approval hearing on August 3, 2004. Therefore, the assertion in Paragraph 6 that both Husband and Wife had full financial disclosures is false. Wife did not receive any financial disclosure and therefore could not have relied upon the same, and Wife never prepared or was furnished with a financial declaration that is mandatory pursuant to Rule 20, SCRFC.

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A handwritten signature in black ink, appearing to be a stylized 'S' or 'R' with a horizontal line through it.

19. Wife's mental condition, her medication, and the stress placed on her by Husband made it impossible for her to freely and voluntarily enter into Agreement. This is especially true in light of knowledge of Husband and his attorney who asserted Wife's mental instability just months before July 30, 2004 when they represented that Wife was not capable of testifying at a deposition because of her mental condition and that placing stress on Wife caused her condition to deteriorate. Wife's vulnerability made it impossible for Paragraph 8, -- which asserts that it was entered into freely and voluntarily -- to be accurate.

20. Wife was told that by Husband's attorney that she would not be required to complete any documents or appear before the Court if she signed a "Pro Se Answer" (Exhibit 5, prepared by Plaintiff's attorney) and accepted service and signed a Waiver of Notice on July 30, 2004 (Exhibit 6), by which she purportedly consented to the matter being heard as quickly as possible without her presence, and purportedly waived her thirty (30) day time period in which to file an answer.

21. Wife was told that Plaintiff's attorney, Mr. Robinson, had a hearing scheduled before Judge McFadden in Sumter, South Carolina on August 3, 2004, and that the agreement could be approved on that date without Wife being present. However, Wife was called in the early afternoon of August 3, 2004 by her Husband and told to come to Sumter, South Carolina, as the Judge wanted her at the hearing.

22. At the time of the hearing, Wife was handed a document entitled "Financial Declaration of William R. Simpson, Jr." dated August 3, 2004 (Exhibit 7) for the first time. This document reflects that Husband has holdings of



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\$706,235.00, including a half-interest in W.R. Simpson Farms, LLC, which was valued at \$397,400.00 pursuant to "W.R. Simpson Farms, LLC from Tracy Amos Marital Addendum" as of March 14, 2003. This is the same document introduced in the Daisy Simpson trial earlier this year.

23. Wife did not know that her Husband's worth exceeded \$700,000.00, and is informed that the properties titled in W.R. Simpson Farms, LLC were transferred to Husband based upon his labor during the marriage that was not reported as income. Husband, whom wife has now learned never reported much income, was given property instead of income, and therefore W.R. Simpson Farms, LLC is marital property to which Wife is entitled to equitable division. Further, she believes that Husband was provided additional income and funds by his father, William R. Simpson, Sr., and used the same to purchase property titled in his name.

24. Wife did not know until she walked into the courtroom on August 3, 2004 -- and did not have time to digest the same -- that Husband was reporting income of only \$1,730.76 per month, while asserting expenses of \$4,250.00 per month, including \$790.00 for a house payment, \$750.00 for child support and temporary alimony, and \$400 for private school. These three (3) entries total \$1,840.00 and, in and of themselves, exceed Husband's asserted monthly income as stated, and which Wife believes is fraudulent. Based on information now in possession of Wife, she believes that assets and money are being moved from her father-in-law to her husband without being reported on tax returns.

25. The July 30, 2004 Property and Separation Agreement approved by the Court is not fair or equitable in any respect, and Wife was intimidated and

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forced to execute the same due to her vulnerability. For example, Husband agreed for Wife to have a separate house only a stone's throw from their residence, so Husband could continue to keep her under his thumb. Of more than \$700,000.00 in assets acquired by Husband, Wife is to receive approximately 5 percent (5%) which is totally unreasonable and far from equitable.

26. Since the Agreement was signed, both children have been asking the Wife regularly where she was, what she had been doing, and whom she had been seeing, questions unlike they had ever asked before.

27. Knowing that the Honorable R. Wright Turbeville, Judge of this Court, has been hearing the case of "Daisy Simpson vs. William R. Simpson, Jr., William R. Simpson. Sr., W.R. Simpson Farms, LLC," Husband and his attorney knew they could not go to Judge Turbeville to secure an approval of this Agreement that affects assets at issue in that proceeding. The property that this Agreement purports to affect is subject to a restraining order issued by Judge Turbeville on April 3, 2003, which was well known to Husband and his attorney. . Specifically, on page 5 of a purported final agreement between Husband and Wife that was prepared by Mr. Robinson and approved by this Court, Husband agreed as follows:

B. FARM LAND: Each child of the parties shall receive 25% interest in the following farm property when they attain the age of 18; Clarendon County tax map parcel numbers: 128-00-00-34, 090-00-03-016-00, 089-00-00-017, 089-00-00-018, 089-00-00-019, 089-00-00-014, 089-00-00-025, and 089-00-00-026; Sumter County tax map parcel numbers: 257-00-03-2-020, 258-00-01-003, and 214-00-01-007. The wife waives any and all other interest in the farm property.



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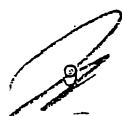
C. HOME SPOT: The husband shall provide the wife with a one acre tract of land upon which to build a home and reside with the parties' minor daughter. Provided, however that should wife re-marry or co-habitate with another man, the wife shall sell her home to the husband at appraised value and shall immediately move to another location. The parties agree that this home spot shall be on Home Branch Road where Robbie Giddens currently resides if available. In the event said location is not available, husband will make every effort to provide a one acre site as close as possible to that location as is possible..

28. The land in question was the subject of a restraining order issued in the Daisy Simpson Case. And therefore, instead of waiting for the hearing to be scheduled in Manning, South Carolina, Husband and his counsel caused the matter to be set on an emergency basis before the Honorable Judge George M. McFadden, Jr., not telling Judge McFadden that (1) Wife had mental disabilities, was unstable, and was taking medications, and (2) that the property listed in the Agreement as going to go to the children of this marriage when each attained age of 18 years was, in actuality, property in dispute in the Daisy Simpson case in which Husband is a party

29. When the matter was heard on August 3, 2004, Judge Turbeville was immediately down the hall from Judge McFadden, but was not told of this hearing, an effort by Husband and his counsel to get Judge McFadden to approve this Agreement that affects the outcome of other litigation now pending in this Court before Judge Turbeville without making such disclosure.

30. The Order and the Agreement were secured by fraud on the Court and fraud on the Wife, and should be set aside and vacated.

31. Wife demands that the Husband be required to reinstate her health insurance immediately, that Husband pay a reasonable sum of temporary



alimony, suit money, and attorneys fees in order for Wife to continue this action. Wife also requests that she be allowed to file and answer and counterclaim.

32. Wife should be granted discovery; Wife should be granted fees; and Wife should be granted access to her children as Husband has poisoned the minds of the children against her since. Wife requests access to the children at reasonable times, and requests that Husband be required to hire sitters for the children and not drop them off at the Buck-n-Bull Store where they are seen in the afternoons without appropriate supervision while Husband is working.

33. Due to the poisoning of these children against her, Wife insists that Husband be evaluated by a psychiatrist, and that the children be evaluated by a psychiatrist at the expense of the Husband.

34. Wife also requests that a Guardian ad Litem be appointed for the children by this Court.

35. Wife has no funds, and is entitled to an immediate hearing before this Court, and she requests that the hearing be held before Judge McFadden who issued the Order approving this Agreement.

WARNER, PAYNE & BLACK, L.L.P.


Jan L. Warner

1122 Lady Street, Suite 1200
Post Office Box 2628
Columbia, South Carolina 29202
(803) 799-0554
Attorney for Plaintiff

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STATE OF SOUTH CAROLINA

COUNTY OF CLARENDON

WILLIAM R. SIMPSON, JR.

Plaintiff

vs

BECKY H. SIMPSON

Defendant

IN THE FAMILY COURT

THIRD JUDICIAL CIRCUIT

FINANCIAL DECLARATION

OF WILLIAM R. SIMPSON, JR.

FILE NO. 2004-DR-14-243

Husband: William R. Simpson, Jr.

Address: 2827 Home Branch Road

Manning, SC 29102

Age: 34 SSN: 251-61-9628

Occupation: farmer/store owner

Employer:

Address:

Wife: Becky H. Simpson

Address: 2052 Billie Road

Manning, SC 29102

Age: 31 SSN:

Occupation: homemaker

Employer:

Address:

PART A: INCOME AND EXPENSE STATEMENT

Husband

Wife

(a) Gross monthly income from:

Salary and wages (including commissions, bonuses,
and overtime) payable weekly/monthly/etc.

\$ 1,730.76

\$

Pensions and retirement

0.00

Social Security

0.00

Disability and unemployment insurance

0.00

Public assistance (AFDC payments, etc).....

0.00

Child/spousal support (prior marriage).....

0.00

Dividends and interest

0.00

Rents

0.00

Other

0.00

TOTAL MONTHLY INCOME

\$1,730.76

(b) Itemize deductions from gross income:

Income taxes (state and federal)

0.00

Social Security

0.00

Disability insurance

0.00

Medical or other insurance

0.00

Union or other dues

0.00

Retirement or pension fund

0.00

Savings plan

0.00

Other.....

0.00

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TOTAL DEDUCTIONS

\$ 0.00

\$

(c) NET MONTHLY INCOME

\$ 1,730.76

\$

Estimated monthly expenses:

(Specify which party is the custodial parent and list name and relationship of all members of the household whose expenses are included)

	Husband	Wife
Rent	\$ 0.00	\$
Note or mortgage payments (residence)...	790.00	
Real property taxes (residence)	0.00	
Real property insurance (residence)	65.00	
Maintenance (residence)	35.00	
Food and household supplies	180.00	
Utilities	375.00	
Telephone	75.00	
Laundry and cleaning	70.00	
Clothing	50.00	
Medical	100.00	
Dental	225.00	
Insurance (life,health,accident,etc).....	0.00	
Child Care	0.00	
Payment of child/spousal support	750.00	
School	400.00	
Entertainment	100.00	
Incidentals	50.00	
Auto expenses(insurance,gas,oil,repair).	150.00	
Auto payments	835.00	
Other Installment payment(s).....	0.00	

(Insert total here and itemize below)

Creditor's Name	For	Monthly Payment	Balance
Pee Dee Farm Credit	home loan	\$ 0.00	\$ 80,000.00
Pee Dee Farm Credit	land loan	\$ 0.00	\$ 14,000.00
Pee Dee Farm Credit	land loan	\$ 0.00	\$ 16,000.00
Pee Dee Farm Credit	equipment loan	\$ 0.00	\$ 15,000.00
		\$	\$
		\$	\$

Other	For	Monthly Payment	Balance
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$

TOTAL EXPENSES \$ 4,250.00 \$

Other debts and obligations NOT payable in monthly installments.

Creditor's Name	For	Date Payable	Balance
00014			\$
			\$
			\$
			\$
			\$

TOTAL OTHER DEBTS AND OBLIGATIONS \$ 0.00

All property of the parties known to me includes the following:

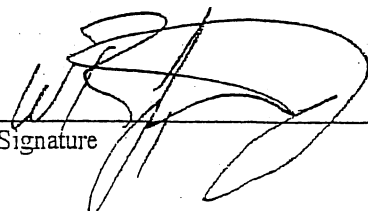
	Husband	Wife
Cash on hand	\$ 35.00	\$
Money in checking accounts	\$ 2,400.00	\$
Money in savings accounts	\$ 500.00	\$
Money in credit union	\$ 0.00	\$
Money in any other accounts or deposits...	\$ 0.00	\$
Retirement or pension fund	\$ 0.00	\$
Life insurance cash value	\$ 5,000.00	\$
Value of any stocks & bonds	\$ 0.00	\$
Value of real estate.....	\$ 272,900.00	\$
Value of all other property	\$ 20,000.00	\$
 TOTAL PROPERTY	 \$ 300,835.00	 \$

Sworn to and Subscribed before me)

this 3rd day of August, 2004)

Deanna B. Nalley)
Notary Public for South Carolina Signature)

My Commission expires 3/29/05)


Signature

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WR Simpson Farms, LLC
From Tracy Amos Marital Addendum

As of March 14, 2003

Total Assets for WR Simpson Farms, LLC

Checking accounts	\$59,805.00	
Investments	\$92,324.00	
Real Estate	\$937,500.00	
Auto & Farm Equipment	\$209,065.00	
Crops in Ground	\$26,470.00	
TOTAL ASSETS	\$1,325,164.00	$\frac{1}{2} = \$662,582.00$

LLC Liabilities

Bank Notes	(\$228,948.00)	
Other Notes	(\$219,954.00)	
Mortgages	(\$81,322.00)	
TOTAL LIABILITIES	(\$530,224.00)	$\frac{1}{2} = \$265,112.00$

TOTAL NET WORTH OF \$397,470.00

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1 MR. STODDARD: Okay. That's really all I have.

2 MR. MCKENZIE: A couple of questions relating to
3 that.

4 QUESTIONS BY MR. MCKENZIE:

5 Q. Does Cody know that you are living with Mr. Ingle?

6 A. Yes.

7 Q. Okay. Has he expressed any concern about that?

8 A. No.

9 Q. How did he find out that you were living with Mr.
10 Ingle?

11 A. (NO RESPONSE)

12 Q. Did you tell him?

13 A. Yes. I think I did.

14 Q. Okay. And tell me about how it came about that
15 your husband got the children, or was taking care of
16 the children and your children were asking where you
17 were.

18 A. Oh. I had gone to visit my grandparents.

19 Q. Did you stay with them for a period of time?

20 A. No.

21 Q. Okay. Prior to the Court issuing its Order in
22 this case, the children were living with your husband.
23 Is that correct?

24 A. Well, I was supposed to have custody of Kaitlin,
25 but I guess with Cody being over there with Bill, she

1 wanted to be over there as well, so I was mostly left
2 alone.
3 Q. Okay. And you were in the marital home?
4 A. Yes.
5 Q. Okay. And this is prior to you living with Mr.
6 Ingle?
7 A. Yes.
8 Q. Okay. Do you recall when that was?
9 A. When I left...
10 Q. Yes.
11 A. When I went to live with him?
12 Q. Yes.
13 A. Sometime in October.
14 Q. Did you spend the night with Mr. Ingle prior to
15 October?
16 A. Yes.
17 Q. How many occasions? Do you remember?
18 A. No. I don't remember. It was -- no. It wasn't
19 October. We didn't start living together in October.
20 Q. When did you start living together?
21 A. It was probably more towards November or December.
22 Q. Okay.
23 A. It was -- because it was -- yeah. It was in
24 October. I'm sorry.
25 Q. Okay. So, it was in October?

STATE OF SOUTH CAROLINA
COUNTY OF CLARENDON

WILLIAM R. SIMPSON, JR.,
Plaintiff,

vs.

BECKY H. SIMPSON,
Defendant.

) IN THE FAMILY COURT OF THE
) THIRD JUDICIAL CIRCUIT
) DOCKET NO.: 04-DR-14-243

PRO SE ANSWER

The Defendant, responding to the allegations of the Plaintiff's Complaint, states
follows:

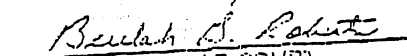
1. The Defendant admits each and every allegation contained in the Plaintiff's Complaint.
2. The Defendant joins in the Plaintiff's prayer for relief.

WHEREFORE, having fully responded to the Plaintiff's allegations, the Defendant respectfully prays that the Court hold a hearing and issue its Order granting the relief sought in the Complaint and for such other and further relief as the Court deems just and proper.


BECKY H. SIMPSON

July 30th, 2004.

CERTIFIED TRUE COPY
OF ORIGINAL FILED IN THIS OFFICE
DATE 8-2-04


CLERK OF COURT
CLARENDON COUNTY, SC

BEULAH G. ROBERTS
CLERK OF COURT
CLARENDON COUNTY, SC
2004 AUG 2 PM 02

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Defendant.

ACCEPTANCE OF SERVICE AND WAIVER OF NOTICE

Becky H. Simpson
BECKY H. SIMPSON

CERTIFIED TRUE COPY
 OF ORIGINAL FILED IN THIS OFFICE
 8-2-04
 DATE _____
 Beulah S. Robert
 CLERK OF COURT
 CLARENDON COUNTY, SC

BEULAH & NEBERTS
CLERK OF COURT
CLARENDON COUNTY, SC
2009 AUG 2 PM 3 04

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1. The hearing on the merits in this cause shall be held on June 10th and June 11th 2004, beginning each day at 9:30 A.M. at the Clarendon County Judicial Annex.

2. All discovery shall be completed not later than the close of business on May 15, 2004. If discovery has not been completed by that time, counsel for the aggrieved party or parties shall contact the Court.

3. The deposition of William Robert Simpson, Sr. shall be taken at the offices of his counsel on Friday, April 23, 2004 beginning at 10:00 A.M. The deposition of Becky Simpson, who previously submitted a doctor's certificate regarding her inability to appear, shall be taken at the offices of Defendants' counsel on the 23rd of April, 2004 at 3:00 P.M.; provided, however, that should Becky Simpson serve another physician's excuse for not attending the deposition, she shall not be allowed to testify at trial.

4. Pursuant to statements of Defendants' counsel, the discovery which Plaintiff asserts Defendants have not provided shall be provided to Plaintiff's counsel during the week of April 5, 2004.

5. Plaintiff and Defendant shall each submit settlement proposals, in writing, to the other by May 15, 2004.

6. The matter of attorneys' fees as requested by Plaintiff's counsel (no fees have been requested by Defendants) shall be handled by Affidavit and written submission to the Court at the end of trial on June 11, 2004. After issuing an Order in the main case and holding fees and expenses in abeyance, the Court will receive from counsel for the parties said offers of compromise and shall utilize the same in the establishment of counsel fees for Plaintiff.

7. Plaintiff and Defendant shall submit to each other a list of household personal property on or before May 1, 2004.

00021

8. Appraisers are in entitled to access to the farm equipment and other inventory and assets of the farming operation, at a time to be arranged with counsel for Defendants. The same to take place prior to May 1, 2004.

AND IT IS SO ORDERED.

s/R Wright Turbeville
R. Wright Turbeville
Presiding Family Court Judge
Third Judicial Circuit

At Chambers
Manning, South Carolina
April 21, 2003

00022

FILE COPY

Date: _____

WARNER, PAYNE & BLACK, L.L.P.
ELDERLAW SERVICES OF SOUTH CAROLINA, P. A.

JAN L. WARNER
ATTORNEY AT LAW
JLW@JANWARNER.COM
(REPLY TO COLUMBIA OFFICE)

L.L.M., Taxation
Certified Fellow, American Academy of Matrimonial Lawyers
Member, National Academy of Elder Law Attorneys

1122 LADY STREET, SUITE 1200
POST OFFICE BOX 2628
COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE (803) 799-0554
FACSIMILE (803) 799-2517

113 EAST MAIN STREET, SUITE 100
POST OFFICE BOX 10352
ROCK HILL, SOUTH CAROLINA 29730
TELEPHONE (803) 329-8656
FACSIMILE (803) 325-2973

April 28, 2004

Steven S. McKenzie, Esquire
Scott Robinson, Esquire
16 North Brooks Street
Manning, South Carolina 29102

RE: Simpson v. Simpson et al.
Docket Number 2003-DR-14-128

Dear Gentlemen:

When I deposed Mr. Simpson Sr. this past Friday, we were provided some tax records and computer generated, general ledgers. We may want to look at the raw material after we submit the same to Mark Hobbs, CPA. Mr. Simpson's deposition has been left open.

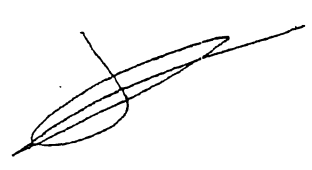
We have received another doctor's statement from Becky Simpson. We therefore confirm your representation that Becky Simpson will not testify at trial.

Regarding Mr. Simpson Jr., we will need his 2003 tax returns and all schedules along with the general ledger information which we assume Mr. Gibbons (or Simpson Jr.'s tax preparer) utilized. Please provide us with this.

Mr. Simpson Sr. said he would get Steve his credit card statements (Platinum Plus at Wachovia) and we would request the monthly statements from March 2003 to date.

We would also request an up-to-date financial declaration as quickly as possible. We do not want to have this on the day of the trial. We will exchange the same with you.

I am enclosing herewith Notice of Motion and Motion for an Order Authorizing Supplemental Complaint alleging a ground for divorce on the basis of one-year continuous separation, a copy of the proposed complaint that is being filed with the notice, and consent order.



00023

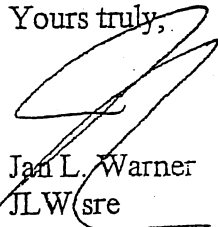
Steven S. McKenzie, Esquire
Scott Robinson, Esquire
April 28, 2004
Page 2 of 2

I do not assume anyone would have an objection to this. If you do, please let me know so we can schedule a hearing prior to our merits hearing. If satisfactory, please return the Consent Order to me after the Judge has signed the same.

Please advise by letter or fax exactly what other information you are requesting from our client. This will confirm that on the date her deposition is taken, we will take the deposition of Mr. Gibbons. Enclosed herewith and served upon you is Notice of Taking his Deposition.

I have put a call in to Agent Owned Realty to try to get the document you have requested. Apparently, there is no such document in the Clarendon County office.

Yours truly,



Jan L. Warner

JLW:sre

Enclosures

cc: James T. McLaren, Esquire (w/encl.)
Ms. Daisy Simpson (w/encl.)

00024

STATE OF SOUTH CAROLINA

COUNTY OF CLARENDON

DAISY WALLACE SIMPSON,

PLAINTIFF,

VS.

WILLIAM ROBERT SIMPSON, SR.
individually and as shareholder/
member of W. R. Simpson Farms, Inc. and
William R. Simpson, Jr., as a
shareholder/member of
W. R. Simpson Farms, Inc.,

DEFENDANTS.

CLERK IN THE FAMILY COURT FOR THE
CLARENDON COUNTY, SC
THIRD JUDICIAL CIRCUIT

04 MAY 2004 DOCKETING 2003-DR-14-128

PRETRIAL ORDER

RECEIVED
2004 APR 26 PM 12:02
W P & B, LLP
ALDERMAN SERVICES
OF SC, PA

PRESIDING JUDGE: R. WRIGHT TURBEVILLE
DATE OF HEARING: APRIL 2, 2004
ATTORNEYS FOR PLAINTIFF: JAN L. WARNER
JAMES T. MCLAREN
ATTORNEYS FOR DEFENDANTS: STEVEN S. MCKENZIE
SCOTT L. ROBINSON
COURT REPORTER: SUZIE NICHOLS

This matter came before the undersigned on the 2nd day of April 2004 for a pretrial conference.

Present and appearing were the Plaintiff and one of her counsel, Jan L. Warner. All Defendants appeared through their counsel, Scott L. Robinson and Steven S. McKenzie.

I received a pretrial brief from Plaintiff's counsel which, as stated into the record, did not list all of the issues nor the witnesses, and the same will be updated.

Based upon the status of this matter and my review of the issues with counsel for the parties, I find that the following Pretrial Order should be issued:

Therefore, it is accordingly,

ORDERED:

CERTIFIED TRUE COPY
OF ORIGINAL FILED IN THIS OFFICE

DATE: 5-4-04

Bertha S. E.

CLERK OF COURT
CLARENDON COUNTY, SC

00025

RWT
1073

McLAREN & LEE
ATTORNEYS AT LAW
1508 LAUREL STREET
COLUMBIA, SOUTH CAROLINA

TELEPHONE (803) 799-3074
FACSIMILE (803) 252-3548

JAMES T. McLAREN
C. DIXON LEE, III*

*ALSO ADMITTED IN NC

PLEASE REPLY TO:
POST OFFICE BOX 11809
COLUMBIA, SOUTH CAROLINA
29211-1809

October 11, 2003

VIA FAX AND MAIL
803-435-2858

Steven S. McKenzie, Esquire
Scott L. Robinson, Esquire
16 North Brookes Street
Manning, South Carolina 29102

RE: *Daisy Wallace Simpson v. William Robert Simpson,*
Individually and as shareholder/member of W.R. Simpson Farms,
Inc. and William R. Simpson, Jr., as a shareholder/member of
W.R. Simpson Farms, Inc.
Docket No: 03-DR-14-128

Gentlemen:

Following up with the depositions on September 29, 2003, during which Becky Simpson did not appear, I am writing to confirm that I have given you one (1) week to work out that situation and reschedule her deposition. If not, I will move the Court for appropriate relief. Please let me hear from.

With kindest regards, I am

Very Truly Yours,

McLAREN & LEE

James T. McLaren

JTM/kap
cc: Daisy W. Simpson
Jan L. Warner, Esquire

00026

JOHNSON, MCKENZIE & ROBINSON, L.L.C.
16 NORTH BROOKS STREET
MANNING, SOUTH CAROLINA 29102
TELEPHONE (803) 435-0909
FACSIMILE (803) 435-2858

DATE: 4-22-04

TIME: _____

NUMBER OF PAGES: 2 including cover sheet

TO: _____

ATTENTION: _____

Mr. Jan Warner

FACSIMILE NUMBER: _____

799-2517

REGARDING: _____

Simpson vs. Simpson

FROM: _____

Steve McKenzie

SENT BY: _____

Mary

COMMENTS: _____

Following please find a doctor's
excuse for Becky Simpson which
states that she is not able to
proceed with her scheduled
deposition scheduled for tomorrow.

Thank you -

Mary.

RECEIVED
04 APR 23 AM 8:42
W P & B, LLP
ELDERMAN SERVICES
OF SC, PA

00027

ROBERT S. EAGERTON, JR., M.D.

Family Practice

Phone 803-433-0439, 200 East Hospital Street, Manning, S.C.

State No. 11415

DEA AE 1764895

PATIENT'S
NAME

Becky Simpson

ADDRESS

DATE

4/25/04

Rx 1

In my opinion this
person is neither
mentally or emotionally
stable to undergo

Refill 0-1-2-3-4-5-PRN

Rx 2

a deposition

R. S. Eagerton, M.D.

DISPENSE AS WRITTEN

SUBSTITUTION PERMITTED

Refill 0-1-2-3-4-5-PRN

00028

separate maintenance be entered in any Court with competent jurisdiction in any proceeding currently pending or in the future, then this Agreement shall be submitted to the Court as a Property, Separation and Support Agreement and Stipulation to be incorporated and merged with any judgment for Decree of Divorce or separate maintenance entered between the parties.

15. WAIVER OF REVIEW OF THE PROPERTY AND SEPARATION AGREEMENT: The husband and wife acknowledge that according to the S. C. Code Ann. (1976, as amended), the Court has a right, duty, and/or obligation to review the Property and Separation Agreement at a hearing on the merits of an action for divorce between the parties; both parties specifically waive the right, duty and/or obligation for the Court to review this Property and Separation Agreement at a hearing on the merits of an action for divorce, which may be later instituted between the parties, and both parties specifically consent to being bound by the Property and Separation Agreement without further review, modification, and/or scrutiny by the Court.

16. RELEASE OF ESTATE RIGHTS: Each party waives the right to share in the estate of the other party and specifically waives the right to any elective share of the estate of the party to which they otherwise may be entitled.

17. MODIFICATION OF AGREEMENT: The provisions of this Agreement shall not be modified or changed except by mutual consent and agreement of the parties expressed in writing or by Court Order. Nothing in this paragraph is to be construed to prohibit either party from petitioning the Court for an increase or decrease in the child support obligations of the parties as permitted pursuant to the statute and case laws of the State of South Carolina.

18. SEVERABILITY: Should one or more provisions of this agreement become null and void, all remaining provisions shall remain in full force and effect.

WRS
Jr.

CHS

19. ATTORNEYS FEES: Each party shall be responsible for any and all attorney's fees and costs incurred by that party pursuant to this matter.

WHEREFORE, we subscribe our names to the end of this instrument consisting of 8 typewritten pages on one side only of each page and for the purpose of identification, we have subscribed our initials on the bottom of each preceding page on the date as herein below indicated.

DATED AT MANNING, SOUTH CAROLINA THIS 30TH DAY OF JULY, 2004.

WITNESSES:

Danna B. Alley
Ethel B. Alley

William R. Simpson Jr.
WILLIAM R. SIMPSON JR.

WITNESSES:

Danna B. Alley
Ethel B. Alley

Becky H. Simpson
BECKY H. SIMPSON

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WRS
CBH

month period, the husband will be responsible for payment of the house payment, light bill, phone bill, hazard insurance on the home and property taxes on the home. At the end of the 12 month period the wife shall receive the sum of \$22,500.00 within 10 days of the expiration of the 12 month period. In addition, the wife shall receive annual payments of \$5,000.00 beginning November 1, 2006 and continuing on the first of November of each year through November 1, 2008. These payments represent the value of any interest or equity the wife may claim in the marital home. Thereafter, the husband shall have the exclusive use, ownership and possession of the marital home and shall be responsible for all indicia of ownership for the home and shall indemnify and hold the wife harmless therefrom.

B. FARM LAND: Each child of the parties shall receive 25% interest in the following farm property when they attain the age of 18: Clarendon County tax map parcel numbers: 128-00-00-34, 090-00-03-016-00, 089-00-00-017, 089-00-00-018, 089-00-00-019, 089-00-00-014, 089-00-00-025, and 089-00-00-026; Sumter County tax map parcel numbers: 257-00-03-2-020, 258-00-01-003, and 214-00-01-007. The wife waives any and all other interest in the farm property.

C. HOME SPOT: The husband shall provide the wife with a one acre tract of land upon which to build a home and reside with the parties' minor daughter. Provided, however that should the wife re-marry or co-habitate with another man, the wife shall sell her home to the husband at appraised value and shall immediately move to another location. The parties agree that this home spot shall be on Home Branch Road where Robbie Giddens currently resides if available. In the event said location is not available, husband will make every effort to provide a one acre site as close to that location as is possible.

WRS
JR

BHB

9. DEBTS AND OBLIGATIONS: Each party shall pay all debts in their name incurred by him or her before or after the date of this Agreement and shall indemnify and hold harmless the other party against any responsibility or liability therefor.

10. EXECUTION OF NECESSARY INSTRUMENTS: The parties in each and every event shall hereafter execute all instruments necessary to carry out the terms of this Agreement.

11. RELEASE: Both parties hereby release and discharge the other for themselves, their heirs, their personal representatives and assigns, as well as any known or potential third parties, of and from all manner of actions, causes of actions, suits, debts, counts, judgments, claims and demands whatsoever in law or equity (except any debts or obligations specifically assumed by either party pursuant to these agreements) which occurred or may have occurred at any time during the marriage and through the date of the approval of these agreements.

12. COURT APPROVAL OF AGREEMENT: The parties hereto agree that this Agreement shall be submitted to the Court for approval, and if approved, shall be incorporated and merged with the Order of the Court.

13. BINDING EFFECT: This Agreement shall be binding upon the parties, their respective heirs, executors administrators, and assigns, and shall in any event be governed by the laws of the State of South Carolina.

14. EFFECT OF DIVORCE: This Agreement shall not be construed in any measure as a consent or condemnation for divorce in favor of either party, nor shall it be a bar to any action or proceeding for divorce to be hereinafter instituted; it is a Property and Separation Agreement, which is contractual in nature and intended as a binding settlement of the parties rights, duties, and responsibilities regarding all matters dealt with herein. Should a judgment or Decree of Divorce for

is to be made an Order of the Court. It is the intention of the parties that the Family Court of the Third Judicial Circuit retain jurisdiction hereof, including the jurisdiction to enforce the affirmative acts required of the husband and wife, or either of them, by Contempt or by such other proceedings as may be necessary to insure enforcement hereof. Should a Decree of Divorce or Separate Maintenance be granted to either the husband or wife by this Court, or any other Court of competent jurisdiction, the Agreement, if approved, shall vest said Court with full jurisdiction for all purposes.

NOW, THEREFORE, in consideration of the mutual and binding covenants and agreements of the parties, which are set forth hereinafter, and in addition thereto of the good and valuable considerations, receipt of which is hereby acknowledged by each party with adequacy of the consideration set forth in the terms of this Agreement, the parties hereto do hereby agree as follows:

1. LIVING SEPARATE: The parties may and shall hereafter live separate and apart. Each party shall hereafter reside at such place or places as he or she may select.
2. NO MOLESTATION OR INTERFERENCE: Neither party shall molest nor interfere with the other, nor compel or attempt to compel the other to cohabit or dwell with him or her by any means whatsoever by legal action or otherwise.
3. CUSTODY: The parties shall share joint custody of their children. The parties' daughter will reside with the mother and the parties' son will reside with the father. The children will be allowed to visit the other parent freely and liberally and come and go between the residences of the parents as they please.
4. CHILD SUPPORT: The husband shall be responsible for payment of all school expenses and clothing for the parties' children for a period of 12 months commencing on August 1, 2004 and continuing through July 31, 2005. In addition, the Husband shall pay the Wife the sum

WRS
-sr

CBH

of \$300.00 per month in child support for the support of the parties' minor daughter until such time as the daughter attains the age of 18. The husband shall also be responsible for payment of the private school tuition for the parties' minor children so long as they are enrolled in a private school.

5. REHABILITATIVE ALIMONY: The husband shall pay rehabilitative alimony to the wife in the amount of \$450.00 per month for 40 months, beginning August 1, 2004 and payable directly to the Wife on the 1st day of each month thereafter until January 31, 2008. Both parties waive their right to receive any additional alimony of and from the other party upon the expiration of the period of rehabilitative alimony.

6. PERSONAL PROPERTY: All property will be divided between the parties to their mutual satisfaction. Each party shall keep their own personal property. The wife will receive whatever furniture and personal property she desires from the marital home and the remainder will stay with the husband. The parties shall retain the possession of the vehicles currently in their possession. The husband shall be responsible for payment of 1 tank of gas per week for the wife's GMC Yukon, payment of taxes, insurance, payments and maintenance on said vehicle for a 12 month period, beginning August 1, 2004. At the end of the 12 month period, the wife shall receive the title to the vehicle and will then be responsible for the taxes, insurance, maintenance and payments thereon.

7. TAXES: The parties shall file separate income tax returns for the 2004 tax year. The parties will each claim one child as a dependant for the 2004 tax year and for every year to follow.

8. REAL PROPERTY:

A. MARITAL HOME: The wife will enjoy the exclusive use and possession of the marital home for a period of 12 months, beginning on August 1, 2004. During this 12

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WR
5/5

4/5

STATE OF SOUTH CAROLINA)
COUNTY OF CLARENDON)

WILLIAM R. SIMPSON, JR.,)
Plaintiff,)

vs.)

BECKY H. SIMPSON,)
Defendant,)

IN THE FAMILY COURT OF THE
THIRD JUDICIAL CIRCUIT
DOCKET NUMBER: 2004-DR-14-243

DATE 9-13-04

CLERK OF COURT
CLARENDON COUNTY, SC

PROPERTY AND SEPARATION
AGREEMENT

CERTIFIED TRUE COPY
OF ORIGINAL FILED IN THIS OFFICE
DATE 8-2-04

Beulah S. Roberts
CLERK OF COURT
CLARENDON COUNTY, SC

BEULAH S. ROBERTS
CLERK OF COURT
CLARENDON COUNTY, SC
2004 AUG 2 PM 7:03

This Agreement is entered into this 30th day of July, 2004, by and between WILLIAM R. SIMPSON, JR., hereinafter referred to as the HUSBAND, and BECKY H. SIMPSON, hereinafter referred to as the WIFE. The wife resides in Clarendon County, South Carolina, and the husband resides in Clarendon County, South Carolina.

1. The husband and wife were duly married at a time when both parties were capable of entering into a contract of marriage on September 3, 1989, in Clarendon County, South Carolina, and have thereafter lived together as husband and wife.

2. Two children have been born of this marriage, to wit: William Robert Simpson, III, whose date of birth is July 30, 1991; and Lynda Kaitlin Simpson, whose date of birth is June 26, 1995. No other children have been born and none are expected.

3. The marital differences between the husband and wife are as such that they are no longer living together and they never intend to reside together again. The husband and wife last resided together as husband and wife on or about July 27, 2004.

4. The husband and wife intend, and it is the purpose of this Property and Separation Agreement, to make a complete and final settlement of all claims that the parties may have against

WR5 Jr

00035

CBH

each other, alimony and/or support, or any maintenance, and to finalize their agreement as to division of property, of every nature and description, owned by them jointly, or either of them individually, and the settlement of all issues arising out of the marital relationship of the parties and/or all matters dealt with in this Agreement.

5. The husband is presently represented by counsel, Scott L. Robinson, of the Clarendon County Law Firm of Johnson, McKenzie & Robinson. The wife is not represented, however, she realizes she has the right to retain counsel and she waives her right to counsel. Further, the wife asserts that she has had ample opportunity to review this Property and Separation Agreement with an attorney if it was her desire, however, she does not desire to review it with counsel, and she fully understands the ramifications of same. The wife understands that Mr. Robinson represents only the husband and the wife has the right to counsel should she so desire.

6. The husband and wife both affirmatively assert that in the negotiation and execution of this Agreement, each has made a full financial disclosure, one to the other, of all aspects of the entire marital situation, and it is based upon the full financial disclosures on which the husband and wife each have relied, that this Agreement is entered into.

7. This Agreement is intended by the husband and wife to be a binding determination of the issues set forth herein, and the husband and wife each fully realize their respective rights and obligations hereunder.

8. The husband and wife each hereby acknowledge that this Agreement was entered into freely and voluntarily by and between them, without duress or threat to the husband or wife.

9. The husband and wife request that this Agreement be submitted to the Family Court for the Third Judicial Circuit for approval, and that if same be approved, then the said Agreement

time. They are also aware that the issues of custody, child support and visitation are never final and are subject to change.


Both parties assured the Court that they understood that the alimony paid by the Plaintiff to the Defendant is for 40 months and thereafter ends forever and is not modifiable. They each further understand that it is taxable as income to the Defendant and deductible by the Plaintiff.

Both parties believe the agreement to be fair to themselves and to their children.

I have reviewed the pleadings that have been filed in this matter, the Agreement that has been entered into between the parties, and have heard the statements from the parties. Based on the pleadings filed, the arguments of the parties, and the testimony received, I make the following findings of fact and conclusions of law:

1. This Court has continued jurisdiction over the parties and subject matter herein, and this matter is properly before the Court.
2. The Plaintiff and Defendant are husband and wife and last resided as husband and wife in the County of Clarendon, State of South Carolina. At the time of filing, the Plaintiff and Defendant were both citizens and residents of Clarendon County, South Carolina, and had been for more than one (1) year prior to the commencement of this action.
3. That the Plaintiff and Defendant are Husband and Wife have been duly married on September 3, 1989, and lived as husband and wife until their separation. I also find that the parties separated on July 27, 2004, and have lived separate and apart since that time and have expressed their intention to continue to reside separate and apart from one another. The parties have two (2) children, to wit: William Robert Simpson, III, whose date of birth is July 30, 1991; and Lynda Kaitlin Simpson, whose date of birth is June 26, 1995. No other children have been born and none are expected.

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4. This Court has jurisdiction to grant a Decree of Separate Maintenance and Support pursuant to § 20-7-420 of the Code of Laws of South Carolina (1976).

5. I find that the Property and Separation Agreement, dated July 30, 2004, entered into by the parties and attached hereto has been entered into knowingly and freely and voluntarily by the parties, and is reasonable under the circumstances, and should be approved by this Court and made a part of the order of this Court.

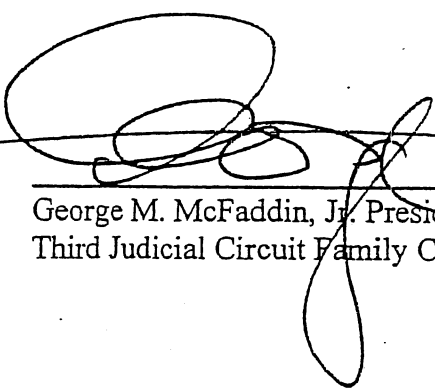
IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that:

1. The Property and Separation Agreement of the parties, dated July 30, 2004, and attached hereto, is hereby approved and made an Order of this Court, enforceable by this Court or any law enforcement officer.

2. That a Decree of Separate Maintenance and Support be, and hereby is, granted between the Plaintiff and Defendant.

AND IT IS SO ORDERED.

Sumter, South Carolina
August 20, 2004


George M. McFaddin, Jr. Presiding Judge
Third Judicial Circuit Family Court

00038

RECEIVED

STATE OF SOUTH CAROLINA)
2004 SEP 15 AM 11:55)

COUNTY OF CLARENDON)

WILLIAM R. SIMPSON, JR.)
W.F.S.B. LLP)
--LAW SERVICES)
OF SC. PA)

Plaintiff,)

vs.)

BECKY H. SIMPSON,)

Defendant.)

IN THE FAMILY COURT OF THE
THIRD JUDICIAL CIRCUIT
DOCKET NO.: 2004-DR-14-243

CLERK OF COURT
9-13-04

DECREE OF SEPARATE MAINTENANCE
AND SUPPORT

TRIAL DATE: AUGUST 3, 2004
TRIAL JUDGE: THE HONORABLE GEORGE M. MCFADDIN JR.
PLAINTIFF'S ATTORNEY: SCOTT L. ROBINSON
DEFENDANT'S ATTORNEY: PRO SE
GUARDIAN AD LITEM: N/A
COURT REPORTER: CRYSTAL JACKSON

BEULAH C. ROBERTS
CLERK OF COURT
CLARENDON COUNTY, SC
2004 AUG 24 PM 3:16

This matter comes before me this 3rd day of August, 2004, pursuant to a Summons and Complaint whereby the Plaintiff is seeking a Decree of Separate Maintenance and Support and other relief from the Defendant. Present at the hearing were the Plaintiff, William R. Simpson, Jr., represented by Scott L. Robinson, of the Clarendon County Bar, and the Defendant, Becky H. Simpson. The Defendant appeared Pro Se and had filed a Pro Se Answer, Acceptance of Service and Waiver of Notice of Hearing.

Prior to the commencement of the hearing, the Court informed the Defendant of her right to have an attorney and inquired of her if she deemed one necessary and/or desired to represent herself. The Court is satisfied, based on the responses of the Defendant, that she is fully aware of her right to have an attorney present, that she wishes to proceed without one, and that she is capable of representing herself.

Prior to the taking of any testimony, the parties indicated to the Court that they had reached

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an agreement as to all matters properly before the Court. The parties have entered into a Property and Separation Agreement, dated July 30, 2004, and are requesting that the Court review said Agreement and if approved, to incorporate the Agreement into this Decree of Separate Maintenance and Support.

Both parties advised the Court that the Property and Separation Agreement was read by each of the parties before signing, that the agreement was entered into freely and voluntarily with no force, threats or pressure from either party. Both parties assured the Court that they had enough time to consider the agreement and that this was the only agreement before the Court at this time.

The Plaintiff presented his Financial Declaration and the Defendant testified that she was familiar with the financial situation of the parties. The Defendant did not file a Financial Declaration and the Plaintiff testified that he did not need to see it, that he was aware of her financial situation.

Both parties testified to the Court that they understood the consequences and contents thereof, and agreed with it in each and every particular. Both parties advised the Court that they felt the agreement was fair and just under the circumstances and that they intended said agreement to be a full, final and binding agreement as to all issues addressed therein. Both parties advised the Court that they had entered into the agreement freely and voluntarily. The Plaintiff advised the Court that he was satisfied with the agreement and with the work that his attorney had done for him. The Defendant advised the Court that she had discussed this matter with an attorney, but did not retain him or review this Agreement with him, but that she was satisfied with the agreement and that she had the opportunity to discuss the agreement with an attorney if she had so desired and that she did not need more time to review said agreement with an attorney.

Both parties are aware that certain portions of the Agreement are final and complete at this

00040




CERTIFICATION

The undersigned hereby certify that they did not communicate orally or in writing with counsel prior to filing the attached motion because such would serve no useful purpose.

September 19, 2004
Columbia, South Carolina

WARNER, PAYNE & BLACK. LLP



Jan L. Warner
1122 Lady Street, Suite 850
PO Box 11704
Columbia, South Carolina 29211
Telephone: (803) 799-0554
Fax: (803) 799-2517
Attorney for Defendant

and

McLAREN & LEE



James T. McLaren
1508 Laurel Street
Columbia, South Carolina 29202
(803) 799-3074
Attorney for Plaintiff

00041

Judge McFadden

*8/3/04
Tuesday*

1. 04-1387 DAVIS, JESSICA VS DAVIS, DANIEL 9:00 am *
PRO SE PRO SE
COMMENTS: DOMESTIC ABUSE 15 MINUTES

2. 03-14-324 DOCTOR, ALFONZA VS HANNETT, MARQUITA 9:15 am
CLARENCE COUNTY J. CALHOUN LAND IV PRO SE
CASE COMMENTS: RTSC-CONTEMPT 15 MINUTES

3. 04-645 NESBITT, MARION DAVID VS NESBITT, ANNA BEASLEY 9:30 am *
PRO SE HARRY C. WILSON, JR.
COMMENTS: DIVORCE 30 MINUTES

4. 04-220 BRAYBOY, J. T. VS BRAYBOY, VANESSA 10:00 am *
DWIGHT C. MOORE ANGELA R. TAYLOR
COMMENTS: DIVORCE 30 MINUTES

5. 03-2258 JOHNSON, NANCY VS JOHNSON, BILLY 10:30 am *
DWIGHT C. MOORE THURMOND BOOKER
COMMENTS: DIVORCE 30 MINUTES

6. 2-1993 SC DEPT OF SOC SVCS VS WILSON, QUEEN & GREGORY 11:00 am *
S. BRYAN DOBY
COMMENTS: MOTION TO RESTORE 30 MINUTES

7. 04-978 BLACKMON, IDA MARIE VS BLACKMON, BRYAN JEFFREY 11:30 am *
ROBERT W. BURKETT PRO SE
COMMENTS: DIVORCE 15 MINUTES

8. 04-825 FELDER-JOHNSON, GLORIA VS JOHNSON, JEFFREY E. 11:45 am *
JORDAN D. WHITE PRO SE
COMMENTS: ANNULMENT/DIVORCE 15 MINUTES

9. 03-622 WILLIAMS, HILLARY VS WILLIAMS, CAREY 12:00 n *
GARRY L. DEAS PRO SE
COMMENTS: FINAL HEARING-DIVORCE 1 HOUR

10. 04-14-204 Simpson, William R. vs. Simpson, Becky H. 2:00 pm
S. L. Robinson Approve Agreement 15"

11. 02-1921 SUMTER COUNTY DSS VS ELMORE, DAVID ET AL 2:15 pm *
ANGELA R. TAYLOR DAVID C. HOLLER
R. KIRK GRIFFIN (GAL)
COMMENTS: PERMANENCY PLANNING 15 MINUTES

00042

20. I never filed a financial declaration. I feel that I have been taken advantage of throughout this marriage and now my husband has been turning my children against me. My husband has been physically abusive to me. He pushed me down and caused compressed vertebrae in my back years ago and I was by him to tell the hospital that I had fallen down some stairs.

21. I have residual injury because of this. My mother died of ovarian cancer when I was two years of age, and I am concerned about my health because I have had problems with my cervix in the past, but don't have the funds to afford to get a pap smear and other tests. I can't afford to get my new prescription for my contacts and glasses and an eye exam which will cost more than \$560.

22. I ask for a full hearing. I want my health insurance reinstated immediately. I want temporary alimony and an award of attorneys' fees and a reasonable equitable division of the assets. I want my husband to pay for my medical necessities.

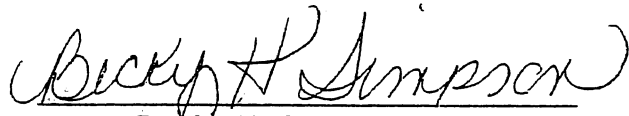
23. My husband has my son living with him and, since August 3, 2004, has move my daughter into the clubhouse with him also. I am being questioned by my children concerning my whereabouts which is very unusual. I believe my husband is saying negative things about me to my children as their attitude toward me has changed. I want a guardian ad litem appointed to represent my children; I want my husband to be evaluated by a psychiatrist. I also want a restraining order keeping my husband away from me as he came to the house the other day when I was there and also comes in when I am not there because I

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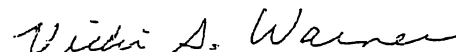
BTB 9/19/04

can not afford to change the locks. In that my husband has, I believe, turned my my children against me, I would want access to my children and restraining orders because of my fear for my husband.

24. I believe that Mr. Robinson has a conflict of interest because when I was to have had my deposition taken in the Daisy Simpson case, he and/or his partner got information from my physician on more than one occasion to present to Daisy's attorney so my deposition would not be taken. Therefore, my husband and his lawyers both knew that I was vulnerable and unable to protect myself. I request an expedited hearing in this matter.


Becky H. Simpson

SWORN to and subscribed before me
this 19th day of September, 2004


Notary Public for South Carolina
My Commission expires: 11/20/10

00044


aBt 9/19/04

11. I did not plan to go to court on August 3, but received a telephone call from my husband at home that the Judge wanted me in court. I drove from my home to the hearing. For the first time, I was handed my husbands financial declaration dated August 3, 2004. I was taking my regular medication that day, and did not have the time to look at my husband's information and review it without legal help as I had no clue what the papers meant. For example, I had no idea that I could not buy a house for \$22,000.00 until I started to put two and two together and got legal help. I did not realize that I was receiving only five percent (5%) of the property that my husband and I acquired during the marriage.

12. When I was asked by the judge whether I knew what the finances were about and whether I had seen them before and understood them, (which I had not), my husband nodded his head affirmatively as if to tell me to say "yes." Which I did.

13. In truth, I did not know that my husband had acquired \$700,000.00 in assets during our marriage. I did not know that he was only claiming income of \$1,700.00 per month because with the private school for two children and our house payment alone almost all of that amount was spent.

14. Based upon the financial declaration that was given to me on August 3, I now know that agreed to take less than 5% of my husband's worth, which I believe is patently unfair. I did not know that my mother in law had made claims against the property that was to be left to protect my children.

15. My husband always has had money to spend for what he wanted – purchasing land, fixing up the club house outside of our house, air conditioning it, 00045

CBH
9/19/04

purchasing a new hunting truck after our court appearance, etc. – but when it came to my necessities such as medical care and prescription drugs, my husband always complained about providing those and refused to do so. He terminated me from the family health insurance early in 2004. My family doctor had been giving me samples of medication because I could not afford to buy the same. Now, as set forth above, I am on a low-income medication plan with the mental health center.

16. I feel I have been defrauded. I also feel the court has been defrauded because I have now learned that the land that is supposed to go to our children when they turn 18 is actually land that is involved in other litigation between my mother-in-law, my husband, and my father-in-law. I did not know that when I signed the agreement.

17. Further, my husband has told me since 2003 that since there is litigation pending between him and his mother, I should not allow my mother in law, Daisy Wallace Simpson, to see our children. Therefore, Daisy W. Simpson has been denied visits and access and communication with her grandchildren for more than a year and a half.

18. I have no objection to Daisy W. Simpson having visitation with my children. I also have no objection to Daisy W. Simpson being allowed to intervene in my action to get her visitation rights

19. I request that the court vacate the agreement and the Order approving it as being unfair.

00046

UBH
9/19/04

with the local mental health center because my husband would not give me the money for my medications. Before getting on the free program, I received samples from my primary care physician.

5. My husband and I were not separated on July 27, 2004 as is set forth in the agreement, and I felt that if I didn't sign it, I would be forced continue to endure the threats and humiliation and intimidation from my husband, especially when I have been in a weak and vulnerable state and taking medications. Early in our marriage, my husband rubbed my face in chicken stool that was on the ground in our yard because I wanted to keep a small dog as a pet and he did not want me to have it, despite the fact that he has many hunting dogs.

6. My husband and I were residing in the same residence on the date the agreement was signed, and my husband was residing in the same residence with me on the date that I was called to come to court on August 3, 2004 in Sumter on very short notice by Scott Robinson, my husband's lawyer.

7. When I told my husband that I could not take it any more, he told me that I needed to get a lawyer, and I told him I could not afford to get a lawyer. He told me that we could go to his lawyer's office (Scott Robinson) and he would prepare an agreement for us. I married my husband at age 17. I have a high school diploma. I have no education after high school. I worked at Piggly Wiggly as a cashier for a year or year and a half when our son was a baby. After our daughter turned four, I went to work at Clarendon Hall in the lunchroom. I moved up to substituting as a preschool teacher, and finally became a preschool teacher

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UBH
9/19/04

for three year olds at this private school which has no educational requirements for that level of instruction. I stopped at Clarendon Hall in May of this year, and have had no money since that time.

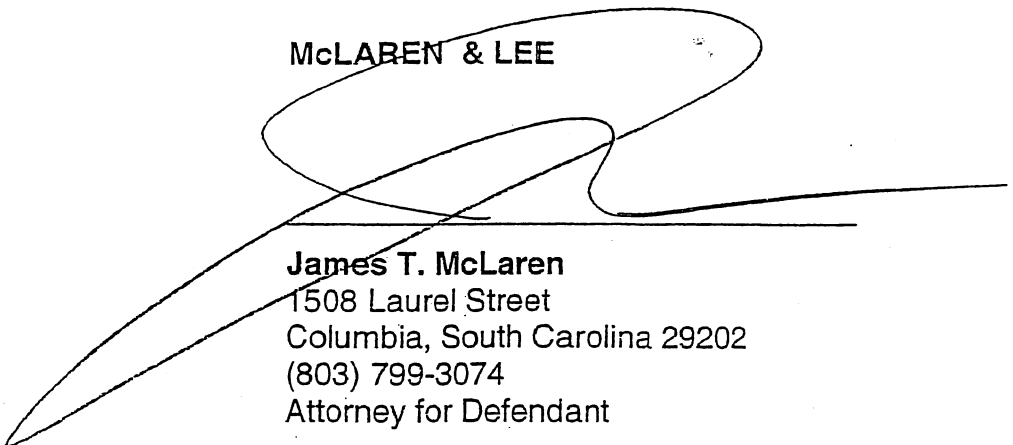
8. I had no money in my own name, and my husband did not offer me any money to get a separate opinion regarding the agreement his lawyer was preparing. I did not see a financial declaration from my husband on the day the agreement was signed. After the agreement was signed on Friday, my husband remained in the house with me until shortly before his birthday which was on August 8, 2004.

9. The agreement was prepared in my husband's lawyers' office, and I was there with my grandfather, a retired minister, for three and a half to four hours on Friday, July 30th. During the time the agreement was prepared, I was never given any financial disclosure regarding my husband's assets or income so my grandfather could advise me. My husband has kept me in the dark concerning finances throughout the marriage, and I had no idea that he owned more than \$700,000.00 in assets until I had a chance to see his financial declaration on August 3, 2004 in the court room when I did not even have a chance to review it.

10. I was told by Mr. Robinson, my husband's lawyer, that if I signed waivers and a pro se answer, I would not have to go to court. I was told by Mr. Robinson that he had a hearing in Sumter that had been put off and that he could get the agreement approved on August 3, 2004. I assumed that after the judge signed the papers, my husband would leave the house as he had not done so.

CBH
9/19/04

McLAREN & LEE



James T. McLaren
1508 Laurel Street
Columbia, South Carolina 29202
(803) 799-3074
Attorney for Defendant

Columbia, South Carolina
September 19, 2004

) IN THE FAMILY COURT FOR THE
) THIRD JUDICIAL CIRCUIT
)
) DOCKET NO.: 2004-DR-1-243

) AFFIDAVIT OF
) BECKY H. SIMPSON

;

)

)

)

9/19/04

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UBS
9/19/04

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CBH
9/19/04

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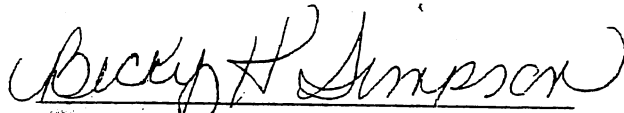
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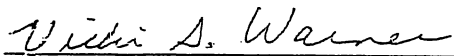
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Becky H. Simpson

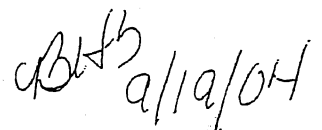
SWORN to and subscribed before me
this 19th day of September, 2004



Notary Public for South Carolina

My Commission expires: 11/20/10

00056



STATE OF SOUTH CAROLINA)
)
COUNTY OF CLARENDON)
)
WILLIAM R. SIMPSON, JR.)
)
Husband,)
)
Vs.)
)
BECKY H. SIMPSON,)
AND WADE INGLE,)
Wife.)
_____)

IN THE FAMILY COURT FOR THE
THIRD JUDICIAL CIRCUIT

DOCKET NO.'S: 2004-DR-14-315 &
2004-DR-14-243

ATTORNEYS' FEE AFFIDAVIT

PERSONALLY APPEARED BEFORE ME, James T. McLaren and Jan L. Warner, who, each being duly sworn, swear and depose that if called as witnesses in the above-entitled action they would truthfully and accurately testify as follows:

QUALIFICATIONS OF COUNSEL

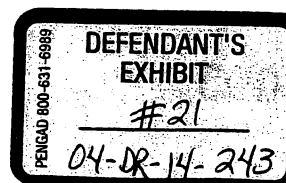
1. We are the attorneys representing the Wife.

AS TO MR. McLAREN:

2. I am a partner in the law firm of McLaren & Lee of Columbia, South Carolina.

3. I graduated from the University of South Carolina School of Law in 1976, and was admitted to the South Carolina Bar in November of 1976. I am also admitted to practice before the Federal Courts of the District of South Carolina; and before the Fourth Circuit Court of Appeals. I have been in private practice since November of 1976.

4. I am a member of various professional organizations, principally in the area of family law. These organizations include the South Carolina Bar, the South Carolina Trial Lawyers Association, the American Bar Association, and the American



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Trial Lawyers Association. I have served as Chairman (and in other capacities) of the Family Law Section of the South Carolina Trial Lawyers Association. I have served as Chairman (and other capacities) of the Family Law Section of the South Carolina Bar. I have served on Council to the Family Law Section of the South Carolina Bar. I am a member of the Practice and Procedure Committee of the South Carolina Bar, particularly on subcommittees concerned with family law matters. I am also a member of the Family Law Sections of the American Bar Association and the American Trial Lawyers Association. I have been a member of the Fee Dispute Board of the South Carolina Bar for the Fifth Judicial Circuit. I have spoken at various Continuing Legal and Judicial Education Seminars and other functions on family law topics. I am a Fellow in the American Academy of Matrimonial Lawyers and President of the South Carolina Chapter for the year 2001-2002. I am named in the 1993-2006 editions of The Best Lawyers in America under the Family Law designation for South Carolina. I am a certified as both a Matrimonial Arbitrator and a Matrimonial Mediator by the American Academy of Matrimonial Lawyers. I have received the "AV" designation by Martindale Hubbell.

5. My practice primarily involves litigation in matrimonial disputes. Approximately 95% percent of my current case load involves matrimonial disputes.

AS TO MR. WARNER

6. I am a partner in the law firm of Warner Payne & Black, LLP. I received my A.B. and J.D. degrees from the University of South Carolina (1965 and 1968) and obtained a Master of Legal Letters (L.L. M.) in Taxation from Emory University School

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of Law in Atlanta, Georgia in 1986, and have been a member of the South Carolina Bar since 1968.

7. I am admitted to practice in all state courts, Federal District Courts in South Carolina, the Fourth Circuit Court of Appeals, and the United States Supreme Court.

8. I am a Certified Fellow of the American Academy of Matrimonial Lawyers and a member of the National Academy of Elder Law Attorneys. I belong to many bar and other professional associations and organizations. I have been trained and qualified as a matrimonial arbitrator by the American Academy of Matrimonial Lawyers and serve in that capacity. My practice is limited to matters affecting the family.

9. I co-author two weekly newspaper columns, FlyingSolo, that deals with divorce issues and appears in newspapers throughout the United States via the Knight-Ridder Tribune News Service, and NextSteps that is syndicated by United Media.

LEGAL AUTHORITIES

10. We incorporate Rule 407 of the South Carolina Appellate Court Rules, Rule 1.5 of the Rules of Professional Conduct, and further call the attention of the Court to the holdings in Nienow v. Nienow, 268 S.C. 161, 232 S.E.2d 504 (1977), Atkinson v. Atkinson, 279 S.C. 454, 309 S.E.2d 14 (S.C. App. 1983); EDM v. TAM, 307 S.C. 471, 415 S.E. 2d 812 (1992); Sherman v. Sherman, 307 S.C. 280, 414 S.E. 2d 809 (S.C. App. 1992); and Glasscock v. Glasscock, 304 S.C. 158, 403 S.E. 2d 313 (1991), concerning the factors and criteria which should be considered in setting of attorney fees. We rely upon the discretion of this Court in determination of the amount of fees based, among other things, upon the Court's file, the Court's knowledge of the litigation



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between these parties, which reflects nature, extent and difficulty of the services rendered, the time necessarily devoted to the case, the beneficial results accomplished, the fact that there is no contingency compensation in domestic relations cases, the professional standing of counsel, and fees customarily charged in this area for similar legal services.

11. The undersigned are informed and believe that the Family Court is authorized by statute to order the payment of suit money, including attorney fees, to either party in a divorce action South Carolina Code of Laws Ann. Section 20-3-120, 130 (1985); Miller v. Miller 280 S.C. 314, 313 S.E. 2d 288 (1984).

HISTORY OF MARRIAGE AND LITIGATION

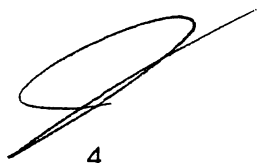
1. Becky H. Simpson (Wife) married William R. Simpson, Jr. (Husband), on September 3, 1989 when she was 17 years of age. She graduated from high school after her marriage.

2. Two (2) children were born of this marriage, William Robert Simpson, III on July 30, 1991 and Lynda Kaitlin Simpson on June 26, 1995, who are presently in the custody of Husband.

3. Early in the marriage he rubbed her face in chicken excrement to teach her who was boss, and the relationship continued in that fashion since that time. He pushed her down the stairs causing her to fracture her vertebrae.

4. At the time of the marriage, Wife had Six Thousand Dollars (\$6,000.00) in a CD that she inherited. Husband had no assets. Throughout the marriage, Husband caused Wife to be totally dependent upon him, refused to allow her to go to nursing

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school, berated her, intimidated her, manhandled her, placed undue stress upon her, and made her life miserable.

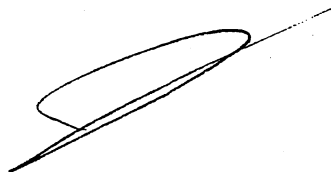
5. Despite her efforts to become educated and employed, Husband refused to be supportive of her in order to keep her under his thumb and dependent upon him financially and otherwise. When the younger child went to kindergarten, Wife worked at Clarendon Hall, first in the lunchroom and thereafter as a preschool teacher for three year olds. Her employment resulted in not only income that went toward the marriage, but also a fifty (50%) percent reduction in the children's tuition.

6. In early 2004, before the agreement, Wife's emotional state required treatment due to Husband's continuous intimidation and placing stress on her. Wife was prescribed a number of medications by her physician.

7. Husband terminated Wife from the family health insurance, telling her she was "breaking him" financially because of her needs for treatment and medication. He refused to pay her doctor's bills.

8. Wife was forced to go to the Mental Health Clinic in Manning, South Carolina where she was placed on a low-income program to get free medication because Husband would not pay for the same. Previously, for the same reasons, her family physician had been giving her samples of medication because Husband has failed and refused to provide insurance and funds for her to secure necessary treatment and medication.

9. Husband took control of both of the children and turned them against Wife, just as Husband had directed Wife to turn the children against their paternal



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grandmother, Daisy Simpson, after she brought a matrimonial action against the Husband's father in this Court, Docket Number 03-DR-14-128.

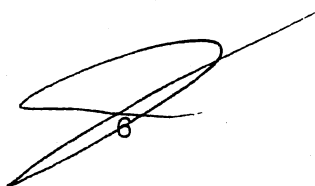
10. The situation between Wife and Husband reached intolerable limits on or about the 27th or 28th of July, 2004. Since Wife had no money and Husband refused to provide funds to her, she was unable to secure independent counsel. Husband told Wife his attorneys, who not only represent him in this action, but also represented him and his father in the Daisy Simpson action, would prepare the agreement.

11. Therefore, while they were still living together in the same house as Husband and Wife, Husband caused Wife to go to his lawyer's office on or about July 30, 2004, knowing she was dependent, had no money with which to hire an attorney, was medicated and vulnerable, and would sign anything to be out from under his control. Husband and his counsel knew that Wife was vulnerable because when Daisy Simpson's lawyers attempted to depose her in 03-DR-14-128, Husband's attorneys secured a physician's statement stating that Wife could not appear at deposition on at least two occasions. By orders of April 21, 2004 in the Daisy W. Simpson v. William R. Simpson, Sr. case, Wife was prohibited from being deposed based upon her condition.

12. Despite the foregoing, Husband and his lawyer met Wife and her grandfather at Husband's lawyer's office and, for three and a half (3.5) to four (4) hours, provided various drafts of agreements to Wife for her to sign without full financial disclosure.

13. Wife had no knowledge of Husband's holdings, income, or debts, even though she contributed her services and funds and efforts to the relationship since they married on September 3, 1989. All assets were titled in Husband's name.

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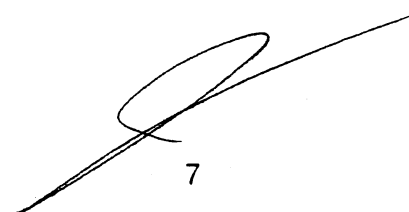
A handwritten signature in black ink, consisting of a large, stylized 'S' or 'Z' shape with a horizontal line crossing it.

14. Wife had no money with which to hire an attorney, and was never told that if she brought an action against Husband, based upon her economic circumstances, the Court could award her not only temporary support and alimony but also temporary and permanent attorney's fees and suit money.

15. As of July 30, 2004, Wife had never seen a financial statement or financial declaration of her Husband. While she signed tax returns, she did not understand the same and was not given copies. Wife did not know her Husband's income, and did not know the extent of his holdings at the time the agreement was signed on July 30, 2004 or when the Court held the approval hearing on August 3, 2004.

16. The agreement called for Wife to have use of the home for one year; for Husband to have custody of the son; wife to have custody of the daughter; wife to receive a defeasible interest in a piece of property next to the marital home; for wife to receive Thirty Seven Thousand Five Hundred Dollars (\$37,500.00) in equitable division payable over a number of year; and child support. Wife's "equitable share" was less than five (5%) percent of Husband's worth.

17. At the approval hearing on August 3, 2004. Husband's financial declaration of August 3, 2004 was provided to Wife for the first time. Husband reported an income of One Thousand Seven Hundred Thirty Dollars and Seventy-Six Cents (\$1,730.76) and asserted expenses of Four Thousand Two Hundred Fifty Dollars (\$4,250.00) per month, including Seven Hundred Ninety Dollars (\$790.00) for a house payment, Seven Hundred Fifty Dollars (\$750.00) for child support and temporary



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alimony, and Four Hundred Dollars (\$400.00) for private school. These three (3) entries alone total and exceed Husband's asserted monthly income.

18. Wife and Husband physically separated on or about August 3, 2004 (not on July 27, 2004) after Husband had Wife go to his attorney's office, without representation and financial disclosure, to sign a property and support agreement that was first approved by Judge McFaddin, and then was set aside based on Wife's Motion.

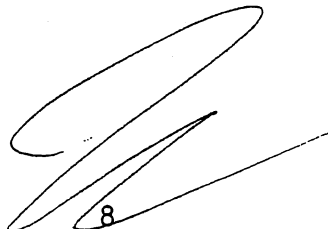
19. In September of 2004, Wife hired the undersigned to represent her in an action to set aside the August 20, 2004 Order approving the July 30, 2004 Agreement and to secure her a just result. Because Husband continued to harass her and refused to make payments, Wife left the marital home, leaving the children with Husband because she had no friends or place to keep them.

20. On Wife's behalf, we filed and served a Notice of Motion and Motion to Vacate Order and Set Aside Agreement on September 21, 2004, with a hearing date was scheduled for December 28, 2004 before Judge McFaddin who vacated the August 20, 2004 Order and set aside the underlying Agreement by Order dated January 6, 2005.

21. After Wife's Motion was filed, Husband took children to "Helping Hands" to get an evaluation for custody purposes even though the event complained of occurred months before Husband agreed for Wife to have custody of the daughter.

22. On September 23, 2004, Husband brought an action for divorce on the ground of Wife's adultery that took place after the separation.

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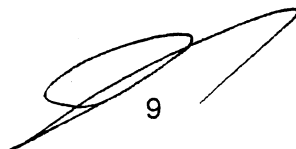
23. A temporary hearing was held on January 7, 2005. Judge Marion Myers issued an Order dated February 8, 2005 which, among other things, dealt with temporary custody, visitation, and child-related relief; gave Husband the temporary exclusive use and possession of the marital residence; required Husband to immediately pay Wife Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00) as an advance against equitable division; restrained the parties from disposing of marital assets and from personal contact; appointed a Guardian *ad litem*; granted discovery; and granted the paternal grandmother's Motion to Intervene.

24. On January 21, 2005, the undersigned received a Hearing Notice from Husband's counsel setting this case for May 2, 5, and one-half day on May 6, 2005 without prior notice and were required to move for a continuance.

25. On February 11, 2005, Husband filed an application for Judge Myer's to clarify his Temporary Order dated February 8, 2005, alleging that the award of Thirty Seven Thousand Five Hundred Dollars (\$37,500.00) was improper due to Wife's alleged misconduct. Husband did not pay the Thirty Seven Thousand Five Hundred Dollars (\$37,500.00).

26. A Rule to Show Cause was issued by Judge Turbeville on February 15, 2005 which required Husband to appear on March 11, 2005 to show cause why he should not immediately comply with the Court's Temporary Order dated February 8, 2005 and to pay Thirty Seven Thousand Five Hundred Dollars (\$37,500.00), and why he should not be held in contempt.

27. On February 22, 2005, Husband filed a Notice of Motion and Motion to Amend his Pleadings seeking to have Wade Ingle made a party in the action; to require



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that Wife take a pregnancy test; and to require that Wife be required to submit to a hair follicle drug test. We filed a Return to Husband's Motion to Amend Pleadings on March 9, 2005, asserting Husband's motions were frivolous, were meant to embarrass and annoy Wife, were without good faith basis, and should not be granted. We also sought costs and fees.

28. We also filed a Notice of Motion and Motion to Appoint an appraiser.

29. On March 9, 2005, Judge McFaddin signed another Rule To Show Cause directing Husband to show cause why he had not complied with the Order dated February 8, 2005 by which he was restrained from disposing of marital assets, and why he should not be held in contempt and punished accordingly by reason of his efforts to auction off certain marital property.

30. On March 9, 2005, Judge Myers issued an Order Denying Husband's Motion to Reconsider his Order of February 8, 2005. Husband appealed this Order and Judge Myers' February 8, 2005 Order to the South Carolina Court of Appeals, and Husband refused to pay the Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00).

31. A hearing was held on March 11, 2005 before the Honorable Jeffrey Young on the two (2) Rules to Show Cause wherein Wife sought a finding of contempt against Husband for (A) not paying her the Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00); (B) for not complying with the restraining order relating to the disposition of assets with regard to an auction Husband scheduled for March 12, 2005. Wife also sought an award of attorneys' fees as required by the Temporary Order of February 8, 2005.

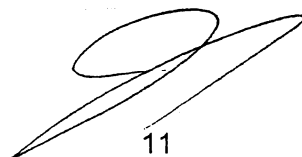
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32. Judge Young issued an Order of Contempt and Enforcement on March 22, 2005 finding Husband in civil contempt and sentencing him to serve sixty (60) days in the Clarendon County Corrections Center unless he purged himself of contempt by delivery of a cashier's check for Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00). The auction scheduled for March 12, 2005 did not take place.

33. Judge Young issued an order on March 24, 2005 wherein he ordered Husband to pay to Wife, through her counsel, the sum of Three Thousand Three Hundred Forty Dollars (\$3,340.00) as attorneys' fees and costs.

34. After a hearing on March 23, 2005, Judge Myers issued a Bifurcated Decree of Divorce granting Husband a divorce based upon Wife's adultery which occurred subsequent to the separation of the parties in August 2004. This Order stated that it could not be construed as making any finding relative to the issues of fault of either party as to the cause of the marital breakup as may affect equitable division, custody, visitation, counsel fees, suit money, or any other issues that remained open. All other issues were held open and preserved pending a final order of this Court after a hearing on the merits. The hearings scheduled for May 3, 5, and 6, 2005 were continued.

35. On April 13, 2005, Husband filed a contempt action alleging that Wife was in contempt of the February 8, 2005 Order because she had failed to pay the taxes and insurance on a 1996 Chevrolet Suburban and she had failed to provide to Husband with her physical and mental health records. An Order for Rule to Show Cause was issued by Judge Turbeville on April 12, 2005 and a hearing was scheduled for May 6, 2005. Wife filed a Return denying the material allegations.



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36. On May 18, 2005, Judge Young issued an order denying Husband's request for contempt, finding Wife's actions not to be willful, and finding that Husband had unclean hands.

37. After a hearing on Husband's Notice of Motion and Motion to Amend Pleadings, Judge Kinard Johnson issued an Order on April 22, 2005 allowing Husband to amend his pleadings to implead Wade Ingle as a party to the action and requiring that Wife submit a pregnancy test at a doctor of Husband's choice. The Court denied Husband's application to have Wife submit to a drug test.

38. On May 6, 2005, Wife filed a Return to Husband's Request for Privileged Medical Records, citing the Rules of this Court, the Health Insurance Portability and Accountability Act of 1996, and the Alcohol, Drug Abuse, and Mental Health Accountability Act of 1986.

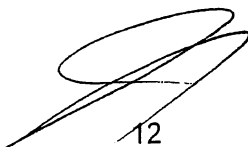
39. On May 16, 2005, Husband's counsel filed a Notice of Motion and Motion for Relief and a Notice of Motion and Motion to Compel discovery. Wife's counsel filed a Return to Husband's Notice of Motion and Motion to Compel on July 26, 2005 .

40. On July 27, 2005, Husband's Motions to Compel and For Child Support were heard by Judge Young who issued an Order dated August 9, 2005 requiring Wife to sign the necessary documents to release her medical records and required Wife to pay a total weekly payment of Fifty-Seven Dollars and Seventy-Nine Cents (\$57.79) to Husband as child support.

41. We filed a Request for Final Hearing on August 23, 2005.

42. On September 1, 2005 Husband's counsel filed a Notice of Motion and Motion for Protective Order from Husband giving a deposition on September 21, 2005.

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Wife's counsel moved to dismiss because the Motion was sent to them by facsimile which is not sufficient service.

43. On September 7, 2005, Judge Young issued a Qualified Protective Order directing access to Wife's protected health information, but prohibiting Husband from using or disclosing the information for any purpose other than those directly raised to this litigation and any retained medical expert of Husband; Thereafter said information would be either destroyed or maintained within the attorney's closed file at the end of this litigation.

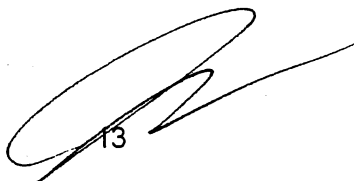
44. On January 3, 2006, Husband's counsel served Notice to Quash a Subpoena from Wife's counsel to the Bank of Clarendon as not requesting information relevant to the distribution of marital property. Husband's counsel withdrew the motion.

45. In addition to the foregoing, addendum hereto sets forth discovery accomplished in this case and the difficult issues.

TIME AND COSTS

*. The undersigned are informed and believe that during this case the time that has been spent, as set forth more fully hereafter, was necessary to the protection of our client's interests and in order to make as concise and clear a presentation to the Court as possible in connection with the issues now before the Court.

*. James T. McLaren, in accordance with the time and expense records of the offices of McLaren & Lee, Attorneys, which are maintained on a daily basis, state to the Court that the following time expenditures have necessarily been made through and including the completion of the merits hearing and follow up work relating to same through February 16, 2005 (including estimates for trial).



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- A. 19.00 hours by James T. McLaren through February 13, 2006;
- B. 16.00 hours Estimated Trial Time and Preparation
- C. 3.75 hours by Paralegal; and,
- D. Costs: \$82.71


*. Jan L. Warner, in accordance with the time and expense records of the offices of Warner, Payne & Black, LLP, which are maintained on a daily basis, states to the Court that the following time expenditures have necessarily been made through and including the completion of the merits hearing and follow up work relating to same through February 16, 2006 including estimates for trial time.

- A. 190.55 hours by Jan L. Warner through February 13, 2006;
- B. 25.00 hours Estimated Trial Time and Preparation
- C. 185.25 hours by Associate Attorneys, through February 13, 2006;
- D. 20.00 hours for Trial; and,
- D. 82.45 hours by Paralegals.

*. Our normal and customary hourly rates range from \$375.00 to \$500.00 per hour for senior attorney time; \$175.00 to \$250.00 for associates, and from \$75.00 to \$125.00 per hour for paralegal time. We believe that \$400.00 per hour for attorney time, \$200.00 per hour for associates, and \$100.00 per hour for paralegal time is appropriate to this case in light of the issues involved, the complexity of proof, and the magnitude of the case.

*. Upon the undersigned being retained, Wife agreed to pay a retainer of Ten Thousand Dollars (\$10,000.00), and expense deposit of Five Thousand Dollars

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(\$5,000.00) and to pay for attorney time at the rate of \$400.00 per hour and paralegal time at the rate of \$100.00 per hour, plus costs. However, she had no money.

*. Wife has incurred separate fees and costs associated with experts who Mark Hobbs, CPA, Mr. Hobb's fees and costs to date total in excess of Eight Thousand Dollars (\$8,000.00). W. Burke Watson, Jr. was appointed by the Court and his fees should be paid by Husband.

*. The following is an accurate summary of all time and costs incurred and including the completion of the merits hearing and follow up work relating to same through February 13, 2006, including an estimate of trial preparation and trial time on February 14 and 16, 2006:

35.00 attorney hours by James T. McLaren at \$400.00 per hour (including trial preparation and and trial 2/14/06 and 2/16/06)	\$14,000.00
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215.55 senior attorney hours by Jan L. Warner at \$400.00 per hour (including trial preparation and trial 2/14/06 and 2/16/06)	\$86,220.00
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205.25 associate attorney hours at \$200.00 per hour by Carrie A. Warner per hour (including trial preparation and trial 2/14/06 and 2/16/06)	\$41,050.00
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3.75 paralegal hours by McLaren & Lee paralegals at hours at \$100.00 per hour:	\$375.00
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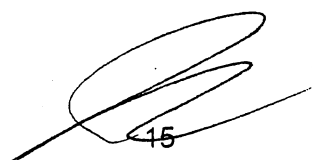
82.45 paralegal hours by Warner, Payne & Black paralegals at \$100.00 per hour:	\$8245.00
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Costs incurred by McLaren & Lee, Attorneys:	\$ 82.71
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Costs incurred by Warner, Payne & Black, LLP:	\$6,107.11
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Total:	<u>\$ 156,079.82</u>
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Fees and costs by Mark Hobbs, CPA:	<u>\$8000.00</u>
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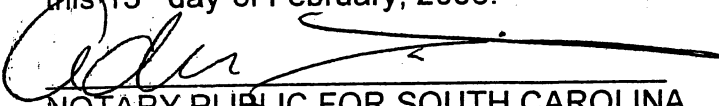
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JAMES T. McLAREN

SWORN to and subscribed before me
this 13th day of February, 2006.

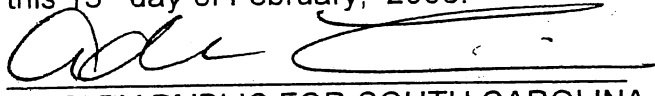


NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: May 2, 2015



JAN L. WARNER

SWORN to and subscribed before me
this 13th day of February, 2006.



NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: May 2, 2015

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ADDENDUM

DEPOSITIONS

In addition to the foregoing work and services, the following depositions were taken to deal with the issues in this case:

1. Deposition of William Simpson, Jr. on October 10, 2005
2. Deposition of Otis Prince on April 6, 2005
3. Deposition of Leanne Greene on August 18, 2005
4. Deposition of Daisy Simpson on July 25, 2005
5. Deposition of Becky Simpson on March 24, 2005
6. Deposition of Wade Ingle on March 24, 2005
7. Deposition of Robin Prosser on December 28, 2005

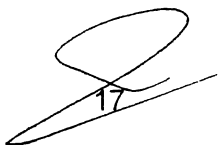
DISCOVERY REQUESTS

The following discovery was submitted by Wife to Husband:

1. Defendant's First Request to Produce to Plaintiff dated February 9, 2005
2. Defendant's First Set of Interrogatories dated February 9, 2005
3. Defendant's Answers to Plaintiff's Requests for Admission dated March 2, 2005.
4. Defendant's Responses to Plaintiff's First Set of Interrogatories dated March 14, 2005.
5. Defendant's Responses to Plaintiff's Production Requests dated March 14, 2005.
6. Defendant's Supplemental Requests to Produce to Plaintiff dated March 29, 2005.
7. Defendant's Requests for Admission to Plaintiff dated September 16, 2005.

The following discovery was submitted by Husband to Wife:

1. Plaintiff's Request for Admission dated February 4, 2005
2. Plaintiff's First Set of Interrogatories To Defendant dated February 10, 2005
3. Plaintiff's Request for the Production, Inspection, and Copying of Document's and Things dated February 11,
4. Plaintiff's Response to Defendant's First Request for Production dated February 28, 2005.
5. Plaintiff's Response to Defendant's First Set of Interrogatories
6. Plaintiff's Response to Defendant's Request for Admission dated September 22, 2005



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7. Plaintiff's Answer to Defendant's Supplemental Request to Produce dated April 15, 2005.

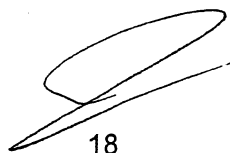
UNUSUAL AND DIFFICULT ISSUES

1. While reporting not more than \$18,000.00 in any year during this 15-year marriage and not paying any income taxes on the same, Husband has accumulated \$1,000,000 in marital assets.

2. Clearly, not only has he had the ability to pay for Wife's health insurance and the \$37,500.00 awarded to her by the Court in the February 8, 2005 Temporary Order, but this Court has also found that it has been extremely difficult to determine both Simpson, Sr.'s and Husband's income due to the "confusing" and untruthful ways in which they operate Simpson Farms, LLC. The Final Decree issued by Judge Turbeville seriously calls into question the credibility of Husband and his father due to the fraudulent practices in which they both have engaged that continue to this day. As will be shown by the evidence, after Wife left in January 2004, Husband spent more Ten Thousand Three Hundred Dollars (\$10,300.00) in cash for landscaping and concrete work at the former marital home.

3. It was necessary to secure the services of a Certified Public Accountant due to the fact that Husband's initial financial declaration of August 3, 2004 recited monthly gross and net income of One Thousand Seven Hundred Thirty Two Dollars (\$1,732.00) and expenses of Four Thousand Two Hundred Fifty Dollars (\$4,250.00) together with assets approaching Seven Hundred Thousand Dollars (\$700,000.00) excluding farm equipment, vehicles, crops in the ground, crops in the bin, boats, and the like.

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4. On the other hand, Husband's financial declaration dated July 2005 recited gross and net monthly incomes of Eight Thousand Three Hundred Fifty Dollars (\$8,350.00) and expenses of Three Thousand Eight Hundred Seventy-Nine Dollars (\$3879.00) with assets and liabilities "to be determined."

5. Throughout this case, Husband has been untruthful about his income and his assets, and has been at a loss to explain where the money comes from to pay his \$4,250 per month in expenses with a monthly income of \$1,730.76, including being able to pay for his children at a private school and the purchase of a brand new truck for himself valued at or around \$40,000.00.

6. As found by Judge Turbeville in his December 31, 2004 Decree in which Husband was a party, Husband, like his father, has difficulty telling the truth. Based upon the prior testimony of the Certified Public Accountant and the testimony to be provided at this trial, Husband's acquisition of in excess of One Million Dollars of assets between 1989 and 2004 is virtually impossible given the fact that husband never reported sufficient income.

7. Husband's interest in Simpson Farms, LLC was the result of "sweat equity"—that is, husband working for One Twenty Dollars (\$120.00) per week (and therefore not paying income taxes on the true value of his services) in return for property having a net value of Two Hundred Ninety-Nine Thousand Eight Hundred Twenty-Four Dollars (\$299,824.00) as found by Judge Turbeville this finding was not appealed by Husband.

8. Each year, husband and his father "pool" all of their crops, Husband's father sells the same, and, according to findings of Judge Turbeville, distributes funds

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as the parties need them. Making it virtually impossible to determine the income or expenses of either husband or his father.

9. Husband also recently purchased a new Ford Truck, has a boat, sends both of the children to private school, and lives an affluent lifestyle.

10. There is no way that income reported by Husband in anyway is sufficient to support the lifestyle or acquisition of assets by Husband.

11. In addition to issues dealing with unreported income, Wife, was forced to leave the marital home and the children because she lacked funds. At present, wife is medication free as, having removed the stress of husband from her life, she is productive and is currently employed as shown on her financial declaration.

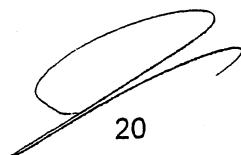
12. The issue of visitation has been difficult in this case due to the fact that despite the Order with regard to visitation, Husband has not always brought the children on a timely basis or on the dates.

13. Husband has not allowed wife access to secure personal property, including property inherited by her from her parents (both of whom are deceased) and her grandmother. This includes china and other valuable items.

14. Husband has taken wife's handmade Christmas and other seasonal decorations and put them in the back of a truck which has been exposed to the elements for more than year.

15. Wife has not been given the opportunity to go through all of the boxes that husband has packed up or go through the residence to secure her personal property to which she is entitled. Husband was aware that wife had no place to store the same and

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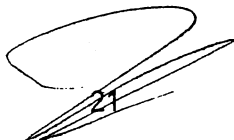
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husband has withheld access to and storage of her personal property preferring to leave it outside or otherwise exposed to the elements.

In a prior action, *Daisy W. Simpson v. William R. Simpson, Sr., et al*, William R. Simpson, Jr., husband herein, was impleaded as a party Defendant.

In that action, the trial judge made the following findings and rulings with regard to William R. Simpson Jr., which have not been appealed by William R. Simpson, Jr.:

1. PAGE 15, PARAGRAPH (v) I find as a fact that the credibility of the Defendant's Simpson, Jr., and Simpson, Sr. are subject to significant question.
2. PAGE 20, PARAGRAPH 55....The Court can only conclude that the Defendants (Simpson, Sr. and Simpson, Jr.) intentionally resisted discovery and any effort to accurately disclose the exact nature of their holdings.
3. PAGE 14, PARAGRAPH (r) Based upon the swapping of money and property between Defendants Simpson, Sr. and Simpson, Jr., the discovery process has been significantly extended and confusion has reigned supreme.
4. PAGE 22, PARAGRAPH 61. Simpson, Jr. testified that each year he turns all of his crops over to Simpson, Sr. who sells all crops, collects all monies from the sales, and places the proceeds into his Simpson Farm account. From this account, Simpson, Sr. pays all the farm expenses and then divides the remaining balance with Simpson, Jr. in a non-descript manner. Simpson, Jr. testified that, on occasion, Simpson, Sr. loaned him money and, when he did not pay it back, Simpson, Sr. would repay the loan from the proceeds of the sale of the next year's crops. Simpson, Jr. confirmed the Court's concern that no one could tell from year to year who will get what, because he and his father sit down



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every year and "work out" what the respective families needs may be. I find that Simpson, Sr. and Simpson, Jr. are and have been shifting income to suit their purposes so that it is practically impossible to trace.

5. PAGE 6, PARAGRAPH 21. It has been very difficult for the Court to determine the income, expenses, and wealth of these parties.

6. PAGE 7, PARAGRAPH 28. Defendant Simpson, Jr. admitted that he relied pretty much on his father to determine his income in any year. He admitted that his monthly expenses exceeded his income by more than \$2,500.00, but he could not explain how he paid the same.

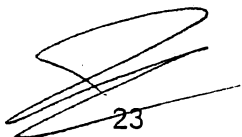
7. PAGE 7, PARAGRAPH 29. Each year, Simpson, Sr. and Simpson, Jr. pool their crops, which are then sold by Simpson, Sr. The proceeds are deposited into Simpson, Sr.'s bank account. Simpson, Jr. admitted that the division of the crop sales proceeds is based upon which of them needed what that year, all of which is controlled by Defendant Simpson, Sr. Neither of them followed any corporate formalities nor did they pay debts or distribute income based on their purported 50-50 shares in the LLC.

8. PAGE 12, PARAGRAPH (i) It is now clear to the Court that the Husband's income and assets greatly exceed that which has been reported on his Financial Declarations....Husband, on a discretionary basis, determines the amount of distributions to his son from the farming operation each year. These distributions vary from year to year and are without any type of written agreement or supervision. Thus, Husband can and has adjusted his income and his son's as he deemed fit.

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9. PAGE 13, PARAGRAPH (j) I find that Simpson, Sr. has obfuscated his true income and assets. For example, there are significant checks written to third persons, including his real estate partners, as "loans" which do not appear to have been repaid, and the funds that have been distributed to Simpson, Jr., (referred to as "loans" or "advances") have been expensed by Husband. . . .

10. PAGE 13, PARAGRAPH (o) The Financial Declaration of Simpson, Jr. is also before the Court (Plaintiff's Exhibit 68). According to the testimony of Mark Hobbs, CPA, and the exhibits, Simpson, Jr. never had adjusted gross income of more than \$18,000.00 annually. Mr. Hobbs testified that Simpson, Jr. had improperly expensed more than \$14,000.00 used to purchase real property on his income tax return. Simpson, Jr.'s Financial Declaration reflects income of \$1,730.76, per month, more than he has reported, after taxes, on any prior income tax return. His expenses are \$4,250.00 monthly. Simpson, Jr.'s assets shown on the 3rd page of his August 3, 2004 Financial Declaration show real estate values of \$272,900.00 and other property of \$300,835.00. His total indebtedness for his home, farm, land, and equipment loans is \$125,000.00. The addendum to his Financial Declaration was prepared by Ms. Amos using Simpson, Sr.'s values and reflects total LLC assets of \$1,325,164.00, of which Simpson, Jr. owns his \$662,582.00. The LLC liabilities according to his Financial Declaration are \$530,224.00, one-half of which he allocates to himself. He asserts that his total interest in the LLC is \$397,470.00. There is no breakdown of the "liabilities".



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11. PAGE 14, PARAGRAPH (p) The addendum to Simpson, Jr.'s Financial Declaration asserts LLC real estate values at \$937,500.00, farm equipment at \$209,000.00, and the balance in investments, checking accounts, and other assets including crops, while the only evidence before the Court is that the LLC holds only real estate.

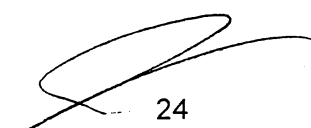
12. PAGE 14, PARAGRAPH (q) Simpson, Sr. testified that he purchased property with cash so that sellers could avoid taxation. He also testified he did not know the value of his assets. He admitted that he made decisions of how much to pay his son from the sale of the crops. Thereby making the consideration shown on the face of deeds unreliable.

13. PAGE 21, PARAGRAPH 58. According to uncontradicted testimony of William C. Coffey, a corporate attorney retained by Simpson, Sr. to form the LLC, Simpson, Sr. and Simpson, Jr. did not follow his instructions about the operation of the LLC. . . .

14. PAGE 22, PARAGRAPH 59. Defendant Simpson, Jr. testified both in deposition and at the trial that he worked on the farm from 1981 to 1989 at a reduced wage of \$120.00 per week (and sometimes did not make anything at all) in order to get an interest in the property. Simpson, Jr. testified that he could not put a value on his hard work and sweat, but he farmed the marital land so he could earn an interest in the property....

15. PAGE 22, PARAGRAPH 60. Despite the fact that Simpson, Sr., and Simpson, Jr. denied the existence of a joint bank account, the evidence before the Court reflects that a joint account was opened on July 19, 1999, and

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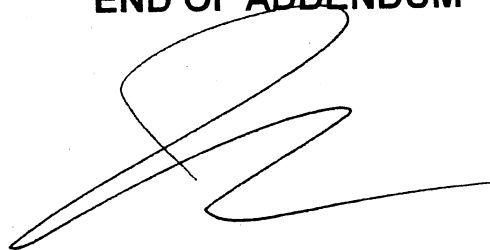
a \$78,500.00 account receivable that is not shown on his Financial Declaration, and I find receivable to be an asset of the marriage.

23. PAGE 29, PARAGRAPH 82. Plaintiff's Exhibit # 38, prepared by Mr. Hobbs shows a \$64,509.00 cost basis of Simpson, Jr.'s equipment as reported on his tax returns; however, Simpson, Jr. reported that he owned \$150,000.00 in equipment on his financial statement to banks.

24. PAGE 29, PARAGRAPH 83. Plaintiff's Exhibit # 39, also prepared by Mr. Hobbs, compares Simpson, Jr.'s financial statements given to banks from 1999 through March of 2003. The value of farm equipment increased from \$24,000.00 in 1999 to \$35,000.00 in 2000, from \$41,000.00 in 2001 to \$150,000.00 in 2002, and stayed at \$150,000.00 each year thereafter. According to Mr. Hobbs, there is no evidence of sufficient income or indebtedness in Simpson, Jr.'s tax returns that explain how he acquired this farm equipment.

25. PAGE 30, PARAGRAPH 84. According to Mr. Hobbs, Simpson, Jr.'s home mortgage in 1999 at \$53,900.00 had been paid down to \$23,933.00 in 2003. This reduction was not justified by the income reported on his tax returns.

END OF ADDENDUM

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line and a small upward stroke.

00081

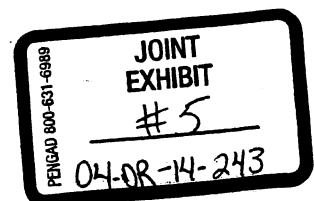
00082

Odom Auction Company
S.C.A.L. #627
803-433-2696

Re: Appraisal of Buck & Bull Country Store - Contents of building

1.	(4) fire extinguishers	50.00
2.	6ft s.s. sink with drain	250.00
3.	44ft wall mount metal shelving	225.00
4.	24ft gondola shelving	250.00
5.	24ft warehouse shelving (pallet rack)	240.00
6.	Other assorted shelves & racks	90.00
7.	Small lot P.V.C. pipe	100.00
8.	Reel of rope	50.00
9.	Warehouse cart/dolly	125.00
10.	Hardware bins with nuts, bolts, etc.	375.00
11.	Assorted nails	60.00
12.	(9) Assorted boxes hardware	90.00
13.	(22) bags limestone pellets	110.00
14.	Pallet salt bricks (52)	150.00
15.	(2) feeders	80.00
16.	Pony saddle	75.00
17.	Shelf unit of bird feeders & supplements	45.00
18.	(2) bird houses	20.00
19.	(20) small bags of sulphur	60.00
20.	(2) bags of bug killer	30.00
21.	Security mirror	20.00
22.	Secretary chair, 2 drawer file cabinet & bookcase	45.00
23.	6ft folding table	20.00
24.	(2) 6ft glass display cases	175.00
25.	4ft glass display case	150.00
26.	5ft glass display case	100.00
27.	Glass display cigar and cigarettes case	60.00
28.	(2) barstools, (2) rockers, (6) stack chairs	65.00
29.	(2) tool boxes	10.00
30.	Revolving nail bin and contents	90.00
31.	Hardware bins & contents	50.00
32.	(2) pallets potting soil & fertilizer	50.00
33.	Assorted feeders & mixers	25.00
34.	Bird cage	15.00
35.	Boat anchor & electric fence booster	25.00
36.	Assorted hand tools	30.00
37.	Paper supplies	45.00
38.	(2) tv's used - if work	50.00

00083



39.	Display water sprinklers, nozzles & gauges	90.00
40.	Small assorted batteries	35.00
41.	Battery operated clocks	45.00
42.	Sharpshooter targets & miscellaneous	100.00
43.	Oil lamps	70.00
44.	Oil lanterns	20.00
45.	Candles, lamp oil, light bulbs	35.00
46.	(3) used hydraulic jacks	45.00
47.	Charcoal & fluid	25.00
48.	Display caps & t-shirts	45.00
49.	Electric scooter	60.00
50.	In storage trailer booth seats	75.00
	miscellaneous lot of yard sale & flea market items	<u>200.00</u>
	used Christmas, clothes, toys, houseware & miscellaneous	

TOTAL

\$4,345.00

USING THE AUCTION APPROACH AS TO APPRAISING - I BELIEVE THIS FIGURER REFLECTS FAIR MARKET VALUE OF THE SALEABLE MERCHANDISE LISTED.

DUE TO OBVIOUS VANDALISM, RATS, EXPIRED DATE MERCHANDISE, IT IS MY OPINION THAT ANOTHER \$400 TO \$500 NOT FIT FOR SALE.


JOHN ODOM

00084

Agreement

I W.R. SIMPSON HAS MADE A ^{Agreement} ~~Terms~~
WITH BILL SIMPSON JR. THAT ALL FARM
EQUIPMENT AND FARM LAND OF SIMPSON
FARMS WILL BECOME SHARED EQUALLY FOR
INVESTED INTEREST FOR WORK ON FARM
WITH SALARY OF 120⁰⁰ A WK + I PAY
TAXES ON SALARY. ANY LAND YOU RENT
OR FARM AFTER HOURS ARE ON WEEKENDS IS
YOURS; ALL REPAIRS TO EQUIP. TO
BE OF YOUR LABOR FOR EXCHANGE OF
VALUE IN EQUIP. ALL ^{PAYMENTS} ~~DEBT~~ OF LAND
~~LAND~~ AND FARM EQUIP. WILL BE W.R.
SIMPSON RESPONSIBILITY.

3-31-89

YOUR FATHER

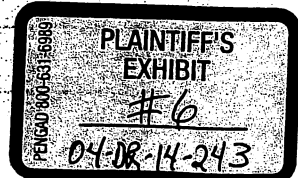
W.R. Simpson

WITNESS James Haren

WITNESS Willie Wright

Pioneer 309B
Van Stone Farm

00085



00086

11/1

Paid to Becky from Original Agreement

1.	House payment	4 months at \$ 800.00	\$ 3,200.00
2.	Light bill	4 months at \$ 250.00	\$ 1,000.00
3.	Phone bill	4 months for a total	\$ 400.00
4.	Fuel for SUV 1 tank per week	4 months	\$ 1,147.00
5.	Up keep and Maintenance on SUV	4 months	\$ 1,000.00
6.	Maintenance on and repairs to Home after Becky moved out prior to Temporary Order (Judge Myers)		\$ 5,525.00
7.	Alimony & Child Support	4 months	\$ 3,000.00
8.	Suspension of drivers licenses		\$ 500.00
9.	Taxes & Insurance on Suburban		\$ 240.00
			<u>\$ 16,012.00</u>



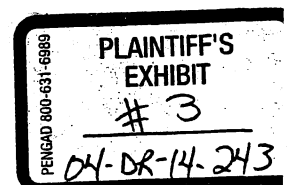
00087

3

Pee Dee Farm Credit Debt

Loan #	Funds used to purchase	Debt
2	Diana Harvin (Part of 110 acres)	\$ 19,300.00
3	Hay bailer & 1033 stack liner	\$ 13,000.00
5	Equipment loan	\$ 8,600.00
6	50 acres even	\$ 14,000.00
7	Former marital home	<u>\$ 78,600.00</u>
	Total	\$ 133,500.00

00088



COMMERCIAL LOANS SYSTEM
ANNUAL LOAN HISTORY STATEMENT

CMP760

31/04

BANK: 03 ASSN: 042 BRANCH: 095
CUSTOMER: 043117
NAME: WILLIAM R SIMPSON JR
TAX ID: 251-61-9628

2004

12-31 PRINCIPAL 81,663.86
12-31 INTEREST-BAL 1,393.71
YTD INT EARNED 3,672.24
GROSS INT/LATE/PPP 4,275.14

NOTE/DR/PT	TRAN CODE	TRAN AMOUNT	POST DATE	EFF DATE	TRAN TYPE	DESCRIPTION	USER	PRINCIPAL BALANCE
02						ORIGINAL PRIN		19,300.00
						YTD INT EARNED		46.34
						GROSS YTD INT PAID		545.41
						GROSS YTD LATE PAID		.00
						YTD PPP PAID		.00
						POINTS PAID		.00
						12-31 INTEREST BAL		.00
						12-31 INTEREST RATE		8.60000
	84	14.95-	02/11/04	02/11/04	INTEREST	INTEREST ADJUSTMENT		6,362.55
	78	6,362.55	02/11/04	02/01/04	PRINCIPAL	PO		.00
	78	545.41	02/11/04	02/01/04	INTEREST	PO		.00
03						ORIGINAL PRIN		13,200.00
						YTD INT EARNED		138.60
						GROSS YTD INT PAID		767.86
						GROSS YTD LATE PAID		.00
						YTD PPP PAID		.00
						POINTS PAID		.00
						12-31 INTEREST BAL		.00
						12-31 INTEREST RATE		7.65000
	84	.83-	06/17/04	06/17/04	INTEREST	INTEREST ADJUSTMENT		3,970.69
	78	3,970.69	06/17/04	06/16/04	PRINCIPAL	PO		.00
	78	767.86	06/17/04	06/16/04	INTEREST	PO		.00
05						ORIGINAL PRIN		8,600.00
						YTD INT EARNED		224.25
						GROSS YTD INT PAID		304.32
						GROSS YTD LATE PAID		.00
						YTD PPP PAID		.00
						POINTS PAID		.00
						12-31 INTEREST BAL		.00
						12-31 INTEREST RATE		5.50000
	73	3,093.18	09/28/04	09/28/04	PRINCIPAL	LKBX PYMT	L82	2,413.64
	73	306.81	09/28/04	09/28/04	INTEREST	LKBX PYMT	L82	2,413.64
	57	2.49	09/30/04	09/28/04	INTEREST	REV NEG INT		2,413.64
	84	.01-	09/30/04	09/30/04	INTEREST	INTEREST ADJUSTMENT		2,413.64
	65	2.49	09/30/04	09/28/04	PRINCIPAL	REV NEG INT		2,411.15
	84	.72-	09/30/04	09/30/04	INTEREST	INTEREST ADJUSTMENT		2,411.15
	78	2,410.33	09/30/04	09/28/04	PRINCIPAL	PO		.82
	86-01	.82	09/30/04	09/30/04	PRINCIPAL	CLOSING ADJMTS		.00

CONTINUED

00089

COMMERCIAL LOANS SYSTEM
ANNUAL LOAN HISTORY STATEMENT

CMP760

DATE 12/31/04

BANK: 03 ASSN: 042 BRANCH: 095
CUSTOMER: 043117
NAME: WILLIAM R SIMPSON JR
TAX ID: 251-61-9628

NOTE/DR/PT	TRAN CODE	TRAN AMOUNT	POST DATE	EFF DATE	TRAN TYPE	DESCRIPTION	USER	PRINCIPAL BALANCE
06						ORIGINAL PRIN		14,000.00
						YTD INT EARNED		866.22
						GROSS YTD INT PAID		945.43
						GROSS YTD LATE PAID		.00
						YTD PPP PAID		.00
						POINTS PAID		.00
						12-31 INTEREST BAL		709.00
						12-31 INTEREST RATE		6.85000
	58	945.43	03/04/04	03/04/04	INTEREST	MISC.INT.PYMT. INT		14,000.00
	65	1,636.14	03/04/04	03/04/04	PRINCIPAL	MISC.PRIN.PYMT PRIN		12,363.86
07						ORIGINAL PRIN		78,600.00
						YTD INT EARNED		2,396.83
						GROSS YTD INT PAID		1,712.12
						GROSS YTD LATE PAID		.00
						YTD PPP PAID		.00
						POINTS PAID		.00
						12-31 INTEREST BAL		684.71
						12-31 INTEREST RATE		6.50000
	10	78,600.00	06/17/04	06/16/04	PRINCIPAL	NEW ACCOUNT		78,600.00
	84	11.81	06/17/04	06/17/04	INTEREST	INTEREST ADJUSTMENT		78,600.00
	23	5.75000	08/02/04	08/01/04	RATE CHANGE	RATE CHANGE (LOW)		78,600.00
	23	6.00000	09/01/04	09/01/04	RATE CHANGE	RATE CHANGE (LOW)		78,600.00
	58	1,712.12	09/30/04	09/28/04	INTEREST	MISC.INT.PYMT. INT		78,600.00
	84	3.05-	09/30/04	09/30/04	INTEREST	INTEREST ADJUSTMENT		78,600.00
	65	9,300.00	09/30/04	09/28/04	PRINCIPAL	MISC.PRIN.PYMT PRIN		69,300.00
	23	6.25000	11/01/04	11/01/04	RATE CHANGE	RATE CHANGE (LOW)		69,300.00
	23	6.50000	12/01/04	12/01/04	RATE CHANGE	RATE CHANGE (LOW)		69,300.00

00090

STATE OF SOUTH CAROLINA

IN THE FAMILY COURT

COUNTY OF CLARENDON

THIRD JUDICIAL CIRCUIT

BILL SIMPSON, JR.

Plaintiff

FINANCIAL DECLARATION
OF BILL SIMPSON, JR.

vs

BECKY SIMPSON

Defendant

FILE NO. 04-DR-14-315 & 243

Husband: Bill Simpson, Jr.

Wife: Becky Simpson

Address: 2052 Billie Road

Address: _____

Manning, SC 29102

Age: 35 SSN: 251-61-9628

Age: _____ SSN: _____

Occupation: Farmer

Occupation: _____

Employer: WR Simpson Farms

Employer: _____

Address: WR Simpson Road Manning SC

Address: _____

PART A: INCOME AND EXPENSE STATEMENT

Husband

Wife

(a) Gross monthly income from:

Salary and wages (including commissions, bonuses,
and overtime) payable weekly/monthly/etc.

\$ 8350.

\$ _____

Pensions and retirement

Social Security

Disability and unemployment insurance

Public assistance (AFDC payments, etc).....

Child/spousal support (prior marriage).....

237.53

Dividends and interest

Rents

Other

8587.53

TOTAL MONTHLY INCOME

(b) Itemize deductions from gross income:

Income taxes (state and federal)

TBD

Social Security

TBD

Disability insurance

Medical or other insurance

Union, or other dues

Retirement or pension fund

Savings plan

Other.....

TOTAL DEDUCTIONS

\$ _____ Paid yearly

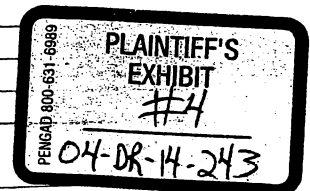
\$ _____

(c) NET MONTHLY INCOME

\$ 8587.53

\$ _____

00091



Estimated monthly expenses:

(Specify which party is the custodial parent and list name and relationship of all members of the household whose expenses are included)

	Husband	Wife
Rent	\$ 900.00	\$
Note or mortgage payments (residence)...	250.00	
Real property taxes (residence)	300.00	
Real property insurance (residence)	400.00	
Maintenance (residence)	650.00	
Food and household supplies	450.00	
Utilities	350.00	
Telephone	100.00	
Laundry and cleaning	300.00	
Clothing	250.00	
Medical	200.00	
Dental	380.00	
Insurance (life,health,accident,etc).....	300.00	
Child Care		
Payment of child/spousal support		
School	600.00	
Entertainment	300.00	
Incidentals	160.00	
Auto expenses(insurance,gas,oil,repair).	400.00	
Auto payments		
Other Installment payment(s).....	6290.00	
(Insert total here and itemize below)		

Creditor's Name	For	Monthly Payment	Balance
Bank of Clarendon	Truck Payment	\$ 710.00	\$ 37,000.00
Bank of Greeleyville	Land Payment	\$ 710.00	\$ 20,000.00
Various Land Rental	Rent of Land	\$ 1100.00	\$
Bank of Greeleyville (2)	Land Payment (2)	\$ 900.00	\$ 100,000.
Clarendon Memorial	Cody/Kaitlin Hospital	\$	\$ 2500.00
		\$	\$

Other	For	Monthly Payment	Balance
Cody's Contacts	Contacts	\$ 66.00	\$
Cody's Braces	Braces	\$ 250.00	\$
Fuel Payments	Fuel	\$ 300.00	\$
Helena Chemical Co.	chemicals	\$ 131.00	\$
Orangeburg Milling	Feed	\$ 180.00	\$
Helena Chemical Co.	Fertilizer	\$ 432.00	\$

TOTAL EXPENSES \$ 3,879.00 \$

Other debts and obligations NOT payable in monthly installments.

Creditor's Name	For	Date Payable	Balance
			\$
			\$
			\$
			\$
			\$
			\$

TOTAL OTHER DEBTS AND OBLIGATIONS \$ 10769.00

All property of the parties known to me includes the following:

	Husband	Wife
Cash on hand	\$ 30.00	\$
Money in checking accounts	\$ 175.00	\$
Money in savings accounts	\$	\$
Money in credit union	\$	\$
Money in any other accounts or deposits...	\$	\$
Retirement or pension fund	\$ 0	\$
Life insurance cash value	\$ TBD	\$
Value of any stocks & bonds	\$	\$
Value of real estate.....	\$ TBD	\$
Value of all other property	\$ TBD	\$
TOTAL PROPERTY	\$ 0.00	\$

Sworn to and Subscribed before me)

this 14th day of Feb., 2006)

Notary Public for South Carolina Signature)

My Commission expires 2/29/12)

Signature

00093

ODOM AUCTION CO.
P.O. BOX 184
MANNING, SC 29102
803-433-2696

ICK & BULL AUCTION

VERTISING
The State 78.20
ITEM 122.65
MORNING TIMES 137.00
Carolina Grocer
Barnes, Darlington } 83.92
Lake City, King Street }
FLYERS 38.60
MAILING 400 FLYERS 145.00
608.37
PRE AUCTION Labor 80.00
Friday 3 TO 6 Sat 8:30 75.00
TO 11:00 TO MEET PEOPLE
MY TRIP TO SUMMER 75.00
TO COURT
TOTAL B.Y. 838.37

Thank
John Odom

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER - SEE REVERSE SIDE FOR COMPLETE SECURITY FEATURES

JOHNSON, McKENZIE & ROBINSON, LLC

REAL ESTATE TRUST ACCOUNT

16 N. BROOKS STREET
MANNING, SC 29102
(803) 435-0909

BANK OF CLARENDON
MANNING, SC 29102

67-673/532

1353

NUMBER 05-014RF

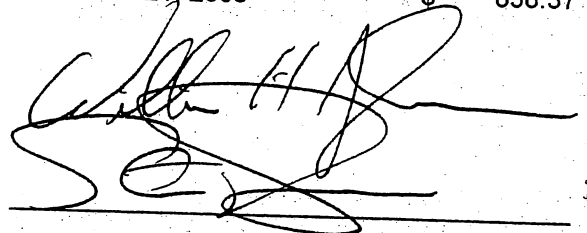
--Eight Hundred Thirty Eight and 37/100

Dollars

DATE
March 21, 2005

AMOUNT
\$ *****838.37

PAY
TO THE ORDER OF
Odom Auction Co.
PO Box 184
Manning, SC 29102



THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

013539 053206738 830031795

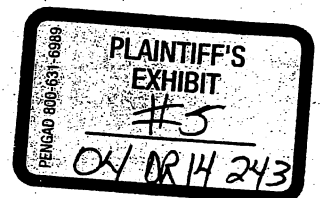
JOHNSON, McKENZIE & ROBINSON, LLC
REAL ESTATE TRUST ACCOUNT

1353

Buyer/Borrower: Simpson
Seller:
Lender: Bank of Greeleyville
Property: Several tracts in Clarendon & Sumter Co /
Settlement Date: January 13, 2005
Disbursement Date: March 21, 2005
Check Amount: \$ 838.37
Pay To: Odom Auction Co.
For:

Fees and Costs for Buck & Bull Auction

00096



Agreement.

I W.R. SIMPSON HAS MADE A ^{Agreement} ~~Terms~~
WITH BILL SIMPSON JR. THAT ALL FARM
EQUIPMENT AND FARM LAND OF SIMPSON
FARMS WILL BECOME SHARED EQUALLY FOR
INVESTED INTEREST FOR WORK ON FARM
WITH SALARY OF 120⁰⁰ A WK + I PAY
TAXES ON SALARY. ANY LAND YOU RENT
OR FARM AFTER HOURS ARE ON WEEKENDS IS
YOURS; ALL REPAIRS TO EQUIP. TO
BE OF YOUR LABOR FOR EXCHANGE OF
VALUE IN EQUIP. ALL ^{PAYMENTS} DEBT OF LAND
~~LAND~~ AND FARM EQUIP. WILL BE W.R.
SIMPSON RESPONSIBILITY.

3-31-89

YOUR FATHER

W.R. Simpson

WITNESS

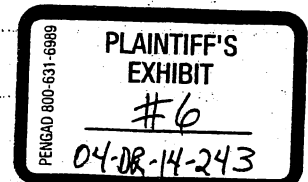
James Hare

WITNESS

Willie Wright

00097

Pioneer 309B
Van Stone Farm



WARNER, PAYNE & BLACK, L.L.P.
ELDERLAW SERVICES OF SOUTH CAROLINA, P. A.

JAN L. WARNER

ATTORNEY AT LAW

jlw@janwarner.com

(REPLY TO COLUMBIA OFFICE)

L.L.M., Taxation

Certified Fellow, American Academy of Matrimonial Lawyers

Member, National Academy of Elder Law Attorneys

1122 LADY STREET, SUITE 1200
POST OFFICE BOX 2628
COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE (803) 799-0554
FACSIMILE (803) 799-2517

113 EAST MAIN STREET, SUITE 100
POST OFFICE BOX 10352
ROCK HILL, SOUTH CAROLINA 29730
TELEPHONE (803) 329-8656
FACSIMILE (803) 325-2973

March 2, 2005

Scott Robinson, Esquire
Steve McKenzie, Esquire
16 North Brooks Street
Manning, South Carolina 29102

RE: William R. Simpson, Jr. v. Becky H. Simpson
Docket Number 2004-DR-14-243, & 315

Dear Gentlemen:

I enclose herewith and serve upon you by mail a copy of Defendant's Answers to Plaintiff's Requests for Admission.

Yours truly,

Jan L. Warner

Enclosures: Answers to Requests for Admission
Certificate of Service

cc: James T. McLaren
Becky Simpson



00098

STATE OF SOUTH CAROLINA)
)
COUNTY OF CLARENDON)
)
WILLIAM R. SIMPSON, JR.)
)
Plaintiff,)
)
Vs.)
)
BECKY H. SIMPSON,)
)
Defendant.)
_____)

IN THE FAMILY COURT FOR THE
THIRD JUDICIAL CIRCUIT

DOCKET NO.: 2004-DR-14-243, & 315

**DEFENDANT'S ANSWERS TO
PLAINTIFF'S REQUESTS FOR
ADMISSION**

**TO: PLAINTIFF WILLIAM ROBERT SIMPSON, JR. AND HIS ATTORNEYS,
STEVEN S. MCKENZIE AND SCOTT ROBINSON:**

1. Admit that you have been and are currently romantically involved with an individual by the name of Wade Ingle.

Defendant objects to Request based on the grounds that there are two Requests in one and Request can't be admitted or denied. Notwithstanding this objection, Defendant admits that she is currently involved with Wade Ingle.

2. Admit that you are currently living with Mr. Ingle on the 3910-B, Wedgefield Highway.

Admitted.

4. Admit that you have engaged in sexual intimacy with Wade.

Admitted.

5. Admit that you are pregnant with Wade's child.

Denied.

6. Admit that you have and are currently using illegal drugs.

Defendant objects to Request based on the grounds that there are two Requests in one and Request can't be admitted or denied. Notwithstanding this objection, Defendant denies using illegal drugs.

7. Admit that you have and are currently using legal drugs.

00099



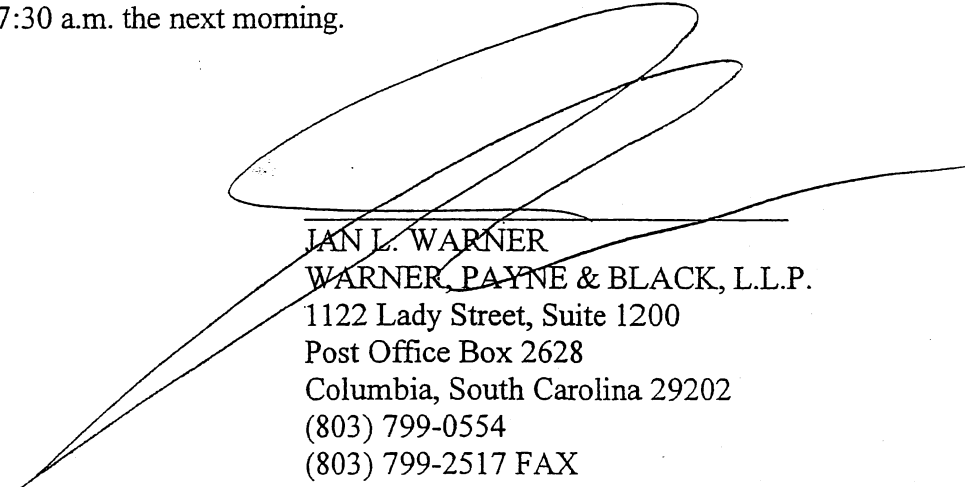
Defendant objects to Request based on the grounds that there are two Requests in one and Request can't be admitted or denied. Further, Defendant doesn't know what "drugs" are legal. Notwithstanding this objection, Defendant admits using prescription drugs prescribed by her doctor.

8. Admit that on April 11, 2004, that you had an altercation with your minor son, Cody Simpson.

Admitted.

9. Admit that on the evening of September 10, 2004 that you left the minor daughter, Kaitilyn Simpson with several other children at the home of Debbie Green all night until 7:30 a.m. the next morning.

Denied.



IAN L. WARNER
WARNER, PAYNE & BLACK, L.L.P.
1122 Lady Street, Suite 1200
Post Office Box 2628
Columbia, South Carolina 29202
(803) 799-0554
(803) 799-2517 FAX

AND

JAMES T. McLAREN
McLAREN & LEE
1508 Laurel Street
Post Office Box 11809
Columbia, South Carolina 29201
(803) 799-3074
(803) 252-3548
ATTORNEYS FOR DEFENDANT

Columbia, South Carolina
Dated: March 29, 2005

00100

STATE OF SOUTH CAROLINA)
COUNTY OF CLARENDON)

WILLIAM R. SIMPSON, JR)

Plaintiff,)

Vs.)

BECKY H. SIMPSON)

Defendant.)

IN THE FAMILY COURT FOR THE
THIRD JUDICIAL CIRCUIT

DOCKET NO: 2004-DR-14-243, & 315

CERTIFICATE OF SERVICE

I, Candace Abel, a paralegal for the law firm of Warner, Payne & Black, L.L.P. attorneys for Becky H. Simpson, do hereby certify that on this date I caused a copy of the **Defendant's Answers to Plaintiff's Requests for Admission** to be served upon the parties listed below by depositing a copy of same in the United States Mail, postage paid envelope and addressed to the following:

Scott L. Robinson, Esquire
16 North Brooks Street
Manning, South Carolina 29102

Steve McKenzie
16 North Brooks Street
Manning, South Carolina 29102


Candace Abel

Columbia, South Carolina
March 2, 2005

00101

Mark Hobbs - direct by Mr. Warner

1 But as I have stated ---

2 BY THE COURT: Have ya'll seen all you need to see out
3 of the big box here? I mean, the rules for summaries is that
4 she have it in the courtroom during her testimony so ya'll
5 can review it. And she's had it here, and ya'll have
6 reviewed it.

7 BY MR. ROBINSON: We've had that opportunity.

8 BY THE COURT: Okay, you can be excused and take the big
9 box with you. Have a good vacation. All right, it's now
10 five after one, so be back at two fifteen. And I don't know
11 many places in Manning you need more than an hour to eat.

12 BY MR. WARNER: Is it all right if I stay in here and
13 clean some of my stuff up?

14 BY THE COURT: Yes, sir. You can stay here, but we'll
15 all be back at two fifteen.

16 NOTE: Court is in recess until two twenty.

17 MARK THOMAS HOBBS, first being duly
18 sworn, testifies:

19 DIRECT EXAMINATION BY MR. WARNER:

20 Q. Would you state your name please?

21 A. Mark Thomas Hobbs.

22 Q. And, Mr. Hobbs, what is your occupation?

23 A. CPA, certified public accountant.

24 Q. And where do you practice?

25 A. I practice with my firm in Columbia, South Carolina.



Mark Hobbs - direct by Mr. Warner

1 It's the Hobbs Group.

2 Q. Would you tell the Court the benefit of your experience
3 and education in the field of certified public accounting and
4 what you do?

5 A. Okay. I have been practicing since May of 1979. I
6 practiced with Burchton Winney (sic) from May of 1979 to
7 1986. I started my own practice in 1986. I started doing
8 some litigation work in the late 70's or mid 80's with RGC,
9 and did some litigation work there. But I have a full
10 service firm that does accounting and auditing and tax
11 services with about fifteen employees in Columbia.

12 Q. Mr. Hobbs, from a standpoint of experience in this
13 field, are you regularly retained, and do you participate in
14 matrimonial and probate actions relating to assets and
15 valuation of assets and audits and this type thing?

16 A. Yes. I get involved in more family cases that have
17 situations where there's documents or general ledgers or
18 instances where someone may suspect fraud or some type of
19 improper transfers. I do not really consider myself an
20 expert on family law. I'm an accountant, a general ledger
21 type auditry background.

22 Q. And in this case, the Simpson case, when did you receive
23 the bulk of the material?

24 A. Well, I started receiving material along and along. I
25 wasn't sure exactly everything that I was going to be doing

Mark Hobbs - direct by Mr. Warner

1 until earlier this week or this weekend when I got a lot of
2 the information prepared. But I have been receiving it over
3 a year, but it was bits and pieces. We have still yet to
4 receive all the information we've requested. And we really
5 were unsure -- I was really unsure as to how much work we
6 were going to do until we had a full evaluation or snapshot
7 evaluation of how the real estate stood.

8 Q. Your Honor, we submit Mr. Hobbs as an expert in the
9 field of certified public accounting.

10 BY THE COURT: Do you want to voir dire him on his
11 qualifications?

12 BY MR. MCKENZIE: No, sir.

13 BY THE COURT: All right, I find him qualified by
14 education and experience as a certified public accountant.

15 CONTINUED BY MR. WARNER:

16 Q. Mr. Hobbs, were you present at the taking of the
17 deposition of Mr. Al Gibbons, which has been introduced into
18 evidence here as exhibit number twenty-two? Were you present
19 when that deposition was taken?

20 A. Yes.

21 Q. At the time that deposition was taken, had you ---

22 BY THE COURT: Is that Plaintiff's twenty-two?

23 BY MR. WARNER: Yes, sir.

24 CONTINUED BY MR. WARNER:

25 A. Had you received Mr. Simpson's tax returns at that time?

Mark Hobbs - direct by Mr. Warner

1 A. I had not received all the information for our
2 evaluation. I don't have a chronological log of the dates I
3 received the tax returns.

4 Q. What about the general ledger?

5 A. We did not have a complete general ledger. We were
6 missing -- we did not have balance sheets or financial
7 statement information on partnerships Mr. Simpson was
8 invested in. And we did not have a general ledger that made
9 any sense from our standpoint of trying to show a complete
10 picture of his farm activity.

11 Q. Were you present at the taking of the deposition of
12 Tracy Amos?

13 A. Yes, I was.

14 Q. Did you receive information attached to her deposition
15 that she had gotten that you had never seen before?

16 A. That was the first time I recall getting a complete
17 general ledger was at her deposition.

18 Q. And when was her deposition taken?

19 A. I can't remember the date.

20 Q. How many weeks' ago?

21 A. Two weeks' ago I think, back before I went on vacation.

22 Q. When did you complete your analysis sufficient for you
23 to be here to testify today?

24 A. Well, we finished it just a little while ago, just
25 before I left Columbia, because we were uncertain of the

Mark Hobbs - direct by Mr. Warner

1 amount of work we were going to have to do until we received
2 final information on the real estate values.

3 Q. And so when did you receive that?

4 A. Sunday or Monday morning.

5 Q. Now, did you prepare a list of the exhibits that you
6 reviewed and which are in the courtroom today?

7 A. Yes, I have.

8 Q. Would you provide that please? And have you made a
9 number of copies so we can hand them out?

10 A. I did.

11 Q. We would offer these documents that he received.

12 BY THE COURT: Thirty-two?

13 BY MR. WARNER: Yes, sir, thirty-two. And these
14 documents were reviewed in connection with testimony in
15 Simpson versus Simpson.

16 BY MR. ROBINSON: Just for the record, this is a list of
17 the documents.

18 BY THE COURT: That's what I understand. It's a list of
19 the documents he reviewed.

20 BY MR. ROBINSON: I just wanted to make sure.

21 BY THE COURT: It's a list of the documents.

22 BY MR. WARNER: A list of the documents.

23 Plaintiff's ex. #32 - list of documents witness reviewed

24 CONTINUED BY MR. WARNER:

25 Q. Mr. Hobbs, when did you provide -- until you walked

Mark Hobbs - direct by Mr. Warner

1 in this courtroom today, had I seen your work product in this
2 case?

3 A. No, you haven't. Now, I may have e-mailed you some
4 schedules late last night at about twelve thirty or so that
5 you may have gotten, and I don't know if you looked at them.
6 But I e-mailed you some that I prepared last night. I'm not
7 sure if you looked at them.

8 Q. When you completed your schedules for today, did you fax
9 them to counsel for Mr. Simpson?

10 A. I did. I faxed them to your office and to his office.

11 Q. Let me ask you first about the LLC. Are you familiar
12 with the LLC in this case?

13 A. Yes, sir, a little bit.

14 Q. You heard Mr. -- did you hear Mr. Al Gibbons testify?
15 Did you have any information on the LLC, or what do you have?
16 What information were you provided on the LLC that was
17 created in 2000 when these assets were transferred?

18 A. The only information I have seen on the LLC is reference
19 in Mr. Simpson's application for Farmer of the Year, and the
20 documentation I got I received at Tracy Amos' deposition,
21 which included the articles of incorporation to the secretary
22 of state, an operation agreement that was included in that
23 package, and an application for a Federal ID number.

24 Q. And that is exhibit number twelve, Your Honor, of the
25 Plaintiff. Mr. Hobbs, other than that, have you seen any

Mark Hobbs - direct by Mr. Warner.

1 records of meetings of the LLC members?

2 A. No, I have not.

3 Q. What is the rule if you have an LLC that contains more
4 than one member?

5 BY MR. ROBINSON: Your Honor, could he be a little more
6 specific as to what rule he's talking about? He's a CPA, and
7 now he's talking about LLC rules, and I just want to clarify
8 what rule he's talking about.

9 BY THE COURT: Well, I mean, he's asking him about the
10 rule, and I assume if it doesn't have anything to do with
11 accounting, he's not going to know about it. But we'll see
12 what he's got to say.

13 BY MR. ROBINSON: Okay.

14 CONTINUED BY MR. WARNER:

15 Q. Go ahead.

16 A. A multi-member LLC defaults to a partnership unless an
17 election is filed with the IRS for it to be taxed as a
18 corporate entity. So any time you have a multi-member LLC,
19 you have an annual filing with the secretary of the state
20 that's required and was required during the time this LLC
21 existed. And you would also have to file a partnership tax
22 return reporting the income and expenses of that activity.

23 Q. Have you seen any evidence of any tax return or income
24 either paid into this LLC or revenue paid out of this LLC?

25 A. No.

Mark Hobbs - direct by Mr. Warner

1 Q. Is that unusual from the standpoint of the formation of
2 an LLC based on your practice as an accountant?

3 A. It appears that the purpose of this entity to be set up
4 has no substance because it hasn't had any activity. And it
5 seems like it would defeat the purpose for having it, because
6 often time we recommend to our clients to create an LLC to
7 assist them with liability. It can also help -- we
8 recommend it to assist in liability protection, but when you
9 get into piercing a corporate veil, you have to have
10 meetings. You have to act like a corporate entity. You
11 would have to have transactions between the farm operation or
12 the farm activity and the property owner, and none of that
13 has occurred. If this had been my client, I would be very
14 concerned about whether or not setting up the LLC did him any
15 good.

16 Q. Assuming that this LLC was established and Eight Hundred
17 Thousand Dollars of real estate was transferred into the LLC,
18 and assuming the LLC contains farm property, did you see any
19 evidence of any rent being paid to the LLC?

20 A. No activity with the LLC.

21 Q. Have you seen any evidence of improvement of properties
22 owned by the LLC?

23 A. I saw evidence of repairs and maintenance expenses in
24 the farm activity, and whether or not that was the property
25 owned or supposedly that was contributed to the LLC, I don't

Mark Hobbs - direct by Mr. Warner

1 know the answer to that. I couldn't tell the difference.

2 Q. Mr. Hobbs, in reviewing the tax returns for Mr. Simpson,
3 Sr. and Jr., and I believe you reviewed both of those sets of
4 returns, right?

5 A. Yes, sir.

6 Q. And the general ledgers of both?

7 A. No.

8 Q. Did you ever see -- I'm sorry, go ahead.

9 A. The only general ledger I had was of Simpson Farms. I
10 never saw a general ledger on Bill Simpson, Jr.'s farm.
11 There was only one general ledger. And we can talk about
12 that a little later. We'll get to that.

13 Q. Did you have those for 2002 and 2003?

14 A. I do.

15 Q. There is a store testified to this morning called the
16 Buck and Bull. Are you familiar with that store?

17 A. Yes.

18 Q. Have you seen any evidence on anybody's tax returns,
19 Simpson, Jr. or Simpson, Sr., a Schedule C in the operation
20 of this store that has gasoline and general merchandise?

21 A. No.

22 Q. Have you seen any depreciation taken on anybody's tax
23 returns relating to the operation of this store or the
24 building or anything else?

25 A. Well, the building itself may be included on another

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Mark Hobbs - direct by Mr. Warner

1 depreciation schedule, but I have not seen that activity
2 reported on anybody's tax return. That's correct.

3 Q. If the Buck and Bull Store, photographs of which are in
4 evidence, either had a gain or loss, you have not seen
5 anything on that on anybody's tax returns. Is that true?

6 A. That is true.

7 Q. Now, let me show you exhibit thirteen of the Defendant
8 which purports to be an agreement dated 1989 and signed by
9 Mr. Simpson, Sr. but not Jr., where Simpson agreed to pay his
10 son One Hundred and Twenty Dollars a week, and the son
11 provides free labor for the farm in consideration for an
12 equal ownership. Is that what that document purports to say?

13 A. Let me just read it. Yes, that does appear to be what
14 this agreement says.

15 Q. Now, Mr. Hobbs, assume for a minute that by deed after
16 Mr. and Mrs. Simpson reconciled in 2000 that Eight Hundred
17 Thousand Dollars of real estate was transferred into this LLC
18 that belonged fifty percent to Mr. Simpson and fifty percent
19 to his son. Is there a taxable issue in your opinion as a
20 CPA based on the labor performed and what was done to get
21 this ownership?

22 A. Well, there certainly is an issue. And the issue can be
23 one of two things. It's either compensation to Mr. Simpson,
24 Jr. for his labor, which is what this 1989 agreement says, or
25 as Ms. Amos says in her deposition, it is a gift. And a

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1 gift tax return should have been filed. And a gift tax
2 return should have been filed April 15th following the date of
3 the gift.

4 Q. So if the gift was made in May of 2000, the gift tax
5 return should have been filed when?

6 A. April 15th, not counting extensions, but I haven't seen
7 any extensions, and I don't think there's any evidence that
8 any gift tax returns have been filed.

9 Q. What year?

10 A. 2001.

11 Q. Have you seen any evidence that Simpson, Jr. reported
12 any of the interest in this LLC that he received based on his
13 labor on his tax returns? Did you see a Two or Three Hundred
14 Thousand Dollar ---

15 A. No, no, I have not.

16 Q. So if Simpson, Jr. received Four Hundred Thousand
17 Dollars worth of real estate in this transaction or Three
18 Hundred Thousand, what should have been reported if it was
19 not a gift?

20 A. It should have been taxable income. If it was not a
21 gift, it should have been taxable income to the son.

22 Q. And you sat through the deposition of Sr., and have you
23 ever heard anybody talk about a gift before Ms. Amos'
24 deposition?

25 A. I sat through the deposition of Ms. Amos. And I think

Mark Hobbs - direct by Mr. Warner

1 that was the first time I heard it mentioned that it was a
2 gift.

3 Q. All right, sir. Now, you -- let's talk first about Mr.
4 Simpson's general ledger, Simpson, Sr. Anybody produce a
5 gift tax return?

6 A. I have not been provided with one.

7 Q. Let's talk for a minute about Simpson, Sr.'s general
8 ledger. Did you prepare a schedule based on that general
9 ledger, or can we talk about that general ledger? Do you
10 have it?

11 A. Yes, I brought copies of the general ledger that I was
12 provided for 2002 and 2003 to put as exhibits. I did not
13 prepare any schedules or exhibits from that general ledger.

14 Q. All right, let's talk about the general ledger first.
15 What is a general ledger?

16 A. A general ledger accounts for all cash activity or
17 financial activity of a business entity.

18 Q. All right, sir. Let's go ahead and get that in. Is
19 this the 2002 and 2003 ledgers?

20 A. Yes.

21 Q. Your Honor, we would offer both of Mr. Simpson, Sr.'s
22 general ledgers as one exhibit, and I will leave them in the
23 folder.

24 BY THE COURT: All right, that's thirty-three.

25 BY MR. ROBINSON: Yes, sir.

Mark Hobbs - direct by Mr. Warner

1 Plaintiff's ex. #33 - 2002 and 2003 general ledgers

2 CONTINUED BY MR. WARNER:

3 Q. Mr. Hobbs, in exhibit thirty-three let's talk just for a
4 minute about compensation paid to or funds directed to
5 Simpson, Jr. from Simpson, Sr.'s account, okay?

6 A. Yes, sir.

7 Q. Simpson, Sr. testified that he handled all farming
8 operations and everything went through him, Jr. and his
9 expenses, and Jr. had free use of the equipment, and he paid
10 Jr. an amount based on some formula that he and Simpson, Sr.
11 determined. How do these general ledgers show that Mr.
12 Simpson, Sr. treats the money that was distributed to
13 Simpson, Jr. from this farming operation?

14 A. Well, if you go to December 31, 2002, you'll see on that
15 first page receivable employees near the bottom of the page,
16 account number 124.

17 Q. Yes, sir, I see it.

18 A. There are four different advances, and it says "Bill
19 advances". And it's my understanding that those advances are
20 to Bill, Jr. And they total Forty-four Thousand One Hundred
21 Dollars for 2002.

22 Q. All right, sir, was a 1099 ever delivered that you ever
23 saw from Simpson, Sr. to Simpson, Jr. for these revenues?

24 A. I have no information on that.

25 Q. Have you ever seen one?

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1 A. No, sir.

2 Q. How was this treated, this Forty-four Thousand and some
3 odd Dollars, how was it treated on the Simpson tax return?

4 BY THE COURT: For Jr. or Sr.?

5 BY MR. WARNER: Sr.

6 A. It appears when I attempted to reconcile the tax return
7 filed by Simpson Farms on Mr. Simpson's personal tax return,
8 it appears that these advances had been taken out of income.
9 And that kind of corresponds with what Mr. Gibbons says about
10 the amount allocated to the son. It's just not treated as
11 income to Mr. Simpson. It's just taken out. So it's netted
12 in his revenue.

13 Q. So out of the gross sales this amount would be a cost of
14 sale that Mr. Simpson would write off?

15 A. Well, you could do it as a cost of sales, but it's
16 really a contra-revenue account. It really just comes out of
17 the income. It does not show as a line item on the return.
18 It comes out of the revenue.

19 Q. Is that unusual if you're paying somebody revenue based
20 on giving you his crops for you to sell them and pay some
21 money back?

22 A. I don't know if that's that unusual. It's unusual in
23 this general ledger the way it's treated. And there's some
24 other issues on the general ledger that I hope we're going to
25 get to chat about. But the general ledger, it's unusual that

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Mark Hobbs - direct by Mr. Warner

1 the general ledger is so different from the tax return, and
2 we didn't have those adjustments and couldn't reconcile them
3 and talk about them. That's what's more unusual than
4 anything else.

5 Q. Did you see on Jr.'s tax return for 2002, which is the
6 last year that we had, and did you see an entry for Forty-
7 four Thousand or whatever it is?

8 A. I did not see that specific entry. But he did have farm
9 revenue in excess of that amount.

10 Q. Okay, sir. What else is unusual about this general
11 ledger?

12 A. Well, the payments -- this is 2002, and the payments to
13 Bill are in receivable. In 2003, they're classified as
14 miscellaneous.

15 Q. In 2002 they were considered to be a receivable?

16 A. Yes, sir, I just showed you on page one.

17 Q. So that means ===

18 A. And that's in the general ledger.

19 Q. That is a loan?

20 A. Yes, sir. But on a tax return they're taking out of
21 revenue from what I can calculate. Now, when you get to
22 2003, those same payments appear to be reflected as
23 miscellaneous expense on the general ledger. I reckon, and
24 the only thing I can say consistent about the general ledgers
25 that I reviewed is that they're inconsistent. They're

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1 haphazard. There's no consistent application of anything.
2 And as an auditor, it's an indication -- it's a heightened
3 fraud risk, because any time you see records as mixed up and
4 confusing as we're seeing here, it's an indication that
5 people kind of want to wiggle where they can classify it one
6 way one year and another way another year. That's an
7 indication for me as an auditor. So that then heightens my
8 degree of trying to figure out what's actually going on with
9 the numbers. Example, the cash account, it's a huge negative
10 number on the general ledger. That should agree with the
11 bank statement. We've got property on the general ledger
12 reflected at a Couple Hundred Thousand Dollars. On the tax
13 return it's reflected at about a Million Dollars. So I have
14 about concluded that this general ledger has only been used
15 by Mr. Gibbons as almost an area to pull out cash activity,
16 and he must have some other records in his office where he
17 posts to get a carry forward balance, because it doesn't
18 really serve a purpose for any kind of formal bookkeeping
19 records.

20 Q. If this was a loan to Simpson, Jr., the Forty-four
21 Thousand Dollars, and it was forgiven, is that income to Jr.?

22 A. It could be a gift. If it's forgiven, it would probably
23 be more of a gift.

24 Q. Have you seen a tax return or gift return filed
25 concerning that?

Mark Hobbs - direct by Mr. Warner

1 A. No.

2 Q. Do either of these general ledgers reflect an accounts
3 receivable due to Mr. Simpson, Sr. from employees?

4 A. There is ---

5 Q. In addition to this I mean?

6 A. Well, including that in 2003, because in 2003 there's
7 that receivable from employees, and it's on the one called
8 the general ledger, and it's printed 3-24-04, and it's dated
9 12-31-03, and it's on the second page.

10 Q. The second page of the general ledger?

11 A. That's right, for 2003. It's up at the top. You might
12 see a question mark by it. And it shows that Fifty-four Two
13 Ninety-five carrying over from the previous year, but on the
14 tax return apparently it was expense. But it's still carried
15 over in the general ledger. So that's an inconsistent
16 application. If I'd had this general ledger when we deposed
17 Mr. Gibbons, I might have had some more questions for Mr.
18 Gibbons.

19 Q. All right.

20 A. Because I don't understand exactly how he was doing
21 that. But in addition, on that account you will see a bunch
22 of information to Tidwell, the Tidwell loan. About --
23 there's some to Sumter Family Court, One Thousand Fifty
24 Dollars. But you will see a Fifteen Thousand Dollar entry,
25 and some check numbers. I'm assuming those are check

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1 numbers. I am assuming they're check numbers, like fifty-
2 seven sixty-nine, fifty-seven ninety-one and fifty-eight-0-
3 five. That's in excess of Twenty Thousand Dollars related to
4 a Mr. Tidwell.

5 Q. Mr. Hobbs, regarding page two of the 2003 general
6 ledger, which is part of exhibit thirty-three, and page one
7 of the 2002 general ledger, Fifty-four Two Ninety-five is
8 carried forward in the ledger. Is that correct?

9 A. Yes, and that would normally be a thing you would do,
10 except that from tying in the revenue, it appears that the
11 Fifty-four or some of that Fifty-four was taken out of Mr.
12 Simpson's revenue. So then it would have been expense that
13 should have been taken off the receivable ledger.

14 Q. And that's how the tax returns were filed?

15 A. Yes. The tax return looks like that was filed
16 appropriately.

17 Q. Now, what is the account receivable according to the
18 general ledger owed to Mr. Simpson from the Family Court
19 Arnold Tidwell loan and the two other Tidwell loans totaling
20 in excess of Twenty-two Thousand Dollars?

21 A. Well, for that activity for that period it's Twenty-
22 three Thousand Eight Hundred Dollars, and then prior to that
23 there was that balance carried forward of Fifty-four Two
24 Ninety-five, which included the Forty-four Thousand and some
25 odd Dollars that Bill, Jr. received.

Mark Hobbs - direct by Mr. Warren

1 Q. Now, you saw the financial declaration that was faxed
2 last night, Mr. Simpson, Sr.'s most recent financial
3 declaration, right?

4 A. I did see it.

5 Q. Did you see an asset on that financial declaration of
6 Seventy-eight Thousand Ninety-five Dollars as an account
7 receivable from employees?

8 A. No, I didn't.

9 Q. All right, sir. What else is unusual about this or
10 these general ledgers?

11 A. Well, I mentioned that the fixed asset and equipment
12 records do not reconcile to the depreciation schedules on the
13 tax returns.

14 Q. Let's talk about those for just a minute. What do the
15 fixed asset and depreciation schedules show on the general
16 ledger?

17 A. Well, you can see it on that same page for 12-31-03 for
18 equipment. There's equipment. Then there's vehicles. And
19 there's office equipment with no balances. But you see he
20 just has only two equipment balances. And those balances are
21 Two Hundred and Fifty-nine Thousand Seven Hundred and Ninety-
22 three Dollars and Five Cents. And vehicles is Eighty-seven
23 Thousand Four Hundred and Thirty-six Dollars. And that's
24 supposed to represent the cost basis of all the assets Mr.
25 Simpson is using in his farm operation. And it's my

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1 understanding it's supposed to be his and his son's, because
2 his son uses that equipment. And that is substantially below
3 what's on the tax returns. In Mr. Gibbons' deposition the
4 tax return showed -- I think it's in his deposition that it
5 was almost a Million Dollars for depreciable assets cost
6 basis.

7 Q. There's about a Seven Hundred Thousand Dollar
8 difference?

9 A. It's a Seven Hundred Fifty Thousand Dollar difference.

10 Q. Have you been able to justify in your own mind or
11 explain why if there would be a Seven Hundred Thousand Dollar
12 difference between the general ledger and the tax return?

13 A. The only thing that Ms. Amos mentioned in her deposition
14 is that perhaps whoever is currently running the general
15 ledger did not carry over the predecessor's accounting. But
16 Mr. Gibbons has been the accountant for an awful long time
17 except for one year I think he went to Mr. Lowder in Sumter.
18 So I really haven't been able to do that, unless Mr. Gibbons
19 has some other records he's keeping that may reconcile these
20 numbers.

21 Q. All right, sir. Let's talk just a minute about Mr.
22 Simpson, Sr.'s tax return. Will you get what you have there,
23 and we'll call that number thirty-four what you're getting
24 out. What years are these tax returns?

25 A. These tax returns go back to 1997 to 2003.

Mark Hobbs - direct by Mr. Warner

1 Q. And you did a summary of these tax returns based on
2 these documents?

3 A. The summary is included in those manila files, along
4 with the tax returns for each year.

5 Q. Your Honor, we would offer the file that contains the
6 tax returns and the summary as thirty-four.

7 BY THE COURT: Plaintiff's thirty-four. Mr. McKenzie?

8 BY MR. MCKENZIE: No objection.

9 BY THE COURT: All right, he has no objection.

10 BY MR. ROBINSON: Is that summary the one that Mr. Hobbs
11 finished up today?

12 BY THE COURT: I don't know when he finished it.

13 BY MR. ROBINSON: If that's the one he finished today,
14 then obviously I don't have an objection. But if that's been
15 prepared for sometime, then I have an objection.

16 BY THE COURT: Mr. Hobbs, this is a summary of these
17 income tax returns?

18 A. Yes, sir. And this was finished this morning.

19 BY THE COURT: All right, finished this morning.

20 A. We probably had started some of it, and we didn't get
21 some information. And to be honest with you, Your Honor, we
22 didn't want to embark on this time effort to prepare all
23 these things unless we felt there was an indication we needed
24 to. And whenever we heard the real estate values were as
25 high as we heard they were earlier this week, that's when we

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1 embarked on finishing these schedules and submitting them.
2 We had hoped we didn't have to do all these schedules,
3 because I'm sure we would have liked to look at something
4 else in all this paper work.

5 Plaintiff's ex. #34 - tax returns & summaries 1997 - 2003

6 CONTINUED BY MR. WARNER:

7 Q. Now, Mr. Hobbs, Mr. Simpson, Sr. showed on a financial
8 declaration filed under oath with this Court in March of 2003
9 that he had income of I think Thirty-six Hundred and Nine
10 Dollars a month and expenses of Thirty-six Hundred and Nine
11 Dollars a month. Let's talk first about what in fact in 2002
12 and 2003 were Mr. Simpson's actual available money to spend?

13 A. Well, I scheduled it out and tried to look at it from
14 1997 forward, and you can see it starts -- and this is
15 really abstracted from his farm schedule and ties back to his
16 farm activity. I've added back the depreciation expense
17 which is highlighted at the top. And you can track along and
18 see in 1997 he had One Hundred Twenty-four Thousand Two
19 Hundred and Forty Dollars of available funds after you add
20 back depreciation, and you follow that on across. And 2002
21 was just an awful year from what I can see. That was a
22 drought year or something, and it was a very poor year. And
23 he did prepare that declaration in the Spring of 2003. So he
24 based that on 2002. And that might be a reason why he might
25 have used that number. But if you consider included in those

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1 expenses in 2002 is the advance to Bill Simpson of Forty-four
2 Thousand One Hundred Dollars, and in 2003 the miscellaneous
3 expense which I think was around Fifty Thousand Dollars.

4 Q. So the advance to Simpson, Jr. in 2002, if you add that
5 back in, Mr. Simpson has positive cash flow?

6 A. He did.

7 Q. All right, sir. And again you have seen nothing to
8 indicate where that advance went or how it was treated except
9 to be expensed on Mr. Simpson, Sr.'s tax returns?

10 A. The only thing I -- and it's an estimate, but it
11 appears he took it off his tax return. And he took it out of
12 revenue for that year. And that's it unless somebody knows
13 more about it than what I've been able to discover.

14 Q. Let's look at 2003 at Mr. Simpson's return, and it has
15 Fifty-three Thousand One Hundred and Twenty-four Dollars
16 after taxes?

17 A. That's correct. And then there were some legal fees,
18 and I think that pretty much coincides with Ms. Amos's
19 revised schedule. I think she comes up with about Five
20 Thousand Dollars a month, which would translate into about
21 Sixty Thousand Dollars a year, Judge. And the only
22 difference we've got there maybe is that miscellaneous
23 expense of Fifty Thousand Two Hundred and Fifteen Dollars,
24 which appears to be a method to kind of judge and be able to
25 allocate your income.

Mark Hobbs - direct by Mr. Warner

1 Q. So what you're saying is that Mr. Simpson, Sr., since
2 there is no formula with which to pay Jr. or the manner in
3 which he pays him, can shift income or do whatever he wants
4 to do with the schedule?

5 A. Yes. I looked at Mr. Simpson's deposition to see if
6 there was any kind of method or procedure to allocate that.
7 And it looks like it's pretty haphazard and allows for a lot
8 of flexibility.

9 Q. Mr. Simpson, Sr. says he pays him what he thinks is
10 fair?

11 A. I think -- I don't know if that's the quote he says,
12 but I recall that seems to be the comment he made.

13 Q. Let's look for a minute at Simpson, Jr.'s tax returns
14 and a summary that you may have done of those please. Would
15 you tell me what years, Mr. Hobbs, you have and do you have a
16 summary of Mr. Simpson, Jr.'s tax returns?

17 A. Yes, I have.

18 Q. For what year?

19 A. I looked at his tax returns for 1995 to 2002, and I have
20 not been provided 2003.

21 Q. From 1995 to 2002?

22 A. That is correct.

23 Q. We would offer this as number thirty-five, the entire
24 file folder with the summary on the top.

25 BY THE COURT: Plaintiff's thirty-five.

Mark Hobbs - direct by Mr. Warner

1 BY MR. MCKENZIE: No objection.

2 BY THE COURT: Without objection.

3 Plaintiff's ex. #35 - tax returns & summary for Simpson, Jr.

4 CONTINUED BY MR. WARNER:

5 Q. Could I first look at the summary just a minute? Does
6 Mr. Simpson, Jr. show farm expenses?

7 A. Yes.

8 Q. Do you see anything in Simpson, Sr.'s deposition that
9 would indicate that Simpson, Jr. had a separate operation
10 account for chemicals and this type thing?

11 A. I don't recall that.

12 Q. All right, sir. What is the most income Mr. Simpson,
13 Jr. has reported on his tax returns between 1995 and 2002?
14 What's his best year? And I'm talking about adjusted gross
15 income or whatever income is after taxes.

16 A. Do you want to know his best adjusted gross income year?

17 Q. Yes, sir.

18 A. His best adjusted gross income year was 1997, and it was
19 Twenty-five Thousand One Hundred and Ten Dollars. His next
20 best year was 2002 for Twenty-four Thousand Twenty-eight
21 Dollars.

22 Q. And you have, have you not, reviewed about three or four
23 months of checks which we received by Mr. Simpson, Jr.?

24 A. We did.

25 Q. Did we ever get the rest of the checks we asked for?

Mark Hobbs - direct by Mr. Warner

1 A. I don't recall it. I don't recall seeing any additional
2 checks.

3 Q. What was his average spendable income during this period
4 of time? Did you do a chart on that?

5 A. I did.

6 Q. Can I see that please?

7 A. This is a copy.

8 Q. Would you tell the Court what is in this document?

9 A. This is an analysis of 2002 taxable income and his
10 income as compared to the four months of cash activity I had
11 from 2003 trying to identify his living expenses and
12 household expenses to evaluate Mr. Simpson, Jr.'s financial
13 condition.

14 Q. We offer that as thirty-six, Your Honor.

15 BY THE COURT: Thirty-six.

16 BY MR. MCKENZIE: No objection.

17 BY THE COURT: Without objection.

18 Plaintiff's ex. #36 - Simpson, Jr. - expense analysis

19 CONTINUED BY MR. WARNER:

20 Q. I'm short one copy of the summary. You don't happen to
21 have an extra copy, do you? Judge, would the Court mind
22 looking at this one? Thank you. Mr. Hobbs, taking 2002, how
23 did you approach what Mr. Simpson, Jr. had available to spend
24 to acquire assets in 2002?

25 A. I used 2002 because this was one of his higher years

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Mark Hobbs - direct by Mr. Warner

1 for that time period from 1995 to 2002. And in addition it's
2 real close to the period of time that we had the four months
3 of his actual cash activity out of his Quicken or his
4 accounting software package. And what I did is I took his
5 total income off his tax return of Twenty-six Thousand Two
6 Hundred and Sixty-four Dollars, and I added back the
7 depreciation that he claimed on his tax return. He does have
8 depreciation reported in just about every year on his
9 personal tax return. And the depreciation is added back to
10 get a total available of right at Thirty-two Thousand
11 Dollars. It's Thirty-one Thousand Seven Hundred and Eighty-
12 six Dollars. And I re-casted that to be a monthly amount of
13 right at Twenty-six Hundred and Forty-eight Dollars and
14 Eighty-three Cents.

15 Q. You understand Mr. Simpson, Jr. has a wife and two
16 children?

17 A. Yes, I do.

18 Q. All right, sir, and two children in private school,
19 correct?

20 A. That is correct.

21 Q. What does Mr. Simpson have left after he pays -- what's
22 in the checking account after he pays his mortgage and pays
23 for vehicles?

24 A. It appears he would have about Six Hundred Dollars a
25 month to pay for personal utilities and property taxes and

1 Mark Hobbs - direct by Mr. Warner

2 Insurance, entertainment, gifts, Church contributions and
3 those type things. Not a tremendous amount of money.

4 Q. Mr. Hobbs, is there any extra money you see there to
5 service a debt on property that may have been purchased?

6 A. No. The only thing I did see unusual about the property
7 was in one year a certain property was expensed on the tax
8 return. The land acquisition was expensed.

9 Q. Could you look back on thirty-five and tell the Court
10 what year that is?

11 A. Yes, I'll be glad to. The purchase of land shown on
12 that summary about fourth from the bottom, the purchase of
13 the land for Fourteen Thousand Two Hundred and Sixty Dollars
14 was expensed in 2001.

15 Q. When you say expensed, what does that mean?

16 A. It was written off.

17 Q. How can you write off the purchase of real estate?

18 A. You're not supposed to. It's inappropriate. There is
19 no ability to expense land acquisitions.

20 Q. So the Fourteen Thousand -- did you say Fourteen
21 Thousand Two Hundred and Sixty Dollars in real estate, and
22 did you see a debt associated with that?

23 A. No, sir. The tax returns do not have debt. They just
24 have income and expense.

25 Q. In 2001 when the Fourteen Thousand Dollars worth of real
26 estate was expensed, what was the income available that year

Mark Hobbs - direct by Mr. Warner

1 according to exhibit thirty-five?

2 A. Well, adjusted gross income in 2001 was Seventeen
3 Thousand Four Hundred and Seven Dollars.

4 Q. Seventeen Thousand Four Hundred and Seven Dollars?

5 A. That's correct. If you had added back the expensing of
6 the land, that would have been a good year.

7 Q. That would have been a good year?

8 A. A better year.

9 Q. Basically when you took the land off, that's about
10 Thirty-four Thousand Dollars in income?

11 A. That's correct.

12 Q. What happens when you expense something like that from a
13 tax standpoint? What does it do to your cash flow?

14 A. Well, it increased your cash flow because you're not
15 paying income taxes on an asset that should be an investment.
16 Land is an investment. The only thing you can write off is
17 land improvements or something that's going to depreciate.
18 Land does not depreciate.

19 Q. You mentioned that Simpson, Jr. had some depreciation on
20 his tax returns. Is that correct?

21 A. Yes, that is correct.

22 Q. Until you received these tax returns, did you know if
23 there was any equipment other than what Simpson, Sr. owned?

24 A. No. All I received on Bill Simpson, Jr. was tax
25 returns. I had not seen any books or general ledgers then.

Mark Hobbs - direct by Mr. Warner

1 Q. As far as Simpson, Sr. is concerned, does he treat the
2 equipment personally or as property of the LLC?

3 A. Everything is treated personally.

4 Q. Personally. Have you done a summary of Simpson, Jr.'s
5 depreciation and value of equipment?

6 A. I have.

7 Q. Could I see that please?

8 A. Yes.

9 Q. Would you tell the Court where you got the information
10 that went into this summary?

11 A. Since I didn't have a set of records, financial records,
12 and I didn't have a general ledger or any kind of property
13 detail, I used the tax return as a basis for re-casting an
14 estimate of what the farm equipment would be worth in today's
15 dollars so to speak.

16 Q. What is included in this file?

17 A. You have a summary that shows three different methods of
18 calculating what the value of the equipment is, the farm
19 equipment. You have a useful life schedule, and that's the
20 method I used to amortize the farm equipment.

21 Q. Is that a regularly accepted accounting method of
22 handling that type of transaction?

23 A. It is. It is. Using useful life and amortize or
24 depreciate an asset is what accounting is all about,
25 attempting to match the life of the asset with its earning

Mark Hobbs - direct by Mr. Warner

1 potential.

2 Q. All right, sir. We'd offer that as number thirty-seven,
3 Your Honor.

4 BY THE COURT: Plaintiff's thirty-seven. Now, this has
5 to do with Simpson, Sr.?

6 BY MR. WARNER: Yes, sir.

7 BY THE COURT: I think when you asked him you said Jr.

8 BY MR. WARNER: It's Sr. We'll get to Jr. in a minute.
9 Is this Sr.?

10 A. Yes, it is.

11 BY MR. ROBINSON: I have a question, and I don't know
12 whether to object or not, but where did the values on this
13 schedule come from? Before it comes in, I'd like for him to
14 at least establish where his values came from before
15 admitting it in evidence.

16 BY THE COURT: Well, okay, Plaintiff's thirty-seven for
17 identification then.

18 Plaintiff's ex. #37ID - Simpson, Sr./2003 tax returns and
19 asset analysis

20 CONTINUED BY MR. WARNER:

21 Q. Mr. Hobbs, what did you do -- you understood we could
22 not get a viewing appraisal of the equipment, correct?

23 A. I've heard that.

24 BY MR. ROBINSON: Your Honor, I'm going to object to
25 that. That's hearsay. He said he had heard that.

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Mark Hobbs - direct by Mr. Warner

1 BY THE COURT: That's right. Let me hear from Mr.
2 Warner.

3 BY MR. WARNER: Judge, that's for the effect on him of
4 why we asked him to attempt to value the equipment based on
5 another method because I couldn't get an appraisal. The
6 witness testified this morning that six people wouldn't
7 appraise it.

8 BY THE COURT: He can testify -- he can testify that he
9 did not have equipment appraisal available to him. You know,
10 he may not be the witness to testify as to why he didn't.
11 But he can testify that he didn't have one. And since he
12 didn't have one, he used this method.

13 BY MR. ROBINSON: I have no objection to that.

14 CONTINUED BY MR. WARNER:

15 Q. Now, Mr. Hobbs, did you have appraisals?

16 A. No.

17 Q. What did you have in order to attempt to evaluate the
18 farm equipment?

19 A. I had a depreciation schedule which is supposed to list
20 all assets being used by the farm activity, and it's attached
21 as part of this exhibit. And I had to exclude items that
22 would be picked up by the real estate appraiser, because a
23 lot of items on this asset list were real property in nature
24 like grain bins and sheds and buildings. And so I had to
25 exclude those. Other than that, this is just extracted from

00133

Mark Hobbs - direct by Mr. Warner

1 the tax returns prepared by Mr. Gibbons.

2 Q. And whose tax returns are these?

3 A. Mr. Simpson's.

4 Q. All right, sir, and what was the cost basis of the farm
5 equipment according to Mr. Simpson, Sr.'s tax returns?

6 A. Well, the cost basis of that equipment as reflected on
7 page two of that exhibit was Nine Hundred Twenty-three
8 Thousand Six Hundred and Thirty Dollars.

9 Q. All right, sir, how did you, or what accounting method
10 did you use to attempt to come to a present value of this
11 equipment?

12 A. I used the method called depreciation where I used the
13 useful lives off the little schedule in the exhibit, and I
14 attempted or I did calculate the use of that equipment over
15 the years that it had been in service.

16 Q. Now, I'm looking at something called useful life
17 schedule.

18 A. Yes, sir.

19 Q. Tractors, combines and such, and where did you get that
20 information?

21 A. That information was accessed from the state useful life
22 schedule for farm equipment.

23 Q. And is that a recognized schedule in your field?

24 A. Useful life or whatever is reasonable, and in my opinion
25 it would be a reasonable basis. I know some tractors last a

Mark Hobbs - direct by Mr. Warner

1 lot longer than this. But I thought it was reasonable.

2 Q. Using the useful life, did you basically re-cast the
3 depreciation schedule?

4 A. I did.

5 Q. So instead of taking accelerated depreciation that I
6 assume Mr. Simpson took, correct?

7 A. That is correct.

8 Q. You took it and spread it over what you determined to be
9 the useful life of the equipment?

10 A. That is correct.

11 Q. And did you feel that what you did was reasonable?

12 A. I did think it was reasonable.

13 Q. Now, based on your calculations, what are the three
14 methods of valuation that you used?

15 A. Well, I took depreciation down to a certain level, and I
16 did three different methods. Method one, method two and
17 method three. And method one I allowed the asset to be
18 written down to ten percent of its original cost. So if you
19 had an asset that cost Twenty Thousand Dollars, it would be
20 written down to Two Thousand Dollars. But if it's still in
21 service, it's going to stay that Two Thousand Dollar value.
22 Some people refer to it as a salvage value. And if you want
23 to call it that, you could. But method two I used twenty
24 percent of original cost. And method three I used twenty-
25 five percent of original cost.

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Mark Hobbs - direct by Mr. Warner

1 Q. In your opinion, given the farm equipment today, and do
2 you do tax work for other farmers?

3 A. I do.

4 Q. Do you do it for many of them?

5 A. A fair amount, and I grew up on a farm.

6 Q. Okay. Which of these calculations do you believe to be
7 the most reasonable?

8 A. I would say it's in that range, and I would probably
9 lean toward the middle of that range based on the useful
10 life. I haven't observed the property, but I've seen some
11 pictures of it. But I would say this would be a good
12 approximation of it.

13 Q. Three Hundred Twenty-nine Thousand Five Hundred and
14 Thirty-six Dollars?

15 A. That's right. That's right.

16 Q. Is there any other way you know of to get any valuation
17 of this material before the Court?

18 A. Well, an appraiser, and if you had an appraiser or an
19 auctioneer or something, and that might be another way.

20 Q. All right, sir, let's talk about Mr. Simpson, Jr. But
21 first, Judge, I now offer number thirty-seven in evidence.

22 BY THE COURT: Mr. Robinson?

23 BY MR. ROBINSON: My question, Your Honor, and I'm
24 trying not to object unnecessarily. My original objection
25 was the values listed on here and he's explained how he came

Mark Hobbs - direct by Mr. Warner

1 up with the values with method one, method two and method
2 three. My question or concern was did he use the values Mr.
3 Simpson listed on his depreciation schedule, or did he use
4 fair market value, and I just don't want to let something in
5 evidence that I don't know what the basis for the starting
6 value is. And you can certainly let it in over my objection,
7 but that's what I'm trying to determine.

8 BY THE COURT: Well, I understand I can do that. But my
9 understanding is that he started with the depreciation
10 schedules with the tax returns.

11 BY MR. ROBINSON: Okay, and if that's the case, then I
12 have no objection.

13 BY THE COURT: And that that was the starting point, and
14 that he went to useful life instead of accelerated.

15 A. Yes, sir.

16 BY MR. ROBINSON: Then I have no objection.

17 BY THE COURT: Thirty-seven is now in evidence.
18 Plaintiff's ex. #37 - now in evidence

19 CONTINUED BY MR. WARNER:

20 Q. Mr. Hobbs, Simpson, Jr.'s equipment, did you do a
21 schedule on that based on information you had?

22 A. I did.

23 Q. May I see that please? Where did you receive this
24 information?

25 A. Well, this information-- I did the same approach I did

Mark Hobbs - direct by Mr. Warner

1 with Mr. Simpson, Sr. However, the detail of the property
2 was not attached to Mr. Simpson, Jr.'s tax return, so I kind
3 of had to estimate what the assets were based on looking at
4 the prior tax returns. I had to estimate the classification.
5 The description is not near as thorough because the detail
6 wasn't there. I had some items. They had some items in
7 there. But it wasn't as detailed as Mr. Simpson, Sr.'s.
8 There was Eleven Thousand Dollars you see on the second page
9 of that schedule as an unknown Eleven Thousand Dollars that
10 I'm not sure what that is. The description wasn't very good.
11 I was able to identify total cost basis off the old tax
12 returns of about Sixty-four Thousand Five Hundred and Nine
13 Dollars.

14 Q. Sixty-four Thousand Nine Hundred and what?

15 A. No, sir. Sixty-four Thousand Five Hundred and Nine
16 Dollars.

17 Q. All right, sir. And you took that off of Simpson, Jr.'s
18 tax returns?

19 A. I extracted it off the different years that are in that
20 other exhibit of his income tax returns.

21 Q. We offer this as number thirty-eight.

22 BY THE COURT: Plaintiff's thirty-eight. Mr. Robinson?

23 BY MR. ROBINSON: No objection.

24 BY THE COURT: Plaintiff's thirty-eight without
25 objection.

Mark Hobbs - direct by Mr. Warner

1 Plaintiff's ex. #38 - Simpson, Jr./2003 asset analysis

2 CONTINUED BY MR. WARNER:

3 Q. Now, Mr. Hobbs, looking at Plaintiff's thirty-eight,
4 from the Sixty-four Thousand Dollars that's what he showed
5 his cost basis on his tax returns?

6 A. From what I could gather from his tax returns.

7 Q. And you attached the questionable items, is that
8 correct?

9 A. It had some items that I thought may have should have
10 been capitalized and were expensed on the tax return, like
11 moving a house or the purchase of land that we've already
12 talked about, you know, and different things, and I just put
13 those things on there.

14 Q. Tell me about moving a house.

15 A. I don't know anything about that other than that's
16 expensed. There are some other expense items included as
17 other expense on Schedule F that may should be considered as
18 capital in nature.

19 Q. Instead of being written off?

20 A. That's correct.

21 Q. All right, sir, and number thirty-eight includes that
22 and the valuation method for Simpson, Jr.'s equipment?

23 A. That's correct.

24 Q. And you can't do it the same way?

25 A. That's correct.

Mark Hobbs - direct by Mr. Warner

1 Q. In your opinion which of the three methodologies on the
2 first page, the Sixty-four Hundred, the Twelve Nine or
3 Sixteen One, is the most in your opinion accurate valuation?

4 A. Well, I would probably lean toward the middle one, too.
5 However, Mr. Simpson, Jr. on his personal financial
6 statements reports his equipment at One Hundred and Fifty
7 Thousand Dollars.

8 Q. I want to ask you about that. Do you have that?

9 A. I do. That's in another exhibit. And I don't know if I
10 could use this number because there's such a big discrepancy
11 between what he's putting on his personal financial
12 statements and what I came up with here. I didn't have a big
13 problem with what I calculated to be Mr. Simpson, Sr. and
14 what he had looking at all the detail, because I'm not sure
15 if his original list I got as part of Ms. Amos' files
16 included everything that was on the tax returns.

17 Q. So Mr. Simpson, Jr. reported Sixty-four Thousand plus
18 cost basis for farm equipment. Is that correct?

19 A. That is correct.

20 Q. And what financial statement do you have of Jr.'s?

21 A. I've got it on his schedule.

22 Q. Is that all of Jr.'s financial statements that you have?

23 A. These are copies of the financial statements that I was
24 able to have as well as the summary on top.

25 Q. All right, sir, and you summarized the exhibits that

Mark Hobbs - direct by Mr. Warner

1 were provided through the discovery process?

2 A. I summarized the financial statements on the cover
3 sheet.

4 Q. Your Honor, we would offer the financial statements of
5 Simpson, Jr. from 1999 through March of 2003 and the
6 summaries as thirty-nine.

7 BY MR. ROBINSON: Your Honor, I'm going to object to
8 these. If we produced them, obviously I don't have an
9 objection. But I don't recall producing these documents, nor
10 have I seen them before. And obviously Mr. Hobbs has had
11 these prior to today or yesterday. Now, I understand the
12 summaries may not have been completed. But I don't believe
13 that these have been produced to us prior to today. And I'm
14 relatively certain that we have not produced these. So I
15 would move to exclude this exhibit.

16 BY MR. WARNER: Your Honor, we moved to produce all of
17 these, and we got the same answer that they would be produced
18 prior to trial. Let me ask him.

19 CONTINUED BY MR. WARNER:

20 Q. Mr. Hobbs, where did you get these?

21 A. Where did I get the financial statements?

22 Q. Yes, sir.

23 A. I'm not sure where I got them from. I got them at all
24 different times. We had stuff coming into our office. I did
25 not analyze them and prepare this summary sheet until we

Mark Hobbs - direct by Mr. Warner

1 realized we had to earlier this week, because we didn't
2 realize the property was going to come in the way it did.

3 BY THE COURT: Mr. Robinson, it's your client's
4 financial statement. How can it be a surprise? If they're
5 putting something in evidence that you haven't seen or don't
6 know anything about, I mean, that's one thing. But it's your
7 client's own statement.

8 BY MR. ROBINSON: Well, I guess I'm quite frankly, Your
9 Honor, a little confused to the purpose of it even coming in.
10 I know my client was named, but it was my understanding of
11 the pleadings that it related to the LLC.

12 BY THE COURT: Well, you've shifted gears now. You've
13 shifted over to relevance now.

14 BY MR. ROBINSON: Well, yes, I have. But that's why I
15 haven't -- I'm not surprised about what's on there. I'm
16 surprised why it's being produced in this.

17 BY MR. WARNER: Our position is that Mr. Simpson, Sr. is
18 moving income and assets into his son's name in order to
19 deplete the marital estate, and that there's no way Jr. could
20 have acquired Four Hundred and Fifty Thousand Dollars worth
21 of real estate plus One Hundred and Fifty Thousand Dollars
22 worth of equipment based on the income he's got, none of
23 which has exceeded Twenty-six Thousand Dollars a year. And I
24 think it's a shell game. And we believe these fellows are
25 shifting monies back and forth to suit their purposes. And

Mark Hobbs - direct by Mr. Warner

1 we think the evidence is going to show that.

2 BY THE COURT: All right, Plaintiff's thirty-nine is in.
3 Plaintiff's ex. #39 - Simpson, Jr./1999 through March, 2003,
4 assets and liabilities financial statements

5 CONTINUED BY MR. WARNER:

6 Q. Looking at exhibit thirty-nine, first starting in 1999,
7 and these are Mr. Simpson, Jr.'s statements, correct?

8 A. That's correct.

9 Q. How much farm equipment did he show starting from 1999
10 and to from July 5, 1999, moving up to 2003?

11 A. In 1999 Twenty-four Thousand. Three months later in
12 1999 Twenty-four Thousand. In 2000 Thirty-five Thousand. In
13 2001 in January Forty-one Thousand. August, 2001, One
14 Hundred and Fifty Thousand. May 16, 2002, One Hundred and
15 Fifty Thousand. And March 6, 2003, One Hundred and Fifty
16 Thousand.

17 Q. Now, these financial statements were submitted to Pee
18 Dee Farm Credit and other governmental bank agencies, is that
19 correct?

20 A. That's correct. And the name to who they were submitted
21 to is indicated above the date.

22 Q. For the purposes of securing credit?

23 A. That is correct.

24 Q. Now, if we look at the tax return of Jr. between
25 January 26, 2001, and August 29, 2001, can you see any way

Mark Hobbs - direct by Mr. Warner

1 this gentleman debt-wise or otherwise can pick up One Hundred
2 and Nine Thousand Dollars worth of farm equipment?

3 A. No, sir. Nothing that I see, absence of a gift or some
4 type of inheritance would support the assets he has
5 accumulated, based on his personal financial statement.

6 Q. Have you seen large interest payments on his tax
7 returns?

8 A. They do not have a lot of debt.

9 Q. They do not have a lot of debt?

10 A. Not a lot of debt, not for a farmer.

11 Q. Let's look please at farm acreage, and I see the house
12 at One Hundred and Fifty Thousand Dollars, and let's look at
13 farm real estate. From 1999 to 2003, what did he start at,
14 and how did it increase?

15 A. In 1999 he reflected Eighty-seven Thousand, and in 2003
16 he reflected Two Hundred and Forty Thousand.

17 Q. Do you see any evidence or any way based on the tax
18 returns and the other exhibits or mortgage debt of how this
19 gentleman could have made acquisitions to this extent?

20 A. I don't know how.

21 Q. Total assets from Three Hundred Eighty-seven Five to
22 Five Hundred and Ninety-one Thousand in a period of four
23 years, is that correct?

24 A. That's correct.

25 Q. Do you see any way based on his income that this

Mark Hobbs - direct by Mr. Warner

1 gentleman was able to acquire these assets?

2 A. Not to my knowledge.

3 Q. The home mortgage, what did it start at in 1999? This
4 One Hundred and Fifty Thousand Dollar house, what did it show
5 as a balance on the home mortgage?

6 A. Fifty-three Thousand Nine Hundred.

7 Q. And what is the balance of it as of March 6, 2003?

8 A. He reported Twenty-three Nine Thirty-three.

9 Q. A reduction of Thirty Thousand Dollars?

10 A. That's correct.

11 Q. Have you seen any way based on the information that you
12 have seen through discovery, tax returns or whatever, how he
13 could justify this?

14 A. No, I do not.

15 Q. Do you see any income from hunting clubs on Jr.'s
16 returns?

17 A. Yes, there was a Schedule C that reflected a loss one
18 year from a hunting club operation, like Fifteen Hundred
19 Dollars. It wasn't a significant amount.

20 Q. Did you see a debt for turkey farms or turkeys?

21 A. No, I -- what I concluded that was and there's
22 references to chickens and produce, and that's where they
23 sell their grain. They're selling their grain to those
24 agricultural houses, those chicken houses. That's who
25 they're selling their grain to. And they're probably getting

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1 a little better price and probably a good business decision.

2 Q. Mr. Hobbs, next do you have statements given by Simpson,
3 Sr. and a summary of those statements based on what's been
4 produced through discovery?

5 A. Yes, I do.

6 Q. Did you do a summary of those?

7 A. Yes, I did, the same way.

8 Q. Your Honor, we would offer into evidence as one exhibit,
9 and I will staple them together, but the financial statements
10 of Simpson, Sr. of January 23, 1990, through January 6, 2004,
11 along with a one page summary.

12 BY THE COURT: Any objection, Mr. Robinson?

13 BY MR. ROBINSON: Let me be clear what he's offering
14 again.

15 BY MR. WARNER: Financial statements and a summary
16 produced through discovery on your client, Sr., from 1990
17 through 2004.

18 BY MR. ROBINSON: I don't have any objections.

19 BY THE COURT: Plaintiff's forty.

20 Plaintiff's ex. #40 - Simpson, Sr.'s financial statements and
21 summary January, 1990, through January, 2004

22 CONTINUED BY MR. WARNER:

23 Q. Looking at exhibit forty, Mr. Hobbs, anything jump out
24 at you regarding these statements?

25 A. Really the only thing that I did was compile the

Mark Hobbs - direct by Mr. Warner

1 information on Mr. Simpson's tax returns -- I mean, on his
2 financial statements. That's what I prepared here. He
3 doesn't have a lot of debt on these personal financial
4 statements. He has a net worth on each one of these
5 statements of almost a Million Dollars and total equity of
6 One Million One Thirty-one.

7 Q. As of what year?

8 A. January 6, 2004.

9 Q. Okay.

10 A. Then we had April 30, 2004, a little bit less than that.
11 And I didn't notice anything that stood out, but obviously
12 he's been a very successful farmer. He's a very good farmer
13 I would say. He's been a successful farmer.

14 Q. From January 23, 1990, Pee Dee State Credit or Pee Dee
15 Credit through the NBSC financial statement of January 6,
16 2004, net worth according to these statements went. Seven
17 Hundred and Seventy-nine Thousand to a Million Four Hundred
18 Seventy Thousand, correct, or I'm sorry, Five Sixty-nine to
19 about One point One Million?

20 A. That's correct.

21 Q. About double?

22 A. That's correct. And, you know, the only thing I'm
23 curious about is I'm curious as to whether he's reflected the
24 fifty percent of Simpson LLC on these personal financial
25 statements.

00147

Mark Hobbs - direct by Mr. Warner

1 Q. That's what I was going to ask you. When we talk about
2 real estate and land, what does it start at in 1990?

3 A. In 1990 ---

4 Q. The real estate and land.

5 A. In 1990 real estate and land was Four Hundred and
6 Ninety-seven Thousand Dollars.

7 Q. What was it in 1999, the year before the LLC?

8 A. In 1999 Eight Hundred and Seventy-five Thousand Dollars
9 and ---

10 Q. What about January 1, 2001, before the LLC?

11 A. You mean January, 2000?

12 Q. Yes, sir.

13 A. Real estate and land was Eight Hundred and Seventy-five
14 Thousand.

15 Q. How about May 11, 2001, one year after this and before
16 the transfer to the LLC?

17 A. Eight Hundred and Seventy-five Thousand.

18 Q. What about October 3, 2002, two and a half years after
19 the LLC?

20 A. One Million Forty-five Thousand.

21 Q. What happened about twelve days later?

22 A. Showed it as Eight Hundred and Seventy-five Thousand
23 Dollars.

24 Q. And a loss on real estate of Two Hundred Thousand
25 Dollars?

00148

Mark Hobbs - direct by Mr. Warner

1 A. Well, it was a different number he reported on his bank
2 statement record.

3 Q. How about April 30, 2004, and what did it go to?

4 A. Eight Hundred Thousand Dollars.

5 Q. And January 6, 2004?

6 A. One Million Forty-five Thousand Dollars.

7 Q. What did he show as his income? Does he show it on
8 these financial statements?

9 A. There is one or several that show income.

10 Q. Would you tell the Court what they are?

11 A. If I can put my hands on it. On the one dated -- I
12 don't seem to be able to put my hand on it, but we did have
13 one that reflected like One Hundred and Thirty-five Thousand
14 Dollars of annual income. It was a large amount. I can
15 probably find it in a second. I'm probably looking over it.
16 That was on one of the statements or attachments. It was a
17 large number.

18 Q. Let's move on. Whatever it is, it is. And it's in
19 evidence. Did you do an analysis of S & T Land Development?

20 A. Yes, I did.

21 Q. And my subpoena -- when did we receive that?

22 A. Well, we have copies of all the tax returns since
23 conception, 1999, of S & T.

24 Q. 1999 through what year?

25 A. 2003.

Mark Hobbs - direct by Mr. Warner

1 Q. And these were subpoenaed through Mr. Tidwell?

2 A. I do not know who provided them, but there they are.

3 And I've got a little summary of them.

4 Q. Mr. Tidwell was Mr. Simpson's partner, is that right?

5 A. Yes, I believe he was.

6 Q. S & T is Simpson and Tidwell?

7 A. That's my understanding is what it stands for.

8 Q. These are partnership returns?

9 A. Yes, they are.

10 Q. 1999 through 2003, is that correct?

11 A. That is correct.

12 Q. Do you understand that on March 10, 2003, there was a
13 deed that's in evidence where Mr. Simpson transferred his
14 half interest to Ray Tidwell -- or Anthony Tidwell, Arnold
15 Tidwell's brother, for Five Dollars?

16 A. I'm aware of that. I've got that referenced on that
17 first summary sheet.

18 Q. Your Honor, we would offer the summary and the returns
19 in evidence.

20 BY THE COURT: Plaintiff's forty-one, Mr. Robinson?

21 BY MR. ROBINSON: No objection.

22 BY THE COURT: Plaintiff's forty-one without objection.

23 Plaintiff's ex. #41 - S & T tax returns and summary

24 CONTINUED BY MR. WARNER:

25 Q. Mr. Hobbs, a partnership -- do you see any debt in

Mark Hobbs - direct by Mr. Warner

1 this partnership?

2 A. No debt.

3 Q. If a partnership -- if you and I go out and buy
4 property together and we incur an indebtedness as partners,
5 and this is a partnership, right?

6 A. Yes.

7 Q. How do we deal with the debt? On the individual returns
8 or on the partnership returns?

9 A. Generally the debt is reported on a partnership tax
10 returns. There are some instances where I've seen it's not,
11 but it's not the normal rule. The interest expense and the
12 debt should be reflected on this partnership return.

13 Q. I think you testified previously that there were about
14 Twenty-three or Twenty-five Thousand Dollars worth of loans
15 for Mr. Simpson on his general ledger to Mr. Tidwell in 2003?

16 A. There were some cash payments to Mr. Tidwell that were
17 classified as receivables.

18 Q. Receivables from employees?

19 A. I think that's what it was.

20 Q. Did you ever see Mr. Tidwell doing any farming or
21 anything?

22 A. No, I don't know anything about that.

23 Q. Let's look -- did anything in these tax returns jump
24 out at you as being unusual?

25 A. Yes, sir.

Mark Hobbs - direct by Mr. Warner

1 Q. What was that?

2 A. There are a lot of unusual things in these tax returns.
3 They have -- if you look at the summary, what I've got is
4 the partnership activity reflected kind of in the middle of
5 that schedule. And what's real unusual is that in the
6 initial year and in year two and in 2003 we had interest
7 income, but in the year 2001 and 2002 we didn't have any
8 interest income.

9 Q. What does that tell you?

10 A. I don't know. I don't know. It tells me something is
11 very unusual. I can't tell you why.

12 Q. Attached to these returns are installments and sale's
13 income.

14 A. There's land contracts, but it still should be
15 consistent from year to year on a partnership return. I'm
16 not sure why that changed and why it was reported like that
17 in those different years. But what those tax returns report
18 is it reports the sales of those land contracts as capital
19 gain, and the short term capital gain is next to the last
20 column under partnership activity. And the long term capital
21 gain is the other amount. And Mr. Simpson, Sr. started with
22 a fifty percent interest. He had a fifty percent interest in
23 1999, 2000, 2001, 2002. And then in 2003 his interest went
24 to zero on the partnership return. So he disposed of it in
25 2003, but Mr. Simpson does not report that on his 2003

00152

Mark Hobbs - direct by Mr. Warner

1 personal ten forty return. And Mr. Gibbons, in his
2 deposition, mentioned he probably needed to report that.

3 Q. Report what?

4 A. Report the sale of that interest.

5 Q. So if Mr. -- is this an economically viable partnership?

6 A. Yes, very successful.

7 Q. And why do you say it's successful?

8 A. Because they're taking agricultural land it appears and
9 converting it to residential lots. And they're about
10 doubling their money. They're taking a piece of land that
11 they paid Two Thousand Dollars for, and they're getting Four
12 or Five Thousand Dollars out of it.

13 Q. All right, sir, and what interest rates are in a lot of
14 these contracts?

15 A. I didn't analyze their interest rates, but the other
16 client's rates are anywhere from ten to twelve to fourteen
17 percent.

18 Q. I notice that in 2003 it appears that S & T had rental
19 income of Forty-five Thousand Seven Hundred Twenty Dollars.
20 Can you explain that?

21 A. No, I cannot. But the partnership tax returns show
22 houses that were being rented.

23 Q. How much does Mr. Simpson receive out of this?

24 A. That information, the value of the real estate, I got by
25 phone yesterday from that real estate professional you had.

00153

Mark Hobbs - direct by Mr. Warner

1 Q. Ms. Linhardt?

2 A. Yes. And I think ya'll must have heard from her this
3 morning. She gave me that number over the phone yesterday,
4 Six Hundred and Thirty-seven Thousand Dollars. And this is
5 another one of those schedules that I didn't really realize I
6 was going to have to prepare until I realized how much value
7 is in there. And then I'm curious about whether that value
8 includes the receivables, the note receivables, on those land
9 contracts. I don't know the answer to that yet. I assume it
10 does.

11 Q. Is there any way you can tell based on the information
12 we've been provided?

13 A. No.

14 Q. Did Mr. Simpson receive positive cash flow from this
15 entity every year?

16 A. He should have. I haven't traced any receipts, but he
17 should have. It was a successful venture.

18 Q. Based on the K-1 from the partnership?

19 A. Based on what I've seen, any investor would like to be
20 in S & T Partnership.

21 Q. So to transfer this interest for Five Dollars, six days
22 after the filing of this lawsuit, does that make economic
23 sense to you as a CPA?

24 A. It may make some sense, but I can't comment on it. I
25 don't understand it.

00154

Mark Hobbs - direct by Mr. Warner

1 Q. Do you see any debt?

2 A. There was no debt.

3 Q. Do you have any other charts or summaries?

4 A. No, sir. I think you've got most of it.

5 Q. Thank you.

6 A. I do have one other factor. This document has another
7 financial statement in it.

8 Q. What is this document?

9 A. This is Mr. Simpson's application for Farmer of the
10 Year.

11 Q. What year was that?

12 A. 2001. It has a lot of interesting information in it.
13 Things about his farm and his crop and his acreage and how
14 much he owns and how much he rents.

15 Q. Your Honor, we would offer this into evidence.

16 BY THE COURT: Plaintiff's forty-two. Is that right,
17 Madam Court Reporter?

18 BY REPORTER: Yes, sir.

19 BY MR. ROBINSON: No objection.

20 Plaintiff's ex. #42 - Farmer of the Year application

21 A. And it showed the current net worth of a Million Two.

22 Q. A Million Two Hundred Thousand.

23 A. One Million One Hundred and Eighty-one Thousand.

24 Q. Can you tell if that includes or doesn't include the
25 LLC?

Mark Hobbs - direct by Mr. Warner

1 A. I could not tell.

2 Q. How many acres does Mr. Simpson farm -- Simpson, Sr.?

3 A. Well, this document talks about on page seven that he
4 had seven hundred acres of wheat, a thousand fifty acres of
5 corn and eight hundred and fifty acres of soybeans.

6 Q. What does that total?

7 A. About twenty-six hundred acres. I've got a calculator.
8 About twenty-six hundred acres.

9 Q. About twenty-six hundred acres?

10 A. Yes, sir.

11 Q. Does this refer to any of the farming done by Simpson,
12 Jr. on his property?

13 A. I don't know.

14 Q. You don't know if it includes that?

15 A. I would imagine it may include it, but I can't tell for
16 sure.

17 Q. Do these folks have pretty good yields based on the
18 records you've seen, yields per acre?

19 A. You know, obviously 2002 looks like a real bad farm
20 year, but the other years it looks like they were very
21 successful farmers. They take a lot of accelerated
22 depreciation for tax purposes, you know, depreciation of
23 Eighty and Ninety Thousand Dollars a year, and getting rid of
24 the assets they're buying. They look like they run a good
25 operation.

00156

Mark Hobbs - direct by Mr. Warner

1 Q. Mr. Simpson, Sr., and look at exhibit forty-one I think
2 it was, and look at the January 6, 2004, copy.

3 A. Can I look at yours? Mine have been all mixed up here.

4 Q. Sure. Look at the January 6, 2004, NBSC statement.

5 BY THE COURT: Did you say forty or forty-one?

6 BY MR. WARNER: We couldn't find that while ago.

7 A. It's dated January 6, 2004.

8 BY MR. WARNER: That's forty, Your Honor.

9 BY THE COURT: Okay.

10 CONTINUED BY MR. WARNER:

11 Q. What does it show as income?

12 A. It shows farm annual income of One Hundred and Fifty
13 Thousand Dollars.

14 BY THE COURT: And that's January 6, 2004?

15 A. Yes, sir.

16 Q. Mr. Hobbs, you may have this in your package, but we
17 received and I show you this document that came from the
18 deposition in the material provided to Ms. Amos. Have you
19 seen that before it was provided to you after her deposition?

20 A. I have seen some of this information.

21 Q. Before or after?

22 A. It was definitely after. It was during her deposition
23 that this was available.

24 Q. Two weeks ago?

25 A. I think this was in her file.

Mark Hobbs - direct by Mr. Warner

1 Q. Two weeks ago?

2 A. That's correct.

3 Q. What is the date that was faxed to her? When was it
4 faxed?

5 A. Well, the date that's on here was April 27, 2004,
6 Tuesday at eleven thirty, Johnson & McKenzie LLC.

7 Q. April 27, 2004, and you saw it after her deposition?

8 A. That's when I recall seeing it.

9 Q. When we issued a subpoena to her to get the records?

10 A. That's when I remember seeing that. That's correct.

11 Q. Your Honor, we would offer this into evidence. That's
12 Mr. Simpson's personal data for his tax returns. And I want
13 to ask Mr. Hobbs a few questions about it.

14 BY THE COURT: Plaintiff's forty-three. Any objections?

15 BY MR. ROBINSON: No, sir.

16 BY THE COURT: No objections.

17 Plaintiff's ex. #43 - Simpson, Sr.'s data for tax returns

18 CONTINUED BY MR. WARNER:

19 Q. I don't have a copy for the Court, Your Honor. Mr.
20 Hobbs, this purports to have Mr. Simpson's handwriting on it.
21 What does that form look like to you as an accountant?

22 A. Oh, this is his organizer that he used to fill out so
23 his CPA can key it into the tax package to prepare his tax
24 returns.

25 Q. Do you do that for your clients?

00153

Mark Hobbs - direct by Mr. Warner

1 A. Yes, sir.

2 Q. And is that what you generally do to prepare tax
3 returns?

4 A. Well, clients that have a general ledger system of
5 bookkeeping generally produce a general ledger that would
6 eliminate the need for this type of compilation, because the
7 accounts in the general ledger are intended to communicate
8 the information to the reader. So this was in place of a
9 general ledger.

10 Q. So we have a general ledger for 2003, and then we have
11 this handwritten for 2003 in Mr. Simpson, Sr.'s handwriting?

12 A. That's right.

13 Q. Now, does anything stand out to you as far as income or
14 whatever it is on that page, and what page is that of the
15 document? And for the record that's number forty-three.

16 A. Page five of this attachment, and it appears to be page
17 forty-four of the fax.

18 Q. Okay. And that was delivered to Ms. Amos by fax, and
19 what does Mr. Simpson show as far as income or cash flow or
20 whatever it is on that compilation form?

21 A. Well, he's showing income of apparently substantially
22 more than what I think ended up getting reported it looks
23 like. I don't have a total here.

24 Q. Just tell us what the numbers are.

25 A. I can read off the numbers.

Mark Hobbs - direct by Mr. Warner

1 Q. Okay.

2 A. That looks to be an expense, Fifty Thousand Two Hundred
3 and Sixteen Dollars, and that would just be an expense.
4 Sales of livestock, produce or grain, Two Hundred and Twenty-
5 four Thousand Nine Sixty-four. Cooperative distributions,
6 Fourteen Hundred and Sixty-eight Dollars, all taxable.
7 Agricultural program payments, One Hundred and Twenty-two
8 Thousand Two Seventy-three. And crop insurance proceeds,
9 Twenty-five Thousand Three-0-one Thirty.

10 Q. What do those total?

11 A. Well, you want to net the expense?

12 Q. Right.

13 A. Three Seventy-four-0-eighteen, and then after you back
14 out the Fifty-two Sixteen, the total is Three Twenty-three
15 Eight-0-two.

16 Q. And is the Three Twenty-three Eight-0-two circled and
17 written in hand at the bottom of the page?

18 A. Three Twenty-three Eight-0-two is written, but it's not
19 circled or anything.

20 Q. All right, sir. Now, turn to the next yellow tab on
21 that please, sir. What is that?

22 A. That appears to be a schedule of the expenses.

23 Q. Now, the Fifty Thousand in expenses you just testified
24 about, is that the same Fifty Thousand that was paid to the
25 son, or do you know?

00160

Mark Hobbs - direct by Mr. Warner

1 A. I don't know.

2 Q. The amount paid to the son was about Fifty-some Thousand
3 Dollars, was it not?

4 A. Yes, it is. It certainly would appear to be close. It
5 might be the same number. But I don't know for sure.

6 Q. Okay. What's that next page?

7 A. The next page has a total farming expenses, and they're
8 detailed out and has a subtotal written at the bottom of Two
9 Hundred and Seventy-four Thousand Two Hundred and Twenty-five
10 Dollars.

11 Q. Okay. Interest payments?

12 A. Interest expense, we have mortgage of Two Thousand Eight
13 Hundred and Forty-seven Dollars and ---

14 Q. Twenty-eight Forty-seven?

15 A. Two Thousand Eight Hundred and Forty-seven Dollars. And
16 then other interest, and this would be on his crop farm
17 advances, Eight Thousand Seven Hundred and Twenty Dollars.

18 Q. So about Ten Thousand Dollars interest?

19 A. That's correct.

20 Q. Now, from a debt standpoint and what you have seen,
21 where does Mr. Simpson, Sr. and Jr. have their debt? What do
22 they borrow money on?

23 A. Well, they have production loans. They have production
24 loans, which most farmers do. They borrow and have kind of a
25 working line of credit with Pee Dee Credit Bank. That's

Mark Hobbs - direct by Mr. Warner

1 their primary debt. They have some real estate debt, but a
2 lot of it's related to their production.

3 Q. The -- do you see a corresponding asset with the value
4 of the crops?

5 A. Yes, there would be a value to the crops.

6 Q. Have you seen that value surface?

7 A. I think there was a number reflected on that most recent
8 addendum that I received last night. I think it was a little
9 under Thirty Thousand Dollars. It's kind of a hard number to
10 quantify. I think it's under Thirty Thousand Dollars on that
11 revised addendum. Going back and looking at Mr. Simpson's
12 statements over the years, it ranges anywhere from over One
13 Hundred Thousand Dollars to Thirty Thousand Dollars. So it's
14 certainly a low number.

15 Q. Look just a minute at number forty-two at Sunbelt
16 Agriculture Exposition. Look at Roman numeral five or three
17 on the financial statement, and what does he show as the
18 value of crops and supplies on hand?

19 A. Seventy Thousand Dollars.

20 Q. Seventy Thousand Dollars?

21 A. Yes. And it's about the same time of the year as the
22 filing in March.

23 Q. Who would control the value of what those crops are
24 worth? How would you ever make a determination of what those
25 crops are worth?

Mark Hobbs - direct by Mr. Warner

1 A. Mr. Simpson is the only one who can do that really.

2 Q. The same way he handles the income for his son?

3 A. He'll be the one that will manipulate -- who would
4 determine how much he's got in the grain bins and he has a
5 good ability. Matter of fact, on his farm application he
6 says he has the ability to hold his grain in his own bins
7 until the price is what he wants. So it could be manipulated
8 a lot.

9 Q. Do we know how many pounds of grain or whatever it may
10 be are in those bins?

11 A. No. But I saw pictures of them, and he appears to have
12 a large capacity. But I don't know how much.

13 Q. Mr. Hobbs, have you spent a lot of time in this case?

14 A. I have.

15 Q. And do you know what your bill is?

16 A. No, I do not. I can look at it and bring it back to
17 you. I burned the midnight oil trying to get down here
18 today.

19 Q. Your Honor, I would ask that Mr. Hobbs' affidavit be
20 submitted at the same time the attorneys' fees affidavits.

21 BY THE COURT: Do you want to be heard on that, Mr.
22 Robinson?

23 BY MR. ROBINSON: Well, Your Honor, I'm sure he had an
24 idea coming into the last couple of days what it was, and
25 certainly I don't think it would be very hard to determine

Mark Hobbs - direct by Mr. Warner

1 what it would have been, you know. He's got an hourly rate
2 he charges or daily rate or whatever his charge is.
3 Certainly, in preparing for trial he would have had some idea
4 prior to today. Maybe not for the last couple of days, but
5 certainly prior to that I would think he would have had the
6 time.

7 BY THE COURT: I'll allow him to submit that at the time
8 of the attorney fees, and if we need to reconvene and allow
9 you to call him on that and on that alone, all you've got to
10 do is tell me you want to do that. And you'll be allowed to
11 do that at that time.

12 BY MR. ROBINSON: Thank you, Your Honor.

13 BY MR. WARNER: Nothing further from Mr. Hobbs, Your
14 Honor.

15 BY THE COURT: Are you ready, or do you want to take
16 about five minutes?

17 BY MR. ROBINSON: I'd like about five minutes, Your
18 Honor.

19 NOTE: Five minute recess

20 BY THE COURT: All right, are you going to do the cross?

21 BY MR. ROBINSON: Yes, sir, Your Honor.

22 BY THE COURT: For scheduling purposes and depending on
23 how long we go with this witness, I had an emergency at nine
24 o'clock in the morning, and that has been rescheduled. So we
25 could start at nine instead of nine thirty if ya'll can get

00164

Mark Hobbs - cross by Mr. Robinson

1 here by nine in the morning. And that would give us a little
2 extra time. Okay.

3 CROSS EXAMINATION BY MR. ROBINSON:

4 Q. Mr. Hobbs, let me ask you a couple of general questions
5 before I get into any detail on this. What -- tell me again
6 when you received the real estate information? I believe you
7 testified until recently you didn't realize you were going to
8 have to do this many schedules until the real estate values
9 came back so high. And that's when you had to prepare some
10 extra schedules. Is that right?

11 A. That is correct.

12 Q. When did you receive that information?

13 A. Well, I was on vacation until Sunday night, and I didn't
14 really get it back until Monday.

15 Q. Tell me what type of information you got Monday.

16 A. Well, I saw -- I talked to the real estate appraiser,
17 and she was saying the values of the real estate was like Two
18 or Three Million Dollars, and that Bill Simpson, Jr. had Four
19 or Five Hundred Thousand Dollars in his name, and there was a
20 lot of property, and a lot of things may be a lot higher than
21 what was on his previously disclosed financial information.
22 As a matter of fact, it appeared to be a lot higher than what
23 was on his personal financial statements.

24 Q. Did you talk with her that Sunday night?

25 A. I think it was Monday.

Mark Hobbs - cross by Mr. Robinson

1 Q. And prior to Monday, had you compared any schedules or
2 anything of that nature?

3 A. You know, I think at my deposition I told you that we
4 had prepared some schedules, but we weren't sure we were
5 going to use them. Some of those schedules had been keyed
6 into a package, but we didn't realize we were going to
7 produce them. And at that time, the time I gave my
8 deposition, I had no idea that we were going to be asked to
9 present all this information today. I found that out -- I
10 really found that out on Monday.

11 Q. So the schedules that you had keyed in and prepared, you
12 had prepared them in advance, not realizing you were going to
13 use them until the real estate values came back?

14 A. Well, as you recall in my deposition, I think I used the
15 words that I had prepared some summaries of the tax return
16 information and some of the financial statement information
17 and provided it to counsel. I had that back at my office if
18 you wanted to see it. But we didn't anticipate at that time
19 having to use it in this trial. Or something to that effect.

20 Q. You testified, and correct me if I'm wrong, but that you
21 had not been asked to prepare any written report?

22 A. That was correct.

23 Q. Okay, and I asked you did you prepare notes or exhibits,
24 and you said yes, and they would be available for trial to
25 disclose what your findings are. Is it your testimony that

00166

Mark Hobbs - cross by Mr. Robinson

1 you already had some exhibits prepared at the time of your
2 deposition?

3 A. They were not prepared. If you'll let me look at my
4 deposition I might can find the part where I made the comment
5 to you that we had prepared some schedules, some preliminary
6 schedules, at that time. I didn't think I was going to have
7 to present that information.

8 BY THE COURT: Do you have the original deposition, Mr.
9 Robinson?

10 BY MR. ROBINSON: Yes, sir, Your Honor. I haven't
11 broken the seal yet. I didn't know if we were going to offer
12 it.

13 BY THE COURT: Well, you don't have to offer it unless
14 you're going to use it. But if you do, we'll need to look at
15 it.

16 CONTINUED BY MR. ROBINSON:

17 Q. On page seventeen, or excuse me page twelve, line
18 seventeen, you said, "Now, other than the initial affidavit
19 you told me you were working on a more thorough report. In
20 the interim have you provided any reports or any statements
21 to the Plaintiff's counsel or to the Plaintiff herself?"

22 A. And I responded on line twenty-two about summaries of
23 some information from the son's tax returns, and that's why
24 we looked at the financial statement information and farm
25 equipment. But at that time I was just doing a work

00167

Mark Hobbs - cross by Mr. Robinson

1 product. I didn't realize it was going to be incorporated as
2 a part of this testimony.

3 Q. Okay. Your response to that question was that the only
4 thing you may have provided was back about a year ago, and
5 that would have been a year from June 22nd, give or take, and
6 that's not the exact date, but sometime in 2003, and that you
7 had prepared some summaries from Mr. Simpson, Jr.'s tax
8 returns, and that you had not prepared anything since that
9 time?

10 A. Yes. It was -- I think it was from 1995 through a
11 couple of years. It wasn't all the way to current. We
12 updated it. All we did was abstract off the tax returns.

13 Q. So at the time of your deposition which was June 22,
14 2004, the only thing that you had prepared in this case were
15 the initial affidavit that you offered at the temporary
16 hearing and some summaries related to the tax returns of
17 William R. Simpson, Jr. Is that right?

18 A. Summaries of the tax returns, and it may have included
19 some of the financial information. I can go back and look at
20 our records and see. Everything we've provided today is just
21 abstracted from their information.

22 Q. Okay.

23 A. Everything else was prepared since Sunday.

24 Q. Since Sunday?

25 A. Yes, sir.

00168

Mark Hobbs - cross by Mr. Robinson

1 Q. Okay. Did you receive a written statement of values
2 from the real estate appraiser?

3 A. No, sir. I have -- I had what I thought -- I went to
4 Jan's office, the counselor for the Plaintiff, on Monday, and
5 there was a schedule sitting on the desk, but it wasn't
6 final. It was a preliminary schedule that they were looking
7 at. And that's when I realized all those values on Monday
8 morning.

9 Q. Did counsel tell you about a real estate appraisal?

10 A. Well, I don't know who prepared it, but it was in their
11 office, and I assumed that was coming from the real estate
12 professional, whoever that real estate person is.

13 Q. All right, let me ask you this. You have certainly
14 introduced quite a few exhibits and given us a lot of
15 information, and I'm not sure what any or all of it means.
16 But let me do my best to wade through some of this. Now, let
17 me ask you first of all about Plaintiff's exhibit number
18 forty-two. It was introduced through you as Mr. Simpson,
19 Sr.'s application for the Sunbelt Agricultural Expo Farmer of
20 the Year. Is that right?

21 A. That's correct.

22 Q. Do you have any idea who prepared this document?

23 A. No.

24 Q. Do you have any idea where the information came from on
25 this document?

Mark Hobbs - cross by Mr. Robinson

1 A. No.

2 Q. When is the first time that you saw this document?

3 A. I can't recall the first time I saw it.

4 Q. Was it recently, or have you known about this document
5 for some time?

6 A. Well, I knew he had been named Farmer of the Year. And
7 I looked at that on the internet. And I don't know exactly
8 when I saw that document. I don't think it's been that long.

9 Q. Did the Plaintiff ever tell you that she typed this
10 document or helped Mr. Simpson prepare this document?

11 A. No.

12 Q. You never had discussions about this document with the
13 Plaintiff?

14 A. No.

15 Q. Okay. Now, these pages aren't numbered. But it looks
16 like it's the eighth page, paragraph B, and it lists other
17 farm or related business enterprises, and it describes size
18 and importance via the total operation. Do you see that?

19 A. Yes, I do see that.

20 Q. What was the response on that document?

21 A. It says, "My son and I have a limited liability
22 corporation, W. R. Simpson Farms, LLC, which we started in
23 1997. The corporation covers twenty-three hundred and fifty
24 acres of corn, wheat and soybeans. We also bale and sell
25 wheat straw and coastal Bermuda hay."

00170

Mark Hobbs - cross by Mr. Robinson

1 Q. Now, as far as you know, and you testified earlier I
2 believe that you estimated the best number at twenty-six
3 hundred acres, give or take, as to what they farm according
4 to what you could determine?

5 A. What I used was the acres provided in that document,
6 because I was doing a reasonableness test of the revenue on
7 the farm schedule based on the bushels and the yield and the
8 price for those years.

9 Q. Okay. So that number seemed pretty close?

10 A. When I did an analysis of the price showing 2002 was a
11 bad year and the other years, it made sense what we reported
12 for farm revenue. That's correct.

13 Q. Do you know when this document was prepared?

14 A. No, sir.

15 Q. You said you did realize he was named 2001 Farmer of the
16 Year?

17 A. I think there's a date on that first letter there.

18 Q. June 25, 2001?

19 A. Yes, that's what I referred to.

20 Q. So this application was prepared to the best of your
21 knowledge around 2001?

22 BY THE COURT: The signature is dated, too, Mr.
23 Robinson, if you look at it.

24 BY MR. ROBINSON: I'm sorry, Your Honor. I looked over
25 that.

00171

Mark Hobbs - cross by Mr. Robinson

1 BY THE COURT: May 25, 2001.

2 BY MR. ROBINSON: What page is that on, Judge?

3 BY THE COURT: It's right there about the fourth or
4 fifth page. Both of them signed it.

5 BY MR. ROBINSON: Okay, okay. I see that. I'm sorry.
6 Thank you. That's what I was looking for.

7 CONTINUED BY MR. ROBINSON:

8 Q. So apparently in 2001 Mr. Simpson in his application
9 stated that he and his son farmed an LLC together that they
10 started in 1997, and actually I think the documentation shows
11 it was 2000 when it was actually formed?

12 A. That's what the LLC paper work states.

13 Q. This application was actually signed by Mr. Simpson?

14 A. It looks like it was signed May 25, 2001.

15 Q. Okay. Now, let me ask you this. You have talked about
16 a number of different things. And the exhibit that you
17 prepared related to what you called a work sheet that came
18 from Ms. Amos through discovery, do you recall that?

19 A. The tax organizer work sheet?

20 Q. Yes, sir.

21 A. I recall it. I don't think I kept that.

22 Q. Court's indulgence, Your Honor. I'm looking at
23 Plaintiff's seven and forty-three I think, Your Honor. I
24 just want to make sure I'm identifying them correctly. I
25 think we can identify them.

00172

Mark Hobbs - cross by Mr. Robinson

1 BY THE COURT: Well, let's try to keep them straight.
2 Carol can't possibly keep them in order as many as they are
3 and you're pulling them out.

4 CONTINUED BY MR. ROBINSON:

5 Q. Let me ask you about what I believe to be forty-three,
6 the farm income and farm expense, and I believe Mr. Warner
7 went over that and had you total those figures, and they were
8 actually written down there?

9 A. That's correct.

10 Q. What was the total for the farm income page?

11 A. Three Twenty Three and Eight Hundred.

12 Q. Let me show you what is part of Plaintiff's exhibit
13 seven, profit or loss for farming, Mr. Simpson's 2003 tax
14 returns, and does the amount on line eleven for gross income
15 coincide with the figure you just read to me?

16 A. Yes, it does.

17 Q. Okay. And does this figure for expenses on here reflect
18 depreciation?

19 A. No, it apparently does not.

20 Q. So we've got an expense that does not reflect
21 depreciation, and the profit or farm income matches what is
22 reported as gross income on the 2003 tax return?

23 A. That is correct.

24 Q. So there is no inconsistency between the total on that
25 document and the total on the 2003 tax returns. Is that

Mark Hobbs - cross by Mr. Robinson

1 right?

2 A. I haven't prepared the expenses. I can if you want me
3 to, but I didn't do that.

4 Q. But as far as the income is concerned ---

5 A. Yes, sir, yes, sir.

6 Q. Now, let me ask you this. In preparation for the
7 valuation of the farm equipment, you said that the starting
8 point was Mr. Simpson's depreciation schedule off his income
9 tax returns. Is that right?

10 A. That's correct.

11 Q. If in fact that schedule was incorrect and there's
12 properties no longer in existence or no longer in his
13 possession, would that affect the accuracy of your summary?

14 A. Yes.

15 Q. Okay. Now, let me make sure and I know you've already
16 testified, but let me summarize for a layman like myself, and
17 the way you valued that equipment is basically you took the
18 cost basis, what they paid for it, and they reported they
19 paid for that property, and depreciated it over the life?

20 A. That's correct.

21 Q. And you testified that those useable life figures came
22 from where?

23 A. There was a source, a web site that we printed off, and
24 we've got it in the boxes back there if you'd like to see it.

25 And it had suggested agricultural useful lives off the North

00174

Mark Hobbs - cross by Mr. Robinson

1 Carolina Department of Revenue.

2 Q. That's where it came from, the North Carolina Department
3 of Revenue?

4 A. Yes, sir.

5 Q. South Carolina Department of Revenue doesn't provide
6 such numbers or details or anything of that nature?

7 A. That's correct.

8 Q. Okay. Now, as far as valuation of the farm equipment,
9 did you include in your valuation any sheds or attachments?

10 A. I attempted to exclude anything that wasn't covered by
11 the real estate appraiser. If there's anything that we've
12 got on that schedule that's an attachment to real property,
13 it would need to be adjusted. But I backed off about five or
14 six or eight items.

15 Q. Any attachments, and I don't want to put words in your
16 mouth, but any attachments or fixtures, would you agree with
17 that?

18 A. Any land improvements such as bins, grain bins, sheds,
19 we tried to exclude. I didn't want to double count.

20 Q. And they should be excluded?

21 A. Yes, sir.

22 Q. And if they're in there, they're in there by error?

23 A. That's correct.

24 Q. Were there any of those items of that nature that you
25 valued and may be attached to rented farm land that would

00175

Mark Hobbs - cross by Mr. Robinson

1 stay a part of that property? In other words, if they had
2 made an improvement to a piece of property they were simply
3 renting and put a shed on it or barn or something like that,
4 would that have been included in your schedules?

5 A. Everything that was on the depreciation schedules it
6 included, and if they have things that they do not have any
7 kind of interest in if they quit renting it, that would be
8 another adjustment.

9 Q. Now, part of your summary of Mr. Simpson's tax returns,
10 and I'm going to have to check the exhibit number because I
11 didn't write it on that one. The summary that was attached
12 to Plaintiff's exhibit forty, there is Nine Thousand Six
13 Hundred and Seventy Dollars in legal fees down at the bottom
14 right-hand corner. Do you see that?

15 A. Yes.

16 Q. Explain to me exactly what that means.

17 A. I just had that on there for my purposes, just for my
18 information. I noticed some legal fees, and I'm not sure if
19 they were deducted as a farm expense or not. I was trying to
20 consider whether that was operating or not. I'm not sure
21 whether it was deducted as legal fees.

22 Q. How did you treat that? Did you treat it as a
23 deduction?

24 A. I just reported it for information purposes. I think
25 the Judge can decide that and figure out whether it's an

00176

Mark Hobbs - cross by Mr. Robinson

1 expense or not.

2 Q. Have you added it back into the income?

3 A. I did add it back into the total funds available.

4 Q. And if these legal fees were not deducted on Mr.
5 Simpson's 2003 tax returns, why would you have added them
6 back as income?

7 A. If they were not deducted, then they probably should not
8 be added back.

9 Q. So if the 2003 tax return does not show the deduction of
10 Nine Thousand Six Hundred and Seventy Dollars for legal fees,
11 then it would be improperly added back?

12 A. Well, it depends on whether it's legal fees related to
13 that farm activity or whether it was really a personal
14 expense, and I just thought it was important. It looked like
15 it wasn't a normal farm operating expense, and I thought it
16 should be highlighted for the Court to see.

17 Q. Okay. So that should be adjusted?

18 A. That would be a question mark about that.

19 Q. That's not anything you're concerned about. That's just
20 there for information purposes?

21 A. That's why I put it there.

22 Q. Let me hand you the profit or-loss farming page from
23 Plaintiff's exhibit seven of Mr. Simpson's 2003 income tax
24 return. Can you look over that page, and is that where it
25 would be proper to deduct the Nine Thousand Six Hundred and

Mark Hobbs - cross by Mr. Robinson

1 Seventy Dollars for legal fees if they were going to be
2 deducted? Would they be listed on that page?

3 A. They probably would be -- I don't really believe
4 that's' related to a farm expense. So probably it relates --
5 you're right, and that probably would be an itemized
6 deduction. I don't think it's been deducted.

7 Q. You have reviewed this 2003 tax return, and you don't
8 see anywhere on there where he's deducted that expense?

9 A. Not that I recall seeing.

10 Q. Okay. So based on your earlier testimony, you can
11 actually take that number off the bottom number of your
12 figure, because you added it in?

13 A. That's correct.

14 Q. You added it in so it would need to be taken off?

15 A. That's right.

16 Q. Now, the Fifty Thousand Two Hundred and Fifteen Dollars
17 in miscellaneous expenses and you believed it was on the
18 general ledger as income to the son, or at least that's what
19 you thought it was, and you have added that back in as well
20 to Mr. Simpson's income?

21 A. Well, we've got a lot of discussion here whether Mr.
22 Simpson, Jr. was working for free in order to get this
23 interest in this LLC when he's obviously been paid that. And
24 that's just presented for the Court's information. That's
25 really up to the Court to decide.

00178

Mark Hobbs - cross by Mr. Robinson

1 Q. How much is that?

2 A. Mortgage interest of Two Thousand Eight Hundred and
3 Forty-seven Dollars and other interest of Eight Thousand
4 Seven Hundred and Twenty Dollars.

5 Q. That's an interest expense?

6 A. That is correct.

7 Q. And that's on the tax return but not noted in the
8 general ledger?

9 A. That is correct.

10 Q. Is there any depreciation in the general ledger that you
11 recall?

12 A. Depreciation estimated account is zero in the general
13 ledger.

14 Q. Okay. What about on the tax return?

15 A. I remember there is a depreciation expense on the tax
16 return.

17 Q. Is there any adjustment, and I'm not going to make you
18 go through that if you recall it, but is there any
19 adjustments on the general ledger by Al Gibbons to adjust
20 asset or debt accounts?

21 A. Not that I can tell.

22 Q. From an accounting standpoint, is it possible the
23 general ledger is prepared to assist the preparation of
24 Schedule F farming activities and to give a balance sheet or
25 financial statement type information?

Mark Hobbs - cross by Mr. Robinson

1 over there numbering every one of these exhibits.

2 BY MR. ROBINSON: Well, I was, Your Honor. But Mr.
3 McKenzie grabbed a couple of them. He intercepted a couple
4 of them, and I didn't get to write the number on them.

5 BY MR. MCKENZIE: I'm just sitting here minding my own
6 business, Judge.

7 BY THE COURT: All right, let's go.

8 BY MR. WARNER: I think it's Plaintiff's thirteen or
9 fourteen.

10 BY THE COURT: I think that's Plaintiff's thirty-three
11 that he's looking for. When you find that folder, Mr.
12 Robinson, write Plaintiff's thirty-three on it.

13 BY MR. ROBINSON: Okay.

14 CONTINUED BY MR. ROBINSON:

15 Q. All right, Plaintiff's thirty-three, which is 2002 and
16 2003 general ledgers of Billy Simpson Farms, and that's what
17 it's titled, and can you look through there and see if in
18 fact there is interest expense?

19 A. There is no interest expense reported in this 2003
20 general ledger.

21 Q. Let me hand you a copy of Plaintiff's exhibit seven,
22 specifically the 2003 tax return, and it's not stapled, but
23 can you look in there and see if there's any interest expense
24 on the tax return?

25 A. Yes, there is.

Mark Hobbs - cross by Mr. Robinson

1 Q. So again if that was added in, that's simply one way of
2 calculating it, and that's not your absolute determination
3 that that's the way it should be, and that's just for
4 information purposes?

5 A. That's a decision for the Court to make.

6 Q. For the Court to make, okay. Now, have you seen the
7 document that was introduced, the farming agreement, and we
8 have it listed as Defendant's thirteen, Your Honor, but it
9 may have come in as the Plaintiff's exhibit. I'm not sure.

10 BY THE COURT: Defendant's thirteen.

11 Q. The agreement dated March 31, 1989, have you had an
12 opportunity to review that document?

13 A. Yes, I've read this document.

14 Q. Okay, now, based on some of the transactions or the
15 expenses you have noticed, would those be inconsistent and
16 I'm talking about the transfers, etcetera, and would those be
17 inconsistent to this operating agreement between Mr. Simpson,
18 Sr. and Mr. Simpson, Jr.?

19 A. I've only seen payments to Simpson, Jr. for two years.
20 I don't know if it happened before then. I don't know if it
21 happened since 1989. I don't have the information on that.
22 I don't have the answer to that. I know that from that
23 agreement it looks like he's going to get an interest from
24 working free labor and a certain amount of allowance it looks
25 like. I don't know how long it's supposed to last. It

Mark Hobbs - cross by Mr. Robinson

1 doesn't really address that.

2 Q. What two years was that you saw payments?

3 A. On the general ledger for 2002 and 2003.

4 Q. For 2002 and 2003, so the exhibit, Plaintiff's exhibit
5 forty-two, which is the 2001 Farmer of the Year Expo
6 application states that Mr. Simpson, Jr. and Sr. own an LLC
7 together and farm twenty-three hundred and fifty acres. And
8 after that you show the income to Mr. Simpson, Jr., and would
9 that lead you to any conclusions?

10 A. No, I'm not sure what they were doing. I'm not sure I
11 understand the plan.

12 Q. From an accounting standpoint, would it be reasonable if
13 this agreement had been fulfilled by 2001 and after that
14 application lists that Jr. was for lack of a better term
15 fully vested, and in 2002 and 2003 he was receiving wages?

16 A. That's possible.

17 Q. Okay. Let me ask you this. Is there any interest
18 expense noted on the general ledger that you reviewed for
19 2002 and 2003?

20 A. I can't recall.

21 Q. Do you need to look at it?

22 A. Yes, I can look at it and see if there is. And I might
23 need to get the exhibit. Mine have gotten kind of mixed up.

24 Q. Join the club.

25 BY THE COURT: Mr. Robinson, I thought you were sitting

Mark Hobbs - cross by Mr. Robinson

1 A. As I said earlier, I think it was used primarily to
2 assist in accumulating the cash activities, the cash ins and
3 the outs.

4 Q. So everything that shows on his tax return may not
5 necessarily be on there because of the way that it was
6 handled or prepared?

7 A. That's correct.

8 Q. That doesn't necessarily indicate that it was done
9 improperly, but it was just done by a different method?

10 A. That's correct.

11 Q. Are you aware, or have you seen any financial statements
12 prepared by Mr. Gibbons?

13 A. No.

14 Q. Is it possible that based on that information that you
15 have already told me about in the general ledgers that the
16 accountant preparing Mr. Simpson's tax returns would need to
17 make certain adjustments in order for the general ledger to
18 be used to produce a financial statement?

19 A. That's very probable. That's an accurate statement.

20 Q. You're not aware of the accountant preparing any
21 financial statements or anything of that nature?

22 A. No, I am not.

23 Q. So based on that and the way this general ledger is
24 prepared, and in reasonable accounting terms, is it possible
25 that the accountant is basically extracting income from it?

00181

Mark Hobbs - cross by Mr. Robinson

1 A. Yes. That's right. That's what I tried to say a little
2 earlier. They're just using the general ledger to keep track
3 of the ins and outs.

4 Q. And there's nothing illegal about that?

5 A. No, there's nothing illegal about it.

6 Q. It's just not as thorough as you might recommend if they
7 had been your client?

8 A. That's correct.

9 Q. Is that true about a lot of the inconsistencies or the
10 differences that you noted that doesn't necessarily provide
11 you with any proof of any wrongdoing, but it's just things
12 that you would not normally do or recommend to your clients?

13 A. Well, the American Institute of CPA's puts out a fraud
14 risk alert and things we're supposed to be alert for,
15 especially after ENRON and all the financial crises we've
16 had. And inaccurate financial records is supposed to
17 increase our awareness as auditors and accountants for
18 potential fraud.

19 Q. Now, you had testified earlier that you prepare tax
20 returns and do accounting work for several farmers. Is that
21 correct?

22 A. I do.

23 Q. Do they all keep meticulous and accurate records?

24 A. No. Some of them aren't too different from Mr.
25 Simpson's. I won't say that all of them keep meticulous

00182

Mark Hobbs - cross by Mr. Robinson/redirect by Mr. Warner

1 records. Some of -- I'm not saying that's unusual. But
2 when you're in a conflict situation, it gives cause to
3 whether -- you know.

4 Q. But you have personally dealt with clients who prepare
5 or keep records similar to this, and there's no fraud going
6 on to your knowledge in those cases. Is that correct?

7 A. Well, I haven't made that determination.

8 Q. Do you have clients you represent and you have not
9 determined whether or not they are committing fraud?

10 A. No. That's a legal definition. I can't make that
11 determination. I have some clients that sometimes when they
12 keep records like this it makes me wonder whether or not
13 they're trying to keep something from me. Sometimes I think
14 that. And I won't sign the return if I know it.

15 Q. And they're farming clients?

16 A. Yes, sir, that's correct.

17 Q. Okay. I don't have any other questions, Your Honor.

18 BY THE COURT: Redirect?

19 REDIRECT BY MR. WARNER:

20 Q. Mr. Hobbs, the wages that he's talking about paying to
21 Simpson, Jr., I just want to make sure we're talking about
22 the same things. Do you see any wages paid in the general
23 ledger or tax return to Simpson, Jr.?

24 A. Well, I wasn't sure he used the word wages. I have seen
25 no wages paid to Bill Simpson, Jr. in any year from the farm.

00183

Mark Hobbs - redirect by Mr. Warner

1 Q. Have you seen compensation paid to Jr. from the farm?

2 A. Well, there are payments to him that we talked about in
3 2002 and in ---

4 Q. Taxable compensation, have you seen any evidence there
5 was compensation other than the receivables and the
6 miscellaneous?

7 A. Other than that, no.

8 Q. How would there be interest on the tax returns but not
9 on the general ledger?

10 A. The general ledger is just inaccurate.

11 Q. Inaccurate?

12 A. It's wrong. They just used the general ledger to keep
13 track of cash activities.

14 Q. Who did?

15 A. This client, this company.

16 Q. Who prepares the general ledger?

17 A. I'm not sure. We never asked that. I didn't have this
18 general ledger when we deposed Mr. Gibbons. I'm not sure who
19 prepares this document. I don't know.

20 Q. Do you prepare general ledgers for your clients?

21 A. We have some we assist them in preparing general
22 ledgers, and we have others who do it themselves.

23 Q. Have you ever turned out a product that looks like this?

24 A. Well, that makes me think that this may be internally
25 prepared. No, we wouldn't have something like this.

00184

Mark Hobbs - redirect by Mr. Warner

1 Q. If you filed a tax return for a farmer, would the
2 general ledger look like this?

3 A. We do have some farming clients that we use their
4 general ledger as a source of cash activity, but we maintain
5 a trial balance in our office that supports the chain between
6 the years. And I haven't seen that document yet.

7 Q. Is there a trial balance here that matches up between
8 the general ledger and the tax return?

9 A. I have not seen one.

10 Q. Is there any balance that matches up?

11 A. No. In essence the tax return is prepared from that
12 organizer sheet.

13 Q. If Mr. Simpson just gives Mr. Gibbons the checks at the
14 end of the year and gives him that form forty-three and
15 that's it, is that enough to prepare a tax return?

16 A. It is enough to prepare a tax return. And it does
17 appear that may be what's happening here.

18 Q. Is there any way to get any rhyme or reason out of what
19 is being done business-wise by doing it that way?

20 A. Well, there's nothing wrong with a business or farm
21 operation or sole proprietorship doing it that way. There's
22 nothing wrong with it. It's not illegal or anything.

23 Q. From the standpoint of tracking and following and
24 knowing what's going on, is there any way that you know that
25 we can figure out how cash and property is being put back

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FAX COVER SHEET

SEND TO: **PHONE NUMBER:** **FAX NUMBER:**
JAN L. WARNER 803-799-2517

FROM: **PHONE NUMBER:** **FAX NUMBER:**
Ginny Conyers for Steven McKenzie & Scott Robinson, Esquire (803) 435-2858

DATE: AUGUST 29, 2005

NUMBER OF PAGES (INCLUDING COVER SHEET): 1

COMMENTS:

Dear Carrie:

I have now had an opportunity to speak with my client and your client may retrieve her personal belongings on Sunday, September 25, 2005.

Sincerely yours,

COPY
Steven S. McKenzie

SSM:gpc
cc: Bill Simpson



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00186

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JAN L. WARNER 803-799-2517

FROM: **PHONE NUMBER:** **FAX NUMBER:**
Ginny Conyers for Steven McKenzie & Scott Robinson, Esquire (803) 435-2858

DATE: AUGUST 31, 2005

NUMBER OF PAGES (INCLUDING COVER SHEET): 1

COMMENTS:

Dear Carrie:

I have now had an opportunity to speak with Mr. Simpson about your client retrieving her personal belongings and Mr. Simpson has agreed to box up Ms. Simpson's remaining personal items and have them delivered to either our office or another destination of Ms. Simpson's choosing for her to pick up.

Sincerely yours,


Steven S. McKenzie

SSM:gpc

cc: Bill Simpson

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0018'

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FROM:

PHONE NUMBER:

FAX NUMBER:

Ginny Conyers for Steven McKenzie & Scott Robinson, Esquire (803) 435-2858

DATE: SEPTEMBER 7, 2005

NUMBER OF PAGES (INCLUDING COVER SHEET): 1

COMMENTS:

Dear Jan:

Mr. Simpson has no problem getting Ms. Simpson her personal items (i.e., make-up, clothing, shoes) which still remain in the storage building at the former marital home, however, any furniture and the like that remains at the home is still considered marital property and will be divided at a final hearing .

Sincerely yours,

COPY

Steven S. McKenzie

SSM:gpc

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00188

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FAX COVER SHEET

SEND TO: **PHONE NUMBER:** **FAX NUMBER:**
CARRIE L. WARNER 803-799-2517

FROM: **PHONE NUMBER:** **FAX NUMBER:**
Ginny Conyers for Steven McKenzie & Scott Robinson, Esquire (803) 435-2858

DATE: SEPTEMBER 28, 2005

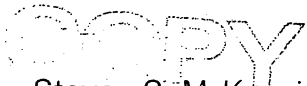
NUMBER OF PAGES (INCLUDING COVER SHEET): 1

COMMENTS:

Dear Carrie:

Should Ms. Simpson be concerned that my client will not include all of her personal belongings in the items in which he agreed to box up, I would suggest that she submit a list of personal belongings in which she would like to have. I will have Mr. Simpson box up these items and make them available to Ms. Simpson at our office or at another location of her choosing.

Sincerely yours,


Steven S. McKenzie

SSM:gpc

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00189

JOHNSON, MCKENZIE & ROBINSON, LLC

ATTORNEYS AT LAW
16 NORTH BROOKS STREET
MANNING, SOUTH CAROLINA 29102

WILLIAM H. JOHNSON
STEVEN S. MCKENZIE
SCOTT L. ROBINSON

TELEPHONE:
(803) 435-0909
FACSIMILE:
(803) 435-2858

FAX COVER SHEET

SEND TO:

PHONE NUMBER:

FAX NUMBER:

CARRIE L. WARNER

803-799-2517

FROM:

PHONE NUMBER:

FAX NUMBER:

Ginny Brown for Steven McKenzie & Scott Robinson, Esquire

(803) 435-2858

DATE: OCTOBER 14, 2005

NUMBER OF PAGES (INCLUDING COVER SHEET): 2

COMMENTS:

Dear Carrie:

On January 7, 2005, the parties were before Judge Marion D. Myers wherein he issued a Temporary Order of the court. This order allowed Ms. Simpson to return to the marital home to retrieve her personal items. During the first of February (unsure of approximate date) Ms. Simpson returned to the home and retrieved some of her personal things. Deputy Tommy Brewer was present. Again on April 9, 2005 Ms. Simpson returned to the former marital home to retrieve more personal items. Deputy Brewer was present at this time as well. There were several time Ms. Simpson has returned to the home when a deputy hasn't been present. In fact on one of these occasions she set off the security alarm in the home. It wasn't until when the incident with the alarm occurred did Ms. Simpson begin to coordinate her retrieval of personal items through the attorney's offices.

Ms. Simpson simply cannot continue returning to the former marital home on her every whim and desire. Our concern is that Ms. Simpson wishes to return to the home to get things that aren't personal as has been done in the past. If Ms. Simpson simply can not list out the items in which she wishes to retrieve it only solidifies the fact that Ms. Simpson has intentions of retrieving items that are not of a personal nature.

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00190

Mr. Simpson again reiterates his offer to box up the personal items of Ms. Simpson and deliver them to a place of Ms. Simpson's choosing.

Sincerely yours,


Steven S. McKenzie

SSM:gpb

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00191

JOHNSON, McKENZIE & ROBINSON, LLC

ATTORNEYS AT LAW
16 NORTH BROOKS STREET
MANNING, SOUTH CAROLINA 29102

WILLIAM H. JOHNSON
STEVEN S. MCKENZIE
SCOTT L. ROBINSON

TELEPHONE:
(803) 435-0909
FACSIMILE:
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FAX COVER SHEET

SEND TO:	PHONE NUMBER:	FAX NUMBER:
CARRIE L. WARNER		803-799-2517

FROM:	PHONE NUMBER:	FAX NUMBER:
Ginny Brown for Steven McKenzie & Scott Robinson, Esquire		(803) 435-2858

DATE: October 28, 2005

NUMBER OF PAGES (INCLUDING COVER SHEET): 1

COMMENTS:

Dear Carrie:

Ms. Simpson's personal belongings have been packed and are ready to be delivered. Please advise as to a time and place where Mr. Simpson may deliver the same.

Sincerely yours,

COPY
Steven S. McKenzie

SSM:gpb

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00192

STATE OF SOUTH CAROLINA

COUNTY OF CLARENDON

Daisy Wallace Simpson,

☐ Plaintiff,

vs.

William R. Simpson, Sr., et al.,

☐ Defendants.

IN THE FAMILY COURT

BEULAH THIRD JUDICIAL CIRCUIT
CLERK OF COURT

CLARENDON CASE NO. 2003-DR-14-128

2005 FEB 17 AM 11 18

**MOTION INFORMATION FORM
AND COVER SHEET**

Plaintiff's Attorney:

Jan L. Warner/James T. McLaren Bar No.

Address: P.O. Box 2628

Columbia, SC 29202

Phone: 803.799.0554 Fax: 803.799.2517

E-mail: Other:

Defendant's Attorney:

Steven S. McKenzie/Scott L. Robinson Bar No.

Address: 16 N. Brooks Street

Manning, SC 29102

Phone: 803.435.0909 Fax: 803.435.2858

E-mail: Other:

☐ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I AND III)

☒ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III)

SECTION I: Hearing Information

Nature of Motion:

Estimated Time Needed:

Court Reporter Needed: ☐ Yes ☐ No

SECTION II: Motion Type

☐ Written motion attached

☒ Form Motion - -

I hereby move for relief or action by the court as set forth in the attached proposed order.

Signature of Attorney for ☐ Plaintiff / ☐ Defendant

Date Submitted

SECTION III: Motion Fee

☐ PAID - AMOUNT: _____

☒ EXEMPT: ☐ Rule to Show Cause in Child or Spousal Support

(check reason) ☐ Domestic Abuse or Abuse and Neglect

☐ Indigent Status

☐ State Agency v. Indigent Party

☐ Sexually Violent Predator Act

☐ Post-Conviction Relief

☐ Motion for Stay in Bankruptcy

☐ Motion for Publication

☐ Motion for Execution (Rule 69, SCRPC)

☒ Proposed order submitted at request of the court; or,
reduced to writing from motion made in open court per judge's instructions

Name of Court Reporter: Deborah Thomas

☐ Other:

JUDGE'S SECTION

☐ Motion Fee to be paid upon filing of the
attached order.

☐ Other: _____

JUDGE

CODE:

Date:

CLERK'S VERIFICATION

Date Filed: _____

Collected by: _____

☐ MOTION FEE COLLECTED: _____

☐ CONTESTED - AMOUNT DUE: _____

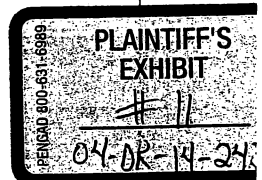
**CERTIFIED TRUE COPY
OF ORIGINAL FILED IN THIS OFFICE**

DATE

Beulah B. Roberts

CLERK OF COURT

CLARENDON COUNTY, SC



STATE OF SOUTH CAROLINA
COUNTY OF CLARENDON
DAISY WALLACE SIMPSON,

Plaintiff,

vs.

WILLIAM ROBERT SIMPSON, SR.
individually and as shareholder/
member of Simpson Farms, L.L.C.
and WILLIAM R. SIMPSON, JR., as a
shareholder/member of
Simpson Farms, L.L.C.

Defendants.

IN THE FAMILY COURT FOR
THE THIRD JUDICIAL CIRCUIT

DOCKET NO.: 2003-DR-14-128

ORDER REGARDING
ATTORNEY'S FEES

BEULAH G. ROBERTS
CLERK OF COURT
CLARENDON COUNTY, SC
2005 FEB 17 AM 11 18

DATES OF HEARINGS:

July 7, 8, & 9 2004
September 29 & 30, 2004
October 22 & 26, 2004
February 4, 2005

TRIAL JUDGE:

R. Wright Turbeville

PLAINTIFF'S ATTORNEYS:

James T. McLaren
Jan L. Warner

DEFENDANTS' ATTORNEYS:

Steven S. McKenzie
Scott L. Robinson

Simpson, Sr., Simpson, Jr., &
Simpson Farms, LLC

COURT REPORTERS:

Carol Hanna, Janice Hinds,
Crystal Jackson & Deborah Thomas
(In Order)

The issue now before the Court is the Plaintiff's request for attorney's fees and costs. Neither Defendant seeks attorney's fees and costs, but both take the position that the Plaintiff should be responsible for her own fees and costs. The Court notes that while Simpson, Jr. was successful in defending the transfer of certain property into the LLC, he seeks no reimbursement for his fees and costs. However, the Court of Appeals has held that beneficial results obtained are only one of several factors to be considered by the family court in deciding whether or not to award fees. Wooten vs. Wooten, 358 S.C. 54, 594 S.E. 2d 854 (Ct. App. 2003).

00194

The Plaintiff asserts that the grand total of her fees and costs is \$361,220.97. Of that total, \$51,000.00 are charges by Beth Lindhart, and \$23,458.88 are charges by Mark Hobbs. \$61,300.00 are 153.25 hours billed by James T. McLaren at \$400.00 per hour, and \$172,540.00 are 431.35 hours billed by Jan L. Warner at \$400.00 per hour. \$11,420.00 are 57.10 hours of associate attorney time at \$200.00 per hour. There are 179.95 paralegal hours billed at \$100.00 per hour (total \$17,995.00), and the balance is reflected as costs.

In deciding whether to award attorney's fees, the family court should consider: (1) the parties' ability to pay their own fees; (2) the beneficial results obtained by counsel; (3) the respective financial conditions of the parties; and (4) the effect of the fee on each party's standard of living. *E.D.M vs. T.A.M.*, 307, S.C. 471, 415 S.E. 2d 812 (1992); *Shirley v. Shirley*, 342 S.C. 324, 536 S.E. 2d 427 (Ct. App. 2000). Our Supreme Court has identified the following factors for determining a reasonable attorney's fee: (1) the nature, extent, and difficulty of the case; (2) the time necessarily devoted to the case; (3) the professional standing of counsel; (4) contingency of compensation; (5) beneficial results obtained; and (6) customary legal fees for similar services. *Glasscock v. Glasscock*, 304 S.C. 158, 403 S.E. 2d 313 (1991). *Lache v. Lache*, (Court of Appeals Opinion No. 3920, Heard December 7, 2004, Filed January 10, 2005).

FACTORS CONSIDERED IN WHETHER TO AWARD A FEE

1. **The parties ability to pay their own fees:** The Plaintiff is a licensed real estate agent. She has the ability to earn at least \$30,000.00 per year, and her earning capacity is more likely to improve than is that of Simpson, Sr.

While Simpson, Sr. has the ability to earn \$150,000.00 per year, his farming operation will be affected by the in kind division of property. Simpson, Sr. offered no

evidence as to what this effect would be, and the Court will not speculate on that effect.

Of a total marital estate of \$2,327,654.00, the Plaintiff will receive \$784,055.00 and the Defendant will receive \$1,543,599.00. The Plaintiff is to receive \$244,904.00 in cash from Simpson, Sr. and \$83,442.00 in the Edward R. Jones account. While Simpson, Sr. receives almost twice the property of the Plaintiff, the assets he receives, with few exceptions, are not liquid.

In addition, the Plaintiff will receive and Simpson, Sr. will pay \$1,000.00 per month in alimony.

While Simpson, Sr. earns substantially more than the Plaintiff, she will receive assets out of which she can pay fees, \$328,346.00 of which are in cash or liquid accounts.

2. **The beneficial results obtained by counsel:** The Plaintiff failed to prevail on the issue of bringing her son's share of the LLC back into the marital estate. The Court has considered all of the factors set forth herein and concluded that the son should not be required to contribute to his mother's fees.

While the Plaintiff prevailed on the issue of permanent, periodic alimony, she did not receive the amount of alimony she sought nor did she receive any retroactive increase in alimony.

The Plaintiff prevailed to a great extent on the identity and valuation of the marital estate (except as to inclusion of the son's share of the LLC). The Plaintiff prevailed on the issue of transmutation of the marital home.

The Plaintiff received approximately 34% of the total marital estate which is less than the 50% she sought.

The Plaintiff failed in her effort to have Simpson, Sr. and his banker, Mr. Jonte, held in contempt of court.

The Court found the Plaintiff's earning ability and annual income to be more than she claimed on her financial declaration.

Simpson, Sr. did not prevail in his desire to deny the Plaintiff all alimony or in his identification and valuation of the marital estate, including his effort to exclude the marital home.

On May 14, 2004, the Plaintiff offered to settle for \$3,750.00 per month retroactive alimony (with a formula for some reduction depending upon cash she received in equitable division), 50% of all marital assets (no value set forth in offer), health insurance on the Plaintiff, and \$75,000.00 attorney's fees and costs.

On May 21, 2004, the Defendants responded claiming assets of \$1,107,700.00, debts of \$646,831.00, with net assets of \$460,869.00. They offered \$1,000.00 per month for ten (10) years (\$120,000) towards marital property plus \$8,000.00 per year for ten (10) years (\$80,000), no attorney's fees and no alimony.

On July 8, 2004, the Plaintiff offered to settle for \$750,000.00 cash payment within thirty (30) days, \$2,000.00 per month alimony, with the Wife paying her own fees and costs.

00197



In a July 13, 2004 letter Plaintiff restated the above agreement as well as her willingness to accept \$900,000 tax free (\$400,000 to \$500,000 up front with the balance paid over 7-10 years), no alimony and no attorney's fees.

All offers by the Plaintiff required a total cash payment with very little in kind division.

On July 7, 2004, the Defendants offered to settle for \$825,000.00 paying \$25,000.00 within thirty (30) days, \$75,000.00 at \$7,500.00 per year over ten (10) years and two pieces of property which the Plaintiff's expert valued at \$725,000.00. The Plaintiff in her attorney fee affidavit failed to mention this offer by the Defendant.

It appears to the Court that at that point the parties were fairly close in value, the Plaintiff wanting \$750,000.00 plus \$2,000.00 per month in alimony or \$900,000.00 with no alimony, and the Defendants offering \$825,000.00 mostly in property and no alimony.

Under the facts of this case, considering the nature of the property involved, it was unreasonable for the Plaintiff to demand an all cash settlement. The Plaintiff could be awarded some parcels of property, as the Court ultimately did, without running the risk of leaving her in business with the Defendants. The land in question is severable from the farming operation.

Likewise, it was unreasonable for Simpson, Sr. not to offer some alimony and/or a larger up front cash payment.

00198 On June 6, 2004, Mr. McKenzie wrote the Plaintiff's attorney confirming the fact that the Defendants offered to mediate and the Plaintiff's attorney refused. Even though



the letter indicated Plaintiff's attorney said no counteroffer would come, the Court notes that in July 2004 other offers were made by both parties.

In July 2004, the parties were only \$75,000.00 apart in their offers; the Court is not aware of either party exploring other settlement options after that point.

3. **The respective financial conditions of the parties:** The Plaintiff's annual income is substantially less than that of Simpson, Sr., and the total value of her property is slightly more than one-half that of Simpson, Sr. However, a greater portion of her assets are liquid than those of Simpson, Sr. Either party will have to borrow some money to pay fees, but both will receive property which could be used to secure such a loan.

This factor was discussed more fully in Number 1 above.

4. **The effect of the fee on each party's standard of living:** Any fee required to be paid by Simpson, Sr. will have to be borrowed by him adding more debt to his operation. He is already required to make a substantial cash payment to the Plaintiff.

The Plaintiff would have to use up all of available cash and/or sell some of her property to pay her fees. This event would reduce the availability of those funds and/or income from her property which she could otherwise apply to her living expenses.

FACTORS CONSIDERED IN DETERMINING A REASONABLE FEE

00199

1. **The nature, extent, and difficulty of the case:** The Court begins by acknowledging that the valuation of a family farming operation is a difficult process. As W.C.

Coffey, Jr., long-time Clarendon County attorney, indicated in his testimony, much of it has to do with just the customary way family farmers do business.

The process is made easier and less expensive by the free exchange of information. In this case, the process was made more difficult by Simpson, Sr.'s failure to respond timely and fully to discovery requests.

The Plaintiff's first set of interrogatories were served January 19, 2004. The Defendants' Answers are dated April 2, 2004. Of thirty-two (32) questions, "this information is not available at this time" was given as an answer to ten (10). Question 16 asked for certain specific information regarding real property, and the answer was: "Enclosed please find copies of all real estate titles in our possession, all farm equipment titles will be made available prior to hearing".

Question 15 regarding financial records received the same general answer in spite of having asked for specific information regarding each account.

The Court believes Simpson, Sr. could have simplified matters, and possibly strengthened his own position, if he had presented a concise schedule of all real property, personal property, and debts (with supporting documents). While admittedly that requires a lot of work, that is precisely what litigation of this sort requires.

However, Ms. Lindhart's appraisal and schedule is admittedly incomplete and inaccurate. It is difficult for the Court to value that work at \$51,000.00 when it leaves so many questions regarding property unanswered.

00200



Also, by July 6, 2004, an affidavit by Mary Gales in Defendants' attorney's office indicates that person's in Plaintiff's attorney's office indicated they had all the documents they had requested. The Court notes that the first day of trial was July 7, 2004.

2. **Time necessarily devoted to the case:** Lack of responsiveness in discovery certainly increases the amount of time required by attorneys or paralegals. While it is unclear exactly how much additional time was required as a result of Defendants slow and incomplete discovery responses, it is clear that conduct increased the time required by Plaintiff's counsel and experts.
3. **Professional standing of counsel:** It is undisputed that both attorneys for the Plaintiff are well respected domestic lawyers in South Carolina.
4. **Contingency of compensation:** The Plaintiff has received enough property that she could pay her attorney's fees, but it would deplete her equitable division award by about 50%. Her equitable division award was a factor considered by the Court in the award of alimony and that effect must be considered in determining attorney fees.
5. **Beneficial results obtained:** Discussed in detail above.
6. **Customary legal fees for similar services:** Both of Plaintiff's attorneys are billing at \$400.00 per hour. Their associate attorneys are billing at \$200.00 per hour. The paralegals are billing at \$100.00 per hour. J. Mark Taylor's affidavit asserts that these rates are comparable to rates of other family law experts who regularly take cases and try them in the Third Judicial Circuit as well as neighboring circuits.

00201

Based on the testimony of Ray E. Chandler, W.C. Coffey, Jr., and experience, I find that customary fees for similar work in this area is \$185-\$250 per hour. Hourly fees that exceed this amount in this area are unusual rather than customary.

Litigants are entitled to employ lawyers of their choice...and they are entitled to employ any number of lawyers they so choose. The Court is not bound by the contract between the Plaintiff and her lawyers, and one important factor to be considered in determining legal fees is customary legal fees for similar services. However, that is only one factor among many to be considered by the Court.

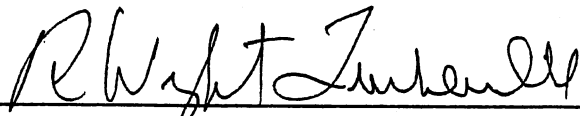
Considering and weighing all factors set forth above, I conclude that the Plaintiff is entitled to some contribution toward her attorney's fees. I find that in addition to the fees awarded at the temporary hearing, an additional contribution of \$85,000.00 would be reasonable.

IT IS THEREFORE ORDERED that the Defendant W. R. Simpson, Sr. pay to the Plaintiff the sum of \$85,000.00 within thirty (30) days of the date of this Order as a contribution towards her attorney's fees.

AND IT IS SO ORDERED.

At Chambers:

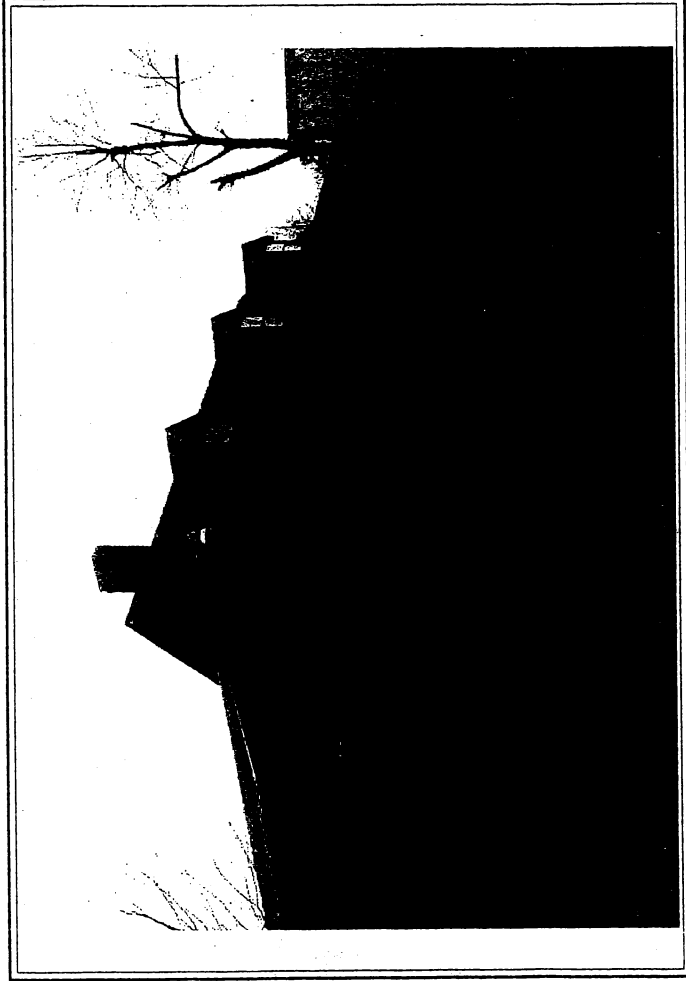
February 17, 2005



R. Wright Turbeville
Family Court Judge
Third Judicial Circuit

00202

APPRAISAL OF



LOCATED AT:

5145 Heritage Road (2052 Billie Road)
Manning, SC 29102

FOR:

Judge Jeff Young
108 North Magnolia Stgreet
Sumter, South Carolina 29150

BORROWER:

Simpson Vs. Simpson

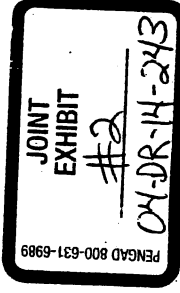
AS OF:

August 24, 2004

BY:

W. Burke Watson, Jr.
CG#341

RECEIVE
2006 FEB 13 PM
WP & B. L.
ELDERLAW SE
OF SC. P.



204

Watson Appraisal Services
772 West Liberty Street, Sumter, SC 29150

File No. 2052Her

February 8, 2006

Judge Jeff Young
108 North Magnolia Street
Sumter, South Carolina 29150

File Number: 2052Her

Dear Judge Young,

In accordance with your request, I have personally inspected and appraised the real property at:

5145 Heritage Road (2052 Billie Road)
Manning, SC 29102

The purpose of this appraisal is to estimate the market value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the estimated market value of the property as of August 24, 2004 is:

\$140,000
One Hundred Forty Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final estimate of value, descriptive photographs, limiting conditions and appropriate certifications.

Please call me if I can be of further assistance in anyway.

W. Burke Watson, Jr.

W. Burke Watson, Jr.
CG#341

00204

50

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. 2052Her

Property Address 5145 Heritage Road (2052 Billie Road) City Manning State SC Zip Code 29102

Legal Description PB2001-151, DB796-1087 County Sumter

Assessor's Parcel No. 258-00-01-016 Tax Year 2004 R.E. Taxes \$ 1,016.34 Special Assessments \$ N/A

Borrower Simpson Vs. Simpson Current Owner William R. Simpson, Jr. Occupant: ☒ Owner ☐ Tenant ☐ Vacant

Property rights appraised ☒ Fee Simple ☐ Leasehold Project Type ☐ PUD ☐ Condominium (HUDVA only) HOA\$ N/A /Mo.

Neighborhood or Project Name Rural Sumter County Map Reference 258-00 Census Tract 19.02

Sale Price \$ N/A Date of Sale N/A Description and \$ amount of loan charges/concessions to be paid by seller N/A

Lender/Client Judge Jeff Young Address 108 North Magnolia Street

Appraiser W. Burke Watson, Jr. Address 772 West Liberty Street, Sumter, SC 29150

Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input checked="" type="checkbox"/> Rural
Built up	<input type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input checked="" type="checkbox"/> Under 25%
Growth rate	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow
Property values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Demand/supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In balance	<input type="checkbox"/> Over supply
Marketing time	<input type="checkbox"/> Under 3 mos.	<input checked="" type="checkbox"/> 3-6 mos.	<input type="checkbox"/> Over 6 mos.
Predominant occupancy	<input checked="" type="checkbox"/> Owner 99	<input type="checkbox"/> Tenant 1	<input checked="" type="checkbox"/> Vacant (0-5%)
Single family housing PRICE \$(000)	15 Low	70 High	Predominant
Present land use %	One family	2-4 family	Commercial
Land use change	<input checked="" type="checkbox"/> Not likely	<input type="checkbox"/> In process	<input type="checkbox"/> Likely

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood boundaries and characteristics: North by Beulah Cuttino Road, west by Highway 15 South, south by Sumter-Clarendon County line, east Old Manning Road.

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):

Subject is located near the Clarendon County line in Sumter County. Area is mostly rural agricultural in nature. Houses and

manufactured dwellings are scattered throughout the area. Manning and Sumter are approximately nine and twelve miles away

respectively. Most residents shop in Sumter. Nearest fire department located in the Bethel area, 6 miles away. Children attend

schools in District No. 2.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time

-- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):

Supply and demand appear to be in balance. Sellers willing to pay limited closing costs and discount points for purchasers in this

market. Most homes will market within six months.

Project Information for PUDs (If applicable) -- Is the developer/builder in control of the Home Owners' Association (HOA)? ☐ YES ☒ NO

Approximate total number of units in the subject project N/A Approximate total number of units for sale in the subject project N/A

Describe common elements and recreational facilities: N/A

Dimensions 242.61 X 344.47 X 262.31 X 343.83

Site area 2.00 Acres

Specific zoning classification and description	Ag (Agriculture)
Zoning compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning
Highest & best use as improved:	<input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other use (explain)

Utilities	Public	Other	Off-site Improvements	Type	Public	Private
Electricity	<input checked="" type="checkbox"/> Underground	<input type="checkbox"/> Street	Dirt	<input type="checkbox"/> Curb/gutter	<input type="checkbox"/> None	<input checked="" type="checkbox"/> None
Gas	<input type="checkbox"/> Well-2"	<input type="checkbox"/> Septic Tank	<input type="checkbox"/> Street lights	<input type="checkbox"/> Alley	<input type="checkbox"/> None	<input type="checkbox"/> None
Water	<input type="checkbox"/> Sanitary sewer	<input type="checkbox"/> Storm sewer	<input type="checkbox"/> Storm sewer	<input type="checkbox"/> Storm sewer	<input type="checkbox"/> Storm sewer	<input type="checkbox"/> Storm sewer

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning, use, etc.): Site covered by county ordinances. From inspection and discussion with Mr. Simpson, normal utility easements to apply.

GENERAL DESCRIPTION	EXTERIOR DESCRIPTION	FOUNDATION	BASEMENT	INSULATION
No. of Units	1.00	Slab	Area Sq. Ft.	Roof
No. of Stories	1.50	Crawl Space	% Finished	Ceiling
Type (Det./All.)	Detached	Basement	Ceiling	Walls
Design (Style)	Country	Sump Pump	Walls	Floor
Existing/Proposed	Existing	Dampness	Floor	None
Age (Yrs.)	9 Yrs	Settlement	Outside Entry	Unknown
Effective Age (Yrs.)	9 Yrs	Infestation		
ROOMS	Foyer	Family Rm.	Bedrooms	Laundry
Basement	Living	Dining	# Baths	Other
Level 1	X	Combin	1	2
Level 2			3	1

Finished area above grade contains:	7 Rooms:	4 Bedroom(s):	3 Bath(s):	2,616 Square Feet of Gross Living Area
INTERIOR	Materials/Condition	HEATING	KITCHEN/EQUIP.	ATTIC
Floors	Hdw/Pine/Ave	Type	Refrigerator	None
Walls	Pine/PtSr/Ave	Fuel	Range/Oven	Stairs
Trim/Finish	Wood/Ave	Condition	Disposal	Drop Stair
Bath Floor	Vinyl/Cer Tile/Ave	COOLING	Dishwasher	Scuttle
Bath Walls/ceiling	Pine/Sr/Ave	Central	Fan/Hood	Floor
Doors	WdSolid&Mas/Ave	Other	Microwave	Heated
		Condition	Washer/Dryer	Finished

Additional features (special energy efficient items, etc.): Wood floors in family room, kitchen-dining, living room and master bath. Some pine walls throughout. No value placed on covered sitting and storage building. Not permanent in nature.

Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction remodeling/additions, etc.: Repairs

noted. See attachment. Estimated cost to cure-\$7,500. No measurable functional inadequacies noted at time of walk-thru. Subject

penalized for economic obsolescence for its rural location.

Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the

immediate vicinity of the subject property: No known detrimental environmental hazards or toxic materials noted on subject site or the

surrounding areas.

00205



UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. 2052Her

Valuation Section

ESTIMATED SITE VALUE..... = \$ 7,000
Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property):
Cost from Marshall and Swift Residential Handbook, market and local contractors. Site value based on the most recent land comparables available. See building sketch and square footage calculations. The remaining economic life of the building is 46 years. Age/life method used for depreciation and an economic penalty imposed for subject's rural location.

ESTIMATED REPRODUCTION COST-NEW OF IMPROVEMENTS:
Dwelling 2,616 Sq. Ft. @ \$ 65.00 = \$ 170,040
502 Sq. Ft. @ \$ 15.00 = 7,530
Deck = 2,457
Garage/Carport 856 Sq. Ft. @ \$ 5.00 = 4,280
Total Estimated Cost New = \$ 184,307
Less 55 Physical Functional External Est. Remaining Econ. Life: 46
Depreciation \$29,489 \$9,215 = \$ 38,704
Depreciated Value of Improvements = \$ 145,603
"As-is" Value of Site Improvements = \$ 2,000
INDICATED VALUE BY COST APPROACH..... = \$ 154,600

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
5145 Heritage Road Address Manning, SC	3485 Leach Sumter, SC (1820201032)	2311 Bethel Church Road Sumter, SC (2110001032)	2830 Sun Valley Drive Sumter, SC (2080103002)	
Proximity to Subject	10 Miles-NW	5 Miles-NW	6 Miles-NW	
Sales Price	\$ N/A	\$ 127,900	\$ 150,000	\$ 137,000
Price/Gross Liv. Area	\$ 0.00	\$ 72.18	\$ 73.53	\$ 62.27
Data and/or Verification Sources	Inspection Public Records	MLS/Appraiser's File Public Records	MLS/Appraiser's File Public Records	MLS/Appraiser's File Public Records
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing Concessions	Conventional No CC	Conventional No CC	Conventional No CC	Conventional No CC
Date of Sale/Time Location	8/24/2004 Rural	10/2/2003 Suburban-Rural	7/15/2004 Suburban	7/15/2004 Suburban
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	2.00 Acres	-10,000	-3,000	Lot
View	Farm property	Residential	Mixed	Residential
Design and Appeal	Country	LogHme-Ave	LogHme-Ave	MasoniteSdg-Ave
Quality of Construction	Log Sdg	Logs	Logs	Masonite
Age	9 Years	12 Years	+900	17 Yrs
Condition	Average	Average	-5,000	Average
Above Grade	Total: 7; 4: 3.00; Baths: 4	Total: 6; 3: 2.00; Baths: 3	Total: 6; 3: 2.50; Baths: 3	Total: 8; 4: 2.00; Baths: 4
Room Count	2,616 Sq.Ft.	1,772 Sq.Ft.	2,040 Sq.Ft.	2,200 Sq.Ft.
Gross Living Area	None	None	None	None
Basement & Finished Rooms Below Grade	None	None	None	None
Functional Utility	Average	Average	Average	Average
Heating/Cooling	EHP/Central	EHP/Central	EHP/Central	EHP/Central
Energy Efficient Items	Ins Wds	Ins Wds	Ins Wds	Ins Wds
Garage/Carport	Det-Carport	+2,000	No Carport	No Carport
Porch, Patio, Deck, Fireplace(s), etc.	CovPorDeck	-3,000	CovPorDKFen	CovPorPatFe
Fence, Pool, etc.	No Pool	No Pool	LgeBarn	-10,000
Fireplace	FP	FP	No Pool	Pool
Net Adj. (total)	[X] + [] - \$ 7,720	[X] + [X] - \$ 220	[X] + [X] - \$ 2620	[X] + [X] - \$ 2,620
Adjusted Sales Price of Comparable	Gross: 41.2% Net: 6.0%	Gross: 31.2% Net: -0.1%	Gross: 36.8% Net: -1.9%	Gross: 36.8% Net: -1.9%

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): No similar sales in the immediate area of subject property. All of the sales are located in Sumter. Sales 1 and 2 are located in restricted neighborhoods. All of the sales are superior to subject in location. Sales 1 and 2 are log homes. All of the sales exceeded normal guidelines as to gross adjustment. Sale No. 1 is just over a year old but did not present a valuation problem. Most emphasis placed on Sales 1 and 2.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source for prior sales within year of appraisal	None None Courthouse	None None Courthouse	None None Courthouse	None None Courthouse

Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: Subject is not for sale and has not transferred on the open market in the past three years. The last inspection date was January 23, 2006. The date of value is August 24, 2004.

INDICATED VALUE BY SALES COMPARISON APPROACH.....\$ 140,000
INDICATED VALUE BY INCOME APPROACH (If Applicable) Estimated Market Rent \$ N/A Mo. x Gross Rent Multiplier N/A = \$ N/A
This appraisal is made [X] "as is" subject to the repairs, alterations, inspections or conditions listed below subject to completion per plans and specifications.
Conditions of Appraisal: Appraiser assumes that home is free of termites or any other wood destroying pests.

Final Reconciliation: Most weight placed on the market data approach as it reflects on current trends between typical buyers and sellers in the marketplace. The Cost Approach supports. The income approach was not applicable on this single family residence.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/Fannie Mae Form 1004B (Revised 6-93).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF August 24, 2004 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 140,000

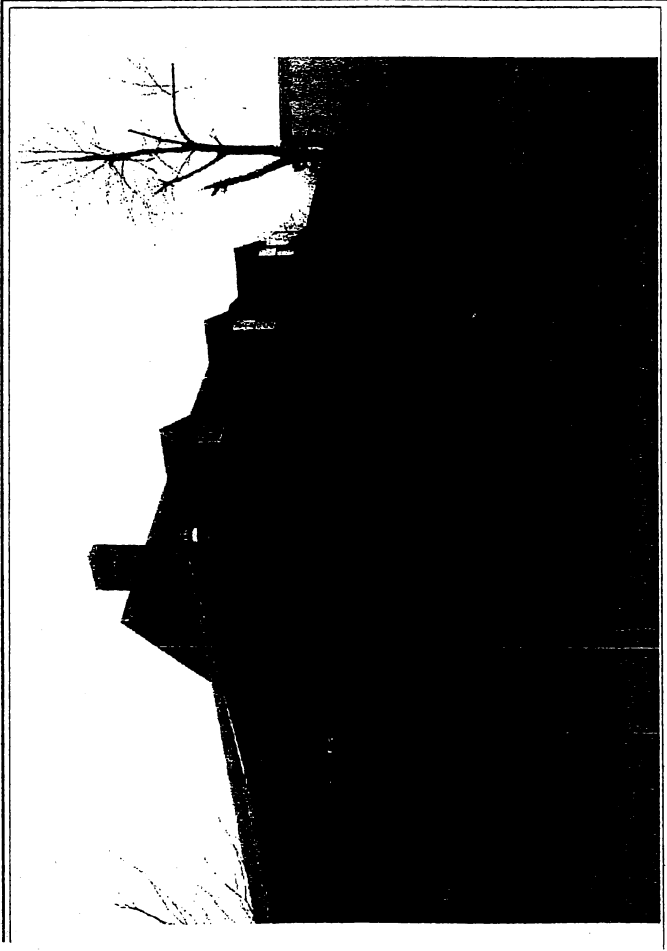
APPRaiser: *W. Burke Watson, Jr.*
Signature _____
Name W. Burke Watson, Jr.
Date Report Signed February 8, 2006
State Certification # CG#341
Or State License # _____
State SC
Or State License # _____
State

SUPERVISORY APPRAISER (ONLY IF REQUIRED):
Signature _____
Name _____
Date Report Signed _____
State Certification # _____
State

00206

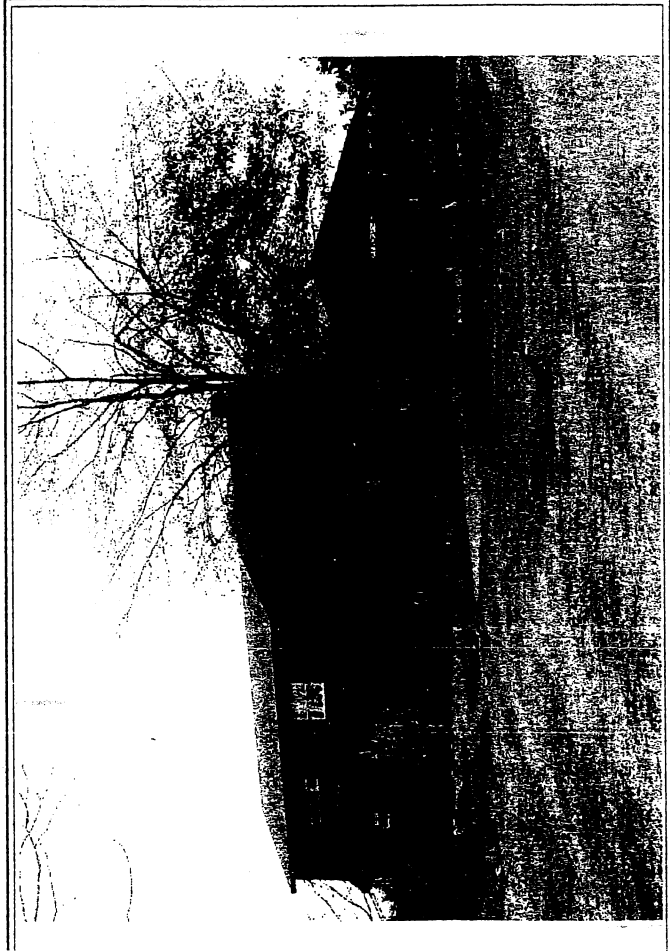
SUBJECT PROPERTY PHOTO ADDENDUM

Plaintiff: Simpson Vs. Simpson	File No.: 2052Her
Property Address: 5145 Heritage Road (2052 Billie Road)	Case No.:
Attorney: Y. Manning	State: SC
Judge: Judge Jeff Young	Zip: 29102

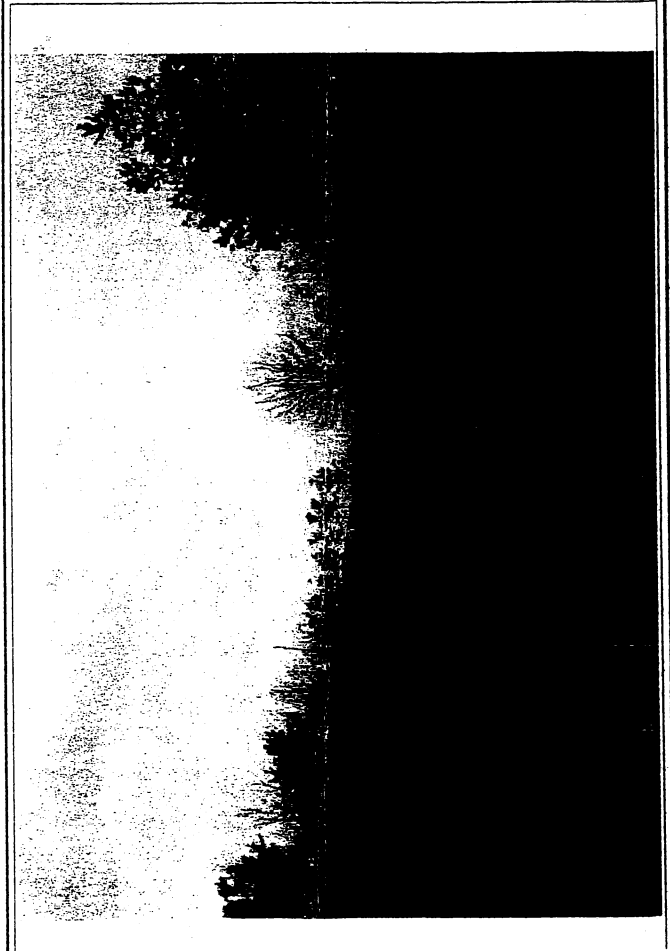


FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: August 24, 2004
Appraised Value: \$ 140,000



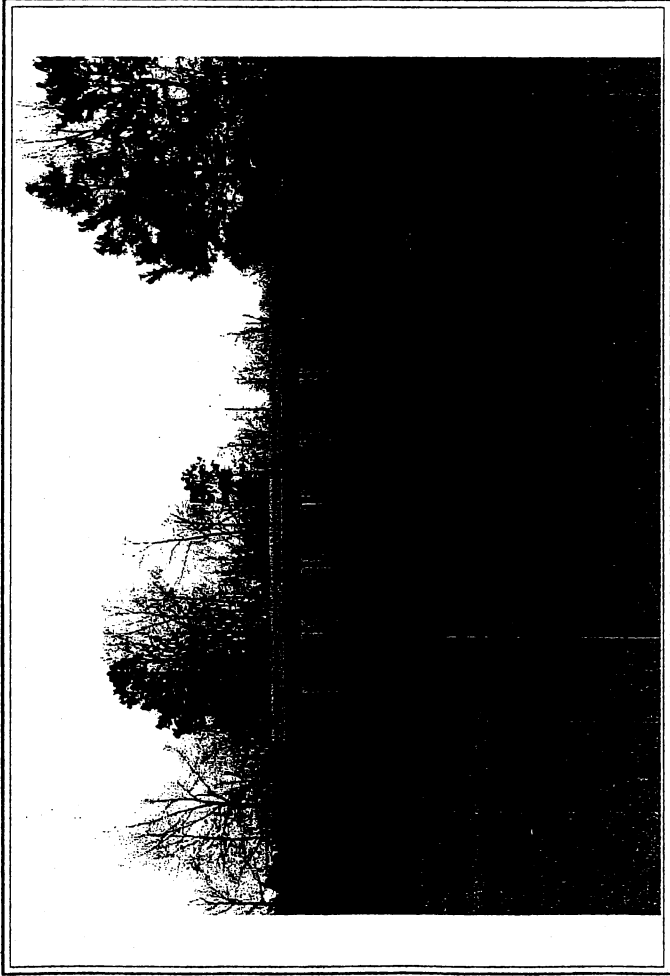
REAR VIEW OF
SUBJECT PROPERTY



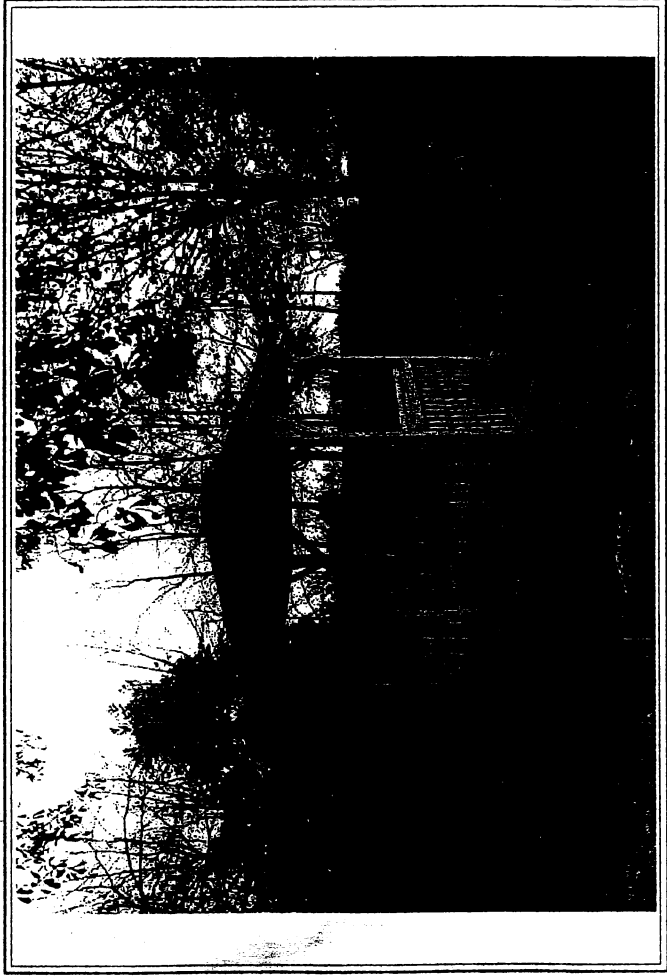
STREET SCENE

208

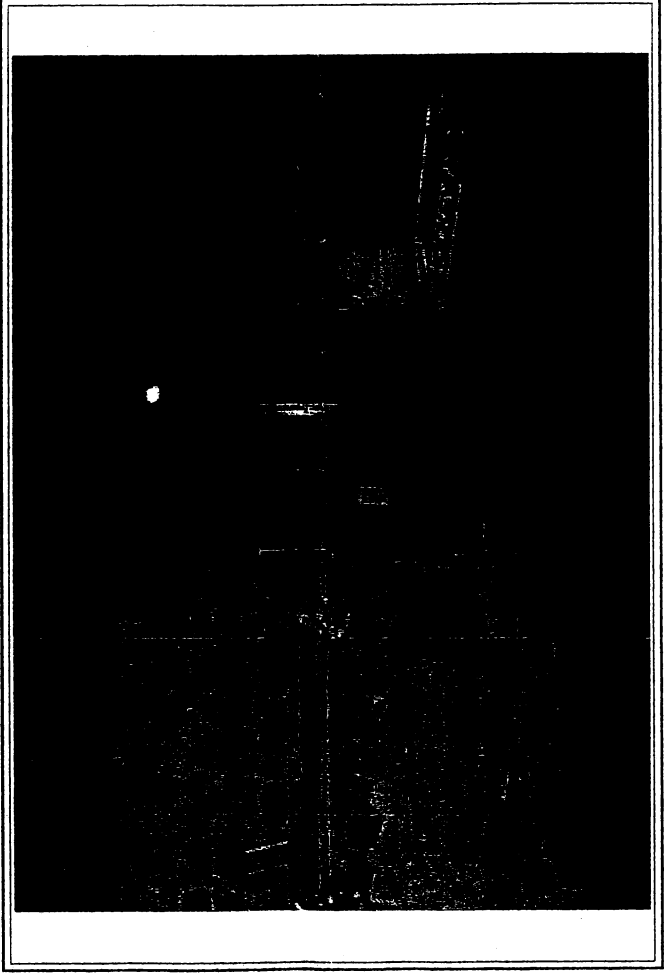
Borrower: Simpson Vs. Simpson		File No.: 2052Her
Property Address: 5145 Heritage Road (2052 Billie Road)		Case No.:
City: Manning	State: SC	Zip: 29102
Lender: Judge Jeff Young		



Storage building-no value



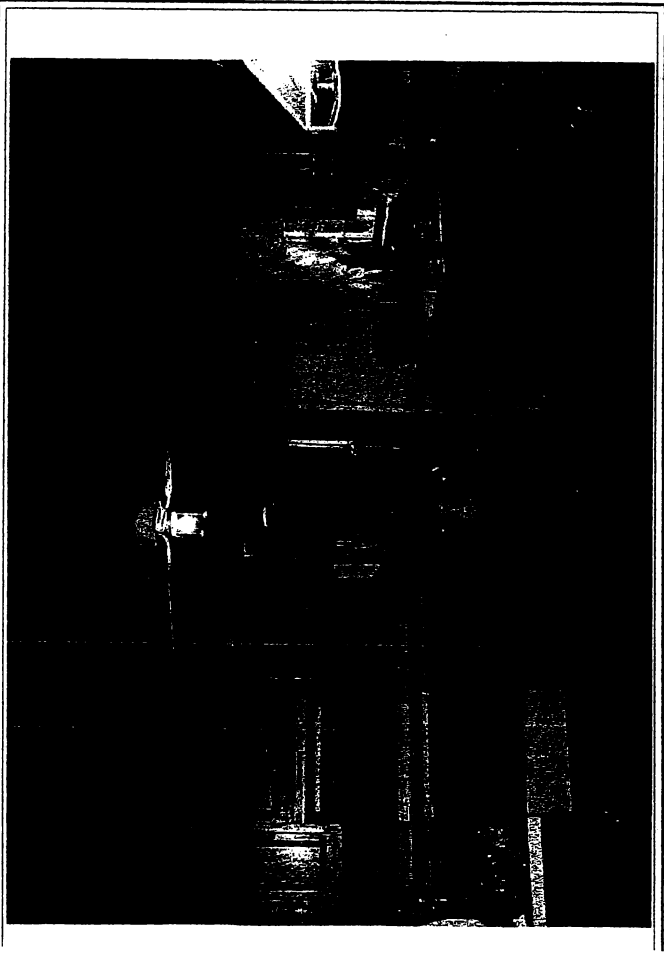
Covered sitting area-no value



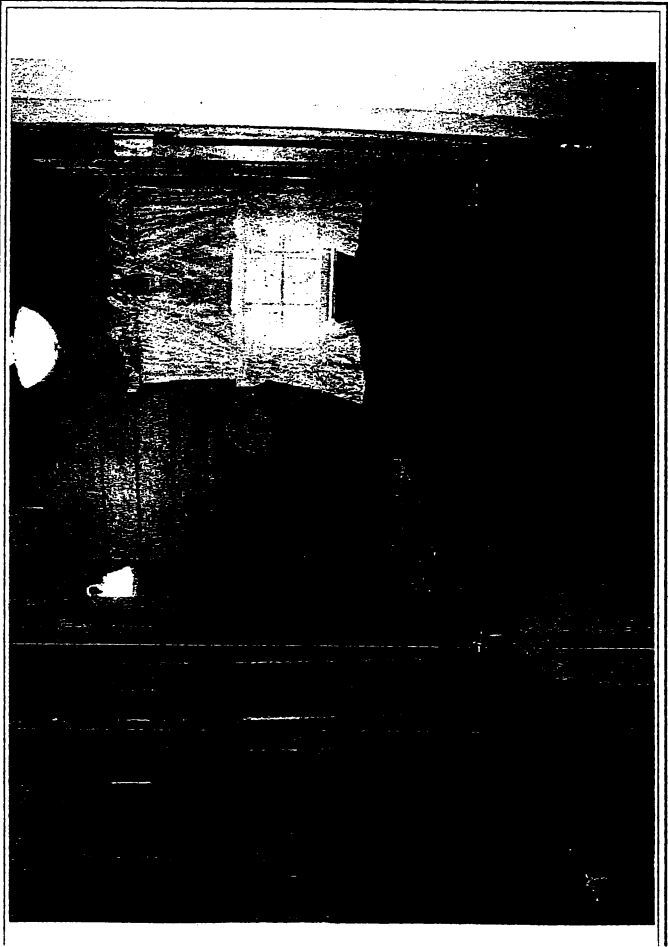
Family room

00208

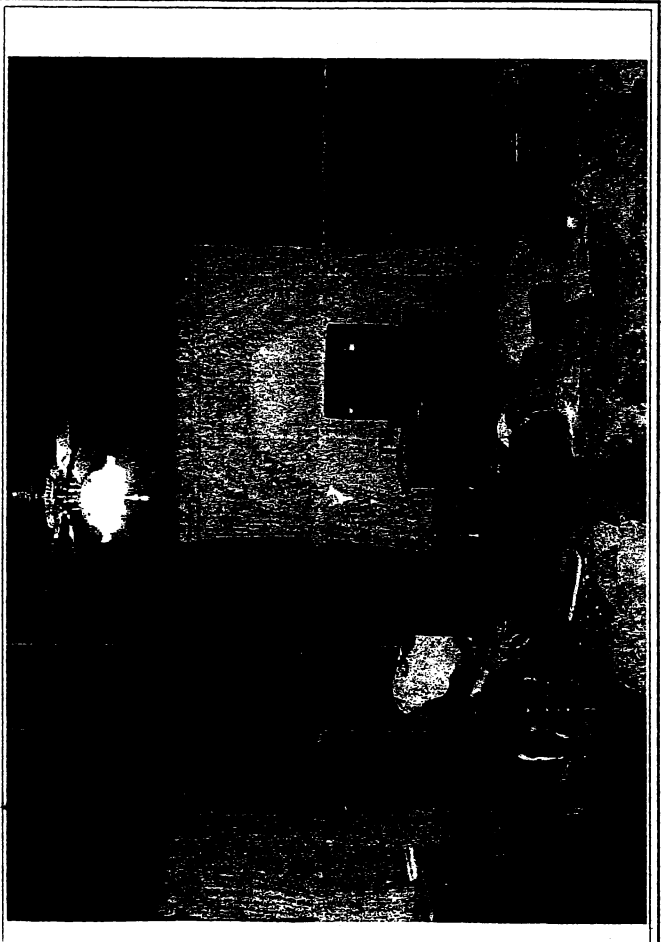
Proctor: Simpson Vs. Simpson	File No.: 2052Her
Property Address: 5145 Heritage Road (2052 Billie Road)	Case No.:
by: Manning	State: SC
Under: Judge Jeff Young	Zip: 29102



Kitchen



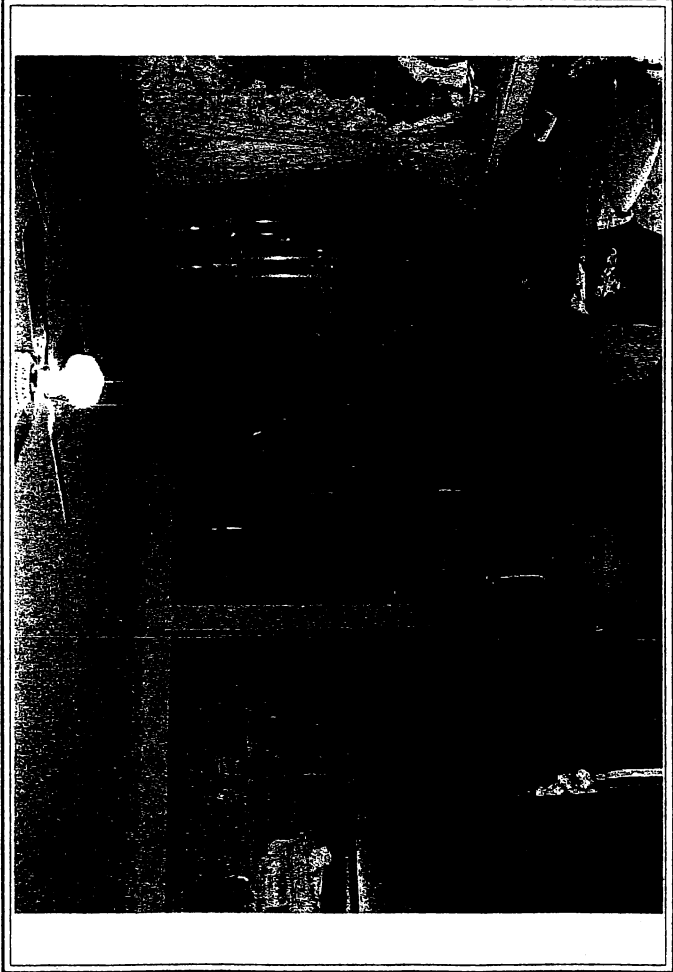
Master bath



Master bedroom

210

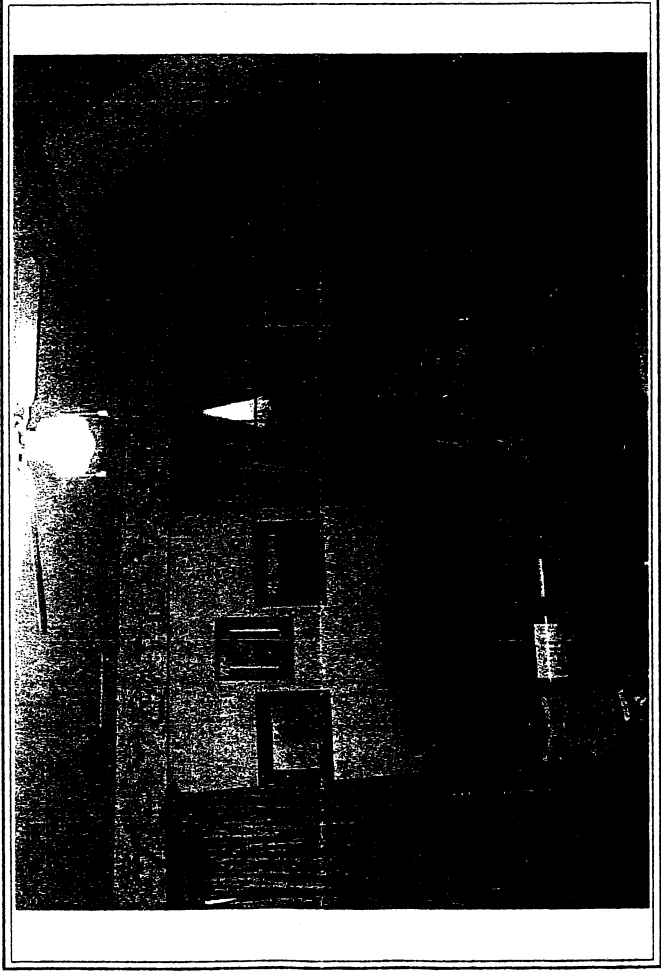
Borrower: Simpson Vs. Simpson		File No.: 2052Her
Property Address: 5145 Heritage Road (2052 Billie Road)		Case No.:
City: Manning	State: SC	Zip: 29102
Lender: Judge Jeff Young		



Bedroom-up



Bedroom-up



Bedroom-up

Re: 2052 Billie Road
Manning, South Carolina 29102

SQUARE FOOTAGE

First Level x 28.25 = 1,702.06 SF

Second Level

39.00	x	23.33	=	909.87 SF
3.75	x	.58	=	2.18 SF
3.75	x	.58	=	2.18 SF
				<u>914.23 SF</u>

First Level 1,702.06 SF

Second Level 914.23 SF

Total **2,616.29 SF**

Say **2,616.00 SF**

Other Areas (Rounded)

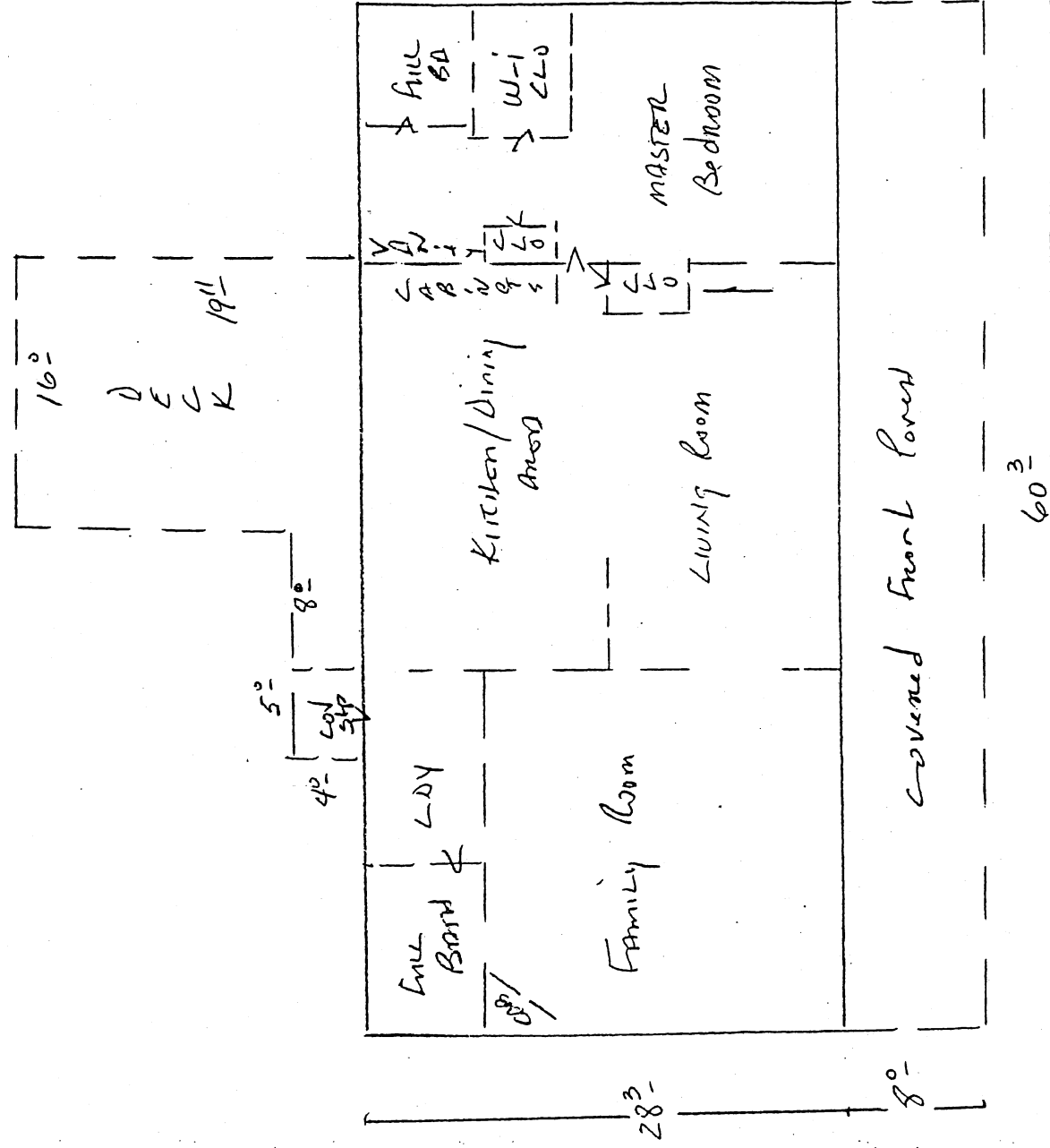
Covered Porch 482.00 SF

Covered Stoop 20.00 SF

Deck 351.00 SF

Detached 2 car carport 856.00 SF

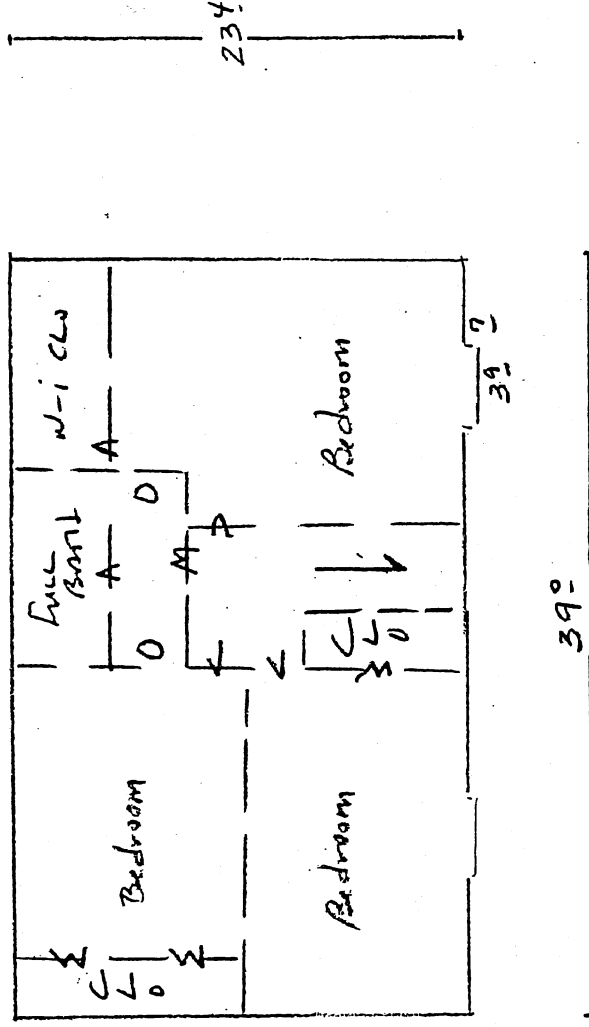
2052 Blue Road
Manning, SC
FIRST LEVEL



Building Sketch

1213

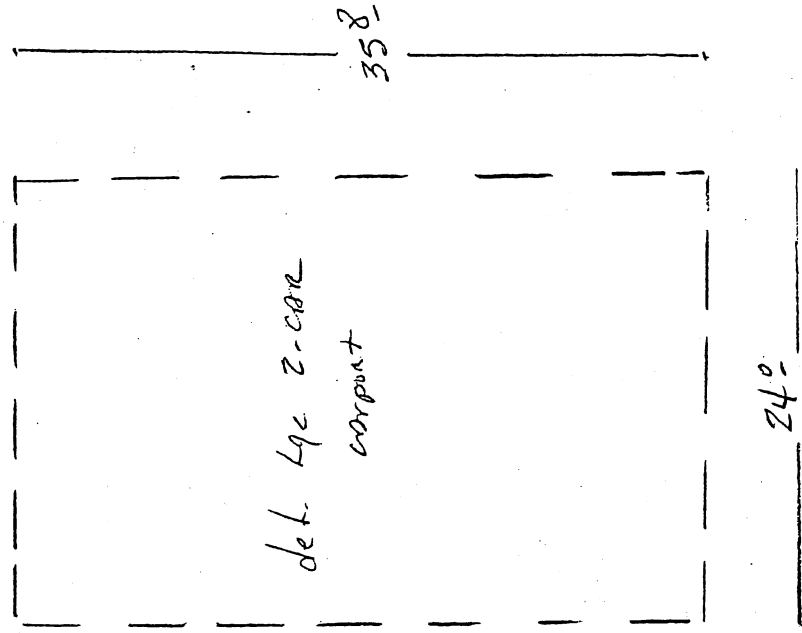
2052 BILKIE ROAD
MANNING, SC
SECOND LEVEL



Building Sketch

00213

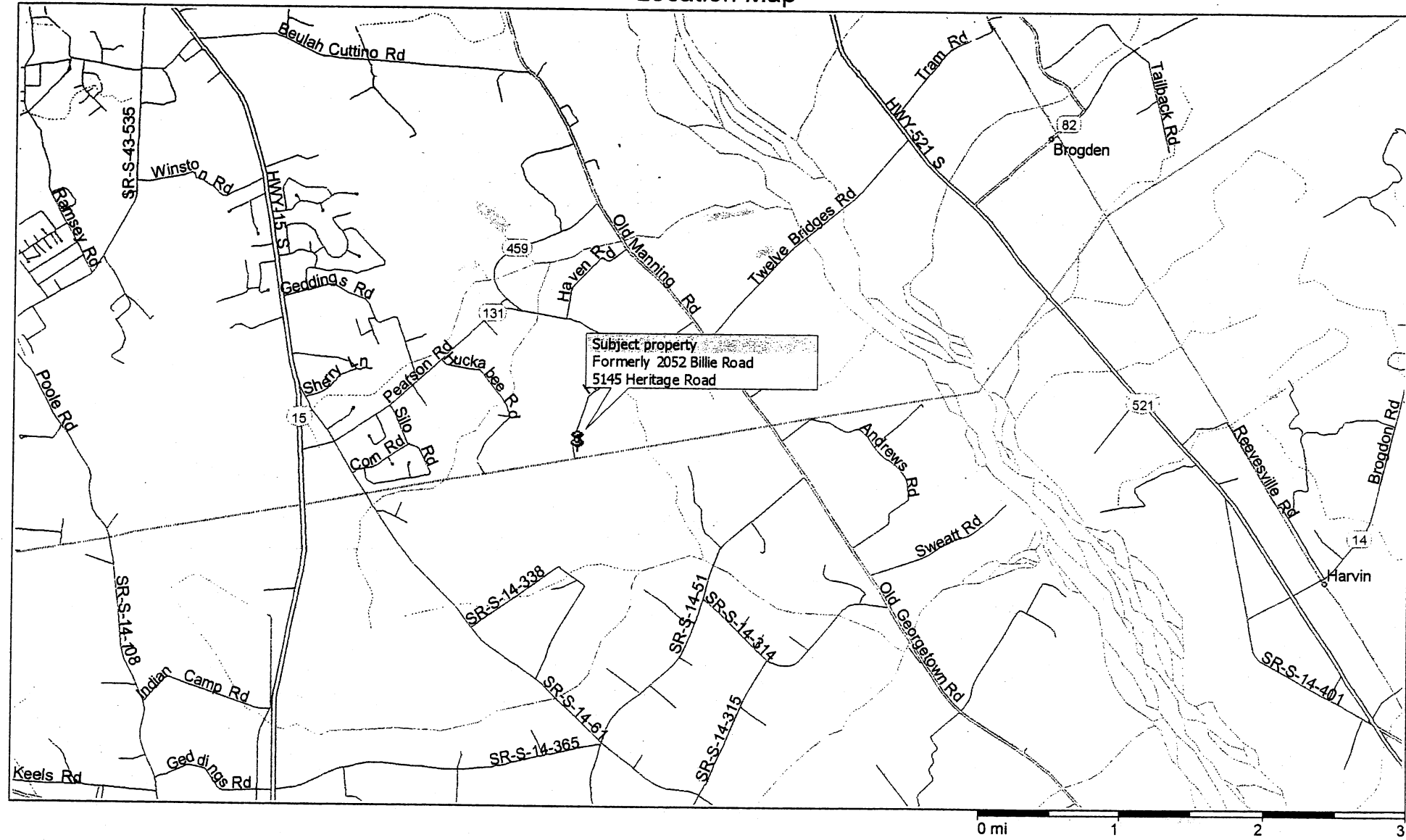
2052 Blue Road
Manning, SC



Building Sketch

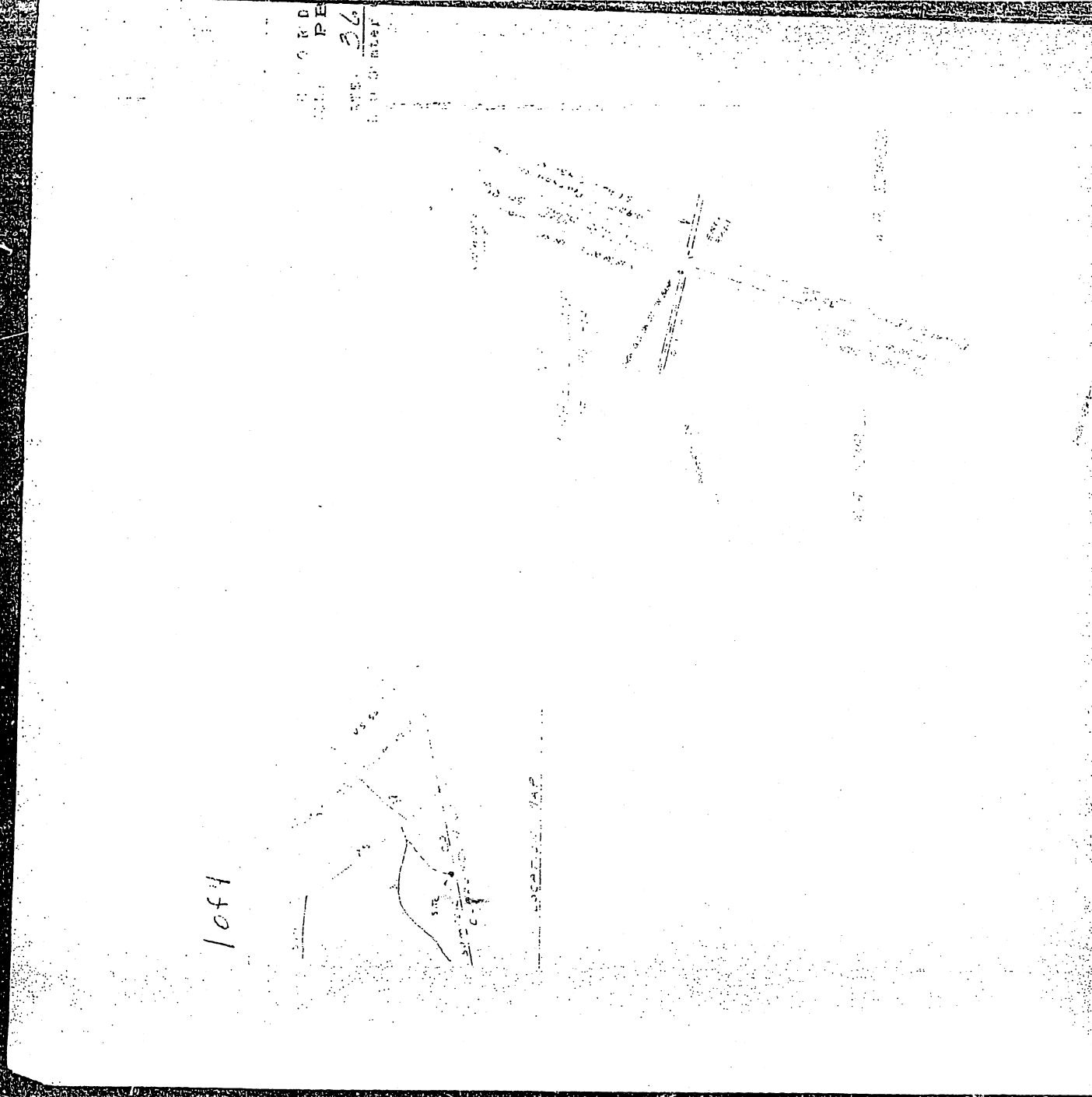
215

Location Map



00215

217



00217

218

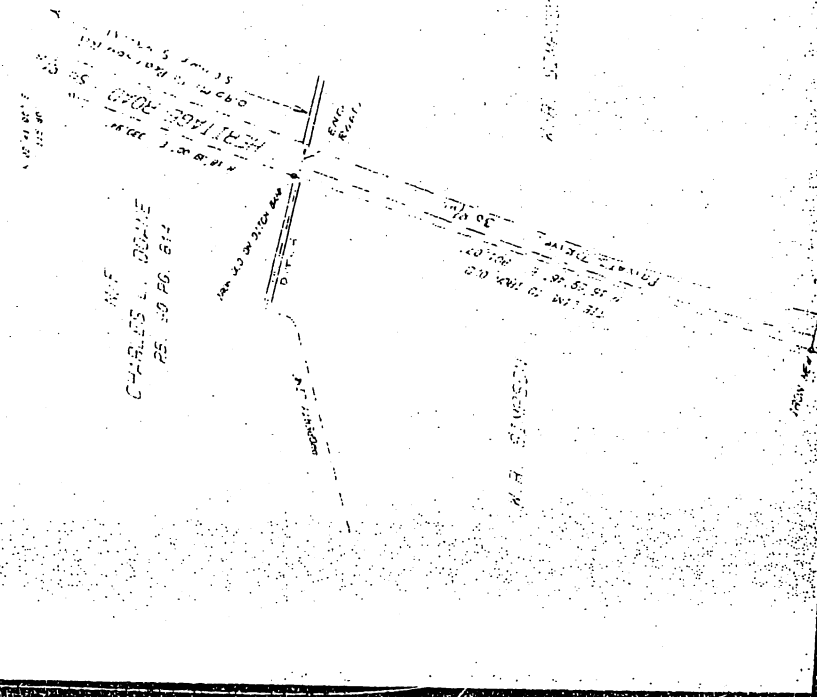
RECEIVED

2001 MAR -6 PM 4:16

JAMES H. HUBBARD
REGISTER OF DEEDS
SUMTER CO., S.C.

2074

FILED
MAR 6 2001
SUMTER CO., S.C.



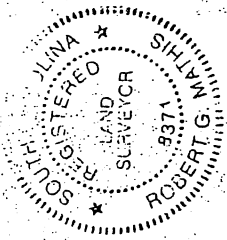
00218

THIS PROPERTY IS LOCATED AT
EAST HERITAGE ROAD
THIS PROPERTY IS NOT LOCATED IN
THE F.M.A. BOUND AREA. APPROXIMATE F.M.A.
PARCEL NO. 420185.02629.
RECORDED MAP 258-00-11-014, PART 1

WILKINSON TOWNSHIP
JUNIOR COUNTY
SOUTH CAROLINA

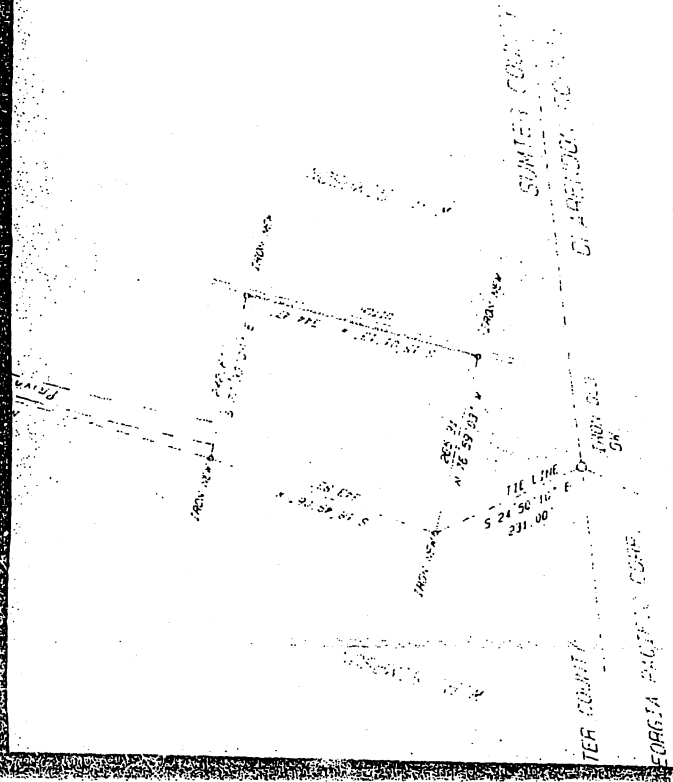
MAP 258-00-11-014, PART 1

304



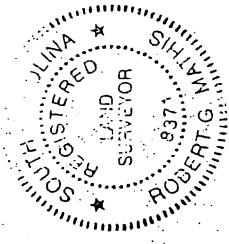
Robert G. Mathis

240



PLAT
OF
A LOT SURVEIED FOR
M. R. SIMPSON, JR.

SCALE: 1 INCH = 200 FEET
AREA = 2.00 ACRES
SURVEIED = FEB. 19, 1916
ROBERT G. MATTHEWS, LAND SURVEYOR,
13 WEST BOYCE STREET, MANNING, S. C.



SCALE: 1 INCH = 200 FEET
0 200 400

Robert G. Matthews
Feb. 19, 1916

Robert G. Matthews
Land Corp.
12-7-00

Surveyor's Note: This plat was prepared by the Surveyor from information and under the survey from a person who has been duly licensed and is in accordance with the public law of the State of South Carolina, Chapter 11, Section 1, and the practice of land surveying in this State, and meets the requirements for a Certified Survey as required therein.

1894

00220

RECEIVED

29 AUG -3 PM 12:38

JAMES L. BIRCH
STATE OF SOUTH CAROLINA
CLERK OF COURT
COUNTY OF SUMTER

RECEIVED

200 MAR -6 PM 4:18

JAMES L. BIRCH
REGISTER OF DEEDS
SUMTER CO., S.C.

RECORDED

VOL. 748 PG 1834

SUMTER COUNTY, S.C.

COUNTY OF SUMTER

RECORDED

RE-RECORDED W/PLAT

VOL. 796

PG 1087

SUMTER COUNTY S.C.

KNOW ALL MEN BY THESE PRESENTS, That William R. Simpson, Sr. (hereinafter

referred to as "Grantor" whether singular or plural) for and in consideration of the sum of Five

(\$5.00) Dollars Love and Affection and no other consideration, to the Grantor paid by William

R. Simpson, Jr. (hereinafter referred to as "Grantee" whether singular or plural) in the State

aforesaid, the receipt of which is hereby acknowledged, has granted, bargained, sold and

released, and by these presents does grant, bargain, sell and release unto the said Grantee, the following described property:

All that certain piece, parcel or tract of land containing 2.00 acres, more or less and lying, being and situate in Privateer Township, Sumter County, State of South Carolina, and having such shape, metes, courses and distances as will more fully appear by reference unto a plat thereof made by Robert G. Mathis, R.L.S., dated February 20, 1996, and being bounded, now or formerly, as follows: On the North by lands of W. R. Simpson, Sr. and Heritage Road and measuring thereon 242.61 feet; on the East by a ditch and lands of W. R. Simpson, Sr. and measuring thereon 344.47 feet; on the South by lands of W. R. Simpson, Sr. and measuring thereon 265.31 feet; and on the West by lands of W. R. Simpson, Sr. and measuring thereon 343.83 feet.

This being a portion of the 380 acre property conveyed to the Grantor by deed of Lucille D. Handlemian, David S. Doane, Marion D. Harvey, Charles L. Doane, Jeannette D. Jarrett, and Ruth B. Doane dated November 14, 1988, and recorded in the Office of the Clerk of Court for Sumter County in Deed Book 481, at Page 1727.

Said premises further identified as a portion of Sumter County Tax Map No. 258-00-01-010-00.

c/a \$ 258-00-01-014-00001

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging or in any way incident or appertaining

TO HAVE AND TO HOLD, in fee simple absolute, all and singular the premises before mentioned unto the said Grantee, his heirs and Assigns forever.

And the Grantor does hereby bind the Grantor's Heirs, Executors and Administrators, to warrant and forever defend all and singular the said premises unto the said Grantee and the Grantee's Heirs and Assigns, against the Grantor and the Grantor's Heirs and against every person whomsoever lawfully claiming, or to claim, the same of any part thereof.

10.00
\$ - Exempt
\$ - Exempt
10.00

10.00
\$ - Exempt
\$ - Exempt
10.00

00221

222

0001000

RECORDED
VOL. 748 PG 1235
SUNTER COUNTY, S.C.

WITNESS the Hand and Seal of the Grantor this 11 day of March in the year of
our Lord one thousand nine hundred ninety-six, and in the two hundred and nineteenth year of
the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF
VOL. 748 PG 1088
SUNTER COUNTY, S.C.

Lambert M. Mitchem
W. R. Simpson, Sr. (SEAL)
W. R. Simpson, Sr.

Scott J. Robinson

STATE OF SOUTH CAROLINA)
COUNTY OF CLARENDON) PROBATE

PERSONALLY appeared before the undersigned witness and made oath that (s)he saw
the within named Grantor sign, seal and, as the Grantor's act and deed, deliver the within Deed
for the uses and purposes therein mentioned and that (s)he, with the other witness whose
signature appears above, witnessed the execution thereof.

SWORN to before me this 15th
day of May, 1996.

Scott J. Robinson
Notary Public of South Carolina
My Commission Expires: 3-16-2005

Lambert M. Mitchem
Witness

GRANTOR

W. R. Simpson, Sr.
Rt. 1, Box 862
Manning, South Carolina 29102

GRANTEE

W. R. Simpson, Jr.
Rt. 1, Box 734
Manning, South Carolina 29102

XXX No Title Search Performed

Prepared by
Giddings Law Firm
Post Office Box 89
Manning, SC 29102
(803) 435-4770

THIS DOCUMENT WAS FILED ON:

March 6, 2001 AT 4:18pm

RECORDED: VOL. 746 PG. 1087

JANICE M. FEATDEN
REGISTER OF DEEDS
SUNTER COUNTY, S.C.

RECEIVED	BY
DATE	INITIAL
<u>5-4-99</u>	<u>CH</u>
<u>10-4-99</u>	<u>RAC</u>

THIS DOCUMENT WAS FILED ON:

Aug 3, 1999 AT 12:38pm

RECORDED VOL. 748 PG. 1234
JANICE M. FEATDEN
REGISTER OF DEEDS
SUNTER COUNTY, S.C.

00222

STATE OF SOUTH CAROLINA
COUNTY OF CLARENDON

RECORDED
VOL. 296 PG. 1089
SUMTER COUNTY DEPT. 5611

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes as follows:

- 1) I have read the information on this affidavit and I understand such information.
- 2) The property being transferred is located at or near Heritage Road, Sumter, bearing Sumter County Tax Map Number (Portion of) 258-00-01-014, was transferred by W. R. Simpson, Sr. to W. R. Simpson, Jr. on March 11, 1996.

Check one of the following: The deed is:

- a) ☐ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
- b) ☐ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
- c) ☒ exempt from the deed recording fee because:
transfer to family member.
(If exempt, please skip Items 4-7 and go to Item 8 of this affidavit.)
- 4) Check one of the following if either item 3(a) or item 3(b) above has been checked:
- a) ☐ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of -----
- b) ☐ The fee is computed on the fair market value of the realty which is -----
- c) ☐ The fee is computed on the fair market value of the realty as established for property tax purposes, which is -----
- 5) Check ☐ Yes or ☐ No to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is -----
- 6) The deed recording fee is computed as follows:
- a) Place the amount listed in Item 4 above here: -----
- b) Place the amount listed in Item 5 above here: -----
- c) Subtract Line 6(b) from Line 6(a) and place result here: -----
- 7) The deed recording fee due is based on the amount listed in Item 6(c) above and the deed recording fee is -----
- 8) As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Closing Attorney
- 9) I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

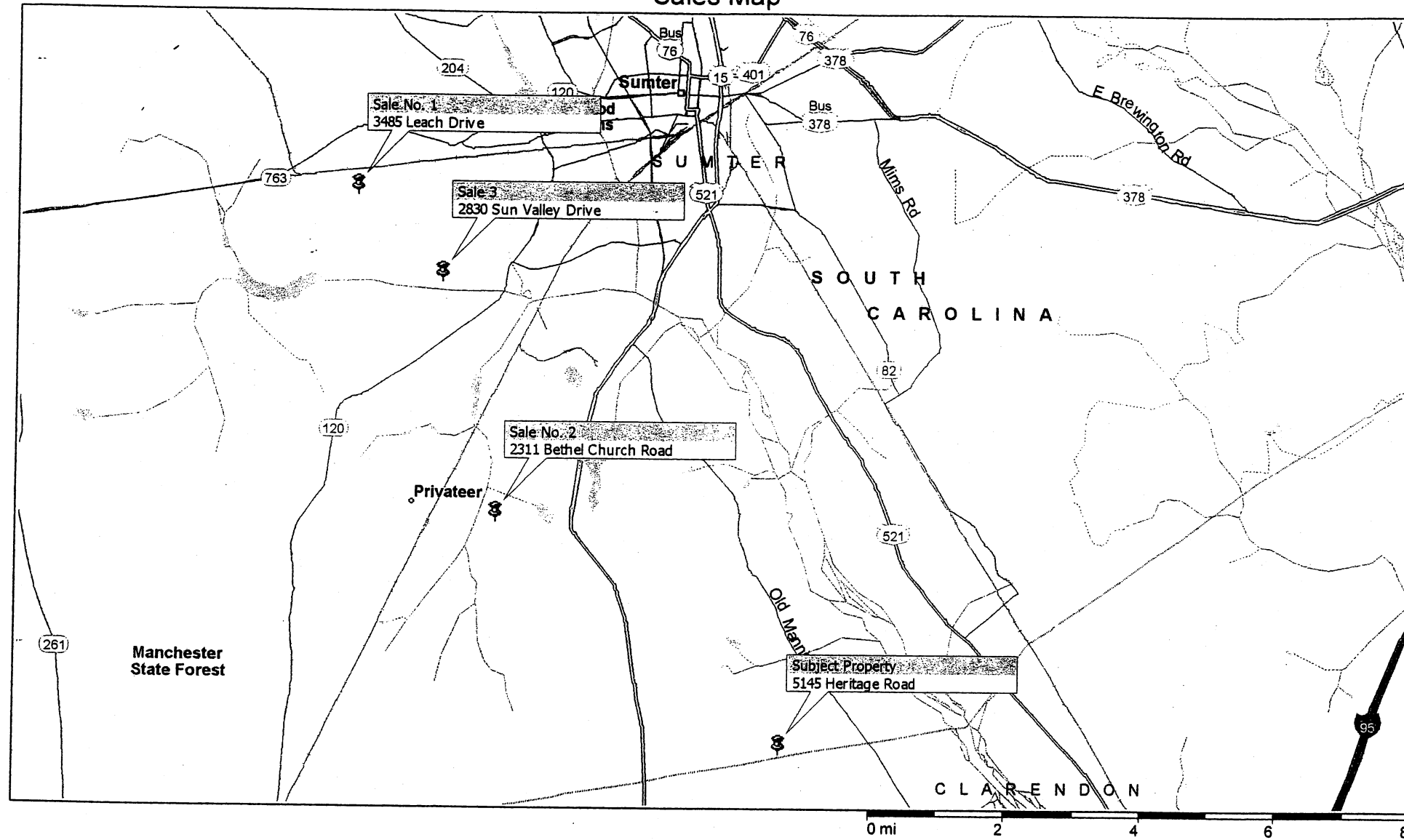
SWORN to before me this
2nd day of March, 2001.

W. T. Geddings, Jr.
Notary Public of South Carolina
My Commission Expires: 11/5/2001

W. T. Geddings, Jr.
Responsible Person connected with Transaction
Print or Type Name Here

00223

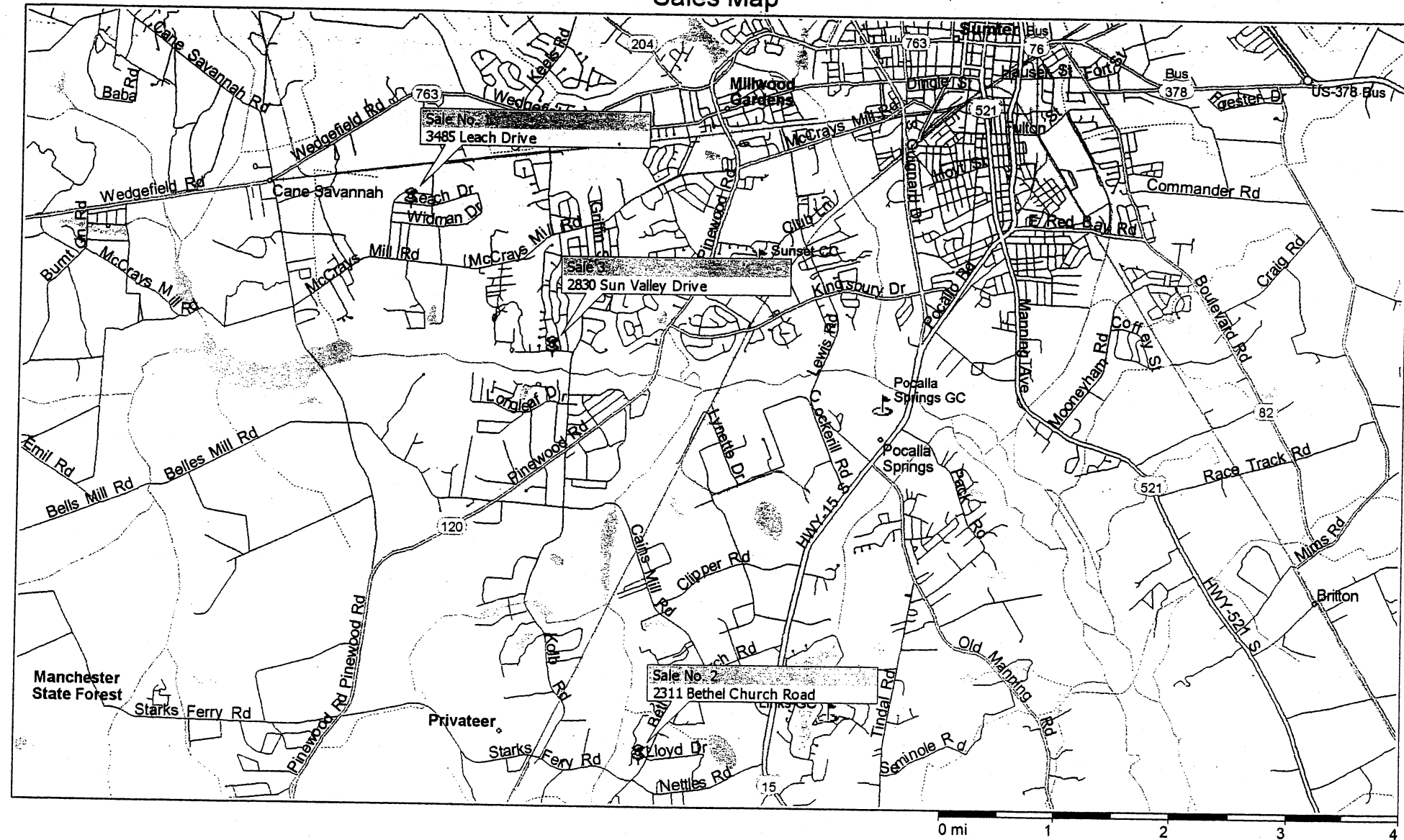
Sales Map



00224

00225

Sales Map



00225

Borrower: Simpson Vs. Simpson		File No.: 2052Her
Property Address: 5145 Heritage Road (2052 Billie Road)		Case No.:
City: Manning	State: SC	Zip: 29102
Lender: Judge Jeff Young		



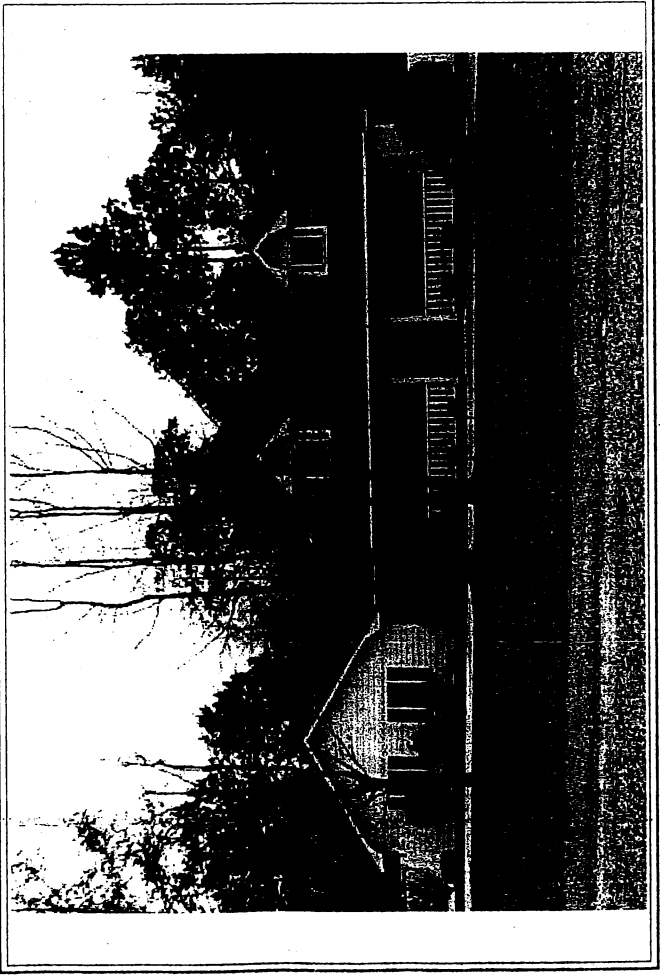
COMPARABLE SALE #1

3485 Leach
Sumter, SC (1820201032)
Sale Date: 6/2/2003
Sale Price: \$ 127,900



COMPARABLE SALE #2

2311 Bethel Church Road
Sumter, SC (2110001032)
Sale Date: 10/2/2003
Sale Price: \$ 150,000



COMPARABLE SALE #3

2830 Sun Valley Drive
Sumter, SC (2080103002)
Sale Date: 7/15/2004
Sale Price: \$ 137,000

71-0-1- 20402

ZIP Code 29102

and Mr. Warner.

ars.

[illegible]

icient coverage of
bath floor and in
d repaint walls on

- Amount of the value

1. *Journal of the American Medical Association*, 1997; 277: 1039-1043.

Abstract

228

Summary Appraisal Report

USPAP COMPLIANCE ADDENDUM

File No. 2052Her

Borrower	Simpson Vs. Simpson	Order #	
Property Address	5145 Heritage Road (2052 Billie Road)		
City	Manning	County	Sumter
		State	SC
		Zip Code	29102
Lender/Client	Judge Jeff Young	Client Reference #	

Only those items checked ☒ below apply to this report.

PURPOSE, FUNCTION AND INTENDED USE OF THE APPRAISAL

- ☐ The purpose of the appraisal is to provide an opinion of market value of the subject property as defined in this report, on behalf of the appraisal company facilitating the assignment for the referenced client as the intended user of the report. The *only* function of the appraisal is to assist the client mentioned in this report in evaluating the subject property for lending purposes. The use of this appraisal by anyone other than the stated intended user, or for any other use than the stated intended use, is prohibited.
- ☐ The purpose of the appraisal is to provide an opinion of market value of the subject property, as defined in this report, on behalf of the appraisal company facilitating the assignment for the referenced client as the intended user of this report. The *only* function of the appraisal is to assist the client mentioned in this report in evaluating the subject property Real Estate Owned (REO) purposes. The use of this appraisal by anyone other than the stated intended user, or for any other use than the stated intended use, is prohibited.
- ☒ The purpose of this appraisal is to estimate market value _____, on behalf of the appraisal company facilitating the assignment for the referenced client as the intended user of this report. The *only* function of the appraisal is to assist the client mentioned in this report in evaluating the subject property for property settlement _____ . The use of this appraisal by anyone other than the stated intended user, or for any other use than the stated intended use is prohibited.

TYPE OF APPRAISAL AND APPRAISAL REPORT

- ☒ This is a Summary Appraisal written in a Form Report format and the USPAP Departure Rule has not been invoked.
- ☐ This is a Limited Appraisal written in a _____ Report format and the USPAP Departure Rule has been invoked as disclosed in the body or addenda of the report. The client has agreed that a Limited Appraisal is sufficient for its purposes.

SCOPE (EXTENT) OF REPORT

- ☒ The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales, listings, and/or rentals within the subject market area. The original source of the comparables is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion. The extent of analysis applied to this assignment may be further imparted within the report, the Appraiser's Certification below and/or any other Statement of Limiting Conditions and Appraiser's Certification such as may be utilized within the Freddie Mac form 439 or Fannie Mae form 1004b (dated 6/93), when applicable.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

- ☒ A reasonable marketing time for the subject property is 180 day(s) utilizing market conditions pertinent to the appraisal assignment.
- ☒ A reasonable exposure time for the subject property is 150 day(s).

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved, unless otherwise stated within the report.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have ☒ or have not ☐ made a personal inspection of the property that is the subject of this report. (If more than one person signs this report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraisal property.)
- No one provided significant professional assistance to the person signing this report. (If there are exceptions, the name of each individual providing significant professional assistance must be stated.)

NOTE: In the case of any conflict with a client provided certification (i.e., Fannie Mae or Freddie Mac), this revised certification shall take precedence.

- Supervisory Appraiser's Certification: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 2-7 and 9 on the second page of Freddie Mac Form 439 6-93/Fannie Mae Form 1004B 6-93, or the third page of Form 2055, and am taking full responsibility for the appraisal report.

APPRAISER'S AND SUPERVISORY APPRAISER'S SIGNATURE

APPRAISER:

SUPERVISORY APPRAISER (only if required):

Signature: W. Burke Watson, Jr.

Name: W. Burke Watson, Jr.

Date the Report was Signed: February 8, 2006

State Certification #: CG#341

or State License #: _____

State: SC

Expiration Date of Certification or License: 06-30-2006

Signature: _____

Name: _____

Date the Report was Signed: _____

State Certification #: _____

or State License #: _____

State: _____

Expiration Date of Certification or License: _____

☐ Did inspect subject property ☐ Inspected Comparables

☐ Interior & Exterior ☐ Interior & Exterior

☐ Exterior only ☐ Exterior only

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to , or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 5145 Heritage Road (2052 Billie Road), Manning, SC 29102

APPRAISER:

SUPERVISORY APPRAISER (only if required)

Signature: <u><i>W. Burke Watson, Jr.</i></u>	Signature: _____
Name: <u>W. Burke Watson, Jr.</u>	Name: _____
Date Signed: <u>February 8, 2006</u>	Date Signed: _____
State Certification #: <u>CG#341</u>	State Certification #: _____
or State License #: _____	or State License #: _____
State: <u>SC</u>	State: _____
Expiration Date of Certification or License: <u>06-30-2006</u>	Expiration Date of Certification or License: _____

☐ Did ☐ Did Not Inspect Property

CG#341

Freddie Mac Form 439 **00230**

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to , or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 5145 Heritage Road (2052 Billie Road), Manning, SC 29102

APPRAISER:

SUPERVISORY APPRAISER (only if required)

Signature: <u><i>W. Burke Watson, Jr.</i></u>	Signature: _____
Name: <u>W. Burke Watson, Jr.</u>	Name: _____
Date Signed: <u>February 8, 2006</u>	Date Signed: _____
State Certification #: <u>CG#341</u>	State Certification #: _____
or State License #: _____	or State License #: _____
State: <u>SC</u>	State: _____
Expiration Date of Certification or License: <u>06-30-2006</u>	Expiration Date of Certification or License: _____

☐ Did ☐ Did Not Inspect Property

CG#341

APPRAISAL OF



LOCATED AT:

3030 Gunter Road
Manning, SC 29102

FOR:

Judge Jeff Young
108 North Magnolia Street
Sumter, South Carolina 29150

BORROWER:

Simpson Vs. Simpson

AS OF:

August 24, 2004

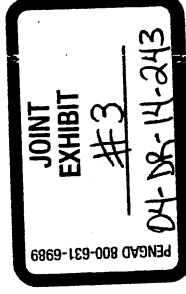
BY:

W. Burke Watson, Jr.
CG#341
W.P. & B. LLP
WATERLAW SERVICES
OF SC, PA

2006 FEB 13 PM 12:04

RECEIVED

00231



REC
2006 FEB 13
W P &
WATERLAW
OF SC

232

Watson Appraisal Services
772 West Liberty Street, Sumter, South Carolina 29150

File No. 3030Gu

February 10, 2006

Judge Jeff Young
108 North Magnolia Street
Sumter, South Carolina 29150

File Number: 3030Gu

Dear Judge Young,

In accordance with your request, I have personally inspected and appraised the real property at:

3030 Gunter Road
Manning, SC 29102

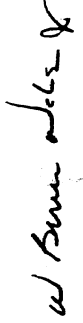
The purpose of this appraisal is to estimate the market value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the estimated market value of the property as of August 24, 2004 is:

\$14,000
Fourteen Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final estimate of value, descriptive photographs, limiting conditions and appropriate certifications.

Please call me if I can be of further assistance in anyway.


W. Burke Watson, Jr.
CG#341

00232

FIRREA / USPAP ADDENDUM

Borrower Simpson Vs. Simpson

Property Address 3030 Gunter Road

City Manning

County Clarendon

State SC

Zip Code 29102

Lender/Client Judge Jeff Young

Purpose	See USPAP Compliance Addendum.
---------	--------------------------------

Scope	
-------	--

See USPAP Compliance Addendum.

Intended Use / Intended User

The intended use of the report is for property settlement. The intended users are Judge Young, Mr. McKenzie and Mr. Warner.

History of Property

Current listing information: The subject property is not on the market.

Prior sale: See attached deed.

Exposure Time / Marketing Time

See USPAP Compliance Addendum.

Personalty (non-realty) Transfers

It should be noted that the manufactured dwelling is not permanent in nature and could be moved at any given time. Adequate funds would be limited.

Additional Comments

The following items were noted and adjusted accordingly under line item condition in the sales comparison section on the URAR Form:
Remove/install carpet floor covering, install missing interior trim, prepare and paint interior walls. Estimated cost-\$3,500.00

Certification Supplement

1. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or an approval of a loan.
2. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

Appraiser(s): W. Burke Watson, Jr.

Supervisory Appraiser(s):

Effective date/Report date: February 10, 2006

Effective date/Report date:

Form FUA

This form was produced on the ACI Development RapidForms system (800) 234-8727

236

USPAP COMPLIANCE ADDENDUM

File No. 3030Gu

Borrower	Simpson Vs. Simpson	Order #	
Property Address	3030 Gunter Road		
City	Manning	County	Clarendon
State	SC	Zip Code	29102
Lender/Client	Judge Jeff Young	Client Reference #	

Only those items checked ☒ below apply to this report.

PURPOSE, FUNCTION AND INTENDED USE OF THE APPRAISAL

- ☐ The purpose of the appraisal is to provide an opinion of market value of the subject property as defined in this report, on behalf of the appraisal company facilitating the assignment for the referenced client as the intended user of the report. The *only* function of the appraisal is to assist the client mentioned in this report in evaluating the subject property for lending purposes. The use of this appraisal by anyone other than the stated intended user, or for any other use than the stated intended use, is prohibited.
- ☐ The purpose of the appraisal is to provide an opinion of market value of the subject property, as defined in this report, on behalf of the appraisal company facilitating the assignment for the referenced client as the intended user of this report. The *only* function of the appraisal is to assist the client mentioned in this report in evaluating the subject property Real Estate Owned (REO) purposes. The use of this appraisal by anyone other than the stated intended user, or for any other use than the stated intended use, is prohibited.
- ☒ The purpose of this appraisal is to estimate market value _____, on behalf of the appraisal company facilitating the assignment for the referenced client as the intended user of this report. The *only* function of the appraisal is to assist the client mentioned in this report in evaluating the subject property for property settlement _____ . The use of this appraisal by anyone other than the stated intended user, or for any other use than the stated intended use is prohibited.

TYPE OF APPRAISAL AND APPRAISAL REPORT

- ☒ This is a Summary Appraisal written in a Form Report format and the USPAP Departure Rule has not been invoked.
- ☐ This is a Limited Appraisal written in a _____ Report format and the USPAP Departure Rule has been invoked as disclosed in the body or addenda of the report. The client has agreed that a Limited Appraisal is sufficient for its purposes.

SCOPE (EXTENT) OF REPORT

- ☒ The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales, listings, and/or rentals within the subject market area. The original source of the comparables is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion. The extent of analysis applied to this assignment may be further imparted within the report, the Appraiser's Certification below and/or any other Statement of Limiting Conditions and Appraiser's Certification such as may be utilized within the Freddie Mac form 439 or Fannie Mae form 1004b (dated 6/93), when applicable.

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

- ☒ A reasonable marketing time for the subject property is 180 day(s) utilizing market conditions pertinent to the appraisal assignment.
- ☒ A reasonable exposure time for the subject property is 150 day(s).

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved, unless otherwise stated within the report.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have ☒ or have not ☐ made a personal inspection of the property that is the subject of this report. (If more than one person signs this report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraisal property.)
- No one provided significant professional assistance to the person signing this report. (If there are exceptions, the name of each individual providing significant professional assistance must be stated.)

NOTE: In the case of any conflict with a client provided certification (i.e., Fannie Mae or Freddie Mac), this revised certification shall take precedence.

- Supervisory Appraiser's Certification: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 2-7 and 9 on the second page of Freddie Mac Form 439 6-93/Fannie Mae Form 1004B 6-93, or the third page of Form 2055, and am taking full responsibility for the appraisal report.

APPRAISER'S AND SUPERVISORY APPRAISER'S SIGNATURE

APPRAISER:

SUPERVISORY APPRAISER (only if required):

Signature: W. Burke Watson, Jr.
Name: W. Burke Watson, Jr.
Date the Report was Signed: February 10, 2006
State Certification #: CG#341
or State License #: _____
State: SC
Expiration Date of Certification or License: 6/30/2006

Signature: _____
Name: _____
Date the Report was Signed: _____
State Certification #: _____
or State License #: _____
State: _____

Expiration Date of Certification or License: _____

- ☐ Did inspect subject property
- ☐ Inspected Comparables
- ☐ Interior & Exterior
- ☐ Exterior only

SUBJECT PROPERTY PHOTO ADDENDUM

Attorney: Simpson Vs. Simpson
Property Address: 3030 Gunter Road
City: Manning
Attorney: Judge Jeff Young

File No.: 3030Gu

Case No.:

State: SC

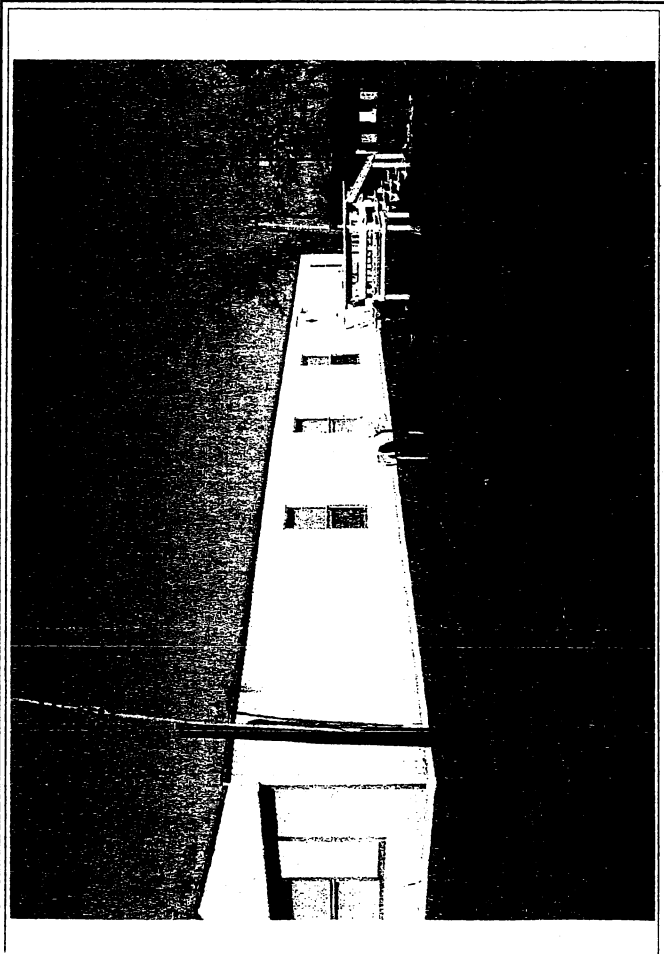
Zip: 29102

FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: August 24, 2004
Appraised Value: \$ 14,000



REAR VIEW OF
SUBJECT PROPERTY

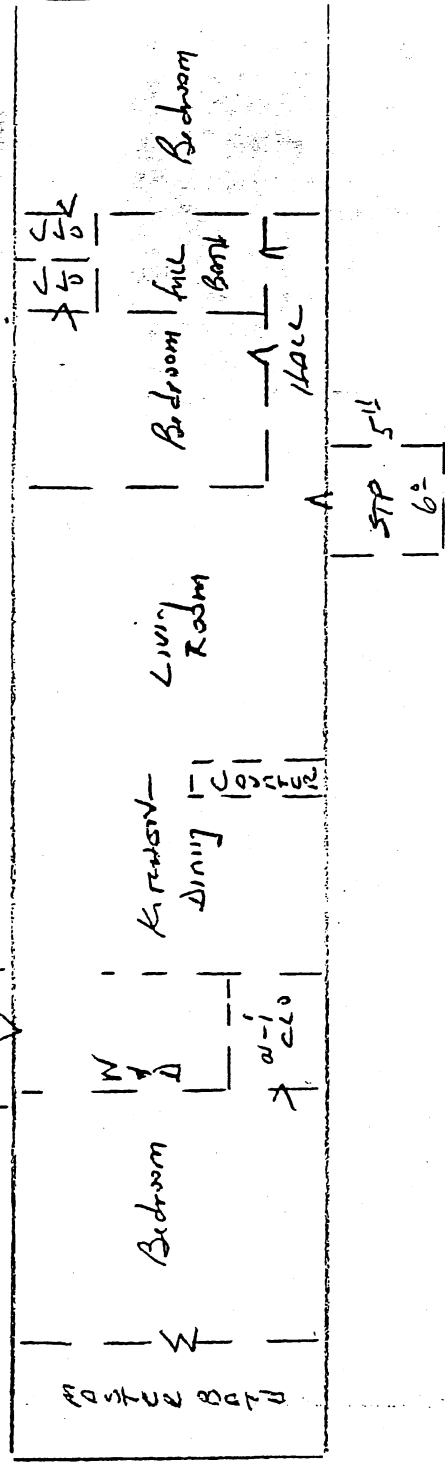


STREET SCENE



3030 GUNTER ROAD
Manning, SC 29102

124 62
DECK
102 42



762

Living Areas

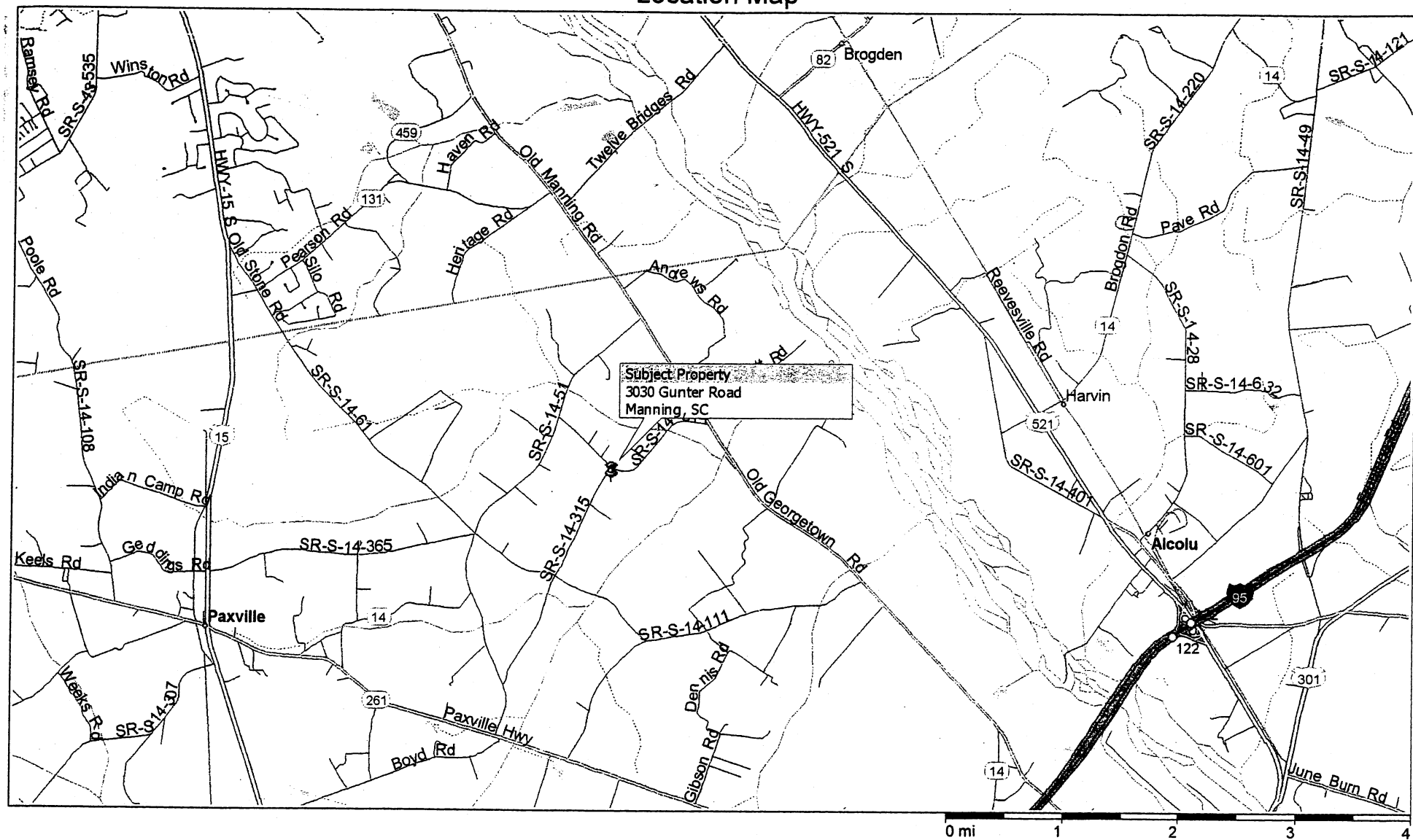
16.00 x 15.83 = 1203.08 SF
Say 1203.00 SF

Other Areas (Rounded)

STOP 511 36.00 SF
DECK 107.00 SF

00238

Location Map

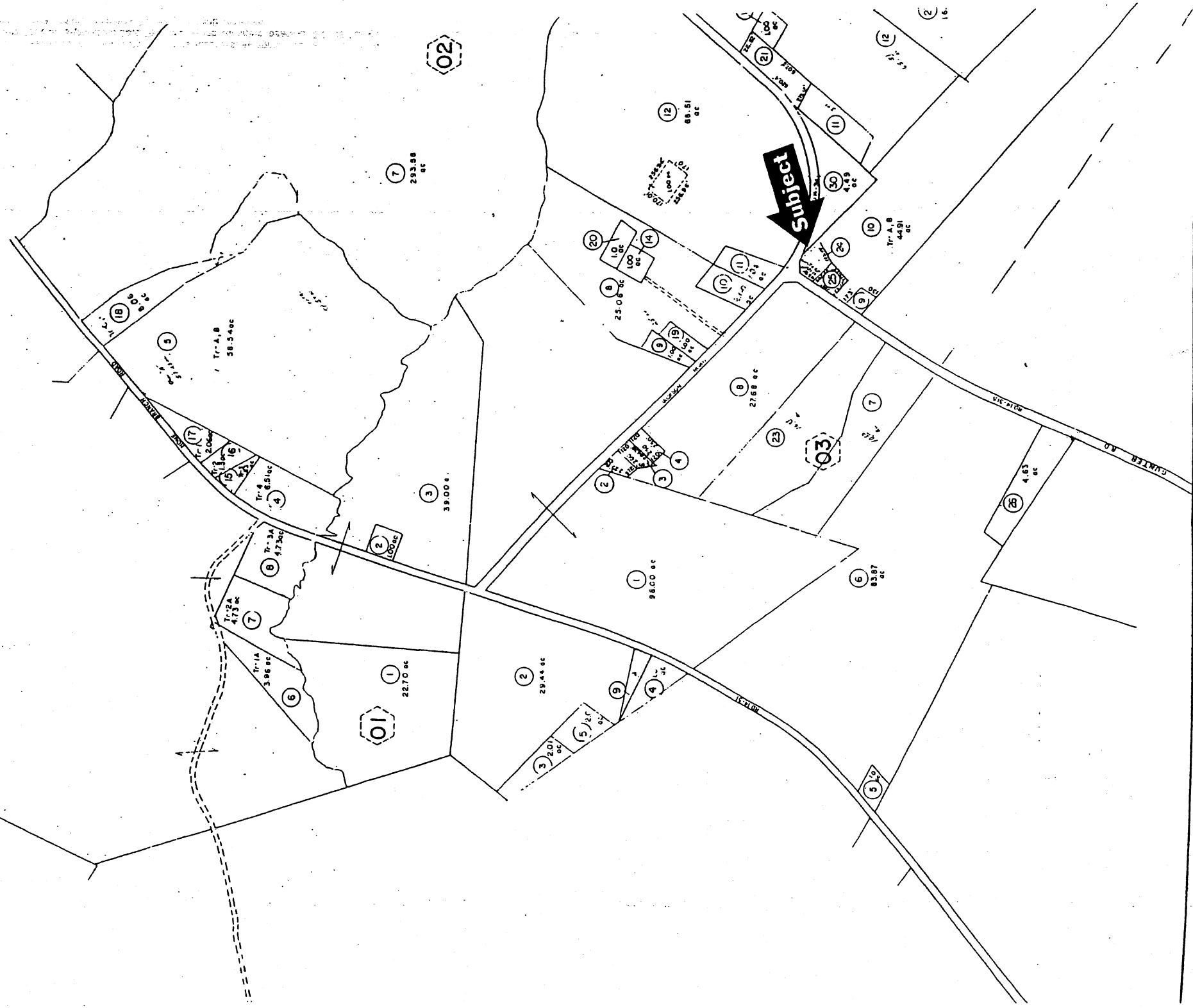


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 © Copyright 2002 by Geographic Data Technology, Inc. All rights reserved. © 2002 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © 1991-2002 Government of Canada
 (excluding Canada and/or Geomatics Canada), all rights reserved.

00230

240

SEE
MAP 130



00240

Surveyed November 13, 1992
R.B. Harris Land Surveying
19 West Boyce Street
Hannington, South Carolina
Telephone No. 803. 425-2425

1341

SCHOOL DISTRICT II
CLARENDON COUNTY
SOUTH CAROLINA
TAX MAP
1990-01-010
(Portion of)

Robert A. Martin
P.L.S. # 0371

I HEREBY STATE THAT TO THE BEST OF MY
KNOWLEDGE AND BELIEF, THE INFORMATION AND DATA FOR THE
SURVEY SHOWN HEREON WAS OBTAINED FROM
A PERSONAL SURVEY AND THE RESULTS OF THE
SURVEYING PROCESS WERE CORRECTED FOR THE
EFFECTS OF TIDES, WIND, AND OTHER
FACTORS OF THE SURVEYING PROCESS. I
ALSO STATE THAT I HAVE NOT BEEN
INFLUENCED BY ANY OTHER PERSONS
OR FACTORS OTHER THAN SHOWN

SCALE 1 INCH = 50 FEET



00241

242

STATE OF SOUTH CAROLINA)

COUNTY OF CLARENDON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, That PAMELA H. JACKSON (hereinafter referred to as "Grantor" whether singular or plural) in the State aforesaid, for and in consideration of the sum of Five and no/100ths (\$5.00) Dollars, to the Grantor paid by W.R. SIMPSON, JR. (hereinafter referred to as "Grantee" whether singular or plural) the receipt of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the said W.R. SIMPSON, JR., the following described property:

All of that certain piece, parcel or lot of land, together with any improvements thereon, lying, being and situate in Clarendon County South Carolina, containing 0.92 acre according to a plat thereof prepared by Robert G. Mathis, RLS, on November 13, 1992; said plat being filed for record in the Office of the Register of Deeds of Clarendon County in Plat Book S46, Page 77 and incorporated herein by reference pursuant to Section 30-5-250 of the *Code of Laws of South Carolina, 1976* (as amended).

Being the premises conveyed to the Grantor by deed of Prentiss Dale Jackson, filed for record herewith in the Office of the Register of Deeds of Clarendon County in Deed Book _____, Page _____.

Together with that certain 1996 Lamar Mobile Home situate on said premises bearing serial number LHSC509960136.

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging or in any way incident or appertaining.

TO HAVE AND TO HOLD, all and singular the premises before mentioned unto the said Grantee, W.R. SIMPSON, JR., her heirs and Assigns forever.

And the Grantor does hereby bind the Grantor's Heirs, Executors and Administrators, to warrant and forever defend all and singular the said premises unto the said Grantee and the Grantee's Heirs and Assigns, against the Grantor and the Grantor's Heirs and against every person whomsoever lawfully claiming, or attempting to claim, the same of any part thereof.

00242

WITNESS the Hand and Seal of the Grantor this 2nd day of April in
the year of our Lord two thousand four, and in the two hundred and twenty-eighth year of the
Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

Matthew D. Peterson
Matthew D. Peterson

Pamela H. Jackson (SEAL)
PAMELA H. JACKSON

STATE OF NORTH CAROLINA)

COUNTY OF Simpson)

PROBATE

PERSONALLY appeared before the undersigned witness and made oath that (s)he saw the
within named Grantor sign, seal and, as the Grantor's act and deed, deliver the within Deed for
the uses and purposes therein mentioned and that (s)he, with the other witness whose signature
appears above witnessed the execution thereof.

SWORN to before me this 2nd
day of April, 2004.

Matthew D. Peterson
Notary Public of North Carolina
My Commission Expires: August 29, 2004

Matthew D. Peterson
Witness

GRANTOR

PAMELA H. JACKSON
Post Office Box 105
Manning, South Carolina 29102

GRANTEE

W.R. SIMPSON, JR.
2526 WR Simpson Road
Manning, South Carolina 29102

Prepared by
Geddings Law Firm
Post Office Box 89
Manning, SC 29102
(803) 435-4770

000101521
FILED, RECORDED, INDEXED
04/13/2004 03:31:55PM
BH:A0550 Pg:00081
RecFee:10.00 St Fee:33.80
Co Conv Fee:14.30 Pages:3
R H C DEPARTMENT CLARENDDON CO
Reulah G. Roberts, Clerk of Court

000101521 E:A0550 P:00082

00243

STATE OF SOUTH CAROLINA)

COUNTY OF CLARENDON)

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who, being duly sworn, deposes and says as follows:

1) I have read the information on this affidavit and I understand such information.

2) The property being transferred is located at 2030 Gunter Road, bearing Clarendon County Tax Map Number 129-00-03-024-00 & 129-00-03-024-01, was transferred by Pamela M. Jackson to W.R. Simpson, Jr. on April 2, 2004.

3) Check one of the following: The deed is:

a) ☒ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.

b) ☐ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.

c) ☐ exempt from the deed recording fee because:
n/a.

(If exempt, please skip Items 4-7 and go to Item 8 of this affidavit)

If exempt under #14 as described in the Information section of this affidavit, did the agent and principal relations exist at the time of the original sale and was the purpose of the relationship to purchase the realty? Check ☐ Yes ☐ No

4) Check one of the following if either item 3(a) or item 3(b) above has been checked:

a) ☒ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$13,000.00.

b) ☐ The fee is computed on the fair market value of the realty which is .

c) ☐ The fee is computed on the fair market value of the realty as established for property tax purposes which is .

5) Check ☐ Yes or ☒ No to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes", the amount of the outstanding balance of this lien or encumbrance is .

6) The deed recording fee is computed as follows:

a) Place the amount listed in Item 4 above here: \$13,000.00

b) Place the amount listed in Item 5 above here:

c) Subtract Line 6(b) from Line 6(a) and place result here: \$13,000.00

7) The deed recording fee due is based on the amount listed in Item 6(c) above and the deed recording fee is \$48.10.

8) As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Grantor.

00244

Intendant arraigned is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SWORN to before me this
day of April, 2004.

Madeline D. Davis

Notary Public of North Carolina

My Commission Expires August 22, 2007

Pamela H. Jackson

Responsible Person connected with Transaction

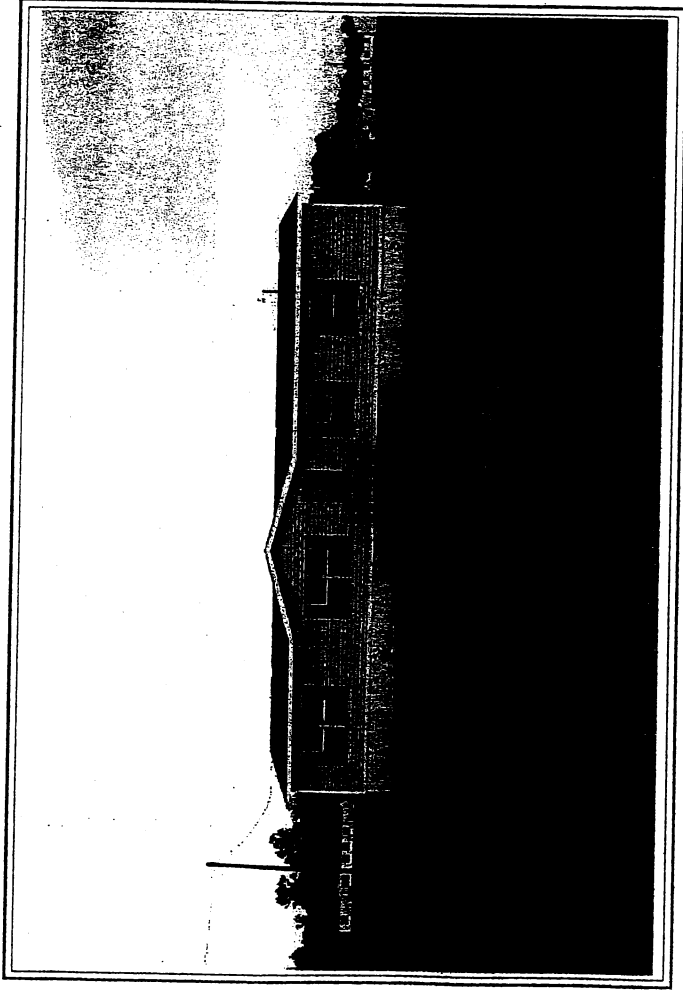
Pamela H. Jackson

Print or Type Name Here

000101521 E: A0530 P: 00083

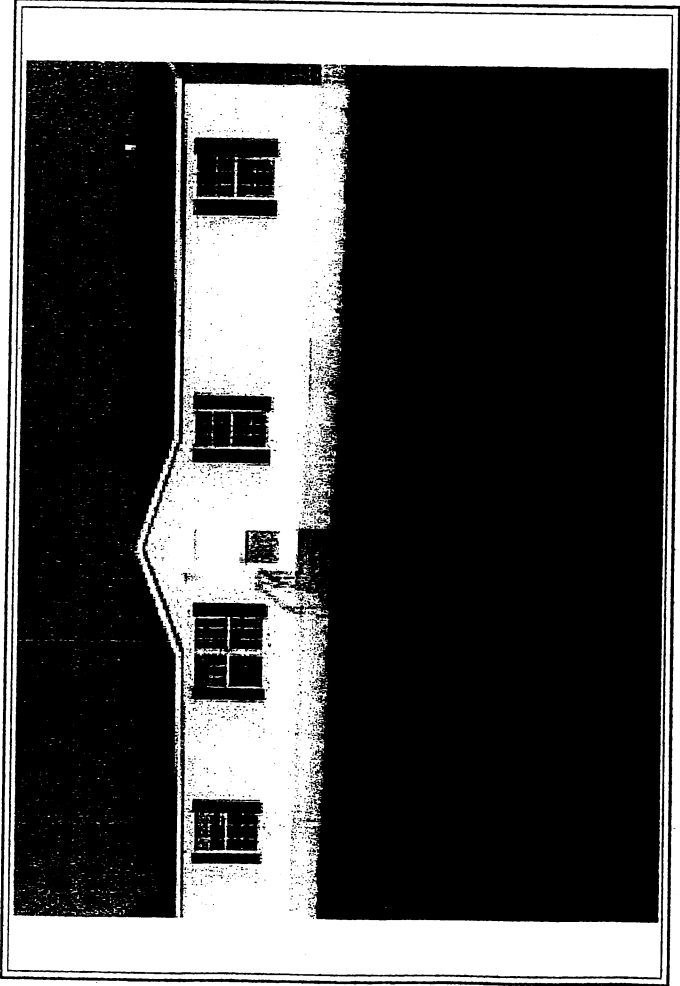
00245

Borrower: Simpson Vs. Simpson		File No.: 3030Gu
Property Address: 3030 Gunter Road		Case No.:
City: Manning	State: SC	Zip: 29102
Lender: Judge Jeff Young		



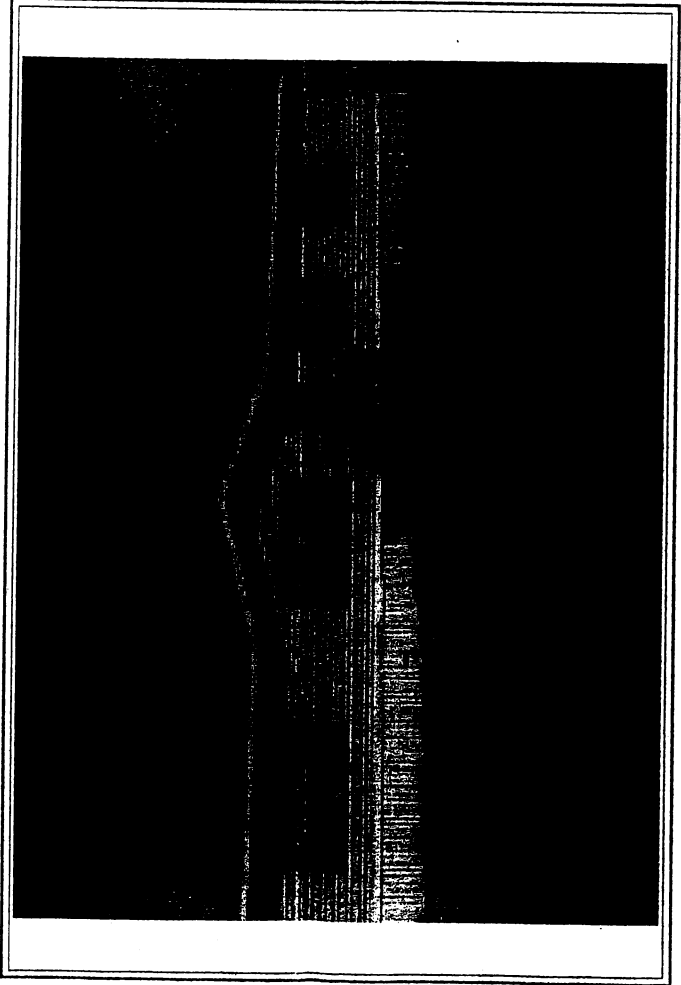
COMPARABLE SALE #1

Lot 29 Ward S/D
Manning, SC
Sale Date: 6/20/2003
Sale Price: \$ 14,500



COMPARABLE SALE #2

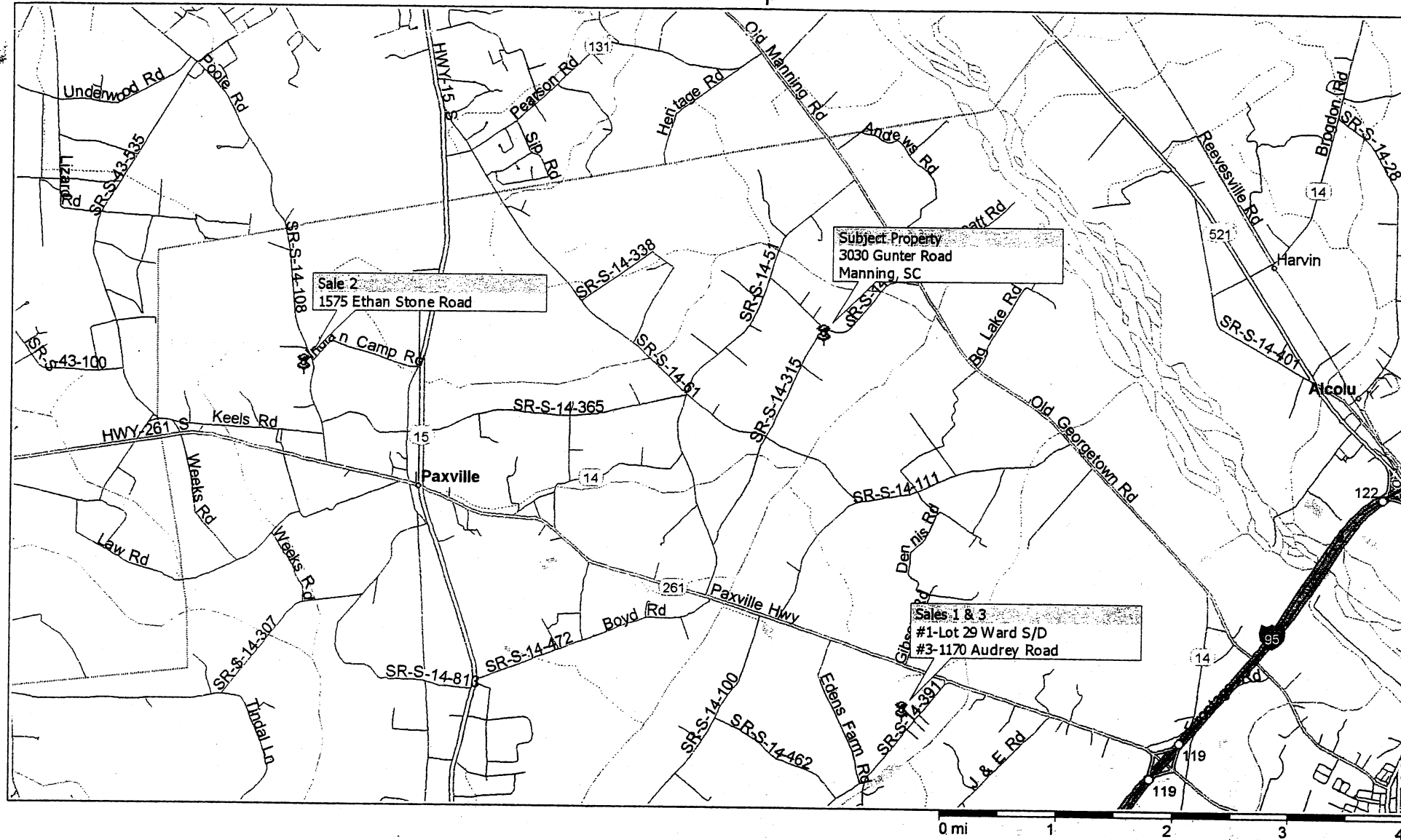
1575 Ethan Stone Road
Paxville, SC
Sale Date: 12/22/2003
Sale Price: \$ 26,750



COMPARABLE SALE #3

1170 Audrey Road
Manning, SC
Sale Date: 3/3/2004
Sale Price: \$ 18,000

Sales Map



00247

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to , or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 3030 Gunter Road, Manning, SC 29102

APPRAISER:

SUPERVISORY APPRAISER (only if required)

Signature: <u>W. Burke Watson, Jr.</u>	Signature: _____
Name: <u>W. Burke Watson, Jr.</u>	Name: _____
Date Signed: <u>February 10, 2006</u>	Date Signed: _____
State Certification #: <u>CG#341</u>	State Certification #: _____
or State License #: _____	or State License #: _____
State: <u>SC</u>	State: _____
Expiration Date of Certification or License: <u>6/30/2006</u>	Expiration Date of Certification or License: _____

☐ Did ☐ Did Not Inspect Property

CG#341

Freddie Mac Form 439 6-93

Page 2 of 2

Fannie Mae Form 1004B 6-93

252

00250

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CLARENDON COUNTY
Family Court of the Third Judicial Circuit

Francis Segars-Andrews, Family Court Judge

Case No. 2004-DR-14-243 & 315

William Robert Simpson, Jr.....Appellant,

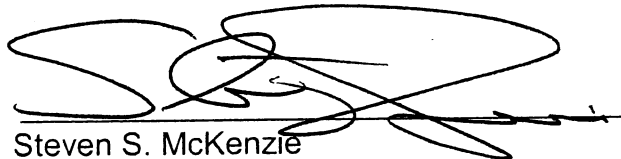
v.

Becky H. Simpson and Wade Ingle, Defendants,
of Whom Becky H. Simpson is ,Respondent.

CERTIFICATE OF COUNSEL

The undersigned certifies that this Record on Appeal contains all materials
proposed to be included by any of the parties and not any other material.

May 6, 2007



Steven S. McKenzie
Johnson, McKenzie & Robinson, LLC
2 North Brooks Street
Manning, South Carolina 29102
(803) 435-0909 Telephone
(803) 435-2858 Facsimile
Attorney for the Appellant

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CLARENDON COUNTY
Family Court of the Third Judicial Circuit

Francis Segars-Andrews, Family Court Judge

Case No. 2004-DR-14-243 & 315

William Robert Simpson, Jr.Appellant,

v.

Becky H. Simpson and Wade Ingle, Defendants,
of Whom Becky H. Simpson is ,Respondent.

CERTIFICATE OF SERVICE

I certify that I have served the Record on Appeal on the Respondent by depositing three (3) copies of it in the United States Mail, postage prepaid, on February 24, 2007, addressed to Warner, Payne & Black, L.L.P P.O. Box 2628, 1122 Lady Street, Suite 1200 Columbia, SC 29202 and three (3) copies addressed to McLaren & Lee P.O. Box 11809, 1508 Laurel Street Columbia, S.C. 29211.



May 11, 2007

Steven S. McKenzie
Johnson, McKenzie & Robinson, LLC
2 North Brooks Street
Manning, South Carolina 29102
(803) 435-0909 Telephone
(803) 435-2858 Facsimile
Attorney for the Appellant